HR Knowledge Disclosure by Leading Banks: Cases from KSA

Bharti Pandya a, Priya Rao b

aHigher Colleges of Technology, Abu Dhabi, UAE
bUniversity College of Abu Arish, Jazan University, KSA

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ABSTRACT

The backbone of any economy relies on the performance of its banking industry. Besides financial capital, human resources (HR) capital plays a significant role in the sustainability of this industry. For the existence and effectiveness, the financial sector makes extensive use of human capital (Kamath, 2007). Like financial reports, human capital reporting indicates the health of any organisation. The stakeholders, around the globe, recently started showing keen interest in monitoring the effectiveness of HR. The Kingdom of Saudi Arabia (KSA), holding 27% of the GCC total banking assets (FitzHerbert, 2020), is no exception to disclosing HR-related information in the annual reports of its banks. The banking regulatory system of KSA is almost at par with the international standards laid down concerning banking supervision. KSA’s banking industry is unique as it is considered to be the leader of the Islamic world where all banks must adhere to the Sharia banking law (Kamali, 2000). The regulatory authority of the KSA banking industry, the Saudi Arabian Monetary Agency (SAMA), annually reported its HR information related to training and development, employee fairness, incentives, diversity and inclusion of female employees and people with determination. By setting an example, SAMA encourages commercial banks to follow good practices to disclose HR information in their annual reports. Though not enforced by the regulatory authority, the KSA banks recently started to disclose HR information in their annual reports.

Keywords: Human resources, disclosure, HR information, Saudi Banks