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# Barriers to Omanisation: Analysis and Policy Recommendations

# Yahya Rabia Nasser Al-Nahdi

A Thesis Submitted to the University of Huddersfield in Partial Fulfillment of the Requirements for the Degree of Doctor of Philosophy

The Business School,
University of Huddersfield

August, 2016

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#### **Abstract**

Rapid economic development in Oman and other Gulf States has attracted foreign workers who now constitute 87% of the workforce in the Omani private sector. Unemployment rates among Omanis are now a serious socioeconomic problem that impacts the stability of Omani society and which has compelled the government to introduce a policy of job-localisation. However, recent statistics revealed that only about 14.6% of jobs have been omanised (Ministry of Manpower, 2014) indicating limited policy success.

This study examines the challenges to the implementation and success of Omanisation in the private sector by exploring the views of officials and managers and, importantly, the often neglected views of employees. It employs a theoretical framework based on three aspects of capital theory: human capital elements, that is, education, T&D, skills, and experience; social capital factors, such as gender inequality, Wasta/nepotism and trust; and organisational capital variables, such as organisational culture, English fluency and HRM policies. A total of 496 questionnaires were completed by employees in three sectors; banking, tourism and auto retailing. Statistical analysis showed that the greatest differences emerged in the areas of gender inequality, training and development and working conditions. Overall, women employees, unmarried employees, lower-income employees, junior employees with little in-company training, and employees with lower educational levels perceived the highest barriers. More specifically, the level of in-company training was the most influential factor showing differences in twelve out of the fourteen human, social and organisational factors included in this study as barriers to the policy.

The findings replicate previous research on job-localisation in the Gulf States regarding the impact of the private sector's stereotypical perceptions of local workers concerning lack of trust in Omanis and views that they are less productive. However, this study contradicts most previous studies as it found no evidence that the educational system or English language skills were barriers to the employment of locals. This reflects the effectiveness of recent government measures to improve the quality of education. In addition, this study found no significant impact from *wasta* and nepotism, unlike previous studies. This is attributed to the satisfaction of nationals with the measures taken by the government in response to the 2011 uprising.

The primary contribution of the study, however, comes from interviews with officials and managers who deal directly with Omanisation. Interviews revealed factors that perpetuate the domination of expatriates in managerial roles and unveiled some sensitive issues that people usually avoid disclosing for fear of upsetting policy makers. These include inter-faith conflict, social distance barriers, organisational silence barriers and institutional structure barriers. Participants also reported suppression of Omani employees' rights to promotion and career-development. Barriers to Omanisation were found to be higher in the automotive sector indicating that policy implementation is sector-dependent. Policy makers are therefore advised to take this into consideration when designing Omanisation programmes to catalyse Omanisation in some sectors.

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## **Dedication**

To the soul of my mother, whom I miss dearly, I dedicate this work to you with grateful sentiments, as you always wished to see me hold this certificate. Your words of encouragement are always with me, cherished in my heart and mind.

To my great father who is fighting his illness and who misses me very much while I am away from him for a long time; and to my wonderful, loving and caring wife: you are my gift from God. To my children and family, I dedicate this achievement.

# **List of Abbreviations**

BMI Business Monitor International

CEO Chief Executive Officer

GM General Manager

HRD Human Resource Development

HRM Human Resource Management

IMF International Monetary Fund

KMO Kaiser-Meyer Olkin

M Mean

OMR Omani Rial

PCA Principal Component Analysis

ROP Royal Oman Police

SAI State Audit Institution – Oman

SD Standard Deviation

SQU University of Sultan Qaboos – Oman

T&D Tanning and Development

TANMIA National Human Resources Development and Employment Authority -

United Arab Emirates

# **Conference Papers from This Research**

1 "Talent recognition and deployment in an emerging market, complexity and challenges: the Omani private sector" – EIASM 4<sup>th</sup> Workshop on Talent Management, Valencia, September 2015.

# **Workshop Papers from This Research**

- 1. "Government localisation in Oman: drivers and barriers in private sector industries. Analysis and policy recommendations" University of Huddersfield March 2013.
- 2. Influences of demographical variables on job localisation in Oman (Omanisation): Analysis and policy recommendations University of Huddersfield, April 2014.
- 3. Workforce localisation in Oman: complexity and challenges University of Huddersfield December 2014.

# **CHAPTER 1: INTRODUCTION**

#### 1.1 INTRODUCTION

Within a few decades of the discovery of oil in the Gulf States (Saudi Arabia, the United Arab Emirates, Bahrain, Qatar, Kuwait and Oman), the economies of these countries grew rapidly involving development in all areas of the economy and infrastructure. The development process was immediately confronted with a shortage of local skilled and unskilled labour and the quick fix was to rely on imported foreign labour to underpin the economic boom. However, the reliance on expatriates has resulted in long-term social, economic and political consequences (Rees et al., 2007; Sidani & Al Ariss, 2014). The number of expatriates in the Gulf Region reached an estimated 21–24 million in 2013, about 73% of the total workforce and about 48% of the total population (Najjar, 2013). Consequently, the governments in these countries embarked on job localisation programmes to limit the influx of foreign workers and make more jobs available for their citizens.

This policy has become a crucial socio-economic problem that if ignored will aggravate problems for government and society. This is because the absolute dependence on foreign labour in the absence of a clear policy to reduce their influx has caused some serious issues, of which the increase in the unemployment rate among citizens comes at the top of the list. This has in turn created concerns over the negative impacts on society given suggested links between economic factors such as unemployment, income shortages and income inequality and crime rates. (Carmichael & Ward, 2001; Kelly, 2000; Maddah, 2013). Thus, in order to minimise the risk of aggravated social problems governments in the Gulf have to recognize that long-term development cannot rely so heavily on foreign workers for much longer, but instead must be placed in the hands of a growing national workforce.

Although Omanisation has been in place for over two decades, the foreign workforce is over three quarters of the total workforce. At the same time, the unemployment rate among citizens was around 15% in 2015 (National Centre for Statistics and Information, 2015). Compared with educated Omanis in the workplace, educated expatriates tend to earn more, live in superior environments and command better positions. All of which make Omani nationals experience greater competition for jobs in their own country. This has affected the coherence of Omani society and has

encouraged the people to demonstrate for more jobs and reduced dependence on foreign workers. Therefore, it is imperative to better understand the reasons for the disparity between expatiates, migrants and locals. Thus, this research is devoted to an in-depth investigation of the factors behind the modest effects of Omanisation; a policy principally introduced to close the employment gap between nationals and non-nationals in the Omani labour market.

This chapter introduces the thesis, firstly by providing a brief background about job localisation in Gulf States, particularly in Oman. The next section sets out the problem statements and the reasons that guided the researcher to investigate the barriers and obstacles to more effective implementation of Omanisation policy in the private sector. The drivers of successful localisation policy are summarised and reasons why the study focuses on barriers rather than drivers are given. This is followed by stating the questions, aims and research methods used. The chapter also briefly illustrates the importance, strengths and implications as described in-depth in chapter 8. A rationale for the choice of sectors studied is provided.

#### 1.2 BACKGROUND

The world population is increasing rapidly and today there are about 7 billion people on the planet (IMF, 2013). This growth of population is limited to the developing countries (Table 1.1). This is because of their pyramid-shaped age structure, and youth numbers are significantly higher in these countries than in developed countries (Schwarz & Hipp, 2007). Therefore, demographic change in developing countries is expected to have great effect on the labour force and thus on human resource management within organisations in developing countries.

Table 1-1: World Population (2013)

	Region	2013 Population	% of World Population
1	Europe	742,452,170	10.4%
2	Asia	4,298,723,288	60.0%
3	Northern America	355,360,791	5.0%
4	Latin America and Caribbean	616,644,503	8.6%
5	WORLD	7,162,119,434	100.00%
6	Oceania	38,303,620	0.5%
7	Africa	1,110,635,062	15.5%

(Source: United Nations Department of Economic and Social Affairs, Population, 2015)

The total population of the Gulf States in 2015 reached over 50 million, comprising 52% nationals and 48% non-nationals (National Centre for Statistics and Information, 2015). The Gulf States are viewed by outsiders as having vast oil wealth with rich people. It is true, this region is one of the biggest oil producing areas in the world and its economies are heavily dependent on crude oil as a major source of income. Unfortunately, the oil revenues are not helping all nationals in the Gulf to live in prosperity, but instead some people still live in poor conditions. The gap between the poor and wealthy is increasing and governments have a role in controlling wealth distribution. Seznec (2008) claims that Gulf States use part of the oil income to cover military expenses, another part goes to pay the royal family members, and the remainder is used to purchase goods and materials for the maintenance of the state infrastructure and large projects, as well as paying civil servants and civil salaries. However, the region has recorded sharp declines in its share of global markets and overseas economic activities, with only 1% of its economy supported by manufactured exports. Despite the expected increase in future, as the countries move into energyintensive products such as fertilizer, aluminium smelting and refined oil, such projects rely heavily on automated production processes and are therefore considered among the weakest employment-generating industries. The unemployment rates in the region are relatively high, as shown in Figure 1.1. As a result, governments are currently facing a conflict between two extremes: the limited capacity of their economies to create jobs for new jobseekers and the demographic pressure to create jobs.

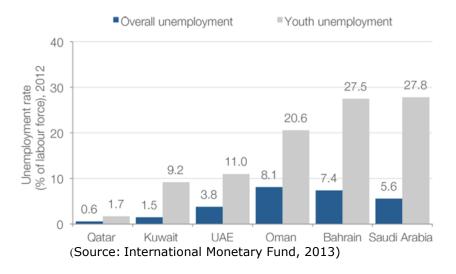


Figure 1-1: Unemployment Rates in the Gulf States

The situation is worst among youth, where the unemployment rates are more than twice the overall rates (Figure 1.1) and the number is expected to increase in the

following years. This is symptomatic of the alarming fact that labour markets of Gulf States are swamped by large numbers of expatriates. Figure 1.2 shows the fastgrowing numbers of expatriates compared with the slow increase of nationals.

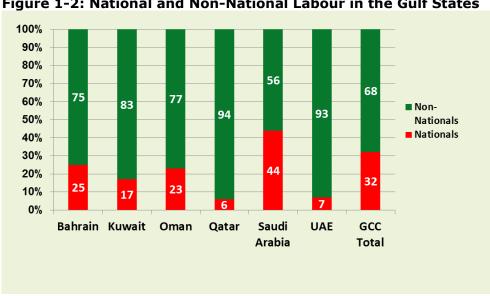


Figure 1-2: National and Non-National Labour in the Gulf States

(Source: Gulf Labour Markets and Migration, 2013)

The overall composition of the Gulf States population is greatly impacted by the number of immigrants who reside in this region, to the extent that they comprise the majority of the total population in some cases, as shown in Table 1.2.

Table 1-2: National and non-national populations in the Gulf States

Country	Total Population	Nationals (% of total population)	Non-nationals (% of total population)
Bahrain	1,314,562	48%	52%
Kuwait	4,161,404	30.8%	69.2%
Oman	4,149,917	56%	44%
Qatar	1,699,435	14.3%	85.7%
Saudi Arabia	30,770,375	67.3%	32.7%
United Arab Emirates	8,264,070	11.5%	88.5%
Total	50,359,763	51.9%	48.1%

(Ministry of National Economy, 2015)

As seen from the table above, immigrants make up more than three quarters of the total population in the UAE and 75% of Qatar's population. In the rest of the Gulf States, the majority of the populations are nationals, but they still embrace a substantial number of foreigners.

Unfortunately, large oil projects and other commercial businesses in the Gulf States have not increased local workforce participation, which would reduce reliance on expatriates. In this regard, Branine and Pollard (2010) argued that although some Arab countries are very wealthy, especially those producing oil, they are less developed educationally and their economic growth has had to depend heavily on expatriate labour and Western expertise in management and technology. He regarded this backwardness and weak human resource management as resulting in overdependence on foreign workers and the consequent mismatch between the theory of Islamic management and the practice of foreign management in Arab countries in general. Management in the Gulf Region is made up of Arabs and non-Arabs and is informed and heavily influenced by the traditional and national cultural values and norms of different countries, rather than by Islamic principles. This spectre is of particular concern to the governments of these countries who have therefore started to introduce policies aimed at creating more jobs for their indigenous workers. These programmes are called Saudisation in Saudi, Emiratisation in UAE, Kuwaitisation in Kuwait, Omanisation in Oman, Bahrainisation in Bahrain and Quarterisation in Qatar.

However, the programmes have failed to achieve their fundamental objectives of increasing the participation of national labour in the economic development of the countries. It is found that the slow progress of achieving the aims of job localisation policies in the Gulf Region in general is due to similar factors related to human, social and organisational issues. Examples of human factors are the role of education, training and development (Al-Dosary & Rahman, 2005; Healy & Côté, 2001; Malhotra, 2001), and lack of training (Al-Lamki, 1998; Mashood et al., 2009). Examples related to organisational factors are organisational engagement (Cropanzano & Mitchell, 2005; Kwon & Banks, 2004; Ostroff et al., 2005; Saks, 2006) and remuneration (Dessler, et al., 2007; Miceli & Mulvey, 2000; Swailes et al., 2012). Finally, examples of social factors are wasta1 and nepotism (Arasli et al., 2006; Chrisman et al., 1998; Gallo, 1998), trust (Knack, 2001; Nyhan, 2000; Sobel, 2002), social perceptions of private sector jobs (Al-Lamki, 1998; Al-Waqfi & Forstenlechner 2010; Swailes et al., 2012) and gender inequality (Konrad & Linnehan, 1995; Konrad et al., 2000; Reitman & Schneer, 2000). Moreover, the failure to achieve successful job localisation programmes in these countries was attributed to various economic factors: for

<sup>&</sup>lt;sup>1</sup> Wasta is an Arabic word meaning a form of favoritism that provides people with advantages not because of their merit or right but because of who they are. It is often used in Arab societies to obtain employment thus causing unequal employment opportunities (Mohamed and Mohamad, 2011).

example, weak privatisation programmes, absence of strong SME sector (Talib, 1996), over-reliance on oil (Mellahi & Al-Hinai, 2000), weak financial markets (Yousef, 2004) and traditional family-oriented work relations (Kuran, 2004; Rice, 1999; Taecker, 2003; Weir, 2003). All of which has led to the increase in unemployment rates in these countries.

A further deterrent to the policy was the radical improvement of living standards of people in the Gulf States. Families aspired to lifestyles that embraced luxury apartments, domestic servants and travel (Taryam, 1987). Consequently, private sector jobs across the oil-bearing region did not attract local employment, due to harsh environmental conditions and low wages, especially in the massive construction infrastructure projects that needed more manual labour. In addition, private sector jobs with their English speakers, experienced workers, long working hours and advanced technical skills were a challenge for people in these countries (Yang, 2002). By contrast, this work environment favours millions of unskilled workers from the Indian sub-continent, a traditional source of labour for the Gulf Region (Al-Ali, 2008). Furthermore, women in these countries were subject to many restrictions by Islamic laws that prohibited them from working in a large range of male-dominated occupations, due to the need for gender-segregation (Taryam, 1987). All of which makes citizens of these countries consider the public sector as the employer of choice with its generous pay, adherence to Islamic working requirements and comfortable working conditions.

The governments in Gulf States have conducted initiatives aimed to tackle barriers that have prevented employment of local citizens in the private sector. In Gulf States in general and Oman in particular, the broader economic reforms involve privatising and diversifying the economy, which allow the country's human capital to be used throughout the economy (Gonzalez et al., 2008). On the other hand, in the Gulf States the labour market restructurings take different forms, the most obvious being those which give private employers incentives to employ locals through quotas or sanctions. Under this approach, each sector is required to comprise a certain percentage of their workforce with local employees and compliant companies benefit through different reward schemes. Other approaches aim to attract locals towards private sector employment opportunities by equalising public and private sector employment conditions, or by offering training with financial support, or through job matching. Tax incentives are given to overseas enterprises, encouraging them to open branches and plants in Gulf Countries. A privatisation strategy has seen the transition

of public utilities and other government-owned companies to the private sector to expand and create new areas of economic activity (Gonzalez et al., 2008).

#### 1.3 PROBLEM STATEMENT

In Oman there are about 50,000 students who finish their secondary study and only one third of this number have a chance for further education, while the remainder are expected to enter the labour market. The current situation of the labour market needs critical evaluation in order to determine the problems and implement strategies that can help to rectify it. As a result, a large number of expatriate workers occupy a significantly higher proportion of jobs than do Omani locals. Recent statistics show that expatriate workers constitute 87% of the workforce in the private sector (National Centre for Statistics and Information, 2015), whilst Omani nationals find difficulty accessing work in this intense, highly skilled work environment. Statistics show that foreigners will exceed nationals in the population within the next 6 years; from 2013-2020 there will be 400,000 jobseekers and unemployment will reach 15% (National Centre for Statistics and Information, 2015). Concerning managerial levels, the situation is worse. Recent figures show that there are more than sixty four thousand expatriate managers, of whom more than 94% occupy top management positions (Ministry of Manpower, 2014). This phenomenon is still out of proportion and the need to discern the reasons for the disparity between expatiate and Omani managers in the private sector has become essential.

This spectre is of particular concern to the policy makers of the Omani government for two reasons. First, the government is responsible for providing jobs for its citizens. Second, there are the problems associated with having a heavy concentration of foreigners who dominate the workforce and sensitive positions in the areas of national security and economics. Thus, it is acknowledged that, in the long run, the country needs to exploit its full human resource potential to facilitate economic development, which has so far been supported by a predominantly foreign workforce.

To accomplish this, the government in Oman embarked on a process of localisation (Omanisation) of the workforce, aiming at increasing the participation of national labour in the labour market and reducing the reliance on foreign labour (Mashood et al., 2009). However, the policy lags far behind its national objectives, because its implementation has not been afforded sufficient on-going official attention. Certain

obstacles to the policy need to be considered. The government itself is partly responsible for the failure of its policy, because on the one hand, it wants Omanis to join the private sector and on the other hand, it opens the doors for them to join the public sector. Indeed, a government job appears to be the prized domain for Omani nationals because of various motivators: higher wages for middle-level and manual jobs, greater job security and better working conditions in terms of working hours and consideration of social commitments. Therefore, new Omani entrants into the workforce have consistently shown an inevitable preference for employment in the government. Employers in the private sector have also contributed to the problem as they naturally tend to recruit expatriate workers who are more qualified, trained, flexible and more productive. They try to avoid the high training costs of upgrading new Omani graduates in today's competitive labour market. Omani youths themselves remain unco-operative in terms of reducing the need for a foreign workforce, as they reject private sector work and prefer to remain unemployed until they get a job in the government.

Theoretically, there are few studies that investigate Omanisation and its impact on the employment process in Omani sector, even though the policy has been in effect for almost 25 years. Existing studies examine the policy from the viewpoints of managers and decision-makers. For example, Swailes et al. (2012) examined Omanisation from senior officials' points of view; Mellahi and Budhwar (2010) investigated private sector managers' perceptions about localisation policy in Oman and the Kingdom of Saudi Arabia. Furthermore, there are several PhD and Masters Theses that touch on various aspects of Omanisation policy (Al-Balushi, 2004; Al-Moamari, 2000; Jawad, 2003), but none of the existing studies thoroughly covers the national workforce as a major component of the labour market which views Omanisation with scepticism. Job nationalisation has received considerable attention in the media, but the coverage mostly commends government achievements and there has rarely been an in-depth investigation of the state of affairs in view of strict labour laws (US Department of State, 2009). Thus, there is a need for empirical research into Omanisation that can be used to develop a sound, cumulative body of knowledge upon which sound policies can be prescribed.

To help accomplish this, the present study is conducted with the principal aim of measuring the degree of influence of particular human, social and organisational barriers to Omanisation based on the demographic differences in attitudes of private sector employees focusing on four research questions:

- 1. What is the relationship between demographic characteristics (gender, marital status, income, sector of employment, seniority, years of service, in-company training and educational background) and attitudes to employment in the private sector industries?
- 2. What are the relative strengths of barriers across sectors?
- 3. What are the general perceptions regarding work attitudes and competencies of citizens in the local labour market? Are these perceptions regarding citizens shared by both expatriates and citizens themselves?
- 4. What factors perpetuate expatriate and migrant<sup>1</sup> employment in managerial roles, and what are the training needs of Omani employees to better compete with expatriates at managerial levels?

The study in general is devoted to discussing the Omanisation process and its success, failure and progress since its inception almost three decades ago. The study explores the effectiveness of the government measures towards the employment of Omanis and its realisation of the difficulties involved in employing them in private sector jobs and the causes behind the large dependence on expatriate labour to carry out most private sector work.

#### 1.4 DRIVERS OF SUCCESSFUL JOB LOCALISATION

The measures taken by the governments in Gulf States to support their nationalisation policies include sponsorship systems and setting nationalisation targets in different industries to create quota-driven employment policies that help to ensure sufficient job opportunities for citizens (Godwin, 2006). However, such measures have not brought the expected results (Kapiszewski, 2006; Morris, 2005) as unemployment rates remain high in all Gulf States. Bahrain and Oman had the highest unemployment rates of 15% each and Saudi Arabia 10.8%. In Kuwait and the United Arab Emirates the problem is less acute at 2.4% and 2.2% respectively, but it remains an issue,

their home country on completion of a specific job or project (Andresen et al., 2014).

<sup>&</sup>lt;sup>1</sup> Migrants are characterized by a movement of labour across geographical borders. Migrants often go in search of work but with no specific employer in mind. The key motives for migration are settlement in the new country and personal improvement (Milewski and Hamel, 2010; Waldinger, 2008). Expatriates, on the other hand, are more likely to work for an organization in their home country and usually receive beneficial terms and conditions of employment. They often occupy management positions and they often return to

whilst Qatar had the lowest at 0.5% (Ossman, 2014). Looking at the nationalisation programmes in the Gulf, it is clear that they are all about intervention which focuses on a quick fix of replacing expatriates (Al-Aali, 2014; Mashood et al., 2009). In practice, drivers of successful job localisation policies in the Gulf States are more about designing a rigorous approach focusing on multiple dimensions that cover; encouraging education and entrepreneurship to create jobs that local nationals will want to do (Harry, 2007), creating a persuasive talent value proposition (Weir, 2003) and enhancing the quantity and quality of on-the-job training provided to national employees in the private sector (Forstenlechner, 2008).

In addition, Alselaimi (2014) identified the surrounding cultural context in Arab societies which emphasises conservative traditions about gender roles which are perceived as having become entangled with Islamic requirements and traditions. Thus, addressing strong gender stereotypes held by these societies would appear to be a key facilitator of female participation in the private sector. Secondly, Islamic rules guide female participation in the private sector workforce. They ensure that women stay within Islamic conventions which are basically designed to protect their reputation by offering working environments that suit their feminine nature as interpreted through Islam and should encourage society to accept and welcome women's participation in private sector work. Finally, organisations need to change by introducing quotas for women, addressing productive and fair methods of segregation, enhancing family friendly services, offering childcare facilities and flexibility. Similarly, Al-Humaid (2003) identified the key drivers to job localisation in Saudi Arabia. These include; promoting training, state recognition and incentives for private sector organisations, co-ordination between educational programmes and job opportunities, raising awareness of the importance of work in the private sector, expanding technical colleges and vocational training centres, modernising Saudi labour laws, increasing incentives for manual work, improving the efficiency of the private sector, increasing pay for manual work, increasing private sector contributions to human resource development and promoting Islamic values for manual work. Those factors paint a complex picture of the challenges ahead but are critical to understanding job localisation processes in the Gulf States.

However, previous research is arguably characterised by a focus on policy weaknesses rather than on lowering and removing barriers which contributes to enabling and driving localisation and thus aggravating problems for government and society. The

other side of a barrier is an enabler. For instance, if we consider gender inequality – the factor that is reported as a key barrier to the employment of women in Gulf States – as an obstacle to Omanisation, if equal work opportunities could be assured for men and women this would drive the policy. Similarly with training and development, when locals are ensured good career development this should become a driver of successful job localisation. Therefore, analysing the barriers to the policy and suggesting solutions to overcome them is the key objective of this study.

In addition, most of the literature on job localisation in Gulf States in general and Omanisation in particular (Al-Aali, 2014; Al-Ali, 2008; Al-Lamki, 1998; Alselaimi, 2014; Al-Humaid, 2003; Al-Waqfi & Forstenlechner, 2014; Bontenbal, 2013; Forstenlechner et al., 2012; Forstenlechner & Mellahi, 2011; Swailes et al., 2012; Zerovec & Bontenbal, 2011) has focused on barriers and obstacles but has largely neglected the voices of locals which consequently feature strongly in this study.

#### 1.5 RESEARCH OBJECTIVES

The survey is designed to identify the primary causes of obstacles to Omani employment in the private sector. The main objectives are:

- 1. To investigate human, social and organisational barriers to Omanisation policy, and understand how they differ according to personal demographic variables.
- 2. To determine the relative strengths of barriers to Omanisation across sectors.
- 3. To examine the extent to which stereotypes, with respect to work-related ethics, traits, attitudes, behaviours and competencies, are a key hindrance in the success of Omanisation policy, and whether they are shared by both expatriates and citizens.
- 4. To explore the issues behind the absence of talented Omanis in managerial roles in the private sector.

#### 1.6 RESEARCH METHODOLOGY

This research uses mixed-method research methodology, placing the study in a positivist position complemented with an interpretivist position. Quantitative data analysis was used to test hypotheses through frequency analysis, t-test, multivariate analysis of variance (MANOVA), and analysis of variance (ANOVA). This is followed by qualitative data collection and analysis which was used to elaborate the quantitative results. For quantitative data collection, a self-administrated questionnaire was used

to collect data from employees from three major sectors in the private sector in Oman; tourism, banks and car retailing. For qualitative data collection, sixteen interviews were conducted with officials in three government entities that deal directly with Omanisation policy; the Ministry of Manpower, the Authority of Manpower Registry and the State Audit Institution (SAI), as well as managers from private sector companies. The interview data were analysed using thematic analysis techniques.

This research design is sequentially explanatory, in which quantitative research is conducted and analysed first, then qualitative research is conducted and analysed. The results of both the quantitative and qualitative research are then integrated.

In addition, and in order to gain a clear picture of the current situation of Omanisation, some key secondary data sources related to human resource development in Oman are used. These include: The Statistical Year Book and Monthly Bulletin; Annual Reports of the Ministry of Manpower and Ministry of Tourism; and the 2010 census.

#### 1.7 STUDY SIGNIFICANCE AND IMPORTANCE

This study is significant in light of the following considerations: firstly, it aims to help increase Omani nationals' participation in the private sector workforce in Oman, which will boost its economy. Secondly, this study aims to be a voice for the private sector employees whose opinions of Omanisation are still unheard. Whilst the study aims to find solutions to improve the process, the researcher believes that reliable feedback will not be gathered from the sole point of view of policy makers – as has traditionally been the case with previous research on Omanisation – but rather and more importantly, from the point of view of the individuals who experience the phenomenon and are directly affected by the policy. Finally, previous studies have examined Omanisation via surveys, whose items drew either from previous studies in the field or from government documents. To overcome this limitation and in addition to using a questionnaire, this study incorporates qualitative data through semi-structured interviews as a powerful technique for systematic investigation, especially in Oman where officials and managers prefer interviews rather than questionnaires.

Overall, this research attempts to create a reference point for understanding the barriers to successful localisation in Oman. The study surfaces new perspectives on localisation practices that come from employees rather than employers.

#### 1.8 STUDY IMPLICATIONS

The results of this research have policy implications for various organisations in the public and private sectors that deal with Omanisation policy. Gathering feedback regarding Omanisation from Omani employees potentially assists these organisations with reliable and accurate data for policy improvement. Furthermore, the results of the study can help the government entities to raise citizens' awareness towards employment opportunities in the private sector. Finally, it associates the early findings with more recent data, thus providing new evidence on the recent evaluation of the Omani labour market and discusses policy options in the light of demographic changes. Elaborations of the significance and implications of this research are discussed in Chapter 8.

#### 1.9 STUDY STREGNTHS

The strength of this study lies in several perspectives. The researcher works in the State Audit Institution, one of whose mandates is to monitor the progress of Omanisation. Thus, the researcher was able to obtain more information about the policy by developing access to key figures involved in implementing Omanisation. Asking for interviews with key policy makers, when investigating a government policy, is normally considered to be an obstacle to gathering accurate data, because they believe that the researcher is setting out to criticise the policy rather than to help improve it.

A further strength of this research is the emphasis on the sample of employees as a key source of data, since they are the key stakeholders in Omanisation, and gave excellent feedback. This is confirmed by the response rates which reached 49% and only very few questionnaires were found uncompleted. In addition, the remarks provided by the participants as a response to the open question provided at the end of the questionnaire is another strength, as they show the enthusiasm to participate in this research (see chapter 5, section 5:7). There is a high degree of consistency between these remarks and the outputs of the key items of the questionnaire, as well as with the interviews results. With regard to human resource development in Oman, these remarks open up a range of new issues that can be considered by the government and become key themes for future research.

#### 1.10 BAKGROUND AND RATIONALE TO THE SECTORS SELECTED

In the private sector in Oman, there are 134,000 enterprises. These companies are classified into two groups. Group one is the "first class companies" and comprises only 15,000 enterprises, and group two is "the second, third and fourth class companies". The total workforce in the private sector is 1.4 million; of this number, there are 1.2 million expatriates and only 200,000 Omanis (Ministry of Manpower, 2014). Therefore, due to the difficulty of reaching all Omani employees, who provide the target sample of this study, three key sectors were chosen to investigate Omanisation policy: banking, tourism and automotive retail. The industries were ranked in terms of the level of Omanisation achieved so far. Banking was the highest at 92.5%, tourism was 55% and the automotive sector was one of the lowest at 35%. The following sections give more detail for the selection of the three sectors.

### **1.10.1 Banking**

The banking sector is one of the oldest business sector establishments in Oman. The first commercial bank in Oman was created 1948 when a branch of the British Bank of the Middle East was established in the capital city of Muscat. The banking sector since then has grown in line with national economic development resulting in the establishment of additional banks operating in the country.

In 2013, The Central Bank of Oman issued a circular (Appendix 1) asking all banks to strive to reach over 90% Omanisation. As a result, the Omanisation ratio in most banks grew to over 92.5% (Central Bank of Oman, 2013). Thus, the banking sector has led the way in fulfilling the national objectives of Omanisation policy. Table 1.3 shows the key source of Omanisation in the banking sector.

Table 1-3: The Top Banks in Oman

Name of the banks/companies	Number of employees		Omanisation (%)
_	Omani	Expatriates	
Bank Muscat	3057	209	93
National Bank of Oman	1195	120	91
HSBC	1046	84	93
Oman Arab Banks	1061	76	93

(Source: National Centre for Statistics and Information, 2015)

The above four banks were used as a population for this study. Reasons for successful Omanisation in banking will be explored.

# 1.10.2 Automotive

In the last decade, the Omani automotive market has boomed from 114,000 vehicles in 2004, up to 217,924 in 2014, almost doubling volume with an impressive series of annual records. Oman's car sector became one of the fastest growing in the world in 2012, with a 53% increase year-on-year, due to the positive economic environment and increasing consumer demand (focus2move, 2015).

Even though the majority of jobs in this sector are semi-skilled, such as administrators, receptionists and salesmen and requiring only a secondary-school certificate or some vocational training, most of these jobs are occupied by expatriates. The sector's contribution to the development of the country's human resources is not promising as Omani employees comprise only 45% of the total workforce in the sector. Furthermore, 98% of managerial posts are occupied by expatriates and, overall, has a low level of Omanisation.

#### 1.10.3 Tourism

The tourism sector in Oman has witnessed substantial growth during the last four decades. The value of the tourism sector during the period 2009-2012 rose from 538 million to 636 million Omani Riyals (1.7 billion USD to 1.4 billion USD) thus realising an average real growth rate of about 5.7% annually. The number of tourists reached about 2.2 million, according to 2013 statistics. Oman's tourism sector is expected to contribute around 6% of the country's total investment by 2021. (Ministry of Tourism, 2014).

The Convention and Exhibition Centre (OCEC) is one of the massive tourism projects introduced by the government in Oman. It comprises the exhibition centre, the four-star Crown Plaza Hotel and the five-star Marriott Hotel, auditorium and theatre, conference rooms and supporting facilities. The Integrated Tourism Complex (ITC) zone is another massive tourism project in Oman. The complex is designed for mixed-use communities and comprises residential, leisure, entertainment and commercial components (Ministry of Tourism, 2014). Despite the fact that tourism in Oman is considered one of the key drivers of economic growth, its contribution to employment is very low at 6% and Omanisation in the sector is only 55% with more than 75% of managerial positions occupied by expatriates. Therefore, the views of employees regarding the weak participation of Omanis in tourism were examined.

#### 1.11 OMANI CONTEXT

Because the Sultanate of Oman occupies the easternmost corner of the Arabian Peninsula, it serves as a gateway to the Arabian Gulf and the Indian Ocean and is therefore strategically important for access to Asian, Arabic and African markets. It is one of the Gulf States and the second largest country after the Kingdom of Saudi Arabia in the Gulf region, with a total area of 30,900sq.ks. It shares land borders with the United Arab Emirates in the north, Saudi Arabia in the west, and Yemen in the south (Figure 1.3). Oman has sea borders with the Gulf of Oman in the north and the Arabian Sea in the east. Its coastal line extends from the Governorate of Dofar in the south to the Strait of Hormuz in the north for almost 3,165 km. It shares the strategic Strait of Hormuz with the Republic of Iran. The topography of Oman consists of

54° Iran Iran Al Khasab Al Khawr Al Fujayrah Gulf Mahdah Abu Dhabio Al Buraymi Khaburah Jnited Arab Muscat **Emirates** Qurayyat Boundary not defined Izki Ibra Mudayrib Fahud Al 'Ubeylah Al Kamil Saudi Arabia Ghaba Oman .Dawwah Khaluf 5 Kalban Hayma' Duam rabian Sea Marmul Sawgirah 18 150 km 100 mi <u>íemen</u> 1997 MAGELLAN Geographixsм (805) 685-3100 www.maps.com Al Ghaydah

Figure 1-3: Map of Oman

mountains, wadis and plains. The plain overlooking the Arabian Sea and the Oman Sea is the most important area as it covers about 3% of the total area of the country (Ministry of National Economy, 2011).

The main cities in Oman are Muscat, Sohar, Nizwa, Sur, Ibri, Al Buraymi and Salalah, each of which has its own traditional and cultural features. Muscat is the most

important as the political capital city and headquarters of the State's administration. It is an old city and a busy trade centre with the main commercial port in the country and the only international airport (Ministry of National Economy, 2011).

Oman has a relatively small population of 3.5 million, of which 76% are Omanis and 24% of them live in the capital's general area (Muscat and its surrounding townships). The population of Oman is estimated to be growing at an average annual rate of more than 2.5%. The Omani workforce comprises 42% of the total population. The remaining population is composed of school-age children, housewives, the elderly and the unemployed (Census, 2010). According to Al-Hamadi et al. (2007), the main ethnic groups in Oman are: Arabs (74%), Pakistanis (15%), Baluchis (4%), Persians (3%), Indians (2%) and Africans (2%).

Even though Oman's history as a Sultanate dates back more than a millennium, its modern form was created after the accession to the throne of the current Sultan on 23 June 1970. The country shares many of the cultural characteristics of its Arab neighbours and has experienced similar rapid economic development, characteristic to those in the Gulf States. Halliday (2000) mentioned that Oman was once a traditional Sultanate, but the British transformed it into a state. Although the British influence in Oman and the wider Gulf has been considerable, they made no direct contribution to government or administrative rule in Oman. Rather, Oman was subject to the British "informal empire" in the region, which effectively ended with British withdrawal from Bahrain in 1971. However, the year 1970 is seen as pivotal in the eyes of Omanis, when the accession of Sultan Qaboos marked the beginning of the country's modernisation.

The "Basic Law" is considered as the only constitution issued by a royal decree in November 1996. It is essentially a document defining the State's basic functions and the type of government as a Sultanate and it enshrined the sultanship as hereditary among the main descendants of Al Said (Gonzalez et al., 2008). It also barred government ministers from holding interests in companies doing business with the government, instituted a Prime Minister and guaranteed basic civil liberties for Omani citizens.

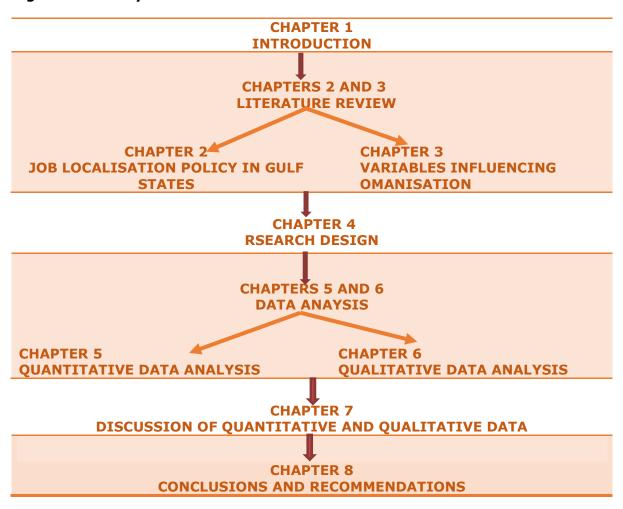
Economically, Oman, like its neighbouring oil-producing countries, is mainly dependent on oil and gas revenues for its income. Oil has been exported since 1967, and has been the major contributor to GDP, at 87% (Khan, 2010), with average daily

production of crude oil at 943,000 barrels in 2014 (National Centre for Statistics and Information, 2014). Largely due to the discovery of oil, the country has modernised itself economically, based on a series of 5-year plans since 1976, and its adherence to free-market economic principles.

#### 1.12 THESIS STRUCTURE

The study is organised into eight chapters as shown in Figure 1.4. This chapter outlines the context of the thesis. It provides a general overview of the background of the phenomenon being investigated by this research and its fundamental aims, objectives and research questions, research significance within the literature, the selected research and data-collection methodology, and strengths and limitations of the study. An overview of Oman's history, cultural identity and economic systems is presented to create a holistic view of the country within which this study took place.

Figure 1-4: Study Outline



Chapter Two provides an overview of the context of the study by undertaking an extensive analysis of the literature on job localisation in the Gulf States. It summarises the features of each job-localisation policy, namely: Suadisation, Emiratisation, Bahranisation, Kuwaitisation, Qatarisation and Omanisation. It also provides a general overview of Gulf State labour-market trends. The chapter further provides a brief illustration of the labour markets and of challenges facing human resources in the countries in general and Oman in particular. The chapter then presents a discussion about the education system and economy in Oman. It is finalised by providing an illustration of the social, economic and cultural impact of the influx of expatriates on the Omani labour market.

Chapter three establishes a theoretical context for Omanisation. It first summarises previous literature which is followed by illustrating the theories which impact job localisation policy, such as Herzberg's Two Factor Theory, Expectancy Theory, Cognitive Dissonance Theory and Social Identity Theory. The chapter determines the extent to which individual variables are impacting human, social and organisational variables, considered essential in making people employable. Based on the review of the literature, with regard to the variables influencing the job-localisation process, the conceptual framework and the hypotheses of this study are presented at the end of this chapter.

Chapter four explores the research design, including the choice, design and description of the data collection and analysis techniques used, based on the suitability of the resources and the access to them in the field work. The chapter provides a justification behind the use of mixed methods to tackle the research questions.

Chapters five and six describe the analyses of data gathered via survey and interview. Quantitative analysis is presented in chapter five, starting with a description of the procedure used for the preparation of data to make it ready for analysis, moves towards factor-analysis to identify the research constructs and determines the related variables that influence Omanisation. Following this, basic descriptive quantitative analyses are explored. The chapter is finalised by presenting the statistical analyses and the interpretation of the results, particularly with regards to differences between participants based on their demographic variables. The analyses of qualitative data are

presented in chapter six, starting with a brief description of the instrument used to analysis the data. Then the analysed data and their findings are presented.

Chapter seven discusses the key findings of the survey and links them to the existing literature. It also discusses the issues emphasised by interviewees concerning barriers to Omanisation to support the integration of both kinds of data to better interpret the findings. The final chapter evaluates the theoretical framework used in this study (Figure 3.5) and then presents conclusions regarding the updated theoretical framework for Omanisation (Figure 8.1) to be used to inform practical implications and possibly tested by future research in the field. The significance of the research and suggested actions for the key stakeholders of Omanisation, as well as limitations of this study and some suggested future research, are presented.

Having introduced the research area and the aims and objectives, the next chapter presents a literature review of nationalisation in Gulf States in general and Omanisation in particular. An in-depth account of the reasons behind job localisation in these countries is provided.

# CHAPTER 2: JOB LOCALISATION POLICY IN GULF STATES

#### 2.1 INTRODUCTION

It is argued in the literature that the presence of foreign labour is associated with consequences that may negatively influence the fabric of the receiving countries' societies. Like its neighbours, Oman introduced Omanisation to reduce the number of non-national workers in its labour market to make more jobs available for its citizens.

This chapter gives a general overview of localisation in the Gulf States and Oman in particular. Other programmes include Saudisation, Emiratisation, Kuwaitisation, Bahrainisation and Qatarisation. It starts with an illustration of the theoretical concept of job localisation which is followed by a brief discussion of human resource development in Gulf States and the challenges facing it. As this study is about the scarcity of jobs for locals in one of the Gulf States (Oman), an overview of migration to the Gulf Region and the reasons behind the influx of foreign labour is provided. Each Gulf State has taken serious actions to reduce the number of non-nationals in their labour markets through job localisation programmes and each of these programmes is investigated individually to determine their effectiveness, the implementation methods and the challenges facing them.

More specifically and in order to understand the current situation in Oman and the extent to which it is influenced by the intensive presence of foreign labour, an in-depth investigation of labour trends is presented. This covers an illustration of the factors shaping the Omani labour market, the education system, economic trends and the socio-economic impact of non-nationals in the workforce. Finally, the chapter discusses Omanisation, its rationale, the implementation methods and the challenges facing it. This will help to understand policy performance and the extent to which its goals have been achieved so far.

#### 2.2 JOB LOCALISATION CONCEPT

Localising the workforce is the process of developing job-related skills within the local population, with the objective of replacing expatriates with local employees (Law et al., 2004; Wong & Law, 1999). It is a long standing international issue (Rees et al., 2007). According to Potter (1989: 26), "An effective localisation has occurred when a

local national is filling a required job sufficiently and competently to fulfill organizational needs and not merely filling a job, which would be a diluted definition as it only responds cosmetically to the requirement". It is argued that for the localization policy to be effective, it should consider its three pillars: government, private employers and local employees. Al-Dosary (2004) argues that labour nationalization efforts are designed not only to redress endemic unemployment or under-employment issues, but they are also often seen as politically prudent and necessary as well as a nation's desire to manage its own affairs. For example, Saudisation was developed as a result of the political and economic "drawbacks" that have arisen from employing a foreign workforce. Locals often view foreign labour, especially in industries deemed strategically important, as a threat to political domestic stability.

This study focuses on the influence of political contingency on human resource management policies and practices in the public sector (Al-Horr, 2011). Randeree (2012) noted that although localisation strategies vary from one country to another, they all commonly involve typical components of human resource management, namely; recruitment and selection, education and training, career management and the design of reward systems. Furthermore, localization policies are associated with a wide range of economic and social variables, such as social reform, economic development, competitiveness and globalisation. However, localisation programmes have been criticised by some commentators for not taking into account the strategic approach to developing national human capital and the labour market structure (Wadeea, 2000). Other researchers have condemned the lack of co-ordination between governments and private sectors in terms of required job skills as a key issue in the failure to implement these programmes throughout most Gulf States (Al-Lamki, 1998; Cammett & Posusney, 2010; Sadi & Henderson, 2005; Wadeea, 2000). Forstenlechner et al. (2012) argued that the education systems in Gulf Countries must emphasise the need for instruction in skills that make locals ready to join workplaces.

However, localising a national workforce is not an easy task due to certain challenges faced by human resource management in motivating nationals to do the following: participate actively in the national economy; raise skill levels among nationals; and provide a favourable work environment that enables nationals to recognise and apply their potential. Given these considerations, it is important to acknowledge that labour localisation is a long-standing and international issue.

#### 2.3 HUMAN RESOURCE CHALLENGES IN GULF STATES

Human Capital Theory suggests that investment in human capital can be through formal schooling or on-the-job training, both of which raise productivity and therefore increase wages or earnings (Becker, 1964). Most studies show that formal schooling is an important factor in explaining variations of wages in well-developed countries and in some less-developed countries (Cohen & Levinthal, 1990; Gonzalez et al., 2008; Michael et al., 2000; Shaw et al., 2005). One expectation is that widespread investment in human capital will create the skill base in the labour force that is needed for a country's economic growth (Gonzalez et al., 2008).

However, most studies that explore human resource development in Arab Countries admit that there are some challenges that prevent the improvement of locals' skills and competencies. The poor education systems in these countries are the most obvious challenges to human resources development. A report issued by UNESCO (2000) reveals that in Arab States the education system is of very poor quality and most of those receiving an education are unprepared for the technological era and the potential for international competition in the new millennium. Labour markets all over the world are going beyond countries' borders, looking for workers who have specific technology-based skills. However, recent studies reveal that educated individuals in the Arab countries are ill-prepared to enter the global economy working environment (Gonzalez et al., 2008).

In Arab Countries, local labour lacks preparation to compete in the labour sector because of the mismatch between education outputs and labour market needs which eventually result in unemployment. Gonzalez et al. (2008: 3) point out that "labour demand and supply imbalances (skills mismatch) that affect workers with the poorest labour market prospects (i.e., those with the lowest education levels) worsen the overall performance of a country's economy by increasing the unemployment rate". In Arab labour markets, a large gap exists between the demand of human capital skills and the supply of those skills through the local workforces.

Another challenge to human resource development in Arab countries is the high growth of populations. Statistics show that annual average growth rate for 2000-2010 is estimated at 2.5% for Arab countries and the population of 5 to 18 year old in Arab

countries is projected to be 110 million by 2010 (UNESCO, 2000). This brings more pressure on the education system to ensure more educational opportunities for the new students who reach schooling age. This involves finding qualified teachers, good management and constructing more schools and other educational services.

Beyond skills-mismatch and increasing youth population, there are other challenges associated with development of human resources in Arab regions. The inadequate preparation of the national labour pool and a limited experience with entrepreneurship in most Arab countries, especially the Gulf States, have resulted in a labour shortage. Moreover, women experience occupational segregation, as certain jobs are considered more appropriate for women than men. This reduces the participation of women in the labour market. Other Arab states experience difficulties in absorbing recent graduates, which results in high rates of out-migration of human capital (Gonzalez et al., 2008).

In responding to human resource challenges in Arab Countries, tremendous efforts and resources are devoted to enhancing the skills and knowledge of local citizens. This is through introducing initiatives aimed to eliminate shortcomings in human resource development, skill mismatch in labour markets and the need to enhance the quality of education. Failure in addressing these areas threatens to undermine progress toward creating the type of society needed to effectively address increasingly complex 21<sup>st</sup> century issues related to community well-being and development.

#### 2.4 MIGRATION TO GULF STATES

Migration to the Gulf States increased after the discovery of oil. Dito (2007) points out that in past centuries, economic factors combined with the aim of finding a suitable settlement was the key drive behind migration to the Gulf States. The phenomenon of the inflow of migrant workers into the Gulf labour market has passed through different stages (Rahman, 2011). The first stage occurred in the period before the 1970s oil boom. At that time the majority of migrant workers were Arabs, comprising more than 80% of the total work force of Gulf States. They were mainly from Palestine, Jordan, Egypt, Syria and Yemen. Also, there were Asian workers who worked in overseas companies and government agencies. During this period, there were narrow wage differentials between sending and receiving countries. Oman was a net exporter of manpower, but after that it became the major labour-importing country. The second phase was triggered by the post-1973 oil price hike. At this point, migration to the

Gulf Region began to intensify and the number of Arab migrants rose considerably, especially from Egypt and Yemen. By 1975 there were about 1.3 million migrants in the region. The third stage was extended from the second half of the 70s until the early 80s due to the second oil price hike in 1979. During that period, government revenues rose sharply each year. This allowed Gulf States to introduce more ambitious development plans, lavish infrastructure projects and generous social welfare programmes. These programmes and projects caused a surge in the demand for labour; because there was a shortage in the availability of local workers, migrants were called in to close this gap. Therefore, in 1980, around 700,000 migrant workers entered Gulf States to participate in the economic development process. This period was marked by the influx of labour from South Asian countries such as India, Pakistan and Sri Lanka. This resulted in the share of Arab workers declining to about 37% in 1980, having been more than 43% in 1975. Also, this period witnessed a slowing of demand for unskilled workers as the main infrastructure projects were completed. However, in turn, the demand for skilled workers increased as a result of globalisation, which allowed technology to expand quickly in these countries' industries (Rahman, 2011). The fourth stage began in late 1982 with the decline in oil prices. This stage witnessed a slowing of some development projects due to the reduction of oil revenues. As a result, demand for foreign workers reduced, but the preference for skilled workers continued. In the 90s, the fifth stage of migrants to Gulf States began and new migrant workers arrived, especially from China, Philippines and the newly independent States of the former Soviet Union. These migrants created additional competition in the labour markets. The second Gulf War in 1991 resulted in the displacement of about 1.5 million people, most of whom had left Kuwait. This massive displacement created job vacancies in the Gulf States that were filled particularly by Indians, Pakistanis and Bangladeshis (Rahman, 2011). Although it is difficult to know the exact size of the migrant worker population in the Gulf States, available information suggests that it was about 12.5 million in 2012. Of this total, there were 3.5 million non-Gulf Arabs and the number of Asians was more than twice that of non-Gulf Arab workers. The presence of South Asian workers is growing and is likely to continue to do so.

# 2.5 JOB NATIONALISATION IN GULF STATES

Mellahi and Al-Hinai (2000) argued that three key factors caused localisation to dominate the economic development policies in Gulf Region in the 1990s. Firstly, the sharp decline in oil prices in the 1980s led to a substantial decrease in oil revenues

and marked an end to the oil boom era. This resulted in a budget deficit which was close to 4.9% in 1990 for the six Gulf States. As a result, these states have embarked on a cost-cutting strategy to recover the deficit. Remittances by expatriates have played a key role in the deficit. In Saudi Arabia alone, total remittances by foreign workers were closed to an average of \$15 billion a year in the first half of the 1990s, and \$3 billion a year during the same period in Oman. Secondly, despite the fact that the available data about unemployment in Gulf States are not accurate and do not reflect the exact numbers of unemployed locals, governments accept that it is becoming hard for citizens to find jobs. Moreover, more than 50% of Gulf citizens are under the age of 15 years, which means creating employment for locals is expected to become more critical in the future. Persistent unemployment could cause problems in social stability to the extent of producing social turmoil in some countries. In Bahrain, for example, high youth unemployment led to political unrest in the 1990s. In Oman at the beginning of 2011, protesters called for more employment opportunities. The strikes caused damage to infrastructures services and closed some government buildings. Thus, the need is greater than ever to help displaced locals by integrating them in the labour market. Third, the oil windfalls of the 1970s and early 1980s allowed for a large public sector in the Gulf States to provide generous benefits to its employees. This sector has been the major employer for locals, while private sector job opportunities have become available for foreign labour. However, employment saturation of Gulf States public sectors and the sharp drop in oil prices in the mid-1980s restricted employment in this sector. Thus, the private sector became the key sector for employment of locals (Mellahi & Budhwar, 2010). Rees et al. (2007: 33) argue that "the dependence on expatriates has serious short- and long-term political, economic and social consequences", as this phenomenon has heavily contributed to the increase of unemployment rates within the Gulf. Hence, governments in the region have become seriously concerned about the implications for the future. They have recognized that the country's responsibility for long-term development cannot be the onus on foreign experts for much longer, but instead must be placed in the hands of a growing national workforce.

Consequently, Gulf States have tried to alleviate the problem by introducing several policies aimed at securing jobs for their citizens through job creation and reduction in the import of foreign labour. Parallels can be drawn with employment policies in other regions of the world; a well-known example is the affirmative action policy in the United States of America. Although this policy relates to the broad provisions for equality of race, colour, religion, gender and national origin, it has become

synonymous with ensuring proportional representation for both African-American and women employees in the workplace. Other examples are social inclusion programmes, such as those in Australia and Canada. These programmes help first-nation inhabitants overcome social marginalisation by giving them access to employment and education through positive discrimination (Randeree, 2012).

The following part of this chapter briefly describes job localisation programmes in each Gulf States and the common challenges facing their successful implementation.

#### 2.5.1 Saudisation

The Kingdom of Saudi Arabia is the largest oil producer in the world. The country produces more than 9 million (bpd) of crude oil (Ministry of Petroleum and Mineral Resources, 2015). The oil revenue makes Saudi's economy one of the largest in the Middle East. The sharp rise in oil revenues in 1974 caused the economy to grow at a fast pace during the following years, but government efforts failed to meet the increasing demand for a skilled labour force required to construct the huge infrastructure projects in the country. During that period, Saudi graduates were prohibited to work in the private sector and only allowed to work for the government entities that had sponsored their studies. This situation forced the private sector to depend mostly on expatriates. Subsequently, in the 1980s, the government realised the inability of the public sector to provide jobs for young Saudi people (Al-Dosary & Rahman, 2005). Since then, workforce and employment planning has become one of the most important issues on the Saudi government's agenda, and a Saudisation policy has been introduced.

However, critics say that Saudisation goals have not yet been achieved. For example, Ramadi (2005) argues that localisation policy in Saudi fails to take into account the labour market structure, the development of human capital and the private sector preference of employing cheap, foreign skilled labour from India or Bangladesh; these are major causes of locals' unemployment in Saudi. Achoui (2009) shares the same view and notices that one of the most important reasons for not achieving the Saudi goals may be the lack of participation from the private sector in the Human Resources Development project (HRD). Recent argument that stresses unsuccessful Suadisation came from the Saudi Minister of Labour in his meeting with businessmen at the end of 2011; he said, "The situation in the Saudi private sector does not exist in any other

country in the world, where 90% of the employees are foreign. There are currently more than 6.5 million foreigners working in the private sector in Saudi". He added that recently, over 2 million work visas had been issued by the Saudi authorities. He called for strong co-operation between the government and the private sector in addressing the challenge of unemployment and argued that enterprises should play a greater role in encouraging the localisation of the labour force. The Saudi King has repeatedly appealed to locals to change their negative image about factory jobs. For example, "in 1998 the King called on Saudi youth to accept lower-grade jobs when and if they became available" (Mellahi and Al-Hinai, 2000).

#### 2.5.2 Emiratisation

In the United Arab Emirates, only 9% of the workforce is made up of nationals; the majority of them are in the public sector (99%) and only 1% are employed in the private sector (Randeree, 2012). Under Emiratisation, suitable industries for Emirati people were chosen and the quotas were defined for them (Marchon & Toledo, 2014; Morris, 2005; Toledo, 2013). In 2006, the government established the National Human Resources Development and Employment Authority, (TANMIA), whose main objectives were to create job opportunities for UAE nationals, enhance the skills and productivity of the national workforce and recommend relevant policies to the UAE Federal Government with regard to human resource development (Mashood, et al., 2009). More recently, authorities in the U.A.E - as in the neighbouring country of Qatar - have turned their attention to education reform in order to further the Emiratisation policy (Toledo, 2013). The Emirates are in the process of transforming their respective education systems and are placing far greater emphasis on English language instruction and vocational subjects such as mathematics and sciences (Forstenlechner, 2009).

Although the above government initiatives appear very effective towards efficient Emiratisation, they have been criticised by many officials in the government. For example, the Emirate Vice-President said "The decision ignored reality as well as the nation's priorities..., Emiratis should first have the qualifications and expertise to compete in both government and private sectors" (Salih, 2010: 170). One criticism came from high-ranking officials within the government, which meant the policy had failed to meet its designed goals and objectives. Therefore, a reconsideration and review of Emiratisation should be conducted by the government in order to achieve best results.

#### 2.5.3 Bahrainisation

The discovery of oil in Bahrain in the 1930s encouraged migrants to settle there. A dynamic growth of the country's economy ensued, which intensified the need for a skilled international workforce to maintain the development of modern sector and services (Karolak, 2009).

The influx of expatriates has resulted in a decline of the local workforce from 62.7% in 1970 to 42.6% in 2004; consequently the unemployment rate in Bahrain reached 15% in 2014 (Ossman, 2014). Young people claimed that neither the public sector nor private sector had been able to absorb them. Thus, a strategy of localisation was launched. One interesting theme related to Bahrainisation is that the policy sought to make locals less expensive to employ than expatriates in the private sector by taxing the employer on his expatriate labour (Forstenlechner, 2009). This distinguished Bahrainisation from other Gulf localisation policies which focused on quota systems. In the early 1980s, the government initiated the so-called "Project 10,000", which was mainly a training and employment scheme aimed at placing the young Bahrainis entering the labour market in various jobs within the private sector. Like other Gulf States, Bahrain creates quota systems to control foreign labour influxes and improved the mobility of existing non-nationals by allowing those with a valid work permit to switch employers (Bahrain Economic Development Board, 2011). Despite the long years of Bahrainisation policy with its established quota system and other strategies, the problem of securing jobs for Bahrainis has not been tackled effectively and no satisfactory solution has evolved.

# 2.5.4 Kuwaitisation

The Constitution of Kuwait explicitly secures employment opportunities for all Kuwaiti citizens. Article (i) states that "every Kuwaiti has the right to work and to choose the type of his/her work..... The state shall endeavour to make it available to each citizen and make its terms equitable" (Al-Enezi, 2002: 888). To this end, different employment policies have been adopted in both the public and private sectors. However, as in other states, the tendency of the locals to seek jobs in the public sector consequently increases the number of expatriates needed to fill private sector jobs. Thus, around 95% of Kuwaitis are employed in the government. The private sector, by contrast, is staffed almost exclusively by foreigners. These labour outcomes

emerged as a result of oil wealth which financed public sector expansion and economic growth (Bulmer, 2000). Thus, Kuwait, like other Gulf States, recognised the need for a plan that considers Kuwaiti human resources as being responsible for the country's economic development and a localization policy was introduced in 1978. Its principal aim was to get a balance between the local and foreign workforce by setting educational and training programmes that provide Kuwaitis with required skills and knowledge to equip them to take part in the private sector. According to government statistics, the policy reveals a degree of success, as unemployment among locals steadily decreased from 8.5% in 2000 to nearly 5% in 2010, and a balance between public/private sectors was achieved, albeit at a slow rate (Randeree, 2012).

## 2.5.5 Qatarisation

Qatar is a small country with a population of 1.7 million, of which only 16% are nationals. This makes "localisation" a pressing economic and social issue (Forstenlechner & Rutledge, 2011). Although, localisation strategy in Qatar has been functioning since the 1980s, it has had little attention in the literature on workforce localisation. The policy's objective is to encourage Qatari nationals to accept jobs in the private sector. In addition, the policy was expected to benefit the Qatari economy in terms of reducing unemployment and capturing foreign remittances and to expand Qatari women's role in the local labour market. (Al-Horr, 2011).

The strategy employed to create a balance in the Qatari labour market was starting to yield results, indicated by the significant decrease in the rate of national unemployment. Despite its promising results, Qatarisation policy is criticised by researchers like Al-Horr (2011) who argues that the policy will eventually increase employment costs, especially those associated with employees' training and development, which contradicts the cost-efficiency that profit-oriented organisations try to achieve. Therefore, companies could not expect to experience any direct performance benefit from the policy. This is compounded by business owners' stereotyping of locals as people who fail to maintain corporate reputations or promote the success of their workplace and who fail to appreciate the importance of high-quality and reliable service standards (Swailes et al., 2012). Al-Horr (2011) adds that the ambiguous aims of the policy in Qatar are similar to those of other developing states, while the ones in developed countries are more focused on achieving revolutionary change by dismantling existing structures and are therefore more successful. The policy's overwhelming targets of locating locals in employment were

also criticised by officials who believe such targets are unrealistic and they are seen by some Qatari people as only a 'show' or a 'game'; they say the government is not serious about the pre-determined targets (Al-Horr, 2011).

Despite the government's constant search for new rules and regulations to encourage Qatarisation in the private sector, the policy faces a number of challenges. The empirical examination conducted by Al-Horr (2011) indicates that there are two major external factors that influence the effective implementation of localisation policy in Qatar: the structure of the population and the educational system. The small size of the indigenous human capital, together with the low average age of the population and the low participation of Qatari nationals in the labour market, particularly in the private sector, has resulted in an extreme dependence on non-nationals. Therefore, it seems that without foreign labour the social and economic development plans would not be possible to implement in Qatar, which means the reliance upon the non-national population seems unavoidable, at least at the current stage of development.

# 2.5.6 Challenges to job Nationalisation in Gulf States

The process of nationalising the workforce in Gulf States has been successful in the public sector, but it still lags far behind in the private sector and has failed to meet its fundamental objective of tackling the problem of high unemployment rates in the region. This is because, in private firms, employment decisions are mostly made by expatriate managers and not made on the basis of a clear business rationale that currently favours expatriates (Forstenlechner, 2009). In their investigation on "Human Resource Challenges faced by Oman" Gonzalez et al. (2008) found that the high unemployment rates among young Omanis, an education system that is not producing workers with the skills required by employers, a training system that lacks coordination and underlying concerns about disparities in living standards are the most important challenges to the development of human resources in Oman.

According to Rees and Althakhri (2008), the private sector resists nationalisation policy in countries such as Saudi Arabia, Oman and the United Arab Emirates for different reasons: locals are still relatively expensive to employ; there is a lack of technical skills to fill the manual and technical jobs that are more available in the private sector; managing foreign workers is generally easier because they fear the termination of their contracts; and locals often avoid social integration in the

multinational work environment. Furthermore, there is a widespread perception that local workers are less disciplined and more difficult to control, while expatriates generally work long hours, accept lower wages, tolerate poorer working conditions and physically demanding jobs which would not necessarily be accepted by the nationals (Al-Hinai, 2009; Randeree, 2012). From the cultural perspective, negative social perception towards certain jobs in the private sector is an obstacle to job localisation (Al-Lamki, 1998; Mellahi, 2009; Swailes et al., 2012). Furthermore, expatriates come from different countries with different backgrounds and cultures, which mean that local workers are often not able to integrate in the multi-cultural work environment (Mellahi & Al-Hinai, 2000).

However, the failure of job localisation in the Gulf States is influenced by many other factors. Government jobs remain attractive as they usually offer higher salaries, significantly more job security and a less demanding environment compared to the private sector (Abdalla et al., 2010; Swailes et al., 2012). Furthermore, educational systems in the Gulf States have so far failed to provide adequate education and preparation for the rigor of working in the private sector (Baqadir et al., 2011). Rules and regulations concerning job localisation policies allow local workers to freely move from one employer to another which, while an essential part of a free market, does not always help localisation. From the private employers' perspective, localisation policy is considered as a barrier to competitiveness because it is associated with increased labour costs as a local workforce is more expensive than a foreign workforce (Mellahi & Al-Hinai, 2000). The recent conflict and political turmoil in the Middle East region has increased the influx of foreign labour to the Gulf States by catalysing the movement of professionals out of unstable Arab countries to seek job opportunities in the Gulf with a resulting downward pressure on jobs for locals (GulfTalent.com, 2011).

