

Human resource management research in Egypt.1

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This Special Issue of *Review of Management* presents several human resources management (HRM) research projects being conducted in Egypt by Egyptian academics, in some cases with the participation of other collaborators. Although Egypt is a large country in terms of population with a huge number of organizations –both large and small – relatively little HRM research has been undertaken there. And although Egypt has several schools of business management, relatively little HRM research has been conducted by academics working in them.

There are several reasons for this lack of attention given to HRM research in Egypt. First, although the number is increasing, relatively few Egyptian academics have been trained to carry out such studies. Second, although there are some Egyptian management journals and magazines, Egyptian academics interested in reporting their HRM studies would rather do so in more prestigious journals published elsewhere. Third, managers in Egyptian organizations have been unwilling to participate in HRM research for fear this research would point out their managerial shortcomings.

The Egyptian economy has not performed very well over the past decade. Unemployment is relatively high. And it has been believed that the Egyptian educational system does not do a good job preparing young women and men for the realities of work in the 21st century. In addition, educated women, similar to women in several other countries, face obstacles in pursuing professional and managerial work and career opportunities.

But Egypt is developing several academic programs to equip young women and men for work and careers in all types of organizations –large and small. Egypt has also seen a corresponding increase in studies carried out in this sector to better understand its nature and success factors.

The Egyptian Context

In a regional context Egypt is especially important; it has a leadership role among Arabic Middle Eastern nations and is of strategic importance as it borders Africa, Europe and Asia. Egypt is one of the attracting countries for investors in different fields. Oxford Business Group (2004) analyzed all aspects of the Egyptian economy via hundreds of interviews with leading political and economic figures to describe the comprehensive overviews of Egypt's political and economic situation. They provided a more light-hearted look at Egypt's regions and culture to any investor in Egypt. They reviewed trends in all the major economic sectors, including: banking, capital markets, insurance, IT and telecoms, industry, real estate and construction, tourism and agriculture.

In the Egyptian context, there are some changes in the labour demand and in the

occupational distribution of employment. The findings from the Egypt survey of human resources development by the International Labour Office (I.L.O) in 2006 referred to some of the challenges to human resources development in Egypt such as employment challenge, external competition challenge, the challenge of the new technology, the challenge of privatization, the challenge of vulnerable groups (child labour and gender discrimination) and the training challenge. These challenges would have some effects on the kind of jobs that would be created in the Egyptian context and raises the issue of the importance of the human resource management policies that should be implemented. In the ILO report, authors identify human resource development as a critical factor in determining the ability of Egyptian firms to effectively confront external competition and make best use of these new technologies. At the time of the survey firms facing import and export competition were experiencing difficulties in recruiting qualified personnel but nevertheless expressed a preference for recruiting already skilled workers rather than train their own, this was the case even in the larger organizations.

Based on the report presented by the Institute of National Planning, Egypt to present Egypt Human Development Report 2010, and by the Labour Force Research by Central Agency for Public Mobilization and Statistics (CAPMAS) 2010; The Human Resource Profile of Egypt is described as follows: *With a population of over 80 million, Egypt has the largest single market in the region. It is rich in human resources; its businessmen are experienced in the markets of its neighbour countries, and it possesses a good mix of semi-skilled, skilled and highly qualified labour force. Egypt's workforce, close to 26 million, is an excellent source for productive inexpensive labour. The Egypt's labour force represents 33.3% of total population during the third quarter of 2010. The number of employees reached 23.515 million employees during 2010. According to work status; employees' wages reached 14.723 million employees with rate 61.8 from total employees. Egypt is classified in the world of work report 2010 as Lower-Middle income country, with a GNI per capita of USD 976 to USD 3,856. Foreign companies frequently pay higher wages and attract workers with higher than average skills; however, many foreign companies have expressed the need for skilled managers in Egypt. Unemployment remains a significant problem, as Egypt has a surplus of both skilled and unskilled labour. Unemployment persons reach to 2.338 million unemployed, with unemployment rate of 8.94%. According to gender, contribution rate in labour force reach among males 75.3% and reach among females 22.8% in 2010.*

Effective human resource management has become of critical importance, appropriate staffs need to be recruited, they need to be trained and developed to implement new technologies, practices and ideas and enable Egyptian firms to compete internationally. Very little research on human resource management practices and their effects on individual and organizational performance have been undertaken in the Middle East (Budhwar & Mellahi, 2007).

