

# Job Nationalisation in the Private Sector: Obstacles and Solutions in the Jouf Region

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*Abstract:* - This study aims to present the obstacles and solutions for job nationalisation in the private sector of the Jouf region. To achieve this, the researchers 1) conduct a descriptive analysis of 3,000 job seekers in the Jouf region; 2) apply a quantitative analysis of the questionnaire's respondents (520 job seekers in the Jouf region); and 3) conduct 15 interviews with business owners. Based on the descriptive analysis, nationalising jobs in the private sector of the Jouf region faces several challenges, such as the lack of experience of job seekers, the gap between job seekers' qualifications and the needs of the private sector, the lack of suitable job opportunities, and in term of working conditions and high operational cost that business owners might face in increasing their nationalisation rate. These challenges indicate the necessity of adopting solutions for job nationalisation, namely adjusting academic programmes, and engaging the private sector in this process, as well as providing training programmes for new graduates of Jouf University before they enter the labour market. In addition, it is necessary to encourage and attract local and international investment to establish businesses and support business growth and job creation. However, a policy of job nationalisation in the private sector can be burdensome for business owners and might negatively affect their success in the market, thus influencing job creation negatively. This means businesses might require support from government bodies, institutions, and law firms in the Jouf region to help them meet the required nationalisation goals. Finally, nationalisation faces other dimensions on the social, institutional, professional, and individual dimensions, where the institutional dimension is considered the highest deterrent to work in the private sector, and professional and individual dimensions were the least deterrents of working in the private sector.

*Keywords:* - Job Nationalisation, (Un)Employment, National and foreign labour, National labour, Workforce, Job seekers, Private sector

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## 1 Introduction

Nationalising jobs or specific sectors refers to replacing jobs with citizens, [1], [2]. Saudi Arabia and many countries have sought to raise nationalisation rates for several reasons that can be

classified into three areas: security, economic and social. The Saudi labour market faces four main challenges, which may explain the country's high unemployment rate. The first challenge is the lack of suitable job opportunities for the local workforce.

Most jobs do not require high academic qualifications and thus offer low salaries; however, 57% of job seekers have high academic qualifications, [3].

This challenge has led to the reluctance of many young people to accept these jobs, causing an increase in the proportion of foreign workers in the private sector, [4]. In addition, many companies in the private sector do not offer training programmes to develop the necessary skills to increase productivity or to engage the local workforce more in the industry, [5]. Accordingly, this research has several recommendations, namely, participation of the private sector in academic programmes, a fair policy of fines and violations for business, and encouraging local and international investment.

The second challenge is the failure of the private sector to create job opportunities that meet the expectations of job seekers. As a result, two-thirds of Saudis prefer to work in the government sector over the private sector. This challenge helped increase the proportion of the foreign workforce in the private sector to 78% in 2020, while the Saudi force in the government sector reached 96% in 2020, [3]. One of the reasons why Saudis prefer working in the government sector is the difference in salaries between the public and private sectors. The wages of Saudis in the private sector reach 7,000 riyals and more than 9,000 riyals in the government sector, compared to 2,000–3,000 riyals for non-Saudis, [3]. Another reason is the working hours, as many jobs in the government sector require working approximately 40 hours or less per week, while employment in the private sector may require working more days and hours per week. Thus, many young people prefer to remain unemployed and wait for a career in the government sector rather than accept a job in the private sector.

According to a study by the National Labour Observatory (NLO), [6], one of the most critical obstacles to nationalisation in the private sector is the labour market's need for professional and quality skills that educational facilities do not provide. In addition, there is a low degree of job stability for domestic labour in general. However, the study did not discuss why companies in the private sector hire foreign workers. Is it possible that the reasons that prompt foreign workers to accept jobs in the private sector are the same as why the private sector started seeking foreign workers to fill their positions?

The third challenge of the Saudi labour market is the high unemployment rate among young people, which is increasing annually due to the annual increase in the number of university graduates. In

2020, a substantial proportion of the Saudi unemployed was from the younger generation (15 to 29-year-olds), with rates ranging from 23% to 31%, [7]. The high rate of unemployed females presents another significant challenge in the Saudi labour market, as this percentage outnumbers the proportion of unemployed males by 17% in 2020, [7]. Researchers and decision-makers have realised that increasing the rate of women's participation in the Saudi labour market is one of the critical solutions to reducing the unemployment rate. Raising awareness of women's contribution to their families and society increased their contributions to the labour market, [8]. Another study indicates the importance of entrepreneurship in advancing women's participation in the labour market and that universities should strengthen their programmes to enhance women's participation in the labour market, [9].

The fourth challenge of the Saudi labour market is the gap between demand and supply regarding academic qualifications and required skills. In addition, there needs to be more information related to the requirements and needs of the market and a reliance on social relationships to obtain job opportunities, [10], [11]. A good network of relations is one of the challenges facing Saudis in securing suitable job opportunities in the private sector. Lack of information is not limited to job seekers; employers lack sufficient information to assess graduates' job readiness. Decision-makers could bridge this information gap by working with universities to develop platforms for collecting and exchanging data in an organised manner, [12].

Providing training and education programmes tailored to the needs of the labour market – especially the private sector – can also help reduce this gap, [11], [13]. Developing curricula and training for graduates have been proposed to address unemployment, [14]. Although educational institutions and government agencies (the Ministry of Education, the Ministry of Defence, and the Public Administration) are considered the main generator of Saudi jobs, the increase in the number of graduates may cause difficulties for some sectors in creating more opportunities for these new job seekers to the market. Therefore, improving job opportunities in the private sector and making them suitable for Saudis may be one of the solutions available to reduce the unemployment rate in Saudi Arabia.

The Saudi government has made many efforts to reform the Saudi labour market through nationalisation policies in the private sector. However, the effects of these reforms cannot be

seen in the short term. Instead, it takes a decade for a positive impact to appear in the Saudi labour market. Entrepreneurship and localisation of specific sectors, namely education, and banking, are two methods of tackling unemployment in Saudi Arabia. Although these tactics influence nationalisation positively, further improvements are required in terms of wages, working hours, training, and support for small and medium enterprises (SMEs), [15], [16], [17].

The relationship between unemployment and nationalisation has never been analysed at the regional level in Saudi Arabia, nor has it been studied from the point of view of job seekers and business owners. Furthermore, the obstacles to nationalisation from the individual, professional, social, and institutional dimensions have yet to be previously discussed. Therefore, this research aims to search the obstacles to and solutions for job nationalisation in the private sector from the point of view of job seekers and business owners in the Jouf region. The remainder of this paper is organised as follows. Section 2 presents the conceptual and empirical, section 3 presents the literature review, section 4 present the research methodology, section 5 presents an analysis of the obstacles and solutions to job nationalisation in the private sector in the Jouf region, and the discussion is presented in section 6. Finally, research limitations and recommendations are presented in section 7.

## 2 Conceptual and Empirical Framework

Unemployment can be defined as when a non-working citizen between the ages of 18 and 58 searches for a job that suits their skills, qualifications, and experience, [1]. Nationalisation can be defined as recruiting workers from that country's citizens in various fields of business or specific sectors refers to replacing jobs with citizens, [1]. Saudi Arabia and many countries have sought to raise nationalisation rates for several reasons that can be classified into three areas: security, economic and social.

The private sector refers to all establishments and institutions that are managed with a profit-oriented thought and whose owners have goals of financial gain. Since these establishments have an essential and influential role in achieving nationalisation, the Chambers of Commerce and Industry have adopted policies and programmes to aid the private sector in providing Saudi citizens with job opportunities. Some of its contributions

include searching for investment opportunities in Saudi Arabia, preparing feasibility studies, and creating job opportunities for young people, [18].

Job seekers may experience obstacles such as a lack of experience and qualifications suited to the market's needs, their preferences of working conditions differing from the available opportunities in the private sector, job insecurity, and other circumstance that may deter working in the private sector. Businesses run into obstacles, such as their reliance on employing foreign workers to reduce costs. Regulators encounter difficulties in localising sectors, such as construction, due to lacking a national workforce that meets the market needs. Finally, there may be community-related obstacles, such as a family's perception of working in the private sector or the unwillingness to work in diverse workplaces, especially for women, [1].

There are a variety of solutions to raise nationalisation rates in different sectors, such as providing training, emphasising the importance of education, and encouraging investments. However, solutions, like obstacles, must be analysed from all angles. There are also individual, professional, and social levels. Based on this, the researchers of this study create the empirical framework shown in Table 1 to present the obstacles to and solutions for job nationalisation in the private sector in the Jouf region.