All of the above have resulted in socioeconomic consequences, of which the increasing rate of unemployment in Gulf States is the most critical. Bahrain and Oman had the highest unemployment rates in the Gulf; 15% in each, compared with just 0.5% in Qatar. Although Saudi Arabia is the most oil-rich country, it also reveals high numbers of jobless nationals, which stood at 10.8%. In Kuwait and United Arab Emirates the problem is less acute with a jobless rate of 2.4% and 2.2% and respectively, but it remains an issue (Ossman, 2014).

#### 2.6 THE EDUCATION SYSTEM IN OMAN

Since Sultan Qaboos took power from his father, he has pursued a vigorous policy for economic, social and educational development. His strong desire to see Omani people in all areas of economic development produced a policy in which education and training were designated as areas of topmost priority and a cornerstone of each of the Sultanate's Five-year Development Plans. The Ministry of Education's commitment to a sector that is modern and advanced is reflected in its range of educational programmes, including the Basic Education System, designed to meet the demands of modern science and culture in the information age (Ministry of Information, 2010).

#### 2.6.1 Basic Education

In this regard, Al-Lamki (2005) pointed out that the education system has witnessed tremendous development during the modern Omani renaissance as there were only three primary schools before 1970 for boys and no education for girls. Since 1970 the new leadership gives great importance to ensure education opportunity for all Omani boys and girls, under a continuously expanding educational programme. The opening of Sultan Qaboos University – the only public university in the country- in 1986 was the most significant stage of this programme. Within 40 years, a network of modern educational schools has been developed across the whole country. By 2010, there were approximately 1450 schools in all the three general educational level as depicted in Figure 2.1. Since then, in every year new schools have been constructed and fully equipped to accommodate the growing population (Ministry of National Economy, 2011).

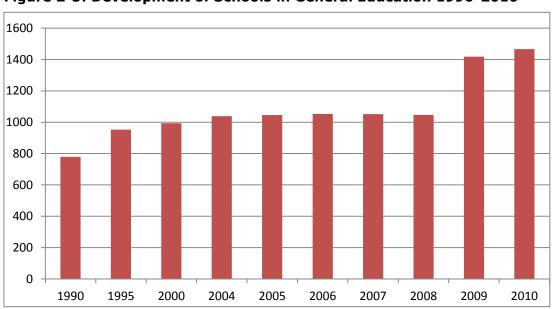


Figure 2-5: Development of Schools in General Education 1990-2010

(Source: Ministry of National Economy, 2011)

As shown in Figure 2.1, from 1990 the number of schools has been increasing steadily to 1,450 schools in 2010. The Ministry of Education has ensured that every Omani entitled to government education can find a place in one of the government schools, and the availability of schools in all regions in Oman is considered when new schools are constructed.

In 1998/99, general education, which started in 1970, was replaced with a new basic-education system. The new system requires students to complete 12 years of study to achieve the general education certificate. Then students continue their higher education either in the University of Sultan Qaboos or in any higher education institute, or study at universities abroad. The rest who have no chance to continue their further studies usually join vocational training programmes to gain skills that allow them to eventually join the working environment, either in public or private sectors (Ministry of National Economy, 2011). In 2008 the government introduced programmes involving an expansion of the Basic Education System, while post-basic education for the 11<sup>th</sup> and 12<sup>th</sup> grades was upgraded to encourage the continuing development of skills. This enables young people to benefit from educational training and work opportunities schemes after they have left full-time education.

# 2.6.2 Higher Education

The government gives great importance to make higher education available for every citizen entitled to it and the higher educational institutions are widespread all over the country providing undergraduate and postgraduate education. The current higher education providers are named in the Table 2.1

Table 2-4: Higher Education Providers and Number of Students 2010

Educational provider	Number of Educational	Number of	Females		Males	
	Institutes	Students	Number	%	Number	%
Public Universities	1	16494	8123	49	8371	51
Private Universities/colleges	26	37064	21961	69	15103	41
Colleges of Applied Sciences	6	7835	3921	50	3914	50
Technical Colleges	7	24378	9659	40	14719	60
Institutes of Health Sciences	16	2104	1576	75	528	25
College of Banking and Finance studies	1	1363	872	64	491	36
Institute of Shariah Sciences	1	875	90	10	785	90
Vocational Training Centre	5	4004	569	14	3435	86
Fishctics Institutes Training	2	339	86	25	253	75
Total	65	95685	46857	49	48828	51

(Source: Ministry of National Economy, 2011)

Table 2.1 reveals that there are 65 higher education providers in Oman with 95,685 male and female students in different specialisations. These universities and colleges provide the labour market with large numbers of fresh graduates each year. In 2010 for example, 2,871 students completed their studies from such local Educational Institutions, some of which gained Master's and PhD degrees (Ministry of National Economy, 2011). In addition, the Ministry of Higher Education continues to send students on full and partial scholarships abroad to pursue their undergraduate or postgraduate studies. In 2010, the number of students abroad reached 15,000 and the number of graduates in the same year was 1,651 (Ministry of National Economy, 2011). In addition there are more than 15,000 students enrolled in Sultan Qaboos University (SQU) – the only public higher education provider – in 2012 (Oxford Business Group , 2012).

#### 2.7 THE OMANI ECONOMY

Oman's economy, like its other neighbouring oil producing countries in the region, is mainly dependent on oil and gas revenues as the major sources of income. At commercial level, oil has been exported since 1967 and has been the major contributor to the GDP (Khan, 2010). Largely due to the discovery of oil, the country has differentiated and modernised itself economically based on a series of 5-year plans since 1976 and its adherence to free market economic principles.

The economy of Oman has passed through major economic and social changes during the past decades that include the economic boom of the 1970s until the early 1980s. Following the sharp increase in global oil prices during this period, the government in the country devoted the tremendous oil revenues to create a generous welfare system and a massive public investment programme in infrastructure and utilities. According to BMI (2009: 8), "Oman now occupies sixth place behind Iran and Turkey in the BMI's updated Upstream Business Environment rating. The country's score benefits from a sound country-risk profile, good licensing terms and a healthier privatisation trend than that seen elsewhere in the region." The report mentions that Oman has potential economic strengths and opportunities to develop its economic situation. For instance, the country has a wealth of historical sites and background that can enhance tourism in the country. Also, economically, the new industrial port of Sohar in the northern part of Oman is another promising strength that will play a key role in developing the country's economy.

Since realising the country's over-reliance on oil revenues for the development of economic activities, the government has been in the process of diversifying the economy (Al-Hamadi, et al. 2007). With regard to the finite nature of such resources, the government realised the necessity for developing other sources of income. Therefore, the fourth five-year plan (1991-1995) emphasised for the first time the need for diversity in the national income of the country, and the government paid great attention to the sectoral and regional development process (Ministry of Information, 2002). The Sultan urged his government to realise the importance of privatisation in economic development in his speech on National Day 1999. Since then the government has pushed privatisation intensively, either through participation of the private sector in government establishment units, or through restructuring of the sectors included in privatisation programmes. The already privatised sector includes the power sector (electricity and water), waste management sector, communications sector, transportation sector and postal service sector. Gas has become the second important financial resource in Oman's economic diversification strategy (BMI, 2009).

#### 2.8 FACTORS SHAPING THE OMANI LABOUR MARKET

Oman has instituted policies to afford greater opportunities for nationals to participate in the economy and contribute to the prosperity of society. This cannot be achieved unless there are effective HRD¹ and HRM policies that aim to develop a workforce capable of supporting the efforts of government to succeed in today's globalised structures and highly competitive regional and international economies (Al-Hamadi et al., 2007). In Oman, skills shortages are a serious problem and are more acute where high-level and professional abilities are required.

Therefore, Oman has witnessed a growing commitment in recent years to developing the skills and capabilities of its people. In 1995 the country announced a long-term development plan called 'Vision 2020' which was expected to take Oman two decades into the new millennium. The main objectives of this Vision revolve around the development of human resources and the capabilities of the Omani people to create

<sup>&</sup>lt;sup>1</sup> The concept of HRD used in this study encompasses all forms of national development plans that promote the participation of the national workforce in various economic activities by raising their skills standards and abilities to face current competitive conditions. It includes factors that play a crucial role in shaping the current HRM system at national level. These factors include Omanisation policy, excessive reliance on foreign labour, lack of professional and vocational training, absence of a skilled local workforce, absence of trained and competent HR professionals, the prevalence of "wasta" in selection and promotion systems, and family and tribal influences.

and manage technical changes efficiently (Ministry of Development, 1996). In other words, the purpose of Vision 2020 is to develop Omanis by raising their skills, standards and abilities to face the 21<sup>st</sup> century and to reduce the main challenge of illiteracy (Al-Hamadi et al., 2007). As mentioned in "*The Vision for Oman's Economy: Oman 2020 Report*" issued by the Ministry of Development in 1996, the development of the Vision is expected to be guided by the following policies:

- 1. Development of human resources through upgrading education systems; promotion of educational and vocational training; improvement in the levels of women's participation in the labour market; and development of labour-market mechanisms aimed at increasing the level of workforce participation in the economy.
- 2. Development of the private sector through continued improvement of the privatisation policies of service enterprises according to clear and specific rules; elimination of procedural and administrative barriers obstructing private capital entering various production and service sectors; development of trade and investment laws; and encouragement of foreign investment.
- 3. Providing appropriate conditions for the realisation of economic diversification, and striving towards the optimal use of human resources.

In an Omani business context, there are factors that play a crucial role in shaping HRM systems at national level. These factors include government Omanisation policies, excessive reliance on foreign labour, lack of professional and vocational training, absence of a skilled local workforce, absence of trained and competent HR professionals, prevalence of "wasta" in selection and promotion systems in both public and private sectors and adherence to labour and commercial laws (Khan, 2010). Al-Hamadi et al. (2007) add that the triangle of Islam, family and tribe plays a vital role in shaping HRM systems in Oman. Islam comes at the top of the triangle with its effects on all aspects of life. Tribe and family are the second most influential institutions after Islam despite the fact that Islam forbids tribal prejudices. Al-Hamadi et al. (2007) surveyed six semi-private and public organisations examining the perceptions of employees regarding the influence of aspects of national, cultural and institutional factors on HRM policies and practices. They found that Omani employees give high priority to the importance of religion. The impact of the expatriate workforce, management styles unique to the Omani work environment, organisational culture and the influence of the social elite (i.e. people who undertake studies abroad) are other important aspects. They also found that Omani employees give high priority to Civil Service laws, the educational and vocational training set-up, Omani labour laws, labour market and Omanisation programmes, besides local administrative establishments such as the Ministry of Legal Affairs, the Court of Legal Administration and the Royal Diwan Court. These institutions have a direct impact on HRM systems in Oman.

Furthermore, Budhwar and Sparrow (2002) emphasise that cultural aspects, common values, norms of behaviour, customs, influence of pressure groups, assumptions that shape managers' perceptions, insights and mindsets, the meaning of work and values, personal dispositions, attitudes and manners, approaches to cultural diversity form the macro-environment of organisations in a national context and play important roles in shaping national level HRM systems. Katou et al. (2010) confirmed the importance of these cultural aspects in shaping HRM in Oman. They collected data from six organisations in the public and private sectors and found that the national culture in Oman, social elites, beliefs, values and norms and religion play the most important role in shaping HRM. Iles et al. (2012) supported this argument and noted that in the Middle East Muslim countries, HRM is influenced by the prevailing culture, Islam and the role of "wasta". However, they argued that "in Muslim societies, HRM in general, can be seen as intertwined with international and national politics, legal and economics dynamics and gender ethnicity" (Iles et al., 2012: 467). They added that "common themes include the impact of Western higher education, which facilitates graduate careers and the transfer of Western HRM knowledge, migration, whether inward, as to the oil rich countries in the process of modernisation or outward, as in the export from poorer countries of skilled workers and professionals, both to the West and to the oil-rich countries; and the significance of foreign investment into the region, with expatriate manages often employed in key roles in multinational companies" (p. 467).

Specific industrial sector issues are also pertinent and above all the business environment and its dynamics like composition of workforce, degree of competition, restructuring and downsizing of workforce, globalisation and technological change and demands of customers are also other important elements which affect dominantly on HRM. Therefore, these cultural and industrial factors should be understood in Oman in order to develop an effective national HRM system.

The results of General Census for 2010 reveal that the total population of Oman is 2,773,000, of which 1,457,000 are Omani and 816,000 are expatriates (Ministry of National Economy, 2012). The total workforce reached 1,298,000 in 2012, of which 164,000 were government-employed. The majority of government employees are Omani, numbering 140,000, alongside 24,000 expatriates. In contrast, the majority of the workforce in the private sector comprises 956,000 migrant workers and expatriates who occupy posts ranging from unskilled to highly qualified labour, whilst there are only around 178,000 locals. The gap between the national and foreign workforces is increasing, as revealed in Figure 2.2.

1,200,000 1,000,000 800,000 600,000 400,000 200,000 Public sector Private Sector

Figure 2-6: National vs. Expatriate Labour in the Public and Private Sectors, 2011

Source: MoM statistical yearbook 2012

It can be seen from Figure 2.2 that with more than one million expats and fewer than 200,000 Omanis in the private sector, there is ample scope for further Omanisation. With regard to the managerial posts, there are 42,000 expatriate managers in the private sector compared with only 8,000 Omanis (Ministry of Manpower, 2014).

# 2.9 SOCIOCULTURAL CONSEQUENCES OF NON-NATIONALS WORKFORCE IN OMAN

The increase in the unemployment rate among local citizens in receiving countries is considered the obvious problem associated with foreign labour presence, yet there are some hidden consequences, too. In this regard, Yeoh et al. (1999: 114) said "Foreign workers are seen as an economic necessity but not without important social consequences and political ramifications...... transnational labour migration is a multifaceted phenomenon with important repercussions on all spheres of life".

In countries such as Oman, the increasing presence of foreign labour in private enterprises has created concerns over the negative impacts on society. These impacts involve changing social values, the moral fibre of society, and the emergence of new customs, social behaviour, as well as changing cultural perspectives (Yeoh et al., 1999).

Nationals feel marginalized in their own country. Compared to Omani graduates with or without jobs, expatriates tend to earn more, live in superior environments in gated communities, and through their attributes, command better positions and facilities. Man expatriates are now marrying Omani women which further contributes to cultural shifts in Omani society. As a result of these changes, young Omanis will experience greater competition for jobs in their own country.

# 2.9.1 Economic Impact

The Oman economic boom has fuelled the demand for manpower with increased demand for skilled, highly-specialized workers (technicians, engineers, architects, medical doctors) that can help to maintain the country's economic development. Diversification (to reduce dependency on finite oil revenues) and privatisation (to reduce the role of the State) have been the fundamental economic strategies of economic differentiation in Oman (Swailes et al., 2012). However, the situation is further complicated due to the increased needs for more foreign labour to construct the huge projects arising from both diversification and privatisation strategies. This is because these projects require more professionals who are still not sufficiently available in Oman, and construction workers to perform labour jobs considered unacceptable by Omanis. From another extreme, citizens have started to negatively view the expatriates in the private sector. They assume that foreigners are taking their jobs and forcing them to struggle to survive. Better evidence for this phenomenon is the 2011 uprising when Omani protestors largely confined their demands to calls for additional jobs and higher wages, rather than a radical regime change. The strike involved multiple labour sectors, including transportation, manufacturing, hotels, port and industrial workers as well as unemployed citizens. Unemployed citizen's specific strikes continue occasional in Oman and may cause some disruption to businesses operating in the country.

Rees et al. (2007) point outs that the reliance on expatriates has long-term economic consequences. It burdens the state budget in order to create jobs for unemployed citizens in the public organisations, which are in most cases non-profit entities. It was obvious that the government allocated large funds in the 2011 budget to respond to the protesters' needs, which mostly revolved around creating work. Furthermore, in order to satisfy the protesters the government allocated OMR150 per month to every jobseeker until they find a job. This resulted in a remarkable deficit in the 2011 budget which was the largest in the history of Oman, and in turn affected the country's sustainable economic development. (Minister of Finance's speech in Shura Council 2011).

Another complication of the influx of non-nationals is that around 180,000 technical jobs in the private sector were taken up by foreign professionals; an effect that displaces Omani professionals and encourages them to look for work abroad. Verkhohlyad and McLean (2012) refer to this phenomenon as a 'Brain-drain', i.e., the emigration of highly skilled and well-educated professionals to other countries in search of a place to utilize their human capital. A Brain-drain is considered by many to be a major disadvantage to donor countries and this is especially important for poorer, developing countries because most of the time they serve as donors to wealthy countries. For example, about 30% of well-educated citizens from Sierra Leone live abroad; "about 75% of citizens with higher education from Jamaica live outside their country; Albania lost more than 30% of its highly trained people during the few years after the fall of communism in that country" (Verkhohlyad & McLean, 2012: 315).

This phenomenon, has contributed to the rise of unemployment and underemployment of citizens. Unemployment in Oman is mostly limited to first time job seekers, as the age of locals on entry to the job market is between 15 to 20 years. However, at this young age most jobseekers find it difficult to get a job that does not require professional and vocational knowledge, and those who are more fortunate are over 25 years old when they are employed. This indicates that the level of conformity between the output of the educational system and the labour market is very low. Employers in the private sector therefore give preference to expatriate labour and refrain from employing Omanis as they lack technical and vocational expertise. "False representation through rent-seeking activities also exists in Oman. Sometimes, Omani nationals register themselves as 'self-employed' when they merely sponsor expatriate

workers who run businesses on their behalf for a fee. This may lead to a misreporting of the employment figures since such Omanis do not really work, and expatriates who are classified as salaried workers are in fact the actual mangers of businesses" (Das & Gokhale, 2009: 16).

Al-Qudsi (2006: 1) regards the increased rate of unemployment in Gulf States is due to the availability of natural resources. He said in this regard, "The abundance of natural resources could itself reduce growth potential and increase unemployment by reducing private and public incentives to accumulate human capital due to a high level of non-wage income, e.g. dividends, social spending and low taxes". Oman has fallen into this situation because of its sudden wealth, but this has not corresponded with a knowledgeable workforce that is easily accepted by employers. Instead, the government played the role of first employment resort which eventually led to overcrowding the public sector and increased government expenditures on salaries and other benefits packages in the form of attractive pensions, social allowances and subsidised housing, schooling and health services (Forstenlechner et al., 2012). In contrast, the private sector has continued to generate low-skill, low-wage jobs that did not appeal to locals but largely benefited foreign workers (Sirageldin, 2002). This is in turn resulted in very poor social security systems in the foreign-labour receiving countries. Finally, the total remittances abroad in Oman reach approximately OMR3 billion every year, whilst unemployment in the country is the highest among Gulf States at 15% (Ossman, 2014).

# 2.9.2 Social Impact

Studies have shown a link between crime and labour market factors such as income, employment inequality and unemployment (Brush, 2007; Carmichael & Ward, 2001; Kelly, 2000; Smith et al., 1992). Crime rates are believed to be significantly influenced by labour market conditions. For example, legitimate earning opportunities decline when unemployment increases and is linked to high numbers of young male jobless (Lee & Holoviak, 2006). The situation has parallels with Oman where the increasing numbers of non-nationals in Oman has decreased the availability of jobs for locals which in turn increases the number of jobseekers.

Yeoh et al. (1999) considers that the increasing negative impact of overseas mobility on the social fabric has become a priority issue on the global development agenda.

These impacts involve the emergence of new customs, social behaviour, cultural perspectives, changing social values and moral fibre of society, as well as rising crime rates. Yeoh justified his claims by conducting research on the presence of international maids in Singaporean society. He found that the major concern among his interviewees was the fear of the maid's influence on the children's value systems. In Oman, the demand for foreign maids is rapidly increasing as Omani families have arguably become too accustomed to a luxury lifestyle which involves at least one foreign maid with a family. Home maids have brought to Omani society some worries, and the Ministry of Manpower discloses that the number of crimes committed by housemaids in Oman steadily increased to 234 in 2011. The common problem with house maids is that they escape from their employers for one reason or another, and may go on to practice immoral activity.

Many migrant workers are poor and uneducated and are willing to take lower wages and lower-waged jobs than locals. This makes the Omani community feel threatened because of the established link between low income and crime. According to the Royal Oman Policy (ROP), financial crime committed by nationals and non-nationals is steadily increasing, as shown in Figure 2.3

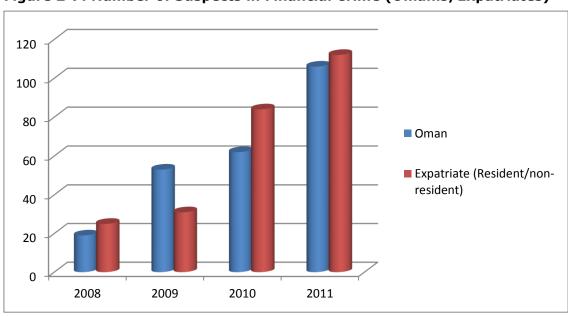


Figure 2-7: Number of Suspects in Financial Crime (Omanis/Expatriates)

(Source: Royal Oman Police, 2010, 2011)

In addition, and according to ROP, the February and early-March 2011 unrest in Oman shook society's sense of security in the country. Accordingly, the ROP constantly issue announcements to warn people to avoid walking out late at night and leaving their cars unattended.

I argue that, despite the current situation, Oman is still classified among the stable countries within the unstable Middle East. The Financial Action Task Force Report (2011: 8) supports this argument and mentions, "Oman's low general levels of crime and its clean and unique nature make it a popular tourism destination".

### 2.9.3 Culture Impact

Members of a society can be distinguished from others by their culture values and norms that they share (Hofstede, 1984). However, culture characteristics of a society are heavily impacted by non-nationals who reside in a society and become part of it. In this regard, Al-Ali (2008) noticed that non-nationals in the UAE influence the nationals' habits of speech by injecting foreign words and phrases into spoken Arabic. This eventually leads to a marginalisation of formal Arabic.

Even before the discovery of oil, the cultural values of Omani society were impacted largely by African, Persian, Zanzibari and even Baluchi emigrants (Oxford Business Group, 2012), resulting in a mix of values and norms. The citizens' Arabic mother-tongue may become a hybrid language in the country in future (Oxford Business Group, 2012) due to all the diversity of culture, language and nationality. Some of those non-nationals create a new society, which does not reflect Arabic or Islamic values. For example, Hinduism is the largest minority religion practiced by around 13% of the population, primarily due to the expatriate population from the Indian subcontinent.

As far as employment is concerned, a multi-national workforce can give rise to miscommunication and misunderstandings between organisations' staff which in turn impact heavily on organisational performance, costs and safety. Ting-Toomey and Oetzel (2001) argued that cultural diversity issues in the workplace can lead to low morale because of culture clash, high absenteeism because of psychological stress, substantial cost of retraining individuals because of high employee turnover and much

time wasted because of miss-communication between diverse employees. The workplace in Oman is affected by the diversity in organisations from different angles. Kuehn and Al-Busaidi (2000) claim that the companies with multi-national workforces are confronted with a number of issues related to nationals-expatriates work relations. When nationals arrive at their new workplace in the fulfilling of quotas, they find it difficult to react with foreign workers due to factors such as a lack of English-language communication skills. The employer thus incurs some additional costs related to training and development of local labour who eventually leave the company (Al-Wagfi & Forstenlechner, 2010). The employment opportunities available for citizens and the structure of the labour market as a whole are also affected by the existence of large number of expatiates (Mellahi, 2007). This gives more employment chances to immigrants who originally came from Africa and who have better English communication skills, especially in oil sector - the most attractive private sector because most of the companies in this sector are from overseas and have multinational workers who all communicate through the English language. Another segment comprises those who emigrated from India and are practicing Hinduism; they are more likely to dominate the silk sector. This has resulted in a highly segmented labour market. Moreover, the cultural impact of non-nationals groups can be found in the Automotive in Oman as most managers are Indian who therefore prefer to employ their compatriots as they believe this makes the communication process easier at work. In a few cases, some managers are Omani in this sector, but are most likely either fluent in English or have acquired an Indian language.

# 2.10 OMANISATION

Omanisation was instituted by the government in 1988 and aims to provide various opportunities to increase participation of Omani labour in Oman's economy and to reduce dependence on expatriate labour (Das & Gokhale, 2009). Al-Lamki (1998: 394) describes the policy as "...not merely the replacement of expatriates (non-Omanis) with Omanis, but rather a process of educating, training and developing the national workforce to enable them to pursue their jobs with competency and efficiency". In this regard, Swailes et al. (2012) assert that localisation policy in Oman, along with other government policies such as diversification and privatisation, has been a basis of Omani economic development policy since the launch of Vision 2020 in 1996. They comment that government efforts in localising jobs in both public and private sectors place Omanisation ahead of some of its neighbouring Gulf States like Qatar and Kuwait.

The programme has yielded optimistic results, as by the end of 1999, the number of Omanis in government services exceeded the set target of 72% and in most departments reached 86% of employees. Figure 2.4 shows the biggest government entities and their national workforce since 2004.

120000
100000
80000
40000
20002
20002
2003
2004
2005
206
2007
2008
2009
2010

Figure 2-8: National Workforce in Major Government' Entities Since 2002

(Source: Ministry of Manpower, 2011)

However, in 2011 total Omani workers in government services exceeded 98%, which can be considered a strong indication of the success of Omanisation policies in this sector (Ministry of Manpower, 2012). The government has become saturated and cannot absorb more Omanis. Thus, the government has strived to pinpoint hurdles facing Omanisation and ways to remove them to meet the all-important objective of replacing foreigners in top management, as they normally prefer expatriate workers and are therefore considered the key obstacle to Omanisation. (Ministry of Manpower, 2010). Therefore, the government has stipulated fixed Omanisation in the private sector and most companies have registered Omanisation plans. Since April 1998, a 'green card' has been awarded to companies that meet their Omanisation targets and comply with the eligibility criteria for labour relations. The names of these companies are published in the local press and they receive preferential treatment from the government. This encourages the private sector to absorb Omanis (Forstenlechner & Rutledge, 2010). Unfortunately, this has not been the case, as the private sector, which presently holds most of the job opportunities, continues to rely heavily on expatriate workers (Al-Lamki, 1998). The recent report issued by Shora Council reveals that expatriates dominate the top posts in the private sector, with 29,000

human resource and administrative managers, 48,000 high-income technical jobs and another 130,000 high-qualification jobs. The private sector is able to attract more foreign labour with better wages than locals receive on some posts. For example, expatriates in high post such as General Manager (GM) and Chief Executive Officer (CEO) receive a salary five times better than their local counterparts. In addition, they receive much better allowances. The reports for example, mentions that housing allowance for expatriates (from Europe) with same experience and qualifications as Omanis get OMR1100, and expatriates from Asia receive OMR700, while local national workers receive only OMR200.

#### 2.10.1 Rationale for Omanisation

Despite its key goal of reducing the country's dependence on expatriate manpower by replacing foreign with national labour and thus reducing the number of local jobseekers, other important reasons behind the Omanisation policy cover the following rationales (Das & Gokhale, 2009):

- 1) Positions currently held by expatriate workers could be easily occupied by Omani nationals.
- 2) Replacing expatriates with Omani workers would also help reduce public spending on subsidised services (electricity, water, health) consumed by expatriates.
- 3) The substitution of expatriate workers by Omanis also would help to reduce Oman's balance of payments deficit because workers' remittances, which amounted to \$1.7 billion in 1996, would be lower.
- 4) The substitution of expatriates by Omanis could well lead to an increase in domestic spending through the multiplier effect, and thus contribute to faster GDP growth. With this rationale, concrete steps were planned and implemented during the fourth (1991-95), fifth (1996-2000), sixth (2001-2005), and seventh (2006-2010) Five-Year Plans.

#### 2.10.2 Government Initiatives on Omanisation

Over the last two decades there has been remarkable degree of effort by the human resources management of government in regulating the labour markets. The essential element of such effort was the issue of balancing the workforce between public and private sectors through different measures. To a small degree, the influx of expatriates into the private sector is weakened through the control of the issuance of

expatriate work visas through a system of job codes. This means every time private companies employ a foreign worker, they should first specify the role that this worker will perform. Furthermore, employers are required to negotiate effectively for every new foreign employee to convince officials that an Omani is not available for the role. In addition, some job categories such as truck drivers and shop assistants have been assigned by a royal decree for Omanis only.

Although the job code system works effectively in limiting new expatriate work visas, it has been criticised by some. For instance, Forstenlechner and Rutledge (2010: 44) said "the system has two key problems, one at each end of the skills spectrum. At present, for instance, there is a shortage of trained Omanis with energy-related engineering qualifications; at times, this has reportedly hampered the Sultanate's oil sector. At the other end – the unskilled service sector – businesses have at times found it hard to maintain pre-1995 operations. For instance, as all home-delivery drivers must now be Omani, on Fridays and during nationals holidays fast-food delivery businesses have not been able to fully function, and at times have come to a complete standstill. From an Omani employee's perspective at least, both of these problems have a positive side, for increased competition among businesses seeking to fulfil their Omani quotas has given rise to a certain level of headhunting and poaching. This, in turn, is leading to higher salary offers".

Apart from job code and quota systems, the government has pursued other measures to support its localisation policy. For instance, the sum of OMR40 million was allocated in the Fourth Five-Year Plan (1991-95) towards a gradual and systematic procedure for the replacement of expatriates by Omanis in the civil service sector. Furthermore, the plan covers a strategy to cure the imbalances of occupational preferences by setting up a mechanism geared to correlating graduates of educational and vocational training institutes with the needs of the national economy to avoid unemployment in certain occupations and significant surpluses in others (Al-Lamki, 2007). More specific initiatives taken by authorities to curb the growth of foreign workers cover the mandate targets for nationalisation in different employment sectors and offer attractive incentives and preferential treatments for companies adhering to nationalisation policies (Maloney, 1998).

In 1997, the government introduced the Omanisation follow-up Committee to oversee the executions of the policy. Before that, the High Committee for Vocational Training was established in 1991 (Swailes et al., 2012). The main objective of this committee was to provide the training and development needs for Omani nationals to enable them to replace the expatriates in the private sector. The Committee had issued a decision in 1994 fixing Omanisation percentages with time bounding for different employment sectors in the country. This initiative was supported by a number of Omanisation schemes and incentives that took effect in 1991. These incentives included a compensation scheme for private sector firms instead of the salaries and allowances payable to Omanis during their period of training, and the labour levy rebate scheme. This scheme stipulates that private sector organisations having 20 or more employees are required to participate in the training and development of their Omani employees. The employers are compensated for expenses incurred in training Omanis against the labour levy provided in the training scheme that meets the ministry's training requirements. The rebate scheme is a percentage of the aggregate compensation of foreign employees and it varies from 2% to 6% according to the total number of employees. In 1998, this scheme was replaced with a work permit that charged an annual flat fee of OMR120 for each expatriate employed in the country (Al-Lamki, 1998).

The introduction of the issuance of a "Green Card" to acknowledge private sector companies in Oman that have achieved excellent levels of Omanisation is another encouragement to better results of the policy. Omanisation was among the criteria for selecting the best 5 factories in the country in the annual contest for the His Majesty's (HM) Cup. The Social Insurance Law covers all Omanis working in the private sector and provides job security for the nationals. The design of a number of vocational training programmes such as ladies and gents tailoring, light and heavy-duty vehicle driving license (water and gas tankers), fuel filling attendants, retailing and real estate sales training programmes are all strategies designed by the Ministry of Manpower to enhance Omanisation.

Furthermore, a number of projects and programmes have been established to promote and encourage young Omani entrepreneurs, such as the "Intilaqa" (training on starting a small business) sponsored by Shell Company and the Youth Project Development Fund set up by the directives of His Majesty (Al-Lamki, 2000). These projects contribute heavily in creating jobs for nationals and in some cases many

Omani entrepreneurs have become very successful business people. Their projects have expanded quickly and they have demanded more locals to run their new branches. Tatjana, et al. (2012:1) supports this argument and informs that "Entrepreneurship is considered the magic-bullet for solving many of the Middle East's most pressing economic challenges. Job creation, unemployment, economic diversification and competitiveness - the list has become non-exhaustive". They point out that the Middle Eastern entrepreneurs have become heroes showcasing their risktaking abilities by launching new start-ups and striving to become home-grown success stories that will lead others to follow in their footsteps. The overall share of SMEs in this part of the world is estimated at 70% of employment and they contribute to an estimated 28% of GDP. In Gulf Region, Tatjana, et al. (2012) notice that the future of entrepreneurs is very promising as they are huge and small projects created by locals. In Saudi Arabia alone, approximately 764,000 firms are considered SMEs. These firms comprise approximately 95% of all business activities in the Kingdom, and employ around 82% of the total workforce. In Dubai there are 72,000 SMEs, employing 42% of the workforce of the UAE. More recent government efforts to enhance Omanisation were covered:

- 1. In January 2013, the Council of Minsters set steps to regulate manpower recruitment involving the following:
  - Striking a balance between expatriate manpower and the population within the parameters governing economic growth and sustainable development in the country.
  - Evaluate the public records related to expatriates, the different economic activities and link them electronically to the databases.
  - The departments concerned will conduct field surveys to ensure that the actual work of expatriates is compatible with the nature of jobs there are licensed for.
- 2. His Majesty issued Royal Directives relating to Omanisation, involving the following:
  - New financial support of 70 million OMR directed to the "Omani Youth small projects". This amount will be annually supported with another 7 million OMR.
  - Set up new college called (College of Omani Generations). The College provides studies on crafts and traditions hand works and vocational training. It aims to prepare Omanis to conduct their own businesses in the future.

Despite the above efforts, there are still 0.9 million foreign workers in the private sector, which means there is ample scope for further localisation (Swailes et al., 2012). This indicates that there are barriers and challenges confronting a successful implementation of Omanisation policy. These are discussed in the following part.

#### 2.11 CONCLUSION

This chapter reviews studies relating to non-nationals working in Gulf States and specifically Oman. It reviews government initiatives towards replacing expats and migrants with locals through job localisation policies with a specific focus on Omanisation. It is clear that localisation is successful in the public sector but has struggled in the private sector. The discussion revealed that the mismatch between education outputs and labour market needs is one of the key barriers to the employment of locals. Culturally, negative social perceptions towards certain jobs in the private sector are an obstacle to job localisation. More critically, governments have contributed to preventing more successful implementation of localisation as they continue to offer higher salaries and significantly more job security in the public sector. This encourages locals to seek jobs in the public sector and consider jobs in the private sector as temporary. All of the above have resulted in socio-economic consequences, of which the increasing rate of unemployment in Gulf States is the most critical.

A detailed analysis of the current performance of Omanisation in the private sector was given, focusing on government initiatives towards the policy and the challenges facing it. Examples of government initiatives include quota systems and limiting new expatriate work visas. More specific initiatives taken to curb the growth of foreign workers cover targets for nationalisation in different employment sectors, and attractive incentives and preferential treatment for companies adhering to nationalisation policies. With regard to the challenges facing Omanisaton, skills gaps, public sector attractiveness, and negative social images towards manual work are key challenges to the policy.

The next chapter places Omanisation within a framework of Human, Social and Organisational Capital Theory and evaluates their influences on policy development and implementation. Based on this evaluation, a conceptual framework and research hypotheses are developed.

# CHAPTER 3: VARIABLES INFLUENCING OMANISATION

# 3.1 INTRODUCTION

This chapter provides a theoretical background to Omanization by examining theories that conceptualise employee motivation to accept jobs. These theories include: Herzberg's Two Factor Theory, Equity Theory, Social Identity Theory, Theory M (Money), Cognitive Dissonance Theory and Expectancy Theory. The concept of human, social and organisational theories in relation to the employability of locals in the private sector organisations is discussed taking into account the extent to which human, social and organisation variables influence employability. Human capital formation is discussed through Oman's education structures, training and development for career growth and through organisational engagement. Next, social capital is evaluated through a set of variables that have large impact in determining the employability of Omanis, such as gender inequality, trust, cultural values and norms including wasta/nepotism. Organisational capital variables are discussed, with a focus on organisational work culture, HR policies and procedures in organisations. The influence of demographic variables is considered.

Based on the review of the literature with regard to the variables influencing job localisation the conceptual, framework and the hypotheses are presented.

#### 3.2 THEORIES INFLUENCING THIS STUDY

A crucial consideration in taking up employment is the degree of motivation that one might expect from the workplace a person intends to join. Motivation has been conceptualised into two theoretical frameworks: process theories and content theories (Harris & Cole, 2007). Content theories focus on 'what' motivates people's behaviour, whilst process theories focus on 'how' that behaviour is motivated (Mehta et al., 2003).

The following part illustrates the motivation theories and other management theories that impact the phenomenon being investigated in this study (the employment of Omanis in the private sector).

# 3.2.1 Herzberg's Two Factor Theory

Herzberg's Two Factor Theory of Motivation has been the commonly used theory in management literature (Chelladurai, 2006; Fitzgerald & Schutte, 2010). According to the theory, employees' motivation is decremented by two groups of factors: motivator factors and hygiene factors. The motivator factors are all related to the content of the work itself and include achievement, recognition, work itself, independence, responsibility and advancement (Suliman & AI-Sabri, 2009). It is argued that the degree of employee job satisfaction largely depends on the extent to which an organisation emphasizes the importance of these motivating factors (Spector, 1997). The hygiene factors are related to the context in which the work is carried out and include the determinants of job dissatisfaction that relate to the job context (which are company policies), HR policies, interpersonal relations and working conditions, supervision and salary (Fitzgerald & Schutte, 2010; Heathfield, 2009).

It can be argued that the motivator factors suggested by Herzberg are largely ignored in the Omani private sector. It was found that, prevalent in such environments are issues such as lack of trust, harsh working conditions, low salary and lack of work delegation and responsibility, unclear career development and lack of training (Al-Lamki, 2005; Forstenlechner et al., 2012; Sadi & Henderson, 2010; Forstenlechner and Rutledge 2010; Randeree 2012; Swailes et al., 2012). Thus, it becomes apparent that the private employer's own motivator is greater profit achieved by attracting a cheap and well-experienced pool of foreign labour. Conversely, government jobs are more motivating as they provide more stability, satisfaction and better pay and conditions, thus respecting Omani citizens (Al-Lamki, 2005; Swailes et al., 2012).

# 3.2.2 Expectancy Theory

Vroom (1964) looked at motivation in the context of what an employee expects to happen. It is assumed that motivation is influenced by anticipated rewards and costs (Yasser, 2011). Expectancy Theory measures the degree of motivation depending on an employee perceiving the link between performance and rewards. It is suggested that for any given situation, the person's motivated level of performance depends upon three key issues. The first is valence, or the strength of an individual's wants, needs, or dislike for a particular outcome. The second is instrumentality, by which an individual perceives their performance as related to other outcomes, either positively or negatively. The third is expectancy, in which an individual perceives that their effort will positively influence their performance (Talal, 2011).

Again, viewing Omanisation policy in the context of Expectancy Theory, it is expected that newcomers to the private sector assume that their work will provide them with a life-time job that satisfies them in terms of the expected income, equal opportunities in career development and training and fairness in work appraisal. However, once Omani citizens join private companies, they are confronted with unexpected obstacles. For example, their financial rewards are not based on their performance, because their expatriate counterparts receive better financial rewards in terms of salary, health insurance, schooling for children and accommodation. This situation forces Omanis to start searching for other jobs with better rewards. Finally, once they find a job in the public sector they leave their company. This has a negative impact on the implementation of Omanisation policy which is mainly introduced to find more jobs for citizens in the private sector by replacing expatriates with Omanis.

# **3.2.3 Cognitive Dissonance Theory**

Over 40 years after the publication of Leon Festinger's book, 'A Theory of Cognitive Dissonance (1957), research on the theory is receiving renewed attention and revisions to the original theory have been proposed (Harmon-Jones & Mills, 1999). According to this theory, people will tend to behave in ways contrary to their attitudes if the reward for doing so is significant. Locating a job in a high-unemployment environment may represent that reward. Moreover, recent research on group-based dissonance has shown that group membership can help individuals reduce dissonance (Glasford et al., 2008). It is possible that dissonance is reduced when individuals observe that many members of society also use *wasta* (Harmon-Jones & Mills, 1999).

The concept of cognitive dissonance theory is highly apparent in the way employment is achieved in Oman. Despite popular awareness of the unhealthy practice of *wasta*, most people strive to use their connections to secure jobs, especially in the government sector. This apparent contradiction may be attributed to certain cultural issues linked to some Arab proverbs. Table 3.1 provides examples and explanations of some of these proverbs (Taymor, 1986). They either encourage the use of *wasta* or illustrate its advantages to the user (Harmon-Jones & Mills, 1999).

Table 3-5: Examples of Arabs Proverbs on Wasta

	Meaning
(1) He who has a back will not be hit on his stomach (p. 56)	Those who are supported by strong others will not be put down or rejected. Only the unconnected or unsupported are punished
(2) Lucky is the person who the governor is his uncle (p. 505)	
(3) Seek who you know, so that your needs will be fulfilled (p. 32)	People tend to serve those that they know. Without knowing anybody, you will have difficulty getting the service you want
(4) If you have a turban, you will have a safe trip (p. 106)	The turban symbolizes a senior respected person. If you know a senior person, your demands will be met. Similar to the second proverb
(5) No one can escalate except those who have a ladder (p. 107)	Rising to high levels requires important connections. Receiving important privileges or benefits is contingent upon using the right connections

(Source: Mohamed and Mohamad 2011: 416)

It is quite obvious in Oman that such proverbs still persist in their encouragement and cause people to behave in a way that contradicts their own instilled beliefs. Seeking employment through *wasta* is a clear indication that citizens ignore the fact that an act is wrong when the reward is significant. In 2011, people demonstrated on the street demanding equal opportunities of employment, but they forget their equality when applying for a job through *wasta*. In government it has become very difficult for one to be employed without *wasta*. This study examines the issue of *wasta* to find out how this unhealthy practice prevents a true implementation of Omanisation.

## 3.2.4 Theory M (Money)

The concept of Theory M (Money) postulated by Weaver (1988), says that people will tend to accept work when they perceive they will be rewarded for their performance and are treated equally. For example, direct cash rewards may be offered to employees who demonstrate extraordinary performance. He emphasised that the additional costs of such a system are offset by profits gained from increased sales or savings by the organisation. It is argued in other literature that good wages, job security and good working conditions are considered key issues for employee satisfaction (Simon & Enz, 1995; Wong et al., 1999). Therefore, an explanation for the

failure of Omanisation to address its key aims of securing more jobs for locals in the private sector may lie in the Theory of M. This study examines some organisational factors that are linked with employee job satisfaction in the private sector.

# 3.2.5 Social Identity Theory

According to social identity theory, individuals tend to classify themselves and others into different social categories, such as gender, age, and organisational membership (Tajfel & Turner, 2004). People seek distinctiveness and prestige so that they can enhance their social status in their community. This is reflected in the Arab world in general and in the Gulf States in particular, where people pay great attention to activities congruent with identity. This perspective is applied to Omanis' employment, where the degree of prestige attached to particular jobs is important. Thus, it is very common in Oman to find young people staying at home rather than working in a manual job. They prefer to hold out for the prestigious government job. This significantly affects successful implementation of Omanisation policy. The discussion of the results will explore how social identity theory explains the attitude of Omanis when seeking jobs.

# 3.2.6 Equity Theory

Equity theory originated from the work of Adams (1963), who suggested that individuals compare their rewards such as wage, promotion, recognitions and status with their peers doing similar tasks (Wong et al., 1999). In other words, individuals are concerned about the way they are treated in their workplace in comparison with their peers. The theory suggested that equitable rewards are an important link between performance and satisfaction. Individuals are only satisfied with their job if they feel that equity exists within the system of pay in the organisation. The greater the inequity the individual perceives (in the form of either over-reward or underreward), the greater the distress the individual feels (Abuorabl, 2012; Huseman et al., 1987).

This research believes Omanisation has been impacted by the Equity theory since the initiative was introduced in 1986. The gap in pay between public and private sectors has become the greatest concern, as the government continues to seek true Omanisation (Al-Lamki, 1998; 2005; Swailes et al., 2012). Equity theory is examined

to find out the extent to which it explains the moves from the private sector to the public sector.

#### 3.3 THEORISING THIS RESEARCH

# 3.3.1 Establishing the Theoretical Context of Omanisation Based on Human, Social and Organisational Capital Theories

In an attempt to better understand patterns of employability of nationals in private sector organisations, the next section examines Omanisation and places it in a capital framework based on human capital formation through understanding the significance of education and training on human capital development and social capital, by which its components of trust, gender inequality and the use of *wasta*/nepotism impact the individual choice of employment. Organisational capital factors are reviewed, with a focus on policies and procedures in the organisation.

There are three theories used in conceptualizing the attitude of employees towards Omanisation; these are human, social and organisational capital theories. This will guide the discussion to construct the research hypotheses which are logically tied to the research objectives.

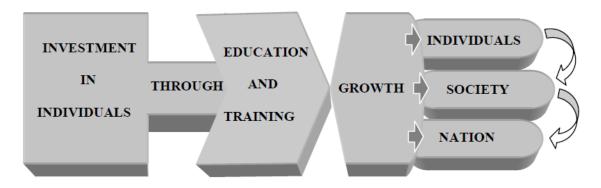
### 3.3.1.1 Human Capital Theory

Human capital is defined as comprising the knowledge, skills, competencies and attributes embodied in individuals that facilitate the creation of personal, social and economic wellbeing (Healy and Côté, 2001). Human Capital Theory states that the knowledge, experience and skills of employees are developed through processes of advanced education, training and development and job changes (Tharenou, 1997). Human capital acquisition through learning and job satisfaction increases the ability of a workforce to perform effectively (Michael et al., 2000; Shaw et al., 2005; Tomer, 1998). Thus, nurturing human capital is fundamental to the successful placement of manpower in private sector jobs.

Recently, human capital components have been quantitatively measured by the development of Human Capital Theory (Al-Balushi, 2008). Theorists argued that these components are the individuals' assets because they are not inherited proprieties. In this regard, DiVanna and Rogers (2005:8) state that "Measuring human capital is not

a subjective exercise for academics, but rather a fundamental business requirement that requires an on-going exchange of information among investors, managers and employees". The logic of Human Capital Theory as a conceptually complex model is explained by Figure 3.1.

Figure 3-9: Conceptual Model of Human Capital Theory



(Source: adapted from Al-Balushi, 2008: 15)

The model shows that education and training are the instruments that nations use to strongly invest in their individuals, which links to their success, which in turn significantly impacts economic growth. In addition, commentators specify that emphasis on a society's health may play a key role in the development of a nation (Bloom & Canning, 2003; Deaton, 2004). However, this study is about the employment of individuals, which is strongly linked to their skills and competencies, so these factors are outside the boundaries of this research.

According to Becker (1964: 50) "Mobility is a way to invest in human capital", and "Migration is one form of investment in human capital" (p.56). Human capital constitutes people's qualities, abilities, skills, talents and experiences that make them economically productive (Heckman, 2000). People want to utilise their human capital to be productive in their country. There should be politico-socio-economic opportunities available to let people use their human capital for their benefit and gain (Verkhohlyad & McLean, 2012). In the absence of such opportunities, migration takes place. Increasing the level of employees' organisational commitment has great impact on retention of employees. Verkhohlyad and McLean (2012) argue that even if a country cannot provide its citizens with adequate economic return on the investment of their human capital in that country (i.e. financial return is low), employees may still

remain if their affective commitment is high. This is voluntary and intrinsic commitment due to an emotional attachment to an organisation. A number of researchers have linked a lack of organisational commitment with absenteeism and turnover. For example, Griffeth et al. (2000: 158) suggested that "individuals who share organisational goals and values tend to have high levels of affective commitment, which is inversely related to turnover". Payne and Huffman (2005) established a negative relationship between turnover and organisational commitment. For them, employee turnover is a reflection of the level at which they decide to "participate in the activities of his or her organisation" (Griffeth et al., 2000: 711).

The common motives for migration are obvious and well established. People leave their home place for other countries to find better living standards, to seek safety and escape from violence, to find better education opportunities and a stable future for their children and to employ their skills and competencies (International Organisation Migration, 2010). In this regard, Verkhohlyad and McLean (2012) point out that the national GDP and access to education in a country have the most significant psychological effect as a return on human capital investment.

The international migration of human capital has not only a negative impact on donor countries, but also on receiving countries. Although well-educated and highly qualified immigrants may bring significant economic benefits to a country, problems associated with assimilation or acculturation, depending on the philosophy of the receiving country, are often extremely costly. Local education and cultural systems are often under great pressure due to this (Verkhohlyad & McLean, 2012). Gibson (1988: ix) cited a school administrator whose school had a significant number of immigrant students: "We have a problem and we need guidance". Remittances by expatriates are another negative impact of immigration on receiving countries. Every year, countries like the Gulf States lose a large amount of money sent by foreign workers to their home countries. For instance, in the first half of the 1990s, expatriates transferred \$15 billion from Saudi and \$3 billion from Oman.

#### 3.3.1.2 Social Capital Theory

In today's work environment, the role of social interactions at individual and organisational levels is becoming increasingly critical to increase organisational performance. Thus, the influence of social capital on organisational performance is still

discussed mainly among social network theorists, who have articulated theories around the concepts of trust (e.g. Grund & Harbring, 2009; Semerciöz et al., 2011), social networks (e.g. Abdalla, et al. 1998; Mattingly, 1999; Mohamed & Mohamad, 2011), gender inequality (e.g. Kemp & Madsen, 2014; Metcalfe 2011; Le Renard, 2008) and culture values and norms (e.g. Bauder, 2001; Katou, et al., 2010). Social capital "generally refers to trust, concern for one's associates, a willingness to live by the norms of one's community and to punish those who do not" (Bowles & Gintis, 2002: 419). It was suggested that social capital can be any aspect of social structure that creates value and facilitates the actions of the individuals within that social structure (Coleman, 1990).

According to Akdere and Roberts (2008), social capital can exist on three levels; these are the organisational level (macro level), the work team (meso level) and the employee level (micro level), as shown in Figure 3.2.

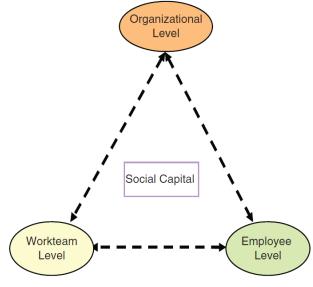


Figure 3-10: Level of Social Capital

(Source: Akdere & Roberts, 2008)

The model considers the fact that social capital is formed wherever human relations exist. Within the organisational environment, social capital can exist at the employee, work team, and organisational settings. Thus, the individual level (micro level) social capital may exist among individuals where they develop trust and relationships and gain benefits from such relationships. At the group level (meso level), social capital accumulation can be achieved among members of a group. For example, "relationships and associations, created as a result of group membership and affiliation, can provide the basis and opportunities for social capital, because social

capital requires the cooperation of others in the group for it to be useful" (Allen & Reed, 2006:86). Finally, at the organisational level (macro level), social capital explains that the feeling of being a part of the ownership of the organisation can increase employee satisfaction. The model allows HRD professionals to perceive employees as part of a dynamic human network involving various levels of interpersonal relationships and their resulting experiences in the organisation (Akdere & Roberts, 2008).

Gomez and Santor (2001) highlighted the economic role of social capital at the individual micro level when they examined the determinants of self-employment success for microcredit borrowers. They suggested that social capital is a positive determinant of self-employment earnings, and essential for micro entrepreneurial success. According to Nahapiet and Ghoshal (1998), there are two aspects of social capital: the structural and the rational network. The first one considers with whom and how relationships among individuals take place, and the second one describes the type of relationships people have developed with others through a history of interactions. The latter refers to particular relationships such as friendship, trust and respect, which influence individuals' behaviour. Moran (2005) highlighted the relevance of relational networks, taking into consideration the concept of trust in the relationship for improving innovative performance. When there is a strong relationship among individuals, they are more willing to support and encourage teamwork and the employees involved are able to give the confidence needed to turn ideas into successful projects. I therefore expect that where trust and friendship levels are high, people are more willing to engage in social exchange and cooperative interactions, such as relying on others and asking for help, as well as sharing information, knowledge and resources.

Social capital is a key organisational enabler that facilitates its processes. Social network reduces the organisational searching costs for suitable candidates in the way that individuals who are well connected socially are more likely to directly know someone who possesses the skills or the knowledge required (Al-Ali, 2008). It is argued that individuals with a wide network of friends can experience less unemployment and higher income (Woolcock, 1998). Job-seeking behaviour can depend to a certain extent on social capital's networking, where information-sharing in an individual's social groups results in a huge proportion of jobs being filled by applicants who know each other (Hannan, 1999).

In addition, the increase in collectivist cultures, compared to that in individualist cultures, where individuals tend to gather on a daily basis, is expected to affect the exchange of new ideas (Adler & Kwon, 2002). Moreover, a strong network can enrich companies with group norms and levels of trust. Thus, issues of trust, culture values and norms are central themes of social capital that are discussed in this study. The status of women in traditional societies and their central role in the family which contributes in preventing women from getting the equal employment opportunities, are other issues related to the topic of this study.

## 3.3.1.3 Organisational Capital Theory

Over the past decades, growing business and managerial studies suggest that organisational capital can play a significant role on the productive capacity of a firm (e.g. Hall, 1992; Kaplan & Norton, 2004; Tronconi & Marzetti, 2011; Webster & Jensen, 2006). Organisational capital theory takes into consideration working conditions, pay, career development, HR policies and organisational culture as factors that influence the employability process (Abdulla & Ridge, 2011; Al-Ali 2008; Spring, 1998). For instance, in the Omani workplace, employers are not very keen to hire Omanis because of their poor English communication skills, thus, a lack of English skills appears to be a key hindrance for Omani job seekers, especially when the alternative source of employment is expatriates who are fluent English speakers (Al-Balushi, 2008). Pay is another factor that organisational capital theory proposes, in that employee satisfaction with levels of pay and benefits is strongly correlated with the positive influence on new work designs and new technology, which in turn impact the company's productivity (Kramar & De Cieri, 2008). However, performance can be damaged if employees are not satisfied with the level of pay and benefits or if they believe pay and benefits are distributed unfairly. Recent scholarship in Human Resource Development (HRD) has placed career development and learning at the heart of human resource practices in contemporary organisations (Kornelakis, 2014). Career development and lifelong learning are gateways for lifetime employment which is the fundamental goal of one's career. Thus, the importance of standards for national HRD and for practices that promote employability of people has dramatically increased (Murphy & Garavan, 2009; Nijhof, 2005). Thus, career development is considered as an enabler that can secure for the company some talented employees who are the key players in sustaining its competitive advantage and survival in the marketplace.

However, to harness the full potential, employees' career goals need to be aligned to those of the organisation.

The environment in which people work has a tremendous effect on their level of pride in themselves and in the work they are doing and satisfied employees tend to be more productive, creative and committed to their employers (Syptak et al., 1999). In the late 1950s, Frederick Herzberg conducted research in job satisfaction. Theory on improving job satisfaction and employee loyalty offered inconclusive results that show work itself is the strongest predictor of job satisfaction (Anjali & Anand, 2015; DeShields et al., 2005; Smerek & Peterson, 2007; Syptak et al., 1999).

Satisfying working conditions are shown in institutional theory as part of the external pressure that an organisation has to response to in order to gain legitimacy in its marketplace (Anjali & Anand, 2015). Omanis are more likely to consider job security, working close to family and less stressful duties as key determinants in choosing their future jobs and such factors are all characteristics of government work, thus making the public sector more favourable than the private sector.

# 3.3.2 The Influence of Demographic Differences on Omanisation

The following part conceptualizes Omanisation based on the way individuals' demographic variables influence human, social and organisational variables which are considered as the essential parts of the policy.

Literature suggested that certain demographic variables were found to be influential in causing individual differences in employees' perceptions of certain job-related factors such as motivation, satisfaction and job rewards (Reiger & Rees, 1993; Simons & Enz, 1995; Wong et al., 1999). Researchers in social science and organisational studies (e.g. Cianni & Romberger, 1995) frequently include individual factors such as gender, age, ethnicity, marital and family status, occupation, seniority, income, educational background and employment sector when investigating a social phenomenon. They assume that individual differences have explanatory value in the research in that they can explain significant differences in attitudes and beliefs. The relationship between job performance and job satisfaction with individuals variables such gender, age, level of education and work experience, ethical decision-making process, marketing and

management is of central interest to research in organisational psychology (Christen, et al., 2006).

Nevertheless, there has been little research on understanding the influence of personal factors on employment behaviour in Oman. This study has therefore attempted to fill this gap by advancing a model that is drawn from Human, Social and Organisational Capital Theories (Adler & Kwon, 2002; Burt, 1992; De Carolis & Saparito, 2006; Petrou & Daskalopoulou, 2013; Seleim, et al., 2007). The model suggests that individuals' employment behaviour is a result of the impact of human, social and organisational factors. This part of the chapter introduces the underpinning theoretical framework for the research: that of human, social and organisational capitals and their interrelationships and how they are influenced by personal differences. This will present a means of understanding employability of locals.

In their practical applications, the three forms of capital embody the relationship between the three dimensions of Omanisation: the policy makers (government), the employers (private sector) and the jobseekers (locals). Human Capital Theory proposes that "the skilling and training of people yields economic growth and social prosperity to nations" (Schultz, 1961). Becker (1965) states that the higher the level of education and training provided to individuals, the more skills they acquire, which results in stronger positions in the labour market. Whilst Human capital focuses on the investment of individuals through training and education, social capital is concerned with relations among individuals, social networks and norms of reciprocity that arise in communication and daily contact (Coleman, 1988; Lin, 1999). Organisational capital, on the other hand, embodies relationships between human capital, organisation members and its internal systems (Tomer, 1987).

According to the person-organisation-fit theory, individuals make job-choice decisions based on their assessments of fit between their personal values and the values of the organisations (Kristof, 1996; Lauver & Kristof-Brown, 2001). While workforces have always had a degree of diversity in terms of employees' demographic variables, it is reasonable to assume that differences in views and attitudes could exist, which hence justifies examining the impact of demographic differences in workplace. This study, therefore, examines the multivariate effect of six demographic variables - gender, marital status, income, sector of employment, seniority, work experience, in-company

training and educational background, trying to identify and understand the nature of the relationships of those variables with the employment process, and how each of these variables frame the point of view of individuals towards their employability.

#### 3.3.2.1 Gender

Amongst individual demographic variables, gender is the most studied of HRM and organisational factors. Studies compare the attitudes of men and women in different work-related issues, such as discriminatory treatment based on gender differences (Abdulla & Ridge, 2011; Barak et al., 1998; Edgar & Geare 2004; Karam & Jamali, 2013; Konrad & Hartmann, 2002; Konrad & Linnehan, 1995; Sumaya et al., 2014). According to Social Capital Theory the interaction of gender differences with labour market institutions can explain much of the difference in unemployment rates of woman workers (Edgar & Geare, 2004; Stafford et al., 1980). The theory assumes that men tend to be more committed and to display more leadership skills than women; they are also more likely to be retained, and exhibit significantly higher work skills and competencies (Al-Naqbi, 2011; Harrison & Rainer, 1992; Luekens et al., 2004). The Theory assumes that women are more likely to report higher levels of stress and greater intentions of terminating employment in their work than men (Fogarty, 1994; James, 1997) because of employer-perceived stereotypes, as women are more likely to seek retirement during the early years of work (Clark & McDermed, 1990). Women are more likely to take into consideration factors like good working conditions, appreciation of work done, trust and equal career-development opportunities with those of men (Wong et al., 1999).

The structural theory suggests that occupational environment and the rewards and costs structure within the workplace will overcome the impact of gender differences on work place that were proposed by the early socialisation theory (Betz & O'Connell, 1989). It is assumed that in today's evolving organisation, HRM policies and practices promote equality in the workplace, which is not only limited to an explicit equal employment opportunity but should also cover impartial recruitment and selection and training and development opportunities for both men and women (Edgar & Geare, 2004; Karam & Jamali, 2013). These are areas where women have felt disadvantaged in their workplace (Kirton & Greene, 2000).

According to social capital theory, equality within a workplace plays a major role in enhancing the organisation's productivity (Leana & Pil, 2006). Naturally, when people

feel equal and no discrimination arises between groups, such groups become more coherent and interrelated, thus producing work of quantity and quality. The government in Oman gives great importance to obtaining full equality between women and men in the workplace and therefore there are now women in the ranks of Minister and Undersecretary. Moreover, His Majesty the Sultan of Oman assigned the 12<sup>th</sup> of October as "Omani Women's Day". Yet, although their employment statistics have increased markedly in recent years, societal attitudes need to change further for best results (Randeree, 2012). Women have become more educated and are willing to contribute in the private sector, but as women in an Islamic conservative community, special arrangements in the workplace are required, such as segregation in offices between man and woman employees (Zerovec & Bontenbal, 2011). This tends to cause women to seek jobs in certain industries that can readily provide them with such arrangements, most obviously in the health and education sectors (Figure 3.3).

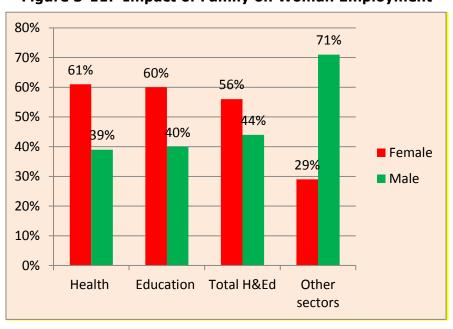


Figure 3-11: Impact of Family on Woman Employment

(Source: Ministry of Finance, 2014)

Furthermore, culture norms play a key role in preventing women from taking on certain jobs like those related to the armed forces and police. In addition, bias in recruitment and selection processes (Davidson & Burke, 2011; Fagenson, 1993) persistence of gender stereotypes (Powell, 1999) and few woman role models and limited training opportunities (Wirth, 1998) further limit the advancement of women in organisations. Culture and religious beliefs are still important in institutional practices

with regard to equal employment opportunities between men and women. There are numerous examples of such practices that restrict local women's working in various professions in Oman's private sector. One such is the Omani labour law that states in Article 82 that "women shall not be required to perform work which is harmful to the health or hard work or such other work as may be specified by a decision of the Minister" (Ministry of Manpower, 2012). In addition, women are not allowed to work on night shifts due to the issue of personal protection, and are confined to employment between 6.00am and 7:00pm (Article 81, Ministry of Manpower, 2012). However, due to the nature of work in profit-based private sector companies, a variety of shifts are necessary, which limits women's choices of work (Kemp & Madsen, 2014). Moreover, women are entitled to maternity leave of six weeks after they complete one year of service (Article 83, Ministry of Manpower, 2012). According to Al Harthi (2011: 546) a consequence of that law is that "most employers, both public and private, prefer to employ men to avoid what they see as frequent maternity leaves". Subsequently, women are less likely to reach senior levels and earn less than men due to their personal and societal choice of a domestic nurturing role, combined with a lack of organisational support (Powell, 1999). It is difficult to reconcile the contrasting values and policies that appear to protect and discriminate (Kemp & Madsen, 2014).

