



**ENHANCEMENT OF MANAGERIAL AND LEADERSHIP ROLE OF SAUDI WOMAN
IN THE BANKING INDUSTRY – AN EXPLORATORY STUDY ON DIFFERENT
BANKS IN JEDDAH- KSA**

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Abstract: The purpose of this research is to look at the significance and the enhancement of managerial and leadership role of Saudi women in several banking sectors in Saudi Arabia. A survey questionnaire (N=200) was developed and distributed to all the main banks in Saudi Arabia. Solely 185 usable questionnaires were analyzed employing a rating scale as well as using an independent one-sample t-test to identify the degree of agreement among the respondents pertaining to the eight statements posed to them. Results showed that majority of the respondents agreed with all the statements with the exception of three statements—management opportunities for females are limited because of rules on segregation, women managers are rewarded the same as male managers and gender is not an issue when management positions are filled. The implications of this study suggest that the top banking management needs to consider the identified variables in their effort to boost their managerial role and to create management opportunities for Saudi women in different banking sectors. They should also focus on individual needs in order to execute the changes successfully.

Keywords: Banking Sector, Saudi Arabia, Managerial Positions, Female Managers, Saudi women

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INTRODUCTION

The situation of females in Saudi Arabia is a popular subject in the Kingdom and around the world. However, for many Saudi females who have been graduated from university, their main issue is finding a job and having a career. In terms of female employment, the banking industry is one of the few industries where women have found jobs in reasonable numbers. According to Booz & Co. (2010) found that in 2000 there were about 972 women in banking sector and this had risen to 3700 in 2008. However, less than 1% had decision making positions and so the vast majorities were in service and administration positions.

According to CDSI (Central Department for Statistics and Information) in 2012 showed that female unemployment had risen from 28% in 2009 to 36% in 2012, despite efforts to reduce general unemployment during this period. These figures show that unemployed and employed Saudi females still face huge challenges despite the changes made over the last few years. Unemployment is not only a big issue for Saudi Females, however management opportunities for females are limited because of rules on segregation, women managers are rewarded the same as male managers and gender is not an issue when management positions are filled. According to HiringClub.com in 2013, Saudi Arabia was ranked 5th position in the gulf out of 44th in the world for numbers of female corporate managers and this has suggested that there is a lack of Female managers and lack of Management opportunities generally including the banking industry.

This study was commissioned to investigate why so few women are promoted to senior management positions and also to identify the challenges the females face getting to the top management level. This study also investigated to test the differences between the banks and the statements posed to them and to make a comparison between major banks in terms of performance management for female managers.

The next section of this paper presents a review of the literature in order to determine some previous work related to the topic that have been done by researchers and to show that that this paper will be able to contribute to the literature. This is followed by the section that discusses the justifications, the objectives of this research. The remaining sections discuss the methods of data collection and analysis, the results obtained, the discussions on the findings, and finally the conclusion and implications from the findings.



REVIEW OF LITERATURE

Saudi Arabia has a modern banking industry with 13 commercial banks. Saudi banks provide retail and corporate banking, credit cards, ATMs and point - of- sale transactions. There are also banks in the Kingdom that provide Islamic banking services, or banking that is consistent with the principles of Islamic law (Shari'ah). Saudi Arabian Monetary Agency (SAMA) is the Saudi Central bank since 1932. SAMA issues national currency, is the banker to Government, supervises commercial banks and manages foreign exchange.

In Saudi Arabia, taking into account the need practice, the big banks have opened the women - that the branches in the 1990s that have been staffed by, and supported only for the customers of female. This is not only the Arab and Muslim countries that are separating banking services male and female. Of the 1960, the banks of the west have experienced with the branches of women. In 1964, the National Commercial Bank has opened branch women in Scotland. The branches of the woman in the Middle East are born from the practical necessity, but, more recently, the banks everywhere in the world are the restoration for women. These branches were opened in East Africa, the Indian sub-continent, Mexico, Italy and Bulgaria, and Morgan Stanley and ABN Amro has launched an investment fund managed by and for women.

Al Arabiya News, in its edition dated December 18, 2012 has stressed the "growth in Middle East women only branches and bank money" indicating that women in Saudi Arabia, first world exporter of crude oil, are suspected to be sitting on \$11.9 billion in pure cash. National Commercial Bank of the kingdom has 46 women only branches, compared with two in 1980. Arabia Hollandi Bank plans to increase its women only branches in 15 of its 11 existing.