## 3 Literature Review

The extant studies that have examined the issue of unemployment and nationalisation in Saudi Arabia can be divided into four strands of literature. The first strand explores the problem of unemployment and the challenges of the Saudi labour market. For example, [13], examines the problem of unemployment and its implications in the context of the needs of the Saudi labour market and proposes several recommendations plan to confront the problem of unemployment from the perspective of education. The most important of these is to conduct training and qualification programmes for young people and link them to the Saudi labour market. Another study, [19], discusses the importance of enhancing human capital to minimise the gap in the labour markets in terms of qualifications, needs, and requirements.

Table 1. The empirical framework of the study

Research Question	Method of Data Collection	Expected Outcome
What is the reality of unemployment in the Jouf region?	Secondary data of job seekers from the Human Resources Fund.	A descriptive analysis of job seekers' main demographic information.
What are the causes of and solutions to unemployment in Jouf region?	A questionnaire distributed to job seekers from the Human Resources Fund.	An analysis of unemployment causes and solutions.
What are the obstacles to and solutions for job nationalisation in the private sector?	Interviewing business owners in the Jouf region.	Obstacles and solutions from the viewpoint of project owners to localise jobs in the private sector.
	A questionnaire to examine the barriers to work in the private sector from several dimensions: the individual, social, professional, and institutional dimensions.	The most significant obstacles to work in the private sector in Jouf region.

The second strand of literature explores unemployment solutions. One of them analyses the role of education and training institutions in nationalising jobs considering Vision 2030, [14]. The study concludes that one of the most critical difficulties of educational institutions in their contribution to nationalisation is communication with employment sectors and their participation in developing curricula and training graduates. A system is proposed to address unemployment through nationalisation and the role of educational institutions in that. Another study, [20], discusses the part of the Labour Ministry in Saudi Arabia in reducing the increasing rate of unemployment, which is partially caused by the increase in the number of graduates and the preference of young people to work in the government sector rather than the private one.

The third strand of literature focuses on nationalisation in different sectors as one of the solutions to unemployment. One study identifies the impact of the nationalisation of educational professions in private schools in Saudi Arabia by examining the obstacles faced by these schools and how to overcome them. The study recommends minimum wages and applying the system of promotions, incentives, and rewards to workers. Another study, [16], examines the impact of the nationalisation policy on employment in the banking sector in Saudi Arabia and finds that there is a need for providing training, adjusting working hours, and providing incentives for a job. Finally, another study, [15], focuses on nationalisation in the health sector.

It concludes that there is a need to follow a multipronged approach to encourage citizens to take

up healthcare jobs, particularly those in the nursing and pharmacist professions.

The fourth strand of literature concerns the role of investment and entrepreneurship in combating unemployment. One study, [17], examines the role of SMEs in reducing unemployment in Saudi Arabia. Their study concludes that obstacles limit SMEs' role in confronting unemployment significantly, for example, pressures at the early stages of the business establishment regarding profits. The results indicate that one way to overcome the obstacles is to raise awareness of the importance of entrepreneurship and provide entrepreneurs with the necessary experience to operate and manage their projects with business incubators.

Accordingly, none of the previous studies searched or discussed the nationalisation phenomena in Saudi Arabia on the regional level, as it may differ from one region to another; in addition, each area might have different obstacles and solutions toward nationalisation, which requires a deep analysis on the regional level when tackling one of the fundamental issues in regard of the unemployment rate. Not to mention, none of the previous studies has searched the phenomena from both perspectives of job seekers and business owners. Therefore, the obstacles and solutions differ on both sides, which needs to consider and more analysis from the two views.

Another aspect that needs to be considered, and has yet to search before, is the obstacles of working in the private sector, which deter young people from working there. This is important to consider in the nationalisation phenomena because there might be other reasons on the individual, professional, social,

and institutional dimensions that deter young people from working or accepting job opportunities in the private sector, which need to consider. Therefore, this research aims to search the obstacles to and solutions for job nationalisation in the private sector from the point of view of job seekers and business owners in the Jouf region by considering the individual, social, professional, and institutional dimensions.

## 4 Research Methodology

Several methods are employed to collect and analyse data to achieve the research aim. First, a descriptive analysis of 3,000 job seekers in the Jouf region from the Human Resources Fund and secondary data from the Commerce Chamber in the Jouf region, [21], is conducted. Second, the researchers sent an electronic questionnaire to the 3,000 job seekers mentioned above; of these 3,000 questionnaires, 520 responses were obtained. Third, these responses are analysed and reviewed quantitatively. The questionnaire used in this study inquiries about the following aspects:

- Demographic data of the job seeker in the Jouf region.
- Previous experience in the labour market and the preferred sector.
- Job-seeking experiences and available opportunities.
- Reasons for not getting a job.
- Causes of unemployment in the Jouf region.
- Suitable solutions for unemployment in the Jouf region.

Third, interviews are conducted with business owners in the Jouf region. Business owners' data are collected from the Commerce and Industry Chamber in the Jouf region for all businesses that have been in operation for more than three years. This excludes companies in the early stages when the failure rate is significantly high. At least 20 firms engaged in various activities obtained from the data selection: restaurants, hotels, cafes, companies, photography, communications, etc. Fifteen interviews are conducted with the business owners. The most important results are reviewed thoroughly to illustrate the obstacles to nationalisation and their solutions in the private sector from the viewpoint of business owners.

Last, another questionnaire was distributed to the same 3,000 job seekers from Human Resources Fund. Of these, 130 responses are obtained and analysed to determine the main obstacles to working

in the private sector in the Jouf region. This questionnaire examines the barriers to working in the private sector from different dimensions: individual, social, professional, and institutional. Respondents' answers-based Likert Scale measures each aspect on a 5-point, where one indicates "totally disagree", and five means "totally agree".

## 5 Results

### 5.1 Job Seekers in the Jouf Region

The total population of the Jouf region (both Saudis and non-Saudis) is 543,000, and the total number of Saudi workers (both genders) in 2020 was 39,000, compared to 48,000 non-Saudis in the same year. The overall unemployment rate in 2020 was 7.4%, with the unemployment rate of females being much higher than their male counterparts at 16% and 4%, respectively. There has also been an increase in the number of new students in higher education and vocational trainees, meaning the area is experiencing growth in the number of entrants to the labour market. These pressures the public and private sectors to create suitable job opportunities. As a result, the number of new students (over 11,000) and the total number of vocational and technical training graduates (approximately 724 and 956 in 2017 and 2018, respectively) constantly increased.

According to job seeker data in the Jouf region from Human Resources Fund, most job seekers are aged 24–29, female, have a bachelor's degree from administrative and humanitarian disciplines, and have never worked before. This presents a significant challenge for job seekers in terms of experience, qualifications, age, lack of conformity with the labour market's needs, and lack of suitable opportunities. Thus, there is an urgent need to reconsider the curricula of the administrative and humanitarian disciplines and either work towards improving their quality or examine the feasibility of continuing them – starting with Jouf University, as the majority of job seekers are graduates of Jouf University. In addition, providing internships from the private sector for Jouf University students and graduates is necessary. Finally, there is a need for awareness campaigns to enable women and increase their participation in the labour market, [7]. Fig 1 presents the descriptive data about job seekers in the Jouf region regarding gender, age, specialisation, residence, and academic qualification.

In the private sector of the Jouf region, the number of businesses registered with the Commercial and Industry Commerce decreased in

2018 to approximately 15,000, compared to 18,000 in 2014. This number is one of the least among other regions in Saudi Arabia, such as Medina, with 29,000 businesses, and Riyadh, with 127,000 companies. Most of these businesses are in the food industry, commercial services, and retail, with either new or renewed registration licenses. This shows that it is necessary to provide institutional support to economic activities in different sectors and to promote investments in promising sectors – such as technology, artificial intelligence, and tourism – to contribute more to job creation in the Jouf region. Promoting investment does not only mean attracting foreign investments; local investment should also be cultivated via developing an entrepreneurship ecosystem that facilitates institutional and resource access, [22]. Institutions in the public and private sectors play a crucial role in developing the entrepreneurship ecosystem by encouraging start-ups, business growth, and continuity via financial, information, and training support.