Moreover, in Muslim countries, many women refuse to join mixed-gender workplaces or some specific professions outside the familiar gender biases that are regarded as unsuitable for women, such as jobs in the hotel or aviation industries (Sumaya et al., 2014). The absence of female representation in the labour market has strengthened the chances for their male counterparts to dominate most high-level posts in the private sector. Robertson et al. (2001) argued that the advancement of women managers around the world has been hindered by the traditional role of women. Metcalfe (2006) also confirmed a strong belief throughout the Arab world that women's place is in their home. Current statistics in Oman show that the private sector employs 177,716 citizens, of whom 34,234 are women (National Centre for Statistics and Information, 2011) and most of them are mainly employed in lowerstatus positions. These traditions leave Omani women struggling to prove their work capability and therefore they find that pursuance of academic qualifications is the only route to follow in order to gain better positions in the workplace (Al-Harthi, 2011). This helps women to make some progress towards occupying managerial posts, but on a relatively low scale of only 10% (Hausmann et al., 2011). Thus, it is expected that culture values in Oman are still constraining Omani women and forcing them to accept certain work considered more suitable for her nature as a woman. This reduces the

work opportunities for Omani women and therefore, reduces the chances for successful Omanisation.

In sum, the legitimacy for equal opportunities is supported by clear evidence when women are given the opportunity, because they show they have the potential to be successful and to ultimately contribute positively to the bottom line of business and the formal economy (Karam & Jamali, 2013). This indicates that gender does have a role in influencing employee perceptions of the employment factors. Consequently, these imperatives provide the foundation to consider gender differences in this study to evaluate barriers to Omanisation. It is therefore expected that woman employees generally have a strong concern for several Omanisation-related factors, such as gender equality, trust, working conditions and career development. Consequently, these imperatives provide the foundation for the following hypothesis:

H1: Women are more likely than men to perceive barriers to Omanisation.

#### 3.3.2.2 Marital Status

Sociologists argue that single employees, more than married employees, consider work involvement, opportunities for career development and appreciation for work done as important. It could be speculated that married employees are more likely to strike a balance between family commitments and work and therefore take family circumstances into consideration when choosing their career path. Non-married employees, however, are willing to spend more of their time on developing their career and in turn expect better treatment from their management (Fogarty, 1994; Rothwell & Arnold, 2007; Wong et al., 1999). Social capital theory proposes that people with more social commitments (e.g. married employees with children) are less motivated to be geographically mobile unless no alternatives are to hand and have higher intentions to quit (Brown, 2008; Crawley, 2005; Crowley-Henry, 2007). The explanation provided by capital theory with regard to the employment of married and non-married citizens pertains in Omani communities as it is very rare to find married women working in companies; at the same time, single employees are expected to quit their jobs in companies when they get married. Culture values and norms are more likely to prevent married people joining companies because social customs prevent men from marrying women who working in companies because of the unacceptable mixed working environments. This is due to an Omani perception that married women would have less time to take care of their children and families.

Organisational capital theory also provides an explanation for the strong concern that married people have about the influence of Omanisation policy on their employment. The theory suggests that issues such as working conditions, HR policies and pay systems are all factors that impact the individuals' choice of employment. It is expected that married employees consider family issues when searching for jobs so they evaluate the work conditions and the organisation policies before taking decisions. They avoid working far from home and joining shift-based jobs because they prefer to stay close to their families during evening time or during holidays (e.g. religious holidays). In the private sector, most jobs are associated with shift-based work and some companies have branches throughout Oman which sometime require employees to work far from home. This is not appealing for married Omanis who therefore perceive working conditions and a company policy as more barriers to Omanisation.

In summary, married Omanis are expected to perceive more human, social and organisational barriers to Omanisation. Based on the research and theory discussed above, the following hypothesis is proposed:

H2: Married employees are more likely than single employees to perceive barriers to Omanisation.

## 3.3.2.3 Income

"Economic growth is the main goal of most modern states because of the belief that an increase in incomes leads to an increase in welfare" (McBrid, 2001: 252). Most organisational studies confirm that people critically take income into account when they are applying for jobs (Al-Lamki, 1998; Al-Dosary & Rahman, 2005; Forstenlechner 2009; Mellahi & Al-Hinai, 2000; Salih, 2010). Theory suggests that discrimination, or wage penalties, against a particular group of individuals (e.g., gender and nationality) in one sector will lead them to seek employment in other less discriminatory sectors (Bergmann, 1971). The significance of the level of income on determining one's employment is explained by Organisational Theory, which assumes that level of income is associated with a number of work related issues. For instance, organisation commitment, organisation citizenship behaviour and quit rates (Heneman, 1999; Kessler & Heron 2006; Miceli & Mulvey, 2000). Herzberg's Twofactor theory has placed salary and pay at the top of the factors that influence

individual motivation in the workplace (Herzberg et al., 2011). According to this Theory, to achieve employees' job satisfaction, organisations need to focus on motivating factors in which personal rewards for skills, education and efforts are valued more (Spector, 1997). Individual income was also placed as a part of the Adams Equity Theory (1963) in the way that individuals consider receiving a fair and equitable return (pay and benefits) for carrying out their job using their (skills, education and efforts) as a critical job satisfaction determinant (Eyal & Roth, 2011). If imbalance between these dimensions is perceived, individuals feel a degree of tension and they are motivated to reduce their effort (Yasser, 2011). The assumption that people seek to secure a sufficient income to maintain their household assumed by these two theories was supported by the idea of Dusenberry's individual consumption, who empirically tested the interdependent nature of individual wants by studying the impact of interdependent preference on individual consumption and saving behaviour and found that the comparisons between people's incomes are mostly upwards (Duesenberry, 1949). Other studies also confirmed this assumption in the way that higher income levels are significant for employees to be retained (Ingersoll, 2001; Johnson & Birkeland, 2003; Kelly, 2004; Stockard & Lehman, 2004).

Consistent with the aim of this study, people seek better income not only because they want to improve their life standards, but also to be on a par with their peers in the same society (Hodgson, 1988; Ferrer-i-Carbonell, 2005). In this regard, Stigler (1950) points out that people are influenced by their peers to buy something not necessarily because of its value, but often because of its status given to it by the community. This explains the current situation in Oman, where the majority of jobseekers prefer public sector jobs simply because they have relatives or friends who are already on this sector. Thus income is expected to play a strong role on the implementation and success of Omanisation. To confirm or reject this assumption the following hypothesis will be tested:

H3: Increasing income will associate with decreasing perceptions of barriers to Omanisation.

#### **3.3.2.4 Position**

The fundamental tenet of Social Capital Theory is based on the relationship between social members and the network that exists among them. Social capital is created when the relations among people change in ways that facilitate instrumental action

(Coleman, 1990). The theory assumes that such relationships between individuals take the form of strong ties (such as those with friends, advisors, and co-workers) or weak ties. The information possessed by any one member of the network is likely to be either shared quickly or already redundant with the information possessed by the other members (Seibert et al., 2001: 3). However, ties that reach outside one's social network are likely to be weak (that is, restricted to one narrow type of relationship) rather than strong (Granovetter, 1973). Indeed, Granovetter found that weak ties were more likely than strong ties to have been the source of information about job openings.

These types of social networks provide benefits to individuals; these benefits include greater access to financial or material resources, greater and more timely access to information and greater visibility, legitimacy, or sponsorship within a social system (Seibert et al., 2001). Consistent with the objective of this research to evaluate the viewpoint of senior and junior employees towards employability of Omanis, the focus will be on intra-organisational ties, because contacts within an employees' own organisation were the ones expected to provide the kinds of benefits discussed in social capital theories (information, resources, and sponsorship) and can influence their success within the organisation (Burt, 1997; Podolny & Baron, 1997). It is expected within the organisation that there are identity groups that form their own interaction based on shared interests, values, and training (Ibarra, 1995; Kanter, 1977). Contacts who are members of these groups are likely to provide unique information, resources and influence to other members (Seibert et al., 2001). According to this assumption, it is expected that senior employees have a strong connection between each other inside the organisation so they form a group. The group members extend their relationship with others in the government who later become parts of the group. Those officials design Omanisation policy to suit other members in the group (senior employees) but not to benefit other employees who are outside the group (normal employees).

According to Wood and Albanese (1995), the HRM best practice models are considered to comprise policies and practices that provide for equal treatment amongst different employee groups in different organisation and sectors. This means consistency in the application of terms and conditions of employment across the work force is guaranteed (Edgar & Geare, 2004). For instance, all employees would have access to benefits, such as health insurance, housing loans and pension schemes. This in turn

leads employees to hold positive perceptions about the environment in which they work as they have fairness employment opportuneness (Wood, 1995). It is argued that, these types of fringe benefits are likely to benefits lower levels employees (i.e., non-professionals), but will not provide any direct benefit for those how are employed in the higher level of employment (i.e., managers and professionals). This is because, the former group usually receives full access to benefits offered by their workplace, whilst the former group these types of benefits enables them to access benefits usually reserved for directors (Edgar & Geare, 2004). Thus, it is practical to assume that the importance of a good and safe working environment, as function area of HRM may determine some occupational differences in employee attitudes when choosing their sector of employment.

Based on the above discussions, it is expected that the factors related to Omanisation will be criticised by non-managers more than managers and therefore the following hypothesis is proposed:

H4: Increasing seniority will be associated with decreasing perceptions of barriers to Omanisation.

#### 3.3.2.5 Work Experience

Human capital is not only the output of education and training, but includes experience and practical learning that takes place on the job; therefore, broad work experience is theoretically predicted to increase human capital (Becker, 1964). Experience in work assists in the integration and accumulation of new work knowledge and integrating and adapting to new situations (Weick, 1996) which in turn improve intellectual performance. Solving complex problems and making critical decisions utilises an interaction of both knowledge and experience (Davidsson & Benson, 2003). Job enlargement is also seen as a crucial factor for increasing work experience (Bates, 1995; Gimeno et al., 1997; Robinson & Sexton, 1994). Experience in work is also gained by a job rotation such as cross-training in different departments that have a link with their main job. Overall, employees can benefit from these activities by developing well-roundedness and consequently their mobility within the workplace (Wong & Law, 1999).

Human Capital Theory validates the significant impact of work experience on reaching a higher level of career-attainment in the way that accumulated experience improves learning which helps employees to handle events that are beyond their control (Morrison & Brantner, 1992; Musabah, 2010; Tesluk & Jacobs, 1998). The Theory also assumes that a wider work experience leads to greater job satisfaction and more commitment to it (Fogarty, 1994; Pearce, 1985; Reiger & Rees, 1993; Woodside & Lysonski, 1989). It is argued in the literature, that employee well-being is positively related to increase in tenure (Edgar & Geare, 2004; Finkelstein & Hambrick, 1990; Wiersema & Bantel, 1992).

According to Human Capital Theory, high levels of employee involvement help accumulation of work experience which in turn increases their work knowledge and skills (Joo & Park, 2010). It is proposed that committed employees are less likely to leave their organisation if they have an affective attachment to the organisation and has a feeling that he or she is every day gaining new things (Meyer & Allen, 1997; Stallworth, 2004). It is often found to be particularly significant if employees are given opportunities to exercise influence over a wide range of issues and their daily tasks (Cox et al., 2006; Delbridge & Whitfield, 2001). Kwon and Banks (2004) also found that organisation engagement develops employees' careers as they become eligible to hold managerial posts after years of accumulated work experience. "For today's different generations, access to training and career opportunities, work/life balance and empowerment to make decisions are important" (Lockwood, 2007: 2). Benson and Lawler (2003) say that HR managers should develop employees experience through practices like self-managed teams, problem-solving groups, gain-sharing and cross-training. Frege and Kelly (2013: 92) argued that there are two aspects of direct participation that make employees fully involved and in turn increase their experiences in their work: "(1) role involvement through designing jobs that give their holders discretion, variety and high levels of responsibility and (2) organisational involvement methods that extend beyond the narrow confines of the job, such as idea-capturing schemes, teamwork and functional flexibility". Such experiences foster positive employee-involvement in the workplace which helps attract and retain talent with skills and competencies necessary for growth and sustainability (Lockwood, 2007).

Trust is a crucial component of social capital theory that leads to increase in employees work experience. When an employee is trusted in their work and is assigned challenging tasks that are beyond their job requirements, this will lead to his work skills and competencies improve and this leads them to gain more work experience (Brown & Lauder, 2000; Edgar & Geare, 2005; Fukuyama, 1995; Watson &

Papamarcos, 2002). Workplace trust that exists between employers and employees has been shown to have a positive and robust influence on a variety of organisational phenomena, including job satisfaction, organisational citizenship behaviour, organisational commitment, turnover, employee and team performance, innovation and organisational revenue and profit (Colquitt et al., 2007; Dirks & Ferrin, 2001; Flaherty & Pappas, 2000; Frenkel & Orlitzky, 2005; Simmons & Mclean, 2000; Tan, & Tan, 2000). Cross-cultural studies on employee trust confirm general research findings that employees are emotionally attached to the organisation when trust is manifest (Ferres et al., 2004; Joseph & Winston, 2005). It was argued that organisations are adopting HR practices intended to reinforce trust between employees and employers in order to develop 'high trust' organisational cultures (Legge, 1995). This creates a sense of security and can facilitate risk-taking necessary for survival in contexts of high ambiguity, uncertainty and complexity.

Interpersonal trust is presently at the centre of theorising about co-operative interaction and for sociologists it is central to successful social co-operation (Homans, 1964). Coleman (1988: 103) argued that social capital depends upon this trustworthiness. He concludes that "without a high degree of trustworthiness among the members of the group, the institution could not exist." Pennings et al. (1998) supported this notion when suggesting that an organisation's dissolution is negatively related to the inter-relationships that comprise social capital. Thus, it is expected that employees with more work experience will be less likely to criticise factors such as employee involvement and trust as barriers to Omanisation policy. For these reasons, trust in one's abilities is expected to have a high degree of impact on selection of future work by Omanis and may contribute to lowering the chances of success in omanising private sector jobs.

Omanis seek a stable working environment that secures employment and pursuit of a career. However, it was found that expatriates often discriminate against Omani workers and are quite reluctant to pass on their knowledge, due to a fear of their role being usurped (Freek, 2004). Dissatisfaction can be observed among the increasing number of Omani job seekers and the high turnover among those already employed in the private sector; lack of loyalty is due to lack of job-satisfaction, in turn due to lack of employee involvement (Kwon and Banks, 2004). This has resulted in a serious problem of skill shortages in Oman which are especially acute where nationals' high-level and professional abilities are required. In the private sector, job satisfaction and

career development of Omani nationals is overlooked, despite being considered as an imperative motivational factor. Thus, Omanis are further prompted to seek employment opportunities in the government where career development is measured by length of service and not by capabilities. This presents some obstacles to the implementation of Omanisation policy.

Based on the above theoretical analysis of the relationship between human capital and work experience, it is assumed that Omanis are more attracted to the work environment that allows them to develop their work knowledge, which in turn assists them to develop their career. Thus it is expected that employees with less experience and still in the settling-in period are more likely to perceive higher barriers of human, social and organisational factors that prevent their successful career in the private sector. This may be because employees with long work experience have cultivated a higher sense of belonging to their workplace and are satisfied with the work environment, so they are less interested in what Omanisation policies offer them as long as they are already settled. On the other hand, new employees prefer jobs that offer a clearer career path ahead of them so they tend to criticise the policy, as the current situation indicates that the private sector does not provide as good a degree of job security as the public sector. This leads to the hypothesis that:

H5: New employees perceive higher barriers to Omanisation than their peers with longer tenure.

## 3.3.2.6 In-Company Training

According to Human Capital Theory, training can positively affect productivity and provide employees and employers with mutual benefits (Conti, 2005; Ballot et al., 2006; Dimba, 2010; Subramaniam et al., 2011). It proposes that investment in training and development of employees could improve their loyalty as well as their sense of attachment to their workplace. This in turn improves their productivity, which is the aim of any organisation to become more productive and competitive in the marketplace (Apospori et al., 2008; AL-Qudah et al., 2014).

For the employees, training and development would provide opportunities to give them a better career and better positions in organisations. On the other hand, closing the skills gap is a critical area for organisations trying to continuously penetrate the market (Tahir et al., 2014). It was argued that organisational performance is largely influenced by the degree of training given to its employees (Apospori et al., 2008). The skills, knowledge and abilities of employees should be continuously developed for the benefits of employees. (Subramaniam et al., 2011). Organisations should cover the following key stages; access to workplace, advancement within employment and sustainable employment (Werner et al., 2004) because sustainable employment is achieved through the willingness of employers to provide staff with ongoing training to develop their careers. In the Arab world in particular, this is not the case, as it is observed that profit-based organisations ignore the importance of developing employee skills and competencies, as they depend on ready-made foreign labour (Šimberová, 2007). Such organisations are less attentive of incentives because expats readily join the company to escape the economic or political situation of their home country.

In order to maintain employee work skills and competencies, mentoring system is used to ensure life-time learning which in turn facilitates an employee's career development (Kong et al., 2012). It allows employees to obtain knowledge of their strengths and weaknesses, which leads to greater development of specific career goals. In addition, career mentoring also helps employees to build internal and external networks when they are provided with the chance to develop new skill sets through specific training programmes (Eby et al., 2003). These programmes cover colearning between co-workers, developmental assignments, on-line internet training and career assessment (Baruch, 2003; Seibert, 1996). These help employees remain marketable and keep them up to date with current developments which can contribute significantly to boosting the firm's performance and productivity.

Šimberová's (2007) model for in-company training (Figure 3.4) explains the factors that have direct impact on the process of lifelong learning and development in workplace. The model consists of four main domains and under each domain is a group of related-factors that impact company learning. These four domains are classified under two sides; the employee's side, and the organisational side. The employee's side consists of personality (e.g. education, age, motivation) and circumstances (e.g. financial situation, family) and they should not be omitted when speaking about learning and training in companies. However, the company cannot change them. The organisational side consists of two domains: the in-company training system and organisational culture and climate. This side is considered to be

the crucial part of the model because it is the domain which can be changed and improved.

circumstances

CONDITIONS

PERCEIVED BY

EMPLOYEE

in-company training

system

COMPANY

Figure 3-12: Factors Influencing on-the-Job Learning

(Source: Šimberová, 2007)

The in-company training system has two training procedures for inside the company and outside the company. The procedure inside the company covers on-the job training (e.g. mentoring, and tutoring) and off-the-job training (which is connected to the educational system and certification). Training outside the company covers the courses outside the working environment, such as courses conducted by local training institutes. The organisational climate domain is described as "an individual perception of the work environment and of the characteristics of the enterprise (so-called organisational culture, strategies, rules, values etc.)" (Šimberová, 2007: 3). Thus, lifelong learning at the heart of human resource practices in contemporary organisations and considers this type of learning as a gateway for lifetime employment (Kornelakis, 2014; Murphy & Garavan, 2009; Nijhof, 2005).

In Oman and despite this professed optimism, development of national employees' careers is not on the HRM agenda. This is simply because the labour market in Oman is largely equipped by well-skilled foreign labour that readily fulfill the companies' needs of skills and talent (Abdelkarim, 2001; Freek, 2004). This has resulted in a serious problem of skill shortages in Oman which are especially acute where nationals' high-level of professional abilities are required. Thus, Omanis are further prompted to

seek employment opportunities in the government which presents some obstacles to the implementation of Omanisation policy.

The above discussion is a testament to the importance of in-company training in the minds of employees and confirms that they value training and deem it a necessary part of their job. Hence, offering effective on-job-training results in more satisfied employees, who are better trained, which benefits employees and the organisation alike. Because satisfaction always results in motivated employees who are more willing to accept organisational goals and values, employees are more likely to stay and exert effort in their workplace (Jalajas & Bommer, 1999; Hatcher, 1999; Laschinger et al., 2001). Unfortunately, in today's organisations, in-company training for new entrants is limited only to basic familiarisation of employee manuals and company profiles and existing employee training is mainly provided through observation and shadowing senior co-workers within the functional department. This is resulting in fragmented and ineffective training activities (Zhang et al., 2002). Theoretically, despite the importance of the opportunities for training and development in employee career choices, studies of job satisfaction do not address satisfaction with workplace-training as an element of overall job satisfaction (Schmidt, 2007). From these two studies it can be seen that in-company training is not given any importance practically and theoretically despite its important in building employee skills and competencies, which in turn adds value to a company's competitive advantages.

In summary, an impact on nationals' employability is the absence of training and development opportunities from either the public or private sector and lack of traineeships for the unemployed, or training in the workplace for the employed (Al-Ali, 2008). In addition, lack of on-job training leads to little real work experience, which is considered, a major factor for long-term unemployment or slow career development for those who are already on the job (Abdelkarim, 2001). Thus it is expected that the absence of on-the job training will be found to be a key hindrance to Omanisation success, because Omanis are more likely to leave their current job if they do not receive proper training which helps them to develop their career. Also, those who are still seeking jobs are more reluctant to join the private sector when they know it offers future career. Thus, based on the above theoretical stance to the importance of incompany training, it is expected that employees who receive little on-job training are more likely to perceive higher human, social and organisational barriers to

Omanisation. On the other hand, those who receive incentive training may be less likely to criticise the policy. To test this assumption:

H6: Increasing practical training will be associated with decreasing perceptions of barriers to Omanisation.

#### 3.3.2.7 Educational Level

Human Capital Theory assumes that individuals' cognitive abilities improve with increase in knowledge, resulting in more productive and efficient potential activity (Becker, 1964; Mincer, 1974; Schultz, 1959). Raising skill levels of the organisation's human capital by additional investment in education, training and employment schemes is the basis for nation-state structural policy frameworks for 21st century organisations (Kramar & De Cieri 2008; Fitzsimons, 1999). Formal education is a key component of human capital that assists in the accumulation of knowledge that may provide skills useful to workplace. Empirical research has demonstrated a range of results regarding the relationship between education and achieving success in work (Davidsson, 1995; Evans and Leighton, 1989; Honig, 1996; Reynolds, 1997). There is evidence of a wide spread of labour market remuneration, markedly through educational levels in many countries (Gittleman & Wolff, 1995; Krueger & Lindahl, 1999). Moreover, education lowers unemployment rates, as it was found that the chance for people to be employed is better with every additional year of education (Henderson, 2005; Healy & Côté, 2001).

Oman is one of the countries that gives greater importance to developing the nation through knowledge learning. The education system in Oman underwent a broad-based reform by introducing the basic education system. The reforms focus on critical thinking, information and communication technology, sciences, math and English language (Issan & Gomaa, 2010). The reform involves strengthening links to the labour market through job-placement programmes. Unfortunately, the underlying objectives of education reform to provide the labour market with competent Omanis has yet to be achieved because the outputs still lack the skills needed, as well as the kills essential for taking advantage of growth in new areas of opportunity (Gonzalez et al., 2008). The number of college and university graduates each year is around 50,000 (Ministry of Manpower, 2014) which already exceeds the number of jobs available through economic expansion and natural labour turnover. This reflects the fact that education in the earlier stages is theoretical and does not serve development goals (Tilak, 2003: 2004). The weak education outputs, therefore, have direct impact

on the weak implementation of Omanisation policy and are a barrier to building a leadership stratum of national decision-makers. 'Qualifications inflation' occurs when employers systemically require more advanced qualifications for jobs without a corresponding increase in skill content (Healy & Côté, 2001). Thus, it is predicted that knowledge is critical to employment. Previous research focuses on the importance of tacit knowledge gained through experience (Davidsson & Benson, 2003) and vocational training, but gives only very imprecise understanding of the importance of explicit knowledge (Davidsson & Benson, 2003) gained through formal education. In this research the importance of formal education is examined by considering the employability experiences and prospects of employees with different levels of educational attainments.

Based on the above theoretical illustration, a priori assumption is made that Omani individuals with higher educational attainment have more chance to be employed than those who are less educated. Hence, educational level is expected to reveal an effect in Omanisation in the way that respondents with lower education levels are more likely to perceive various Omanisation-related human, social and organisational factors to be barriers than do their counterparts with comparatively higher education levels. To test this assumption, the following hypothesis will be tested:

H7: Increasing education attainment will be associated with decreasing perceptions of barriers to Omanisation.

Finally, in Middle East management, research glaringly omits the critical investigation of individual differences on HRM policies and practices (Metcalfe, 2007). In Oman in particular, little attention has been given to the importance of the individual demographic characteristics on shaping HRM practices in general and staffing of people in particular. Therefore, this study tries to fill this gap and shed light on the impact of individual differences in the employment of locals in the Omani workplace, and to find out how individuals perceive specific human, social and organisation factors as determinants to a successful Omanisation policy.

## 3.3.3 The Influence of Stereotypes on Omanisation

Hilton and von Hipple (1996: 240) defined stereotypes as generalised "beliefs about the characteristics, attributes and behaviour of members of certain groups". They

argued that by providing perceivers with what is considered generalisable information about members of certain social groups, stereotypes serve as an uncertainty-reducing device used to simplify making judgments about others. The literature on the concept of stereotyping in the workplace posits that it could be a main obstacle in the success of any localisation policy. For example, Al-Waqfi and Jain (2008) noticed that negative stereotypes may become self-fulfilling and may act as disincentives that impair willingness to work hard and so further reduce career opportunities for those who are subjected to negative perceptions.

According to Khan (2010), private sector organisations consider local human resources as a financial liability and not as a valid asset that could increase their profitability. Therefore, managements of these companies still perceive Omanis as less productive labour and therefore insist that the investment in their training and development become the sole responsibility of the government and not the employers. Khan (2010) adds that appropriate budget for the development of nationals is rarely set aside and investment in people rarely reflects in companies' visions. Institutional Theory explains, "Organisations may act ethically or responsibly, not because of any direct link to a positive organisational outcome (e.g. greater prestige or more resources), but merely because it would be unthinkable to do otherwise" (Oliver, 1991: 149). In this way, organisational behaviour may be driven not by processes of interest mobilisation (DiMaggio, 1998), but by preconscious acceptance of institutionalised values or practices.

The problem with stereotyping is that it tends to cause perceivers to fail to notice individual differences (Hipple, 1996). According to organisational theory, in the job market context, if stereotypes become so strongly present in one's perception of members of the out-group, they may shield one's ability to view those individuals objectively as fellow co-workers, managers, subordinates, or job applicants (Hogg & Abrams, 1988). Given the potentially harmful consequences of inaccurate stereotypes, researchers have attempted to understand factors that may lead to stereotype reduction. The most influential approach to facilitate positive intergroup relations is probably the "contact hypothesis". This means, a positive contact between members of different groups should improve intergroup relations and should, particularly, reduce negative out-group stereotyping (Al-Waqfi & Jain, 2008).

In Oman, and with regard to willingness to work long hours that distinguishes expatriates from locals— which is mostly favoured by employers — and the key area where Omanis are negatively stereotyped as less productive due to their intention to work less hours and take more leave. Strangleman and Warren (2008) criticised this narrow view of time and work that results when only paid work time is considered. They urge that greedy employers should not force employees to stay at work longer hours in order to earn more, because it affects their social life and deprives them of spending time with their families and socialising with friends. This result in dissatisfied workers who cannot provide greater levels of productivity initially intended, because loyalty and creativity are weakened.

It is suggested – based on the literature on stereotyping provided above as well as the context of Oman – that such stereotyping could be a key hindrance in the success of Omanisation policy. Therefore, one of the fundamental objectives of this research is to identify whether these stereotypes are as widespread as often suggested by previous researches (Al-Waqfi & Forstenlechner, 2010; Budhwar & Mellahi, 2006; Harry, 2007; Mellahi, 2007) and whether they influence the willingness of both citizens and expatriates to accept citizens in the workforce.

Based on the above theoretical discussion of the stereotyping influence on employability of people, the following hypotheses will be tested:

H8a: Locals report that expatriate managers hold stronger negative work-related perceptions of locals than Omani managers.

H8b: Stereotyping of Omani employees will decrease as levels of education increase.

H8c: Stereotyping of Omani employees differs between sectors.

H8d: Stereotyping of Omani employees will decrease as in-company training increase.

## 3.3.4 The Influence of Employment Sector on Omanisation

Sector of employment is another determinant to employability of people. According to organisational theory, best practice models are considered to comprise policies and practices that provide for equal treatment amongst different employee groups in different organisations and sectors (Barbeito, 2004; Nankervis et al., 2005; Rees et al., 2007). This means consistency in the application of terms and conditions of

employment across the work force is guaranteed (Edgar & Geare, 2004; Wood & Albanese, 1995). For instance, all employees would have access to benefits such as health insurance, housing loans and pension schemes. This in turn leads employees to hold positive perceptions about the environment in which they work, as they have fair employment opportunities (Wood, 1995). In cases where people experience fairly limited employment options and opportunities, they "may be more inclined to take advantage of municipal governments' role as employers of last resort" (Saltzstein, 1986:148). This phenomenon was further described by (Mladenka, 1991: 535) as "one could logically expect to discover an inverse relationship between minority public employment levels, job growth in the private sector and black success in private managerial positions". Literatures on HRM suggest that there is a high degree of impact of work location on employees' job satisfaction, motivation and trust (Abuorabl, 2012; Llorens et al., 2007). Also, changing workplace of subordinates is considered as key component of organisation's leadership practices which lead to high degree of job satisfaction (Al-Naqbi, 2011). Thus, it is practical to assume that the importance of a good and safe working environment may determine some differences in employee attitudes when choosing their sector of employment.

It was argued in the literatures that there are sectoral differences are existed between the work in different sectors. For example, the work in public sector were found less flexible, and have lower levels of well-being than the work in the private sector (Murray, 1975; Solomon, 1986). However, a debate has been aroused about whether these differences still exist or not (Boyne et al., 1999; Edgar & Geare, 2004). Unfortunately, in Arab Countries in general and in Oman in particular, the differences in pay, work conditions, pension, responsibilities, flexibility, are still far better in public job than the private companies (Al-Ali, 2008; Al-Lamki, 2005; Al-Waqfi & Jain, 2008; Rees et al., 2007; Forstenlechner & Mellahi, 2011; Swailes et al., 2012). This supposedly that HRM practice in public sector is better than HRM practice in the private sector and thus it is reasonable to surmise that best HRM practice is resulted in increased awareness for job seekers in Oman that the areas of HRM to be of greater importance compared with HRM practice in private sector. As a result, local people often prefer to wait for public sector job than join companies job even if the wait might last for long (Shaban et al., 1995; Forstenlechner et al., 2014). This explains the discrepancy between the large numbers of nationals employees in the government who comprise more than 90% of total workforce in public sector, compared with only 14% are Omanis in private sector (Ministry of National Economy, 2014). However, comparing between public and private sector HRM policies are out of the scope of this

study. Instead the study makes a comparison between three industries within the private sector; banking, tourism and automotive. The justification of the selection of these three sectors is given in chapter one of this study.

Omanis give high consideration to the sector of employment when they seek jobs due to the generosity of the public sector – one of the most generous in the world – which has continued to provide jobs associated with spectacular benefits like low taxation and social services (Al-Aali, 2014; Al-Naqbi, 2011; Alselaimi, 2014; Swailes et al., 2012). Also, social values and norms make Omanis more selective when seeking jobs as some jobs are considered socially unaccepted such as manual jobs in companies (Al-Rawahi & Aouad, 2011). This indicates that Omanis would evaluate the degree of culture values and norms as a barrier to Omanisation based on their sector of employment, so that those who are in a well-reputed sector will be less likely to think of social values as a barrier than those who are working in less socially accepted industries.

From the above underpinnings, it is realised that sector of employment to be a key determinant for individuals to consider when seeking jobs. Consequently it is expected that the degree of Omanisation differ between industries as Omanis prefer one sector over another when seeking for jobs and therefore it is hypothesised that:

H9: Participants from Automotive perceive higher barriers to Omanisation than their counterparts in banking and tourism.

## 3.5 A CONCEPTUAL MODEL OF OMANISATION

This section analyses previous studies on Omanisation (Appendix 2). From a general theoretical perspective, there is a limited body of theoretical knowledge of Omanisation. Nevertheless, a comprehensive study of on-going processes in the labour markets of the Gulf States countries (Kapiszewski, 2001) considers Oman as having the most elaborate labour nationalisation policy in the Gulf region. However, the study does not provide an evaluation of Omanisation. Another study on Omanisation (Al-Lamki, 1998) describes how the Omanisation policy of the private sector was envisaged. Swailes et al. (2012) evaluated the progress of governmental Omanisation initiatives using psychological contract theory to interpret the views of senior public and private sector managers. Other studies were conducted in the field of

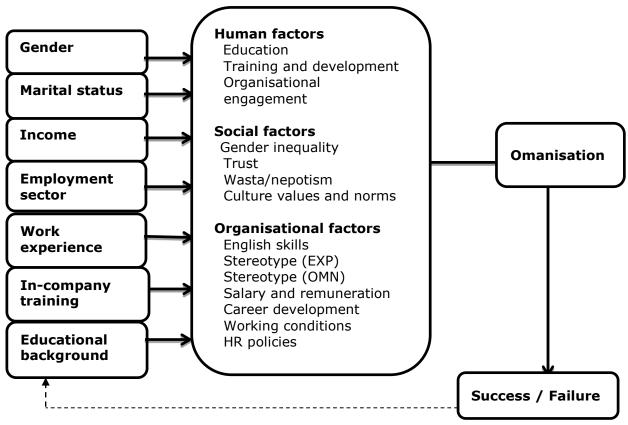
job localisation, and have examined various aspects of Omanisation policy (Al-Balushi, 2004; Al-Moamari, 2000; Jawad, 2003; Randeree, 2012). All of these studies explored the officials' and decision-makers' points of view towards Omanisation, but none of them thoroughly covers the employees' points of view towards the policy; a gap that this study addresses.

Poor employee motivation and the gap in skills and experiences in the local labour market (Al-Lamki, 1998) and negative beliefs and attitudes that people in Gulf Countries have towards certain private sector jobs (Swailes et al., 2012) are as common themes in the literature. Previous studies of localisation policy in the Gulf Countries in general, and in Oman in particular are summarised in Appendix 2.

Despite the fact that Omanisation has been vigorously attempted in the private sector as a way of reducing the country's dependence on a foreign workforce and reducing the rate of unemployment in the country, the policy still faces barriers. These barriers may be caused by human, social or organisational variables. These variables are considered in the literature as the key pillars of a successful job localisation policy and their impact has been investigated in different contexts. For example, Al-Ali (2008) examined how the variables impact Emiratisation policy. Education, training and development, and salary and remuneration were all examined by AL-Enezi (2002) as factors that contribute to successful Kuwaitisation. *Waste*/nepotism, low wages, lack of skills and experience, unacceptable private jobs (culture values and norms) and working conditions were all found as barriers to successful localisation policy in the Gulf States (Salih, 2010). Therefore, these variables were tested in this study to show how personal variables influence human, social and organisational capital relating to Omanisation.

Based on the preceding analysis of localisation policy and Omanisation in particular, the specific framework concerns private companies' responses to institutional pressures regarding employment. Omani employees in the private sector were surveyed regarding their opinions towards Omanisation based on job-related motivational factors developed originally by Kovach (1946) and used for the same purpose by Wong et al. (1999) and Al-Ali (2008). Kovach's model was amended to cover other factors that were found have an influence on the employment of people in Oman. This framework is illustrated in Figure 3.5.

Figure 3-13: Conceptual Framework for Omanisation



The model shows that there are human, social and organisational issues influencing the employment of locals in the private sector. Human issues relate to challenges around a lack of co-ordination between education and private employer needs, organisational engagement, work experience and the training and development employees receive at work (Joo & Park, 2010, Henderson, 2005; Healy & Côté, 2001; Tahir et al., 2014). At the social level, job localisation policy is challenged by gender discrimination which gives men more opportunities to be employed, lower social status and recognition of cultural values and norms. (Edgar & Geare, 2004; Karam & Jamali, 2013; Sumaya et al., 2014). At the organisation level, obstacles to the employment of locals lie in negative stereotyping of locals as unmotivated, less productive, under skilled and demanding high salaries (Khan, 2010; Al-Wagfi & Jain, 2008; Strangleman & Warren, 2008). Also, resistance to successful job localisation at the organisational level appears as a result of poor working conditions, lack of HR strategies that can assure better career development for employees and low wages compared with public sector jobs (Al-Balushi, 2008; Abdulla & Ridge, 2011; Al-Ali 2008; Kornelakis, 2014; Spring, 1998). Together, the individual influential variables on the three determinants

of Omanisation (human, social and organisational) create a conceptual framework for this research that could help in shaping new criteria for a better implementation of Omanisation policy.

In sum, the above model summarises variables that may hinder the participation of an Omani workforce in the private sector.

## 3.6 CONCLUSION

This chapter reviewed the literature in relation to the theoretical and empirical background to job localisation in Oman and factors affecting the perceptions of Omanis towards it. Past research focused heavily on knowing officials' and managers' points of view and ignored employees' opinions about localisation. This research aims to fill this gap by giving a chance to employees in Oman to give their views about Omanisaton.

The analysis of the link between human, social and organisational capital theories and Omanisation shows that human capital factors such as education, training and development and work experience have contributed to the employment of people in the way that those who are well-educated and highly qualified have high economic return. In addition, this segment has more chance to develop their careers. In the case of social capital factors, the chapter shows that job-seeking behaviour depends to a certain extent on social networking, where information sharing in an individual's social groups results in a large proportion of jobs being filled by applicants who know each other. As a result, individuals with a wide network can experience less unemployment and higher income.

With regard to organisational capital, it is evident that working conditions, pay, career development, HR policies and organisational culture influence the employability process. For instance, employee satisfaction with levels of pay and benefits is strongly correlated with positive approaches to new work designs and new technology, which in turn influence productivity. In general, people are more likely to consider organisational factors such job security and less stressful duties as key determinants in choosing their future jobs. With regard to demographic variables, it appears that some individual variables, for example gender, type of sector and educational level, continue to influence employability.

Having developed the conceptual framework and the hypotheses for this study, the next chapter sets out the research design used.

# **CHAPTER 4: RESEARCH DESIGN**

#### 4.1 INTRODUCTION

The previous two chapters covered the state of job localisation in the Gulf States with particular emphasis on the local manpower situation in the Omani private sector and developed a conceptual model and hypotheses. The purpose of this chapter is to describe the research methodology that has been applied for conducting the survey and analysing the data gathered through a questionnaire, as well as the qualitative data obtained from semi-structured interviews.

The chapter begins with a reminder of the aims and questions of the study since they play a key role in formulating the research methodology. This is followed by a consideration of research philosophies. Primary data collection occurred through a survey questionnaire with local employees and semi-structured interviews with managers and officials.

In sum, this chapter facilitates the link between theory and practice through the application of mixed methods to examine the conceptual framework and test the related hypotheses. The following sections give more details of the methodology and methods used.

## 4.2 RESEARCH AIMS AND QUESTIONS

The fundamental aim of this research is to examine the extent to which human, social and organisational factors pertaining to Omanisation are impacted by demographic variables. The study seeks to build sufficient understanding of the problem to help the government and employers to propose feasible strategies for greater job opportunities for Omani citizens.

The research questions shaping this study are:

1 What is the relationship between demographic characteristics (gender, marital status, income, seniority, years of service, in-company training) and attitudes to employment in private sector industries?

2 What is the relative strength of barriers across sectors?

- 3 What are the general perceptions regarding work attitudes and competencies of citizens in the local labour market? Are these perceptions regarding citizens shared by both expatriates and citizens?
- 4 What factors perpetuate expatriate and migrant employment in managerial roles and what are the training needs of Omani employees to better compete with expatriates at managerial levels?

#### **4.3 RESEARCH METHODOLOGY**

# **4.3.1** Research Philosophies

Social sciences involve either a subjective or an objective approach to research. Under these two major philosophical approaches, there are a group of core assumptions concerning ontology and epistemology of the reality being investigated. The ontological assumptions are about the nature of reality and address the following questions; what is the form and nature of reality, what can be known about that reality and is it given or a product of the mind (Ponterotto, 2005). On the other hand, epistemology is concerned with the relationship between the "knower" (the research participant) and the "would-be knower" (the researcher). Epistemology addresses questions such as what forms of knowledge can be obtained, how to sort truth from falsehood, and can knowledge be acquired or must it be experienced?

Guba and Lincoln (1994: 201) state that inquiry paradigms can be answered by three fundamental and interconnected questions. "The ontological question – what is the form and nature of reality and what can be known about reality? The epistemological question – what is the nature of the relationship between researcher and what can be known? The methodological question – how can the researcher find out what he or she believes can be known?" Ontological and epistemological assumptions of social sciences are described below, followed by the way how these two philosophical approaches influenced the phenomenon investigated in this research.

#### 4.3.1.1 Omanisation Philosophical Stance

Unemployment in any country is problematic and causes unwanted political, economic, legal and social consequences (Al-Qudsi, 2006; Forstenlechner, 2009; Maddah, 2013). This in turn affects the stability of societies and governments become under pressure to find ways that could help to overcome this phenomenon. However, recent statistics

revealed that Omanisation has not achieved its objectives as Omanisation averages only 14.6% in the private sector (Ministry of Manpower, 2014). This study examines Omanisation policy concerning human, social and organisational factors to find out how these factors are influenced by demographic variables. This gives an indication of the ontological position about the nature of the barriers that hinder the implementation of Omanisation. The role of the researcher in this study is shaped by the fact that he is an employee in a government entity which has a key mandate of observing the progress of Omanisation. The study will help the researcher's workplace to design more effective auditing procedures for Omanisation policies that can help to improve implementation. These reflexive issues need to be considered in relation to the outcomes of this research. Therefore, my perception on this study is incommensurate with an interpretivist paradigm and is consistent with a positivist approach. My ontological position will be about only one problem and a single reality that it is apprehendable and identifiable.

The epistemological position about what constitutes knowledge of the phenomena (Omanisation) is based on the above ontological view as it is a single reality to explain. Hence, the best way to produce knowledge is by deep understanding of people, their settings, behaviour and the way these elements are interlinked. Knowledge about such aspects of the social world can be best produced by empirical examination through testing variables which represent the phenomena. In this study, the phenomena of interest are viewed as facts which exist independently of human action. The research examined relationships between elements and concepts to explain the research reality. Organisational, human and social capital theories were employed.

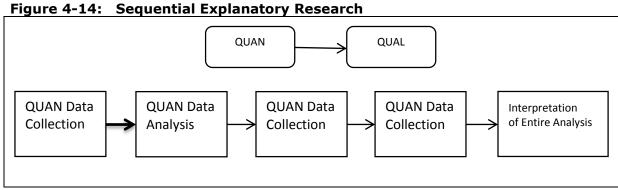
# 4.3.2 Research Resign

The research design formally defines the procedure for conducting a study. It describes "where, when, from whom and under what circumstances data were obtained" (Kerlinger, 1986: 279). Despite the priority attached to the job localisation Gulf States, the subject has not been extensively studied and therefore, there is need for quantitative and qualitative research to serve as a foundation for better informed policy making. With regard to Omanisation policy, previous studies were generally qualitative and it is worthwhile employing a quantitative research to assist the comparison of findings under the two approaches. The following paragraphs elaborate in detail quantitative, qualitative and mixed methods. The focus of the illustration is on mixed methods as used in this research.

#### 4.3.2.1 Mixed Method

A-Aali (2014) argued the Gulf States cultural influences such as the gender and ethnicity of researchers can impact on responses from interviewees. Similarly, Oman is a conservative society highly influenced by social, cultural and religious values. To some extent, the working environment is a man-dominated. A study of Omanisation is affected by this feature as it considers both men and women. In such a community, to conduct research which involves investigating female points of view is not an easy task as families are reluctant to let their daughters talk freely to a male stranger; women are often only allowed to talk with first relatives. These groups are called *Mohrram* which means those who women cannot marry. These burdens make male researchers reluctant to interview women and instead prefer to use surveys which can reach women indirectly.

Consequently, quantitative data analysis was used in this research to test the hypotheses using multi-variant tools to examine the direct relationship between constructs. This was supplemented by a qualitative intervention to elaborate on the quantitative results. According to Creswell (2013), this is a 'sequential explanatory research design' in which quantitative research is conducted and analysed before qualitative research is conducted. The results of both the quantitative and qualitative approach are integrated as shown in Figure 4.1.

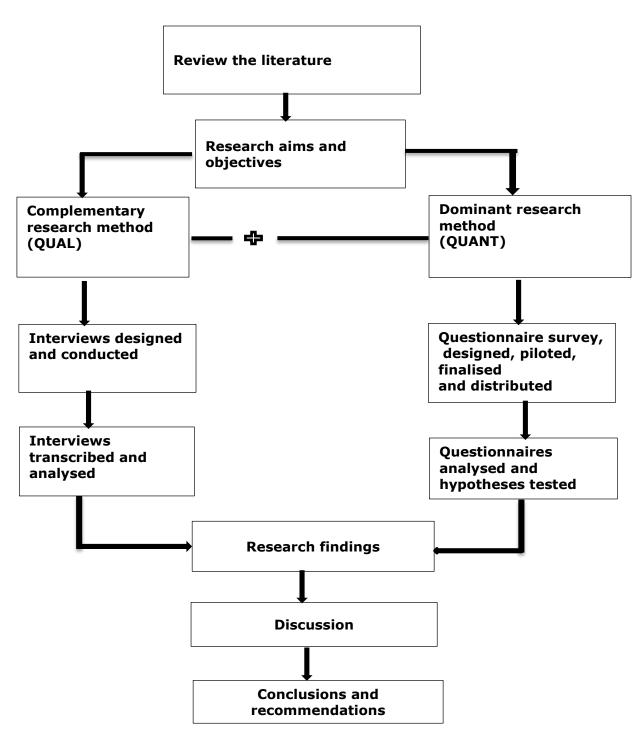


(Source: Creswell, 2013)

Figure 4.1 it is clear that this study falls under a deductive theoretical style. It is about creating an existing theoretical model from previous literature in the same discipline of the research problem being investigated and is already examined quantitatively. However, the current research problem covers additional components that might not be quantifiable, or might require explanation; a qualitative study is conducted concurrently. The main study uses a quantitative sample (large and preferably

randomised). Here the description is basically from quantitative data, with qualitative description enhancing particular aspects of the study. This gives a more comprehensive set of findings than quantitative or qualitative data analysis alone (Tashakkori & Teddlie, 2010).

Figure 4-15: The Research Design Model



In sum, quantitative data is used to obtain specific data from employees. Also, qualitative data are used to collect different data from officials in the government and managers in the private sector. Both types of data will simultaneously help to address the research questions and objectives. Table 4.1 illustrates how quantitative and qualitative research designs are employed in this study.

**Table 4-6: Research Objectives Relative to Research Method** 

Research question	Research method	Participant group
How are human, social and organisational barriers influenced	Quantitative - Questionnaire	Private sector employees
by demographic variables	Qualitative – Semi- structured interview	Government officials and private sector managers
What is the relative strength of barriers across sectors?	Quantitative –Questionnaire	Private sector employees
What are the general perceptions regarding work attitudes and competencies of citizens in the local labour market? Are these perceptions regarding citizens shared by both expatriates and citizens themselves?	Quantitative-Questionnaire	Private sector employees
What factors perpetuate expatriate and migrant employment in managerial roles and what are the training needs of Omani employees to better compete with expatriates at managerial levels?	Qualitative – Semi- structured interview	Government officials and private sector managers.

From the table above, the four objectives were tackled quantitatively, qualitatively or with both techniques. Objective one investigated the employees' views towards Omanisation and it was more practical to use quantitative methods to reach a large number of participants. For a more in-depth understanding about the obstacles to Omanisation, objective one also targeted officials in the government and managers in private sector, but with a qualitative method as high ranked employees in Arab World are more likely prefer interviews than surveys (Swailes et al., 2012). Objective two compared the barriers to Omanisation among the three selected sectors (Tourism, Banking and Automotive) to explore for each sector the degree of intensity of these barriers. Survey methods were also used for this. Objective three explores participants' points of view towards stereotypes as a key barrier to Omanisation. The negative perceptions held about Omanis were explored by both quantitative and

qualitative methods and so employees and managers were included. Finally, objective four was designed to find out if there are unique barriers to Omani workers that are not found previously in other contexts. This objective was explored through interviews.

# 4.3.3 Data Collection Methods

## 4.3.3.1 Survey

The dominant data collection method was the questionnaire as it was used to achieve the majority of the research objectives which revolved around understanding the employees' point of view towards the barriers to Omanisation. This is because previous employment studies conducted in Oman were smaller and used qualitative approaches (e.g. Swailes et al., 2012), other studies used secondary data (e.g. Al-Lamki, 2005) and thus a questionnaire was used for more generalisation of the results. 1000 copies of the questionnaire were distributed by hand to employees in the private sector.

#### 4.3.3.1.1 Items Selection

A pool of 78 items was constructed from the existing HRM and management literature and previous questionnaires for similar studies. The results of initial testing of the scales are shown in Table 4.2.

Table 4-7: The Survey Scale Items, Sources and Alpha

Variables	Items	Theoretical background	(Alpha)	
	National school leavers and high school graduates are inadequately prepared for the			
	workplace.	4		
	There is a mismatch between education system's contents and workplace requirements of	Al-Ali, 2008; Gonzalez, et al, 2008;		
	communication, teamwork, analytical and innovative thinking skills.	Swailes, et al. 2012; Al-Lamki, 1998,		
	The poor procedures for the selection of teachers have led to poor quality of education	2005; Al-Ali 2008;	0.695	
	outcomes.	Mellahi, & Badhwar, 2010;		
Education	The current education system prioritises theoretical knowledge and memorisation rather	Al-Hamadi, et al., 2007 Forstenlechner, et		
Luucation	than practical preparations for the workplace.	al., 2012; Al-Waqfi and Forstenlechner,		
	Developing students' English skills is a weakness of the education system.	2010.		
	Developing students' IT skills is a weakness of the education system.	4		
	The education system has mainly focused on developing a national identity rather than creating a productive workforce.			
	Private workplaces do not value skills and experiences in recruitment and promotion	Greenhaus, et al., 1990; Al-Ali, 2008;		
	processes.	Wong & law, 1999; Freek 2004; Bontis	0.315	
Experiences & skills	Omani nationals do not have sufficient experiences and skills to do their jobs well.	2004.	0.020	
	Foreign workers have more experiences and skills than Omani workers			
	Overall, the current in-job training programmes are not sufficient to develop employees			
	work skills.	Mellahi and Al Hani; 2000; Lockwood,	0.638	
	Private companies do not provide much opportunity for further education (e.g. part time	2007; Edgar & Geare, 2005; Al-Lamki,		
Training &	Bachelor degree programmes).	1998; Al-Waqfi, & Forstenlechner, 2010.		
development	Lack of technical and vocational training is considered a key cause of the inability of			
	Omani employees to compete with the expatriates in the private sector.			
	Private organisations do not maintain the well-being of their Omani employees.			
	Private sector work is less interesting than public sector work.			
Organisational		Mellahi, & Al-Hinai, 2000; Cox, et al.,		
engagement	Private organisations do not support employees with the balancing of work and social life.	2006; Simpson, 2009; Bakker, &	0.695	
	Omani employees are less loyal to their workplace than migrants.	Demerouti, 2008; Baumruk, 2004;	0.055	
	Omanis think frequently about guitting their jobs.	Milliman et al., 2003		
	Omani employees in the private sector do not feel they are an important part of their	-		
	organisations			
	Men and women do not have the same employment opportunities in private			
	organisations.			
	Women's career development is hindered in private companies as they are perceived to	1		
	lack managerial skills.	Sar 2006; Gonzalez, et al., 2008; Edgar &		
	Women are pressured to sacrifice some of their femininity if they wish to achieve a high	Geare 2005; Al-Ali, 2008; Mohamed &	0.744	
	position in the private sector.	Mohamad, 2011; Don, & Issan, 2007; Le	3.,	
Gender inequality	Training opportunities are very limited for women in private companies.	Renard, 2008.		
Gender inequality	Private employers are reluctant to employ married women.			
	The constraints imposed on employers in relation to logistical issues, special entrances,	1		

	seating arrangements, separation etc. make it harder to hire women.		
	Employers in private organisations feel that recruiting women is a short-term investment.	1	
	Cultural perceptions are an important factor explaining women's exclusion from leadership positions in private organisations.		
	A woman who stays at home with her children is a better mother than a woman who works outside the home.		
	In private organisations, expatriate managers do not trust Omani workers.		
	In private organisations, Omani employees do not trust management to look after their career interests.	Al-Ali, 2008; Carmeli 2005; Dobie et al.,	
	In private organisations Omani employees avoid expressing their opinions due to fear of punishment.	2001; Hamadi, et al., 2007; Forstenlechner, et al., 2012; Mellahi &	0.839
Trust	Managers in private organisations are reluctant to delegate to Omanis.	Badhwar, 2010; Al- Whiteoak et al., 2006.	
	Private employers believe that Omanis are 'costs' not 'valued' assets.	_	
	Work relations between employees and their managers are poor.		
	Personal connections are still very influential to get and seek jobs.		
	Working environment is dominated by tribal allegiances among Omanis.	Al-Lamki, 1998; Al-Ali, 2008. Al-Hamadi,	0.704
	Favoritism in private organisations does occur in recruitment decisions.	et al., 2007. Hofstede, 1984; Mellahi, &	0.704
Waste/nepotism	Who you know is more important than what you know when it comes to promoting employees in private organisations.	Al-Hinai, 2000.	
	Women are discouraged from working in first line production jobs in factories due to cultural constraints.		
Culture and norms	Parents are very reluctant to permit their daughters to work in companies far from their home.	Al-Hamadi, et al., 2007, Aycan, et al., 2000; Aycan, et al. 2007; Bauder, 2001;	0.611
	Attitudes about the ability of women to mix with non-family members are a barrier to Omanisation.	Katou, et al., 2010.	
	Speaking good English is the fundamental obstacle to gaining promotion in private companies.	Al-Ali, 2008; Al- Busaidi, 1995; Al-Issa,	
	Speaking good English is a major advantage for non-nationals in private companies.	2002; Al-Jadidi, 2009; Al-Jardani, 2012;	0.545
English	Private employers expect new entrants to be fluent in English language.	Mellahi & Al-Hinai, 2000.	
	Multiple nationalities in the workplace hold back teamwork.		
	Expatriates are not encouraged to train and transfer their knowledge to Omanis in private organisations.	Al-Ali, 2008; Al-Lamki, 1998; Al-Waqfi &	
	Private employers demand high education qualifications for low level jobs.	Forstenlechner, 2010; Carmeli, 2005;	
	The current rules and regulations in private sector organisations are not supporting	Forstenlechner & Rutledge, 2011; Hilton &	
	Omanisation policy.	von Hipple, 1996; Forstenlechner, 2008;	0.883
	There is no consideration of Ramadan and no change in working hours for Ramadan in private companies.	Lok & Crawford, 1999; Mellahi & Al-Hinai, 2000; Patterson et al., 2005; Sheridan,	
Organisational culture	Important spiritual needs are ignored by expatriate managers.	1992; Swailes et al., 2012; Van	
	Omanis are stereotyped by expatriate managers as less disciplined.	Oudenhoven & Hofstra, 2006.	
	Omanis are stereotyped by expatriate managers as less committed to their work.	,	
	Omanis are stereotyped by expatriate managers as less motivated.		

	Omanis are stereotyped by expatriate managers as lacking experience and skills.		
	Omanis are stereotyped by expatriate managers as not appreciating the company's		
	goodwill.		
	Omanis are stereotyped by Omani managers as less disciplined.		
	Omanis are stereotyped by Omani managers as less committed to their work.		
	Omanis are stereotyped by Omani managers as less motivated.		
	Omanis are stereotyped by Omani managers as lacking experience and skills.		
	Omanis are stereotyped by Omani managers as not appreciating the company's goodwill.		
	There is poor future career in private companies.		
	There is no opportunity available in private companies to discuss employees' future career plans.		
	Non-nationals have more opportunities to get promoted and hold managerial posts.		
Career development	There is a lack of information awareness about opportunities for changing jobs in private sector organisations.	Bosley et al. 2009; Greenhaus et al., 1990; Joo & Park, 2010; Kong et al.,	
	In private organisations, poor performing and high performing employees enjoy the same outcomes (e.g. pay and promotion).	2012; Mellahi & Al-Hinai, 2000.	
	Talented Omani employees are ignored and marginalized by their expatriates' bosses in private companies.		0.809
	Opportunities to compete for promotions are rare as most managerial roles have dominated by expatriates.		
	Working hours in private organisations do not fit local workers' social and family obligations.		
	Personal health is not taken seriously enough in private companies.	Al-Ali, 2008; Kelliher & Anderson, 2008;	
	Physical working conditions are poor in private organisations.	Kinzl et al., 2005; Mellahi & Al-Hinai,	0.738
Working condition	Private organisations offer less job security than public organisations.	2000; Smerek &Peterson, 2006.	
	Shift-based work is disliked by Omanis.		
	There is less annual leave entitlement in private sector.		
HR Policies	Organisational policies discriminate between locals and expatriates.	Abdelkarim, 2001; Al-Lamki, 1998; Weiss	0.600
THE FORCES	It is cheaper to dismiss an expat and employ another than it is to dismiss an Omani.	& Dawis 1967.	
Salary and	Lower average earning in the private sector create little incentive.	Al-Ali, 2008; Al-Lamki, 1998; Freek 2004;	0.732
Remuneration	Expatriates managers and their locals counterparts are not rewarded equally.  There is less retirement pension in private sector.	Mellahi & Al-Hinai, 2000.	0.732

#### 4.3.3.1.2 Instrumentation

A five-point-Likert scale was employed to measure the above items. Participants were asked to tick or circle one of five choices on a sliding scale of agreement [from (1) 'strongly disagree' to (5) 'strongly agree']. Data were treated as interval level and were analysed with inferential statistical tests. The demographic items in part (D) were in the form of categorical questions.

# 4.3.3.1.3 Language Style and Translation

The questionnaire was developed in English by the researcher and further checked and improved with colleagues. Then it was translated into Arabic by a bilingual expert working as an expert in the Ministry of Education in Oman. The translation procedure adapted by Malinowski (1935), cited in Mostafa (2004) was used: word-by-word, translation; 'free' translation in which clarifying terms and conjunction are added and the words reinterpreted; analysis and collation of the two translations leads to a contextual specification of meaning.

## 4.3.3.1.4 Piloting the Questionnaire

The questionnaire was tested in 2013. A total of 50 respondents who were Arab students in UK Universities at their final year and ready to join workplace were asked to complete the pilot questionnaire and give a feedback on the following issues:

- Are the questions asked clearly specified and unambiguous?
- Do the questions asked provide a range of different views?
- Are there questions inappropriate from cultural, social and religious perspectives? (In some instances, certain questions required reformulation or removed).
- How much time is required to answer the questionnaire?

Based on the remarks and suggestions received from the pilot survey, several improvements were made including rewording some of unclear questions. Suggestions also covered a need for adding questions regarding HR polices which discourage Omanis from joining the private sector. Consequently, items 74 and 75 were added, "organisational policies discriminate between locals and expatriates" and "it is cheaper to dismiss an expat and employ another than it is to dismiss an Omani" respectively.

## 4.3.3.1.5 Final Version of the Questionnaire

The final draft of the questionnaire begins with the covering letter (Appendix 3) which describes the main purposes of the study and contact information. The questionnaire consisted of four parts; Part A, B and C were designed to obtain information regarding human, social, and organisational factors that may affect the employment of Omanis in private companies. Part D gathered data about the personal characteristics of the participants. It covers; gender, marital status, sector of employment, income, work experience, in-job training and educational background. This was followed by one open-ended question in which participants could give additional comments.

#### 4.3.3.1.6 Construct of Dependent and Independent Variables

The theme of this research is the evaluation of different perceptions towards job localisation policy based on individual variables (gender, marital status, income, sector of employment, seniority, work experience, in-company training and educational background). The policy was measured via a group of human, social and organisational variables that are considered representative of Omanisation. The relevance of these factors was previously tested in different contexts. Al-Ali (2008) employed a theoretical framework based on three aspects of capital theory: human, social and organisational to evaluate job localisation policy in the UAE. This study measures the extent to which participants differ in their perceptions towards Omanisation based on their demographic variables using human, social and organisation variables. Personal individual variables represent the independent variables whilst, human variables (educational system, training and development, organisational engagement), social variables (gender inequality, culture values and norms, trust, wasta/nepotism) and organisational variables (English language skills, stereotypes of expats, stereotypes of Omanis were the dependent variables. The objective is to identify the extent to which individual variables impact the three capital constructs of Omanisation. These factors were constructed from previous literatures on localisation policy and employment as shown in Table 4.3.

Table 4-8: Human, Social and Organisational Variables Conceptualisation

Categories	Components	Theoretical background
Human variables	Education, Training and development work experience Organisational engagement	Abdelkarim, 2001; Al-Ali, 2008; Bontis, 2004; Cox et al., 2006; Freek, 2004; Gonzalez, et al., 2008; Henderson, 2005; Kramar & De Cieri, 2008; Lockwood, 2007; Mansory 2005; Morada, 2002; Ostroff et al., 2005; Seibert, et al., 2001; Siemens (2002; Skinner & Berfsford, 2000; Stewart & Wddell 2003; Watson & Papamarcos, 2002;
Social variables	Gender inequality Trust Wasta/nepotism Culture values and norms	Abdulla & Ridge, 2011; Abdalla et al., 1998; Al-Ali, 2008; Aycan, et al. 2000; Aycan et al., 2007; Bauder, 2001; Charlotte & Jamali, 2013; Don & Issan, 2007; Ferres et al., 2004; Hayajenh, 1994; Joseph & Winston, 2005; Katou et al., 2010; Kwon Suh, 2005; Konrad et al., 2000; Konrad & Linnehan, 1995; Le Renard, 2008; Mohamed & Mohamad, 2011; Myloni et al., 2004; Metcalfe, 2011; Part et al. 2005; Okpara et al., 2005; Rutledge et al., 2011; Semerciöz et al., 2011; Salaff & Greve, 2003; Sonpar, 2001; Stone et al., 2003; Whiteoak et al., 2006; Zeffane & Connell, 2003.
Organisational variables	English language skills Organisational culture career development Working conditions HR Policies Salary and Remuneration	Al-Bakri, 2013; Al-Ali, 2008; Abdel-Jawad & Abu Radwan, 2011; Al-Busaidi, 1995; Aycan et al., 2007; Al-Hamadi et al., 2007; Al-Naqbi, 2011; Al-Lamki, 1998; Al-Qudsi, 2006; Al-Waqfi & Forstenlechner, 2010; Booth & Hamer, 2007; Elizabeth & Medina, 2012; Forstenlechner, 2009; Forstenlechner & Rutledge, 2011; Freek, 2004; Forstenlechner et al., 2012; Gonzalez et al., 2008; Joo & Park 2010; Kinzl et al., 2005; Khan, 2010; Kong et al., 2012; lies, 2012; Leslie & Lindley, 200; Li Yeo, 2010; Mellahi & Badhwar, 2010; Swailes et al., 2012; Souza 2002; Swailes & Al Fahdi, 2011; Tronconi & Marzetti, 2011; Watson & Papamarcos, 2002.