With regard to the Saudi banking sector, several major milestone developments occurred which affect its size and structure. Demand for banking services from Saudi women is increasing in the country driven by the growing population of working women. Since the establishment of Saudi Hollandi Bank (SHB) the first bank in Kingdom of Saudi Arabia, founded in 1926. SHB employs over 1,600 people with a Saudization ratio of over 87% and operates 43 branches, 8 Ladies Sections and over 260 ATMs throughout the Kingdom. The National Commercial Bank (NCB) also known as AlAhli Bank is the first Saudi Arabian bank. It is considered the largest bank in Saudi Arabia and is a leading financial institution in the



Region. The Bank initiated its business under the name of “The National Commercial Bank” following the Royal Decree on 20 Rabi Thani 1373H (26 December 1953). NCB employs over 7,119 people with a Saudization ratio of 93.6% and operates 329 branches and over 2252 ATM’s throughout the kingdom.

The Al-Rajhi Bank founded in 1957 (previously known as *Al Rajhi Banking and Investment Corporation*) is a Saudi Arabian bank and the world largest Islamic bank by capital based on 2006 data. It was re-branded in February 2006, to Al Rajhi Bank, but is still registered as Al Rajhi Banking and Investment Corp. Al Rajhi is one of largest Islamic bank in the world with employee base of over 7,447 associates. Al Rajhi has over 500 branches and over 100 dedicated ladies branches conveniently located throughout the kingdom.

Riyad Bank is one of the largest financial institutions in Saudi Arabia and the Middle East, with a strong corporate and retail banking franchise. It was established in 1957. It has more than 252 branches with 80 ladies sections and 20 self-service electronic branches throughout the kingdom.

A Saudi Arabian joint stock company established on June 23, 1976. Saudi Investment Bank (SAIB) offers wide range retail and commercial banking products and services in addition to investment banking.

Banque Saudi Fransi (BSF) is a Saudi Arabian Joint Stock Company established by Royal Decree No. M/23 dated June 4, 1977. A full service commercial bank serving the local and international banking needs of its clients. It is a leading provider of comprehensive financial services and products in the kingdom of Saudi Arabia and other markets. It has 83 full fledged branches, 19 ladies sections and as of 31st December 2013 the number of employees reached 2660.

Saudi British Bank (SABB) Established on January 21, 1978, SABB formally commenced activities on July 1, 1978 when it took over the operations of the British Bank of the Middle East (BBME) in Saudi Arabia. SABB offers services in investment banking, commercial banking, private banking and Islamic banking. SABB employs over 5000 people, 13 ladies branches throughout the kingdom. Al-Bleihid, general manager, Human Resources, SABB-stated that 11 percent SABB’s staffs are women. The bank employs 232 women — all Saudis. This is the highest level of female participation in relation to overall employee population at



any Saudi bank. The high number of female staff has helped increase SABB's total Saudization to over 78 percent.

Arab National Bank (ANB), one of the ten largest banks in the Middle East. ANB was established in 1979 and has about 190 local branches, 42 ladies sections and one branch in London. ANB is a universal commercial bank catering for the diverse needs of its Corporate and Retail clients. These include upwards of 195 branches (of which 46 are Ladies' Branches/ Sections) and 1100 ATMs. Total number of employees working in ANB is 3500.

SAMBA or (Saudi American Bank) was established on February 12, 1980 with the takeover of Citibank branches in Jeddah and Riyadh that were first established in the Kingdom in 1955. Samba Financial Group (Saudi American Bank until 2003) is one of the leading financial institutions in the Middle East and one of the most profitable retail banks in Saudi Arabia. The bank currently boasts 80 branches, more than 400 ATMs, three Global Investment Centers, and 32 Speed Cash Centers within the Kingdom. Samba is listed on the Saudi Stock Exchange and is one of the largest listed financial services companies in the Kingdom of Saudi Arabia. More than 3000 employees work in this sector. United Saudi Bank (USB) – In 1999 SAMBA merged with United Saudi Bank by an exchange of shares, to form one of the largest banks in Saudi Arabia and Middle East.