## **5.2 Causes of and Solutions to Unemployment in the Jouf Region**

### **5.2.1 Demographic Information of the Sample**

In this study's sample, females outnumbered males at 68.5% and 31.5%, respectively. Those aged 24–29 comprised most of the sample population at 73.8%. The percentage of respondents varied according to their place of residence: 36% were from Sakaka, 35% from Qurayyat, 15.9% from Dumat al-Jandal, and 13% from Tabarjal. The most significant percentage of job seekers hold a bachelor's degree, at approximately 71%, while a tiny rate (less than 1%) hold a master's or doctoral degree. In addition, about 92% of the sample are looking for a job, and 6% have a job (either in the training phase or waiting to start working). Fig 2 summarises the research sample's demographic information regarding age, area of residence, education level, and job status.

More than three-quarters of the sample had never worked before, while approximately 16 % of the sample had previously worked, with unemployment varying; around 9% have been unemployed for less than one year, and 43% have been unemployed for 1 to 3 years. Similarly, approximately 49% have been searching for a job for 1 to 3 years, and 9% have spent less than one year searching. More than three-quarters of the sample prefer to work in the government sector, and less than 1.7 % prefer to start a business, as shown in Fig 3. Since a large percentage of job seekers are young people, they do

not have previous work experience and spend 1 to 3 years searching for a job, meaning that they are recent graduates facing several challenges while searching for work. These challenges can be seen in the method used for job searching, the shortcomings in employment agencies, or the need to learn how to apply for jobs or prepare for personal interviews. Therefore, a platform is urgently needed to assist Jouf University graduates in engaging and entering the labour market. This assistance can be in different forms, conducting workshops and consultations on how to search for a suitable job, apply, prepare for an interview, and write a CV.

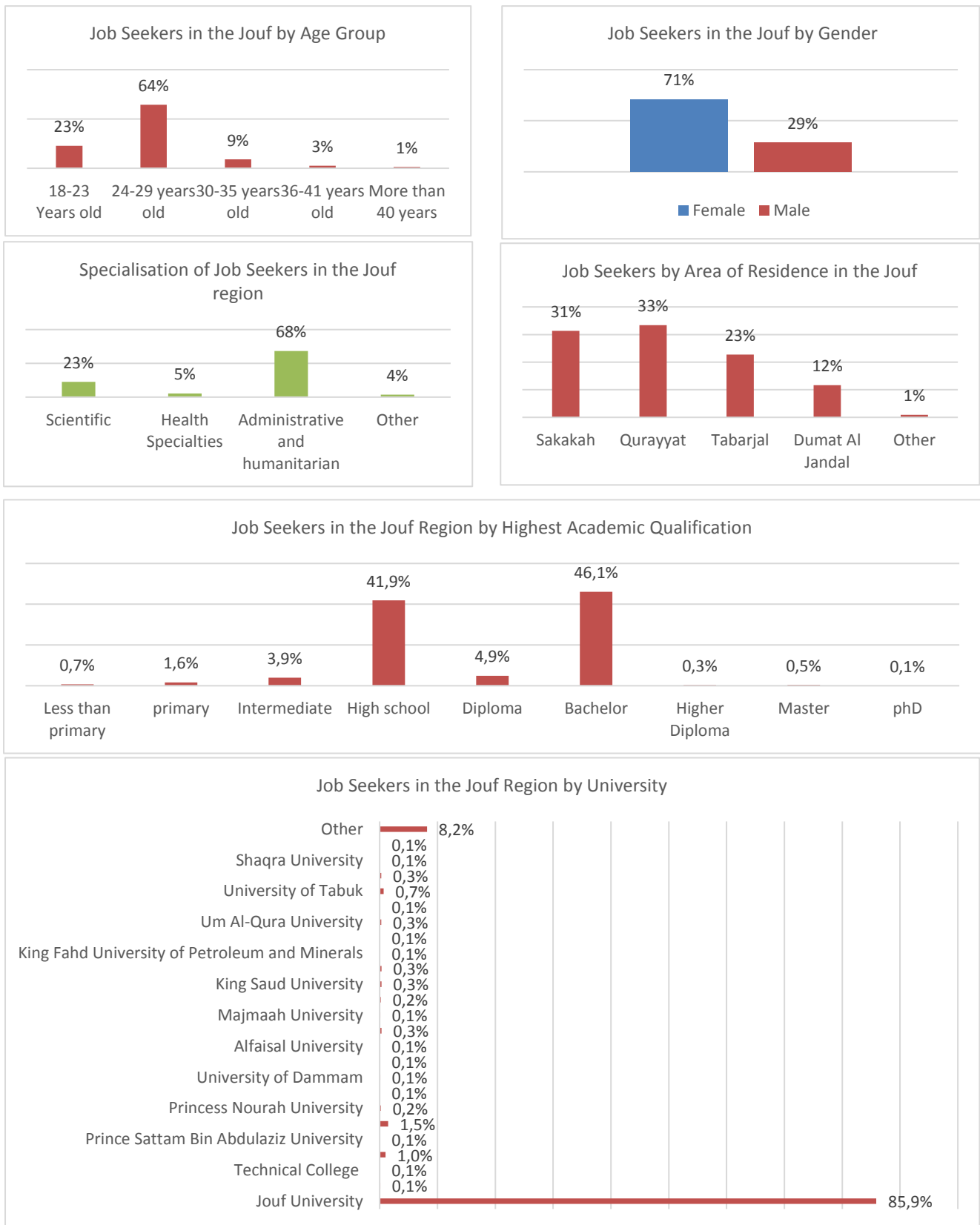


Fig. 1: Descriptive data of job seekers in the Jouf region

### 5.2.2 Job Search and Available Opportunities

Approximately 66% of job seekers have searched for or attempted to start a business. Most job seekers (80%) have searched in both sectors, government and private. However, out of the total job seekers, a mere 6% have gotten a job or started a business. The methods used to search for work during the most recent unemployed period varied: most respondents (58%) used the Human Resources Fund, while only 1% of respondents attempted to find employment by starting a business. Around 30% were through direct submission to the workplace, asking relatives and friends, or corresponding to an email. Fig 4 illustrates information about the job search experience and available opportunities. It shows that job seekers rely heavily on government tools (such as Human Resources Fund) when searching for work, mainly avoiding other tools, such as social media and networking. This may be due to a lack of knowledge about the different tools' importance or how to use them effectively. This indicates that there is a need for campaigns targeting job seekers and university graduates on how to search for suitable job opportunities and take advantage of all available job-searching tools, and not limit their job information pool to the Human Resources Fund.

### 5.2.3 Reasons for not Getting a Job

Job seekers face many challenges when trying to find suitable employment opportunities. The majority of job seekers (79%) state that there is a lack of job opportunities, 44% of them state that there is a gap between opportunities and their academic qualification, and 36% feel that the requirements for available options, such as experience and skills, are a likely a reason for the lack of opportunities. Although half of the respondents believe that the gap between educational qualification and available options may cause unemployment, more than three quarters of respondents do not mind occupying a job that does not match their educational qualification either to later pivot towards a better job or to gain experience.

Job seekers state that there are three main reasons why the labour market in the private sector does not accept recent Saudi graduates:

- Lack of experience (60%)
- The need for specific qualifications (52%)
- The selection of foreign workers due to their acceptance of low wages (35%)

This confirms the need to reconsider academic programmes, encourage investment in promising sectors, and develop an entrepreneurship ecosystem with the help of key players. Fig 5 shows respondents' reasons for not getting jobs in the Jouf region. Fig 6 shows why respondents feel Saudi graduates are not readily accepted in the labour market. Finally, Fig 7 reports the information regarding buying or rejecting work inconsistent with the respondents' qualifications.

### 5.2.4 Causes of Unemployment in the Jouf Region and its Solutions

According to the job seekers, there are various causes of unemployment in the Jouf region, with the main three being a lack of sufficient job opportunities in the market (78%), a lack of respondents' employment experience (58%), and a lack of qualifications and skills requirements, such as language or computer skills (28%). Job seekers also feel that the most critical solutions to the problem of unemployment in the Jouf region are by establishing training centres and training platforms for the unemployed that fit the needs of the labour market (45%), promoting women's empowerment in the labour market and creating suitable job opportunities for them (37%), and establishing employment offices for job seekers (35%). Fig 8 reports the causes of unemployment, and Fig 9 reports the information regarding the solutions for unemployment in the Jouf region.