In the next section, the content of the questionnaire and the issue of measuring the variables are analysed and discussed.

## Part A: Human Capital Variables (HC)

Part A collected information about the role of HC variables through education, training and development, skills and experience and organisational engagement. These variables were constructed from previous literature (Table 4.3) and measured with items 1 to 7 (Al-Ali, 2008; Gonzalez et al., 2008). They address the educational system in Oman and whether it adequate to prepare Omanis for the workplace. Items 8 to 10 (Al-Ali, 2008; Bontis, 2004; Freek, 2004; Greenhaus et al., 1990; Wong et al., 1999) clarify the difference between expatriate and Omani workers with regards to their skills and expertise. This was followed by items 11 to 13 (Edgar & Geare, 2005; Lockwood, 2007; Mellahi & Al-Hani, 2000) which were about some training issues such as on-the-job-training, part time education and vocational and technical training. Items 14 to 19 (Bakker & Demerouti 2008; Baumruk, 2004; Cox et al., 2006; Mellahi & Al-Hinai, 2000; Milliman et al., 2003; Simpson, 2009) investigate the organisational readiness (engagement) to make substantial efforts to make Omanisation policy successful. In general, all these items were targeted to explore how demographic variables impact the employability of people in Oman.

# Part B: Social Capital Variables (SC)

This part was designed to collect information about SC variables and how they are impacted by the demographic variables. These variables are; gender inequality, trust, wasta/nepotism, cultural values and norms. As shown in Table 4.3 the variables are adopted from previous literature on job localisation and other studies in social capital theories. Items 20 to 28 (Edgar & Geare, 2005; Gonzalez et al., 2008) assessed issues relating to gender inequality in workplace. Items 29 to 34 (Al-Ali, 2008; Carmeli, 2005; Dobie et al., 2001; Edgar & Geare, 2005; Whiteoak et al., 2006) examined the extent to which trust can influence the employability of Omanis. Items 35 to 38 (Mellahi & Al-Hinai, 2000; Hofstede, 1984) addressed the influence of wasta and nepotism in job seeking. Items 39 to 41 (Al-Hamadi et al., 2007) explored the impact of culture values and norms in the employability of Omanis.

# Part C: Organisational Capital Variables (OC)

OC covers seven variables; English language skills, organisational culture, career development, working conditions, HR Policies and salary and remuneration. The items used to measure how these components are impacted by personal factors with regard to employment opportunities among Omanis were constructed from previous literatures in job localisation, culture and organisational capital theory (Table 4.3). Items 42 to 44 (Al-Busaidi 1995; Al-Ali, 2008; Mellahi & Al-Hinai, 2000) explored the relationship between the employment opportunities of Omanis and their English language skills. Items 45 to 60 (Al-Ali, 2008; Al-Lamki, 1998; Carmeli, 2005; Mellahi & Al-Hinai, 2000; Swailes et al., 2012) investigated organisational culture and how these elements can be influenced by personal factors and become barriers to Omanisation policy. Items 61 and 67 (Al-Hinai 2010; Greenhaus et al. 1990; Mellahi & Al-Hinai, 2000) evaluated career development for Omani staff in their workplace. Items 68 to 73 (Al-Ali, 2008; Mellahi & Al-Hinai 2000) evaluated the working conditions in private sector and how personal elements impact the work environment. Items 74 and 75 (Abdelkarim, 2001; Al-Lamki, 1998; Weiss & Dawis, 1967) examined the current HR policies in private sector organisations with regard to the employability of Omanis. Items 76 and 78 (Al-Ali, 2008; Al-Lamki, 1998; Mellahi & Al-Hinai 2000; Freek, 2004) explored salary and remuneration in the private sector and how demographic variables influence the level of earnings which in turn hinders the success of Omanisation.

#### Part D: Demographic Information

Items related to demographic information were placed at the end of the questionnaire on the basis that familiarity with the content provides confidence to be more open to answer personal questions (Mitchell & Jolley, 2004). The personal data collected covered gender, marital status, sector of employment, income, work experience, effect of in-company training and educational background.

#### 4.3.3.2 Semi-Structured Interview

Semi-structured interviews were conducted to gather additional insights. In addition, in developing countries contexts, like Gulf States, research participants often prefer face-to-face interviews to surveys (Al-Waqfi & Forstenlechner, 2014). Interviews were structured around 13 basic questions (Appendix 4) plus other questions that arose during the interviewees. Some interviews extended to 120 minutes.

#### 4.3.3.2.1 Rationale for Interview

The fundamental reason for conducting face-to-face semi-structured interviews was to gain an in-depth illustration of the barriers to Omanisation and further support the findings of the survey by exploring the views of government officials and private sector managers.

#### 4.3.3.2.2 Interview Procedures and Instrumentation

During the interviews, further discussion was encouraged by simple prompts such as "can you tell me more about....." "That's an interesting point; I hadn't thought of that, so what exactly you mean by....." Notes were taken during the interviews as interviewees claimed that the issue under discussion is sensitive and preferred not to be recorded.

Access was negotiated and achieved via the researcher's networks and personal connections. The interviews were preceded by a written brief of the purpose of this research, what is expected of the interview, the time needed and a copy of the questions to be addressed. The interviews were lengthy and required diplomacy and tact in extracting the information needed. In many cases an informal approach replaced a formal/structured pre-planned approach to ensure collection of data and covering the areas needed for a satisfactory informative interview. After permissions were sought and participants were assured that confidentiality procedures were and remain in place; the interviews were recorded.

In general, the interviews lasted for 45 minutes and two took more than 120 minutes. Although the habitual and cultural norms in the Omani context discourage discussing or criticising government policy, the researcher noticed high involvement and enthusiasm from interviewees. Therefore, most interviews went beyond the expected finishing time.

#### 4.3.4 Research Sample

## 4.3.4.1 Survey Sample, Population and Distribution

The target population was Omani employees in the private sector. Sectors were ranked on the percentage of Omanisation achieved to identify the highest and the lowest. Banking was the highest at 92% and the, automotive sector was one of the

lowest at 35%. In addition, tourism was selected because it is a key sector for economic development in the country and its contribution to Omanisation was 55% (See section 1.4 Background to the chosen sectors). After the industries were identified the following sampling procedures were employed in order to identify the organisations to investigate within each sector:

- 1. Random selection of banks with over 1000 employees and with over 90 % Omanisation. Thus the following banks were chosen, Bank Muscat and National Bank of Oman.
- 2. Due to the difficulty of knowing the percentage of Omanisation for each car company in automotive sector, market share was used as a base for the selection of car companies. The top three car companies were selected; Saud Bahwan Group (Toyota), Oman Trading Establishment (OTE), and Suhail Bahwan Automobiles (SBA).
- 3. For the tourism sector, organisations were selected with a range of Omanisation percentages from high to low and as it was difficult to access companies, snowball sampling was used. Potential personnel were contacted using the researcher's personal networks such as the Director of Public Relation and Information and Director of Tourism Activities in the Ministry of Tourism. Those contacts identified managers in different tourism companies who played the role of gate-keeper for survey distribution and collection. Also, the researcher contacted the Director of Air Transportation in the International Muscat Airport who made connections with some aviation companies and travel agencies. Managers of these organisations facilitated the process of distributing the questionnaire among their employees. 1000 copies of the questionnaire were distributed between June 2013 and August 2013. Banking and tourism companies received 350 copies and the automotive companies received 300 copies.
- 4. The questionnaire was hand-delivered to the representatives of each organisation.
- 5. The sample size achieved was 496 (49.6%). The response rate in each sector was shown in Table 4.4.

Table 4-9: Questionnaire Distribution and Response Rate

- table : J: {accessormance = localization and recoposition					
Sector	Number of question distributed	naire	Number of questionnaire returned		
	No. %			%	
Tourism	350	35	176	50.3	
Banking	350	35	153	44	
Automotive	300	30	167	56	
Total	1000	100	496	49.6	

## 4.3.4.2 Interview Population and Sampling

Government officials as well as private sector managers were the target population to be interviewed. A purposeful sample drawn from government officials with managerial responsibility for aspects of Omanisation policy and/or human resource development in three key departments responsible for controlling and monitoring Omanisation policy; Ministry of Manpower, The General Authority of Labour Registration and State Audit Institution were employed. This was followed by interviews with managers in banking, tourism and automotive industries.

# 4.3.4.3 Practical challenges to gaining access to the sample population

Determining the sample population is a challenge due to the difficulty of covering the entire population and ensuring that the chosen sample represents the population. In this research, these difficulties were tackled through a group of sampling procedures, discussed in Section 4.3.4.1. However, gaining access to the sample and ensuring an acceptable degree of cooperation from the participants were additional challenges that summarised below.

In social science research, quantitative data are mainly collected through three key methods: self-administrated survey, postal survey and Web survey (Email) each of which has its own advantages and disadvantages (Robson, 2002). In order to obtain a high response rate, a self-administrated method to gather quantitative data was chosen. For instance, Waters (1998: 43) found that postal surveys provide low response rates, "less than 20% of target sample replies to the questionnaire". However, two key practical challenges were encountered by using a self-administrated questionnaire. First, the fieldwork was conducted during June and August 2013 during Ramadan. This makes the distribution difficult and challenging as people prefer to take leave during Ramadan. This involved expanding the distribution process to cover other geographical areas, instead of concentrating the distribution at company headquarters which are mostly based in the capital (Muscat). Some branches were visited outside Muscat, which involved more time and effort as Oman is big country. To follow up the participants was another challenge. The researcher made many telephone calls with branch managers to check when the completed copies could be collected and encourage participants to complete the questionnaire. This incurred high costs as

telephone calls in Oman are relatively expensive. In addition, to collect the completed copies, the researcher travelled again to each branch during Ramadan<sup>1</sup>.

Second, the participants from the private sector were reluctant to participate in the study. This was due to their fear of their expatriate managers if they know that their staff are responding to a researcher who is investigating the dominant roles of expatriates in the private sector. More strangely, some Omani managers in the private sector, particularly in the automotive sector, were reluctant to take the survey during work hours and preferred to meet in the evening so that they could pass it to their staff outside the workplace. This reflects the degree to which expat managers dominate the work in the sector. Again, this added some difficulties to getting access to more participants and therefore, the researcher endeavoured to arrange a meeting with each of them due to the time constraint during Ramadan when people usually try to reduce additional activities.

Similarly, the researcher faced many challenges to conduct interviews. First, the targeted officials who deal directly with Omanisation were reluctant to welcome the researcher to interview them due to their belief that the topic is sensitive as it was seen to criticise government policy. As for the private sector managers, cultural and social values sometime present obstacles to get access to woman managers. Being a conservative Islamic country women are reluctant to talk freely to a man who is a stranger as they are only allowed to talk with 'Mohrram', i.e., first line relatives who they cannot marry. Instead, if they want to meet a 'Mohrram' there should be a third person with them. Also, the wives of male researchers can be unhappy when they know their husbands are contacting women to arrange interviews and prefer to help their husbands (the researchers) by arranging interviews on their behalf. In sum, these cultural issues prevented the researcher from getting access to some women managers in the private sector especially those who are working outside the capital in rural areas. As a result, only three women were interviewed.

<sup>&</sup>lt;sup>1</sup> The month of Ramadan is the 9<sup>th</sup> month in the Islamic lunar calendar. It is compulsory on all adult healthy Muslims to fast (absolute restriction of food, drink, smoking and sexual activity).

## 4.3.5 Quantitative Data Analysis

## 4.3.5.1 Preparation of Data and Testing Assumptions

Survey data was reviewed and prepared for entering into SPSS. Consistent with several previous studies on job localisation policies (Appendix 1), parametric tests were used to analyse the data. The assumptions required for parametric tests (T-test and ANOVA) used in this study were met (assessing normality and checking consistency). See the next chapter for the outcomes of assumptions checking and procedure used to prepare the data for further analysis. See also, Table 5.1 for skewness and kurtosis results for assessing normality of the data. For MANOVA test, the underlying assumptions which should be checked include: multivariate normality, equality of the covariance matrix, the sensitivity of outliers and linearity. These assumptions were checked in the next chapter.

## 4.3.5.2 Multivariate Analysis of Variance (MANOVA)

Multivariate analysis of variance (MANOVA) is used to identify how dependent variables (human, social and organizational components of Omanization) vary with individual variables. As with ANOVA, the independent variables in MANOVA are a categorical variable and the focal point is on the differences between levels of each categorical variable. Nevertheless, MANOVA examines the differences between groups for more than one dependent variable simultaneously (Hair et al., 2010; Field, 2013). Moreover, MANOVA was been chosen because it accommodates multiple dependent variables while controlling for the Type I error that can be inflated when multiple univariate analyses of variance are employed (Hair et al., 2010). In this study a group of determinants of the employment of Omanis (human, social and organisational) are treated as the dependent variables, whereas individual differences (gender, marital status, sector of employment, income, seniority, work experience, in-company training and educational background) are treated as independent variables.

In the case where significant differences were detected (meaning that the dependent variables differed on the independent variables), tests of significance used with MANOVA are Hotelling's Trace, Pillai's Trace, Wilk's Lambda and Roy's Largest Root when assessing the difference between group means. Wilk's Lambda is the test of significance used in this study reported an alpha level of .05 as recommended by (Field, 2013). However, the other tests of significance along with their effect size and power are reporting to provide additional information. In the event that the

independent variable has two levels, Wilks' Lambda is used; otherwise if the independent variable has more than two levels, the ordinary MANOVA is utilised (Hair et al., 2010).

Finally, MANOVA assumptions are considered in this study. The first assumption was the equivalence of the variance/covariance matrices across all groups. Fortunately, if the groups are of roughly equal size (i. e., if the size of the largest group divided by the size of the smallest group is equal or less than 1.5), a violation of this assumption has minimal impact (Hair et al., 2010). Box's M test is used to check for this assumption. Usually, values below .05 indicate a violation of this assumption (See the results in next chapter). The second assumption (homogeneity of variance) is tested using Levene's test of equality of error variance. However, if the groups are roughly of equal size then a violation of this assumption has a minimal impact. The last assumption states that any linear combination of the dependent variables must follow a normal distribution. This assumption is tested by visually inspecting the histogram for each dependent variable. Finally, the recommended sample size for MANOVA is 20 observations per cell. At minimum, the number of subjects in each cell should be more than the number of the dependent variables utilized in the study in order to be considered for this analysis (Hair et al., 2010). The minimum required sample size is satisfied in this study.

Thus, MANOVA was used to test the hypothesis that one independent variable, leads to differences in the set of dependent variables (Omanisation policy). MANOVA is conducted instead of a series of one-at-a-time ANOVAs for three main reasons: reduce type one error as MANOVA takes into account the intercorrelation among the dependent variables (Omanisation policy); and none of the individual ANOVAs may produce a significant main effect on a dependent variable, but in combination they might, which suggests that the variables are more meaningful taken together than considered separately.

#### 4.3.5.3 Independent Sample T-Test

The t-test is used to compare the mean score, on a continuous variable, for two different groups of subjects (Hair et al., 2010) and was used to examine the differences between men and women as well as between single and married

participants in their perceptions towards the impact of each dependent variable in Omanisation policy.

## 4.3.5.4 One-Way Analysis of Variance (ANOVA)

One-way analysis of variance (ANOVA) was the statistical test used to compare the mean score on continuous variables for two or more different groups of subjects such as income, sector, seniority, work experiences, in company training and educational background, ANOVA tests are applied because a common assumption is that the dependent variable should be measured at the interval or ratio level (i.e., they are continuous). Another assumption associated with ANOVA is that independent variable should consist of two or more categorical, independent groups. Typically, a one-way ANOVA is used when you have three or more categorical, independent groups (Hair, et al., 2010). The dependent variables in this study are continuous and measured by 5-Likert scale while the independent variables are categorical (demographic variables).

#### 4.3.5.5 Paired Sample T-Test

The literatures on the concept of stereotyping in workplace posit that such stereotyping could be a main obstacle for employment process (Hogg & Abrams, 1988; Al-Waqfi & Jain, 2008). More specifically, studies conducted to evaluate localisation policies have found that Gulf States locals are significantly hindered by the negative stereotypes that others hold about their capability and competence to work. These stereotypes often revolve around the work ethics that others claim locals ignore such as not being loyal, not dedicated to work, not stable and moving from one job to another and ignoring work procedures (Al-Lamki, 2005; Al-Wagfi & Forstenlechner, 2010; Forstenlechner & Mellahi, 2011; Swailes, et al., 2012). Thus, this study seeks to evaluate the impact of stereotypes in employment and the key sources of these stereotypes. The second objective is to examine the extent to which stereotypes with respect to work-related ethics, traits, attitudes, behaviours and competencies could be a key hindrance to Omanisation and whether these stereotypes regarding citizens are shared by both expatriates and citizens themselves. The statistical procedure to achieve this objective was ANOVA. Then Paired sample t-test was conducted to further evaluate whether a statistically significant difference existed between the mean stereotypes held by expat and Omani managers.

## 4.3.6 Qualitative Data Analysis

There is no standardised method for analysing qualitative data; instead, the mechanism of analysis is left to the researcher (Saunders, 2011). The method used depends on the research topic, personal preferences and the time, equipment and finance available. However, many authors have explained different approaches to the process of analysing the qualitative data, (Saunders, 2011). For example, Miles and Huberman (1994) outlined the 'data display, and analysis approach. This approach involves three stages of analysis; data reduction, data display and drawing and verifying conclusion. Thematic analysis is another method that is widely used.

Interview data were analysed using thematic analysis as it offers a useful and flexible approach to analysing and producing rich and detailed qualitative data (Braun & Clarke, 2006). The first stage of the fieldwork involved negotiating access to conduct interviews in the government ministries which deal with Omanisation policies before conducting the interviews with private sector managers. The main interview questions where centred on obstacles to hiring Omani managers as well as other jobs in private companies. These issues covered attitudes of companies to employing Omanis, vocational education and training programmes, laws and regulations concerning the implementation of Omanisation, social values and norms and their impact on hiring Omanis, and challenges facing government to achieve effective Omanisation polices. The pre-planned questions are listed in Appendix 4. Additional questions flowed naturally, based on information provided by the participants. Transcripts of notes were produced immediately after the all interviews and analytical notes were produced.

The questions were translated into Arabic by an expert from University of Nizwa – Oman (Appendix 4). Both versions were handed out to the interviewees in advance. Interviews took place in August 2014 and December 2014. Interviewees were given assurances that the purpose of the research was to discuss Omanisation policy in private companies. "Research of this kind in the Gulf is sensitive and relatively uncommon as it is socially undesirable to appear to be criticising government or its representatives" (Swailes, et al., 2012: 362).

All the interviews were recorded and then fully transcribed in Arabic, resulting in the production of large amounts of text. Then the Arabic version was translated into English by the same expert who translated the interview questions. In order to

classify interview data into fewer and meaningful categories, they were thematically analysed to create a framework for the assessment of programme effectiveness relating to Omani nationals in private companies and to provide relevant knowledge for future use in research or decision making. To create themes, Schulz's (2012) "Inductive Model of Analysing Interviews" was followed. This model is commonly used with less-structured interviews. The inductive approach in interviewing means letting the ideas, concepts and themes emerge from the interview data and firstly involves making specific observations of the data then identifying patterns with the observations and making broad generalisations. Eventually a tentative theory is identified.

The first step in my analysis was to identify the units of the analysis by breaking the interviews into useful chunks of data, words, phrases and sentences and coded each chunk of data. These codes accurately described the meaning of the segment of the data (open coding). Each code was given a unique colour to easily group codes with same colour together (Appendix 5). The objective was to reduce the long list of codes down to a smaller more manageable number of codes. At this stage 20 codes were determined with distinct colour given to each. Then I moved to another stage of coding called "closed coding" which is about coding the codes. The aim here was to identify a smaller number of overarching themes (categories). At this stage 14 themes with some sub-themes were derived, which were finally narrowed down to 4 overarching themes.

#### **4.4 RELIABILITY AND VALIDITY**

The concepts of validity and reliability in quantitative research approach are well developed because of the defined and established structures and methods of data collection associated with this approach. However, this is not the case in qualitative research because of the flexibility, freedom and spontaneity given to researchers in the methods and procedures of data collection (Kumar, 2011). Since multi-methods were used, several procedures were undertaken to raise validity and reliability of the study findings.

#### 4.4.1 Validity and Reliability of Quantitative Research

To support survey validity, an extensive literature review was undertaken to define and clarify the scales and measures used in the questionnaire. Sekaran (2003) asserts the importance of making use of already developed measures and scales since their reliability and validity have often been established by their developers. Thus, most of the scales employed in this research were adopted from several studies (Al-Ali, 2010; Al-Hamadi et al., 2007; Al-Waqfi & Forstenlechner 2010; Hofstede, 2001; 1991; 1984; 1980; Fakeeh, 2009; Mellahi, 2010; Randeree, 2012; Swailes et al., 2012; Wolfe & Spencer, 1996; Zerovec & Bontenbal, 2011). In addition, survey items were scrutinized and piloted. Finally, the survey was distributed and collected by the researcher in order to explain any misunderstandings arising.

The most widely used form of reliability in quantitative research is internal consistency, assessed by Cronbach's coefficient alpha. In this study, Cronbach's coefficient alpha was employed to determine the overall reliability of the multiple items used in this study. Cronbach's alpha can hold a value between 0 and 1. A reliability of less than 0.6 on the scale is considered poor, 0.7 is acceptable, and over 0.8 is superior (Kline, 1999; Malhotra, 2010; Cavana et al., 2001). Alphas for all scales in this study exceed the critical value of 0.6 (Malhotra, 2010) and adequate reliability was demonstrated with coefficient alpha ranging from 0.66 to 0.90 as shown in Table 4.5. An exception was found with work experience which had alpha scale of 3.5 and therefore, this variable was excluded from the analysis.

**Table 4-10: Cronbach's Coefficient Results** 

Dimensions	Components	Number of items	Alpha
	Education	7	0.7
Human capital variables	Training and Development	3	0.638
	Organisational involvement	4	0.695
	Gender inequality	7	0.744
Social capital variables	Trust	6	0.839
	Wasta/nepotism	4	0.704
	Culture values and norms	3	0.611
	English language skills	2	0.545
	Stereotypes (expats)	5	0.809
Organisational capital variables	Stereotypes (Omanis)	5	0.893
	Career Development	7	0.809
	Working Conditions	6	0.738
	HR Policies	2	0.600
	Salary and Remuneration	3	0.732

#### 4.4.2 Validity of Qualitative Research

Guba and Lincoln (1994) introduced two sets of criteria for enhancing the validity of qualitative research, trustworthiness, and 'authenticity. Trustworthiness in a qualitative study is defined by four indicators; credibility, transferability, dependability and conformability (Guba & Lincoln, 1994). According to Donnelly and Trochim (2007:149), "credibility involves establishing that the results of qualitative research

are credible or believable from the perspective of the participants in the research". Transferability on the other hand, refers to "the degree to which the results of qualitative research can be generalised or transferred to other contexts or settings" (Donnelly & Trochim, 2007: 149). Dependability is about "the concern of whether we should obtain the same results if we could observe the same thing twice" (Trochim & Donnelly 2007: 149). Finally, conformability refers to the "degree to which the results could be confirmed or corroborated by others" (Donnelly & Trochim, 2007: 149).

The ability to construct a good rapport and trust with interviewees through personal visits to their workplace helped in encouraging them to give generous time to the extent that some interviews lasting for more than 120 minutes. The introduction of the study; providing the interviewees with a list of the basic questions in advance and then probing questions were asked for further clarification. Furthermore, the confidentiality of the study was assured.

#### **4.5 RESEARCH ETHICS**

# 4.5.1 Ethical Approval

For this research the University's ethical procedure was followed. This addressed issues of participant privacy and confidentiality and potential risks such as discomfort or shyness in answering the questionnaire, especially with Omani women. As the author is an Omani, cultural issues were recognized early and steps taken to minimise this risk. The Research Ethics Committee in the University of Huddersfield – Business School approved the letter and participants' consent form in June 2013.

#### 4.5.2 Anonymity and Confidentiality

All personal data have to be secured. Anonymity has the additional advantage of maximising reliability and modestly improving responses when participants are confronted with sensitive topics (Babbie, 2007; Singer et al., 1995). In this study, anonymity and confidentiality were stressed throughout and all reasonable steps taken; all names and addresses of participants were removed.

## **4.6 SECONDARY DATA**

In addition to the extensive reading of job localisation literatures, the required secondary data covers the following areas related to Oman: economic development and main sources of income, labour sector, education system and unemployment.

Also, there was a need for data about the selected three industries (Banking tourism, and automotive industries). Such data were drawn from some related government entities such as Ministry of National Economy (Ministry of National Economy, 2014), Ministry of Finance (Ministry of National Economy, 2014), Ministry of Tourism, Ministry of Manpower, and Central Bank of Oman. In addition, the results of the latest censuses conducted in 2010 were one of essential sources of information gathered for this research.

#### 4.7 CONCLUSION

To conduct this study, a positivistic, mixed-method approach was used. A combined quantitative and qualitative approach was conducted in the form of a sequential exploratory research design. This involved conducting quantitative research before interviewing officials and managers and integrating the results. Quantitative data analysis tested the hypotheses using multi-variant statistical tools and was supplemented by a qualitative intervention to elaborate on the quantitative results. The statistical techniques employed in the study included multivariate analysis of variance (MANOVA), one-way analysis of variance (ANOVA), independent sample t-test and paired sample t-test to analyse data. Thematic analysis was employed to analyse interview data.

The reliability of the measurement scales was assessed and was generally high after some deletion of items from scales (as shown in Table 4.5). Finally, the chapter describes the ethical research procedures taken.

Chapters 5 and 6 present the quantitative and qualitative analysis and results of the data collected from June -August 2013 and December 2013.

# **CHAPTER 5: QUANTITATIVE DATA ANALYSIS**

#### **5.1 INTRODUCTION**

This chapter commences the statistical analysis of the quantitative data in relation the objectives of the study below:

- 1. To investigate human, social and organisational barriers to Omanisation policy and understand how individual perceptions towards these barriers differ depending on personal demographic variables.
- 2. To examine the extent to which stereotypes around work-related ethics, traits, attitudes, behaviours and competencies hinder the implementation of Omanisation policy.
- 3. To determine sector-specific factors hindering Omanisation policy.

This chapter is structured as follows; the first section illustrates the procedures performed to make the data ready for analyses. This includes assessing normality, checking consistency of data and factor analysis for human, social and organisational variables. The second section assesses the basic demographic characteristics of the participants in this study. The reminder of this chapter concerns statistical analyses using one-way Multivariate Analysis of variance (MANOVA), one-way Analysis of Variance (ANOVA), independent samples t-test and paired-t-test. These were employed to test the hypotheses and to examine how personal characteristics influence human, social and organisational variables in relation to employment.

## **5.2 DATA PREPARATION**

#### **5.2.1 Assessing Normality**

Many statistical techniques assume that the distribution of scores on the dependent variable is normal. Skewness and kurtosis checks are used for this purpose (Pallant, 2013). The kurtosis value provides information about the 'peakedness' of the distribution. Skewness, on the other hand, provides an indication of the symmetry of the distribution (Pallant, 2013). According to Hair et al. (2010), skewness values of larger than +1 or smaller than -1 indicates a substantially skewed distribution. On the other hand, a curve is too flat when it is below -3 and is too peaked when the kurtosis exceeds +3. Hence, skewness values within the range of -1 to +1 and kurtosis values within the range of -3 to +3 indicate an acceptable range while values falling outside

the range of -1 to +1 for the skewness values, or outside the range of -3 to +3 for the kurtosis values indicate a substantial departure of normal distribution which may require taking remedial actions before conducting any statistical examinations of the data. Skewness and kurtosis procedures were used to check the normality of the distribution of scores for each variable. The results of these tests showed that the values for all variables fall within the acceptable range as shown in Table 5.1.

**Table 5-11: Skewness and Kurtosis Values of the Research Variables** 

Variables	Skewness	Kurtosis
Education	613	.435
Training and Development	788	.464
Organisational Engagement	.032	294
Gender and inequality	.106	.020
Trust	256	507
<i>Waste</i> /nepotism	274	450
Culture values and norms	374	042
English language skills	544	524
Organisational Culture (stereotype EXP)	116	539
Organisational Culture (stereotype Oman)	.321	158
Career Development	122	352
Working Condition	219	403
HR Policies	544	267
Salary and Remuneration	-1.065	.415

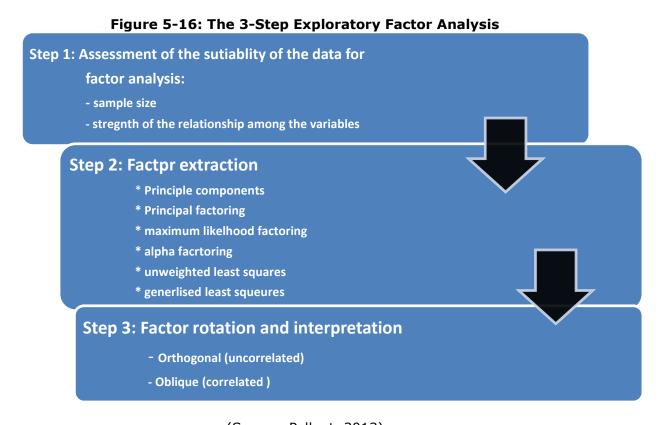
The values for all variables fall within the acceptable range, accept with salary and remuneration which has skewness value less than -1 but this should not affect the analysis as the sample size is more than 490. According to Tabachnick and Fidell (2007: 80), in large samples, skewness will not "make a substantive difference in the analysis". Also, kurtosis can result in an underestimate of the variance, but this risk is also reduced with a large sample of 200 cases and above.

#### **5.2.2 Checking Consistency of Data**

To ensure the consistency of the data, correlations between variables were checked by using bivariate correlation matrix. The adjustments were made to make the data more complete, readable and consistent before coding. In many instances respondents did not answer every item in the questionnaire. Therefore, in case of uncompleted items, the decision was made if 25% of the questionnaire were left unanswered, then it was excluded from the data set for analysis (Cavana et al., 2001). After completeness and consistency of data were assured, they were entered directly into SPSS.

#### **5.3 FACTOR ANALYSIS**

After the data of this study were checked and cleaned from errors and out-of-range values on any of the variables and before starting the descriptive phase of the data analysis, data were examined using exploratory factor analysis to compress the data into a smaller set of new factors with the least loss of information to partly or totally substitute for the original set of variables (Hair et al., 2010). Pallant (2013) suggests the "3-step Exploratory Factor Analysis Procedure" (Figure 5.1). Each of these steps will be explained in the following sections.



(Source: Pallant, 2013)

#### Step 1: Suitability of the data for factor analysis

**Sample size:** Sample size is vital in factor analysis; there are varying points of view, and several rules of thumb. According to Comrey and Lee (1992), factor analysis is preferable when sample size is relatively high. They suggest that a total sample sizes: 100 as poor, 200 as fair, 300 as good, 500 as very good and 1000 or more as excellent. Thus, it is not recommended to conduct factor analysis when observations are less than 50 (Hair et al., 2010). The sample size of this study is relatively large (501), thus considered very good and exceeding research requirements.

**Strength of the relationship among variables**: To check the strength of the intercorrelation among the items, two statistical tests were conducted: first produced a

correlation matrix, in order to check the correlations among the variables (see Table 5-14, the correlation matrix for this study). Tabachnick and Fidell (2007) suggested inspecting the correlation matrix for correlation coefficients over 0.30. Hair et al. (2010) categorised these loadings using another rule as 0.30 = minimal, 0.40 = important, and 0.50 = practically significant. If no loadings go beyond 0.30, then the researcher need to check whether factor analysis is the suitable statistical method to be used.

Before the extraction of the factors, the Kaiser-Meyer-Olkin (KMO), Measure of Sampling Adequacy and Bartlett's Test of Sphericity should be used. The KMO test is commonly used to measure the proportion of common variance in the variables (Hair et al., 2010). The KMO statistic ranges between 0 and 1. A value close to 1 indicates that patterns of correlations are relatively compact and so factor analysis should yield distinct and reliable factor whereas lower values indicate that factor analysis is likely to be inappropriate as there is diffusion in the pattern of correlations (Field, 2013). Kaiser (1974) recommends that values between 0.5 and 0.7 are mediocre, between 0.7 and 0.8 are good, between 0.8 and 0.9 are great and values above 0.93 are superb (Hutcheson & Sofroniou, 1999). The test of sphericity should be significant (p-value <.05) for factor analysis to be appropriate.

# Step2: Determining factor extraction

Factor extraction determines the smallest number of factors that can be used to best interpret the interrelations among the set of variables (Pallant, 2013). The commonly used techniques are: principal components, weighted least squares, generalised least squares, maximum likelihood factoring, principal factors, alpha factoring and image factoring (Field, 2013). Choosing the suitable technique to determine the number of factors that best describes the underlying relationship among the variables, depends upon balancing two conflicting issues: "the need to find a simple solution with as few factors as possible; and the need to explain as much of the variance in the original data set as possible" (Pallant, 2007: 182). For the purpose of this research, the principal component analysis (PCA) was performed over other methods as it is recommended when theory and literature in an investigation areas are limited (Gorsuch, 1990) like this study. Also, it helps the researcher to summarise information in a minimum of number of factors (Hair et al. 2010; Tabachnick & Fidell, 2007).

## Step 3: Factor rotation and interpretation

Factor rotation is another issue researchers have to take into their consideration after they have determined the number of factor to analyse. This process assists researchers in their interpretation of data (Pallant, 2013) and improves the interpretability of scientific utility of the solution (Tabachnick & Fidell, 2007). The common rotation techniques are varimax, quartimax, equamax, oblimin and promax. The resulting output depends on which method a researcher uses because these methods differ in how they rotate the factors (Field, 2013). For the purpose of this research, varimax rotation was selected because it simplifies the interpretation of factors (Field, 2013) and the correlating variables are clearer (Tabachnick & Fidell, 2007). Further, it helps to minimize the number of variables that have high loadings on each factor (Pallant, 2013). Principal components analysis (PCA) was conducted on each of the human, social and organisational capital variables with orthogonal rotation (varimax).

# **5.3.1 Factor Analysis for Human Capital Components**

The four components of Human Capital Theory; education, experience and skills, training and development and organisational engagement were measured by 19 items in the questionnaire, distributed as follows: education variables 7 items (1,2,3,4,5,6,7), experiences and skills 3 items (8, 9, 10), training and development 3 items (11, 12, 13), and organisational engagement 5 items (14, 15, 16, 17, 18, 19).

Prior to running principal components analysis (PCA), the appropriateness of the data set of the 19 items for factor analysis was evaluated. The correlation matrix shows the existence of many coefficients of .3 and above in all items. The Kaiser-Meyer-Oklin values for the three variables (education, training and development and organisational engagement) were all above .65 (Table 5.2) exceeding the recommended value of .6 (Kaiser, 1974).

Table 5-12: KMO and Bartlett's Test for Human Capital Components

		Education	Experience and skills	Training and development	Organisational engagement
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.751	.491	.647	.726
	Approx. Chi-Square	527.711	71.182	183.807	489.335
Bartlett's Test of Sphericity	Do	21	3	3	15
	p-value	<.001	<.001	<.001	<.001

Exception was found for experience and skills as it had a low KMO value at (.491) as shown in Table 5.2. This could be regarded to the low number of items used to

measure this variable. In this situation it is recommended to consider checking the mean inter-item correlation value for the items in order to take the decision to retain the items for further analyses or decline them (Pallant, 2013). Briggs and Cheek (1986) recommend the inter-item correlation of .2 to .4. In this data set it was found that the alpha for experiences and skills variable was very low (.315) and the mean inter-item correlation is 0.133, with values ranging from -.020 to .360 which was less than the recommended minimum values. Therefore, it was decided to discard 'experience and skills' variables from the data analysis process.

For Education, training and development and organisational engagement, Bartlett's test of sphericity (Bartlett, 1954) reached statistical significance of 527.71, 183.807, and 489.335 respectively. The p-values for the three variables were found less than .001 as shown above (Table 5.2). This indicates that correlations between items were sufficiently large for PCA and is supporting the factorability of the correlation matrix. Also, all KMO values for individual items were > .60 which is well above the acceptable limit of .5 (Field, 2013).

The results of the PCA identified two components for the education construct that explained 52 % of variability with eigenvalues greater than one. However, looking at the items loading on the two components (Table 5.3), five item loaded above .3 on component 1, and only two items loaded on component 2. Ideally, it is recommended that three or more items load on each component (Pallant, 2013), so this solution is not optimal.

Table 5-13: Factor Loading for Education Items

Items	Component		
	1	2	
Q5: English skills is weakness of education	.800	161	
Q6: IT skills is weakness of education	.798	184	
Q4: Priority of education	.631	.166	
Q3:Poor selection of teachers	.529	.220	
Q7: Education priority is nationals identity not productive workers	.469	.187	
Q1: inadequate education	104	.858	
Q2: Mismatch of skills between education and private companies	.205	.691	

As a result, using the default option in SPSS, a one-factor solution was obtained. For the one-factor situation, only 36.3% of the variance is explained, compared with over 52% explained by the two-factor solution.

A scree plot test assisted in the decision concerning the number of factors to retain (Pallant, 2013). An inspection of the scree plot was checked and it revealed a clear break after the first component (Figure 5.2). Using Catell's (1966) scree test, it was decided to retain one component for further analysis. This was further supported by the results of alpha, which showed alpha with one component (7 items) of 0.75 which was stronger than when these components were considered individually.

However, the communalities test shows that item number (7) in education has a weak value at .304. However, removing this item did not present a large improvement for this scale. Therefore, it was decided to retain this item and one-7- item scale used to measure the impact of education on Omanisation policy. The new scale was labelled as 'SUMEDUC'.

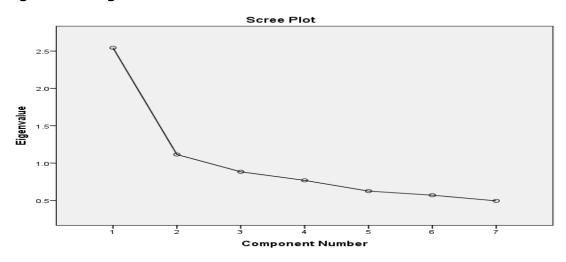


Figure 5-2: Eigenvalue Plot for Scree Test Criterion for Education

For training and development, the results of the PCA identified one component for this variable which explained 58% of variability with eigenvalues of 1.740. The communalities test also showed that the items used to measure training and development strongly fitted with each other as they all have strong values. Hence, one-3- item scale was used for further analyses under a new name 'SUMTD'.

For organisational engagement, PCA shows two components which explained 59 % of variability with eigenvalues greater than one (2.401 and 1.153). However, this was found not optimal as items 17 and 18 loaded on one component and the remained 4 items loaded on the second component with low values less than .3 which indicates that these two items do not fit well with other items in its components. As mentioned

above it is recommended three or more items loading on each component and therefore, PCA was re-worked without items 17 and 18. The results shown in Table 5.4 identified one component for an organisational engagement construct that explained 48.89% of variability.

Table 5-14: Total Variance Explained for Organisational Engagement (with 4 Items)

Component	Initial Eigenvalues			Extraction S	Sums of Squa	red Loadings
	Total	% of Variance	<b>Cumulative %</b>	Total	% of Variance	Cumulative %
1	1.956	48.890	48.890	1.956	48.890	48.890
2	.895	22.386	71.276			
3	.666	16.651	87.928			
4	.483	12.072	100.000			

Table 5.5 shows the un-rotated loadings of each of the items on the one component. SPSS uses the Kaiser criterion (retain all components with eigenvalues above 1) as the default (Pallant, 2013). It is seen from this table that all the four items load strongly (above .4). This suggests that a one-factor solution is likely to be more appropriate. Therefore, one-4-item scale was created for further analyses under a new name 'SUMOE'.

Table 5-15: Items Loading for Organisational Engagement

Thomas	Component
Items	1
Q16: No balance between work and social life in private companies	.805
Q14: No well-being for nationals if private companies	.776
Q15: Private companies work is less interesting than public sector	.703
Q19: Nationals do not feel as important part of their work in private companies	.461

The outcomes for human capital analysis are three variables and 14 items as follows:

- Education with 7 items No (1,2,3,4,5,6,7)
- Training and development with 3 items No; 11, 12, 13.
- Organisational engagement with 4 items No; 14, 15, 18, 19

# **5.3.2 Factor Analysis for Social Capital Components**

The same procedure was followed for social capital items. The 22 items were designed to measure four elements of social capital theory; gender inequality, trust, *Waste*/nepotism and culture and norms and were subjected to principal components analysis (PCA).

Inspection of the correlation matrix revealed the presence of many coefficients of .3 and above. The Kaiser-Meyer-Oklin value was above .6 for all variables (as shown in Table 5.6), exceeding the recommended value of .6 (Kaiser, 1974). Bartlett's Test of Sphericity (Bartlett, 1954) reached statistical significance (See Table 5.6), supporting the factorability of the correlation matrix.

Table 5-16: KMO and Bartlett's Test for Social Capital Components

		Gender inequality	Trust	Waste/nepotism	Culture & norms
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.806	.880	.746	.608
Bartlett's Test of Sphericity	Approx. Chi-Square	721.760	965.703	327.813	158.656
	Do	36	15	6	3
	Sig.	<.001	<.001	<.001	<.001

For gender inequality, PCA revealed the presence of two components with eigenvalues exceeding 1, explaining 33.47 and 11.95% respectively. The rotated two-factor solution shows that seven items loaded above .3 on component 1 and two items loaded on component 2. Again, ideally, three or more items loading on each component are recommended, so this solution is not optimal, further supporting the decision to retain only one factor after overall alpha (0.744) was stronger with one 9-item solution. In this situation it is necessary to go back and 'force' a one-factor solution (Pallant, 2013), Forcing a one-factor solution reveals one-component solution explained a total of 33.47 of the variance as shown in Table 5.7.

Table 5-17: Total Variance Explained after Forcing a 1-Factor Solution

Component		Initial Eigenvalues			Extraction Sums of Squared Loadings			
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %		
1 2	3.013 1.076	33.474 11.952	33.474 45.425	3.013	33.474	33.474		

However, before taking the decision of considering the 9 items as one group, it is recommended to check how much of the variance in each item is explained. Low values less than .3 could indicate that the item does not fit well with the other items (Pallant, 2013). In this case it was found that items 22 and 28 had low values .188 and .168 respectively.

As recommended (Pallant, 2013), removing items with low communality values tends to increase the total variance explained and thus items 22 and 28 were excluded from further analysis items with items 20, 21, 23, 24, 25, 26, and 27 retained. Hence, the

gender inequality variable was measured with one-7-item scale and new name (SUMGI).

The PCA results for trust, *Waste*/nepotism and culture and norms revealed the presence of one component with eigenvalues (3.34) explaining 55.62% (2.13) explaining 53.23% and (1.69) explaining 56.37% of the variance respectively as shown in Table 5.8.

**Table 5-18: Total Variance of Social Capital Variables** 

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	<b>Cumulative %</b>	Total	% of Variance	
Trust	3.337	55.621	55.621	3.337	55.621	
Waste/nepotism	2.129	53.234	53.234	2.129	53.234	
Culture and norms	1.691	56.368	56.368	1.691	56.368	

All items in these three variables have strong KMO values, which indicate that each item is fit well with the other items in its component. In addition, the overall Cronbach's alpha for 'trust', *Waste*/nepotism, and culture and norms were .840, 0.704, and 0.611 respectively, indicating acceptable reliability since the recommended minimum acceptable level for Cronbach's alpha measuring reliability is 0.60 (Hair et al., 2010). Therefore, it was decided to use the one-6-item, one-4-tem and one-3-itme scale for further analyses for trust, *Waste*/nepotism, and culture and norms respectively. The factors were labelled as "trust" (SUMTRUST), "*Waste*/nepotism" (SUMWN), and "culture and norms" (SUMCVN).

The outcomes for social capital analysis are four variables and 20 items as follows:

- Gender inequality with 7 items No; 20,21,23,24,25,26,27
- Trust with 6 items No; 29, 30, 31, 32, 33, 34.
- Waste/nepotism with 4 items No; 35, 36, 37, 38
- Culture and norms with 3 items 39, 40, 41

## **5.3.3 Factor Analysis for Organisational Capital Components**

For organisational capital, 37 items were used to measure six components, namely; English language skills, organisational culture, career development, working conditions, HR policies and salary and Remuneration and were subjected to PCA. The correlation matrix shows the existence of coefficients of .3 and above in all items. The Kaiser-Meyer-Oklin values for the six variables were all above .6 exceeding the recommended value of .6 (Kaiser, 1974), except for HR Policies with a value less than

.6 as shown in Table 5.9. This was due to the low number of items used to measure these two variables. Despite this low value, the two items were retained and used to measure HR policies because both items fitted very strongly with each other. Their overall alpha of 0.60 which is just acceptable further supports the decision to retain both items. Bartlett's Test of Sphericity (Bartlett, 1954) reached statistical significance of 134.106, 3393.805, 989.883, 576.577, 100.429, and 310.388 for English skills, organisational culture, career development, working conditions, HR policies and salary and remuneration respectively. The values for these variables were found less than p<.001 as shown in Table 5.9. This indicates that correlations between items were sufficiently large for PCA supporting the factorability of the correlation matrix. Also, most KMO values for individual items were > .71 which is well above the acceptable limit of .5 (Field, 2013).

Table 5-19: KMO and Bartlett's Test for Organisational Capital Components

			Organisatio nal culture	Career development	- 3	HR policies	Salary
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.600	.895	.825	.803	.500	.684
Bartlett's Test of	Approx. Chi-Square	134.106	3393.805	989.883	576.577	100.429	310.388
Sphericity	Do Sig.	1 <.001	120 <.001	21 <.001	15 <.001	<.001	<.001

PCA revealed the presence of one component for English language skills, career development, working conditions, HR polices, and salary and remuneration with eigenvalues exceeding 1. The one factor solution explained a total of 53.02% (English language skills), 47.43% (career development), 44.09% (working conditions), 71.59% (HR Polices) and 65.16% (salary and Remuneration) in the observed values as shown in the Table 5.10.

Table 5-20: Total Variance of Organisational Capital Components

Commonant		Initial Eigenv	alues	Extraction Sums of Squared Loadings			
Component	Total	% of Variance	Cumulative %	Total	% of Variance		
English language skills	1.591	53.022	53.022	1.591	53.022		
Career development	3.320	47.427	47.427	3.320	47.427		
Working conditions	2.646	44.093	44.093	2.646	44.093		
HR policies	1.432	71.594	71.594	1.432	71.594		
Salary and Remuneration	1.955	65.156	65.156	1.955	65.156		

However, as suggested by Pallant (2013), to check how much of the variance in each item is explained, it was found from a communalities test for English language skills that item number 44 (Private employers expect new Omanis fluent in English) had value less than .3. This indicates that the item does not fit well with other items. PCA

was re-conducted with two items (42 & 43), the result of PCA identified one factor for English language skills that explained 74.45% of variability of English language skills with eigenvalues greater than one compared with over 53.02% explained by the one-factor solution with three items. It was recommended (Pallant, 2013) that weak items with values less than .3 are better to excluded from the analysis in order to improve or refined the scales, and therefore, item number 44 was disregarded from further analysis. In addition, the alpha for English language skills were found stronger when it was measured with two items (42 & 43) at 0.66 compared with 0.55 when the variables were measured with the three items (42, 43, 44). This further supports the researcher decision to retain only two items (42 & 43). One-2-items scale was used for further analyses. English language skills were given a new name as (SUMELS).

For working conditions, it was found that item number 72 has weak value. However, it was found that removing this item did not give a large improvement for this scale as alpha was found almost same in both cases at (0.738). Therefore, it was decided to retain this item and one-6-scale used to measure the impact of working conditions on Omanisation policy. The new factor was given a new name as (SUMWC). For career development, HR policies and salary and Remuneration, communalities test shows that all have items values over .3., so they are all retained. The alphas for these scales were 0.83, 0.60, and 0.73 respectively. Therefore, one-7 item scale was used to measure career development (SUMCD), one-2 item scale used to measure HR polices (SUMHRP) and one-3 item scale used to measure salary and Remuneration (SUMSR).

For organisational culture, PCA revealed the presence of four components with eigenvalues exceeding 1, explaining 37.61%, 14.1%, 7.47% and 6.38% of the variance respectively as shown in Table 5.11.

Table 5-21: Total Variance of Organisational Culture with 4-Factors Solution

Component	Initial Eigenvalues			Extraction	n Sums of S	quared Loadings	Rotation Sums of Squared Loadings			
	Total	% of	Cumulative	Total	I % of Cumulative %		Total	% of	Cumulative %	
		Variance	%		Variance			Variance		
1	6.018	37.612	37.612	6.018	37.612	37.612	3.638	22.738	22.738	
2	2.253	14.078	51.690	2.253	14.078	51.690	3.506	21.913	44.650	
3	1.198	7.490	59.180	1.198	7.490	59.180	1.737	10.855	55.505	
4	1.021	6.384	65.564	1.021	6.384	65.564	1.609	10.059	65.564	

An inspection of the scree plot revealed a clear break after the second component (Figure 5.3). Using Catell's (1966) scree test, it was decided to retain two components for further investigation.

Figure 5.3: Eigenvalue Plot for Scree Test Criterion for Organisational Culture Items

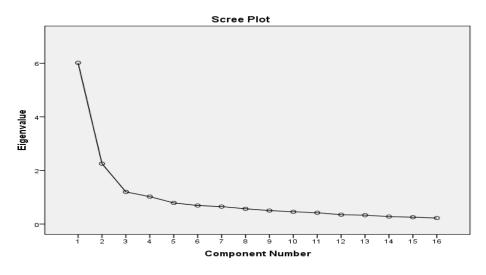


Table 5.12 shows the two-component solution explained a total of 51.69% of the variance, with component 1 contributing 37.61% and component 2 contributing 14.08%.

**Table 5-22: Total Variance of Organisational Culture with 2-Factor Solution** 

Component		Initial Eigen	values	<b>Extraction Sums of Squared Loadings</b>				
	Total	% of Variance	<b>Cumulative %</b>	Total	% of Variance	<b>Cumulative %</b>		
1	6.018	37.612	37.612	6.018	37.612	37.612		
2	2.253	14.078	51.690	2.253	14.078	51.690		

However, items 45, 46, 47, 48, 49, 50) are excluded because they have low variance in each item is explained, as shown in Table 5.13.

Table 5-23: Communalities of Items for Organisational Culture

Item	Initial	Extraction
45: Multiple nationalities in private companies hold back teamwork	1.000	.235
46: In private companies, expatriates not train Omanis	1.000	.283
47: Private companies demand high education qualifications for low jobs	1.000	.255
48: Regulations in private companies not supporting Omanisation	1.000	.410
49: No consideration of Ramadan in private companies	1.000	.224
50: Spiritual needs are ignored by expatriates managers in private companies	1.000	.312
51: Omanis stereotyped by expatriates as less disciplined	1.000	.517
52: Omanis stereotyped by expatriates as less committed to work	1.000	.661
53: Omanis stereotyped by expatriates as less motivated	1.000	.645
54: Omanis stereotyped by expatriates as lack experience and skills	1.000	.579
55: Omanis stereotyped by expatriates as not appreciate company goodwill	1.000	.562
56: Omanis stereotyped by Omani as less disciplined	1.000	.660
57: Omanis stereotyped by Omani as less committed to work	1.000	.720
58: Omanis stereotyped by Omani as less motivated	1.000	.748
59: Omanis stereotyped by Omani as lack experience and skills	1.000	.743

Thus, two new groups for organizational culture emerged from PCA with 2-factor solution. Group one is based on one-6 item scale with alpha .873 and named (Stereotype-Expats) and coded as (SUMOCSTEREOEXP). The second scale is based on one-5 item scale with alpha .893 and it was given a new name (Stereotype-Omani) and coded as SUMOCSTEREOOMANI.

The outcomes for organizational capital analysis are 7 variables and 30 items as follows:

- English Language Skills with 2 items No; 42, 43.
- Organizational Culture (Stereotypes-expats) with 5 items No; 51, 52, 53, 54, 55.
- Organizational Culture (Stereotypes Omanis) with 5 items No; 56, 57, 58, 59, 60.
- Career development with 7 items No. 61, 62, 63, 64, 65, 66, 67.
- Working condition with six items No. 68, 69, 70, 71, 72, 73.
- HR Policies with two items No. 74, 75.
- Salary and remuneration with three items No. 76, 77, 78.

## **5.4 CORRELATIONS BETWEEN VARIABLES**

Table 5.14 presents the bivariate correlation matrix and alpha of the variables. For the interpretation of correlation matrix values, the research applies Cohen (1988) guidelines which are: small (r=.10 to .29), medium (r=.30 to .49) and large (r=.50 to 1.0).

It can be seen from Table 5.14 that the alpha for all variables exceeds the accepted values of 0.60 (Malhotra, 2010).

**Table 5-24: Correlations among Variables** 

Variables	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Career development	(0.809)	.278**	.271**	.225**	.329**	.573**	.624**	.377**	.523**	.479**	.383**	.649**	.480**	.567**
2. Culture values and norms		(0.611)	.234**	.255**	.394**	.216**	.196**	.125**	.268**	.279**	.247**	.276**	.301**	.279**
3. Education			(0.695)	.268**	.285**	.343**	.276**	.084	.358**	.373**	.439**	.438**	.383**	.327**
4. English language skills				(0.545)	.248**	.186**	.218**	.186**	.249**	.283**	.256**	.235**	.254**	.270**
5. Gender and inequality					(0.744)	.278**	.286**	.283**	.392**	.226**	.266**	.392**	.323**	.359**
6. HR Policies						(0.599)	.521**	.191**	.419**	.550**	.367**	.581**	.404**	.501**
7. Organisational culture (stereotype EXP)							(0.873)	.414**	.385**	.403**	.310**	.633**	.404**	.438**
8. Organisational culture (stereotype Om)								(0.893)	.228**	.102*	.114*	.326**	.334**	.293**
9. Organisational engagement									(0.695)	.397**	.405**	.535**	.455**	.539**
10. Salary and Remuneration										(0.732)	.441**	.459**	.425**	.479**
11. Training and development											(0.638)	.438**	.321**	.354**
12. Trust												(0.839)	.481**	.498**
13. Wasta/nepotism													(0.704)	.444**
14. Working conditions														(0.738)

\*p-value<0.05, \*\*p-value<0.01 Note. Cronbach's alpha are given in parentheses along the diagonal

The investigation of the relationship between the overall variables using Pearson's correlation coefficient revealed that career development (r=0.649, p<0.01), stereotypes (EXP) (r=0.633, p<0.01), HR policies (r=0.581, p<0.01) and organisational engagement (r=0.535, p<0.01) were strongly correlated with trust. Also, variables; stereotypes (EXP) (r=0.624, p<0.01), HR polices (r=0.573, p<0.01), and working condition (r=0.567, p<0.01) were strongly correlated with career development. This suggests that trust and career development play a significant role in the employability of Omani nationals. HR polices were found significantly correlated with organisational culture (stereotypes EXP) and salary and Remuneration at (r=0.521, p<0.01), (r=0.550, p<0.01) respectively. Another strong correlation was found between organisational engagement and working condition (r=0.539, p<0.01).

There were medium positive correlations between trust and education (r=0.438, p<0.01), gender and inequality (r=0.392, p<0.01), organisational culture stereotypes (OMN) (r=0.326, p<0.01), salary and Remuneration (r=0.459, p<0.01), training and development (r=0.438, p<0.01), wasta/nepotism (r=0.481, p<0.01) and working condition (r=0.498, p<0.01). There were medium correlations between career development and gender inequality (r=0.329, p<0.01), stereotypes (OMN) (0.377, p<0.01), salary and Remuneration (0.479, p<0.01), training and development (0.383, p<0.01), wasta/nepotism (0.480, p<0.01). This supports the finding that these two variables have a significant role in Omanisation policy in private sector. Other results of correlation between variables were varying between medium and weak (see Table 5.18).

#### 5.5 BASIC DEMOGARAPHIC CHARACTERISTICS OF PARTICIPANTS

In order to understand the demographic characteristics of participants of this study, part C of the questionnaire gathered demographic information about the participants in three private industries in Oman; tourism, banks and automotive industries.

### **5.5.1 Sector of Employment**

A total of 501 employees responded, return rate of 52%; and only 5 responses were discarded due to irregularities or incompletion. The final sample size of the study was 496 Omani nationals (an acceptance rate of 49.6%). The response rates were 50% (176) in tourism, 44% (153) in banks and 56% (167) in automotive sector as shown in Table 5.15.

**Table 5-25: Questionnaire Distribution and Response Rate** 

Sector	Number of questionnaire of	distributed	Number of questionnaire returned			
	No. (out of 1000)	%	No.	%		
Tourism	350	35	176	50.3		
Banking	350	35	153	44		
Automotive	300	30	167	56		
Total	1000	100	496	49.6		

Table 5.15 shows that within the three sectors, Automotive recorded the highest response rate of 56%, whilst banking has the lower response rate. This may be due to the fact that automotive sector is one of the lower Omanised industries of 34%. Participants in the automotive sector showed a high level of interaction with this study, because they feel it is investigating their situation where most participants are under supervision of expatriates who they may treat them unfairly.

## 5.5.2 Job Categories

Table 5.16 exhibits the results of the two main categories of respondents, managers and non-managers in the three industries. It can be seen from the table that the majority of respondents are non-managers (407) and (88) respondents were managers.

**Table 5-26: Job Categories of Respondents** 

Catamaniaa	Tourism		Banking		Automot	ive	Total	
Categories	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Senior, middle, and junior managers	24	13.8	37	25.0	27	16.0	88	18.0
Non-manager	152	86.0	115	76.0	140	84.0	407	82.0
Total	176	100	152	100	167	100	495	100

It should be noted that the discrepancy between two groups reflects the fundamental aim of this research to investigate the viewpoint of employees towards the implementation of Omanisation policy; with little consideration to managerial levels as such categories are relatively more stable and satisfied.

#### 5.5.3 Gender

Table 5.17 shows that the majority of respondents in banking, tourism and automotive industries are men; 69%, 60% and 75% respectively. This reflects the unwillingness of women to join jobs in private sector in Oman.

**Table 5-27: Gender of Participants** 

Condon	Tourism		Bankin	Banking		tive	Total		
Gender	Freq. %		Freq.	%	Freq.	%	Freq.	%	
Men	121	69.0	92	60.0	126	75.0	339	68.0	
Women	55	31.0	61	40.0	41	25.0	157	32.0	
Total	176	100	153	100	167	99.0	496	100	

#### 5.5.4 Marital status

Table 5.18 shows that majority of participants, 65%, were married and 35% single. The married group by sector represents 72%, 60% and 62% in tourism, banking and automotive respectively.

**Table 5-28: Marital Status** 

Marital Tourism		Bankin	Banking		otive	Total		
status	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Married	126	71.6	91	59.5	104	62.3	321	64.7
Single	50	28.4	62	40.5	62	37.1	174	35.1
Missing	-	-	-	-	1	.6	1	.2
Total	176	100	153	100	166	100	496	100

The higher response rate among married people may reflect the maturity of participants. It was noticed that married participants have higher concern about improving their welfare and therefore found this study as an opportunity to express this concern.

## **5.5.5 Income**

Income and benefits is another important demographic variable that influences the success or failure of localisation policy. In this study the participants from the second income group (401-700 per month) was found the highest among other two groups; (less than 400 and above 700) in banking sector at (50%), half of the total sample as shown in Table 5.19. This was attributed to the recent regulation issued by the government which specifies the lowest wage at OMR350 (equal approximately £550) in private sector.

**Table 5-29: Income of Participants** 

<b>T</b>	Tourism		Banking		Automo	otive	Total	
Income	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Less than 400	27	15.0	19	12.0	44	26.0	90	18.0
401-700	88	50.0	72	47.0	74	44.0	234	47.0
701 and above	61	35.0	62	41.0	49	29.0	172	35.0
Missing values	-	-	-	-	-	-	-	-
Total	176	100	153	100	167	100.0	496	100

For the lower income group (Less than 400) the participation was very low (18%).

## **5.3.6 Work Experience**

In addition to salary, work experience is a major consideration when seeking employment in the private sector. Table 5.20 above depicts that the highest work experience (more than 20 years) was held by a 5% of workers in banking and amounted to 7% of the total workers in the total sample. By contrast, this response rate is relatively high from the first 3 groups of work experiences; 6-10 years, 2-5 years, and less than 2 years. For example, 27% of respondents had less than 2 years of work experience. This indicates that new workers are more concern about Omanisation policy and feel that its improvement could benefit them.

**Table 5-30: Participants' Work Experience** 

Work ownerions	Tourism	Tourism		Banking		Automotive		
Work experience	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Less than 2 years	49	27.8	42	27.5	43	25.7	134	27.1
2-5 years	38	21.6	37	24.2	41	24.6	116	23.4
6-10 years	51	29.0	39	25.5	45	26.9	135	27.2
11-20 years	24	13.6	26	17	25	15.0	75	15.1
More than 20 years	14	8.0	9	5.9	13	7.8	36	7.2
Missing values	_	-	-	-	-	_	-	_
Total	176	100	153	100	167	100	496	100

### 5.3.7 In-Company Training

On-the-job training was considered another important determinant of successful localisation policy because it influences career development in a workplace. Participants were asked about the training they received during their service in private companies as shown in Table 5.21.

Table 5-31: In-Company Training Participants Received in Their Work

In-company	Tourism		Banking		Automotive		Total	
training	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Very little training	98	56.0	63	41.0	92	55.0	253	51.0
Occasional training	62	35.0	74	48.0	57	34.0	193	39.0
Extensive training	15	9.0	16	11.0	18	11.0	49	10.0
Total	175	100	153	100	167	100	495	100

The highest response (51%) of the total sample came from the first group (very little training). Among the three sectors, respondents under this group represent the lowest in banks sector at (41%) and the highest is in tourism sector at (56%). Although, on-the-job training is very low in the three sectors, these results reflect the reality in that banking is considered as one of the favourable employers for Omani nationals.

#### 5.3.8 Educational Level

With respect to the participants' educational background, table 5.22 indicates that the majority of respondents have some forms of secondary education certificate (29%), postsecondary education (Bachelor's degree and above) 28%.

