

REVIEWING THE STUDIES ON NITAQAT

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ABSTRACT

The Kingdom of Saudi Arabia implemented the Nitaqat system in 2011 to promote the hiring of Saudi nationals in the commercial sector. The Saudization requirements, which refer to the proportion of Saudi citizens engaged in the company, are used by the system to categorize private companies into various groups. Excellent is the category with the highest level of compliance, followed by green, yellow, and red. Red is the category with the lowest level of compliance. This study offers a critical analysis of the literature on the Nitaqat program's goals, methods, and effects. The research indicates that the Nitaqat initiative has increased Saudi national employment in the private sector, although its implementation has encountered a number of difficulties. The shortage of skilled Saudi citizens for specific employment positions, the high cost of hiring Saudi nationals relative to expats, and the sparse enforcement of fines for non-compliant businesses are a few of the difficulties. The Nitaqat program has a variable influence on business performance and competitiveness; some research discovers favorable impacts while others find negative consequences.