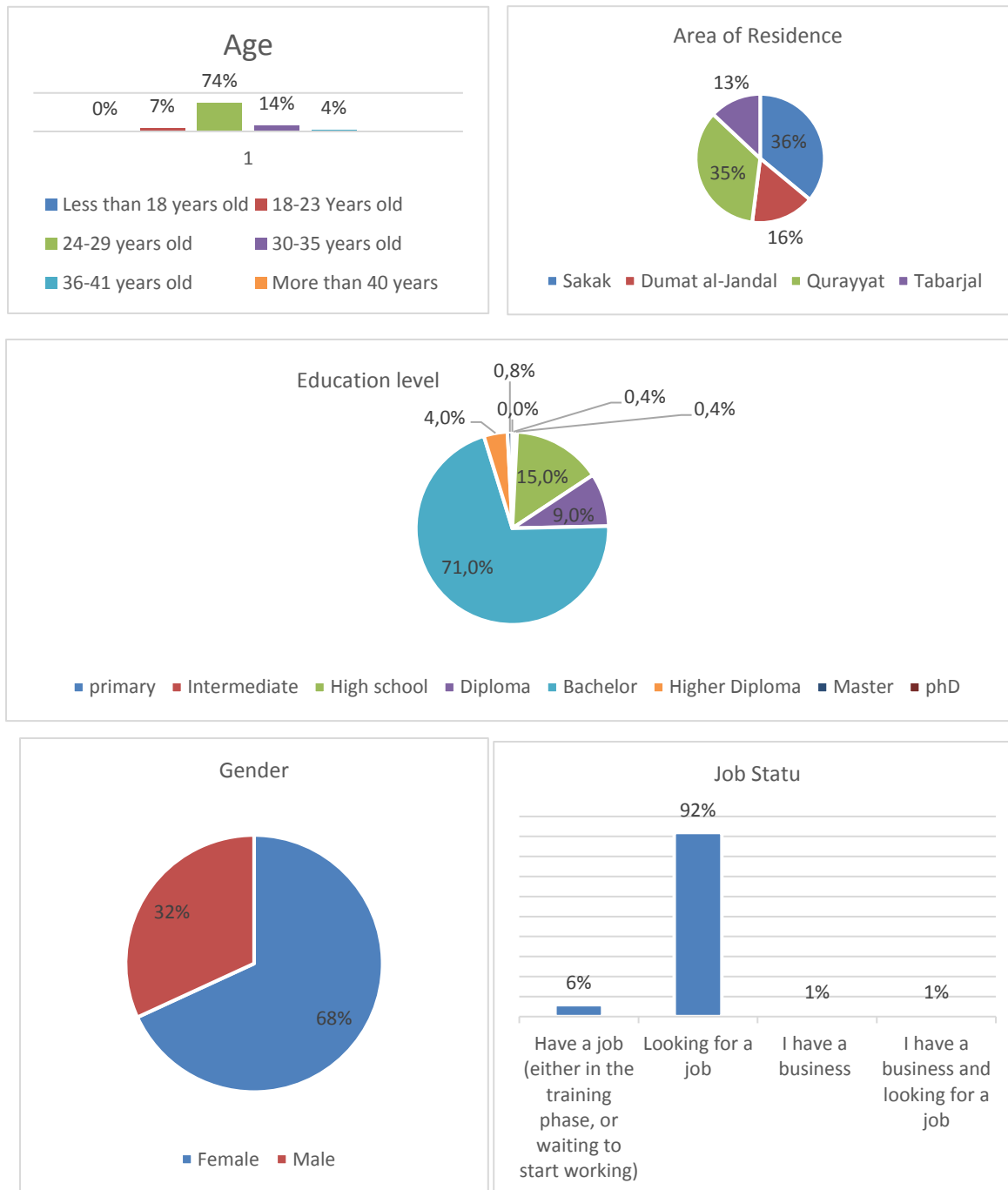


Fig. 2: Demographic information of the research sample

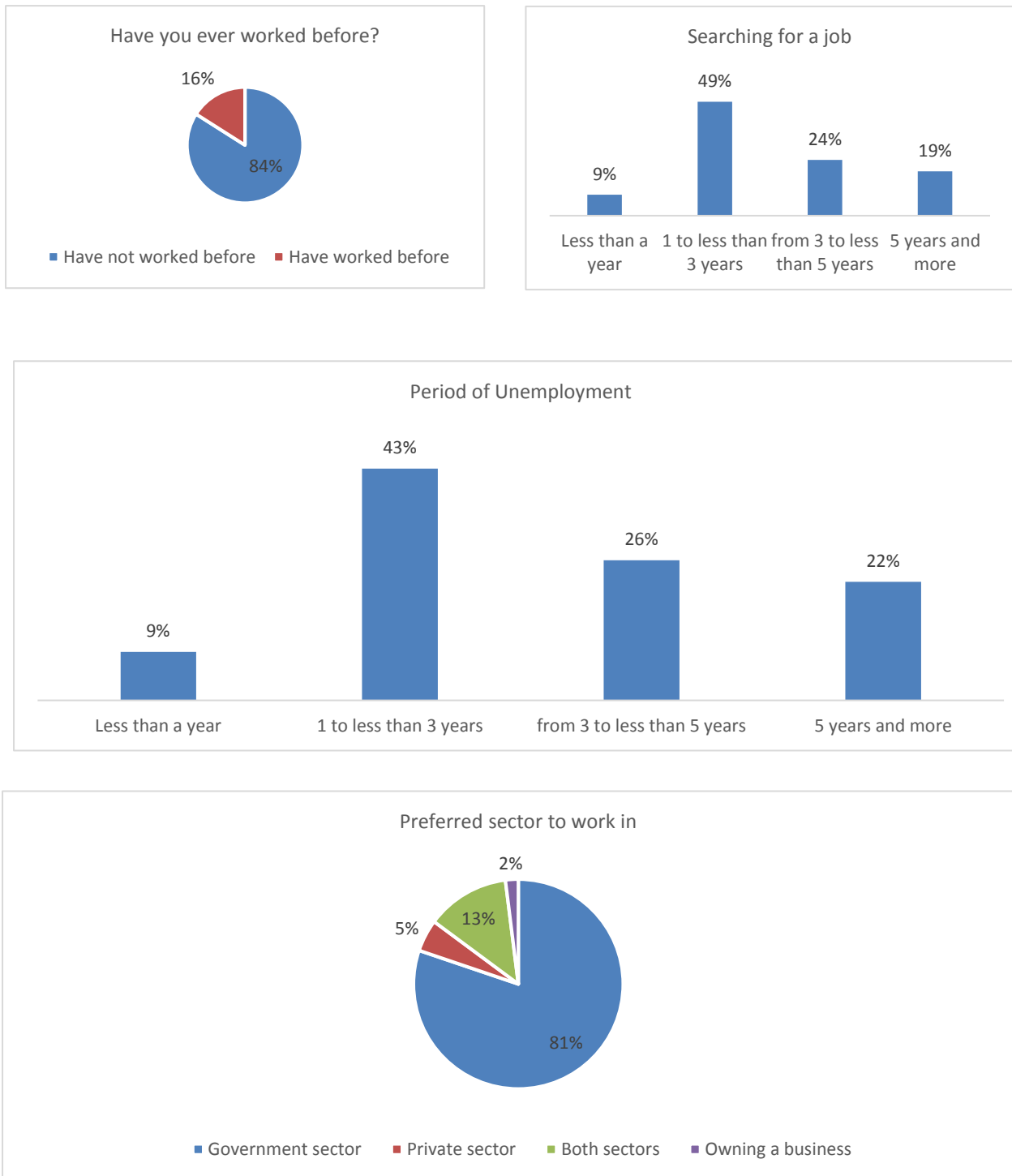


Fig. 3: Work status and experience

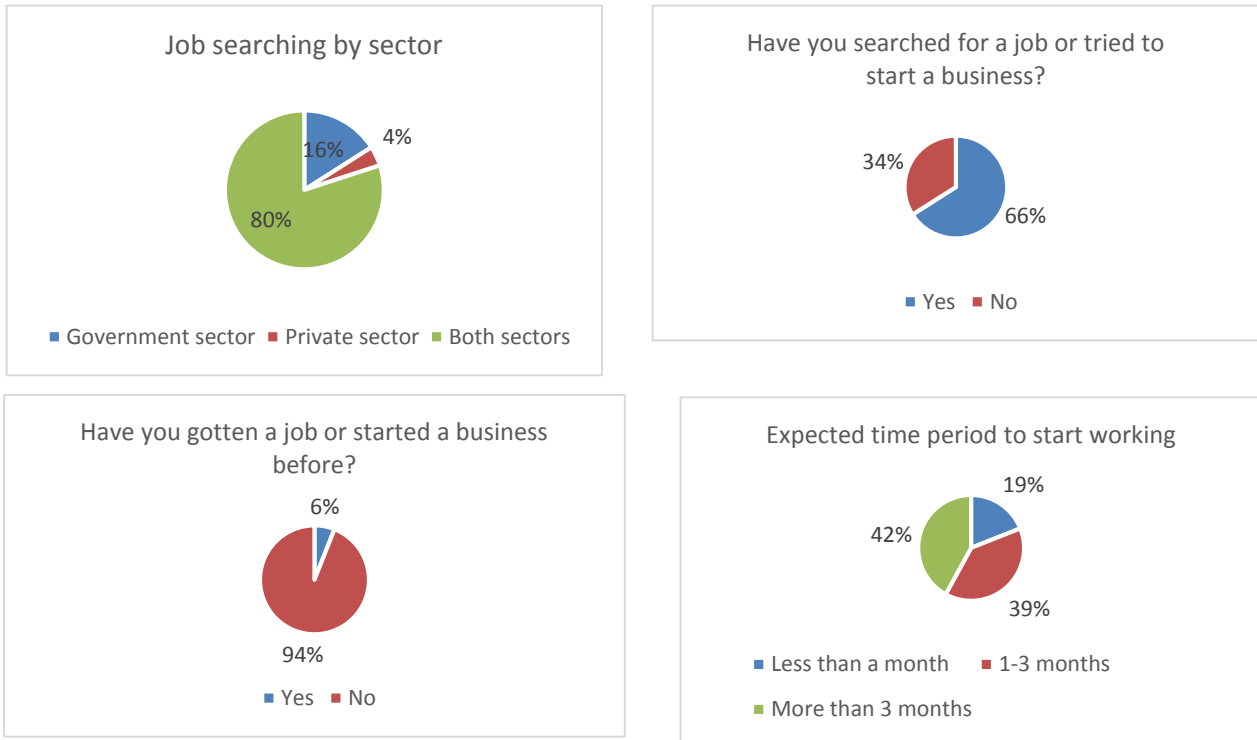