**Table 5-32: Educational Attainment of Participants** 

Educational background	Tourism		Banking		Automotive		Total	
Educational background	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Below secondary education	16	9.1	9	5.9	22	13.2	47	10.0
Secondary education certificate	43	24.4	35	22.9	65	38.9	143	29.0
Diploma	36	20.5	40	26.1	35	21	111	22.0
Higher Diploma	24	13.6	17	11.1	16	9.6	57	11.0
Bachelor's degree and above	57	32.4	52	34	29	17.4	138	28.0
Missing values	-	-	-	-	-	ı	-	-
Total	176	100	153	100	167	100	496	100

Secondary certificate holders represent 40% of respondents in the Automotive which is higher than other categories, whilst the highest category in tourism and banking is Bachelor's degree holders of 32% and 34% respectively. These results reflect the current worries of securing more jobs for the increased numbers in secondary school leavers and Bachelor's degree holders that the government has encountered. This also has resulted in the fact that those who are below secondary school educational level have less chance in employability as employers always prefer those with highest educational level. The association between education and gainful employment suggests very clearly that the most educated have higher chances in the workforce, whereas the less educated are placed at a disadvantage. Indeed, the highest ratio of unemployed workers fell just below university level at 80.5% for 2-year college diploma holders. This supports the study conducted by Biagi and Lucifora (2008) which found that educated workers are two to three times less likely to be unemployed as compared to their low education counterparts.

## **5.6 STATISTICAL TESTS**

## **5.6.1 Perceptions towards the Components of Omanisation**

In this analysis differences towards individual components were tested based on the mean scores and frequency.

## **5.6.1.1 Comparison of Mean Score for Sector**

#### 5.6.1.1.1 Tourism

Based on sector of employment, salary and remuneration and HR policies have the highest mean scores in tourism of 4.16 and 3.73 respectively. This indicates that human factors were considered as the biggest barriers to employability in the tourism sector. On the other hand, tourism employees consider stereotypes of Omani employees by Omani managers as the lowest barrier to Omanisation. See Table 5.23

Table 5-33: Descriptive Statistics from Tourism (Descending Order of Mean)

Order	Variables	No. of Items	No. of cases	Min	Max	Mean	Std. Dev.	Mean/No. of items
1	Salary and Remuneration	3	176	5.00	15.00	12.50	3.00	4.16
2	HR Policies	2	171	2.00	10.00	7.50	2.00	3.73
3	Training and Development	3	175	4.00	15.00	11.10	2.53	3.68
4	English language skills	2	173	2.00	10.00	7.33	2.10	3.67
5	Waste/nepotism	4	174	6.00	20.00	14.41	3.25	3.60
6	Education	7	173	11.00	35.00	24.80	4.93	3.54
7	Trust	6	171	7.00	30.00	21.00	5.44	3.49
8	Working Condition	6	175	8.00	30.00	20.60	4.73	3.43
9	Culture values and norms	3	172	3.00	15.00	10.30	2.70	3.43
10	Organisational Engagement	4	174	6.00	20.00	13.50	3.40	3.37
11	Career Development	7	173	7.00	35.00	23.31	6.25	3.33
12	Stereotyping ( EXP)	5	171	5.00	25.00	16.40	4.75	3.28
13	Gender inequality	7	173	9.00	34.00	20.71	5.10	2.96
14	Stereotyping (Omani)	5	170	5.00	25.00	14.13	4.64	2.83
Overall	Overall means Human variables (3.53), Social variables (3.28), Organisational variables (3.49)							

The above table shows that the overall mean of each category of variables (human, social and organisation) indicate that human factors were considered as the highest barriers to employability of in the tourism sector (mean score 3.53).

#### 5.6.1.1.2 Banking

As shown in Table 5.24 and similar to tourism sector, salary and Remuneration and HR policies have the highest mean scores in banking of 4.25 and 3.82 respectively. On the other hand, banking employees consider stereotypes of Omani employees by Omani managers as the lowest barrier to Omanisation because it scored the lowest mean score of 2.79. However and unlike the tourism sector, the overall mean score of each group of human, social and organisational variables shows that organisational variables are the most influencing group on Omanisation policy on banking sector of mean score 3.51.

Table 5-34: Descriptive Statistics for Banking (Descending Order of Mean)

	541 Descriptive Stat			9	1200	9 :: :		<u> </u>
Order	Variables		No. of cases	Min.	Max.	Mean	Std. Dev.	Mean/No. of items
1	Sum of Salary and Remuneration	3	152	4.00	15.00	12.76	2.28	4.25
2	Sum of HR Policies	2	150	3.00	10.00	7.63	1.72	3.82
3	Sum of English language skills	2	151	2.00	10.00	7.42	1.94	3.71
4	Sum of Waste/nepotism	4	148	6.00	20.00	14.64	3.20	3.67
5	Sum of Training and Development	3	151	4.00	15.00	10.76	2.36	3.59
6	Sum of Education	7	151	8.00	34.00	24.65	4.95	3.52
7	Sum of Culture values and norms	3	148	4.00	15.00	10.51	2.25	3.50
8	Sum of Working Condition	6	147	7.00	30.00	20.81	4.97	3.47
9	Sum of Gender inequality	7	150	7.00	35.00	21.27	4.86	3.39
10	Sum of Career Development	7	148	9.00	35.00	23.52	5.61	3.361
11	Sum of Trust	6	149	6.00	30.00	20.14	5.27	3.356
12	Sum of Organisational Engagement	4	145	4.00	20.00	13.15	3.103	3.29
13	Stereotyping (EXP)	5	147	6.00	25.00	16.42	4.45	3.28
14	stereotyping (Omani)	5	149	5.00	25.00	13.97	4.60	2.79
Overall r	Overall means Human variables (3.46), Social variables (3.48), Organisational variables (3.51)							

### **5.6.1.1.3** Automotive

As shown in Table 5.25, salary and Remuneration and HR policies were considered by automotive sector employees as the highest barriers to Omanisataion with the highest mean scores of 4.25 and 3.97 respectively. Also, stereotyping of Omanis by Omani managers was ranked lowest, mean score of 2.83. The overall mean score of each group of human, social and organisational variables shows that organisational variables are the most influential on Omanisation policy (mean score, 3.61).

Table 5-35: Descriptive Statistics for Automotive (Descending Order of Mean)

Order	Variables	No. of Items	No. of cases	Min.	Max.	Mean	Std. Dev.	Mean/No. of items
1	Sum of Salary and Remuneration	3	164	6.00	15.00	12.75	2.39	4.25
2	Sum of HR Policies	2	165	3.00	10.00	7.95	1.80	3.97
3	Sum of Training and Development	3	162	3.00	15.00	11.22	2.72	3.74
4	Sum of Trust	6	161	10.00	30.00	22.19	4.77	3.69
5	Sum of Waste/nepotism	4	160	8.00	20.00	14.77	3.17	3.69
6	Sum of English Language skills	2	165	2.00	10.00	7.28	2.31	3.64
7	Sum of Education	7	163	8.00	35.00	25.16	4.82	3.59
8	Sum of Career Development	7	162	12.00	35.00	24.77	5.69	3.54
9	Sum of Working Condition	6	162	11.00	30.00	21.08	4.34	3.514
10	Stereotyping (EXP)	5	165	5.00	25.00	17.55	4.62	3.510

11	Sum of Cultural Values and Norms	3	163	3.00	15.00	10.44	2.40	3.48
12	Sum of Organisational Engagement	4	162	4.00	20.00	13.50	3.20	3.36
13	Sum of Gender and Inequality	7	158	7.00	34.00	21.34	5.23	3.05
14	Stereotyping (Omani)	5	159	5.00	25.00	14.20	4.70	2.83
Overall means Human variables (3.56), Social variables (3.47), Organisational variables (3.61)								

## **5.6.1.2 Comparison of Mean Score for the Entire Sample**

Table 5.26 shows that among the 14 components of Omanisation, salary and remuneration, HR policies have the highest means of 4.22 and 3.84 respectively which means these variables were considered by the participants in three industries as the highest barriers. By contrast, the participants considered negative stereotypes about Omani employees' work competencies created by Omani managers as the lowest barrier.

Table 5-36: Descriptive Statistics for Tourism, Banking and Automotive

(Descending Order of Mean)

_	inding Order of Mean)	_	-	_		1		
Order	Variables	No. of Items	No. of cases	Min.	Max.	Mean	Std. Dev.	Mean/No. of items
1	Salary and Remuneration	3	496	4.00	15.00	12.65	2.51	4.22
2	HR Policies	2	489	2.00	10.00	7.68	1.85	3.84
3	Training and Development	3	493	3.00	15.00	11.02	2.54	3.67
4	Waste/Nepotism	4	486	6.00	20.00	14.62	3.19	3.66
5	English Language Skills	2	493	2.00	10.00	7.35	2.10	3.64
6	Education	7	501	8.00	35.00	24.79	4.92	3.55
7	Trust	6	485	6.00	30.00	21.11	5.24	3.51
8	Culture Values and Norms	3	487	3.00	15.00	10.43	2.45	3.47
9	Working Condition	6	488	7.00	30.00	20.79	4.67	3.46
10	Career Development	7	486	7.00	35.00	23.86	5.89	3.40
11	Stereotyping (EXP)	5	487	5.00	25.00	16.79	4.65	3.35
12	Organisational Engagement	4	486	4.00	20.00	13.37	3.23	3.34
13	Gender Inequality	7	486	7.00	35.00	21.14	5.11	3.01
14	Stereotyping (Omani)	5	482	5.00	25.00	14.09	4.63	2.82
	Overall means Human variables (3.52), Social variables (3.41), Organisational variables (3.53)						(3.41),	

Interestingly, the table shows that within the first ten components of Omanisation, half of them are considered as organisational barriers and the second half is mixed between social and human variables. When the overall mean scores of human, social and organisational capital variables were calculated individually, the results show that organisational capital variables such as salary, working environment, career development scored the highest overall mean of 3.53 which suggests that organisational variables were considered higher barriers to Omanisation policy.

The issue of stereotype and other barriers to Omanisation is further statistically analysed in order to explain the differences in views between participants based on their demographic variables towards the barriers to Omanisation in private sector industries.

## **5.6.2 Testing the Research Hypotheses**

Principal Components Analysis (PCA) produced fourteen significant variables. The variables were identified as part of the analysis to answer the following research questions:

- 1. How are human, social and organisational barriers to Omanisation policy influenced by personal and demographic variables?
- 2. What are the relative strengths of barriers across sectors?
- 3. What are the general perceptions regarding work attitudes and competencies of citizens in the local labour market? Are these perceptions regarding citizens shared by both expatriates and citizens themselves?

It mentioned in chapter three, MANOVA, ANOVA and t-test for independent samples were used to examine the impact of individual variables (gender, marital status, income, seniority, work experience, in-company training and educational background) on employability of Omanis in three industries. Paired sample t-test was further used to determine the difference between expat and Omani managers' negative stereotypes of citizens. These tests were applied because they are based on independent categories. The Post-hoc multiple comparison used was Tukey's Honestly Significant Difference (HSD) Test to identify differences as a function of respondents' income, sector of employment, seniority, work experience, in-company training and educational background.

#### 5.6.2.1 Checking Assumptions for MANOVA

The first hypotheses test used MANOVA to test the hypothesis that one independent variable, led to difference in the set of dependent variables (Omanisation policy). MANOVA was conducted for two main reasons: to reduce type one error; MANOVA takes into account the inter-correlation among the dependent variables (Omanisation policy); and none of the individual ANOVAs may produce a significant main effect on a dependent variable, but in combination they might, which suggests that the variables are more meaningful taken together than considered separately. However, before performing

MANOVA, it is essential to test for underlying assumptions concerning the data and methodology matched. These include examinations of multivariate normality, equality of the covariance matrix, the sensitivity of outliers must be performed (Hair et al., 2010; Field, 2013; Tabachnick & Fidell, 2007). Those processes are described in detail in the following sections.

#### 5.6.2.1.1 Multivariate Normality

Checking the normality of a distribution is a prerequisite before running MANOVA and refers to the shape of data distribution for an individual matrix variable and its correspondence to the normal distribution; multivariate normality assumes that individual variables are normally distributed. In practical terms, the normality of data distribution is assessed by using histograms and normal probability plots. Hair et al. (2010: 363) suggest that in order to verify the existence of distributional normality, the benchmark for testing should be in moderately sized groups of 30 cases or more. Therefore, the sample size of 63 in the current study was considered to be acceptable. In this study each variable was examined for distributional normality by conducting scatter plots and histograms. The visual investigation, distributions for each factor showed normal distribution so the assumptions of MANOVA were met.

#### 5.6.2.1.2 Sensitivity of Outliers

MANOVA is especially sensitive to outliers and their impact on Type I errors. An outlier is a case with an extreme value on one variable. This type of observation that appears to deviate markedly from other observations in the sample can be considered to be problematic because it is not representative of the population, runs counter to the objectives of the analysis, and can seriously distort statistical data (Hair et al., 2010; Tabachnick & Fidell, 2007).

Outliers were investigated in each group separately in the data screening process by using a boxplot method. Only one case of outliers was found in this study and considered not problematic to running statistical tests (Field, 2013). Therefore, the second assumption of MANOVA was satisfied.

### **5.6.2.1.3 Equality of Covariance Matrixes**

The other assumption of MANOVA is the equivalence of covariance matrix across all the groups. Homogeneity of variances assumes that the dependent variable exhibits equal

levels of variance across the range of predictor variables (Hair et al., 2010). Tabachnick and Fidell (2007: 85) clarify that "the homogeneity is related to the assumption of normality because when the assumption of multivariate normality is met, the relationships between variables are homogeneity".

MANOVA requires a test of equivalence of covariance matrices of the dependent variables. In practical terms, a violation of this assumption has a minimal impact if the groups are of approximately equal size. To provide the test of equality of covariance matrix, SPSS uses Box's M Test of covariance matrices and if the significance value is larger than 0.01, the assumption has not been violated (Hair et al., 2010). The covariance matrix outcomes of all subgroups showed different levels of insignificance, indicating that there was an equality of covariance matrix. Therefore, the assumptions of MANOVA were met.

#### 5.6.2.1.4 Linearity

This assumption refers to the presence of a straight-line relationship between each pair of the dependent variables. The linearity can be assessed by number of ways, one of the most common tests is scatterplots separately for each groups. Each variable was examined for distributional normality by conducting scatterplots. From visual investigation, distributions for each factor showed straight-line relationships between each pair of the dependent variables. Therefore, the linearity assumption of MANOVA was met (Field, 2013).

#### 5.6.2.2 Results

### 5.6.2.2.1 Gender Differences (MANOVA and T-test)

In order to examine the differences between man and woman participants in their perceptions towards the impact of all dependent variables (Omanisation policy), one way MANOVA is used. The results showed that Box's M was significant (F=1.523, p<.001), it means an assumption of MANOVA was violated. This was not much of a problem due to the large sample. The MANOVA test revealed a significant multivariate difference between the genders for the Omanisation policy since Wilks' lambda=.925 and F=2.226 with p-value=.007. As a result, t-test was used to examine the differences between men and women in their perceptions towards the impact of each dependent Omanisation variable.

The t-test results shown in Table 5.27 revealed that the mean scores were statistically different between men and women in three out of fourteen factors: training and development, gender inequality and English language skills. For training and development, women (M=11.82) scored higher than men (M=10.69). For gender inequality, women (M=22.09) also scored higher than men (M=20.69). With regard to English language skills, women (M=7.67) again scored higher than men (M=7.19).

Table 5-37: Gender Differences on Barriers to Omanisation (t-test)

Variables	Group	Mean	t
Training and Development	Male	10.70	1.993*
	Female	11.18	1.993™
Gender Inequality	Male	20.69	-2.802-*
	Female	22.09	-2.802-**
English Language Skills	Male	7.19	-2.329-*
	Female	7.67	-2.329-**

<sup>\*</sup>P<0.05

In summary, women perceive training and development, gender inequality and English language skills as higher barriers to employability than do men although the differences are not large. With regard to English language skills, Omani women have fewer chances to go abroad and study because of social constraints whereby daughters may not travel alone. Moreover, employers are biased against man workers in their assumption that they are less productive due to their feminine nature and more demanding as regards holidays and convenient workplaces close to home. Another issue is that employers perceive women as more expensive due to the special arrangements required by social customs, such as separate offices and entrances. Also, this reflects the reality that in businesses intended for profit, employers try to minimise costs in several ways, one of which is to reduce the cost of training and development by hiring ready-skilled foreign workers instead of investing in local workers.

Although t-test results revealed significant differences between women and men in only three variables (training and development, gender inequality and English language skills), women perceive higher barriers to Omanisation in all three of these variables. Therefore, *H1: "Women are more likely than men to perceive barriers to Omanisation"* was supported.

## **5.6.2.2.2 Marital Status Differences (MANOVA and t-test)**

The MANOVA test was used to compare Omanisation policy in terms of marital status. The results showed that Box's M was not significant (F=1.22, p-value=.063) and hence there was homogeneity in the covariance. Since Wilks' lambda=.925 and F=2.226 with

p-value=.007, there was a highly significant multivariate difference between the singles and married people for the Omanisation policy. As a result, T-test was carried out to test each dimension of Omanisation policy.

Table 5.28 shows the t-test results for mean scores based on marital status. The table depicts that two factors out of fourteen that used to measure Omanisation were found significant (p<.05). These are; gender inequality and culture values and norms. T-test results show that singles perceived higher gender inequalities than married participants, with singles (M=22.59) scoring higher than married (M=20.39). Mean values for culture values and norms is slightly higher for singles (M=10.86) than for married (M=10.19).

Table 5-38: Marital Status Differences on Barriers to Omanisation (t-test)

Variables	Group	Mean	t
Gender inequality	Single	22.59	4.62*
	Married	20.39	4.02
Culture values and norms	Single	10.189	2.91*
	Married	10.86	2.91

<sup>\*</sup>P<0.05

Although, there were some differences in mean scores, t-tests showed little evidence to hypothesise that being single or married affected perceptions towards the barriers to the implementation of Omanisation. Thus, H2: "Married employees are more likely than single employees to perceive barriers to Omanisation" were rejected, as married employees scored a lower mean regarding the two factors that were found significant (gender inequality and culture values and norms).

### 5.6.2.2.3 Income Differences (MANOVA and ANOVA)

For income groups, the differences on participants' perception towards the impact of all dependent variables (Omanisation policy) based on their income, were examined by using MANOVA test. The results showed that Box's M was significant (F=1.381, p<.001), it means an assumption of MANOVA was violated. This was not much of a problem since of sample is large. Since Wilks' lambda=.879 and F=1.834 with p-value=.006, there was a highly significant multivariate difference between income categories for the Omanisation policy.

One way ANOVA was conducted to examine the participants' perceptions towards Omanisation based on their monthly income. Table 5.29 depicts the ANOVA results of the different on perception of participants' three income groups on Omanisation.

**Table 5-39: Income Differences on Barriers to Omanisation (ANOVA)** 

Variables	< 400	400-700	> 701	F statistic
	Mean	Mean	Mean	F-statistic

Organisational engagement	13.95	13.76	12.58	8.22*
Gender inequality	21.98	21.46	20.27	4.13*
Career development	25.39	24.34	22.52	7.89*
Working conditions	21.56	21.21	19.87	5.43*

\*p<0.05

There was a significant difference (p<.05) in mean scores for the three groups of income in three variables; organisational engagement, gender inequality, career development and working condition. For organisational engagement, post-hoc comparisons indicated that the mean score (M=12.59) for group 3 (701 and above) was significantly lower from group 1(less than 400), (M= 13.95) and group 2 (400 to 700) (M= 13.76). However, there was no statistically significant difference in mean scores between group 1 (less than 400) and group 2 (401 to 700). For gender inequality, post-hoc comparisons revealed that the mean score for group 1 (less than 400) (M= 21.93) was significantly higher from group 3 (701 and above) (M= 20.27), but there was no statistically difference in mean scores between group 2 (400-700) and both group 1 and group 3.

The results of post-hoc tests for career development show that the mean score for group 3 (M= 22.52) was statistically lower than group 1 (M= 25.39) and group 2 (M= 24.34), but there was no significant difference between group 1 and group 2. Similar results of post-hoc tests were found for working condition as the mean score for group 3 (M= 19.87) was significantly different from both group 1 (M= 21.56) and group 2 (M= 21.21), but also, there was no difference between group 1 and group 2.

In general, the fact that the lower-income employees scored a higher mean in all the factors found significant and shown in the above table, is a strong indication that monetary issues have serious consequences for Omanisation policy. It implies that low wages are a continuous obstacle in attracting Omanis into the private sector, especially for manual or manual- related jobs. Omani youth needs to be assured that they are paid well and that their contribution to their companies will benefit them when they retire. Therefore, this sector could voluntarily raise the level of pay to meet realistic expectations of Omani nationals.

Thus, H3: "Increasing income will associate with decreasing perceptions of barriers to Omanisation" was supported.

## 5.6.2.2.4 Position Differences (MANOVA and ANOVA)

For seniority groups, covariance values showed that Box's M was not significant (F= 1.134, p=.053), meaning an assumption of equality of covariance matrix was presented.

The MANOVA test revealed that there was highly significant multivariate difference between the four seniority groups categories for the Omanisation policy since Wilks' lambda=.826 and F=1.802 with p-value=.001.

One way ANOVA was carried out to test the perceptions of participants on each dimension of Omanisation policy based on their seniority. The significant results are shown in Table 5.30.

**Table 5-40: Position Differences on Barriers to Omanisation (ANOVA)** 

Variables	Senior Manager	Middle Manage	Junior Manager	Non-manger	F-statistic
	Mean	Mean	Mean	Mean	
Organisational engagement	11.80	12.04	12.60	13.63	5.20*
Gender inequality	18.54	20.52	20.20	21.43	3.43*
Trust	18.70	21.40	20.20	21.40	2.80*
Waste/nepotism	13.07	14.08	13.70	14.90	3.93*
Culture values/norms	9.14	10.60	9.90	10.60	3.69*
Working conditions	18.70	19.60	18.00	21.30	8.13*
Salary and Remuneration	11.44	12.07	11.90	12.90	4.02*

<sup>\*</sup>P<0.05

The above table shows that p-values were significant on the following variables: organisational engagement, gender inequality, trust, wasta/nepotism, culture values and norms, working conditions and salary and Remuneration. For organisational engagement, based on post-hoc test, these differences were only found between senior managers (M= 11.80) and non-managers (M= 13.63). For gender inequality, similarly, the differences were significant between senior managers (M= 18.54) and non-managers (M= 21.43). Trust also, the mean score for senior managers (M= 18.70) was significantly lower from non-mangers (M= 21.40). Again in Waste/nepotism post-hoc test indicated the differences in mean score between the same two groups; seniormangers (M= 13.07) and non-mangers (M= 14.90). In cultural values and norms, both senior-mangers (M= 9.14) and non-mangers (M= 10.60) were significantly different from each other. For working conditions a different mean score was found between the same two groups; senior-manger (M= 18.70) and non-manger (M= 21.30). Finally, with salary and Remuneration, differences found between the same two groups; seniormangers (M= 11.44) and non-mangers (M= 12.90). Another, general tendency that could noticed from the above table, is that the difference in mean scores based in posthoc test was found significantly different between only two groups, senior managers and

employees (the highest mean scores) in all variables which were found statistically significantly different at the p<.05. This indicates that employees are less satisfied with the outcomes of Omanisation.

Overall, respondents at junior levels perceived human, social and organisational factors as greater barriers than did their counterparts at supervisory levels. In general, this reflects employee disappointment with work and explains their dissatisfaction with a lack of career development. The high employee perception of gender inequality as a barrier to Omanisation explains the under-representation of women in managerial roles. This result accords with prior studies (Donn & Issan, 2007; Zerovec & Bontenbal, 2011) who found that the gender gap among Omani citizens is still significant. The high employee perception of wasta and nepotism as barriers to Omanisation explains that these issues still exists throughout Omani society despite the efforts of the government to achieve employment equality among its citizens. An example of such efforts was the announcement of 50,000 new jobs and more than a 40% increase in the minimum wage for nationals in the private sector.

Trust also rated highly among junior employees as a barrier to Omanisation. This may be because of the current situation in which expatriate supervisors generally have little trust in Omanis and do not allow them chances to develop their careers for fear of Omanis taking over their positions. In general, Omani workers seem to prefer to be managed by Omani managers. Senior employees on the other hand, showed no concern towards trust as a barrier to Omanisation, perhaps because of their satisfaction in terms of salary, health insurance and free schooling. Therefore, they do not care for greater trust as long as they are satisfied with remuneration packages.

In sum, the results shown in Table 5-30 above revealed that the higher the seniority the lower the perceptions of barriers to Omanisation, which supports *H4*: "*Increasing seniority will associate with decreasing perceptions of barriers to Omanisation*".

## 5.6.2.2.5 Work Experience Differences (MANOVA and ANOVA)

For work experience groups, covariance values showed that Box's M was not significant (F=1.119, p-value=.047), meaning an assumption of equality of covariance matrix was present. The MANOVA results showed that there was highly significant multivariate

difference between the four working experience categories for the Omanisation policy since Wilks' lambda=.790 and F=1.669 with *p-value*= .002.

One-way ANOVA was carried out to test the difference in perception of participants towards each dimension of Omanisation policy based on their work experience. Table 5.31 depicts ANOVA results.

**Table 5-41: Work Experience Differences on Barriers to Omanisation** 

Variables	< 2 Years	2 to 5 Years	6 to 10 Years	11 to 20 years	>20 years	F-statistic
	Mean	Mean	Mean	Mean	Mean	
Training and development	10.93	11.30	10.90	10.62	11.83	1.82*
Gender inequality	21.90	21.40	21.30	19.10	21.33	3.74*
Culture values and norms	10.81	10.60	10.60	9.52	9.90	3.99*
Working condition	21.80	20.90	20.52	20.04	19.42	2.88*

<sup>\*</sup>P<0.05

There was a statistically significant difference at p<.05 level in four variables, these are; training and development, gender inequality, cultures values and norms and working conditions. For working conditions, post-hoc test revealed that the mean score of group 4 (more than 20 year experience) (M= 19.10) was significantly lower from group 1 (less than 2 years experience) (M= 21.90), group 2 (2 to 5 years experience) (M= 21.40) and group 3 (6 to 10 years experience) (M= 21.30) of all variables. Similarly, the differences were found significantly in culture values and norms between group 4 (M= 9.52) and group 1 (M= 10.81), group 2 (M= 10.60), group 3 (M= 10.60).

Considering the four groups of participants based on their work experience, they all perceive working conditions and gender inequality as the two most critical factors, whilst the category of culture values and norms was considered the least critical. This suggests that gender inequality exists among all levels of jobs.

Individually, on the other hand, among the four groups of participants, new entrants have high mean scores on most variables. This indicates that new hires perceive higher barriers to employability of locals in private companies than do the more experienced employees. This could indicate that Omanis are not supported by government

employment policy (Omanisation) in finding proper work, but instead the policy has placed them in manual jobs with low salaries, low job security and to some extent harsh working conditions. Thus, H5: "New employees perceive higher barriers to Omanisation than their peers with longer tenure".

## **5.6.2.2.6 In-Company Training Differences (MANOVA and ANOVA)**

For in-company training, the covariance values of MANOVA showed that Box's M was significant (F=1.119, p-value=.039). The MANOVA results revealed that there was highly significant multivariate difference between the company training levels for the Omanisation policy since Wilks' lambda=.849 and F=2.342 with p<.001.

Table 5.32 presents the ANOVA results that explained the difference in means cores between participants based on three groups of in-company training. It depicts that there was a statistically significant difference at p< .05 level in 9 variables. These are; Training and development, Organisational engagement, Gender inequality, Trust, Waste/nepotism, Career development, Working condition, HR policies and Salary and Remuneration.

Table 5-42: In-Company Training Differences on Barriers to Omanisation

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Variables	Very Little training Mean	Occasional training Mean	Extensive training Mean	F-statistic	
Training and development	11.43	10.71	10.20	7.50*	
Organisational engagement	13.80	13.10	12.52	4.30*	
Gender inequality	21.11	21.60	19.50	3.20*	
Trust	22.30	20.30	18.80	13.80*	
Waste/nepotism	15.20	14.12	13.81	7.60*	
Career development	24.93	23.10	21.34	10.22*	
Working conditions	21.40	20.30	19.90	4.10*	
HR polices	7.90	7.55	7.16	4.21*	
Salary and Remuneration	13.02	12.40	12.02	5.54*	

<sup>\*</sup>P<0.05

For T&D, Post-hoc tests revealed that the mean score of group 1: Very little training (M= 11.43) was significantly higher than group 2: Occasional training (M= 10.71) and group 3: Extensive training (M= 10.20). However, there was no significant difference in mean scores between group 2 (Occasional training) and group 3 (Extensive training). This indicates that those with very little training in their work consider training and development as higher barriers than group 2 and 3 who received more training.

For organisational engagement, Post-hoc test revealed that the mean score of group1: Very little training (M= 13.80) was significantly higher from group 3: Extensive training (M= 12.52) but there was no statistically difference in mean scores between this group and group 2: Occasional training (M= 13.10). Also, there is no statistically significant difference in mean scores between occasional training and group 3: Extensive training.

For gender inequality, Post-hoc test shows that the difference between the three groups was only found between group 2: Occasional training (M=21.60) and group 3: Extensive training (M=19.50). There was no difference in mean scores between this group and group 1: very little training (M=21.11). Also, there is no difference in mean scores between group 1 and group 3.

For trust, Post-hoc test revealed that the mean score of group1: Very little training (M= 22.30) was significantly higher from group 2: Occasional training (M= 20.30) and group 3: Extensive training (M= 18.80). However, there was no difference in mean scores between group 2 (Occasional training) and group 3 (Extensive training). This indicates that those with very little training in their work consider trust as a bigger barrier than group 2 and 3 who received more training courses in their work. Similarly, the Post-hoc results of *Waste* and nepotism show that the mean score for very little training group was significantly higher from occasional training and extensive training groups.

For the rest of the variables which have significant differences in their mean scores (Career development, working condition, HR policies, Salary and Remuneration), Posthoc tests reveal similar results to the above variables, in the way that in all of these variables group1: (very little training) was significantly lower from the group 3: (extensive training). In general, table 5.32 shows that all three groups ranked career development, trust, gender inequality and working condition as the highest barriers to Omanisation, whilst they perceive *Waste*/nepotism, Stereotype (Expatriates) and Stereotype (Omanis) as the second most influential. Finally, the three groups perceive HR policies and salary and Remuneration as the least influential factors.

In summary, the results in Table 5.32 clearly indicate that training is a key variable impacting Omanisation, as participants with 'very little training' perceive higher barriers than others on all the nine variables that were found significant by the ANOVA test. This indicates that Omanis are not satisfied with the practical training they receive before employment (by the Ministry of Manpower) and during (by their employers). Therefore,

H6: "Increasing practical training will be associated with decreasing perceptions of barriers to Omanisaition" was supported as there are significant differences in perception towards the human, social and organisational barriers to Omanisation between participants in terms of in-company training.

## 5.6.2.2.7 Educational Background Differences (MANOVA and ANOVA)

For educational background, covariance values of MANOVA showed that Box's M was significant (F=1.119, p-value=.047), it means an assumption of equality of covariance matrix can be accepted at .01 level of significant but not at .05. MANOVA test revealed that there was highly significant multivariate difference between the company training levels for the Omanisation policy since Wilks' lambda=.849 and F=2.342 with p-value<.001.

Table 5.33 shows that there was a statistically significant difference at (p < .05) in seven variables out of 14 used to measure Omanisation based on the participants' educational achievement. These variables are; T&D, trust, career development, working conditions, HR policies and salary and Remuneration. Post-hoc test indicted that in most cases the mean scores for group two (secondary education certificate) were found significantly higher from group five (Bachelor's degree and above).

Table 5-43: Educational Background Differences on Barriers to Omanisation

Variables	< Secondary	Secondary education	Diploma	Higher Diploma	>Bachelor's deg.	F-statistic
	Mean	Mean	Mean	Mean	Mean	
Training and development	10.41	11.62	10.80	10.71	10.97	3.20*
Trust	20.33	22.30	21.10	20.13	20.70	2.77*
Career development	23.91	25.40	23.90	22.92	22.71	3.90*
Working condition	20.41	21.81	20.63	19.70	20.53	2.60*
HR Polices	7.30	8.10	7.70	7.30	7.61	2.80*
Salary and Remuneration	12.20	13.04	12.90	12.04	12.60	2.41*

<sup>\*</sup>P<0.05

The results in the above table show that all five groups ranked career development, trust, working conditions and salary and Remuneration as the highest barriers to Omanisation, while perceiving T&D and HR as the least influential factors.

If we consider the second group (secondary education certificate) and the fifth group (Bachelor's degree and above) which represent the dominant two groups of the labour market in both private and public sectors, table 5.51 above shows that secondary education certificate participants perceive higher barriers to Omanisation than Bachelor degree participants. This is because higher salaries are given to employees with low educational attainment in the government than to those in the private sector, while well-educated employees in both sectors earn similar salaries. Consequently, low educational background employees tend to criticize Omanisation policies for being unable to tackle the wages gap between government and private jobs. This was consistent with previous studies such as (Al-Waqfi & Forstenlechner, 2014; Sadi, 2013; Swailes et al., 2012), which found the monetary issue to be a key hindrance to successful implementation of job localisation policy in Gulf Countries.

Thus, H7: "Increasing education attainment will associated with decreasing perceptions of barriers to Omanisation" was supported as the influence of educational background was found significant for most of the variables being tested (training and development, trust, career development, working conditions, HR policies and salary and Remuneration).

# 5.6.2.2.8 Differences on Negative Stereotypes of Omani Employees between Expat and Omani Managers (Paired sample t-test)

In order to examine whether stereotyping of locals is mainly by expats (AL-Lamki, 1998; Al-Waqfi & Forstenlechner, 2010; Budhwar & Mellahi, 2006; Mellahi, 2007), based on the participants' individual variables, a paired-sample t-test was conducted to evaluate whether a difference existed between the mean stereotypes held by expat and Omani managers concerning the local citizens' work capabilities and competencies. Table 5.34 revealed the expected result that expatriate mangers held more negative stereotypes about Omani citizens (M=16.74, SD=4.67) compared to the Omani managers (M=14.09, SD=4.65), p<.001.

Table 5-44: Paired t-test for Stereotypes of Expat and Omani Managers of locals

Components	Mean	Standard deviation	t	p-value
stereotypes (Expat managers)	16.74	4.67	11.44	<.001
stereotypes (Omani mangers)	14.09	4.65	11.44	

<sup>\*</sup>P<0.05

Further analysis was thus required to determine the demographic differences of participants that affect attitudes towards stereotyping by expats and Omanis. Thus, ANOVA was conducted to measure differences in perceptions based on their gender, marital status, income, sector of employment, seniority, work experience, in-company training and educational background. Table 5.35 shows where the participants differ in their perceptions, namely sector of employment, in-company training and educational background.

Table 5-45: Differences in Participants' Perceptions towards Expats Stereotypes (ANOVA)

Source of	Independent	Groups	Descri	ptive sta	tistics	ANOVA	
stereotypes	Variables		No.	Mean	SD	F	Sig
	Sector	Tourism Banking Automotive	171 147 165	16.40 16.42 17.60	4.80 4.60 4.62	F(2,480) =3.40	.03*
Expat	In company training	Very little training Occasional training Extensive training	247 189 48	17.45 16.44 15.00	4.70 4.40 4.80	F(2,481) = 6.71	.00*
Managers	Educational background	Below secondary Secondary education Diploma Higher Diploma Bachelor's and above	46 139 108 55 137	16.60 17.73 16.80 15.70 16.50	5.13 4.80 4.43 4.90 4.34	F(2,480) =2.41	.048*
Omani Managers	In company training	Very little training Occasional training Extensive training	245 186 48	14.72 13.60 13.10	4.72 4.50 4.50	F(2,476) =4.62	.010*

\*P<0.05

For stereotyping by expats, there were significant differences in three variables: sector of employment, in-company training, and educational background. Within these three variables, in-company training has the highest difference in responses (M= 17.45 for very little training, 16.44 for occasional training, and 15.00 for extensive training). This means that as training increases stereotyping decreases. For sector of employment, the divergence was found between participants from the automotive sector, tourism and banks (M= 17.60 for automotive, 16.40 for tourism, and 16.42 for banking). This was not surprising, as the automotive sector is less attractive for Omanis because it is dominated by expats who usually assign Omanis to manual work. Banking, on the other hand, is the favoured sector as it is highly socially accepted and also provides high financial benefits compared with other industries in Oman (AL-Lamki, 1998; 2005; Swailes et al., 2012).

With the exception of in-company training, ANOVA reported no differences in perceptions towards stereotyping of Omani employees sourced by Omani managers as barriers to Omanisation. With regard to in-company training, differences between the three groups

were found between group 1 (very little training) and group three (extensive training), showed means of 14.72 and 13.30 respectively. This is not surprising as the extensive training group are satisfied with the training courses they have received, so they perceive lower barriers to Omanisation, whereas those who are less trained may see this as a drawback to Omanisation, because one of the government mandates is to encourage companies to provide enough training for Omanis to develop their careers.

Therefore, H8a: "Locals report that Expatriate managers hold stronger negative work-related perceptions of locals than Omani managers." was accepted, as paired t-tests revealed significant differences between expat and Omani managers' perceptions towards Omani employees. The ANOVA test confirms that employees based on sector of employment, in-company training and educational background perceive a higher expat stereotyping barrier to the implementation of Omanisation than do Omani managers.

Also, H8b: "Stereotyping of Omani employees will decrease as levels of education increase"; H8c: "Stereotyping of Omani employees differ between sectors"; H8d: "stereotyping of Omani employees will decrease as in-company training increase" were supported. ANOVA results showed that those with high educational achievement, extensive in-company training and with seniority in work had the lowest perceptions of stereotyping as a barrier to Omanisation.

#### 5.6.2.2.9 Sector-Specific Factors Hindering Omanisation (ANOVA)

In order to understand the difference in the perception of participants in three sectors; tourism, banks and automotive retail towards 14 determinants of Omanisation and whether they differ in their impact of the policy in these three sectors, ANOVA was used. Based on perceptions of the responses from the three sectors, it is clear that, as expected, the perceptions of the three groups differ significantly (p< .05) in the mean scores of three factors: trust, career development, and HR policies as shown in Table 5.36.

Table 5-46: The Impact of Sector Differences on Factors Determining Omanisation (ANOVA)

Variables	Group	Mean	f-statistic
Trust	Tourism	21.00	
	Banks	20.14	6.30*
	Automotive	22.20	

Career	Tourism	23.31	
development	Banks	23.36	2.94*
	Automotive	24.80	
HR Polices	Tourism	7.50	
	Banks	7.70	3.08*
	Automotive	7.95	

\*P<0.05

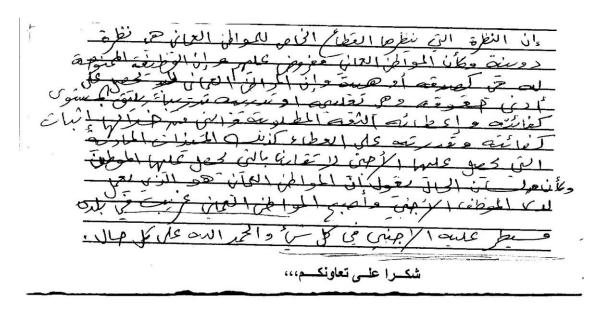
With regard to trust, the differences were found between banks (M=20.14) and Automotive (M=22.20), but there was no difference between mean sores of tourism and both banks and car retails. In career development, differences were found between Automotive (M=24.80) and tourism (M=23.31). Finally, HR Policies, significant differences were found between Automotive (M=7.95) and tourism (M=7.50) and no significant differences between banks and both tourism and car retails.

The higher perception of barriers to Omanisation held by participants from the car retail, compared with their counterparts from the banking sector, is due to good working conditions, higher salaries and other financial packages provided by banks compared with the other sectors. Therefore, banking has been one of the most attractive sectors to Omanis, consequently achieving an Omanisation figure of 95% in 2014 (Ministry of Manpower, 2014) which was the highest among those of all the industries. The weak representation of Omani workers in the Automotive and tourism (Ministry of Manpower, 2014), best indicates the ineffectiveness of Omanisation the private sector. The policy does not develop a trained cadre of Omani personnel capable of replacing the expatriate workforce within the government's established time frame.

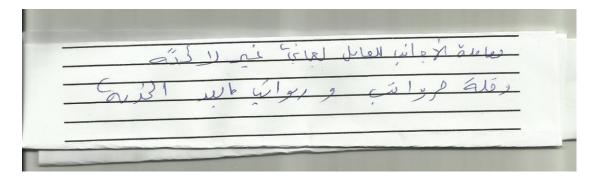
Thus, H9: "Participants from Automotive perceive higher barriers to Omanisation than their counterparts in tourism and banking" was supported as the barriers to Omanisation were higher in the Automotive than banking and tourism sectors.

# **5.7 FINAL NOTES BY PARTICIPANTS**

The final part of the questionnaire (Part C) provides a chance for participants to mention any concern that they have regarding the barriers facing the implementation of Omanisation. The following part provides examples of these concerns.



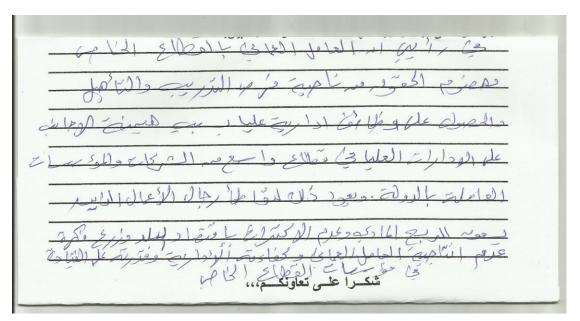
In these words, the participants mentioned that the Omani employees have become strangers in their own country because of the domination of expatriates in most private sector jobs from the top to the bottom. He concludes that the practical situation is that Omanis are working with expatriates and not the opposite. Similar to this opinion, another participant explained in the following quote that in his company the expat managers use Omani workers inhumanly.



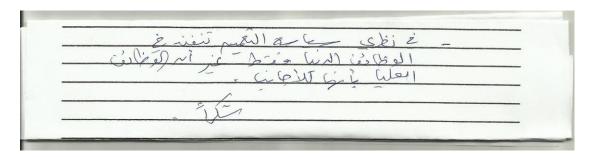
In the next quote is a practical example that the participant mentions. She said that she was working with a very dominating and bossy expat manager who was the cause of her resignation from the company.

في اعتمادي من أهم معوفات المقميل في الشركات المبغوة في عال أخساس المبغوة في عال أخساس المولاة والمباحثة والمساحثة والمباحثة و

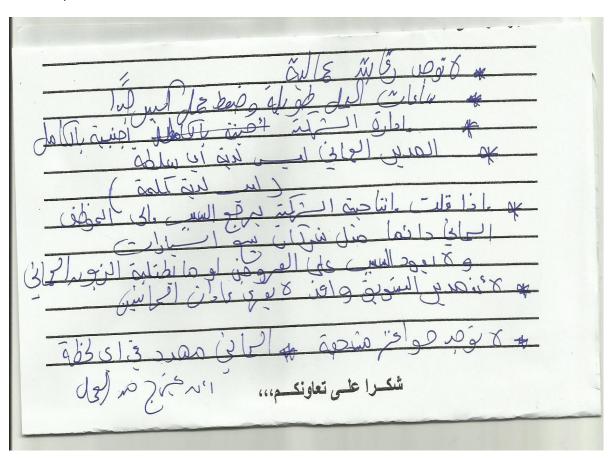
The following words explain the conflict of interest between Omani business owners and expats. She mentioned that the victim is always the Omani employee, because owners' concern for their profits leads them to prefer expats over Omanis because they believe they are more productive and more dedicated to their companies, so they trust expats and allow them to control all the managerial posts in the company.



Another quote summarized that Omanisation policy is designed for low level jobs and leaves managerial posts in the expatriates' hands.



In the following quote, the participant confirms that management posts are completely dominated by expats and if there is an Omani manager, he or she does not have any authority.



There was high consistency between most of these comments with the qualitative data (with regard to the emerging issues summarised above and discussed in chapter six) which are discussed in the following chapter. This supports the reliability of the outcomes of this study.

## **5.8 CONLUSION**

This chapter presented the results of the impact of individual factors on the human, social and organisational determinants of Omanisation policy. A group of hypotheses was

tested and Table 5.37 provides a summary of the results which show that the majority of hypotheses were accepted.

Table 5-47: Summary of the Hypotheses Tests and the Results

	Decemb		Results
Research Objective	Hypotheses	Supported/ rejected	Note
To investigate human, social and organisational	H1: Women are more likely than men to perceive barriers to Omanisation	Supported	Woman participants perceive gender inequality, English language skills, and training and development as higher barriers to employability than do men.
barriers to Omanisation policy and	H2: Married employees are more likely than single employees to perceive barriers to Omanisation	Rejected	Single participants scored higher means on two variables (gender inequality and culture values and norms) than married participants.
understand how they differ according to personal demographic variables.	H3: Increasing income will associate with decreasing perceptions of barriers to Omanisation	Supported	Lower income scored higher means in all the factors found different (org. engagement, gender inequality, career development, & working conditions) than did those with higher income.
	H4: Increasing seniority will associate with decreasing perceptions of barriers to Omanisation	Supported	Junior Employees scored higher means in all factors found different (org. engagement, gender inequality, trust, wasta/nepotism, culture values and norms, working conditions, and salary and Remuneration) than did senior staff.
	H5: New employees perceive higher barriers to Omanisation than their peers with longer tenure.	Supported	New employees perceived higher barriers to Omanisation in the majority of the factors that were found different (training and development, gender inequality, culture values and norms, working conditions) than did established employees.
	H6: Increasing practical training will be associated with decreasing perceptions of barriers to Omanisation.	Supported	Employees with little practical training perceived higher barriers to Omanisation in the factors found different (training and development, organisational engagement, gender inequality, trust, wasta/nepotism, career development, working conditions, and

			salary and Remuneration) than did employees who received extensive training.
	H7: Increasing education attainment will associated with decreasing perceptions of barriers to Omanisation.	Supported	Employees with a lower educational background perceived higher barriers to Omanisation in the factors found different (training and development, trust, career development, working conditions, HR policies and salary and Remuneration) than did employees who have higher qualifications.
To examine the extent to which stereotypes with respect to work-related ethics, traits, attitudes, behaviours and competencies could be a key hindrance to Omanisation and whether these stereotypes regarding citizens shared by both expatriates and citizens?	H8a: locals report that expatriate managers hold stronger negative work-related perceptions of locals than Omani managers.  H8b: Stereotyping of Omani employees will decrease as levels of education increase.  H8c: Stereotyping of Omani employees differ between sectors.  H8d: Stereotyping of Omani employees will decrease as their practical training increase.	Supported	Paired t-test results revealed significant differences between expat and Omani managers' perceptions of the attitude of Omani employees in the workplace.  Employees with lower educational background were more negatively stereotyped by expat mangers.  The degree of stereotyping is significantly different between industries. Automotive industries score a higher mean than tourism and banking.  Well-trained employees are less stereotyped than employees with little training.
To determine sector-specific factors hindering Omanisation policy.	H9: Participants from Automotive perceive higher barriers to Omanisation than their counterparts in Banking and Tourism.	Supported	Results revealed that barriers to Omanisation differ between the automotive sector and the banking and tourism industries.

As shown in Table 5.37, hypotheses 1 to 7 tested differences in perceptions towards human, social and organisational barriers to Omanisation. In general, the results revealed that the majority of participants perceived differences. Hypothesis 8 tested whether perceptions as barriers to Omanisation differ between participants. The result revealed significant differences between expat and Omani managers' perceptions of the attitudes of Omanis in the workplace. Finally, the table shows sector-specific factors hindering Omanisation policy. This was achieved by testing hypothesis 9 which confirms the differences in perception towards barriers to Omanisation. Employees from the automotive sector have higher concerns towards these barriers than their counterparts in banking and tourism. For non-significant results, see Appendix 6.

In sum, this chapter provides evidence relating to barriers to the employment of Omanis. This evidence is supported by the findings of qualitative data presented in chapter six.

# **CHAPTER 6: QUALITATIVE DATA ANALYSIS**

# **6.1 INTRODUCTION**

This chapter presents the analysis of the views of government officials representing the national level in the framework and private sector managers representing the company level. To ensure collection of data at a broader level, only employees at managerial level were selected. This helps to compare managerial views of the key obstacles to Omanisation policy with those of employees found through the questionnaire. The other key purpose of interviewing managers is to understand the reasons why expats hold the majority of managerial posts given that in 2014, 90% of total managerial posts were held by expats.

A thematic analysis is employed and quotations are given to illustrate and support relevant points. To guarantee confidentiality, each participant was given a code as shown in Table 6.1.

Table 6-48: Interview and Codes

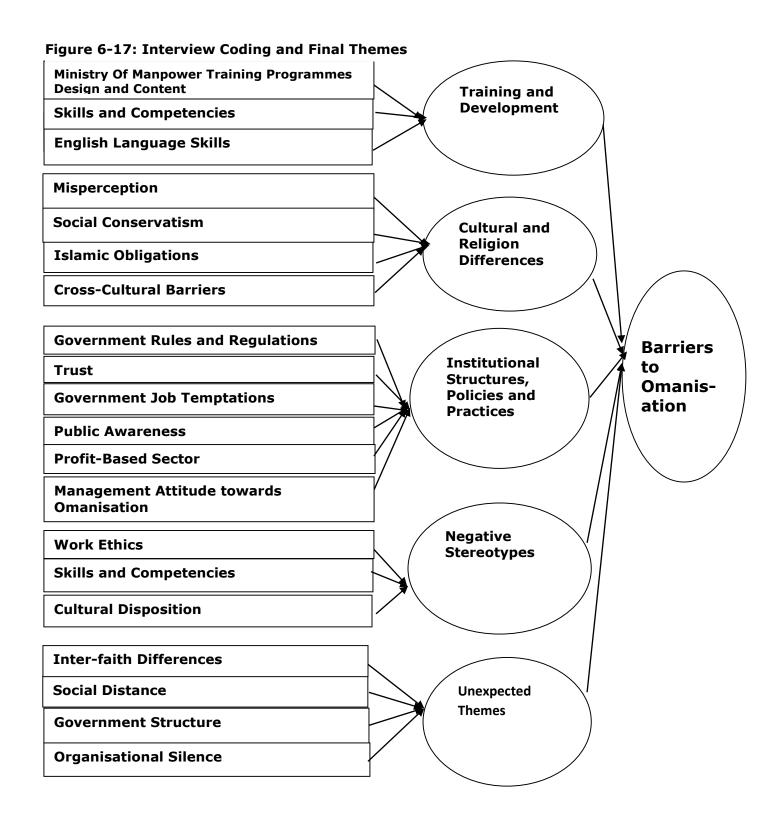
Sector	Participants' job title	Place of work	Coding	Sex
Government	Director, Planning and T&D	Public Authority of Manpower Register	G01	Female
	Director, Auditing	rector, Auditing State Audit Institution		Male
	Director, Auditing State Audit Institution		GO3	Male
	Director, National Ministry of Manpower training programmes		G04	Female
	Director, Omanisation	Ministry of Manpower		Male
	Deputy Chairman	Chairman Public Authority For Manpower Register		Male
	Expert, T&D	Ministry of Manpower	G07	Male
Private	Branch Manager	Automotive sector	PSMA8	Male
	Branch Manager	Automotive sector	PSMA9	Male
	Branch Manager	Automotive sector	PSMA10	Male
	HRD Manager	Automotive sector	PSMA11	Male
	In Charge, Admin.	Automotive sector	PSMA12	Male
	Director General (HR)	Tourism Sector	PSMT13	Male
	Director, T&D	Tourism Sector	PSMT14	Female
	Branch Manager	Banking Sector	PSMT15	Male
	Branch Manager	Banking Sector	PSMT16	Male

The structure of this chapter is as follows. Next, in section 6.2 the large gap between expat and Omani workforce in private sector is discussed. This is followed by an

analysis of the emergent themes which largely hinder Omanis from getting private sector jobs. The challenges facing the government to develop its human resources in private sector are also presented. Section 6.3 summarises findings, followed by key recommendations suggested by the interviewees as crucial issues to support localisation.

# **6.2 ANALYSIS OF FINDINGS**

The discrepancy between the numbers of expat and Omani workers in private sector industries is discussed under four main and distinct themes to emerge from the data. These are training and development, cultural differences, organisational/institutional issues and stereotypes. Figure 6.1 clarifies these four themes with the sub-themes related to each main theme. Interview data were analysed inductively using a bottom-up approach (Braun & Clarke, 2006) which means the codes were not predetermined but emerged from the data.



The interviewees in both public and private sectors bring a long list of barriers to replacing expats with Omanis as exhibited in the above concept map as sub-themes. For training and development, issues like lack of working skills and competencies, the Ministry of Manpower training programmes design and content and poor English communication skills of Omanis. Cultural differences were misperception towards private sector jobs, social conservatism, Islamic values and cross-cultural issues. Barriers related to organisational structures covered the lack of trust of Omanis' working abilities, loose government rules and regulations concerning Omanisation, better government jobs and financial constraints. Based on the interviews, Omanis are stereotyped in different ways; they are negatively stereotyped on their work ethics, skills and competencies and the cultural disposition towards private sector jobs. New themes found in the study cover inter-faith conflict, social distance, networking of expats and organisational silence. To facilitate reporting the analysis and findings the above concept map is employed. Each main them with its sub-themes are analysis below.

# **6.2.1 Training and Development**

The general trend towards training and development processes in Oman are not encouraging, as most participants acknowledged that the investments in T&D do not satisfy the current need of developing Omanis' working skills and competencies. They indicated a range of issues concerning the weak training and development as shown in the concept map and are discussed below. The discussions show how these issues were identified by participants as barriers to Omanisation policy.

# 6.2.1.1 Skills and Competencies

The starting point for discussion during the interviews was to understand whether or not Omanis lack leadership skills and competencies that prevent them from holding managerial roles which in turn privileges expats. In general there is an agreement amongst the interviewees, both government officials and private sector managers consider that Omanis have the skills and competencies but are blocked by expatriates. Twelve respondents out of 16 agreed that Omanis have the same leadership competencies compared to the foreign employees. The respondents argued that in some cases Omanis have better leadership and they gave examples of successful Omani leaders in some industries like oil and gas and banking. A government official state:

"Expats are not better than Omani managers at all, but instead when the Omanis have the chance to lead the work, they prove tremendously successful." (GO 3)

Same point of view was shared by a manager from the private sector who emphasised that:

"Expat managers do not have any unique leadership skills that can differentiate them from Omanis. Instead, Omani managers are more successful and effective in managerial roles and in most cases we transfer our knowledge to expatriates regarding the Omani customs and norms that expats are not acquainted with. Because expats do not know what is socially acceptable and what is not. Like for example, if couples come to the store, always it is not acceptable for the sales man to talk to the wife and he should concentrate his attention and negotiate with the husband." (PSMA8)

Other respondents from the government had different opinions about Omanis' skills and capability to join the private sector and to be promoted to managerial roles. They argued that lack of leadership skills influenced their chance to become managers. The following quotes illustrate these views:

"The problem is Omanis do not have the intention to continue for a long time working in the private sector. They are waiting for the chance to have a government job. Management and business owners know this intention and pragmatically they do not wish to spend money on training Omanis, whilst they know those employees sooner or later they are going to leave the company. Instead of spending money, private employers prefer to get readymade-labour which they are usually getting from Indian subcontinent." (GO6)

"Omanis in private companies avoid job rotation. This attitude is considered as an enemy of experience development and thus, by this way Omanis deprive themselves from chances to develop their careers in their workplace. Instead, expats are very keen to learn and move from one job to another. This helps them to acquire experiences and at the same time gain the management trust which gives them the privilege to occupy managerial roles in their companies." (GO7)

Of particular interest here is that respondents who believe Omanis are skilful and capable enough to work in private sector and hold managerial roles are all from private sector, whilst those who criticised Omanis' abilities to become leaders are

government officials who deal with Omanisation programmes. This may be because managers from the private sector know the capabilities of Omanis better than officials because they work in the private sector with Omanis. In other words, private sector managers are closer to Omanis than officials are in the context that matters.

# 6.2.1.2 Ministry of Manpower Training Programmes Design and Content

Ministry of Manpower is a government organisation established by Royal Decree No. 108/2001 which purely responsible for regulating the labour market and increasing the percentage of national manpower in the private sector. It is also responsible of offering educational and training programmes in accordance with the approved occupational standards to meet the needs of the labour market. Based on the interviewees, it is evident that the training provided by Ministry of Manpower falls short in some areas. This was reflected in two areas that the interviewees frequently reported; the mismatch between the selected trainees for each training programme and the programmes lack of on-job training.

# 6.2.1.2.1 Lack of Systematic Selection and Design

Most frequently mentioned was the weak design as well as the contents of the Ministry of Manpower vocational-based-training programmes. Thirteen out of 16 felt that these programmes are very short, not developing embedded personal skills and competencies and not satisfying the job requirements of working skills and competencies. In addition, participants argued that these programmes are only designed to prepare Omanis for low level jobs (e.g. mining, textiles, and fisheries). The quote below given by an official reflects concerns about the weak design of Ministry of Manpower training programme:

"I believe these programmes are not enough to create Omani leaders and subsequently it is essential for policymakers in government – specifically Ministry of Manpower officials – to review the training strategies to make them in tune with labour market requirements. It is also important for government and private employer vis a vis to observe smart employees who have leadership tendencies and give them some courses in leadership skills, so that within a period of time, they will be ready to replace current expat managers." (GO3)

A surprising claim with regard to the quality of Ministry of Manpower training programmes was disclosed by another official who deals directly with Omanisation:

"Ministry of Manpower only provides very basic training and there is not a single leadership training programme. Thus, I do not believe these programmes assist Omanis to develop their leadership skills. Government should force the private employers to provide those who are working hard and who are very dedicated to work and prove to have some managerial tendencies with management courses. (GO5)

Similarly, a manager from private sector criticised the design process of Ministry of Manpower, he said:

"Ministry of Manpower training programmes are designed long before and now work environments have changed with more technology-based-work. Therefore, these programmes have to be redesigned to match the current working environment. This involves adding some management training targeted at staff who have some basic leadership skills to become future leaders." (GO2)

Similarly, Ministry of Manpower training programmes are criticised by managers:

"Ministry of Manpower training programmes are only a waste of time, as these programmes prepare Omanis for very basic jobs and are not designed to create Omani leader because they do not trainees with critical leadership skills such as communication skills, problem solving skills and leadership skills. After they finish their training, they are assigned into low level jobs and very rarely receive additional training from their company and have no clear and well defined career development. The problem is based on two issues. Basically, the poor training programmes that new work entrants received from Ministry of Manpower which are not fair enough to make Omanis stand and compete with expatriates. Secondly, the negative point of view that expatriates hold about Omanis is that they are in need of a job and are forced to seek a job in this company to maintain their living expenses and if they think to leave the company, there are others who are waiting in the queue." (PSMA8)

Another manager criticised officials who directly deal with the process of training. She said:

"Unfortunately, officials or decision makers in Ministry of Manpower, who deal with the Omanisation policy designed the training programmes to satisfy the current situation of the labour market, but they do not have a long term plan for the future." (PSMT12) Generally, it was observed that government officials as well as managers in the private sector agreed that Ministry of Manpower training programmes are not designed effectively. This may explain why managers are closer to their employees and know the extent to which these programmes are reflected on their staff's performance. In other words, theoretically the programmes are assumed to be successful but practically they fail to achieve their objectives.

### 6.2.1.2.2 Off-Job versus on-Job Training

Off-job versus on-job-training is another issue raised by participants with regard to the effectiveness of training and development processes. Fourteen out of 16 acknowledged the need for on-job training to improve working skills and competencies. Overall, most of the respondents acknowledged that employee training and development processes lack on-job-training and are only concentrated on learning theory. Private sector managers' views towards the importance of on job- training were:

"The programmes are only focused on vocational training and are lacking any in-job-training. Because of that, even if Omanis had many of these courses, still they lack practical training. This gives the privilege to expats to hold managerial roles, as they are more trained both theoretically and practically". (PSMB14)

"The programmes only cover very basic professions, such as painting, construction, textiles.... but none of these programmes train Omanis in leadership areas. In short, these programmes are targeted to prepare Omanis to be followers not leaders." (PSMA10)

Government officials have similar opinions about the importance of on-job training. This was articulated as follows:

"It is important to embed on-job training at the basic education level. This is the fundamental role of the Ministry of Education, so that students will learn theory and practice at the same time. This makes their chances higher to get the job right after they finish their education." (GO7)

"Ministry of Manpower training programmes should be more beneficial for trainees and they should cover practical training, so that trainees can taste the real life working environment and in turn makes it easy to get the job done when they are employed" (GO8) "Job shadowing is a critical training procedure which can effectively develop one's working skills. We have a good example for this that is the Petroleum Development of Oman (PDO). This company works hard to develop its staffs' careers and it makes the most out of it by implementing job shadowing and cross-posting training procedures. Now we see more than 90 % of managers in this company are Omanis. So why does Ministry of Manpower not follow the same training system?" (GO1)

The above statements reveal that interviewees from both the government and the private sector blame Ministry of Manpower for ignoring this part of training and argued that it should embed in its training programmes on-job training or job shadowing.

# 6.2.1.3 English Language Skills

In today's working environment, English is the key mode of communication. Participants frequently referred to a lack of English language as a barrier towards Omanisation. They noticed that nationals' lack of English language skills seems to make them appear incompetent compared to cheap, English speaking expatriates. Ten out of 16 emphasised the importance of English in the private sector. They argued for the government to prioritise developing English skills in young Omanis by embedding learning from early stages of basic education. There was considerable comment on this point by private sector managers:

"English language and expertise are the most important issues that hinder the employability of Omanis in the private sector, as well as preventing Omani employees from developing their careers in their workplace." (PSMA9)

"We are demanding a very intensive language training, preferably in one of the English speaking countries. If this happened, I can say that 99 % of expat workers will depart the country. Omanis are far better and have great leadership competencies, but because English is the approved Language in the private sector, this makes them unable to compete with expat managers who are always better in their English. I suggest to Arabize all documents and make Arabic the approved language in the private sector, the same as the government sector". (PSMA8)

Managers take advantage of this point as they consider weak English communication skills as a reason to reject Omanis and thus hinder their career development. This notion was well articulated by a manager from the private sector who points out that:

"The obstacle that faces Omanis from getting promoted is their poor English language skills; whilst expatriates are quickly developed in their career because they have no problem with communicating in English." (PSMB13).