The banking industry in Saudi Arabia is made up of five major areas: retail, commercial, private, international and government. International banks have recently started focusing on building banking products designed for women. Some of the initiatives taken by financial institutions in Saudi Arabia include opening of commercial ladies-only branches, launching of women -focused funds, and developing retail products and services that suit women's needs. Riyadh Bank, Saudi American Bank and Saudi British Bank (SABB) employ the highest proportion of Saudi women staff within the banking sector. In fact, SABB achieved 100% Saudization in the ladies section, which amounts to 17% of the bank's total staff (Al Masah capital limited). The bank aims to develop and expand its ladies-only branches all over the Kingdom to cater to the needs of the female clientele. Among international banks, BNP Paribas was the first to have customized banking policies for women in Saudi Arabia. The latest products advertised to Saudi women include private banking, asset management and corporate services portfolios. Out of these areas, retail sector is the most high profile sector because it is the public face of the bank. However, this does not make it the most important



or most profitable sector. The main aim to highlight the importance of retail sector is to investigate as to how many female managers were in the non-retail sectors. The segregation rules in Saudi Arabia mean that banks have separate sections and branches for female customers. This means that banks must have female employees and therefore some female managers. An important question that arises from this situation is whether female managers in the women's section can transfer to other sectors in the bank or higher position in retail sector. This would indicate how female managers are viewed by their employers and if their bank sees them as having management skills beyond the women's section.

From the above review of literature it is very clear that studies on the history and development of the banking sector in Saudi Arabia are plentiful. However, the studies on Leadership role of women in banking sector are very limited. There was no research done that can examined or investigated about the role of women and performance of different banks in terms of level of management (Higher, Middle, and Junior level) promotions, creation of Management opportunities to uplift the standard of Saudi women in a leadership role. Limited information on Websites, Data base, Research papers, Periodicals and Annual reports pertaining to banking industry in terms of Number of females employed, number of females been promoted, what level of position the females are working -the hierarchal structure and the organizational level does support to a very limited extent. Thus, we hope the findings of this research would contribute to the literature.

RESEARCH OBJECTIVIES AND JUSTIFICATIONS

This study was meant to investigate the importance and development of managerial role of Saudi women in several banking sectors in Saudi Arabia. This study is not about "technical" issues of a change process. Instead, it is primarily about perceptions and understanding of the Saudi women that it mostly affects. Thus, this study focused solely on Saudi women's perspective.

My choice of considering solely women in banking industry used in this research was due to the fact that Saudi women active participation in different sectors and industries which aimed at making it more competitive. Banking industry is one among them. Lack of theoretical and empirical study on women banking industry has led to further questions that need to be asked about the leadership role of women in the banking industry.



RESEARCH METHODOLOGY

The inputs received from the focused group discussions were used to frame a questionnaire. All the general questions pertaining to the respondents' experiences with the banking industry as well as their demographic variables were tapped by direct single questions. A four-point Likert interval scale (ranging from strongly agree to strongly disagree) was used. The questionnaire was administered to gather data from the women only bank users in Jeddah, the kingdom of Saudi Arabia. We contacted respondents using networking through family and friends, calling banks directly and visiting women only sections of banks. The most challenging aspect was trying to find female managers in the non-retail sectors because this involved going through a number of male bank employees. Also, it was very difficult to contact more senior female managers and that they were less willing in the beginning to complete the questionnaire.

STATISTICAL TOOLS USED

A survey questionnaire (N=200) was developed and distributed to all the main banks in Saudi Arabia. Solely 185 usable questionnaires were analyzed employing a rating scale as well as using an independent one-sample t-test to identify the degree of agreement among the respondents pertaining to the eight statements posed to them. The data collected were analyzed using IBM SPSS Statistics Version 20.

DATA ANALYSIS AND INTERPRETATION

The below (Table I) shows that the respondents of job title and employer i.e. several banks related to retail, commercial, international, private and government are evenly split. Out of 100 percent, the majority of female respondents who have been promoted were 65.9 percent. Number of times female respondents got promoted was 4-10 times. Based on the results shown in table 1, the most preferred sector for female respondent was Retail sector and majority of female respondents working in retail sector were 81.1 percent. Maximum numbers of female respondents were 62.7% who have worked upto five years and fall between the age group from 26-40 years.