Fig. 4: Job searching and opportunities in the Jouf region

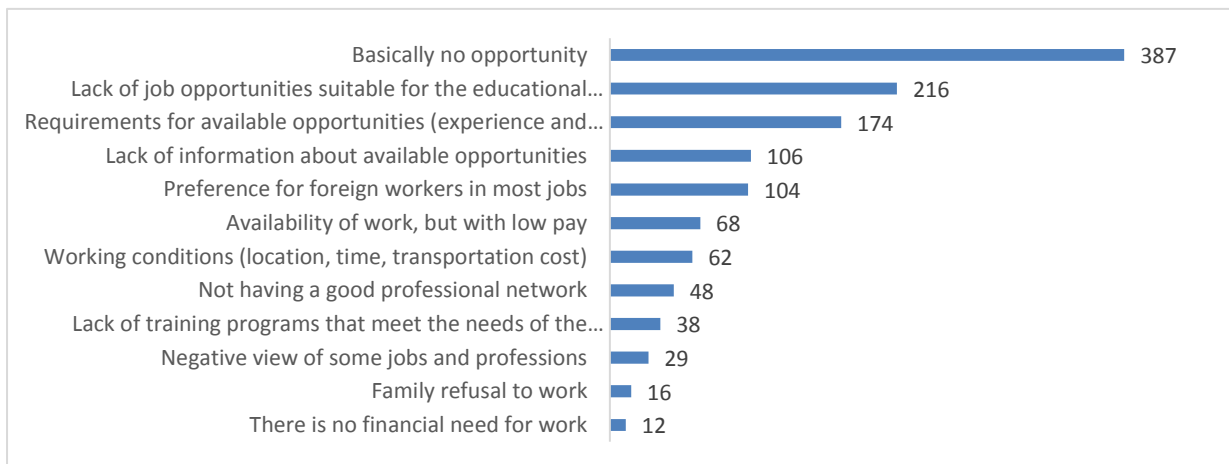


Fig. 5: Reasons for not getting a job in the Jouf region

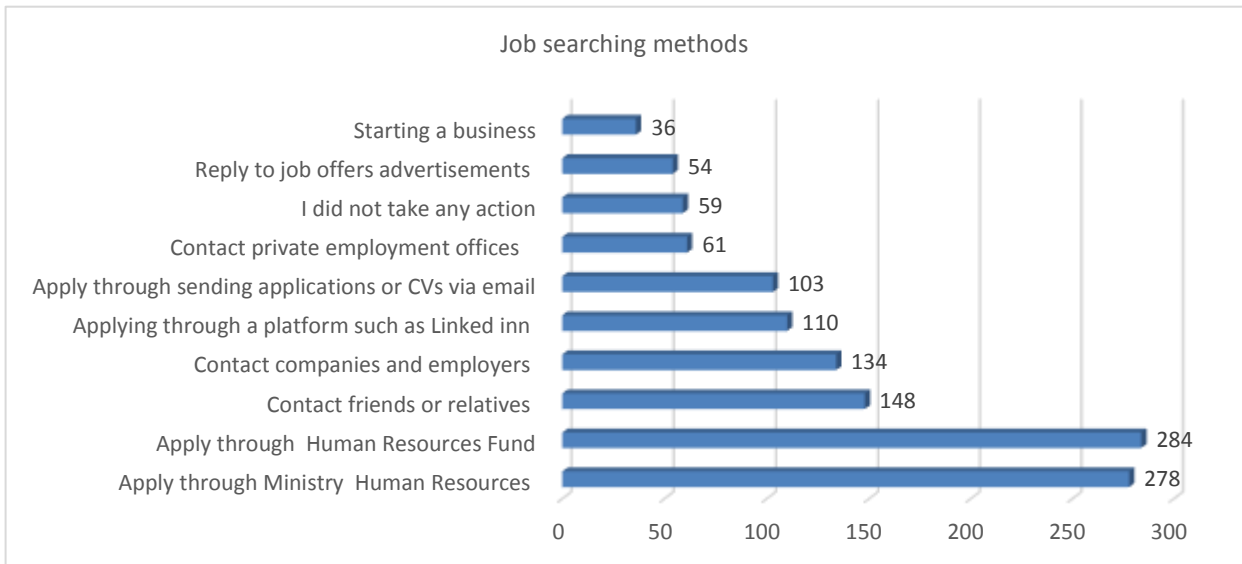
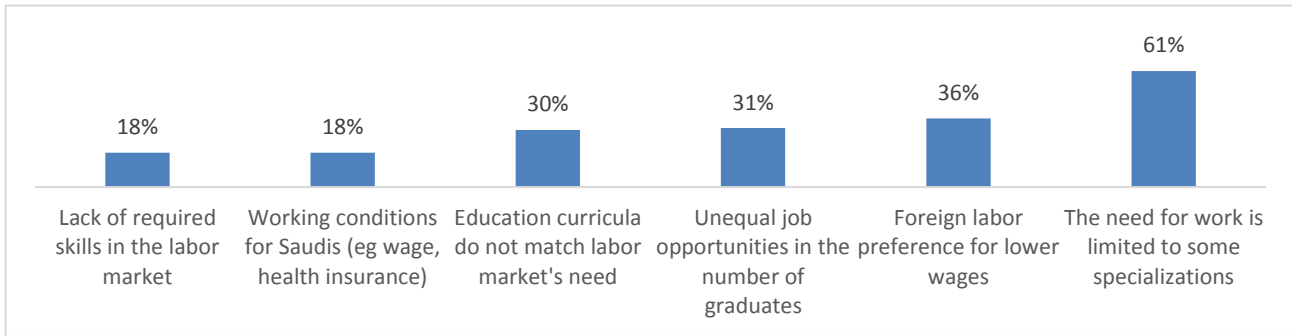