A similar sentiment is expressed by another interviewee from the private sector who stated:

"English language is the key barrier for Omanis to develop their career. It is really strange for me that English is the main language in the private sector, while Arabic is the official language in the country and in the government as well. So why doesn't the government force the private sector to use Arabic as the main language in their documents." (PSMA8).

Similarly, government officials reflected this view that English is one of the causes behind the difficulty that Omanis face when seeking employment in private companies. This can be seen in the following statements:

"Omanis lack skills and experience, specifically English components skills, because simply they are not stable in one job and keep moving from one company to another company until they find a job in the government. This lessens the chance for them to learn and acquire the English language from their expatriate counterparts." (GO5).

"......English language and expertise are the most important issues that keep owners preferring foreigners." (GO4)

"Despite the fact that English language is the key issue that makes expats more employable in the private sector and at the same time prevents Omanis from joining the sector due to their poor English communication skills, I am surprised why Ministry of Manpower does not give attention to this issue and ignores that we are in the 21st century and we are enticed by globalisation, which breaks the boundaries between countries and makes the labour market an issue." (GO7)

It is clear that there is strong agreement about the importance of English in the employability of Omanis. It is argued that English language skills are not on the agenda of officials dealing with Omanisation policy in Ministry of Manpower. It was highly recommended by participants that both Ministry of Manpower and Ministry of Education should embed English language in all training programmes and basic education in order to create new generations who can fluently communicate in English and thus can effectively perform in the contemporary working environment.

Overall, from the above analysis of the impact of T&D components in the employability of Omanis in private sector there are clear views that Omanis do not receive sufficient and effective training programmes. Although, this view was articulated widely there was a contradictory view which argued that T&D in private sector is effective. This divergent point of view was provided by two officials working in two key government organisations dealing directory with Omanisation policy. The first participant blames the trainees themselves for not taking these programmes seriously but just attending them to gain access to the private sector. He said in this regard:

"The problem is not whether these programmes are effective or not to create future leaders, instead, sometimes these programmes are good and help people to develop their skills and competencies. The problem lies with whether Omanis are taking these programmes seriously and are willing to learn." (GO1)

The other official who argued for the effectiveness of T&D in the private sector blames the companies which do not enhance the effectiveness of such training programmes. He said:

"One way or another, T&D programmes given to private sector employees have some impact on developing their skills and competencies, but these programmes are only basic learning and companies should take the role to provide their employees, - or I can say the smart employees - with some specific leadership programmes, so that they can learn knowledge, whilst practicing what they learnt practically. Within eight to ten years of training and working, I believe there will be good leaders." (GO7)

# **6.2.2 Cultural and Religious Differences**

This theme underpins the importance of cultural implications and traditions regarding hiring Omanis to work in the sector. Through this theme participants reflected on how jobs in private sector are portrayed in society. In particular, respondents had convergent views of the cultural restraints regarding Omani participation in a private sector workforce. Participants brought to the discussion critical issues regarding their culture, such as misperceptions of private sector work, social conservatism and religious values and cross-cultural backgrounds.

#### 6.2.2.1 Misperception

With regard to Omani misperception towards private sector job, there is a coincidence of views towards the impact of social values and norms in determining the hiring of Omanis. Thirteen out of 16 (78%) agreed that misperception and social conservatism have had a remarkable influence on Omanisation policy in general as jobs in private sector are less accepted by the community. One issue preventing Omanis from holding managerial role is that women are not encouraged to work in the private sector. Participants explain that being a conservative society meant that the women within a family should be always hidden in private spaces away from public talk or the public eye. This means special arrangements in workplace are required.

Misperception about work in private sector was explained by officials in government from different aspects. One official points out:

"Our society still has conservative views towards the work of women and therefore, Omani women are hesitant to let their daughters join the private sector, as they believe a mixed-working environment is not suitable for women. Also, moving from one place to another based on the branches that the company has is socially not acceptable. Moreover, woman staff in some international companies are asked to go abroad to attend meetings, or are cross posted." (GO1)

This means cultural values sometimes determine the type and place of work for women as some conservative families are very selective when sending their daughters to work. They allow them to work in two key professional jobs, either in education or health sector as they believe these two jobs match the nature of women and have less interaction with men. Figure 6.2 shows the extent to which Omani women are more likely to work in these two sectors.

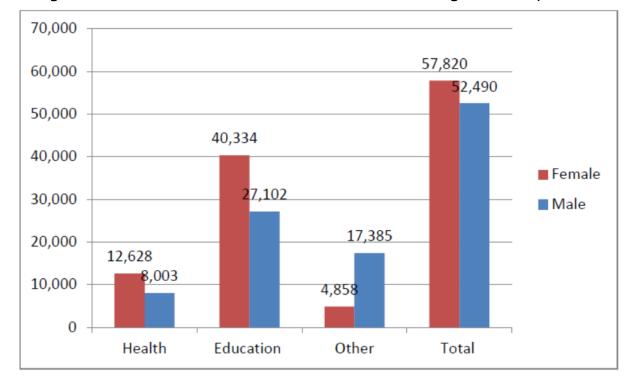


Figure 6-18: Omani Labour Force in Ministries According to Gender, 2012

(Source: Ministry of National Economy, 2012)

Figure 6.2 shows that the number of women in health and education sectors is higher than men but in other sectors men remain dominant. This reveals the tendency of Omani parents to avoid mixed-working environments for their daughters, because in both health and educational sectors men and women are more likely separated. Omani women have various opportunities to take up jobs in private sector, but certainly when they are asked to work in a company or factory they are not very eager to take the job, or sometimes their parents are not happy. To them it would be shameful to admit that their daughter is working in private sector. In this regard, participants from the private sector clarified that:

"Culture issues in the Omani community are still preventing woman Omanis from seeking work in the private sector, because of the images people have about the job in companies as less prestigious and respectable by the society." (PSMB13)

He gives an interesting example to clarify the extent to which this view is negatively embedded:

"I can give you a very direct example that explains to what extent we are a very conservative society. When a person goes to a girl's family to ask for her hand, he will expect the first question about his work place. Parents critically evaluate the work place of the person before they tie the knot, though Islamic teachings do not consider a person's source of living as an important condition to accept him as a husband. Instead, Islamic teachings determine two main parameters that parents should consider to accept the one who comes to engage with their daughter. These are mentioned in the Prophet Mohammed's sayings: "If when someone with whose religion and character you are satisfied asks for your daughter in marriage, agree to his request. If you do not do so, there will be temptation on Earth and extensive corruption." (PSMB13)

This is normal in Omani society to find views like this, although Islam says the opposite but Oman is a society that thinks in a conservative way. This was supported by another private sector manager who said:

"Parents are reluctant to send their children to work in banks, or any other interest-associated work like an insurance company, or in places where wine or pork are serviced, such as hotels and airline companies. This is because they are very conservative families and precisely follow Islamic values which prohibit such kind of work. "Parents send their daughters to study HRM, management or even hospitality, but when they finish they do not allow them to work in a sector that is related to their specialisation and force them to work in a different job that is not matching what they learnt in their education." (PSMT11)

Government officials have the same views towards the work of women in the private sector. One participant mentioned that there are currently large numbers of qualified women (such as in HRM and accounting) whilst there is shortage of qualified men. However, women reject working in the private sector even in managerial roles to avoid mixing with men at the same time the labour market absorbs mostly man professionals in HRM because of the quota system put in place to force companies to fully Omanised HR manager posts. This discrepancy between the numbers of women and men who have professional qualifications was observed by a participant from the private sector:

"Because of our social values, families are sending their children to business college or professional training institutions to gain an advanced professional certificates and once finished they prevent women from working in companies. By that time, there is accumulative numbers of women with professional certificates and at the same time all men are employed. After an accumulation of years with this situation, the labour market has become saturated with skilled women, but without unemployed skilled men. The Government has already imposed a quota in HR managers and

companies are forced to hire only Omanis in such posts, but the problem that companies have encountered when this system came into effect, was the difficulty to find qualified Omanis, as most of the men with the prerequisites for this post, are already employed. Women reject this position, believing that it involves mixing with men most of the time, which conflicts with their nature as a woman." (GO1)

This phenomenon raises a critical issue that private employers find it an excuse to attract expats to close the gap on the scarcity of qualified Omani men. Also, the unbalanced numbers of women and men with professional qualifications indicates that higher education providers have no systemic selection procedures that can help to respond to labour market needs.

#### 6.2.2.2 Social Conservatism

Another social constraint which prevents Omanis from holding managerial roles is that one's family name or tribe in the Omani society is of great importance and is directly linked with the kind of job or workplace a person has. Like other Gulf States, in Oman people give great importance to respect and protect their family and tribal names. When participants were asked if certain jobs in the private sector are unsuitable for Omanis as the social status of a person is determined by the type of work they do and their sector of employment, the majority of government officials acknowledged that this negative perception still persists in Omani society. Omanis perceive private sector job as less prestigious to be staffed by people of low social background and lower education. Social stigma greatly impact on Omani participation in management roles in the private sector. The following comment explains the government point of view:

"Omanis perceive private sector jobs as less prestigious and less respectable by the society. This image is stuck in their minds since long ago and it still persists." (GO4)

Conversely, the majority of private sector participants did not agree that people have negative images towards private sector job but instead they argued that, today, many Omanis leave the public sector and are very successful elsewhere. A manager from the private sector said:

"This view has been changed as some sectors are very competitive, like banks and oil and we see these two sectors are dominated by Omanis and we see also very successful Omani leaders in these two sectors." (PSMB13).

They attributed the problem to the negative stereotypes that expatriates hold about Omanis as less productive which in turn makes Omanis distrusted by business owners. This argument was clearly articulated by a participant from the private sector who said:

"The issue is nothing to do with social views, the problem is that Omanis are prevented by expatriates from joining the private sector. They create negative stories about them, so when they apply for the jobs they are rejected due to these negative images about their work capabilities." (PSMA10)

It was argued that Omanis should be encouraged to join private sector by enhancing people's awareness about the work in private companies.

# **6.2.2.3 Islamic Obligations**

All interviewees commented that Islam encourages Muslims to help develop their economic welfare. However, Islam is clear that Muslims are prohibited from working in interest-based industries and places where wine and pork are served. Regarding women at work, Islam allows women to join workplace freely, but it was made clear that when they mix with men they should appear modestly to maintain a healthy professional atmosphere. Thus, women are required to be well presented when they are subjected to a mixed working environment by wearing their hijab (Alselaimi, 2014).

Although in most Muslims countries Islamic law is not fully complied with as there are many Muslims working in banking which is interest-based, or in hotels and airlines where wine is freely served, still there are conservative families. These families do not allow their children to work in professions which are forbidden by Islam. They always refer to Quranic verse "Those who eat *Riba* will not stand (on the Day of Resurrection) except like the standing of a person beaten by Shaitan (Satan) leading him to insanity. That is because they say: "Trading is only like *Riba*, whereas Allah has permitted trading and forbidden *Riba*. So whosoever receives an admonition from his Lord and stops eating *Riba* shall not be punished for the past; his case is for Allah (to judge); but whoever returns (to *Riba*), such are the dwellers of the Fire - they will abide therein" (surah 2 Verse 275). A participant from government said in this regard:

"Islamic values also contribute in some ways in preventing Omanis from reaching managerial roles, as it is prohibited in Islam for Muslims to work in a place where wine and pork are served, such as hotels and because of that more than 99 % of managers in this sector are expatriates." (GO1)

The prohibition of work in jobs that on religious grounds are considered unsuitable for Muslims raises the opportunities for expatriates and migrant workers.

#### 6.2.2.4 Cross-Cultural Issues

Participants reflected on cultural background as one of the causes behind the lack of Omani participation in the private sector. Most participants commented on the preference given to expats workers by their expat managers. More than 95% of CEOs are expats and 90% of them are from Indian subcontinent. Participants stressed that expat managers, especially Indian, prefer Indian personnel to fill vacancies regardless of whether they are low level jobs or managerial roles. Government officials commented on this point.

"Due to the expatriates' domination of most of the high posts in the company, they are prejudiced to their counterparts." (GO2)

"International companies' management tend to have leaders from the same nationality as the company CEO." (GO3)

"In Oman, most of the private companies' CEOs are from India. They prefer ready-made labour which always favours the business owners and India is the number one origination of such labour." (GO4)

Participants from private sector had similar sentiments towards the impact of cross cultural values and norms on the employability of Omanis. They justified that it is more important to bring Omanis in to top level posts rather than focusing on bottom line posts which is not the case in the current Omanisation policy. They claim that it is very surprising that the majority of business leaders in Oman are expats, particularly from India, despite the fact that Omanis have leadership potential and they know better than expats about the business environment in their home country. This argument was acknowledged by many respondents. For example:

"Omanis are not only equal in their leadership potential with expats, but in some cases are far better and proved a tremendous success in their leadership style. Take for example, most of the banking sector management personnel are Omanis and 99 % of branch managers in the same sector are Omanis. Now the banking sector is considered the most profitable sector. Another example is the Petroleum Development Oman (PDO), the biggest oil company in Oman. The majority of its managers are Omanis and have held very important and sensitive positions, like for example most of the Rig Managers in the desert are Omanis." (PSMA10)

This was also supported by another respondent who talked about his personal experience with expats:

"From my experience, as acting branch manager for more than seven years, I was always approached by expats asking for some help regarding how to deal with a particular situation with Omani customers." (PSMA9)

This leads me to ask for an explanation for this contradictory situation and to explain why Omani business owners prefer expats to manage their business whilst there are Omanis who can do the job. Participants related this first and foremost to government policy which allowed a huge influx of expatiates to the country in the 1970s and 1980s when oil became the fundamental source of the country's economy. One manager commented that:

"The government allowed for thousands of expatriates to enter the country in the last 4 decades after the Omani renaissance had started in 1970, without any strict rules to control the entrance of expats in to the country. It is logical, that business owners at that time had no solution rather than bringing expats to manage their business, as there were no qualified Omani personnel. Expats have then dominated the businesses and they have tended to bring labour from their own countries." (PSMA8)

Another interesting issue raised by a government official concerning cross-cultural issues was that different expat backgrounds share different points of view towards giving the chance to Omanis to work and develop their careers in the private sector. He acknowledged that managers from the USA and Europe are more sympathetic than those from Indian subcontinent about Omanis and are keen to transfer their knowledge to them and have no problem that Omanis hold managerial role in the company. He said in this regard:

"Unlike Indian managers, managers from the West are more empathetic about Omanis and are very keen to train them and have no problems for Omanis to become managers in the company." (GO5)

It is clear from the comment above that cultural issues have greatly determined the way that managers are chosen in the private sector.

# **6.2.3. Organisational Structures, Policies and Practices**

Both Government Officials and managers from the private sector acknowledged that there are many concerns when it comes to the working environment in the private sector. Common themes are that abstracted consider as issues preventing Omanis from developing their careers in private industries government rules and regulations concerning Omanisation policy, trust, government job and financial constraints.

#### 6.2.3.1 Trust

The word "trust" appears 30 times in the participants' responses which makes it a strongly felt issue in successful Omanisation. Almost all of the 16 participants acknowledged that Omanis are not trusted in their workplace. They claimed that Omani owners put their entire businesses in expatriates' hands and blindly trust them. Participants from the private sector claim that Omanis regardless their seniority lack the trust from management as well as business owners.

"Trust is the cornerstone and it has been the key hindrance facing Omanis to reach managerial roles in the private sector. It is simply because when the business owners – and in most cases they are Omanis – do not have the trust in Omani personnel, logically Omanis cannot be found in top management, or have any important roles in the company. The issue is as simple as that." (PSMA8)

Two participants from the private sector shared an interesting issue regarding the way that expat and Omani managers are perceived in the workplace. They mentioned that the company's headquarters practices a sort of discrimination as the work of Omani managers is checked and audited regularly, while expat managers' work never checked and readily approved. Such discrimination was explained in the following statement:

"In reality, the company's top management, as well as the company's owner, do not support the replacement of expats with Omanis, especially in the managerial levels. They try to burden them and make some obstacles until Omanis feel tired of this unhealthy working environment and finally leave the company. I give an obvious example of the way how expat and Omani managers are treated, that is, Omani managers' performances are audited very frequently, and sometimes the audit committee comes to my branch every month and checks my work from A to Z. On the other hand, expat managers' performances are never checked, despite the huge mistakes they frequently fall in to. This situation makes me very nervous and if I can find a job in the

government, even as an employee, I will directly leave the company. (PSMA10)

Government officials raised another issue about trust relating to authority and delegation. Omanis managers or employees do not have any authority in their work and every issue in the company is decided by expats.

"In general, Omanis are not welcome to hold managerial roles in private companies, and when there are Omani managers - which in most cases there are very few - they are managers on paper only and have only the designation, but in reality, expats are the managers and controlling the entire business." (GO5)

Another government official gives a story that happened to one of her relatives who was given a promise to be promoted to branch manager but decided to leave the company. The participant said:

"One of my relatives was working in a big car company for more than 10 years. The company had decided to open a new branch in the South of Oman (Salalah), and he was appointed as branch manager for the new branch. The management asked him to go for a site visit and find a good place for the premises. In addition, he was asked to conduct some interviews and select suitable candidates to work in the branch. Once he finished all the required preparations for the new branch and chose some personnel to assist him to run the works and now the new branch was ready to function, he was shocked when headquarters asked him to come back to Muscat and continue in his previous work, because the management of the company appointed an expatriate as a manager for the new branch. He strongly rejected this unjust decision to come back and insisted to work in the new branch as a manager, but unfortunately, he found himself fighting against a very strong enemy in the company, which consists of both expat and Omani. They offered him two options, either come back to Muscat or leave the company. Sadly, he left the company with deep grief about the extent to which Omanis are suffering from the lack of trust and discrimination caused by business owners." (GO1)

This quotation illustrates how Omanis are not trusted as a result of family and social commitments, stability in work, religious obligations, work experience, flexibility in work and the nature of the work agreement between the employer and employee. The way that these factors hinder Omanis and at the same time enhance the trust on expatriates are explained in Table 6.2.

Table 6-49: Factors Influencing the Trust Given to Expatriates and Locals

Causes to	Expat workforce		Omani workforce		
trust	Strengthenin g/weakling	Justifications	Strengtheni ng/weakling	Justification	
Family and social commitments	Strengthening	Only come for work so they are not involved in any social activities	Weakening	Involved in family and social responsibilities which cannot be ignored.	
Stability at work	Strengthening	They are stable in one company for long time and do not have intention to change their current job	Weakening	Desire to work in the government so they take their work in companies as temporary.	
Religious obligations	Strengthening	Most of them are non- Muslims so they do not need to leave their work very frequently.	Weakening	As Muslims they need to fulfil Islamic obligations (like prayer times and taking holiday for Eid)	
Work experience	Strengthening	There are well-trained and ready-made workforce with long experience	Weakening	Because they are not stable in one job and always prefer government jobs this hinders them from gaining more experience as government job is more about routine work.	
Flexibility	Strengthening	They are very flexible as they can work in any part of the country or any branches of the company	Weakening	They do not prefer to work far from home especially Omani women.	
Work contract	Strengthening	Very flexible as they are easy to hire and easy to fire	Weakening	They are harder to dismiss even if they are not productive	

# **6.2.3.2 Government Rules Concerning Omanisation**

With regard to government rules and regulations concerning Omanisation policy, there is an agreement by the participants that some rules do not empower the policy in one way or another. For example, the uncontrolled influx of expats which resulted in the domination of private sector jobs by foreigners. This opinion is supported by the following response:

"Since economic development started in Oman, the government had opened the door for expats to enter the country and join private and stated-owned companies. As a result, during the 70s and 80s, huge numbers of expats, especially from India, Pakistan and Bangladesh came to Oman. Now more than 85 % of the workforce in the private sector is expats and 95 % of managerial roles are occupied by expats." (PSMA9)

The quota system is one of the policies that most governments in Gulf States use to support localisation policy. Under this system, by law the companies are forced to employ a certain percentage of nationals in some industries. In Oman, the situation is the same, a quota system is imposed and companies are forced to comply with quotas in order to gain legitimacy in the marketplace. Participants' views towards quotas were explored and the extent to which quotas support Omanisation and whether this system would be successful if is it imposed on managerial roles. However, there were divergent opinions among government officials and private sector mangers regarding the current quota system. The majority of private sector mangers emphasised the importance of imposing the same system on managerial roles as they claimed that quotas have proved successful in different jobs and help to reduce the number of job seekers. They claim that the Ministry of Manpower should take this issue seriously and impose a certain percentage of Omanis in managerial roles.

"I strongly support the idea of imposing a quota system on management posts in private companies and I hope we can see this will take place in the near future. This will allow for more chances for Omanis to hold managerial roles." (PSMB14)

"A quota system is one important way to omanise private sector jobs and therefore, I argue for the government to set at least 50 % of the total managerial posts to be occupied by Omanis. This will help omanising other jobs, as Omani managers will employ their Omani counterparts." (PSMA10)

Although, the majority of mangers from the private sector shared an opposite opinion towards quotas on management posts, they do not totally reject the idea. They justified their reticence by referring to the scarcity of Omani leaders who can replace expatriate managers. The following comment raised by private sector manager attested to this view:

"It is not easy to force companies to hire Omanis to a certain percentage, as managers, because simply, we have no human resources who can practically replace expatriates. Expatriates always come to the country with longer experience in different industries and know very well how the work gets done. Instead of imposing quotas, it is more practical if the government puts pressure on companies to make in effect what is so called "knowledge transfer, so each expatriate has a certain period of

work permit, let's say 5 years. Within this period he/she is shadowed by an Omani, who will replace him after his work permit will expire. The government can control this in the way that if one company violates this procedure, it will banned from applying for another expatriate visa." (PSMT11)

Another private sector manager suggested that quotas should only be imposed on big companies. She said:

"To implement the quota system for managerial roles, there should be criteria that can organise the implementation of such a system. One important criteria is that this system is only imposed on large companies whose staff are not less than 500, because it is not fair to force a company with 20 employees to hire Omani managers to a certain percentage and at the same time force another company with 1000 employees to hire the same percentage of Omani managers." (PSMT12)

On the other hand, officials tend to reject the idea of imposing quotas on managerial roles.

"I do not agree with imposing such a system and forcing the company to hire Omani managers to a certain percentage. This is simply because the availability of suitable Omani candidate to hold managerial roles cannot be guaranteed. I mentioned earlier the government experience imposing a quota on HR manger posts, companies found it difficult to recruit Omani HR professional, despite there being a large number of women who are capable to fill this gap, but due to family constraints, they rejected joining the private sector." (GO7)

"It is not applicable to impose a quota on managerial roles and force the companies to hire Omani managers, because for one to become a manager, or holding a high level post, he or she should gradually go through different lowest posts until he/she gained experience and becomes capable to hold a managerial post. However, this is not the case with Omanis, as they are rejecting the work of low level posts and they want to become managers from the first day in the company, which is not fair." (GO6)

Despite the divergent opinion on the importance of forcing companies to hire Omanis for managerial posts, the issue of availability of capable Omanis to hold such roles has become clear. Thus, before imposing a quota system, government has to make Omanis ready to replace expatriates.

# 6.2.3.3 Lack of Public Awareness

Government policies are directed to force companies to employ Omanis. However, it is more important to promote private sector jobs and make them acceptable to Omanis rather than force the private sector to accept Omanis. The importance of public awareness is overlooked and until recently the government has no clear intention to promote private sector jobs and therefore Omanis are not aware of their importance.

Government officials as well as private sector managers agreed the necessity of enlightening citizens towards private sector jobs. The following responses reflect the convergence of opinion on this matter:

"One of the key obstacles to Omanisation is the reluctance of Omanis to join the private sector in basic jobs, and therefore, from where do we find Omani managers when there are no Omani employees who gradually develop their career in the private sector? Therefore, it is important for the government to enhance the awareness of locals towards work in the private sector." (GO3)

"It is very important to promote private sector jobs and encourage Omanis to join companies, because the public sector is already saturated and cannot receive more Omanis. I think the only way to encourage Omanis to work in companies is to establish an independent government organisation with a pure mandate of encouraging and directing Omanis to private sector jobs." (PSMA10)

"I believe Omanis are lacking sufficient information about companies' jobs and they still have negative images about the salary and other benefits, as they are still not promising. Whilst most of the companies now provide incentive benefits and the gap between government and private jobs is narrowed.... To change this view, I believe, there is a necessity to establish an organisation to guide Omanis and encourage them to join the private sector and follow them in their career so they can receive suitable training. I believe such an organisation nowadays is very important to enhance the perceptions of Omanis towards private sector jobs." (PSMB14)

#### **6.2.3.4 Attractiveness of Government Jobs**

The preference of nationals to work in public sector – especially in Arab Countries - is a challenge facing governments to direct their people to private sector companies. (Al-Lamki, 2005; Swailes, et al., 2012). It is further supported by the findings of the interviews of this study. Both government officials and private sector managers agreed

that the great desire that locals have to work in government is a challenge. However, interviewees blamed the government and found it plays a key role in enhancing the movement of Omanis between the two sectors. They refer this to the temptations that government jobs have that are absent in the private sector.

One apparent motive that encourages private sector employees to leave their work and seek government's job is work security. Managers in the private sector regarded high staff turnover as mainly due to good pensions which are considered as the corner stone to secure a lifelong job such that the government is the employer of choice. The following are representative responses from private sector managers:

"The government's pension fund is much better than in the private sector. This is the key reason why Omanis prefer to work for the government." (PSMA8)

"The pension fund and the age of retirement are the key issues that Omanis consider when seeking for a job. Indeed, these two criteria are much better in government than in the private sector. As a result, Omanis consider their current work in the private sector as a temporary job until they get the chance to work for the government." (PSMA10)

Officials connected the preference that Omanis have for government work to issues beyond job security.

"Although private sector jobs now are much better, due to the government intervention which forced companies to provide better salaries and holidays, still Omanis prefer public sector jobs to avoid responsibilities and challenges associated with private sector job. They prefer routine-associated work, which is most likely found in the public sector. In addition, they perceive public sector jobs as more secure. Another issue that makes Omanis avoid the private sector is that the sector is a profit-based-sector, so companies may go bankrupt and if this happened they will lose their jobs." (GO5)

"The employees in the private sector are forced to move from one place to another as most of the companies have branches in different parts of Oman. This issue is not favoured by Omanis, as they prefer to work in one place and mostly be near their families. Thus, they prefer to sacrifice some income if they have work in the government, even if the salary is less than what they get in the company." (GO6)

The quotations show that family commitment is another cornerstone issue that encourages Omanis to work in government. They feel that working in a private company will prevent them from responding to their family's needs and reduce their involvements in their community.

Another issue attracting Omanis to public service is the regular announcement of new jobs in the ministries. For instance, in 2011 the government announced the availability of 50,000 new public sector jobs (Swailes et al., 2012). Both officials and managers consider this as a 'big mistake' and argued that the creation of jobs in the public sector makes Omanisation more difficult to achieve. In one government official's words:

"In theory, there are Omanisation policies, but practically Omanis are not encouraged to join the private sector because the government still opens the door for them to join its entities, so why choose the private sector while there are jobs announced every year in the government sector." (GO7)

A manager company shared the same sentiment regarding the government's attitude of opening the door to for Omanis. He said:

"How do you want Omanis to seek jobs in companies, once the government every year announces far more jobs in its organisation? I can conclude that there is no true Omanisation until the government closes its doors and forces Omanis to find jobs in the private sector." (PSMT11)

In general, and based on the information gathered from the interviews, government jobs are considered a key hindrance for Omanis to join the private sector and hold a managerial role. This is simply because if Omanis continue to perceive government jobs as their target and at the same time consider company jobs as a temporary source of income, how they can gain experience and develop their career and thus achieve managerial posts.

# 6.2.3.5 Profit-Based Sector

It is evident from the interviews that employers consider that Omanis need more training to become acquainted with the workplace. Private employers prefer foreign ready-made labour, with more experience and lower cost. The following statements explain the government view with regard to the concern that private companies owners have towards spending more money on T&D:

"The private sector is a profit-based sector and therefore instead of spending a lot of money in training and development to develop nationals' skills and competencies, they prefer ready-made workers to avoid this extra spending." (GO1)

"The problem is that business owners place their interests at the top of their priorities, so they do not care about the citizens. Thus, from a financial perspective, expatriates have become more favourable to be recruited, as they are well-trained." (GO6)

"The short view that business owners hold about Omanis is that they are lacking in working skills and experience and thus they require more training and development if they become employed, which has increased the recruitment chances for expatriates, as they are a ready-made workforce." (GO8)

A manager from private sector supported this sentiment and considered the issue of profit as an obstacle to recruiting Omanis. He believed that a foreign workforce needs to become more expensive to minimise their impact in the country. He said:

"The government should have a clear policy about Omanisation. This involves limiting the work permits for expatriates. Each expatriate, regardless of his position in the company, should transfer his knowledge within his work permit period by shadowing with an Omani, who will replace the expatriate after he has finished his contract. Also, renewal of contracts should be stopped regardless of any reasons provided. All this will help to turn the private sector from an expatriates-dominated sector to a nationals-dominated sector." (PSMT11)

# **6.2.3.6 Top Management Attitudes to Omanisation**

The management point of view towards Omanisation was identified by participants as a key variable that can determine its success or failure. Generally, responses indicate a resistant from top management towards Omanisation. It is claimed that the policy is merely a sort of taxation imposed in the form of a quota. Thirteen out of 16 participants acknowledged that Omanisation policy is not supported by top management and instead they perceive it as an obstacle to sustainability and growth.

The justifications for the negative view towards Omanisation are diverse. For example some managers claim that the government forces the private sector to absorb Omanis at a certain percentage and ignores the lack of skills which in turn raises T&D costs. This is well articulated by an official from the government who stated:

"The companies' managements consider Omanisation as a barrier to their companies' performances. They claim that Omanisation is simply about the transferring of employment positions from foreign to local workers. However, new Omanis are not ready to do the work and need a lot of training and development, which costs the companies a lot of money." (GO1)

Top management deliberately deters Omanisation programmes as they know the aim is to replace them with Omanis. They try to convince the CEO or the business owner about the weakness of Omanis by deliberately assigning new entrants to inappropriate jobs that do not match their background or training, so that they would eventually fail in their post. A manager from private sector states:

"My Company's management tries to stop Omanis developing their career, so they will be never reaching managerial roles in the company" (PSMA12).

In the words of another manager from the car sector

"Some expatriates fought the Omanisation initiatives which I suppose to be only natural" (PSMT14).

Similarly, an official from the government stated:

"Most expatriate managers in the companies – mainly from India - are extremely afraid of Omanisation, as they believe it is designed to deport them" (GO2).

On the basis of the above statements, offered by both officials from the government and mangers from private sector, one can conclude that Omanisation policies are seen by top management as a problem rather than as a policy designed to raise the living standards of its citizens. Most of them confirm that managers, mainly expatriates from the Indian subcontinent, could not be expected to embrace Omanisation as it was ultimately aimed at removing them from the workplace. Phrases like 'expatriate mafia' and 'expatriates' lobby' were used by participants to describe the way how expatriates unite on their negative views towards Omanisation.

To probe this issue further, interviewees were asked whether the negative image towards the objectives of Omanisation is unique to expats or if Omanis share the same view. The responses were surprising to some extent as out of 16 interviewees 11 condemned both groups for this negative view. The following are representative responses from the government and from private sector reflecting this conviction:

"Both expatriate and Omani managers in top management share the same view towards Omanisation, as they claim that basically Omanis lack leadership skills, which will negatively affect the business if they hold managerial roles because the success or failure of any business is largely dependent on its leadership." (GO3)

"Managers in my company, regardless of their background, all work hard to prevent the Omanisation programmes succeeding, because they all want to save his or her place in the company." (PSMA10)

However, some participants felt Omani managers were more empathetic toward their Omani counterparts. In one manager's words "I think there is still differences in the way that expatriates and Omanis view Omanisation. The latter is more empathetic about Omanis, because they are sharing the same values and cultures and so this social link prevents them from hindering Omanis to develop their careers." (PSMA9)

In general, the above analysis reveals that top management – expatriates and Omanis – commitment to Omanisation policy is faltering. The policy is largely criticised from different perspectives and most of them are related directly to the costs that companies believe they have to incur when employing Omanis or the job security that both expatriates and Omani managers are trying to guarantee.

# **6.2.4 Negative Stereotypes of Nationals**

Based on the responses, Omani employees were negatively stereotyped on areas related to work ethics, skills and competences, cultural disposition. These areas of stereotype are discussed below with relevant quotes from the interviews.

#### 6.2.4.1 Work Ethics

Negative stereotypes were that locals are not loyal, not dedicated to work, not stable in a job and ignore company rules and regulation. These characteristics were frequently raised throughout the 16 interviews. It was not surprising that the majority of responses regarded expatriates as the major source of negative stereotypes. The following comments attest to negative views towards work ethics of locals expressed by government officials:

"The issue is all about the stereotype that is embedded in our society that Omanis are less productive, less loyal and less dedicated to their work. These negative views are primarily created by foreigners in the workplace and later were diffused in our community. This results in the loss of trust in Omanis. On the contrary, these negative views about Omanis enhances the trust of expatriates, and therefore business owners hand out to them everything in the company, so they become number one boss in the company." (GO1)

"From my point of view, the expatriates play a strong role in creating negative images about Omanis, exploiting the issue that Omanis prefer public sector job and make their work in companies as a temporary job. In consequence, business owners have become reluctant to trust Omanis and instead they heavily trust expatriates." (GO5)

"I can say that the negative stereotypes that expatriates express about Omanis are not true and it is a kind of propaganda in order to prevent Omanis from succeeding in the private sector. Instead, if the chance is given to Omanis and is treated equally with expatriates, they will be better than expatriates and we have examples of successful Omanis in the oil and gas sectors and in the banking sector where Omanis are the majority group." (GO4)

A similar point of view was heard from private sector.

"Omanis are negatively viewed as unproductive and are not suitable to work in the private sector, so government ministries are the only places that accommodate them. From my experience in the private sector, such stereotypes come from both expatriate and Omani managers, because simply they all want to secure their places." (PSMT11)

"I believe both expatriate and Omani managers negatively stereotype their Omani subordinates as lazy and inactive in their work. Simply because expatriates do not like Omanis and therefore Omani managers should do the same if they want to survive in their work." (PSMA9)

The interesting point in these responses is that the majority of participants from the private sector attributed the negative stereotypes about Omanis' work attitude to both expatriates and Omanis. Government officials were more likely to focus on expatriates as the major source of negative stereotypes. This is may be because participants from private sector know better than their government counterparts as they are part of the working environment and know better what is going on.

# **6.2.4.2 Skills and Competencies**

Omanis are generally perceived negatively in terms of their skills and competencies. The majority of the participants say that this claim is a lame excuse and it is only presumed by expatriates who claim that Omanis are liabilities more than assets because they are afraid of losing their positions and trying to convince business owners that expats are better to invest in. At the same time, there was agreement among participants that Omanis have the same if not better working skills and expertise than expatriates. In one official's words:

"Expatriate managers do not prefer Omanis to work with them in top management. This is supported by the negative view of business owners about Omanis, that they lack skills and experience and therefore they prefer expatriates in order to secure their profits." (GO7)

The same sentiment was shared by a manager from private sector:

"The ignorance of Omanis' capabilities and skills by both the business owners and the company's top management explains the large discrepancy between the numbers of expatriates and Omanis in managerial roles and other jobs in the private sector." (PRSM10)

Under this stereotype, expatriates try to generalise statements about Omanis indicating that they lack problem solving skills, communication skills and lack experiences and that they need additional training before they are ready to join workplace. Once employers are convinced that extra costs will be increased they automatically think of ready-made labour to avoid any extra spending.

#### **6.2.4.3 Cultural Disposition**

It is claimed that Omani culture regards certain jobs as unsuitable for citizens and cultural prerequisites such as taking leave in certain social events like weddings or bereavement contribute to the stereotype.

"Omani owners have the fear of letting Omani leaders manage their businesses because they know that Omanis are not going to spend more time in the company, but instead they will leave the work very frequently because of their social culture. On the other hand, foreigners are only coming to work and do not have anything else to do. This view hinders Omanis to reach managerial posts in private companies." (GO7)

Employers generalise a negative image about Omanis as taking jobs because of quotas not because they want to and are ready to leave their work once they find alternative work in the government. This is due to their cultural values which make many occupational roles unattractive to local jobseekers, even the new graduates (Al-Lamki, 1998). The impact of the notion that one's occupation and sector in which one works determine one's 'social status' is far more acute in the Arab Gulf than elsewhere (Mellahi, 2007). This notion is supported by a manager from private sector:

"Yes I agree, there are culture influences that prevent Omanis from working in the private sector. One of these is the social stereotype about those who are working in companies from low level backgrounds and are less educated. This view makes Omanis escape from any private job and prefer to wait for a government job. Why does this happen? Because for three decades and from the 1970s when His Majesty has taken the role from his father, the doors were opened to expatriates to come and contribute to building the infrastructure projects in the country. Now in our community, the private sector is being classified as only designated for foreigners - mostly Indians - .... This situation has resulted in the domination of expatriates in the private sector in Oman." (PSMT12)

She brings to the discussion the degree to which a person's image is harmed when they join the private sector and are socially classified either as less educated or as associated with low background family. This image results from the influx of foreign workforce to the country during early 70s and 80s. This has resulted in segmenting both public and private sectors in the way that government jobs are designated for locals and private sector jobs are carried out by foreigners.

#### 6.2.4.4 The Overall Situation

An interesting point arising from the negative stereotypes is that business owners themselves have become critical of Omanis to the extent that it is foremost on their mind that Omanis are always wrong in doing their tasks at the same time expatiates are always right. This argument is supported by a manager from private sector manager:

"As Omani workers in the private sector, we suffer from expatriates in many ways. More importantly, they create negative images about us to the extent that now business owners have themselves become critics of local workers and always think we are always wrong, but expatiates are always doing perfect tasks. Thus, I'm thinking seriously to quit my job in this company and find a job in the government, even with a low salary." (PSMA8)

# Another participant supported this:

"Omanis are prevented by expatriates from joining the private sector. They believe the private sector is their kingdom. They are trying to make the issue more complicated for Omanis who are thinking to join the private sector, by creating some negative views about Omanis. This in turn, negatively affects business owners' thoughts about Omanis. At the end of the day, they become resistant to the employment of Omanis." (PSM10)

Overall, it is evident from the responses that negative stereotypes revolve around a major theme that is many jobs are considered unsuitable for locals and that expectations of citizens regarding what it takes to advance a career are generally unrealistic. The more worrying issue is that citizens are more likely to be negatively stereotyped by expatriates who occupy better positions in the company and share the decision-making process. This finding further supports Al-Waqfi and Forstenlechner (2010) who concluded that the impact of the negative stereotyping of citizens in the UAE increases with the experience and seniority of respondents.

# **6.2.5 Unexpected Themes**

The findings set out above are not entirely unexpected. In this section, however, I set out some new and unexpected themes revealed by the study. These themes cover four key aspects: Inter-faith conflict, social distance, institutional structure and organisational silence.

#### **6.2.5.1 Inter-Faith Conflict**

With regard to inter-faith conflict, interviewees revealed that expat managers do not want Muslims employees – no matter they are expatriates or locals – because of religious observance which may lower their productivity. It was disclosed by some interviewees that Islamic practices such as daytime prayers and Ramadan fasting are considered as obstacles to organisational productivity easily overcome by hiring non-Muslims workers.

"Omanis or even Muslim expatriates are being less fortunate to have a chance to join private companies in Oman, because business owners believe that some Islamic practices conflict with their business, like some holidays that Muslims are entitled to such as Eid Holiday and Muslims demand prayer times so this will affect the business." (PSMA10)

It is surprising that Islamic values are not fully respected in a Muslim country. Interviewees were questioned on this critical issue by asking whether expatriates and Omani managers share the same intention. The responses were surprising as the majority of interviewees acknowledged that both groups share same point of view and consider Islamic obligations as a barrier to productivity. A private sector manager stated:

".....yes, both expatriate and Omani managers do not want Muslim expatriates, or Omanis, to join the company. They both consider their profit as the key priority." (PSMA8)

It is evident from the above statement that a profit motive overrides Islamic values in a relatively conservative Islamic Omani society. Business owners do everything to maximise their profit and ignore Islamic values which assume justice and generosity in the workplace and it views engagement in economic activities as an obligation.

Islamic ethical principles call for a fair distribution of wealth in the society and improve the community members welfare (Yousef, 2001). It considers the cooperation among people in the society as noble deed which always leads to happiness among them. Prophet Mohammed promoted the Muslims and their work to the highest level if their achievements advantage others in the society. He said in this regard "The best people are those who benefit others".

It is argued that Western HR policies and practices are based on American individualism and Protestant-capitalism. Under both philosophies, workers are viewed

solely in terms of their economic contribution to the firm. By contrast, Islamic view towards HR focus on communal relationships, human dignity, kindness in dealings, and concern for the welfare of the society. That is the firm has a specific role to play in its community by proving certain services as a pay back.

Nevertheless Oman is a purely Islamic country, the above mentioned practices where management of the companies tend to exclude the Muslims from work because of their religious obligations are an extreme violation of Islamic basic ethics. it contradicts one's *Iman* (belief) which is a set of Islamic moral values that have been approved in the Holy Qur'an and derived from the actions of Prophet Mohammed that involves caring of others (McGree, 1997). Prophet Mohammed said in this regard "None of you has faith until he loves for his brother or his neighbor what he loves for himself" (Sahih Muslim: <a href="http://sunnah.com/muslim45">http://sunnah.com/muslim45</a>)

Thus, to great extent this unspoken issue can be a critical obstacle facing Omanis to join the private sector job, especially when it is known that the majority of Omani society is conservative Muslims. They are not ready to scarify with their Islamic values if they are asked for example to delay their daytime prayers to avoid any overlapping between work and religion practices.

# 6.2.5.2 Social Distance

Analysis of the interview data identified a sensitive issue that was described by the participants as "hiding of wealth" or the way that business owners seek to minimise the number of people who know about their wealth. They believe that a company's financial situation will be more vulnerable to disclosure due to the interactions that Omanis have with others such as their families, friends and colleagues. On the other hand, expatriates are held at greater distance and have less social involvement, as a result, the company's financial issues are less likely to be shared with others. This view was stressed by a manager who stated:

"Business owners believe their wealth and financial situation will be kept more confidential when the company is run by expatriates. On the contrary, they believe their wealth will be more at risk when the company's financial issues are under Omani control, due to the possibility that Omanis will spread the company's financial situation amongst their social circle." (PSMA10)

This hitherto example of "undisclosed personal issues" is of great importance and should not be ignored as a barrier to Omanisation. This interviewee attributed low hiring rates among Omanis to the risk that sensitive information about the owner(s) and therefore their wealth will leak. This gives advantage to expatriate labour to be hired on sensitive managerial roles which makes most of the business critical decision on their hand (e.g. decisions reading recruitment and selection). It is logical, therefore, expatriate managers tend to attract their counterpart workers and on the other hand make the access of Omani nationals into the company harder. This explains the discrepancy on the number of expat and Omani managers where the former group represent more than 90% from the total managers in private sector who have the full power and control the entire business. The 10% of Omani managers are only managers on paper and have no authority or tasks delegations. This convergence on the view that both officials from the government and managers from the private sector share is strong evidence towards the lack of trust that Omani mangers have in the workplace. Examples of this view explicitly described by the following quotation raised by a manager and followed by another quotation raised by an official from the Government:

"We are suffering from the unjust treatment we receive from the company's management, as Omanis are always wrong and expats always right." (PSMA9)

"Business owners in Oman have overconfidence with expats and leave to them every critical decision in the company, and they become boss number one in the company." (GO3)

As the issue is very sensitive it has not been revealed before and it was not a dominant theme in the interviews. However, it is a plausible barrier worth reporting.

# **6.2.5.3 Government Structure**

With regard to institutional structures in Oman, two issues were acknowledged by participants. These are the ways that ownership is practiced in the private sector and contrasting rules and regulation concerning local employees in the government and the private sector.

# **6.2.5.3.1** Ownership

With regard to company ownership, during the 1970s and 1980s the economic conditions in Oman were conductive to ambitious growth and development (Al-Lamki,

1998) due to the oil revenues. The large investment in infrastructures projects required a skilled workforce and using expatriates was the only way to secure one. From that period onward, the private sector which presently holds most of the job opportunities continues to heavily rely on expatriates.

In light of the above, companies in Oman have been become expatriated-dominated because those who joined these companies at their early stages now have become their CEOs who have worked hard to secure jobs for their counterparts. This was well articulated by an official from the government who stated:

".....it is observed that the majority of the workers in a company have the same nationality as the CEO of the company. This reduces the chance of Omanis to have management posts and in turn enlarges the gap between the number of expatriate and Omani managers." (GO2)

A similar sentiment is expressed by an interviewee from the private sector who said:

"Most of the companies are led by expatriate CEOs mostly from India, who largely prefer their countryman's labour. I am really surprised as to why CEO positions are dominated by expatriates from India. Why not Omanis, in spite of the lower salary that usually Omani managers have than expatriates?" (PSMT12)

An interesting issue concerning company ownership was identified in several instances during the interviews that Omani business owners have only the name of their companies but the practical owners are expatriates. The following comments attested to this view:

"In reality, private companies are owned by expatriates especially from India, and Omani owners have only the name of the company and only receive their share of the monthly profit." (PSMA10)

"From my point of view, expatriates – especially from India - have dominated the management posts in the majority of private companies, to the extent that the actual owner – we assume is Omani - have no hand in his/her business, as all critical decisions are taken by expatriates. HRM in the private sector has been largely impacted by this phenomenon, in the way that the recruitment and selection have come into the hands of expatriates, who always prefer their countryman's labour." (GO1)

It is clear from the above statements that ownership is an issue that hinders the employability of Omanis in the private sector. Once the HR components are managed by expatriates, especially issues related to recruitment and selection, the government's initiatives of replacing expatriates with Omanis will be problematised. Hence, the government has to pay greater attention to ownership in private sector by using some new rules and regulations.

## **6.2.5.3.2 Conflicting Government Rules and Regulations**

The second issue under institutional structure was the government procedures that are imposed on Omanis when benefiting from the services offered by the government. Participants acknowledged that the government gives privileges to public sector employees on some services and benefits. There was considerable comment on this point, for example a participant from private sector stated:

"In the private sector we face a sort of discrimination caused by the government's rules and regulations. For example, public employees are asked to repay their housing loan within 20 years, but private sector employees have only 10 years to repay the loan. This means our monthly instalment is doubled to what public employees pay. At the same time, we are receiving less salary. Another example is the levy we pay to the government when we receive government land. It is double what public sector employees pay for the same purpose." (PSMA10)

Conflicting government regulations also impede Omanisation:

"We have currently a critical issue that can also hinder successful Omanisation policies. This is the differences between the rules and regulations imposed by some government organisations, regarding hiring Omanis in different professions. For example, if we consider civil engineering, the Ministry of Housing asks for 10 years of experience if someone wanted to start his/her own business, or join a construction company, but the Ministry of Manpower does not ask any work experience for civil engineering to join any private companies. Simply, from where can we find civil engineers with such long experience?" (GO5)

The above statements indicate that government organisations are not always aligned and do not unite their efforts to make Omanisation more successful.

# 6.2.5.3.3 Lack of Work Harmony

Harmonious relationships between locals and expatriates should support localisation. Examining such relationships from the managers' point of view is worthwhile as managers deal with both Omanis and expatriate workers in their workplace (Al-Aali, 2014). Interviews reveal a surprising result that all participants acknowledged a negative relationship between Omanis and expatriates in their company. This is well articulated by one of the interviewees from government who stated:

"In most cases the conflicts frequently arise between both expatriate managers and their Omanis subordinates, due to the perception that expatriates in general have towards the basic objective of Omanisation as replacing them with Omani workforce." (GO1). A similar sentiment is expressed by an interviewee from the private sector who stats: "Expatriates dislike working with Omanis, and deliberately they deform their image in the employer's eyes. Also, expatriates always try to make trouble for Omanis to make them hate the working environment, until eventually they prefer to leave the company." (PSMA8)

Although most interviewees acknowledged that expatriates are the cause of the unfriendly relationships between the two groups, a contradictory view was raised by some participants who stated that Omanis are the reason expatiates managers do not accept Omanis. This view was explained by a government official:

"Omani new generations are very lazy in accomplishing a certain work. They seek easy work and thus they prefer to wait for a government job, or they wrongly exploit the quota system and join any company under the quota. The management knows that Omanis are not coming to take the work seriously and join the company's team, they are just coming because they know the companies are forced by the law to employ them. Therefore, from the first day in the company, one can notice their carelessness towards their work. This leads the company's management to ignore them to the extent that some Omanis who are employed in companies, are allowed to stay at home and receive their monthly salary, simply because for the management, this type of workforce is a liability more than an asset, so better to leave them away from work." (GO1)

In fact, this way of working favours expatiates because they know by this attitude Omanis are not going to learn the work and are not going to gain any experience thus reinforcing the need for expatriates to run the business. Another issue which constrains the relationship between expatriates and Omanis in the workplace is cultural values and norms. This happens when some Omanis avoid mixing with their expat counterparts because their conservative social background does not allow them to react with people outside their group. This argument is expressed by an interviewee from the private sector:

"Some embedded Omani social customs have a great impact on some Omani employees' attitudes to their work. Especially those who come from very conservative families. They avoid being involved with a mixed culture in the workplace and try to form their own group. At the end of the day, their conservative ideas prevent them from learning new skills and competencies, such as communication skills which are considered as a key component in today's multi-national working environment. It is logical that expatriates, or even Omani managers, will avoid anyone who is not willing to learn and not willing to join the modern working environment. This results in a very fragile relationship between expatriate managers and their Omani subordinates. From my experience as a Human Resource General Director, I can notice that there are Omanis who do not want to change their old beliefs and still think they cannot work with expatriates due to social and religion differences. On the other hand, a few of them break this barrier and have become like a friend with their expatriate or Omani bosses. This in turn supports their presence in the company and they have more chance to develop their careers in the company." (PRST11)

It is evident from the above statement that social background still influences the acceptance of Omanis in the private sector. Omanis are not accepted by their bosses because of their conservative ideas about mixing with non-Muslims or even shaking hands with them as they believe this is forbidden in Islam, which is not the case. Prophet Mohammed regularly visited his Jewish neighbour and when this neighbour died the Prophet went to his funereal.

#### 6.2.5.4 Organisational Silence

Some issues emerged from the data that had received little attention in the literature on Omanisation. These are seen as politically incorrect or unspoken issues and the most frequently mentioned were a "power struggles" and "conflict of interest".

#### **6.2.5.4.1 Power Struggles**

Interviews with Omani managers sectors revealed that expat managers suppress Omani employees voices if they speak for their rights to be promoted and to develop their career and therefore they avoid working with expats saving their dignity from any unwanted behaviour caused by expats. This was attributed to the lack of government protection given to Omanis in the private sector. A manager from private sector said:

"Omanis do not have the desire to join the private sector, though they have the experiences and skills, because those who are already managers in the private sector do not have the authority and delegation. They are only managers on paper and if they stand to demand their rights, they will be stopped by expat bosses.....hence and in order to save our dignity, Omanis reject joining the private sector even as managers or in high ranked posts." (PSMA7)

The education system in Oman is another reason that weakens Omanis as most of them join the private sector with a low level of education due to limited places in universities. In contrast, expatriates join with higher qualifications and experience which strengthen their position. Later, expatriates become more powerful and more trusted by the management. This argument is supported by a manager from private sector who said:

"The current education system in Oman is very weak and is not designed to create future leaders, as there are few university places for secondary school leavers and most of them are directed to seek jobs with less skills and competencies." (PSMA9)

An additional point of view on the discrepancy between expats and Omani managers was raised by one participant who claimed that the obstacle for Omanis is neither owners nor expatriates, but the problem is the Omanis who give up from first moment of conflict with expats. Instead of resisting they quit and leave the post opens to expatriates. She summarized the common attitude of Omani workers in private sector:

"Omanis are not patient in their work and do not want to learn from expatriates. They simply give up if conflict arises between them and their expat bosses. Omanis should realise that expats create such burdens deliberately, in order to exclude Omanis from the company. Thus, it is important for Omanis to be more patient and exploit the expertise that expats have and learn the work, so that they do not leave any excuse for management to exclude them from any promotion chances or managerial role." (GO1) This view is plausible as Omanis avoid conflict and do not want to clash with expatriates. However, this is not an excuse for the government to leave Omanis suppressed by strangers in their workplace without any intervention. Government should consider giving further protection to encourage locals.

Overall, it is evident from the responses and other sources that Omanis suffer from an unhealthy work environment in the private sector caused by expat bosses and often do not feel comfortable speaking to their managements about issues that concern them. Omanis consider that speaking up about this suppression is dangerous because it could damage their relationships with people on whom they depend.

# 6.2.5.4.2 Conflict of Interest

Most private companies are owned by Omanis yet at the same time the majority of the workforce is foreign. Participants attributed this contradiction to the unhealthy practices of businesses owners in order to maintain their businesses. Participants acknowledged that most companies in Oman are owned by officials in the government who lack the time and/or the management skills to run their business. This is well articulated by a manager from private sector who said:

"Most of the companies' owners are working in high positions in the government for a long time and have no time to look after their companies, so they have looked for someone who can do this job for them. Unfortunately, during the 80s and 90s there were no available Omani personnel who can hold management posts. Therefore, the solution was the expatriates – particularly from India. Those old expatriates have become key decision makers in these companies and always prefer to bring someone from their home country, as they share the same values and norms and can speak the same language. As a result, the companies in the private sector have become expatriate-dominated companies. Now the owner cannot force any decision, but instead he has to follow the Indians in order to protect his profit." (PSMA8)

The above issues must be considered as problematic for a business and hinder its ability to change and develop in the context of pluralism (Morrison & Milliken, 2000). When employees know the truth about certain issues – mostly the company's corporate policy- but prefer not to speak up because some powerful forces prevent them, organisations will suffer. These themes are critical variables that significantly

affect Omanisation programmes and have so far remained unspoken and overlooked in government agendas.

# **6.2.6 Challenges to Omanisation**

Participants were asked about the challenges facing the government to adopt effective Omanisation programmes. Responses show a divergence in the types of challenges mentioned by officials and managers as shown in Table 6.3.

Table 6-50: Comparison of Public and Private Managers' Opinions towards

**Challenges Facing HRM** 

Challenges Facing HRM							
Government	Officials	Managers					
Participant	Challenges	Participant	Challenges				
1	Social and cultural issues	9	Lack of trust of business owners of Omanis skills and competencies.				
2	Temptation of Gov. Job	10	Weak education system (no matching between education outputs and labour market requirements)				
3	Lack of trust of business owners of Omanis Low financial incentive in private sector	11	No long term planning of HRM and HRD in Oman				
4	Financial constraints (companies do not want to spend money on T&D whilst their ready-made foreign labour)	12	Public sector job temptations.				
5	Lack of trust of Businesses owners on Omanis.	13	Public sector job temptations.				
6	Low financial benefits in private sector	14	Public sector job temptations.				
7	Social and cultural issues (Omanis prefer to work close to their home in order to fulfil social and family obligations)	15	Lower job security provided in private sector.				
8	Poor English language skills Lack of trust of business owners in Omanis	16	Lack of career development. Not easy to reach managerial posts because they are reserved for expats.				

It is surprising that the government was acknowledged as a challenge to Omanisation. As one interviewee put it, they are "solving one problem by making another one". The government has introduced its Omanisation policy on one hand aiming to replace expatriates with Omanis and on the other hand it has opened the door for Omanis to join public sector which is in most cases better in term of condition and remuneration. This argument was also reflected in the response of a manager from private sector:

"If the government aims for true Omanisation, it should first stop announcing new jobs in its organisations. At the same time, it should help to make private sector jobs more attractive by closing the gap between jobs in the two sectors, financially and morally" (PSMT13).

It was argued in the literature that the privilege that governments' employees get over their counterparts in private sector makes the fundamental objectives of job localisation policies unattainable (Al-Lamki, 1998; Al-Waqfi & Forstenlechner, 2010; Forstenlechner et al., 2012; Rees et al., 2007; Swailes et al., 2012). Nationals prefer to wait for a government job, or temporarily join the private sector while seeking a government post. This attitude is not favouring private employers who feel employing locals is a waste and if they do so, it is only to comply with government rules and regulations.

Table 6.3 shows further challenges to successful Omanisation. These cover firstly, a lack of long term planning relating to HRM:

"The key challenge to a better Omanisation, is that the government does not have a clear long term plan which considers the employment of Omani youth and provide them with chances to take up private sector employment. The plans are only designed for the current need." (PSMT14)

Secondly, difficulties convincing private employers to hire Omanis as a government official stated:

"The government faces constant difficulties to convince company owners to recruit Omanis, as they consider nationals to be more costly...." (GO4)

Thirdly, students are not aligned to the needs of the market:

"The education system is the major barrier preventing the government from developing its human resources, because the current system is very weak and does not prepare Omanis for work, it emphasises theories and concepts only...." (GO6)

Finally, it is worth noting that socio-cultural factors are frequently presented in the literature as a key barrier to labour nationalisation implementation (Rutledge et al., 2011). In most developing countries women are not willing to accept employment in a mixed gender environment or on shift-based work. This is further supported by this research as it was found that the one of the obvious challenge facing Omanisation is

the reluctance of families to send their daughters to work in the first line jobs in factories. This was described by a government official:

"I believe that most Omanis reject working far from home, or working on shift-based work, whilst at the same time most of the companies have branches all around Oman and cannot guarantee for someone to work near his/her home." (GO4)

More surprisingly, it can be noticed from Table 6.3 that responses from the private sector are more likely to blame the government. For instance, the miss-match between educational outputs and labour market requirements are most likely based on short-term planning and better incentives in public sector jobs. All these issues are primarily under the control of government. As such, the question should be asked why is the government not adjusting its road map regarding Omanisation policy which is to some extent is unsuccessful.

In contrast, government officials are more likely to blame the employers, society and Omanis. Government officials consider issues like social and cultural values, employer's lack of trust of Omanis skills and competencies, lack of financial resources devoted for T&D in private sector as issues representing challenges developing HR in Oman.

To sum up, participants reveal that both government officials and managers in private sector are not satisfied with current Omanisation policy and both presented a group of challenges facing its successful implementation. All participants acknowledged that true Omanisation cannot be achieved unless all stakeholders sit together and agree solutions that can satisfy the all parties. They concluded that there is a great deal of effort required to develop government and HRM planning in order to ensure a practical Omanisation policy.

# **6.3 SUMMARY OF QUALITATIVE FINDINGS**

Table 6.4 summarises the above analysis of the interviews findings. It classifies the opinions of each group towards the identified barriers to Omanisation policy in private sector.

Table 6-51: Summary of Barriers to Omanisation from Qualitative Findings

Identified key	Government Officials perspectives			Private sector managers perspectives		
themes	Causes of identified barriers to Omanisation  Employers Government Employees/locals			Causes of identified barriers to Omanisation  Employers Government Employees/locals		
Training and development	Lack of T&D by companies.	English skills training. Weak application of acquired knowledge.	Omanis lack desire to learn. Weak application of acquired knowledge.	No further training provided. Lack of knowledge transfer. No job shadowing provided.	Lack of systematic selection of trainees. Mismatch between job requirements and training programmes. No long term training plan. Only vocational training (no specific leadership training programmes.	Avoid job retention, not ready to learn from expats. No job shadowing provided.
Culture values and social conservatism	Expatriates deliberately exclude Omanis because there are not sharing same values and language.	Not forcing companies to make private sector jobs more socially accepted (e.g. provide more salary, health insurance and schooling)	Private jobs socially less acceptable. Women not encouraged to work far from home or in a mixed working environment. Avoid jobs for fear of missing some social and Islamic events (e.g. Eid, Ramadan). Exaggeration on job expectations	Expats prefer same group working environment.	Not forcing companies to make private sector jobs more accepted (e.g. provide more salary, health insurance and schooling)	Family and social commitments. Interest-based business not suitable for Muslims. Tribal background. Avoid mixed cultural working environment.
Agency issues/ Institutional structures	Lack of trust Lack of job security	Government job temptation. Easy to hire and fire expats. Omanis can move freely between the two sectors. Quota system.		Possibility of bankruptcy. Expats not willing to train Omanis. No authority or work delegation given to Omanis.	No enforcement of Knowledge transformation. No practical follow up to Omanisation Lack of public awareness towards private sector jobs to	

		Frequent announcement of new jobs in government. No financial supported given to private employees. Lack of public awareness towards private sector job to make such jobs more socially accepted.			make such jobs socially accepted. Quota system. Government job temptation.	
Stereotypes (who is responsible for such negative stereotypes which are created by expatriates about Omanis?)	Lack decision making and communication skills.	Lack decision making and communication skills.	Less loyal, less dedicated to work, not stable, and ignores companies rules and regulations. Avoid responsibilities.	Lack decision making and communication skills.	Lack decision making and communication skills. Avoid responsibilities.	Needs high posts to be socially accepted. Not stable on one job. Avoid responsibilities
Emerged Themes	Omanis are only owners on the papers	Conflicting on Government rules and regulations when hiring Omanis.		Expatriates lobby/Mafia. Omani owners Avoid employing same group to keep employees socially distant. Muslims are not welcome to work. Omani employees afraid of expat oppression.	Privilege is given to government staff over their counterpart on some services provided by government. Business owners are officials in government	

Table 6.4 shows that many of the obstacles that prevent Omanis from joining the private sector are shared by both government officials and private mangers. However, it is not only the employers who are considered as the key producers of these obstacles, but also the government and nationals play a part. Issues like the quota system and flexibility on hiring and firing expatriates are all about government rules and regulations, whilst variables like local reluctance to join the private sector and the misperception locals have towards private sector all deal with personal issues. Hence, all three stakeholders; government, private employers and citizens all contribute to the involvement of Omani nationals in the private sector.

#### **6.4 CONCLUSION**

The interviews explored the views of government officials as well as managers in the private sector. Both groups agree that training and development provided by Ministry of Manpower is insufficient to create an effective local workforce. Factors such as lack of skills and competencies were identified by private sector employers as vital for increasing Omanisation. Government officials explained that private sector structures in terms of management and salary form barriers towards Omanisation.

A surprising finding was the acknowledgement by both groups that the government itself is considered as a key barrier to Omanisation as it operates the policy to create jobs and at the same time opens its door for locals. As a result, Omanis continue to prefer the government sector, which causes private sector employers to lose trust in local workforce. The formation of occupational standards for jobs and limitations on expatriates' length of stay were recommended to assist Omanisation.

Having provided the findings at the organisational and national levels, the next chapter brings together the literature and the quantitative and qualitative findings.

# CHAPTER 7: DISCUSSION OF QUANTITATIVE QUALITATIVE DATA

# 7.1 INTRODUCTION

This chapter discusses the findings from the quantitative and qualitative analyses presented in the previous two chapters and links the findings to the research objectives and the literature on job localisation. The findings are located within human and social theories and the intention is to identify barriers to Omanisation.