Table 1 – Respondent’s Profile

Characteristics	Total (N=185)	
	No. of respondents	(%)
Job Title		
Supervisor	62	33.5
Assistant Manager/Department Manager/ Executive Manager	61	33.0
Manager/Branch Manager/ Regional Manager	62	33.5
Employer		
Saudi Investment Bank	10	5.4
Samba Bank	20	10.8
SAAB Bank	28	15.1
Riyad Bank	32	17.3
NCB Bank	20	10.8
Saudi Holland Bank	9	4.9
ANB Bank	17	9.2
Al-Rajhi Bank	20	10.8
Saudi Fransi Bank	18	9.7
Misc Bank	11	5.9
Number of working years		
0-5 years	116	62.7
6-10 years	47	25.4
11-15 years	19	10.3
16-20 years	-	-
21 and above	3	1.6
Age		
20-25 years	10	5.4
26-30 years	51	27.6
31-35 years	73	39.5
36-40 years	36	19.5
41-45 years	13	7.0
46 and above	2	1.1
Number of times Promoted		
0-3 times	63	34.1
4-6 times	85	45.9
7-10 times	37	20.0
Banking Sector		
Retail	150	81.1
Government	16	8.6



International	4	2.2
Private	11	5.9
Commercial	4	2.2

Source: survey questionnaire.

Next, analysis of the various variables was done by assigning a rating scale based on the degree of agreement among the respondents with the statements posed to them (Table II). In addition to the above descriptive analysis, independent-sample t-tests were performed to determine whether differences exist between the sample mean and the population mean. The results obtained are discussed next.

Results from (Table II) shows that there are some evidences (agreed by majority of female respondents) that out of the total of eight statements posed to the respondents, only two received strong agreement (++ rating, i.e. strongly agreed/agreed by 61-79 percent of the respondents), while three statement received average rating (+ rating, i.e. strongly agreed/agreed by 50-60 percent of the respondents), as follows:

1. Statements receiving ++ rating:

- Management opportunities for females are limited because of rules on segregation.
- Female managers are rewarded the same as male managers.

2. Statements receiving + rating:

- Female managers have to work harder to be respected by their colleagues.
- The traditional role of Saudi women restricts management opportunities.
- The biggest barrier to more women being senior managers is society.

Thus, there was a clear indication that rules on segregation and reward are the most important variables. Respect, Restrictions and barriers are moderate variables. Nevertheless, there were also some indications where female respondents less agreed with the statements posed to them.

- The female manager must sacrifice her family to some extent to further her career.
- Gender is not an issue when management positions are filled.
- Employer recognizes female managers as talented individuals.

The result in (Table II) showed that there were significant differences in the scores for items (2, 3, 4, 5, 7, and 8) Overall the female respondents were generally favorable.



Table 2– Rating used to assess the variables

<i>Criteria Ratings</i>	<i>Assigned</i>
80 percent or more of the respondents either strongly agreed or agreed with the statement indicating that the statements were able to contribute very strongly to the variable.	+++
61-79 percent of the respondents either strongly agreed or agreed with the statement indicating a moderate contribution.	++
50-60 percent of the respondents either strongly agreed or agreed with the statement indicating a weak contribution.	+

Source: Effects of institutional reform on corporate image and value in a developing country context by K.Norizan, N. Mohammed, Al. Zeina, S. Hissa

Table 3 – Rating analysis and independent t-test

Item	Variables	Mean	SD	SA (%)	A (%)	D (%)	SD (%)	T-value	P-value	rating
1	Rules on Segregation	2.04	0.786	23.2	54.6	16.8	5.4	0.748	ns	++
2	Reward	1.79	1.059	58.4	13.5	18.4	9.7	-2.639	0.01	++
3	Respect	1.90	0.696	27.6	57.3	13.0	2.2	-2.008	0.05	+
4	Restrictions	1.62	0.884	61.1	20.5	14.1	4.3	-5.906	0.00	+
5	Sacrifice	2.49	0.841	17.8	20.5	56.8	4.9	7.866	0.00	
6	Barriers	2.04	0.733	20.0	61.1	14.1	4.9	0.703	ns	+
7	Gender Issue	2.85	0.765	8.1	13.5	63.8	14.6	15.083	0.00	
8	Talented Individual	3.29	0.955	7.0	14.1	22.2	56.8	18.322	0.00	

Notes: SA=Strongly Agree, A=Agree, D= Disagree, SD=Strongly Disagree, +++80 per cent or more of the respondents either strongly agreed or agreed with the statement; ++61-79 per cent of the respondents either strongly agreed or agreed with the statement; +50-60 per cent of the respondents either strongly agreed or agreed with the statement; * significant at p < 0.01; ** significant at p < 0.05.

FINDINGS OF THE STUDY

The results of this study confirmed that most of the variables considered in this exploratory research were important contributors to the enhancement of leadership role of Saudi women in several banking sector in Jeddah region in Kingdom of Saudi Arabia.