Fig. 6: Reasons for not accepting graduates in the labour market

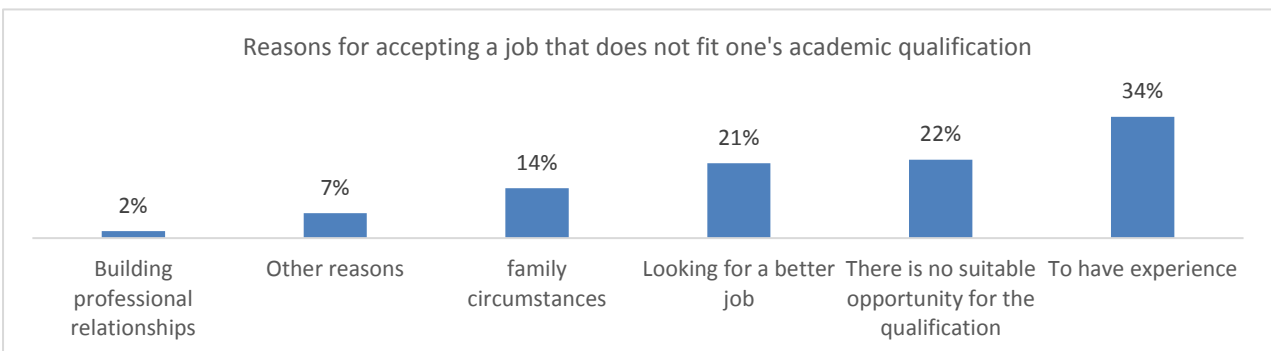
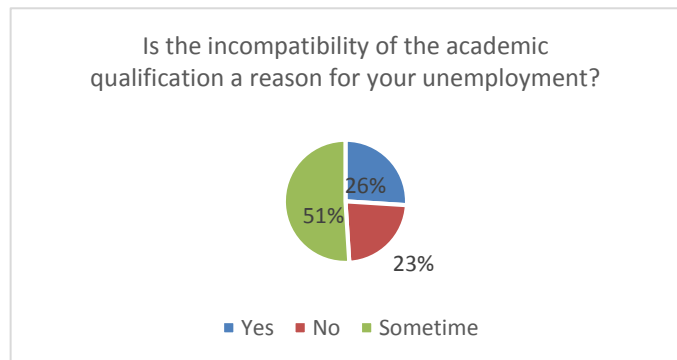
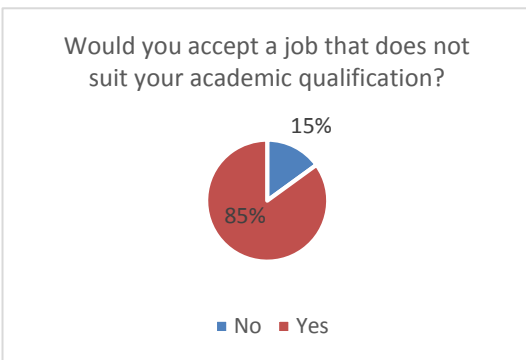


Fig 7: Acceptance or rejection of work that is not commensurate with the educational qualification

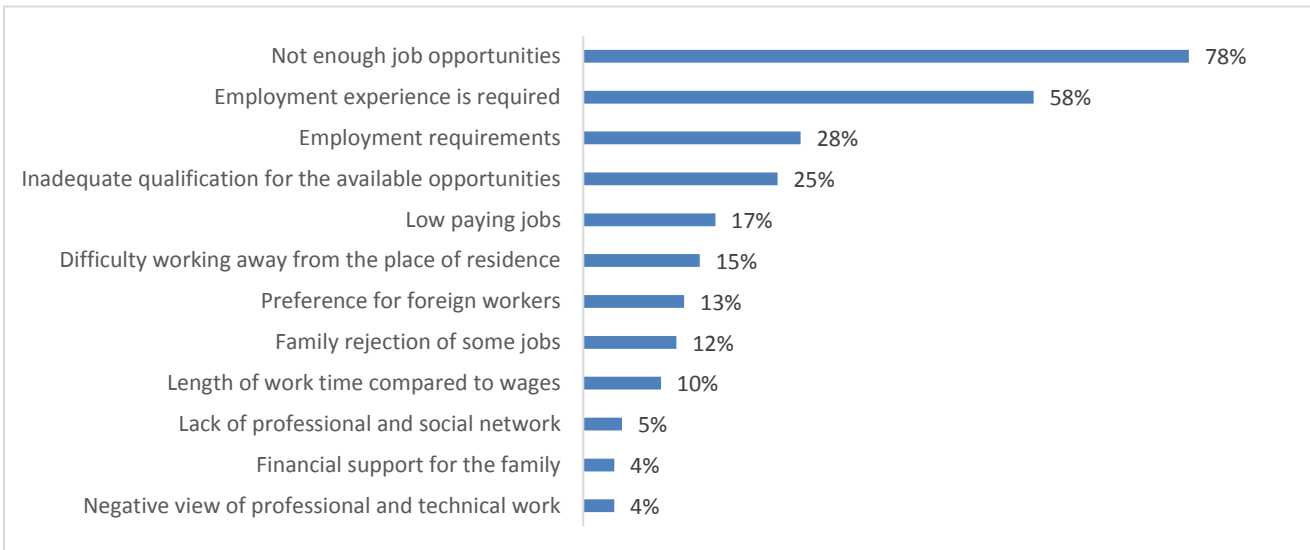


Fig. 8: Causes of unemployment in the region.

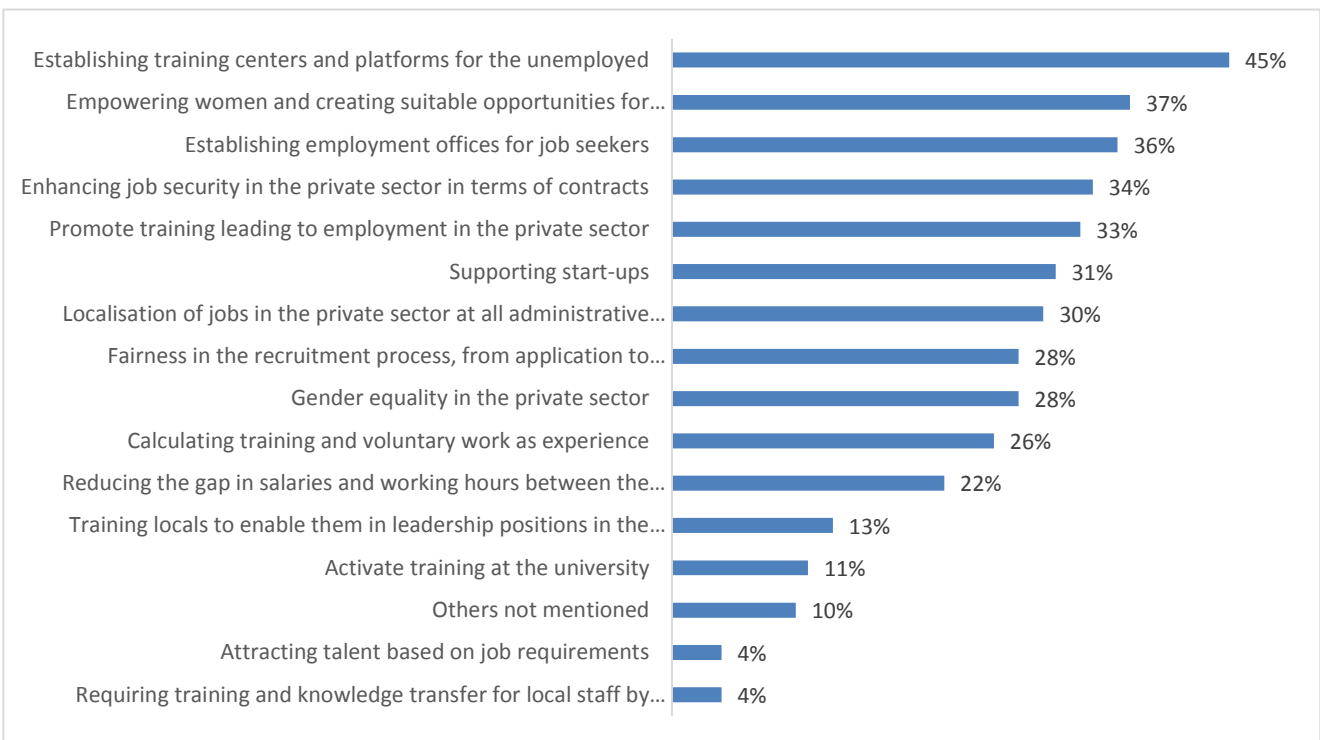


Fig. 9: Unemployment's solutions in Jouf Region

### 5.3 Determining the Obstacles to Employing Jobs in the Private Sector

Several interviews are conducted with business owners in the Jouf region, and they state the following obstacles to job nationalisation:

1. Work pressures and long hours (for example, 40 work hours a week) are among the main reasons for not attracting domestic labour, compared to foreign labour, the latter are more accepting of working conditions in the private sector.
2. Job opportunities in the private sector are considered unattractive to Saudi job seekers; thus, they prefer working in the government sector in the Jouf region.
3. Saudis have many different obligations, such as social and family obligations; these may negatively affect productivity and work engagement, compared to foreign labour, and thus their tendency to accept long work hours.
4. There need to be more initiatives to empower young people to work in the private sector and start a business. There is a need to intensify efforts in providing support for training, encouraging employment in the private sector, and creating businesses through government and private initiatives.
5. There are varying levels of competition in the labour market at the regional level. This may have led to a lack of balance and the eligibility of a particular region's residents to find jobs in that market.
6. There needs to be more procedures and policies to ensure job stability for local labour.
7. High operational costs and fines for nationalisation may have burdened.
8. business owners and affected their ability to grow in the market. This negatively affected their ability to create more job opportunities – hence the high unemployment rate.
9. There is a gap between job seekers' skills and educational qualifications and the opportunities available in the private sector. This may have led to high unemployment rates.
10. Educational and academic programmes have no practical and professional training. Most programmes are theory-oriented, and universities must provide more realistic training. Thus, there is a gap between these programmes and the labour market's needs; this may have led to an increase in unemployment rates.
11. In addition to the above, solutions and proposals are discussed with business owners to increase and promote nationalisation in the private sector in the Jouf region, the following suggestions are offered:
12. There is a need for studies and statistics that reflect the current situation of the labour market and the private sector in the Jouf region. In addition, the most critical challenges facing enterprises – especially SMEs – should be examined to provide solutions and possible support methods. Doing so will likely enhance the chances of their success and growth in the market. This is important because SMEs are the main generators of job opportunities for young people in the Jouf region. These studies must collaborate with related authorities, such as the Chamber of Commerce, the Human Resources Fund, the National Entrepreneurship Institute “Riyada”, and Jouf University.
13. Cooperation should be encouraged between educational, technical, and vocational institutes and the private sector in the Jouf region. This will help meet the needs of the labour market through academic programmes by enhancing the practical and applied aspects of these programmes.
14. A training programme should be provided to university graduates before they enter the labour market, with the support of official and governmental bodies and the participation of the private sector.
15. A valid nationalisation plan should be developed to ensure that residents of each particular region can secure the jobs offered in it.
16. Necessary legislation and policies should be implemented to guarantee the rights of all parties by clarifying things such as the terms of work contracts and the obligations of workers after they receive training.
17. The labour office inspectors should be trained to assess and monitor violations. Inspectors should also show fairness when issuing fines and financial consequences. This will help ensure that all businesses, especially SMEs, have a fair chance at success. In addition, campaigns should empower young people and facilitate support for them – not just to start businesses but also to help their companies continue to thrive in the market through training programmes, incubation programmes, and access to resources.
18. The private and public sector gap should be decreased in terms of incentives, guarantees,

continuity, and the link between productivity and continuity of work.

#### 5.4 Obstacles to Working in the Private Sector in the Jouf Region

As previously mentioned, the nationalisation process in the private sector in the Jouf region may face several obstacles on the individual, institutional, social, and professional levels. This study uses a questionnaire to gather information regarding the obstacles to working in the private sector from the perspective of job seekers. A 5-point Likert scale was used on this questionnaire where one indicates “totally disagree”, and five indicates “totally agree”. Table 2 summarises the descriptive analysis of the obstacles to working in the private sector in the Jouf region and shows that the average answers for the individual, professional and social dimensions are approximately 4, which means ‘tend to accept the phrase’. This indicates that these aspects are not considered obstacles for job seekers. At the same time, the institutional dimension is closer to 3, which is neutral regarding the obstacles to work in the private sector. This means the institutional dimension is considered a more significant obstacle than social, professional, and individual dimensions. Therefore, these dimensions can be ranked as follow: institutional, social, professional, and individual.

Notably, there are no obstacles to working in the private sector from the individual perspective. The average respondent believes that they can work and be successful in the private sector and that their family will approve of them working in the private sector, as the mean of the aspects mentioned above is around 4 (with a standard error range [.08-.09]), which means “tend to accept the phrase”. However, working in a mixed environment can be an obstacle to some, as the mean is 3.25 (with standard error [.1]), which is neutral regarding working in a mixed environment, meaning some job seekers, especially women, prefer to work in one gender environment. On the social dimension, there are no obstacles to working in the private sector regarding the respondents’ families’ outlook and aspirations, social status, respect, and self-esteem. However, the mean of these aspects is almost 4 (with a standard

error range [.085-.094]), meaning ‘tend to accept the phrase’, yet they are less than some aspects of the individual dimension as illustrated in Table 3.

Similarly, the average of the means of the professional dimension’s aspects approaches 4 (with standard error range [.07-.1]), which means “tend to accept the phrase”; thus, it may not consider a significant obstacle in the professional aspects. These include the preference of working in Jouf, adapting to the work environment, available opportunities, and covering material needs, as it showed in Table 3.

However, on the institutional dimension, working in the private sector may have many obstacles. The means of some aspects were around 3 (with standard error [.1]), meaning “neutral”, such as the availability of unpaid training opportunities, supporting resume preparation, searching for job opportunities, the availability of labour market information, and the role of employment offices.

In general, among all aspects in all four dimensions, obstacles to working in the private sector can be ranked as follow: availability of labour market information (as the mean is 3.1 and standard error .1), the availability of unpaid training (as the mean is 3.1 and standard error is .1), employment offices (as the mean is 3.2 and standard error is .1), then searching for job opportunity (as the mean is 3.23 and standard deviation is .1). All these aspects represent the institutional dimension, which means further enhancement on the role of institutions to increase the nationalisation in the private sector through considering developing these aspects. Another aspect that can be considered as an obstacle to working in the private sector is working in a mixed environment that might require enhancement in the work environment, especially for women, to encourage them to work in the private sector.

On the other hand, aspects of different dimensions are not considered obstacles to work in the private sector, where the highest means are on the individual and professional dimensions. This means job seekers are open to work in the private sector even if it does not suit the qualification (as the mean is 4.3 and the standard error of .08) and even if the opportunity is not in the Jouf region (as the mean is 4.28 and standard error is .079).

Table 2. Descriptive analysis of the obstacles to working in the private sector in the Jouf region

	Individual	Social	Professional	Institutional
<b>Mean</b>	4.058974359	3.870512821	3.940385	3.296153846
<b>Standard Error</b>	0.068992944	0.077247791	0.077788	0.094632771
<b>Median</b>	4.166666667	4	4	3.333333333
<b>Rank</b>	4	2	3	1

## 6 Discussion

Based on the previous analysis, the following results are obtained regarding the reasons and solutions for unemployment in the Jouf region:

1. The most significant percentage of job seekers in the Jouf region are those aged 24-29 years, female, and have a bachelor's degree from administrative and humanitarian disciplines. This presents a significant challenge in terms of experience, qualifications, age, the needs of the labour market in the private sector, and the availability of suitable job opportunities for job seekers. As mentioned, there is an urgent need to re-evaluate these disciplines, [12], [13], – starting with Jouf University – and to involve the private sector in this process. There is also a need to launch awareness campaigns for the importance of involving women in the labour market. These campaigns should be targeted at men, as improving men's perceptions of women's work can enhance the rate of women's participation in the labour market, [7]. In addition the importance of improving the work environment to be more suitable for women to encourage their involvement in the private sector since working in a mixed environment can be an obstacle to working in the private sector.
2. More than three-quarters of job seekers have never worked before (which means they have no experience in the labour market) and prefer to work in the government sector, [15]. This shows that the labour market in the Jouf region faces the same challenges as the Saudi labour market. Therefore, it is necessary to provide cooperative training for Jouf University graduates, [13], since the availability of both paid and unpaid internships can be a significant challenge in the participation of young people in the private sector. Accordingly, institutions in the Jouf region need to provide different types of training for job seekers.
3. Although various job-searching tools were used, most job seekers rely heavily on governmental agencies and need other methods. This may be due to a need for more awareness of other means of job searching or a lack of knowledge of their effectiveness and how to use them, as searching for job opportunities is considered an obstacle on the institutional dimension, which requires further development and consideration.