The fundamental aim of this research is to gain a better understanding of the relationship between specific individual variables and human, social and organisational dimensions identified as barriers to job localisation. How participants perceive these barriers, and how these perceptions differ depending on gender, marital status, income, employment sector, seniority, work experience, in-company training and educational background were explored by setting out four specific aims:

- 1. To investigate human, social and organisational barriers to Omanisation policy and how perceptions of these barriers differ depending on personal demographic variables.
- 2. To examine the extent to which stereotypes around work-related ethics, traits, attitudes, behaviours and competencies hinder the implementation of Omanisation policy.
- 3. To determine sector-specific factors hindering Omanisation policy.
- 4. To determine factors that perpetuate expatriate and migrant employment in managerial roles and identify what training Omani employees need to better compete with expatriates at managerial level.

This chapter is organised in five sections. The first section discusses the results concerning the participants' individual differences and the extent to which human, social and organisational variables are considered as a barrier to Omanisation. The second section compares the results regarding Omanisation in three sectors; banking, tourism and automotive. Section three provides an in-depth illustration of how the stereotyping of Omani employees is affecting the adoption of Omanisation policy.

Section four is concerned with the key contributions of the study and discusses a number of new emergent themes which act as barriers to the employability of locals and which may be unique to the Omani context. Section five illustrates the results concerning the perceptions of participants towards the education system in Oman as a barrier to Omanisation.

### 7.2 BARRIERS TO OMANISATION

As noted earlier, the quantitative study evaluated a set of human, social and organisational components that could hinder an effective implementation of Omanisation. In the first objective of the study, based on their individual differences, participants were asked to evaluate the degree to which each of these components is considered as a barrier to Omanisation. All these components, with the exception of educational system an English language skills, were found to have negative impact on the adoption of Omanisation. From a human perspective, human capital; training and development and organisational envelopment, were the important factors affecting Omanis decisions to enter private sector work environment. From a social perspective, social capital variables of trust, and gender inequality were contributing factors to Omanis employability. From organisational capital perceptive variables, working conditions, salary and Remuneration HR policies and stereotyping (expats) were the major factors influencing successful employment of Omanis in private sector companies.

In order to avoid undue repetition and for expediency only those findings thought to have the most merit will be discussed.

# 7.2.1 Training Effects

The data analyses (chapter five) clearly indicate that in-company training is a major variable impacting the 12 factors that make up the measure of employability of Omani nationals. The t-tests and ANOVA scores for nine factors (T&D, organisational involvement, gender inequality, trust, wasta/nepotism, career development, working conditions, HR policies and salary and remuneration) were significant (p<.05). This indicates that Omanis are not stratified with practical training they receive before and after they are employed in companies. There are a number of possible explanations for this phenomenon. Firstly, the weak training programmes provided by the Ministry of Manpower which aim to provide new entrants with the required work skills and competencies. These findings are in line with Al-Mami (2014) who finds lack of

effective training programmes as a key barrier to the adoption of Saudisation, as these programmes focus on soft skills training and most of them target public sector rather than the private sector workers. This finding also coincides with Swailes, et al. (2012) on Omanisation policy. They found that Omanis lacked the skills and experience to operate successfully in private sector jobs, despite the training infrastructure that exists. Al-Rawahi and Aouad (2011) found a contrasting result as she reported that the vocational training provided by the government plays an important role in preparing citizens to meet the Omani labour market requirements for a skilled and semi-skilled national workforce. Al-Rawahi and Aouad further reported that vocational training does not meet the fundamental goals of these programmes; the preparation of low- and middle-level skilled and semi-skilled technicians for quite specific occupations that are required in order to ensure the social and economic development of Omani labour market is still not achieved. Negative social conceptions of manual and industrial work still prevail to a large extent in Oman and a lack of vocational guidance and counselling has led to low enrolments in vocational jobs in the labour market.

The debate on the impact of training and development process in Oman was further argued during the interviews conducted for this research. The analysis of the interview data (shown in chapter 6) further supported the argument that the training programmes provided by the government are not assisting talented Omanis to become leaders in the private sector due to the targeting of low level professions such as mining, textiles, and fisheries. It is also possible that the basic educational system in Oman ignores practical training and of basic working skills and competencies such as communication and English languages skills. This supports the results of Swailes et al. (2012) who found that educational reforms are not developing university and college graduates with the "right" work ethic in Oman. Al-Lamki (2000: 5) also criticised the education system in Oman and emphasised that "the government needs to establish partnership and promote co-ordination between all educational and training institutions, particularly general education and higher education to ensure quality programmes and curricula for developing a highly skilled, well-qualified and flexible national workforce". This was also supported by Bontenbal (2013) who stated that the growing mismatch between educational attainment and the low-quality nature of private sector jobs intensifies the employability challenge.

Another possibility is that, expats in managerial roles in the private sector do not want Omanis to be trained for fear of losing their jobs in the future. Thus, they always tend to bring foreign labour claiming that local labour is more expensive and less trained. This point was clearly supported by the issue of negative stereotypes that expats hold about locals not only in Oman but in other Gulf States (Al Lamki, 1998; Al-Waqfi & Forstenlechner, 2010; Forstenlechner & Rutledge, 2010). Qualitative findings were in line with this argument as the negative perception of Omanis lacking skills and competencies was the most repeated theme among participants.

Literature on human resource development very often emphasises the importance of the on-job training as a key factor for employee job satisfaction, which in turn positively impacts the organisation's performance (Collins & Ponniah, 2014; Khan et al., 2011; Wong et al., 1999). However, national employees in the private sector lack opportunities for career development in their companies and therefore, they do not consider jobs in this sector as providing life-time work; instead they move once a more suitable job becomes available (Al-Lamki, 1998; 2005). This was supported by the qualitative data which showed a high tendency of the poor Ministry of Manpower training programmes to impact on localisation policy as well as the lack of training for locals within companies.

Also, participants based on their in-company training, perceived career development, working conditions and salary and remuneration as high barriers to Omanisation. Among the three groups, group one (very little training) had a higher perception of these three factors as barriers to Omanisation than the two other groups (occasional training and extensive training). There are a number of possible explanations for this phenomenon. According to Bontenbal (2013), private sector jobs in Oman are dominated by low-skill and low-pay occupations, because almost half of the Omani nationals working in the private sector did not complete secondary school. It is possible that government work provides better salary better working conditions and therefore, this tempts Omanis to consider public sector work for their life-long career, to the extent that some of them prefer to wait for it by staying unemployed for a long time (Al-Lamki, 1998; Al-Quds, 2006; Mellahi & Al-Hinai, 2000).

Furthermore, it is known that traditionally the public sector has been the main source of employment for Omani nationals, and remains so in the expectations of women. It

appears that public sector employment creation as a mechanism to distribute oil wealth was at first a blessing to local labour because it encouraged them to become active in the labour market. Thus, a belief emerged that the only appropriate type of job in Oman would be in the public sector (Bontenbal, 2013). This belief has become a principal underlying obstacle to encouraging more locals, especially women, to enter the private sector in order to seek employment. However, with the public sector being saturated, the traditional outlook has increasingly turned into a burden as it has raised expectations regarding work environment and work conditions that are no longer economically and socially feasible to maintain. The qualitative findings further supported the notion that government job temptation has been a key resistance for better Omanisation policy as interviewees very frequently reported that Omanis are depriving themselves of becoming leaders in the private sector as they have a high tendency to leave their jobs for ones in government. It has become clear that the preference nationals have to work in public sector (Al-Lamki, 1998; 2005; Swailes, et al., 2012) and the competition of expatriate labour that is often more skilled and qualified from other hand (Bontenbal, 2013) makes it a challenge facing governments to direct their people to private sector companies.

#### **7.2.2 Position Effects**

With regard to other demographic variables, participants' position came as the second key demographic variable impacting the Omanisation policy. Overall, respondents at junior level perceived three human, social and organisational factors as more important than did respondents at supervisory levels. These three factors are gender inequality; trust and nepotism and culture values and norms. This could be because employees are not satisfied with their career development in their work. Gender inequality was evaluated as significantly more of a barrier to Omanisation by employees than by managers. This could be attributed to the fact that women are under-represented in managerial roles in Oman (Donn & Issan, 2007; Zerovec & Bontenbal, 2011).

In the private sector the gender gap among Omani citizens is, however, still significant. Women represent 20% of the Omani labour force in the private sector, despite a significant growth during recent years (Bontenbal, 2013). The data clearly indicate that gender inequality is a major social variable as an obstacle to successful Omanisation policy. It was surprising to find that gender inequality was seen as a barrier to Omanisation among junior employees, the less work-experienced group, and

the low educational-level group. This was an unexpected finding as essentially the respondents who earned more were usually the managers. Hence, they are more satisfied with their careers, have honed their craft, and are more able to progress in their work, as their long work experience and their positions have helped them to create strong networking in the company. Alselaimi (2014) found similar results as gender inequality in Saudi hinders woman participants from finding jobs and later discrimination between woman and man employees hinders women in developing their careers. Before that, Al-Ali (2008) confirmed similar results as gender inequality was perceived as a key barrier to Emiratisation.

This was also supported by Metcalfe (2007) who found that women experience career and development constraints in Middle East organisations and that gender or equality issues are largely absent from HRM organisation policy. More specifically, in the Omani workplace, Kemp and Madsen (2014) examined the presence/absence of women in senior and managerial roles in private companies. He found that women are employed in small numbers when compared with the number of men, and remain extremely under-represented in senior roles. In this regard Mott (1998: 26) argued that '... women of all ages remain under-represented in skilled career fields due to misconceptions regarding gender-specific abilities and preferences and undervaluation of women's skills". The perceived gender inequality as a barrier by women employees in the private sector may lie in labour market segmentation theory. According to this theory, racial minorities, the working class and women are economically marginalised (Bauder, 2001). Segmentation theorists have argued that "labour market segments are able to function relatively because both jobs and works are divided by demand-side and supply-side process" (Bauder, 2001: 38). The supplyside processes trap women, minorities and working-class individuals in lower labourmarket segments (Ashton & Maguire, 1984; Offe & Hinrichs, 1985).

With regard to *wasta* and nepotism, junior employees perceived the issue of *wasta* as a barrier to Omanisation. This indicates that *wasta* and nepotism are still rife throughout Omani society, despite the positive results of the 2011 demonstrations. In the same year the government announced the creation of 50,000 new jobs and over a 40% increase in the minimum wage for nationals in the private sector. This was expected to reduce the tension among citizens regarding the inequality in employment, as elites always have the privilege to work in government and in good positions in the private sector because of the tribal system and networking, at least as

long as the employment opportunities have become more available. This supports previous studies which suggested that nepotism is a dominant issue in less-developed countries and permeates many aspects of life in the Arab world (Cunnigham & Sarayrah, 1993; Kilani & Sakijha, 2002; Sidani & Thornberry, 2013). *Waste* and nepotism were also reported as a barrier to Omanisation by participants based on their in-company training.

The finding people with less on-job training perceived wasta and nepotism more of a barrier to Omanisation than those with extensive training is another indication that favouritism plays a key role not in employment but in other HRM practices such as training and development. Again, those with more on-job training are more likely use their networking to have training courses. This makes the less fortunate group feel injustice and frustration, especially if they are more qualified and deserve more training in order to develop their career. This was consistent with a study conducted in the UAE by Dobie et al. (2001) who found that 56% of the participants acknowledged that wasta could promote one's career. This violates teachings of Islam as a source of universal notions of justice and fairness (Sidani & Thornberry, 2013). In the Quran, Muslims are instructed that "the best that you can hire is one who is competent and trustworthy" (Quran, 28, 26). Prophet Mohamed is also reported to have said "He who is in a leadership position and appoints knowingly a person who is not qualified to manage, than he violates the command of God and His messenger" (Ali, 2005: 191). Thus, both Islamic teaching sources stress the importance of hiring based on qualification and merit (Ali, 2005).

The junior employees' concern about *wasta* as a hindrance to Omanisation could be due to their lacking networking abilities in their workplace as they are still new and still not exploit the issue of *wasta* to advance in their work, whilst their senior counterparts have strong networking so they achieve their goals more. Another explanation is in line with Mohamed and Mohamad (2011) who suggest *wasta* plays a critical role in hiring and promotion decisions in many Arab organisations, and the applicant with the most important *wasta* often gets the position. Even though the 2011 uprising resulted in giving a greater voice to Omanis to call for their rights of employment and for abolishing favouritism in recruitment, it is clear that *wasta* still prevails. However, unconnected individuals, and people in the Arab world, still want to get rid of this unhealthy organisational practice. This can be seen in the Kilani and Sakijha (2002) study who found that 87% of the respondents wanted to eradicate

wasta. However, Neal et al. (2005) revealed the most of their woman participants from Oman and the UAE favoured leaders who had the ability to obtain wasta for their followers. Similarly, in Jordan, Loewe et al. (2007) found that 76% of civil servants believed that wasta was important in obtaining employment. Additionally, Kilani and Sakijha (2002) found that 90% of their respondents believed that they would use wasta in the future. An explanation for this contradiction may lie in cognitive dissonance theory (Harmon-Jones & Mills, 1999). According to this theory, if the reward of doing something is significant, people tend to behave in ways contrary to their attitudes and beliefs. Locating a job in a high competitive environment may represent that reward. Thus, and despite their negative believe towards wasta and nepotism, Omanis are very keen to use it to gain employment opportunities.

Conversely, qualitative findings did not show any relevance to *wasta* and nepotism as barriers to Omanisation. Government officials and company managers did not raise *wasta* as an issue when discussing Omanisation policies, despite the reality being very commonly known that one cannot obtain employment in government without *wasta*. The reason for this non-disclosure of *wasta* as an issue could be that they themselves have used *wasta* to develop their career and reached their current positions. Additionally, whilst they occupy high posts in government and private sectors, they may intend to use *wasta* to facilitate employment opportunities for their own family members and relatives, so they may believe it better to not to talk about it. In summary, in the quantitative survey *wasta* was found to be an unhealthy issue preventing the success of localisation policy.

Junior employees also perceived trust as a barrier to the employment of Omanis in the private sector over their senior counterparts. Human Capital Theory states that many private-sector organisations are developing 'high trust' organisational cultures by adopting HR practices intended to reinforce trust between employees and employers (Legge, 1995). The positive impact of employees trust in organisation performance was supported by Brown et al. (2015) who found a strong relationship between work performance, quality and labour productivity with employee trust in the workplace. The importance of trust explained by Human Capital Theory in the workplace was further supported by this study, as participants placed trust as the top priority for the success of Omanisation policy. Trust also rated highly as a barrier to Omanisation due to little on-job training and perceptions of those with low educational backgrounds. This may be due to the better treatment that managers have in the private sector in

terms of salary, and other job packages such as health insurance, schooling and interest-free loans. In addition, managers in the private sector have better job packages over their counterparts in government, so they have no objection about Omanisation policies as long as they are in a better.

Consequently, managers tend to perceive Omanisation as a successful policy as long as they are satisfied with what they get from their employers. This situation encourages talented staff in government to move to the private sector. The increase in skills transfer from the government to the private sector is an issue in Oman. This was supported by Swailes and Al-Fahdi (2011) who investigated the emerging problem of labor turnover to the private sector. Although, the finding does not prove a high rate of turnover, it still uncovers the impact of losses on key technical management personnel. They attributed turnover to a group of reasons such as dissatisfaction with management style, reward practices and promotion opportunities.

The qualitative result also places great importance on trust as a key factor that hinders Omanisation policy. Interviewees acknowledge that Omanis are not trusted in their workplace regardless of the levels of their positions. They stated that companies' top management trusts expatriates over Omanis. A manager from the private sector places says, "our work is regularly checked by an audit committee from the company's Headquarters, but expat managers' work is never audited; they believe expats are impeccable and perfect so because of that, top management trust them".

This is in line with Grund and Harbring (2009) who found that monitoring, lack of autonomy and strict work-time regulations – all indicators of control at the workplace – are negatively related to trust. They further reported that, even if Omanis get employed they find difficulty in developing their careers, and in the cases of those who have managerial roles and have been able to reach management positions still those who are in managerial positions complain about the situation as they claim that they are only managers on paper, but in practice, expat managers take the entire decisions of the business. Overall, the finding of this study is consistent with other studies in job localisation in Gulf States (AL-Aali, 2014; Al-Ali, 2008; Al-Lamki, 1998; AL-Mami, 2014; Gonzalez et al., 2008; Forstenlechner et al., 2012) which found trust as a key determinant in making employment decisions. Similarly, Abuorabl (2012) found in his study of the impact of trust in leadership style in Jordan, that the leaders have a low

awareness of the importance of building trust with workers, which can also damage relationships.

It is argued in organisational literature (Pearce et al., 1985; Ungson & Steers, 1984) that pay and compensation should be tied to performance. However, in practice this assumption is less widespread than in theory (Eisenhardt, 1988; Loomis 1982; Pearce et al., 1985; Redling, 1981). The finding of this study significantly supports this assumption. The results showed that remuneration was perceived by junior employees as a key factor in impacting Omanisation. This was in line with previous literature in employment which confirmed the high correlation between income and job satisfaction (Al-Asfour & Khanb, 2014; Al-Lamki, 1998; Clark & Oswald, 1996; Ferrer-i-Carbonell, 2005; McBride, 2001; Swailes et al., 2012). Similar to this view, participants with little training and low educational attainment perceive wages as a key determinant for Omanis to accept work in the private sector.

Thus, perception of barriers to Omanisation increased with decrease in salary, on-the-job training, and educational attainment. Officials in the government support this claim, as they acknowledged during the interviews that government jobs provide better salaries, incentives, services, housing allowance and more importantly the pension fund, all of which attract Omani workers. This finding is supported by the concept of Theory M (Money) developed by Weaver (1988), who advocated offering direct cash rewards for active employees. He argued that companies can offset the increase in such a programme's costs by profits gained from increased sales or savings (Wong et al., 1999). Based on Theory M, a motivational programme would eliminate the reluctance of citizens to join the private sector, because they would perceive that they are paid what they are worth. Theory M was adopted in wide range of organisations and proved a remarkable success.

For example, the Four Seasons Hotel gave different categories of employees' different ranges of bonuses (Johnson, 1986). This made the Four Seasons Hotel a well-reputed company for offering relatively high wages and benefits. Similarly, Shamir (1983) investigated the tipping programme in the hotel sector in Jerusalem. He found that tip recipients were more likely to experience job satisfaction than were non-recipients. This finding is in line with Al-Aali (2014) who found Bahraini citizens prefer government sector employment because of one factor – better overall compensation.

This was consistent with Al-Mami (2014) who stated that the government and petrochemical companies provide good salaries, incentives, services, housing and housing allowance, all of which attract suitably qualified Saudi workers. Greller and Simpson (1999) found junior individuals have more focus on financial gain from their work compared to senior individuals. These align with the national unemployment related challenges in the Gulf States as stated by Forstenlechner and Rutledge (2010), who found that the public sector provides Emirate nationals jobs for life with better salaries several times higher than the private sector ones. They say that on average, after completing 20 years of service, nationals are entitled to retire on 80% of their final salary.

In general, the majority of literature on job localisation policies in the Gulf States cites the lack of good wages as a major barrier to these policies (Al-Lamki 1998; Harry, 2007; Kemp & Madsen, 2014; Swailes and Al-Fahdi, 2011; Zerovec & Bontenbal, 2011). The relatively high living standards in Gulf Countries and the weak social welfare system in the private sector may be responsible for the high value that citizens in these countries place on good wages. Therefore, the analysis indicated that Omanis resist private sector jobs and seek government jobs even with similar salaries but with greater benefits and shorter working hours, or continually search for a job with higher salaries within the private sector.

A surprising result with regard to pay as a key factor for better Omanisation was received from managers in the private sector who showed their disagreement towards the importance of money in employment. This notion contradicts most previous studies in job localisation in Gulf States which places salary and wages as a key factor for successful job localisation, but most of these studies did not consider morality and dignity as an issue to be considered when designing such policy (Al-Aali, 2014; Al-Ali, 2008; Al-Humaid, 2003; Al-Lamki, 1998; Fakeeh, 2009). Instead, Omani managers in the private sector acknowledged that the need for affiliation is more important than monetary rewards. They sense a lack of appreciation and recognition, as they are only managers on paper but the real managers are the expats and they claim they are deprived of any authority or delegation powers and are excluded from decision-making process. In general, most motivation theories tend to describe satisfying experiences in terms of factors that are intrinsic to the job, such as achievement, recognition, responsibility and advancement and growth (Herzberg et al., 2011). When these factors satisfy employees, extrinsic factors, such as salary are ignored. This was found

to be particularly true in the present study, where recognition and appreciation were considered more important than money.

It can be inferred from this that money is not the key issue for Omanis considering work in the private sector, but recognition and motivation can act as compensating factors when the pay is below expectations. Although Taylor (1991) believed that economic gain was a key motivation factor for employees, Luk and Arnold (1989) found that chances for promotion and advancement, as well as good pay, were rated as important job motivators. This finding is consistent with Wong et al. (1999) who found that Hong Kong employees preferred opportunities and respect (loyalty to employees) over wages.

# 7.2.3 Education Effects

Participants' educational background was the third important demographic variable found to influence Omanisation policy. The statistical tests showed statistical significant differences (P < 0.05) on seven Omanisation determinants. These are T&D, trust, career development, working conditions, HR policies and salary and Remuneration. As discussed previously, those with low educational attainment have more negative perception towards Omanisation policy compared with higher educational qualifications. The possible explanation is low salary and financial incentive that the first group receive compared with their counterparts in the government. Most literature on job localisation policies in the Gulf States acknowledges that the wages gap between government and private jobs is the key hindrance to successful implementation of job localisation policy in these countries (Al-Lamki, 1998; Al-Waqfi & Forstenlechner, 2014; Sadi, 2013; Swailes et al., 2012). It is also possible that, regardless of educational background, participants perceive that Omanis are not welcomed in the private sector as they are a minority among the private sector workforce. This can be noted from the qualitative findings as interviewees stated that even those with a high level of education and in managerial roles are not equal with their expat counterparts. It is also possible that educated Omanis who work in certain industries such as automotive, construction and tourism compare themselves with other Omanis in industries like oil and banking whose situations are far better in terms of wages and remuneration packages. Thus, they criticize Omanisation policies for being unable to tackle this discrimination between private and public sector employees.

#### 7.2.4 Tenure Effects

The analysis of quantitative data also indicates that work experience is another major variable impacting Omanisation policy. T-test and ANOVA scores for four factors were found significant (p<0.05). Those factors are T&D, gender inequality, culture values and norms and working conditions. Within the work experience groups, it is remarkable that, with the exception of T&D, the lowest experience group (less than 2 years) perceived higher barriers to Omanisation than the highest work experience group (more than 20 years). This finding coincides with Ingersoll (2001) who investigated the impact of demographic variables on teacher turnover. He found that 46% of staff with only 0-5 years' experience left their organisations because they were unhappy. This finding has further implications for the current Omani shortage in the private sector. Employees in this experience range are the most likely to change jobs. This could be due to the public sector temptation that makes private sector jobs a temporary measure. The findings of some previous studies in barriers to job localisation supported this possibility. For example, Al-Ali (2008) found Emirati youth more likely to seek jobs in the public sector and are ready to stay at home for a long time without job. Similar studies in Bahrain found that locals quit their jobs in the private sector when they find others in the public sector (Al-Aali, 2014). Previous studies on Omanisation also confirmed that public sector attractiveness is a key barrier to successful Omanisation. For example, Swailes et al. (2012) found that the general preference of Omanis to seek jobs in administrative or managerial positions, and in government, was a key problem to Omanisation.

According to Johnson et al. (2001), employees leave their work due to poor working conditions. This reason was supported by the finding of this study as working conditions as perceived by participants based on their position, work experience, incompany training and their educational background are a key barrier to Omanisation. Job security and stability are also issues related to work conditions. In this study, participants considered these issues as barriers because the private sector is perceived as offering little job security. This is observed in the ANOVA test of the differences in perception of employees towards the work conditions in the private sector as non-managers perceived working conditions as high barriers compared with their senior employees. This indicates that junior employees prefer security and suitability at work so they can advance in their career and secure life-long work. On the other hand,

senior employees have less regard for working conditions as a barrier to Omanisation because they have already secured their position and gained stability at work.

This result contradicts previous research in employment which found that while senior employees prefer security in employment, their junior counterparts often have more favourable attitudes towards risk-taking (Burns et al., 2008). Similarly, Wong et al. (1999) found hotel sector managers in Hong Kong have more at stake and often put more emphasis on possibilities for stability and security than their employees. This may be attributed to labour attitudes in Arab Countries in general and Gulf States in particular as the public sector is the main source of employment whilst private sector is considered less attractive and usually the less fortunate people join it. On the contrary, in other parts of the world like the USA and Europe, the private sector is the key source of employment, and people perceive no social stigmas when considering either sector. Cultural differences have a strong role in this attitude. Many previous studies in organisational behaviour argued that in Arab countries, cultural values and norms are the key determinants in choosing employment.

For example, Mellahi and Al-Hinai (2000) found that the local workers in Gulf States are often not able to integrate in the multi-cultural work environment. This represents a key challenge facing job localisation in these countries because companies employ workers from different countries and cultural backgrounds, and locals are often not able to integrate in this type of work environment. Similarly, Al-Waqfi and Forstenlechner (2014) found that in the Emirates, cultural norms have been a key obstruction to Emiratisation. Forsenlechner et al. (2012) revealed four factors that employers consider in hiring locals; motivation, social, cultural and regulatory. They go on to say that cultural factors are highly unlikely to be fully remediable in the short or medium term. A similar study conducted by Alselaimi (2014) to examine Saudi women's participation in professional occupations found that cultural values, social implications and gender stereotyping significantly hinder women participation in the workplace. She claims that social and cultural implications of gender roles are observed in most private sector organisations, which results in keeping Saudi women behind desks with very limited career progress and authority.

The qualitative findings confirmed that culture values and norms have a significant impact on successful implementation of Omanisation. They stressed that being a

conservative society meant that women need special arrangements in the workplace, such as segregation between men and women in office spaces and entrances. Private sector employers think twice before deciding to employ women. In most cases, companies tend to avoid attracting Omani women, instead preferring to employ men or expat women who do not share the same inhibiting cultural values and norms. Even employment of women is inhibited, as confirmed in interviews; tribal names may be associated with past affiliations or conflicts and so affect recruitment decisions. Furthermore, manual jobs, for example, might be considered beneath the capabilities or prestige and pride of a particular tribe, thus restricting job choices.

The preference of Omanis to attribute private sector as less prestigious and socially unacceptable may be explained in the concept of social identity theory by which people tend to classify themselves and others into various social categories such as organisational membership, gender and religious affiliation (Tajfel & Turner, 2004). Thus, "social identification is associated with groups that are distinctive, prestigious and in competition with, or at least aware of, other groups, although it can be fostered by even random assignment to a group" (Ashforth & Mael, 1989: 34). Individuals attach themselves to certain groups to obtain valued-social status even if this affiliation is a personal economic strain.

Social identification induces people to involve in and stem satisfaction from, activities congruent with identity, to view themselves as an exemplar of the group (Ashforth & Mael, 1989). It is clear that the way Omanis select their future work is extremely determined by a general social perception of types of work. Prestige is a key determinant in choice of employment for Omanis, as long working hours, being far from the family and being less involved in social activities are all features of private sector jobs which are generally not socially acceptable The observed pattern here is that, among the above mentioned demographic variables which were found statistically significant, the lowest groups had high perception of working conditions as a barrier to the policy than the highest groups. Among those in position groups (junior employees), work experience groups (less than two years), in-company training (very little training) and educational background groups (secondary certificates holders), all perceived work experience as a barrier to Omanisation over other groups. This could explain that Omanisation has not supported Omanis in finding proper work, but instead the policy has placed them in manual jobs with low salary, low job security, and to some extent harsh working conditions. This was previously supported by a

study of the nature of unemployment in Gulf States among citizens conducted by Al-Qudsi (2006).

The finding of this study revealed that unemployment is largely involuntary and does not support the claim that unemployed nationals deliberately and willingly choose joblessness status. The tendency of the private sector to favour a readily available large pool of semi and low-skilled expats has resulted in a rapid increase in the unemployment rate of Gulf States nationals. On the other hand, the results showed that the participants with higher positions, higher salaries, higher educational backgrounds and extensive in-job training, perceived working conditions as the least of the barriers to Omanisation. This was further supported by the qualitative findings as officials and managers did not perceive working conditions in the private sector as a barrier to Omanisation of managerial roles in the private sector. This could be because they are more satisfied with the advantages and facilities attached to managerial roles in the private sector, despite the fact that Omani managers are less rewarded than their expat counterparts in companies. However, and as mentioned above, Omani managers are more concerned about the morality issues they are losing in the private sector. This shows that rewards such as delegation in authority and contribution in decision-making process are more important for Omani managers than physical rewards such as wages, remuneration packages and other benefits. Employees, on the other hand, are more concerned about their income in the private sector. This could be because they are still not socially settled and have not secured their future in terms of acquiring their own houses and getting married; good earnings help to achieve such social expectations and commitments.

Managers and employees have different points of view concerning the degree of obstruction to Omanisation caused by working conditions in the private sector; the former perceive intangible working conditions as issues and the latter group perceive tangible working conditions. The reason may lie in Herzberg's Two Factor Motivation Theory in which people's behaviour is influenced by two distinct sets of factors: hygiene and motivating factors. Hygiene factors include pay, working conditions, job security and the nature of supervision. Motivating factors include recognition, achievement and opportunities for personal growth. Employees with a high perception of job-related working conditions as a key barrier to their advancement in the private sector represent the hygiene group, while managers with perceptions of working conditions as a barrier fall into the second group. This could be because employees

with high positions are mostly satisfied with tangible job-related issues such as salary and remuneration and they look for more advancement in their career to gain greater recognition as an important figure in society. This is especially noticeable in the Arab world. Again, this attitude may also be explained by social identity theory (Tajfel & Turner, 2004). This theory stems from the categorisation of individuals' distinctiveness and prestige in the group (Ashforth & Mael, 1989) and its congruence with identity.

Based on this theory, individual identification has an impact of both the satisfaction of the individual and the effectiveness of the organisation (Haslam, 2001). Thus, the willingness of senior employees to seek more recognition and opportunities for personal growth is explained by the notion of the social identity theory, as they are more concerned about their distinctiveness and prestige than with money and reward. Pride in work was also found by several studies to have an impact on work ethic. For example, a study conducted by Abboushi (1990) on the work ethics of Palestinian Arabs revealed that age had a significant influence on the social prestige connotations of work; level of education had a significant impact on pride in work, job involvement and attitude toward earnings; and occupation had significant influence on pride in work, job involvement, social status and attitude toward earnings. Similarly, Ali et al. (1995) examined the influence of position level on certain work ethics. Results revealed that management level impacts existential, conformist and tribalistic ethics.

One other possibility of the variation in opinion between managers and employees is that employees may share concerns about the fairness with which they are treated in the private sector with regard to some job-related issues such as pay, promotion opportunities, and working hours. This is supported by Adams Equity Theory (1963) which posits that individuals compare their rewards such as wages, promotion, status and recognition with those of their peers doing similar tasks to determine whether or not they are being treated fairly (Wong et al., 1999). If they maintain an equal comparison, the situation is perceived as being equitable and no response occurs; however, if inequity is perceived, individuals feel a degree of tension and are inclined to reduce their efforts or eventually seek better working opportunities (Yasser, 2011). It is evident that local employees in the government are far better treated than their counterparts in the private sector (Al-Lamki, 1998; Mellahi & Al-Hinai, 2000; Mashood et al., 2009; Swailes et al., 2012; Zerovec & Bontenbal, 2011). This resulted in some degree of tension among Omanis in the private sector, and consequently in 2011 they demonstrated on the streets, demanding equal treatment with government

employees. Although, the findings of this research are in line with what equity theory suggests, the theory still has some drawbacks as it merely relates to outcomes and inputs as perceived by the employees, but their judgment of fairness or unfairness is not actually real. Thus, it is logical to expect that unfairness situations may be redressed effectively by merely thinking about the circumstances differently, which makes this conception more difficult to measure in a real-life setting, as it is more subjective, and susceptible to the effects of personality (Lussier & Achua, 2010).

However, the discrepancies in pay and other incentives between jobs in the public and private sectors only exist at the low-job level, but if we compare managerial jobs in both sectors, to some extent they are similar, with more privilege (usually financial) given to managerial posts in the private sector. Swailes and Al Fahdi (2011) confirmed that although the rate of turnover in government organisations is low, it still causes some loss of key technical and management staff. They say that dissatisfaction with management styles, reward systems and promotion chances are key reasons for Omani managers to leave government organisations. However, this was a surprising finding as in the Arab world in general and Oman in particular, it is quite common for people to favour prestigious jobs with high degrees of social respect not normally perceived in the private sector (Al-Ali, 2008; Al-Rawahi & Aouad 2011; Forstenlechner et al., 2014; Sadi & Henderson, 2005).

These findings contradict social identity theory in its suggestion that social identification stems from the categorisation of persons, the distinctiveness and prestige of the group and the factors that are traditionally associated with group formation (Ashforth & Mael, 1999). The tendency of Omanis to work in the private sector was somewhat encouraging as it is good indication that the social stigma attached to the private sector has started to break down. This phenomenon was further confirmed by the qualitative findings, when officials and managers acknowledged Omanis have less hesitation in working in the private sector and the current situation confirms this as now there are Omani taxi drivers, shopkeepers and others who work in fuel stations and other everyday services. According to Swailes et al. (2012: 358), "Oman, Bahrain and Saudi Arabia have seen the most intensive efforts to localise, ahead of Qatar, the United Arab Emirates and Kuwait".

In short, the above finding is contradictory to social identity theory because group categorisation based on distinctiveness and prestige does not prevail in the Omani

context. However, equal opportunities, recognition, sense of achievement and opportunities for growth are known as key issues that Omanis look for when considering jobs in the private sector. Reciprocal exchange between employer and employees, where the employees provide time, energy, ideas and creativity and in return expect fair salary, fulfilment and better working conditions (Swailes et al., 2012) is found to be the corner stone that Omanis look for.

## 7.2.5 Gender Effects

With regard to the participants' gender, Oman is like other Arab countries is maledominated, especially in the private sector (Alselaimi, 2014; Bilgic, 1998; Booth & Hamer, 2007; Bontenbal, 2013; Kemp & Madsen, 2014; Zerovec & Bontenbal, 2011). It is argued in the literature that equity and fairness in employment is the area where women have felt disadvantaged in the workplace (Edgare & Geare, 2004; Kirton & Greene, 2000; Konrad & Hartmann, 2002). Recruitment and selection is an area more likely to be considered more important not only to women but to most other ethnic minority groups, rather than to the dominant group. For example, Kirton and Greene (2000) conducted research in employment attitudes in the UK and found that ethnic group members received fewer job offers than members from the dominant group (Europeans).

According to Edgare and Geare (2004), practices aimed at eliminating discrimination in HRM practices and at promoting equal employment opportunities between different groups including women, are more likely to be favoured by those whom they intend to benefit. Hence, it is expected that members from ethnic minority groups are more likely to consider issues of equity and fairness in the workplace than are others. This was confirmed by this study as women rated gender inequality as a key barrier to their employment in the private sector. Cultural values and norms and Islamic teaching play a key role in determining women's type of work, though shariah (Islamic law) argues for gender equality and gives women similar opportunities to men in all aspects of life, except those which contradict her feminine nature. The Qur'an - the key source of Muslim ethical teachings - has defined this relationship clearly (in Sorate Al-Hujurat, verse 13, page 517), where God says: "O' ye people, we have created you from a man and woman. And we have made you nations and tribes that you could recognise each other. Lo' the most honourable of you, in the sight of Allah is the best in taqwa [taqwa means righteousness and piety]". The Qur'an provides a moral framework which will achieve the 'wellbeing' (falah) of all men and women (Ali, 2005).

In the workplace environment this emphasises mutual humility and respect and collaboration, employees' long-term commitment and loyalty to their organisations, and the employer's duty of care and obligations. Rice (1999) emphasised strongly the all-embracing nature of the Islamic viewpoint as one that could not be disconnected from business. For example, the ideas of justice (adalah), balance or equilibrium (adl) and unity (itihad), have a significant bearing on ethical behaviour in management and organisation relations. Ozbilgin and Healy (2003) argued that the perception of women managers in Oman is constituted along patriarchal lines with a woman's role as mother emphasised. This argument is contradicted by recent Islamic feminism literature which has reinterpreted the Qur'an in a positive light on the way that a woman is to be treated as God has endowed her, with rights, such as to be treated as an individual, with the right to own and dispose of her own property and earnings, enter into contracts, even after marriage. She has the right to be educated and to work outside the home if she so chooses. The ideal has been there for 1,400 years, while virtually all other major civilizations did not begin to address these issues or change their negative attitudes until the 19th and 20th centuries and there are still many contemporary civilizations which have yet to do so (Metcalfe, 2007).

Instead, it is argued, patriarchal relations are the product of cultural practice, not of the instructions of Islam (Ahmad, 1996). This was supported by the qualitative results, as on many occasions interviewees emphasised the strong influence of cultural values and norms on the employability of women. They argued that Omani women are prevented from holding managerial roles because the social stigma attached to private sector jobs discourage women from working in them. Participants explain that their conservative society means that families are very selective when sending their daughters to work. This lessens the chances for women to find jobs, compared with their man counterparts. For T&D as a barrier to Omanisation, male employees have a higher perception than other groups. A surprising result in this research was the perception among both men and women of the unimportance of salary and remuneration, working conditions, cultural values and norms, wasta/nepotism and trust as determinants in successful Omanisation. This contradicted most of the previous studies in Omanisation policy. For example, Zerovec and Bontenbal (2011) found woman employees valued short working hours, job security, attractive salaries, and less mixing with the opposite sex, as the most important factors that attract them

to work. Abuorabl (2012) found that man employees had greater trust in their bosses than their male colleagues had.

Also, a study that investigated organisational trust and commitment found that women had a higher level of trust in their leaders (Demircan, 2003). Wong et al. (1999) found that woman employees perceived some work motivators such as feelings of being involved, opportunities for advancement and development and interesting work quite differently from their opposite group. Men and women also differ in their perceptions of English skills as a barrier to Omanisation. Results showed that woman employees perceive English language as a barrier to their employment and this was regarded as part of the cultural values and norms which restrict women opportunities for advancement in their work. For example, Omani women do not normally permit their daughters to go abroad to improve their English skills, but they are happy if their sons have this chance. Thus, Omani women perceive the public sector as a potentially more attractive sector for them to enter.

## 7.2.6 Marital Status Effects

The study also found significant differences between single and married participants regarding the influence of gender inequality in employment of Omanis. Married and single employees only perceived barriers to Omanisation in two out of the twelve factors; gender inequality and cultural values and norms. Employees of both genders who were not married considered gender inequality as a key barrier to employability when compared with the second group. It could be speculated that the non-married employees, especially women, have more concern about gender inequality as a barrier to Omanisation because it is more apparent than other issues that may only become clear as they continue their work experience. In fact this is not the case in a society where over 51% of the working-age population is woman, as it is important for policy makers to focus upon providing employment opportunities and career development for women as a key factor in the development of the workforce (Donn & Issan, 2007). In addition, Oman is a country where equal opportunities for both genders are relatively secured. This can be seen in real-life situations where women hold high ranks in the government as well as in the private sector. Married employees are less negative about gender inequality as a barrier, because in most cases people get married after spending a relatively long time at work when they focus on securing their future career, rather than on any gender discrimination.

#### 7.3 SECTOR-SPECIFIC FACTORS HINDERING OMANISATION

Another objective of this research was to compare the barriers to Omanisation in three key industries: banks, tourism and automotive retail. The descriptive analysis presented in chapter five revealed that the mean scores of salary and remuneration and HR Polices were the highest in the three industries. This suggests that institutional issues such as salary and career development are considered the key obstacles to job localisation in Oman. The greater regard among participants for such variables reflects the practical situation, as social stigmas have become less important when searching for jobs. Thus, the claim by employers for stigmas as barriers to Omanisation is to some extent false. This further supports the issue of wrong negative stereotypes that expats create in order to save their own jobs.

In addition to the analysis discussed above, ANOVA was used to determine sectorspecific factors hindering Omanisation policy. The key results shown in chapter five indicate that the perceptions of the three groups differ significantly (p < 0.05) in the mean scores of four factors: trust, stereotyping (by expats), career development and HR policies. Participants from the automotive sector have a higher perception of barriers to Omanisation followed by the participants in tourism and participants in banks have the lowest perception of barriers to the policy. This was an expected finding as the banking sector compared with other private sector industries has the highest Omanisation figure of 95%, whilst the figure in tourism and automotive industries is not very promising (Ministry of Manpower, 2014). This finding was consistent with Al-Lamki (2005) who found that there was an overwhelming achievement of Omanisation in the banking sector. She says that lessons from the banking sector can be learned and shared with other private sector industries for potential application and implementation the banking sector was established very early on, it was naturally staffed by locals who were the only available workforce. This helped to establish its localisation as a tradition.

It is clear that, with the exception of the banking and oil and gas sectors, Omanisation is very weak in most of the private sector. This indicates that the policies are not effective and do not develop a trained cadre of Omani personnel capable of replacing the expatriate workforce within an established time frame. This argument was supported by the qualitative findings, as most interviewees acknowledged the

drawbacks of current policies and called for more improvement. It is perhaps not surprising that a policy designed 24 years ago is found to be unfit for the current labour market situation, especially because globalisation has made mobility of labour much easier than ever. As a result, 200 million people are now living outside their country of birth (Shizha, 2014). Therefore, the policy of Omanisation has to be diverted from merely imposing quota systems which are not without problems (Forstenlechner et al., 2012) to a more systematic procedure that closes the gap between the employer's requirement of skills and competencies and educational system outputs. The negative impact of the quota system is of great interest in the job localisation literature in Gulf States. For example, Peck (2014) argued that although the quota system succeeded in increasing native employment, it also had a significant negative impact on companies. In Saudi, quota failings caused approximately 11,000 firms to shut down, and raised exit rates by nearly 50 % (Peck, 2014). Similarly, Matherly and Hodgson (2014: 75) argued that although Oman and the Emirates have embarked on strategies to ensure that employment quotas close the gap between expats and local labour in the private sector, this won't be achieved in the near future. They say the governments in these two countries "must address the challenge of providing meaningful employment opportunities for a growing generation of younger workers and at the same time maintain a high level of economic growth".

#### 7.4 STEREOTYPING OF CITIZENS AS A BARRIER TO OMANISATION

One of the key components of this study was the issue of stereotyping of citizens which was found to have a severe impact on the employability of Omanis in the private sector. Thus the psychology of stereotyping will be discussed and compared with other studies.

This result was surprising; as it contradicts most previous studies conducted in organisational behaviour that suggests stereotyping of locals in the Gulf is mainly by expats (Al-Lamki, 1998; Al-Waqfi & Forstenlechner 2010; Budhwar & Mellahi 2006; Mellahi, 2007). T-tests revealed that despite expats holding more negative ideas about Omani employees, some are also shared by Omani managers. The qualitative results further support this finding. This could be because both groups want to secure their places in the company. It is interesting that in reality, Omanis prove very successful in some sectors such as oil and gas and banking, where they occupy the majority of managerial roles. These two sectors are even considered better employers than other industries, including the government sector. Thus, it is quite common for talented

Omanis to move from the government and join these two sectors. This was supported by Swailes and Al-Fahdi (2011) who found that the government has witnessed losses of key technical and management roles. However, the perception of negative stereotypes varied among employees in tourism, banking and the automotive sector. Participants from the automotive sector are more negatively stereotyped than their counterparts in banking sector. This was not a surprising finding as the automotive sector is seen as a less attractive sector for Omanis because it is dominated by expats and Omanis are assigned only manual jobs.

Different perceptions towards Omani locals in these two industries may be attributed to what was suggested in the power literature, as power has a significant correlation with some job-related behaviour, such as self-sufficiency (Magee & Galinsky, 2008; Rucker et al., 2011; Slabu & Guinote, 2010), willingness to help (Batson, 2014; Batson et al., 2003; Small & Loewenstein, 2003), power provides more assertiveness and independency (Galinsky et al., 2003) and increasing stereotyping (Fiske, 1993). Particularly important for the purpose of this research is that power increases stereotyping (Fiske, 1993) because the powerful tend to distance their employees. This supports the finding that stereotypes are more practiced in this sector than in banking. According to the participants, it is very common to see expats in smart dress idling their time around showrooms and drinking coffee, whilst Omanis are recognised by their blue uniforms and disappointed faces in the workshop. It is also very common to see expat managers shouting at Omani workers because they complain of tiredness due to hard work while they are fasting in Ramadan. All this happens because of the influence of power that increases the desire to control others.

Realistic conflict theory (Brief, 2005; Sherif et al., 1961; Sherif, 1966) could explain the negative stereotyping of Omanis by both expat and Omani managers. According to this theory, different groups – e.g. locals, expats and owners are competing for valued resources such as wages, status and power in the workplace. One key prediction originating from this theory was "that intergroup competition or negative interdependence leads to a deterioration of groups' mutual stereotypes, attitudes and behaviour. The image of attitudes and behaviour towards the out-group become more negative" (Echebarria-Echabe & Guede, 2003: 765). They suggest that the effects of competition are extended to contexts in which negative interdependence results from institutional authorities and not directly taken by groups. Negative interdependence can be observed as both Omani and expat employees alike are not actively involved in

decisions but are passive targets of decisions taken by an institutional authority (the company's management or business owner) in order to support the company's productivity by reducing the cost of investment in human resource. Thus, Omani labour is associated with high cost and is therefore excluded from the employment process or training and development, in favour of often cheap foreign labour. This intergroup competition (between expats and Omanis) leads to the deterioration of the group's mutual images and attitudes and elicits out-group (business owner) discrimination.

The social stigma attached to private sector jobs is another type of negative stereotyping throughout the Omani community. Omani culture classifies certain jobs as unsuitable for citizens and cultural values' prerequisites (such as taking leave for certain social events like weddings or bereavement). It is believed that expats who dominate the sector hate locals and do not want to employ them. Thus, Omanis perceive working with expats may affect their dignity and their social status. This was supported by qualitative findings when interviewees confirmed that locals avoid interacting with expats, feeling that they are their enemy, thus developing a negative relationship. This is well articulated by one of the interviewees from government who stated: "In most cases the conflicts are frequently aroused between both expatriate managers and their Omani subordinates due to the perception that expatriates in general have towards the basic objective of Omanisation as replacing them with Omani workforce". This may be explained by Chein (1946) who proposed that conformity is a key aspect of intergroup prejudice, asserting that "much prejudiced behavior does not stem from prejudiced attitudes or motives, nor even from faulty information, but rather from the need to conform to prevailing social norms or from simple inertia" (p.415). He said that people normally do not accept or develop friendships with members of particular out-groups because other members of their group also do not. On one hand, this is not surprising to find such attitudes in an Omani context, given that private sector jobs are dominated by expatriates; it is a widespread perception among Omani people that expats are exploiting their natural resources and come to the country to support each other rather than to develop the country's economy. Most group members adopt this belief because of the psychological need to conform, especially when it concerns a national set of values.

As in other Arab countries, women are highly affected by prejudicial attitudes caused by certain cultural values and norms. Social norm theory suggests that prejudice is treated primarily as an in-group phenomenon. The fundamental assumption is that intergroup beliefs are determined largely through observation of other group members and communication with them. Thus, stereotyping about certain issues becomes a normal social attitude and part of the social fabric of the local culture (Dawkins, 1976). The appropriateness of intergroup beliefs is shared, negotiated and co-constructed (Sechrist & Stangor, 2005). A study conducted by Griffin et al. (1987) to examine the relationship between religious orientation, social norms and prejudice, found that cultural values and norms were significantly supported by individuals' prejudicial attitudes. The findings of this study fit with social norm theory, as employees reported high gender inequality in favour of men in private-sector employment. Similarly, qualitative data revealed that social and cultural values and norms largely hinder women's work opportunities. Accordingly, the values and behavioural perceptions inherent in the society tend to be a more abstract and generalised version of those inherent among the group (individuals of a given society), in which individuals are classified into different categories. However, such categorisation is not necessarily reliable (Hamilton, 2015; Ashforth & Mael, 1989). The impact of social perception towards the work of women was found by Bowlby et al. (1998) who studied Pakistani Muslim women in Reading, UK. The result of this study revealed that the social position of Pakistani Muslim women within their family, local institution and the contexts of the neighbourhood shaped the meaning of their work. Consequently, work such as cleaning and catering was considered as bad jobs by these women based on their experiences in the home and the community. On the other hand, jobs associated with women's roles such as mothers, doctors and teachers are considered good jobs.

The internationalisation of negative stereotypes by participants reported in this study is probably caused by the lack of trust in Omanis shown by company management practices and the claim that they are less productive. The quantitative result showed a significant influence of trust on the success of Omanisation policy. This was further supported by the qualitative results as both officials in the Government and managers in the private sector acknowledged that Omanis are hindered in reaching managerial posts because they are not trusted by both business owners and the company's management. The unity between business owners, expat managers and Omani managers in their negative perception of Omanis' work capabilities may be explained by Sherif (1966) group-norm theory. The theory explains that negative stereotypes develop as a result of group formation and interaction. Group members force each other to conform to group norms and standards, and deviants from the group's norms

are often ignored and rejected (Schachter, 1951). Thus, the three parties form their own group in the companies, and negative stereotype are forced upon others. The influence of expat managers on the attitudes of business owners and Omani mangers in the company is a result of a certain type of organisational silence or a so-called 'unspoken issue' where the real owner has no hand in his/her business and the minority group (expats) becomes the strongest group which controls the critical decisions of the business. This is an unexpected issue that this study revealed as a key barrier to Omanisation.

Social identity theory (Tajfel & Turner, 2004) provides another explanation for the stereotyping of nationals. According to this theory, people develop a social identity with a corresponding social-cognitive schema (norms, values, and beliefs) that guides their group through self-categorisation and group membership behavior (Korte, 2007). Individuals identify with a group when they perceive themselves having similar characteristics to other group members. As part of a group, Omanis evaluate the worth of their identity by comparing themselves to other groups (expats). To maintain a positive social identity, one group may be biased towards another group. In real-life situations expats try to maintain their presence in their workplace by creating negative stereotypes about locals being lazy and less hard working. This in turn makes business owners themselves criticise Omanis to the extent that they agree to hire Omanis only to comply with the government rules and regulations in terms of fulfilling the quota percentage.

According to Chein (1946), the intergroup attitudes could effectively be changed at the group level, noting that legislative measures that prevent discriminatory practices in employment, education and other areas may reduce prejudice in part by changing social norms. Thus, the government is trying to encourage citizens to accept jobs in the private sector. The importance of what is called 'job promotion' has remained an essential topic in job localisation literature, especially in Gulf Countries. For example, Al-Rawahi and Aouad (2011) found that the lack of awareness of the vocational training programmes that the government introduced in order to prepare Omanis with skills for the private sector is the key issue in their ineffectiveness. Al-Lamki (1998) also found the lack of awareness about the private sector employment opportunities was overwhelmingly perceived as a major obstacle to Omanisation in the private sector. Al-Balushi (2008) found that Omani graduates lacked awareness too. Similarly, a study conducted by Al-Aali (2014) to examine Bahranisation found that a lack of

Bahraini awareness of private sector opportunities was a key obstacle to Bahranisation policies. The qualitative findings of this study further supported the importance of awareness in promoting private sector job. Both the government officials and the private sector managers agreed with the necessity of enlightening citizens about training programmes in the private sector.

In general, the portrayal of citizens as unmotivated and less skilled were the common negative stereotypes identified in this study, coupled with the feeling that the available jobs would in some sense be socially demeaning for citizens. This may be because for employers to hire Omanis for a manual or unskilled position would firstly not add any value to the business as the new entrants are only likely to remaining on site until they find a government job. The little incentive Omanis have to seek employment outside of government has contributed to negative stereotyping by expatriates. More problematic was the internalization of these stereotypes by citizens themselves. A sense of entitlement was created among them because of the privileges that have been given to public sector employees over the past decades. This in turn impacted their expectations and attitudes and strengthened negative stereotypes. At the same time it created similar expectations among new entrants to the labour market (Al-Waqfi & Forstenlechner, 2010). In the public sector, employees are not rewarded according to their performance but by a welfare system and years of experience (Abdalla, et al., 2010; Forstenlechner, 2009). This worsens the misconceptions about the human capital ability to contribute effectively in the new realities of the competitive workplace, and will continue to create low expectations about national employee performance.

In general, the internalisation of negative stereotyping reported in this study is probably caused by what Elmslie and Sedo (1996) described as a "learned helplessness1" weakening those subjected to stereotypes in their capability to pursue career development. These negative stereotypes may be associated with the way

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<sup>&</sup>lt;sup>1</sup> Learned helplessness is a term used to describe the situation when people feel that they have no control over their situation and begin to behave accordingly, for example, by overlooking opportunities for change. Negative events such as an episode of discrimination in the workplace can breed learned helplessness and in turn diminish human capital ability through decreasing their learning ability and in turn reducing their chance to develop because of characteristics that are fundamentally beyond their control such race or sex (Abramson et al., 1978). Thus an individual who thinks s/he has been subjected to discrimination may show higher levels of helplessness than an individual not subject to discrimination. This will impair their ability to seek future employment or to move up in current employment (Elmslie & Sedo, 1996). In this study, learned helplessness is used to describe how negative stereotyping impacts upon the ability of Omanis to learn and to develop their careers. If private employers believe that Omanis are unqualified for work, need more training and are expensive compared with expatriates this will contribute to learned helplessness which will undermine Omanization.

localisation policies have been imposed, in that unskilled locals were employed in compliance with imposed quotas and consequently, employers came to perceive the available local workforce as unqualified or unmotivated. Such negative perceptions have been generalised to affect other well-developed and talented citizens who in turn have been deprived from advancing in their career. A finding of this study was that neither employees nor managers in the private sector are optimistic about Omanisation based on quota systems as it has so far failed to effectively integrate nationals into the labour market. Such disenchantment even extended to government officials themselves who are supposed to be supporters of the policy. This was one of this study's surprising and unexpected results: that Omanisation is criticised by its creators. Other unexpected barriers to Omanisation shown by this study are discussed below.

#### 7.5 EMERGENT BARRIERS TO OMANISATION

The negative interdependence or competition among groups plays a central role in the organisational conflicts with and prejudices towards, minority groups (in this case Omani citizens). This has resulted in emerging issues that further hinder the employment of Omanis in the private sector and are unique to the Omani context. The qualitative findings unveiled some critical issues that jeopardise the participation of Omanis in the private sector and were not expected to exist in Oman, where Islamic Sharia is the basic source of any social, economic and political practices. Issues like conflict of interest, social distance, organisational silence and inter-faith conflicts appeared to be key hidden barriers to true Omanisation. With regard to conflicts of interest, and as proposed by realistic conflict theory, each business shareholder competes to have the largest portion of the business.

Most Omani owners are (as disclosed by interviewees) high-ranking officials in the government who haven't got the time to manage their business. Thus they exploit expat labour rather than locals to control their business at lower cost. Since expat mangers want to secure their places in the company, they attach work-related stereotypical attributes to locals, such as disloyalty, lack of dedication to work, unreliability and disregard for company rules and regulations. They convince business owners that Omanis are liabilities rather than assets to the company. This has resulted in a strong trust between business owners and expat managers and at the same time Omanis have become less trusted and marginalised among critical roles in companies. Their existence in a company is simply to fulfill quota requirements which are only

rarely of sufficiently coercive nature and more often than not yield few tangible results (Al-Waqfi & Forstenlechner, 2010).

Expat managers have become the key decision-makers particularly with issues related to HRM such as recruitment and selection. The data gathered via qualitative research revealed that the powerful expat managers wrongly utilise the power that they get from business owners and the company management. They suppress the voice of Omani managers and employees alike if they speak for their rights to be promoted or to develop their career. One explanation for this phenomenon may be because of the lack of regulatory bodies' (the government) protection guaranteed to Omani staff in the private sector. Consequently, Omanis reject jobs in this sector, saving their dignity from any suppression they may receive from expats. However, those who reject jobs for this reason are only a small percentage of the entire population; the majority of Omanis accept jobs that are perceived as demeaning, in order to maintain their household. However, as suggested by Argyris (1977), there are powerful games and norms that often prevent employees from speaking up about problems or injustices. Similarly, Redding (1985) argued that in many organisations, employees are clearly informed that they should not criticise the managerial prerogatives or corporate policies of the company. Redding's notion of organisational silence is well reflected in organisational behaviour in Oman.

When comparing other HR policies in other countries, such as Affirmative Action in the US to HR policy in Oman with regard to Omanisation, one cannot fail to recognise the lack of the corporate rules and regulations that could protect private sector employees, from suppression or indignity caused by expats. This result is in line with Milliken et al. (2003) who explored the opinions of 40 employees regarding how comfortable they felt about discussing concerns or issues with their supervisors. There are a number of possible explanations for this phenomenon. According to Milliken et al. (2003), many employees remain silent because they can't afford to risk their jobs as a result of being viewed or labelled negatively by those above them in an organisational hierarchy. Another possibility is that in power-distance cultures, individuals are more likely to believe that the boss is right merely because he/she is the boss (Hofstede, 1980). Also, the unity assumption is strongly supported when, in collectivist culture, members of the top management team share similar cultural backgrounds (Hofstede, 1980).

Consequently, "the combination of high power-distance and collectivism among members of the top management team is particularly likely to associate with silencefostering beliefs" (Morrison & Milliken, 2000: 711). As this study was conducted in the high power-distance culture of Arab countries (Hofstede, 1980), the finding further supports Omanis' fear of speaking up to overcome being treated as strangers in their own country. Both employees and managers in the private sector acknowledged that although Omanis are the majority group, they fare worse than the minority group (expats). This was due to the support that expats receive from Omani owners who are basically practicing their power as a result of their high standing in government. The survey of this study allowed participants to express their opinions towards their employability in the private sector. One participant said, "I work in this company and every day I receive different kinds of injustice, oppression and extortion from my 'Indian boss'. He exploits my weakness as citizen staff under his supervision and asks me to do very difficult tasks and then reports me when I failed to do so to the management. This impacts my career development and I am doing same job for more than 8 years. Not only that, he exploits me as a mother because when I demand leave when my child is ill, he rejects any excuses and reports me absent although he has an alternative to deduct them from my annual leave, still he never does so. Expatriates are the powerful group in the private sector simply because officials in government want them to be like that as they know they are controlling their business and as Omani owners have no more than the name and the profit at the end of the month. We hate expats and particularly we hate Indians and I wish to leave this company if I find another job. I hope this study will make our suffering reach those who have empathy and justice for us from this oppression".

From these words, one can easily recognise that the government is on the wrong path to achieving true Omanisation, as it introduces the policy and creates its own obstacles to better implementation.

Islamic teaching opposes such an unhealthy work environment and emphasises the need for respect for human beings. Al-Ghazzâli's relatively unknown theory of state, 'Nasihat Al-Muluk' (Counsel for Kings), expresses a belief in the force of human knowledge and reason to shape human behaviour for ethical living (Randeree, 2015). His ideology strives for a more incorporated, ethical economic model, which in turn

can help achieve sustainable growth and avoid, for example, exploitation of the labour class. Thus, he says, "the ruler should not disregard the attendance of petitioners at his court," indicating that those in authority should entertain grievances raised by the working class and afford them an opportunity to have these concerns heard and resolved (Randeree, 2015: 241).

Although contemporary economies are much more complex than those of earlier society, it is believed that the experiences of early Islamic economies are still relevant today (Randeree, 2015). Unfortunately, this is not the case, because today's work environment is dominated by self-interest. Although the principles of the *Shari'ah* state that the private interest of the individual should be secondary and subsidiary to that of the community as a whole and the economic principles should be based on collectivism, which is contrary to the principle of self-interest. This has become obvious that such working environment is not yielding any benefits to the organisation and employee as well. In the Omani context, business owners only concern about their profit so they prefer to hire ready-made and cheaper foreign labour and consequently Omani employees have become the victim. This situation, guided the discussion to another crucial issue, this is the absence of harmony in work.

Qualitative data revealed that the absence of teamwork and co-operation between Omanis and expat managers was a critical obstacle for talented Omanis to comply with managerial rules. This could be because expats do not want to lose their jobs through Omanisation policy; therefore, they fight the policy. One of the more significant findings to emerge from this study with regard to work harmony is the contradicting view among interviewees, which blames Omanis themselves for not getting involved in the workplace. Those who came from rural areas and grow up in conservative social backgrounds tend to avoid mixing with non-Muslims because they believe it is the Islamic way which is not the case. In his magnum opus, Al-Ghazzâli specifies the quality of a good individual by highlighting six benefits of interacting with other people over living in seclusion. These are education; trade; learning patience through interaction; love for one another; modesty and humility (Randeree, 2015). Prophet Mohammed himself regularly visited his Jewish neighbour and then when he died the Prophet attended his funeral. Not mixing with expat employees actually favours expats themselves rather than Omanis, because the consequence is that Omanis learn neither social nor work skills, thus perpetuating the dependency in expat labour.

This finding contradicted many studies in job localisation. For example, a study conducted by (Al-Aali, 2014), to investigate challenges to nationalisation policy in Bahrain, revealed a positive relationship between expat and national staff. The study found that Bahrainis respect expats who coach and motivate them at work, thus forming the basis of a good working relationship. On the other hand, Al-Ali (2008) revealed that relations between UAE nationals and non-nationals are strained and nationals feel marginalised in their own country. However, it is argued in literature that a good relationship is an indicator of better job localisation. For example, Fryxell et al. (2004) emphasised that the basis for true localisation is adequate communication vertically through the organisation and good relationships between local and expatriate managers. This is because when expats feel that locals are accepting and caring about non-locals, with no form of resistance, expats are encouraged to transfer their knowledge to locals. This in the long run develops locals' work competencies and skills, thus preparing them to replace the foreign workforce.

The situation in some cases is worse, as private sector managers revealed that a very sensitive issue is that the actual managers of the businesses in Oman are not Omanis but Indian expats, according to the interviewees. It is clear from this discussion that Omani owners and expats hinder Omanisation and each party has its own interests. It was disclosed by interviewees that most Omani business owners are high-ranking officials in the government who prefer expats to run their business rather than Omanis. There are a number of possible explanations for this phenomenon. The more logical explanation was the one that emerged from the qualitative data, as Omani business owners decline to employ other Omanis because they want to keep employees socially distant, which is easier if employees are foreign, especially with regard to their financial status. Social distance theory of power provides an explanation of this phenomenon. According to this theory, people in high-power positions experience more social distance than people in low-power positions (Magee & Smith, 2013; Smith & Trope, 2006). Also, people with more money showed signs of increased social distance between themselves and other people (Lammers et al., 2012; Vohs, et al., 2008). This is not surprising since the definition of power involves control over resources and money is often an important resource (Magee & Galinsky, 2008). Thus, both money and power increase a sense of self-sufficiency and social distance (Lammers et al., 2012). In Oman, people dislike others knowing about their money and savings and it is unacceptable to ask one about his or her income.