Rules on segregation and Reward appeared to be extremely important and favorable because it is an essential element in creating management opportunities for females which are very limited because of rules on segregation. There are female managers and female



employees who have the talent and determination to be on the top most managerial positions. It is widely believed that females bring different skills and thoughts to management and that teams that include a mix of men and women are often more productive, creative and successful.

Dr. Sebastian Bailey of Forbes argues that modern management theory understands that the traditional skills and attitudes usually associated with good management are no longer valid. He states that organizations need Empathy and Emotional intelligence just as much as aggression and dominance. Empathy and Emotional intelligence are normally seen as female attributes (2013).

Today Ministry of labor has taken the initiative of launching “Equal pay for both Men and Women for similar job” and has instructed the private sector to pay equal wages to both Men and Women in same kind of jobs. Introduction of many such new policies will boost Saudi women and this would also focus on to create new policies to create management opportunities to lead the role in a banking industry. Not only in terms of equal pay, Female managers should be rewarded the same as male managers in terms of Promotion, Status & Recognition, equal role and responsibility and the decision making authority.

Respect, Restrictions and Barriers are the least important variables however equal importance should be given in terms of respect as male managers. A supportive team and good professional working environment should be set to expand the traditional role of Saudi women which provide restrictions to create management opportunities. Today in a male dominating society, the biggest barrier to more women being senior managers is society.

This piece of research shows that although the banking industry in Saudi Arabia is employing females and creating good employment opportunities and promoting some of them to management positions, there is still a very long way to go.

Further research is needed to really understand and appreciate how the banking system in Saudi Arabia operates with respect to the use of female managers. This research must include male managers and male employees, who seem to be at the centre of this discussion. It would also be very helpful to look at research done in other countries concerning female managers in the banking industry and in other similar industries.



However, it must be remembered that Saudi Arabia is different from the rest of the world. Culture and Religion are the two most important priorities which should be respected and followed and in case society finds an issue which is very difficult to accept, it must be handled with care and attention. In other words, the template of another society, country or culture should not be the template for Saudi Arabia.

The banking industry has to be very creative to see how it can make the best use of talented female managers and develop them in order to develop their own banks.

CONCLUSION AND IMPLICATIONS

The research reveals sequences of events that impede women are changing toward the highest positions in the banking sector. The greatest challenges for the professional advancement of women in the banking sector is not on the organizational processes, but on the rules and the segregation and women executives reward the same as the male managers.

In Saudi Arabia working landscape of today, the rules and regulations should be equal implied to work both male and female in a professional environment. Lasting change must come from the top in order to take advantage of women of great talent has prevented or discouraged from reaching higher levels. To make lasting changes, all managers need to be more aware of the challenges and special needs for the development of women. They must be able to put into practice the coaching and support, management of the performance transparent and create a good organizational culture and positive attitudes towards women who work.

For that banks operate with success in an economy based on talent, they need to develop more effective systems of performance management. Women and men in the banking sector are concerned that the sector is not a meritocracy, the performance management process clear and output focused thus creating the implementation and sends a message that the Bank promotes promotion on merit. The banks of processes use to assess the capacity, the talent and potential, and the way in which they determine the selection and progression, but could be more objective, open and focused on the results.

The banking sector should aim for performance management more transparent, with employees having the confidence that they are classified according to the criteria and



objectives openly declared and a clear direction on the outputs and results in order to ensure a fair assessment of the performance.

Promote more women in positions of leadership is not only on equity, but also on the economy. It is a real opportunity for the banks to drive organizational performance in the long term by increasing both the attraction and retention of women and offer more opportunities to make progress in the major roles.

Today the Saudi women who have reached leadership positions and several other are models for future generations. The success of these ladies distinguished has undoubtedly goes back the morale of these members of society that were previously neglected and marginalized. Doctors of dames, scientists and researchers are supposed to contribute to a social, economic and political progressive Saudi Arabia (Musrrat Parveen Saudi Feminization: The dynamic phases of Saudi women in the field of education and employment J Am Sci 2014)

The banks have the possibility to point out that women can progress up to the highest levels by increasing the voice and visibility of success of women leaders through their organization. They may seek actively to the success of women in leadership positions, including those who have maintained a good balance work / life, and help to build their profile and reputation both inside and outside of their organization. The banks should consider and create opportunities for management which are a penchant for career progression for Saudi Arabian for women in the banking industry.

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15. <http://www.the-saudi.net/directory/sbb.htm>
16. http://en.wikipedia.org/wiki/Riyad_Bank
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