Therefore, it is necessary to educate job seekers about other available tools and how to use them effectively and build effective professional networks. One of the main challenges that facing job seekers is the lack of a good network of relations is one of the challenges facing Saudis in securing suitable job opportunities in the private sector, [9], [10], [11], thus, institutions and employment offices need to deal with this matter in Jouf region.

4. Several reasons might play a vital role in the lack of suitable job opportunities in the private sector in the Jouf region. These include a lack of convenient options, a gap between job seekers' educational qualifications and the needs of the labour market, requirements of the offered jobs, such as experience and foreign language skills, and a preference for foreign labour, [10], [12], [13]. Available opportunities and covering material needs can be seen as obstacles to working in the private sector in the Jouf region; this confirms the necessity of the previously suggested solutions to these challenges. In addition, an entrepreneurship ecosystem should be developed to promote local and international investment in the region, [17].
5. Business owners face many challenges in increasing their nationalisation rate:
  - The gap between the qualifications and skills of job seekers and their needs in projects, [10], [11].
  - Working conditions regarding wages and working hours, compared to the government sector, [10], Obligations and social ties of the local workforce, [11].
  - Inadequate empowerment of young people in training and starting businesses to facilitate their entry into the labour market.
  - Varied competition for the jobs offered in the market on the regional level.
  - The absence – or lack of clarity – of policies to ensure job stability for local labour, may expose the business owners to training costs, which causes employers to prefer foreign labour.
  - High operational costs for project owners, such as fines, salaries, and violations related to nationalisation, may challenge business continuation and affect their ability to create more jobs.



Business owners offered several solutions to address the problem of unemployment in the Jouf region, summarised in the following points:

- Providing studies and statistics that reflect the reality and challenges in the private sector and the labour market.
- Encouraging collaboration between educational and training institutions and the private sector.
- A national plan to ensure youth empowerment on the regional level.
- Training inspectors to deal with business owners and implementing fair policies to deal with violations and fines, and not exaggerating them in a way that causes SMEs to leave the market (e.g. a warning policy).
- Considering contracts for the national workforce to ensure work continuity and guarantee all parties' rights.
- Empowering young people to start businesses by facilitating resource access.
- Balance and approach between working conditions in the private and public sectors.

Job seekers in the Jouf region may face several challenges and obstacles in the institutional dimension, the first, through the services provided and activating their role effectively. This is followed by obstacles in the social dimension, such as society's acceptance of working in the private sector, and finally, the professional and individual dimensions were the least. Among all aspects in all four dimensions, obstacles to working in the private sector can be ranked as follow: availability of labour market information, the availability of unpaid training, employment offices, and then searching for a job opportunity. All these aspects represent the institutional dimension, which means further enhancement of the role of institutions to increase the nationalisation in the private sector by considering developing these aspects.

Based on the above results, the nationalisation policy may challenge SMEs' success in the market and may lead to their exit unless this aspect is not considered. This challenge may be in the form of high operational costs and fines, the inability to pay training costs, and the gap between their needs for labour and job seekers' qualifications. In addition, the private sector could be more attractive to job seekers in the Jouf region. Therefore, applying a nationalisation policy in the SME sector may require government support from the supporting bodies and institutions in the Jouf region. This can be done by, for example, providing training

programmes via Jouf University and the Human Resources Fund, educating businesses on the legalities of contracts and obligations, and how to deal with fines.

There is varying competition at the regional level for job opportunities, and residents of some regions may enjoy certain advantages and privileges, such as training and qualification opportunities. This might reflect the efficiency of applicants from the other areas compared to applicants from Jouf. Thus, there is a need for equal opportunities for training and support between areas, which means there is a need to strengthen the role of related institutions in the Jouf region to develop human resources and a business ecosystem. Furthermore, the unattractiveness of work in the private sector in the Jouf region may be due to other aspects, such as long working hours, low salaries, and poor job security. Other elements may prevent job seekers from working in the private sector, which may be related to society or the family or due to a shortcoming in the role of institutions and employment offices.

The proposed solutions by the business owners in the Jouf region are compatible with what the researchers also suggest—starting with the need to make some enhancements to Jouf University's academic programme and emphasising the importance of private sector participation. Graduates and job seekers must receive training and qualifications before they enter the labour market. All related institutions, not only the University, need to consider this fact. Moreover, there is a need to support SMEs, not only to increase their establishment rate but also to ensure their continued success in the market by providing accelerator and incubation programmes. Finally, local and international investment needs to be encouraged in the region, which might require establishing a centre that can provide the necessary data, research, and studies on investment and its challenges in the area, facilitating licenses and regulations for investment in the Jouf region, and cooperating with the concerned authorities.

## **7 Research Limitations and Recommendations**

During conducting this research, several challenges were faced:

There needed to be more related data, especially regarding investment in the Jouf region. Data collection required significant effort and time.

The researchers faced a challenge regarding business owners' responses when conducting interviews, as many of them declined to be

interviewed. The research team faced a challenge in the need for more previous studies related to nationalisation, the labour market, or even investment in the Jouf region. Therefore, the researchers have several recommendations, which are illustrated in the following points:

**First:** The private sector should actively participate in the academic programmes at Jouf University, with the establishment of cooperative training for Jouf University graduates.

**Second:** A centre or platform should be established for helping Jouf University graduates gain qualifications and providing support services to job seekers, such as preparing resumes, preparing for an interview, and giving job application tools. This should be done with the participation of the private sector to link job seekers with businesses in the private sector.

**Third:** A centre should be established to support investment in the region, providing statistics that reflect the investment's reality and studies on obstacles and challenges of investing in the economic sectors in the Jouf region.

**Fourth:** Programmes should be started to empower young people to create businesses in the most promising economic sectors – such as the industrial, technical, agricultural, and tourism sectors –through a business incubator and accelerator at Jouf University.

**Fifth:** There should be a fair policy of fines and violations for businesses – especially SMEs. There should be an initial warning, and in the event of non-implementation, a penalty is imposed, in addition to setting a limit for fines in a way that does not burden SMEs or hinders their fair chance for success in the market. Penalties mustn't negatively affect SMEs' ability to create more job opportunities in the private sector. Legal advice should also be given to SMEs on how to deal with fines.

**Sixth:** A campaign on the importance of entrepreneurship should be launched, motivating young people to start businesses and promoting entrepreneurship culture. In addition, a campaign on the importance of empowering women in the labour market and enhancing their participation and contribution in the private sector should be targeted toward men.

**Seventh:** A volunteering platform should be established to help develop the skills of job seekers and university students at educational and training institutions. Participants of these programmes should undertake initiatives that serve the community, help them gain experience, build relationships, and expand their network of relationships.

Table 3. Means and standard deviations of work obstacles in the private sector in the Jouf region.

Individual dimension	Obstacles on different dimensions	Mean	Standard Error	Median
Individual dimension	Work and success	4.246153846	0.090094722	5
	Family acceptance	4.061538462	0.089225012	4
	Working hours	4.223076923	0.086173117	4
	Job suites qualification	4.315384615	0.082474127	5
	Preference to work in Jouf	4.253846154	0.090260035	5
	Mixed environment	3.253846154	0.127032803	4
	Social dimension	Family outlook	3.992307692	0.085639169
Family aspiration		3.646153846	0.094488258	4
Social status		3.846153846	0.090359079	4
Respect and self-esteem		3.892307692	0.088885066	4
Relative acceptance		3.915384615	0.088743038	4
Society acceptance		3.930769231	0.09278598	4
Professional dimension	Working in Jouf region	4.284615385	0.078927376	4
	Adapting to work environment	4.215384615	0.074055061	4
	Available opportunities	3.630769231	0.107632661	4
	Covering material needs	3.630769231	0.109282073	4
Institutional dimension	Availability of unpaid training	3.161538462	0.113912292	3
	Availability of paid training	3.607692308	0.103311972	4
	Supporting resumes preparation	3.415384615	0.107436445	4
	Searching for job opportunities	3.230769231	0.111121813	3
	Availability of labour market information	3.153846154	0.111080527	3
	Employment offices	3.207692308	0.115931916	3

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-Almawishir, Naeimah carried out the conceptualisation, data curation, methodology, project administration, and writing the original draft.

-Alogail, Azizah carried out data curation, supervision, investigation of business owners, and review and editing research.

-Fakieh, Reham carried out some resources and secondary data collection, conceptualisation, supervision, and reviewing and edition.

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