Some implications for certain HRM practices in Egypt based on the examination of the Egyptian context; which enables us to draw a number of tentative conclusions about the nature of HRM practices to be expected or which might be appropriate in Egyptian organizations. Given the influence of culture and Islam we might reasonably expect an Egyptian model or system of HRM to emphasize on job descriptions which

are implicit rather than explicit with long term employment and employee security and utilization of the internal labor market for filling vacancies. We might expect training to emphasize skills rather than general development, team working and a group or team focus to the organization of work and training and development according to I.L.O survey. We might also expect that compensation; pay and advancement being based on seniority and an emphasis upon behavior and relationships rather than task and individual performance, and perhaps skills acquisition rather than upon aspects of individual performance or outcome. It is also expected that the organizations with a human resource strategy would have effects on implementing HRM practices.

There is still relatively little knowledge about employee expectations, behavior and perceived outcomes of and from work in the Middle East. There is a similar dearth of research study evidence concerning management behavior and style and about HRM. Egypt was one of the Middle Eastern countries to pursue an open door policy to foreign investment and exhibits many of the characteristics of Middle Eastern countries. A number of recent studies, for example; Sadler-Smith, El-Kot and Leat (2003) and Leat and El-Kot (2007) have examined the socio cultural, religious, economic and institutional context in Egypt and some of the implications for expectations of and behavior at work along with work outcomes and preferences for certain HRM practices.

Budhwar and Mellahi (2007) identify a number of studies that have been undertaken in relation to HRM in particular countries. Some of these have sought to identify the extent to which HRM practices in particular countries can be perceived to be context specific and the implications that this may have for the approach to be adopted by incoming multinationals and the extent to which they may need to be sensitive to local values, expectations and ways of doing things. Others have sought to ascertain the influence of western management approaches and practices in Middle Eastern countries as they open themselves up to inward investment, as they become more involved in and subject to the pressures of international business and increased competition and as the indigenous population become more aware of alternative management theories and practices through going abroad to study and obtain management qualifications. Budhwar and Mellahi conclude from the relatively limited evidence available that Middle Eastern countries appear to have management systems similar to most other developing countries and that these emphasize sensitivity to local cultural norms, which influence values, expectations, attitudes and behaviour, and restricted participation in decision making. They also identify the considerable influence of Islamic work ethics and principles. However, they caution against an over reliance upon culture and Islamic principles as a base for understanding and predicting expectations, attitudes and behaviour at work. They acknowledge also the multi dimensional nature of national contexts to include government policies towards liberalization of the economy and privatizing the public sector and FDI, the implications of these policies for employment security and unemployment and other national institutions. They might also have added the educational and vocational training systems. They eloquently make the case for further research into these areas in Middle Eastern countries and it is in this context that this edition of the journal will present.

How quickly the world changes. Egypt was a relatively stable country as this Special Issue was initiated before the dramatic events on late January and early February. Egypt is a country of over 80 million people. It has been a military dictatorship for about 60 years. Egypt has about 40% of its' people living below the poverty level and up to 20% of the people illiterate

Egypt has very poor educational system. It is not doing a good job of preparing young women and men for the world work of the 21st century. Employment levels are particularly high among these young people.

Egypt has a 20% unemployment rate, and as mentioned earlier, this rate is higher among the young and more educated

Fear is high because of the secret police, some citizens being arrested and tortured

Egypt has high levels of corruption, cronyism, with bribery being rampant

Their economy has not performed well over the past 30 years, performing at levels lower than most of its regional neighbors.

Elections have been held but these were fixed in advance

Tourism is a strong contributor to the Egyptian economy but has fallen off dramatically during the uprising.

A revolution –that over 18 days resulted in the resignation of the President and Vice President. The President, Hosni Mubarak, had been in power for almost 30 years (82 years old) and a lifetime military man. His first ever appointed Vice President (Omar Sulieman) was also a military man, aged 79. After Mubarak's resignation, country leaders (the military) asked some countries to freeze Mubarak and his family's assets (e.g., Switzerland)The country is currently being run by a military council headed by a life-long military man against change and reform. Mubarak and members of his family will soon be standing trial for both corruption and ordering the deaths of innocent protesters. Thus even though the President is gone, the country still faces incredible challenges in moving to democracy and economic success. There are no democratic institutions, no political parties, an absence of young skilled leaders. Egypt is likely 50 years behind the leading countries.

The country has lost million s of dollars per day during the uprising.

In addition, many businesses were closed, some remaining closed, and some professional groups went on strike for better pay. Autocratic leadership from the military has created a culture encouraging yes men and limiting dissent. Telling the boss what the boss wants to hear.

The Egyptian revolution was generally led by the most educated and economically knowledgeable forward looking citizens. But for the revolution to have any positive lasting effects on the quality of life of the Egyptian people there must be economic growth. This economic growth is likely to come from younger Egyptians who are interested in entrepreneurial activity and business start-ups and the upcoming generation of managers and professionals working in larger organizations.

Egyptian success depends on the hearts and minds of its people, their human capital. Thus human resource management seems to be critical for success. And there are some promising developments. There are both academic business school conferences and business-related journals published in Egyptian universities. An increasing number of private universities in Egypt are offering business education with opportunities to study human resource management. Major international consulting organizations have offices

in the larger Egyptian cities offering general management and human resource management advice. Students can specialize in human resource management both in MBA and PhD programs at many Egyptian universities. Funds are being made available to increase training in human resource management in small- and medium-sized enterprises as well. Managers in Egypt are increasingly showing interest in human resource management processes.

This special issue has several objectives. These include

- * showcasing some current HRM studies undertaken in a variety of Egyptian organizations
- * promoting these studies to a wider international audience
- * encouraging others to consider HRM issues in their own business and organizational research
- * supporting collaborative work by scholars, in concert with their Egyptian colleagues, either in Egypt or in their home countries.

The contributions

El-Kot and Burke studied the relationship among role ambiguity and role conflict, supervisory support and both job satisfaction and company loyalty. They collected data from 493 respondents working in service organizations. Role ambiguity and role conflict were positively and significantly correlated. Both role conflict and role ambiguity predicted job satisfaction but not company loyalty or levels of supervisory support. Supervisory support however predicted company loyalty.

Amin and Darrag review the antecedents, process and consequences of sexual harassment at individual, job, organizational and societal levels. Prior to this effort, not a single study had been published on sexual harassment in Egypt. Sexual harassment is a major problem in Egyptian society. They identify several reasons for the absence of research on this topic in Egypt and lay out a future research agenda.

El Zamly and Amin examined the relationship of core self evaluations and job attribute preferences among about to graduate students in business schools. Eleven job attributes were included. The most valued job attributes, in descending order, were the workplace social environment, challenging work, job security, organizational reputation and salary. Higher core self evaluations were associated with a higher preference for challenging work, developmental opportunities, organizational reputation and working for an international organization. Implications for research and practice are offered.

El-Kot and Gamal investigated, in a study of 94 Egyptian software companies, the role of both knowledge management and organizational innovativeness as predictors of self-reported sustained competitive advantage. Data were obtained using questionnaires for CEOs or members of senior management of these firms. Most were small or medium sized. Organizational innovativeness fully moderated the relationship of knowledge management on sustained competitive advantage replicating previous North American findings.

These research projects focused on research questions and employed methods similar to those used in earlier work in more developed regions such as North America, the UK and Western Europe. In addition, their findings were generally consistent with those reported previously.

We encourage Egyptian human resource management researchers, however, to also identify issues and topics more directly relevant to the Egyptian context and culture

Footnotes

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