Therefore, it seems that managements deliberately exclude Omanis from employment in order to minimise the number of people who know about the company's financial situation.

Differences in helping behaviour are another sort of social distance that could explain the behaviour of Omani business owners and managers in excluding Omanis from employment in their businesses. According to social distance theory of power, people are less likely to help someone in need when they experience distance by remaining objective in the face of this person's suffering (Batson, 2014; Batson et al., 2003). Conversely, people are more likely to offer support and help when they experience less social distance towards a victim (Small & Loewenstein, 2003). The evidence from this study suggests that powerful people (business owners) isolate themselves from the company employees. For instance, an interviewee from the private sector responded to a question about seeking support and help from the company's owner (Omani):"......it is not possible to reach his office, and even if we get the chance to meet him he is not going to support us in our sufferings........ He never visits us and explores to explore the working environment in the company, because his expats advisors bring him with a bright picture about how the work is done". These words explain the negative influence of power in social distance with respect to offering help to those in need.

In general, therefore, it seems that social distance issues found in this study are a key influence in accepting Omanis in the workplace. The situation is not new and was reported in literature decades ago. For example, Kipnis (1991) and Sorokin and Lunden (1959) found that inequity in power is disruptive of harmonious social relations and drastically limits the possibilities of the power holder in maintaining close and friendly relations with the less powerful.

Linked with the above discussion of the influence of power in social distance, it is worth noting that business owners in Oman stem their power from their position in the government. This guides the debate to discuss one of the more significant findings to emerge from this study: 'utilization of government position'. Previous job localisation literature hasn't identified such a phenomenon; it is recognised to exist only in the Omani context. Qualitative data shows that most business owners are high ranking officials in the government, who are in a position to manipulate rules and regulations

with regard to Omanisation so that they flow in the interest of expatriates. As a result, a strong collaboration has been created between the two groups. Perhaps Omani owners want to save their businesses and maintain their profits with less cost. Expats on the other hand, want to secure their places in the company, which is best achieved by hiring their compatriots who consequently show more loyalty to them. Omanis are the third party that is explained by realistic conflict theory; they are struggling to find a place of work and get their share of their country's financial resources.

This scenario has resulted in Omanis becoming a minority in their own country, while expats have become the dominant groups. A private sector manager explained said that, ".......although there are Omani managers in private sector, they are not allowed to practice their authorities as managers, because expats are the boss number one. Hence, and in order to save their dignity Omanis reject working in management with expatriates". Thus, critical action has to be taken in order to limit expats holding powerful positions and this cannot happen unless the government intervenes by imposing clear rules and regulations that support Omanis in the private sector. The labour policy with regard to foreign workforces in Oman (and probably other Gulf Countries) normally follows the "guest worker" model (Al-Waqfi & Forstenlechner, 2010). Under this model, expats are invited to work on a temporary basis in jobs that locals cannot fill for various reasons, such as lacking skills required or finding the type of work unattractive (Al-Waqfi & Forstenlechner, 2010).

However, this scenario seems to be reversed in the Omani context as expats have become the dominant group in the workforce and locals have become a minority in their own country. This paradigm brings with it new complications in which nationals born and raised in tribal, conservative, traditional society, have to adapt to an entirely different culture in the work environment in order to function and compete with expats. This unique work environment contradicts the majority of immigration literature (Atiyyah, 1996; Furtado & Theodoropoulos, 2009; North & Martin, 1980; Van Oudenhoven & Hofstra, 2006). The situation in Gulf States with regard to expats domination of private sector jobs is quite similar. Most studies in job localisation policies conducted in these countries reported the same findings (Al-Ali, 2008; Louër, 2008; Mashood, et al., 2009; Mellahi & Al-Hinai 2000; Sadi & Henderson, 2005).

One of the more significant findings to emerge from this study is the one that deals with inter-faith problems. The qualitative results showed that Muslim manages do not want Muslim employees because of their lower productivity due to religious observations, such as regular prayers and Eid holiday. This is something that is never spoken about because of its political incorrectness It is very surprising that Omani managers support this view (as acknowledged by interviewees). Again, segmentation theory may explain such an attitude, as Omani workers represents the minority group in the private sector and are marginalised or even excluded from work. Expat managers claim that Muslim employees conform to Islamic observations as an excuse to waste a lot of time during their work. This perception has diffused to other management members. Unfortunately, Omani managers sacrifice their religious values in order to protect their places, which could also be explained by realistic conflict theory, because different groups (locals, expats, and owners) are competing for valued resources such as wages, status and power. "The need to maintain a positive distinction between our own group and others can lead to behaviour and attitudes that are biased in favour our own group against other groups. According to this perspective, prejudice, intergroup conflict and stereotyping may arise simply from the struggle to attain or maintain a positive social identify" (Wolfe & Spencer, 1996: 177).

The relationship between expat and Omani employees was exactly reflected in this perspective, where the expats maintain their positive images as more productive, more dedicated to work and at the same time create biased behaviour and attitudes against other groups (Omani employees). Based on this assumption, company managements take the decision to exclude Omanis from the employment process or marginalise them by hindering their career development. In order to ensure their dominance over the entire private sector, expats act as a group rather than individually, so as to prevent Omanis from joining the workplace. In other words, and as qualitative data revealed, expats among the private sector form their own network, so each expat manager in his/her own company agrees to close the door for Omanis. Omanis, on the other hand, form their own group based on the negative interdependence has been created between business owner and expat managers. Under this interdependence process, decisions are taken of which Omanis have become the passive targets.

According to realistic conflict theory, attitudes and behaviour toward the out-group (expat managers) become more negative. Thus, Omanis hold negative images about

expats being their competitors in their own country and therefore they tend to seek more stable jobs in the public sector where they can find well-being and self-esteem. This finding was in line with a study conducted by Louër (2008), who found that conflict between Bahrainis and foreigners comes to the fore in everyday life and it can be expected to increase in the future. While such attitudes are commonplace throughout the Gulf, in Oman they take on a specific character, so that nationality of expats has an influence on management attitude.

Interviewees identified a very critical and sensitive issue with regard to the nationality of expats; they emphasised that managers from Europe and America are more willing to help Omanis to develop than are Eastern managers, specifically Indian. In reality, if a discussion takes place about expat labour in Oman, this means the debate is largely about Indian labour. In other words, commonly the word 'expatriate' means only Indians. This reflects the 'phobia' that locals have about Indians and the loathing that they feel towards Indian expatriates. One interviewee said. "Most of the companies are led by expatriate CEOs mostly from India, who largely prefers their countrymen's labour. I am really surprised as to why CEO positions are dominated by expatriates from India. Why not Omanis?". This embedded criticism is assumed to be a result of the accumulated oppression that Indian managers practice against Omanis. The researcher himself witnessed more than one incident that explains the extent to which Omanis are suppressed by Indians. For example, in a car company an Indian manager was shouting at an Omani employee forcing him to go a long distance to do work whilst the latter was screaming that he was fasting for Ramadan and found it difficult to go far in very high temperatures. Eventually he obeyed, fearing being fired if he objected further; he was whispering 'God where is the fairness...'.

On the other hand, participants acknowledged that they were enjoying work under the supervision of European managers. They emphasised that European expats are more empathetic towards Omanis and are willing to train and transfer their knowledge to them. Murtaza et al. (2014) found that individuals with high Islamic work ethics exhibit more knowledge-sharing behaviour than those with low Islamic work ethics. However, in this study the majority of Asian managers are Muslims and are supposed to be influenced by Islamic teachings, but this was found not to be the case as they are reluctant to train Omanis. A possible explanation for such divergence in management styles was provided by Hofstede's cultural dimensions theory (1980). According to his original theory, cultural values could be analysed by four dimensions:

individualism-collectivism; uncertainty avoidance; power distance (strength of social hierarchy) and masculinity-femininity (Hofstede, 1984). The model places Asian countries and African areas and the Arab world at strong power-distance with strong uncertainty-avoidance and more collectivism, compared with Western countries which scored lower in power distance, lower in uncertainty avoidance and higher in individualism. According to the model, the managers in a culture with strong power distance, high uncertainty, masculinity and more collectivism are more likely to be assertive, uncaring for others, suspicious of their subordinates and consider them as incompetent compared with the authorities.

This finding supports the results of Redding and Casey (1976) that managers from Asian countries are distinctly more authoritarian and autocratic than Western managers, especially regarding sharing knowledge with employees and allowing them to participate in decision making. This explains the large power distance that Asian managers tend to maintain (Chen, 1995). On the other hand, Western leadership styles are often described as participative which has a uniformly positive effect on subordinate performance (Dorfman, et al. 1997). In addition, high individualism (Hofstede, 1991), egalitarian management, team work, employee empowerment, changing attitudes toward formal authority and movement toward increased professionalism (Yuki, 2002) are all characteristics of Western managers. The finding of this study supports the unique features of the modern Western leadership style that Western managers practice in Omani work environments. Thus, it is not surprising that participants praise their Western bosses and avoid working with those from an Asian culture.

# 7.6 EDUCATIONAL SYSTEM AND OMANISATION

Most of the previous research conducted on job localisation in Gulf States blamed the poor outputs of educational systems as key barrier to the replacement of expat workforce by local workers (Al-Aali, 2014; Al-Ali, 2008; Al-Balushi, 2008; Al-Humaid 2003; Alselaimi 2014; Al-Mami 2014; Al-Lamki, 2005; Fakeeh, 2009; Forstenlechner et al., 2012; Swailes, et al., 2012). However, the findings of this study exclude the Omani education system as a barrier to Omanisation. This is per se, a surprising result. Employees do not consider it as a barrier to Omanisation, despite the findings of the majority of previous studies. For example, Al-Ali (2008) confirmed in his study that the educational outputs do not match the labour markets requirements as school levers lack key skills. Similarly, Swailes et al. (2012) found that Omanis are prevented

from working in the private sector because of the lack of skills and competencies of locals demanded by employers. Al-Rawahi and Aouad (2011) concluded that a close relationship should be established between general academic education and vocational training in order to ensure a supply of appropriate training programmes. Al-Waqfi and Forstenlechner (2014) also found that the deficiencies in the education system and lack of appropriate strategies and programmes of national HR development over the past few decades are key barriers to effective Emiratisation. In her recommendations for better Bahrainisation, Al-Aali (2014) suggests that the government reform the current educational system because it is not able to provide the local labour market with well-skilled nationals. Randeree (2012) reviewed job localisation programmes in all six Gulf States nations and found that education systems and training programmes are the key challenges to better implementation of the policies. Furthermore, Forstenlechner and Rutledge (2010) stated that a major overhaul of educational systems was required to increase the employment opportunities for all nations.

There are a number of possible explanations why employees did not consider the educational system as a barrier to Omanisation. The obvious possibility is that they realise that the majority of expats in the private sector (more than 65%) have a lowlevel educational background, which means jobs should be available even for Omanis with low levels of education, but employers still prefer expats even in low-level jobs. It is also possible that the 2011 uprising resulted in a positive outcome, since one of the government reactions was the issue of the Royal Directive to increase the capacity of Sultan Qaboos University and to increase the number of internal and external scholarships. Another step was the restructuring of the education system, including injecting new and young blood as leaders in the Ministry of Education (e.g. appointment of a new and well-educated Minister for Education), which heavily contributed to improving the quality of basic education. These reforms have led to increased satisfaction among citizens, thus leading to decreased regard for the education system as a barrier to Omanisation. However, officials and managers believe that the education system outputs do not fulfil the required work skills and competencies and that it is more about theoretical learning than practical training which is necessary to prepare young people for future work. The fact that officials and managers are the most negative about the educational system is encouraging, because they have been acknowledged by the decision makers in the government, thus increasing the likelihood of further reform. This was reflected in the introduction of the "General Educational Strategy, 2040" which was introduced as a result of the

Royal Directive to improve the quality of education in the country and satisfy the economic development process (The Education Council, 2015).

### 7.8 CONCLUSION

This chapter presented the discussion of the key results presented in chapters five and six. Several explanations and interpretations were made regarding the association of individual variables with human, social and organisational barriers to Omanisation. Based on their demographic variables, participants' points of view towards each of these variables were identified and discussed. Table 7.1 summarises the key research objectives and findings.

**Table 7-52: Summary of Key Findings and Study Contributions** 

Research objectives	Replicated findings	Study contribution	
		Emergent findings	Justification
To investigate human, social, intuitional and cultural barriers to Omanisation policy and understand how they differ according to personal demographic variables.	Similar to previous research in job localisation in Gulf States, training and development and employee involvements, gender inequality, trust and cultural values and norms were found to represent some barriers to Omanisation	Contradicting previous research in job localisation policy in Gulf States which reported educational system as a key barrier to the policy, it was found has no impact on Omanisation.	Participants excluded the educational system in Oman as a barrier to the employment of Omanis in the private sector possibly because of the solid and well developed education infrastructure that Oman has (Gonzalez, et al., 2008; Swailes et al., 2012;). In addition, the 2011 reform allows for new blood to lead the education system (e.g. appointment of a new and well-educated Minister of Education), and this heavily contributed to improving the quality of basic education in Oman. In addition, in 2011 a Royal Directive was issued to increase the capacity of Sultan Qaboos University and to increase the number of internal and external scholarships. These reforms have increased satisfaction among citizens concerning government.
To examine the extent to which stereotyping of citizens with respect to work-related ethics, traits, attitudes, behaviour and competencies could be a key hindrance in the implementation of Omanisation policy in the private sector, and whether these stereotypes are shared by both expatriates and citizens themselves. Examination of differences in stereotypes between the two groups.	Few studies have investigated the phenomenon of negative stereotyping in other Gulf labour Markets. This study is the first to address the impact of stereotypes on the employment of Omanis.	Participants acknowledged that both expats and local managers shared the same negative perceptions about the work capabilities of Omanis.	This could be due to the domination of expats in private sector managerial roles. This has led the minority of Omani managers to become followers rather than so that they have to obey the majority group (expat mangers) in order to survive in their positions. This was explained on many occasions during the interviews. For example, an interviewee told her own story regarding how her cousin was fired from his work when he conflicted with other expat managers.
To determine sector-specific factors hindering Omanisation policy.	Similar to previous studies in Omanisation, this study confirmed some differences in	The differences between sectors were found to be in trust, stereotyping, career	This could be because of the feeling among nationals that they are a minority in their own country and are less important in their workplace. Also, Omanis lack a
	the success of Omanisation in different industries.	development and HR policies in automotive sector. These are	sense of trust, well-being and in the private sector, and these are more important than financial gain. Thus, it

	T		
	However, it is distinguished from most previous studies in the way Omanisation was commonly measured by the implementation of the policy in public and private sectors; this study compared three industries within the private sector: one of the highest and one of the lowest omanised industries, banking and automotive, respectively; and it also investigated low Omanisation in the most promising sector (tourism).	more likely due to a personal psychological aspect than a materialistic aspect.	was mentioned on several occasions in the interviews and at the end of the survey that Omanis avoid working in the private sector to save their dignity and avoid any oppression caused by expats.
Determine factors that perpetuate expatriate and migrant employment in managerial roles and identify training needs of Omani employees to better compete with expatriates at managerial level.	This study confirmed previous findings that prevent locals from working in the private sector, such as lack of training and development; culture and social barriers (e.g. company work is not suitable for women, or company work is less prestigious); financial gap between government and company jobs; and lack of job security in the private sector.	The key contribution of this study is that new issues emerged as barriers to Omanisation. These are interfaith barriers (e.g. Muslim mangers not wanting Muslim employees because of lower productivity due to religious observations); social distance barriers (e.g. Omani managers not wanting to employ other Omanis because they want to keep employees socially distant which is easier if employees are foreign); nationality of ownership has an influence on management attitudes (e.g. Indian managers are more reluctant to train and develop Omanis than are Western managers).	The emergence of these issues as barriers to advancing Omani managers and employees in their work could be due to the trust that Omani business owners give to expats, which strengthens their situation in the company and allows them to become the policy makers and key decision makers, especially on issues related to HR policies in the company. This allows them to control the recruitment and selection process by which they tend to hire foreign employees and give less chance to locals.

As shown in the above table and based on their individual differences, participants were asked to evaluate the degree to which each of fourteen human, social and organisational components is considered a barrier to Omanisation. All these components, with the exception of the educational system had a negative impact on the adoption of Omanisation. With regard to the impact of the private sector's stereotypical perceptions of Omani workers, e.g., that they are less productive, the study also confirms previous research that stereotyping does have a strong impact. Barriers are higher in the in the automotive sector compared to with banking and tourism.

Having discussed the study's findings, the next chapter provides recommendations for Omanisation implementation based on a new model developed out of this study.

# CHAPTER 8: CONCLUSIONS AND RECOMMENDATIONS

#### **8.1 INTRODUCTION**

Omanisation has been in place for more than two decades and involves the government, private sector companies and national workers. It is assumed that the policy has adapted to better suit these three parties but unfortunately, we have seen in the previous chapter the fundamental objectives of Omanisation have not been achieved and its strategies have not changed to better suit the current labour market situation. Effective cooperation between the three parties in terms of their dealing with Omanisation is lacking. Policy makers in government still insist that private employers must find way to absorb more national workers by replacing expatriate workers under the umbrella of the quota system that the government has introduced. Private employers agree that Omanis have a right to fully participate in the country's national economy, but at the same time they insist that the policy does not consider the nature of the business as profit-based as it is too costly to replace their expatriates with Omanis. They claim that Omanis lack work related skills and when they are trained they leave the company for new jobs. As for Omani workers, they consider jobs in the private sector as a gateway to the public sector. All of this has created barriers to better implementation of Omanisaton and this study has contributed to theory and practice by developing a model that explains the barriers to employment of Omani nationals and the actions required to tackle these barriers. This was achieved by an extensive analysis of the existing literature and research in the field.

This final chapter offers suggestions to more effectively implement Omanisation policy. The first section presents the key contributions from the study. This is followed by a discussion of the implications for theory and practice in relation to increasing localisation in the private sector workforce. A revised model for Omanisation is presented (Figure 8.1). Section three suggests revisions to Omanisation policy targeted at the main stakeholders; government, private employers and citizens. This will help to create a holistic and integrated approach between the three parties to facilitate constructive dialogue and foster partnerships that ensure increasing job prospects for Omanis. The main limitations of this study are summarised followed by suggestions for future research.

#### **8.2 KEY CONTRIBUTIONS**

The study contributes to the literature of business management in general and job localisation in particular, in its focus on a country within the Gulf States and the wider MENA region. It also provides helpful insights for educators, scholars, practitioners and government officials to help locals to progress in their careers and achieve management positions. The key contributions are summarised as follows:

- 1. This study contributes to knowledge by providing evidence related to the significant relationship of human, social and organisational variables with employment process in the Omani context. Although the success of localisation policies in the Gulf States depends on different factors in each country, the policies share some hindrances, such as lack of training and development, common cultural values and norms, and gender inequalities in pay, conditions and career-progress. Past research focused on examining the impact of these variables on job localisation policies and the results of this study replicated most of these variables and confirm their influence in the Omani workplace. The study revealed that three main variables affect Omanisation-adoption by private companies; human variables (training and development), social variables (gender inequality, culture values and norms) and organisational variables (stereotyping, working conditions and pay). Therefore, the significant results of this study contribute to knowledge by providing evidence to confirm existing influences on job localisation policies in a new context of Omani private sector. It is also more comprehensive than many previous empirical studies because it examines a range of more than 12 sub-variables based on a group of individual variables.
- 2. The assumptions of Human Capital Theory have been shown by employees to be true: that the more educated individuals have higher economic expectations. These findings reveal Omanis are willing to take private sector jobs if extrinsic job motivators (e.g. good wages, job security and good working conditions) and intrinsic job motivators (e.g. trust, feeling of being involved and opportunities for advancement, appreciation and sympathetic help with personal problems) are provided. They emphasise their willingness to accept work in the private sector when employment benefits are similar to those in the public sector. Through this finding, the study has contributed to the HRM literature by adding further evidence related to the importance of non-monitory motivators in employee job satisfaction.

- 3. Unlike previous research in job localisation, which confirmed that Gulf States education systems have failed to fulfil the workplace requirements of skills and competencies, this study does not blame the education system for the failure of Omanisation. Participants evaluated the education system as the least influential factor. This is a key contribution as it acknowledges the effectiveness of the measures that the government has taken to improve the education system in Oman. These measures include the increase in the capacity of Sultan Qaboos University, the increase in the number of internal and external scholarships and the injection of new and young blood as leaders in the Ministry of Education (e.g. the appointment of a new and well-educated Minister for Education), which has contributed to improving the quality of basic education. These reforms have led to increased satisfaction among citizens, thus leading to decreased regard for the education system as a barrier to Omanisation. However, this does not mean that the system is perfect; instead it needs to put more emphasis on acculturation in relation to the expectations of contemporary private sector employers and confront long-standing claims of 'mismatch' of schools and universities outputs and the actual need of skills and competencies to replace expatriates by national workers. Thus, the decreased role of education system in Oman as a barrier to Omanisation has contributed to the literature on job localisation, in that future research in other Gulf States may compare the education system in Oman with other systems to identify the areas that satisfy employers.
- 4. This research placed the practical-training process in Oman at the top of the list of barriers to Omanisation. It has become clear that Omanis have significant concern for their future career and are more likely to seek jobs that provide on-the-job training. This is a significant contribution to knowledge, as most previous studies ignore the importance of in-company training. This finding confirms that private sector management in Oman has a tendency to hire pre-skilled labour rather than recognising the need to complement the qualities of existing employees. This encourages future research to shed more light on the influence on job satisfaction on life-long training.
- 5. From a social capital perspective, this study produced findings concerning the barriers that are caused by the social contract that prevent Omani nationals from participating in the private sector. Omanis much prefer to be employed in the government sector, not only for the better benefits and working conditions, but because it has higher social status, respect and recognition in Omani society.

Finding that these intangible job motivators are more valuable to Omani youths is another key contribution to future research on HRM, in that it stimulates researchers to look at the social base that marginalises the participants of locals in the country's workforce.

- 6. The current study also has important contributions for a key subfield of human resource management. It is assumed in some job localisation studies that social relationships in the form of *wasta* are widely influential in seeking employment opportunities. This study shows that the assumption of social capital theory, which focuses on the strength of social ties in gaining work, has not been paramount in employees' responses. These findings indicate that *wasta*/nepotism was not an issue that could prevent the successful implementation of Omanisaton policies. Thus, the current study is unique for its exclusion of the impact of social networking on gaining better employment opportunities. This is a good indication of trends towards encouraging equal opportunities on employment in Oman.
- 7. The study is the first to empirically evaluate stereotyping and negative perceptions of Omani nationals and their implications for Omanisation policy. It explores stereotypes which were found by previous studies as a key hindrance to successful localisation policy in Gulf States. It confirms the general perception that Omani youth are negatively stereotyped by expatriates in three key ways; work ethics, skills and competencies and cultural disposition. Ultimately, this research offers a new subject perspective on job localisation, providing the case of locals being a minority in need of acculturation to their own country's workplace.
- 8. In addition, the most surprising results were found in the qualitative data and are considered as the most important contribution of this research. The interviewees revealed some new and surprising results related to barriers to Omanisation. These themes cover four key aspects: inter-faith conflict, social distance, institutional structure and organisational silence. An example of inter-faith barriers is that expat managers do not want Muslims employees no matter whether they are expatriates or locals because of religious observance that may lower their productivity. A social-distance barrier was found in the form of what participants described as "hiding of wealth". Business owners believe that a company's financial situation will be more vulnerable to disclosure due to the interactions that Omanis have with others such as their families, friends and colleagues, so they minimise

the number of Omanis in the company in favour of expatriates who are less socialised. Expatriates are held at greater distance and have less social involvement with locals with whom they might share a company's financial issues. An example of institutional structure is the power struggles that Omanis face in the private sector in being suppressed by managers if they speak up for their rights; thus, they avoid working with expats to protect their dignity. These unexpected barriers can be considered as the major contribution of this study and therefore the study has added new evidence of new barriers to job localisation. This provides researchers with an insight for better understanding of the phenomenon by investigating previously unspoken issues.

9. Finally, one of the most important contributions of this study is the results gained from a previously unquestioned population. Much of the literature has used samples comprising managers and officials to examine several variables associated with job localisation. Using manager samples has been questioned (Swailes et. al., 2012) due to their tendency to avoid criticizing the policy, as they are either officials in government who designed the policies, or managers in companies who are influenced by it. In this study, the role of the manager sample was limited to examining one research objective in order to understand the reasons behind the absence of talented Omanis in private sector managerial posts. However, the key sample of the research comprised employees' perceptions of Omanisation effectiveness, because they have more concern for the policy since it was designed to tackle their own job-related issues. This has contributed to knowledge in that it was the first comprehensive study dominated by such a sample; therefore, similar studies can be conducted in other developing countries to further examine job localisation policies.

# 8.3 IMPLICATIONS FOR PRACTICE AND A MODIFIED CONCEPTUAL FRAMEWORK FOR OMANISATION

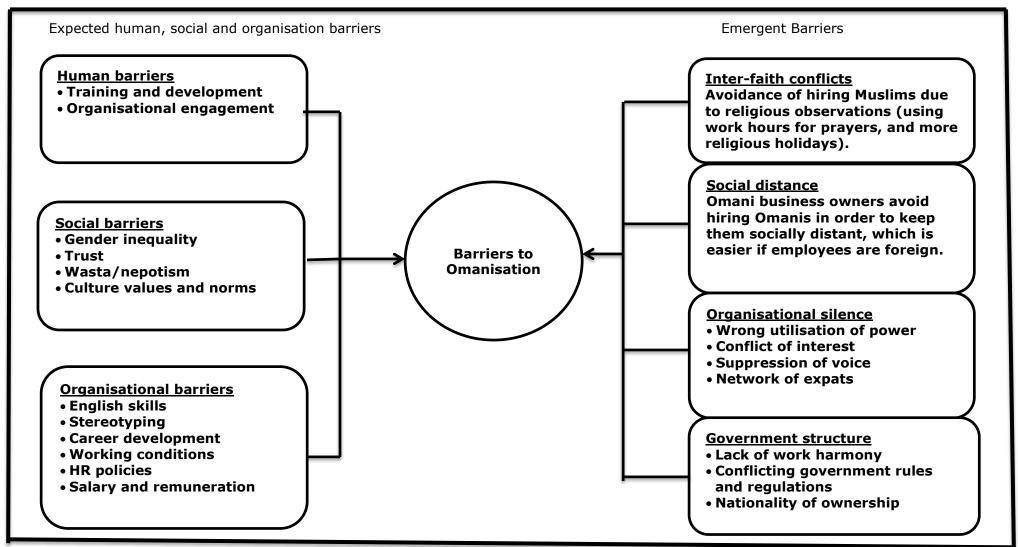
The findings have policy implications for various government institutions which are dealing with Omanisation policies. Seeking feedback from Omani nationals regarding Omanisation in the private sector will supply the government with sound information that could help to improve the policy to be in tune with the current competitive labour market which involves more well-trained labour. Also, the outcome of this research can help the government to raise the awareness of Omani youth and their families towards the private sector employment opportunities.

In light of the current situation facing the private sector workforce, where the majority are non-nationals, the need to introduce policies and measures to facilitate the employment of locals has become a social imperative. The preliminary conceptual model in chapter 3 (Figure 3.5) was developed from existing literatures and shows the issues effecting nationalisation policies in the private sector. The model comprises a group of human, social and organisational influences which were assumed to be the dependent variables in this study which make up Omanisation. Human factors represent knowledge, experience and skills, the extent to which Omanis value the processes of basic education, advanced training and development as challenges facing human resource development in the private sector and influence their job satisfaction. The set of social variables included variables that are emphasised in the traditional nature of Omani society as Arab Islamic in nature and include; gender inequality, trust, Waste/nepotism, and cultural values and norms. These variables provided useful insights into understanding traditional views on manual labour in the private sector and the ways that customs influence Omanis when choosing their future career. Organisational variables were embodied by a group of factors that capture weaknesses in the efforts of government agencies, policies, regulations and programmes related to their effect on employment of Omanis. These include organisational culture, English language skills, career development, working conditions, HR policies and wages.

The independent variables in this framework were demographic and were shown to have direct linear effects on the dependent variables. Gender, marital status, income, and other personal characteristics helped to explain the disposition on the sets of human, social and organisational factors that make up Omanisation policy. They adequately explained the selection and diverse characteristics of the target population for this study.

Having empirically tested this model in the Omani context through a survey and through interviews, Figure 3.5 was modified and an updated framework for Omanisation is presented in Figure 8.1 below.

Figure 8-19: A Framework Identifying Issues Affecting Omanisation



Although the updated model contains the majority of previously identified human, social and organisational barriers to job localisation, it excludes a key issue that was previously perceived as key barrier to localisation policy; the education system. Data analyses showed no statistically significant differences that support the poor outputs of education. This is attributed to recent reforms to the education system which have heavily contributed to improving the quality of basic education. These reforms have led to increased satisfaction among citizens and, it is suggested here, a decreased emphasis on the education system as a barrier to Omanisation. Secondly, the revised model includes the significant findings of this study, which are the emerging barriers to Omanisation that are possibly unique to the Omani workplace. These unexpected findings cover inter-faith problems, organisational silence barriers, social distance barriers and institutional structures and are considered the key contributions of this study.

The modified conceptual model (Figure 8.1) informs future research into job localisation in different contexts. Researchers are encouraged to examine the revised model in different national contexts. To examine the stability of the unexpected findings found in this study to hinder Omanisation policy. Also, the apparent decreased role of the education system in Oman as a barrier to Omanisation contributes to the literature on job localisation and it could be fruitful to investigate the extent to which this has occurred in other countries.

Practically, the future Omanisation policy should consider the human, social and organisational barriers to Omanisation identified in this study. More importantly, it should focus on addressing the unspoken issues identified here which were not uncovered by previous studies.

#### **8.4 SUGGESTED ACTIONS**

Omanisation is a national policy and it is the obligation of all the constituents of Oman to exert more efforts to ensure its success. Thus, the government and private sector employers must put more effort into re-evaluating the policy's goals in the light of outcomes of the last two decades since the policy was introduced. They should re-set realistic policy goals and targets that can fit the requirements of today's working environment. Omani youths also have their role in improving the outputs of Omanisation and should accept work in the private sector rather than target

government work as their destination. This section summarises the implications of implementing this practice based on specific recommendations drawn from the study that may assist in reinforcing Omani empowerment and provide equitable opportunities of employment for them in three essential areas; recommended actions for the government, for the private employers and for Omani youth.

# **8.4.1 Suggested Actions for Government**

Government should direct the nationalisation policies to focus more on encouraging nationals to view the private sector as a viable career option. It is imperative for human resource departments in the government who deal with Omanisation policy to work differently when designing employment policies. The current measures imposed by the government to force implementation of Omanisation, such as the sponsorship system, limited work permission and quota systems have not brought about the required results; therefore, the government should move the policy from a merely quantitative approach (Harry, 2007; Mashood et al., 2009; Wilkins, 2001) that has focused on firing foreigners and hiring nationals, to more qualitative measures that show attitudinal and motivational dimensions. The policy should strengthen the work ethic of Omanis and support the value of manual work. It should also bridge the disparity between government and private sector employment policies and practice, specifically with regard to wages and job security, by initiating comparable procedures in the private sector. It should suspend lifetime employment in its organisations, introducing time-specific work contracts to new entrants and at the same time urge the private sector to offer contracts to experienced public employees, guaranteeing them a better return to the workplace they left. The wage and working conditions in the public sector should be frozen for existing employees until they reach at least fair market value determined by a neutral entity. These measures should be supported by introducing the same retirement system for all Omanis in both sectors.

The current labour law is no longer in-tune with the global competitive labour market in which the movement of labour is easier and faster; therefore, amendment of current labour law becomes essential. Its relevance to the realities of market conditions and protection of workers' rights, privileges and benefits should be firmly entrenched in any revised labour regulations.

Aspects of government initiatives would also include the issues of employee training needs, as this element was found by this research to be a key obstacle to successful implementation of Omanisation. Aspects concerning the improvement of training would cover the following. First and foremost, support would be provided to those responsible for training manpower, in the form of trained human resources to plan, guide, follow up and make the necessary studies. Then employees at all levels should receive adequate opportunities specifically related to their jobs, or related to professional development, to learn and grow. Thus, strategies should be introduced to ensure that all employees are given life-long learning throughout their careers. The findings reveal that the training demanded in practice should cover areas of management and leadership, communication and decision-making skills, IT and technical skills, and financial knowledge. With regard to knowledge transfer, experience of expats should be transferred to Omani nationals, as the key role of foreign experts is to act as coaches for their Omani employees. Government, therefore, should make job-coaching, a priority. This needs to appear explicitly in the labour law. Another necessary measure that this study offers is that of enforcing trainees to work for a company for the same length of time as the training course it provides. This will encourage private employers to provide training that benefits their company and not another, since a familiar complaint has been that employees sometimes decide to leave for other preferred jobs immediately on completion of training. In this regard, it is essential to coordinate between educational organisations (specifically the Ministry of Education and the Ministry of Higher Education) and the private sector to unify efforts. This is to ensure a good fit between the skills and competences needs of private sector with qualified nationals.

The study shows that a social dimension has an impact on the employment of Omanis. They perceive private jobs as having low prestige and low social status. The social assumption is that private sector jobs are only suitable for those with poor or less educated family backgrounds. A stigma of shame is attached to Shieks or tribe leaders who send their children to work in the private sector. Such workers are considered less fortunate because they face many problems in different aspects of life.

Here in lies a conflict between Islam and Omani society. It is therefore critical that action should rectify this assumption and the negative mind-set that locals have towards work in the companies. Cultural campaigns, in schools and communities, are required to raise awareness of the role of the private sector in Oman's economy and

the opportunities of training and advancement. The spirit of individual initiatives among nationals needs to be encouraged (Al-Aali, 2014).

One key finding of this research was the issue of the domination of expatriates among managerial posts in companies and the serious consequences of such domination that impact the development of Omanis' careers. Expats have become the managers responsible for most of the critical decisions in the business. They surprise Omanis and intentionally humiliate them to the extent that it is very common to see expat managers shouting at Omani workers who complain of tiredness due to hard work while they are fasting in Ramadan. The government should assertively and urgently intervene to stop this tragic and miserable situation by instigating a strict job-security system for private sector employment that can protect Omani employees' rights and save them from indignity. There should also be an organisation to regulate working conditions, with powers to investigate and manage complaints, enforce transparent recruitment and promotion practices and conduct labour-law awareness programmes, because for Omani workers are blind towards their duties and obligations in the private sector.

Last but not least, in order to enlighten private sector employers to the importance of Omani leadership, the government is encouraged to organise symposiums that promote Omani leaders' participation in managerial posts in the private sector. These symposiums should start by honouring Omani leaders who are successful in the public sector and in other industries such as oil and gas and banking and reward these industries for the chances they give to Omanis to develop their careers and become leaders. As the study reveals that there is variation between the achievements of Omanisation in different industries, it is recommended therefore, the symposiums' themes include the lessons learned and explore the factors behind the success of the policy in different industries. This will help industries with lower Omanisation achievement to improve.

Imposing quota systems for managerial roles, similar to the systems designed for manual jobs, has become absolutely necessary to force managers to allow Omani leaders the chances to take on managerial posts. This will facilitate the employment process for Omani youth and enable them to join the private sector with more

convenience and confidence, and it will engender their loyalty as they relish the chance to become leaders.

# 8.4.2 Suggested Actions for Private Sector Organisations

Companies need to understand the aspirations of Omani workers if they are serious about attracting them into the sector. Based on the findings of this study, suggested target actions for private employers include job security, stability, trustworthiness, respect and well-being. These are all key requirements of any job, but this study reveals the relative absence of these factors in the private sector. Thus it is recommended that private employers unite their efforts with the government to improve the quality of jobs offered to Omanis by providing the following incentives: increased pay, particularly for manual work, accompanied by greater incentives and benefit packages to employees; and a stop to the practice of short, one-day weekends and short holidays and instead, apply national standards and clearly define the duties and responsibilities of each job category. This will encourage Omanis to join the private sector. The dominance of Indians in managerial roles should be curtailed. Omani business owners have the power to achieve this by giving the chance to Omani leaders to take on managerial posts. Employers should also be required to improve all essential components of human resource development by working closely with the human resource department in the government.

With regard to training and development, as identified by this research as a key hindrance to Omanisation policy, some measures are recommended to enhance Omani training and development processes. These include the offer of training courses and scholarship programmes to active personnel so that they can advance their careers and eventually become leaders. Another measure involves working closely with educational and vocational institutions to set a clear view to guide programme and curriculum development in meeting the needs of private sector industries.

Regarding fairness of opportunities for women, private employers are encouraged to acknowledge women's dual responsibilities of family and work through providing part-time jobs, childcare facilities, health insurance and transportation. The managements of companies are also encouraged to support women in their work by offering them training in leadership and decision making and giving them managerial opportunities to develop their careers. The fact that there are successful woman figures in Oman's

government, occupying senior positions such as ministers, undersecretary and director general should encourage private employers to trust the ability of women to lead their businesses.

## 8.4.3 Suggested Actions for Omani Employees and Job Seekers

Omanisation is a social responsibility and thus every Omani should work towards the national goals of this policy and commit him/her selves professionally to ease the achievement of these goals. Along with the above suggestions for the government and private sector employers, this research also provides recommendations for Omani nationals already working in companies and for those intending to join the private sector. Firstly, Omanis should appreciate the value of work in the private sector and they should work hard and learn from the expats who are primarily coming to the country to transfer their knowledge to them. They have to be patient and not give reasons for expats to criticise them or complain they are careless or not willing to learn. Furthermore, the young and physically strong should not consider shift work, or long working hours or working far from home as obstacles, but instead they should consider such conditions as opportunities to learn and gain experience, because sooner or later expats will leave the country and vacancies can only be given to those prepared to work hard and accept work under any circumstances.

Omanis should reduce their economic expectations and adjust themselves to the needs of the work environment, not to what they need from the work. This is simply because Omanis generally join work in the private sector after gaining the secondary school certificate, while a few enter the sector after a four-year degree; however, all of them enter with no practical experience. They should change their belief that they are employed as managers from the first day of their work and they should be made aware that the competition in the labour market is intense and it is easier than ever to find keen workers to replace unmotivated ones. Therefore, it is recommended that Omani workers adjust themselves to the hard and competitive working environment, and to be more ready and willing to learn from expatriates. Omanis should realise that foreign workers have fewer, if any, social obligations and family commitments to fulfil so are more likely to be favoured by private employers. As soon as Omanis can prove they have the necessary skills, they are more likely to be employed by the private sector because their employment will not require the expensive and burdensome process involved in hiring expatriates.

Finally, this research does not forget the importance of the role of families in shaping their children's attitudes. Individuals who succeed in fulfilling a career path are normally those with educational and familial attributes that contribute positively in shaping their character, sense of professionalism and readiness (Fakeeh, 2009). Children of such families expect less from society or the Government in terms of guidance and opportunities, so they feel more responsible for their own careers. They have a true and realistic sense of the world as it is today and understand their need to better themselves. They relate and interact with expatriates with ease and respect. It is important here to emphasise the ethical makeup of those individuals, because they do not manifest the typical religious expectations of the Imam of the Mosque, or of Islamic teachings at school (Fakeeh, 2009). Hence, parents should be encouraged to become more involved in their children's wellbeing and put emphasis on excellence, ethics and education. This will heavily contribute to the job-seeking behaviour of their children in the future.

#### **8.5 LIMITATIONS**

Although the findings offer a deeper understanding of the obstacles facing job localisation from different perspectives, limitations to the generalisability of these findings are unavoidable. This is due to the limitation of the sample of only three industries; employees in other industries still remain unheard. Learning from employees in other industries that are less omanised, such as construction and health industries could provide new insights. Another limitation was that the population comprised only Omani employees and managers, but the policy targeted two groups of the workforce, locals and expatriates, which means the second group was not part of the study and its voice was not heard. The sensitivity of the research topic, as a potential criticism of government policy on Omanisation, is not welcomed by officials and makes interviewing them very challenging. As for the private sector managers, they are not free to discuss their actual level of co-operation with Omanisation policy lest they upset the policy makers. As for the national workers, they too were not very helpful in providing information about the policy, due to their fear of their expatriate managers if they know that their staff is responding to a researcher who is investigating the domination of expatriates in the private sector. Very frequently during the data collection, an Omani manager asked me to meet him outside work hours and give him copies of the survey so that he could pass them to his staff during the evening. This has limited some participants' willingness to share their views. Cultural and social values sometime present obstacles to such research. Being man in

a conservative Islamic country, it is not easy to hold face to face interviews with women especially those who in rural areas because Islamic custom dictates that there should be a third person with them. This imposes yet another limitation interviewing woman mangers. As a result, only three women were interviewed. Thus, the voice of other women leaders from the government and private sectors remain unheard.

#### **8.6 FURTHER RESEARCH**

This research looked into various aspects of the phenomenon of the lack of Omani locals' participation in the Omani workforce in the private sector. Some of these aspects, such as culture implication and stereotyping, were found to be the major reason for the lack of participation and a reason for the slow progress of their career development in the sector. Further research could help in suggesting how to overcome cultural restrictions affecting the employment of Omanis. Research could also look indepth into the causes of stereotyping of Omani nationals in private sector workplaces, and the extent to which they prevent them from joining the sector.

As mentioned earlier, most of the previous job localisation empirical studies (e.g. Al-Waqfi & Forstenlechner 2014; Mellahi, 2007; Swailes, et al., 2012) ignored employees' points of view and investigated policy from either the employers' or the decision makers' points of view. This study gave the chance for employees to give their ideas on the effectiveness of the policy in the Omani context. This allows future researchers a broader conceptualisation of the employment system, because it fills the gap in the knowledge of job localisation by providing the employees' viewpoints. By this research the opinions of three pillars (Government, private employers and employees) of job localisation are combined which allows future research to compare between these three views towards the policy.

To sum up, further research in this area is needed and it would be interesting to extend this study into other countries. Finally, comprehensive research on Omanisation involving all stakeholders could be very useful to add to our understanding of policy implementation.

### 8.7 CONCLUSION

Quantitative analysis explored the factors that have to date made employers in Oman less willing to hire Omani nationals. Qualitative data was used to support the quantitative findings and also to uncover the reasons behind the absence of talented Omanis in managerial posts in the private sector. Culture, pay, trust, gender inequality, training and development are all aspects of the work that are of concern to Omani nationals when seeking employment in private sector. These were confirmed as similar to the obstacles facing the implementation of job nationalisation policies in other Gulf States. The over-riding feature continues to be the somewhat inordinate influx of foreign workers into the country.

Initially the study intended to use only quantitative data to investigate the dysfunction of current Omanisation policy, but the research later took a different direction by also gathering qualitative data to support the survey. Sixteen interviews were conducted with government officials and managers in private sector industries. Although the number is modest, the data gathered covered important information that portrays a gloomy picture of Omani workers in the private sector. Interviewees were very frank and keen to speak about the weaknesses of Omanisation. They unveiled some sensitive and normally unspoken issues regarding the policy which usually people avoid disclosing to researchers for fear of upsetting those who designed the policy. These issues cover three aspects: first, inter-faith conflicts (expat managers do not want Muslim employees because of religious observance which may lower their productivity); second, social distance barriers (e.g. "hiding of wealth" or the way that business owners seek to minimise the number of people who know about their wealth); third, institutional structure barriers (e.g. company ownership: Omani business owners have only the name of their companies but the practical owners are expatriates). Overall, organisational silence issues were identified with regard to the degrading situation that Omanis experience in the private sector as a result of the domination of expats in managerial posts. Expat managers suppress Omani employees' voices if they speak for their rights to be promoted and to develop their careers and Omanis therefore avoid working with expats. Omanis suffer from an unhealthy work environment in companies, but they consider that speaking up about this suppression is dangerous because it could damage their relationships with people on whom they depend.

The most notable outcome of this research was the high consistency of qualitative data discussed in chapter six matching the outcome of the quantitative data discussed in chapter five. Also, the comments provided by participants as a response to the final part of the questionnaire (see Chapter 5, section 5.7) had high consistency with interview outcomes (with regard to emerging and unexpected barriers to Omanisation). This supports the reliability of the outcomes of this research.

# **8.9 FINAL COMMENTS**

Finally, as an Omani student holding a responsibility to seek knowledge and share it, I feel very sad and disappointed about Omanis suffering in the private sector. It was disheartening to hear that they are oppressed in their own place by strangers who do not value the grace that they have from this country and its people. I suggest that this cannot happen if strict measures are taken to protect locals' rights and make them the stronger part of the workforce and if the influx of expatriates is limited. It is never too late to alleviate the situation. Officials must first understand and effectively address the unacknowledged barriers that prevent Omanis from effectively participating in the country's economic development. This is a challenge ahead if the Omani government is to take full advantage of its under-utilised citizens, because although tangible things are easy to fix, intangible issues are difficult to grasp and repair.

Finally, talking about Omanisation or more frankly criticizing it was a sensitive issue in some cases but working for an organisation which has the responsibility to monitor the policy for more than fifteen years made me initially approach Omanisation as a research topic with a view to produce a valuable piece of work that can help my workplace and other government entities to redesign the old Omanisation to fit today's emerging workplace.

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## **Appendices**

## **Appendix 1 Omanisation of Personnel in Banking Sector**

## **Central Bank of Oman**





3 | March 2013

## CIRCULAR BM\\05



To: All Licensed Banks

Operating in the Sultanate of Oman

After Compliments,

#### Re: Omanisation of Personnel in Banking Sector

- 1. Reference is invited to Circular BM 762 dated 4<sup>th</sup> July 1992 on the requirement on banks to achieve 75%, 95% and 100% Omanisation in Top & Middle Management, Clerical and Non-Clerical job-categories respectively (with some relaxations for smaller banks).
- 2. Considering the positive response received from banks, scope for further progress on the subject and increased emphasis being placed on a matter of social and national importance, the following have been decided upon by the Central Bank.
  - i) Overall Omanisation ratio being over 92.5% in many banks, all banks need to strive and reach levels higher than 90% without need for formal targeting from Central Bank of Oman.
  - ii) Top and Middle Management category will be split into two consisting of (a) Senior Management and (b) Middle Management Cadres.

Senior Management will consist of Assistant General Managers and higher cadres, besides line management reporting to CEO and Heads of Core Departments (like Retail banking, Corporate banking, Credit, Investment banking, Investment Management, Treasury, Risk Management, Audit, Compliance, IT, Financial Control, SME Development depending upon the size of the bank) and banks should achieve 65% in this Cadre by December 2015 and 75% by December 2016 (with plan to raise it to 90% by December 2018).

## **Central Bank of Oman**





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#### CIRCULAR BM 1105

Middle Management, consisting of others in Management cadre, will reach 90% Omanisation by December 2016.

- iii) While Non-Clerical cadre will continue to have 100% Omanisation, Clerical Cadre will reach 100% by December 2013.
- 3. Considering special circumstances, the following will be the exemptions.
  - i) All foreign banks may exempt their CEOs/Country Managers from Omanisation reckoning.
  - ii) Foreign banks with only one branch shall, also, have the option of having three Non-Omani staff. Earlier additional parameter of having more than 20 staff is repealed.
  - iii) Islamic banks and Windows shall be allowed to be treated separately and given time for four years from commencement of their business for compliance with overall ratio of 90% and all sub-segmental ratios as others subject to their having at least 65% overall ratio, besides senior management, middle management, clerical and non-clerical cadres of 50%, 50%, 75% and 100%, respectively, to start with and setting a plan for progress annually.
- 4. While Central Bank of Oman is pleased to note banks' commitment to raising job opportunities for Omanis and further recruitment of Omanis, it is observed that not all banks have identified/shared adequate training and other inputs and diverse, on-the-job and other exposures, for Omani employees for their preparation and empowerment with higher responsibilities.

It is pertinent to note in this connection that His Majesty's speech in the Annual Session of the Council of Oman on 12<sup>th</sup> November 2012



# **Central Bank of Oman**





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## CIRCULAR BM 1105

has, also, placed much emphasis on training programs and promotion of productive capacities for Omani citizens, as part of social development. Obviously, these requirements need to be addressed adequately.

5. All banks shall, from June 2013 onwards, provide quarterly returns, as at present (but for bifurcation of Top & Middle Management into Senior Management and Middle Management) and providing, additionally, list of identified Senior Management positions, as stated in para 2(ii) above.

Best regards

Hamood Sangour Al Zadjali The Executive President

# Appendix 2: Current Study's Review of Job Localisation Policy in HRM Literature

Authors and Year	Thesis/paper's title	Population/ Sample	Research method/s	Key objectives	Key findings
Alshanbri, et al. 2015	Employees' Turnover, Knowledge Management and Human Resource Management: A Case of Nitaqat Programme	Government publications regarding Saudi Arabia's new localisation programme "Nitagat".	Secondary- based research.	This paper examines the employee turnover source and its effects, and forwards a suggested strategy that links to HRM on how to minimise the lost knowledge caused by the localisation programme, Nitagat.	HR Department should act as a strategic partner in organisations to facilitate knowledge sharing among employees and to minimise employee turnover.
Al-Aali, 2014	Nationalisation: A case from the Middle East "Kingdom of Bahrain"	Employees and managers in private sector and officials in the government.	Mixed method (Questionnaire and Interview)	The main aim of the research is to explore the role of nationalisation programmes within an HRD framework designed to build capacity from national human resources.	To enhance Bahranisation, there is a need for preparation of HRD professionals, coordination among entities, balancing supply and demand for labour, creating desired private sectors, education reform, consideration of culture differences and better career development in private sector organisations.
Alselaimi, 2014	Increasing Saudi Women's Participation in Professional Occupations: A Saudi Perspective	Employed and unemployed Saudi women	Qualitative approach (Interview)	The thesis examines the different interconnected layers of meaning that affect the Saudi system and the system's ability to provide equal opportunities for both man and woman nationals.	The study provides three key findings with regard to the employment of women in Saudi: It aims to utilise untapped woman potential that is wasted. It addresses the gap in the literature that documents the status of educated Saudi women in the professional workforce from a theoretical perspective. In a sensitive area like this, where the study of woman participation sits on cultural and religious grounds, the study provides national insights regarding the phenomenon, rather than suggesting approaches characteristic of Western feminism that may not fit into the conservative Saudi context.
Al-Mami, 2014	Antecedents and Consequences of Saudisation in the Construction Sector	Saudi Arabian construction companies (employees). Managers in construction companies	Mixed method: (Questionnaire & Interview)	To examine the factors affecting the adoption of Saudisation and, to measure the effect of the adoption on the improvement of productivity and other benefits such as	The antecedents of the adoption of Saudisation (policies and regulations, facilitators and incentives of adoption and knowledge-sharing practices) had a positive effect on the adoption of Saudisation.

				improving work opportunities and job security.	
Al-Asfoura, & Khanb, 2014	Workforce localisation in the Kingdom of Saudi Arabia: issues and challenges	Public and private sectors	Review the current literature on Saudisation	Examines the Saudisation process initiated in the Saudi public and private sectors and its efficacy in dealing with the challenges of replacement of the expatriate workforce and the skill-development strategy	Many organisations are feeling the cost of the programme by hiring locals who demand higher pay. Saudis are not well-trained to replace foreign employees, thus they are less productive than their foreign counterparts.
Lim, 2014	The Emergent 'Gen Y' Workforce: Implications for Labour Nationalisation Policies in the UAE and Saudi Arabia	UAE and Saudi nationals born 1980-1990 (Gen Y).	Secondary research	The study compares the life priorities and work motivators of Emirati and Saudi Gen	The findings showed a symmetrical prioritisation of life priorities by Emiratis and Saudi respondents but with differences in work preferences as Emiratis were most motivated by extrinsic work motivators while Saudis placed greatest importance on intrinsic work motivators
Kemp & Madsen (2014)	Oman's labour force: an analysis of gender in management	private and publicly listed organisations in Oman	Mixed method (Questionnaire and Interview)	To investigate the state of affairs in the Sultanate of Oman for the presence (or absence) of women in senior and managerial roles in private companies	Women are employed in Oman in small numbers compared with the number of men. Women remain extremely underrepresented in senior roles in Omani organisations currently. Women are found slightly more in departmental management roles (particularly in human resource management, marketing/communication, public relations and project management) and in the transport and finance industries.
Forstenlechner et al., (2014)	Exploration and Perceived Employability Within an Emerging Economy Context	Unemployed United Arab Emirates citizens	Quantitative (Questionnaire)	To explore what drives career choices under these very particular circumstances	The social contract and resulting expectations toward state employment have strong implications for willingness to work in the private sector.
Al-Waqfi & Forstenlechner, (2014)	Barriers to Emiratisation: the role of policy design and institutional environment in determining the effectiveness of Emiratisation	Senior managers and human resource professionals from various sectors of the economy	Mixed method (Questionnaire and Interview)	To assess the effectiveness of the Emiratisation policy as practiced over the past two decades along with major challenges encountered.	Findings of the study reveal several weaknesses of the Emiratisation programmes over the past two decades, related to the policy tools and regulations, as well as implementation mechanisms adopted. For example the legal frameworks governing the employment of citizens in the public sector, employment of citizens in the private sector and the entry of foreign workers, respectively, as ineffective. Also, the current laws and regulations are ineffective. Results also showed that the following issues are still not addressed by Emiratisation: skill and competency

Hertog, (2013)	The Private Sector and Reform in the		Secondary research	To investigate the important of providing a tax base,	levels, pay expectations and commitment to work in a competitive and demanding work environment.  Of the three, employment is the most important and could decide the political fate of private capital in the
	Gulf Co-operation Council			employment and investment opportunities for Gulf States citizens in reforming private sector industries	Gulf in the long run.
Toledo, (2013)	The political economy of Emiratisation in the UAE		An extension of the Ramsey Rule is used	To illustrate the difficulties of implementing Emiratisation, a policy that aims at increasing the participation of native workers in the UAE private sector by means of a government mandate. To explore the conditions under which the Emiratisation policy can potentially increase the participation of native workers in the UAE private sector.	The Emiratisation policy will tend to achieve some level of success in the short run, if implemented in firms that are operating in imperfectly competitive markets. In the medium run, a higher level of labor mobility for migrant workers could increase employment opportunities for native workers.
Sadi, (2013)	The Implementation Process of Nationalisation of Workforce in Saudi Arabian Private Sector: A Review of "Nitaqat Scheme"	Panels of discussion about nationalisation of workforce in Saudi labour market in service sector of private sector	Qualitative research (Panel groups)	To discuss the implementation process of nationalisation policy of workforce in Saudi Arabian private sector. The objective of the panels of discussion was to find which group among the four: strategy, marketing, human resource and training and education, has the highest percentage of responses in favour of workforce nationalisation	The strategy group had the major impact among the four groups on the topic
Swailes & Al Fahdi, (2011)	Voluntary Turnover in the Omani Public Sector: An Islamic Values Perspective	Current and former public employees.	qualitative approach (Interview)	Examine experience of an emerging problem of labour turnover in the private sector.	The main reasons for turnover are dissatisfaction with management style, reward practices, and promotion opportunities.
Forstenlechner et al., (2012)	Emiratisation: determining the factors that	250 UAE-based HRM personnel	Quantitative (Questionnaire)	To quantitatively determine the recruitment decisions of the employers. In order to	Not having the necessary educational qualifications and high reservation wage demands were found to have less of a bearing than does the perceived lack

	influence the recruitment decisions of employers in the UAE			identify which factors (social, cultural, economic, regulatory, educational and motivational) are most significant as cited in the relevant literature.	of vocationally orientated motivation and the ambiguities over the differing rights afforded to employees.
Randere, (2012)	Workforce Nationalisation in the Gulf Cooperation Council Countries	Public and private sectors in Gulf States	Secondary research	Review all six Gulf States Nationalisation programmes.	Education, training, the transfer of knowledge from expatriate to citizen, better approaches to encouraging citizens into the private sector and the greater inclusion of women are all significant issues that need to be tackled in order to fulfill the desired goal of nationalising the labour force across all Gulf States states.
Mellahi & Forstenlechner, (2012)	Gaining legitimacy through hiring local workforce at a premium: The case of MNEs in the United Arab Emirates	managers of MNE's affiliates located in the UAE	Qualitative approach (Interview)	Examines the process and outcomes of cultivating external legitimacy through the employment of host country nationals by multinational enterprises' (MNEs) affiliates in the United Arab Emirates.	In sectors where the employment of host country nationals is almost taken for granted such as in banking, MNEs are driven by a sense of appropriateness and social legitimacy. In contrast, in sectors where the employment level of UAE nationals is almost nonexistent, those MNEs engaging in localisation are driven by the logic of economic efficiency and tend to employ nationals in order to extract rent from the government.
Swailes, et al., (2012)	Localisation policy in Oman: A psychological contracting interpretation	Senior officals and managers in private sector companies	Qualitative approach (Interview)	To investigates Omanisation policy in public and private sector.	Employability of locals has associated with supply and demand sides problem. Supply side represents the lack of skills and competencies of locals demanded by employers. Demand side represents the reluctant of private employers to hire locals claiming that locals are very expensive and they not stable and less loyal.
Zerovec & Bontenbal, (2011)	Labor Nationalisation Policies in Oman: Implications for Omani and Migrant Women Workers	in-depth interviews with migrant and Omani women workers; and a survey among woman nurses and school teachers	Mixed method: (Questionnaire and Interview)	Examine the implications of labor force nationalisation for women workers	Employment has become easier for Omani women, but it has become more difficult for expatriate women to find employment.  Omani women workers sought work that offers a feeling of accomplishment, whereas expatriate women mentioned job security and a well-paid job. Working hours, for example, tend to be shorter for employees in the public sector, making it a potentially more attractive sector for Omani women to enter.
Sadi & Henderson, (2010)	Towards Job Localisation in Saudi Arabia: Drivers and Barriers within the Services Sector	services sector executives in Saudi	Quantitative (Questionnaire)	Examines job localisation policies and their implications with particular reference to the case of Saudi Arabia	Financial effect, Cultural effect, Institutional effect and Work environment have a significant impact in services sector in Saudi.

Mashood et al., (2009)	Emiratisation, Omanisation and Saudisation- common causes: common solutions	Government and private sectors in Oman, Emirates and Saudi	Secondary research	Compare the nationalisation programmes in Oman, the UAE and Saudi-Arabia	Banking seems to have been successful in all 3 countries. Other sectors seem to struggle to reach the quota set.
Fakeeh, (2009)	Saudisation as a Solution for Unemployment The Case of Jeddah Western Region	Representative s of the key stakeholder groups: policy makers, employers and employees.	The thesis draws on documentary evidence as well as on interviews.	This thesis is an attempt to understand the roots of this paradox of high wealth and high unemployment. How did Saudi Arabia arrive at a situation where it became dependent on the labour of expatriates and why did the government not use the countries' wealth to create a vibrant high-skill economy.	The research lends weight to the idea that Saudisation is deficient as a policy and that, without targeted logistics and application, it provides little more than a short-term solution to unemployment.
Al-Lamki, (2005)	The Role of the Private Sector in Omanisation: The Case of the Banking Sector in the Sultanate of Oman	Banking sector in Oman	Quantitative (Questionnaire)	The main objective was to determine corporate Omanisation policies and practices along with the influence of other related factors that have contributed to the successful achievement of Omanisation targets set by the Central Bank of Oman (CBO).	Analysis of data from the banking sector indicated an overwhelming achievement of ninety one % (91%) Omanisation. This success is attributed to most of the 25-items in the questionnaire with CBO Omanisation policy ranking the highest with a mean score of 3.9 on a 4-point scale.
Al-Ali, 2008	Emiratisation: drawing UAE nationals into their surging economy	Executives or their peers in human resource management of large enterprises and relevant authorities in the public sector	Mixed method (Questionnaire and semi- structured interview)	To examine Emiratisation and its antecedents from the perspective of national policy impacting private sector organisations' cultures, working conditions and job specifications.	Barriers to Emiratisation were found to include low standards of education and skills of potential employees, inadequate English, and a lack of trust by employers in the work-readiness of United Arab Emirates (UAE) nationals. From individuals' perspectives, it was reported that the nationals considered that the private sector offered little career opportunity and low wages in comparison to the public sector.
Al-Ali, (2008)	Structural Barriers to Emiratisation: Analysis and Policy Recommendations	Private and public sectors employees (State of Dubai)	Quantitative (Questionnaire)	Investigate human social and organisational barriers to Emiratisation in public and private sectors in UAE.	The results revealed five variables that significantly differ in impact between the public and private sectors: training and development, career development, English fluency, gender inequality, and trust. To attract and retain Emiratis in public sector organisations, the variables of age, gender

Al-Balushi,	Challenges of the	Sultan Qaboos	Qualitative	This study explores the	inequality, trust, organisational culture and career development were found to be significant; whilst in private corporations, trust, wasta (nepotism), organisational culture and remuneration were important in attracting and retaining UAE nationals.  The analysis of the interview data revealed that
(2008)	Omani Labour Market: high unemployment for the mass communications graduates of Oman's principal educational facility, Sultan Qaboos University (SQU).	University graduates, Private employers and government officers	(interview)	factors contributing to high unemployment for the mass communications graduates of Oman's principal educational facility, Sultan Qaboos University (SQU) in Oman.	conventional human capital themes failed to account for the range of views about the effects of the course on graduate employability.  Traditional human capital accumulation is insufficient to deliver jobs; the human risk capital is too high. Risk factors for mass communications students include course admission, curriculum content delivery, language fluency and technology.
Sadi & Henderson, (2005)	Local versus Foreign Workers in the Hospitality and Tourism Sector: A Saudi Arabian Perspective	Managers in Hospitality sector	Quantitative (Questionnaire)	Investigate the barriers to Saudisation in Tourism sector in Saudi	The prevailing work culture was perceived as an obstacle to success. The existing university business courses were a poor preparation for sector employment. Lack of English competences of citizens was another issue and was judged necessary. The view that Saudi Arabian men do not like being supervised by women was also endorsed. Rushing to remove expatriates and filling the vacancies with locals may not be feasible and could have harmful repercussions if the new recruits are unready and unskilled.
Al-Qudsi, (2006)	Unemployment evolution in the Gulf States economies			Investigates the nature of Gulf States unemployment	Unemployment in Gulf States is Voluntary as unemployed choose the joblessness status rather than settle for lower-paying jobs
AL-Humaid, (2003)	The Factors Affecting the Process of Saudisation in the Private Sector in the Saudi: A Case Study of Riyadh City	Employers, employees in Private sector companies and Saudi jobseekers	Mixed method (Questionnaire and semi- structured interview)	examines what is the state of the process in that sector in terms of the achievements; it identifies and analyses the factors that negatively affect the process; and it explores possible solutions that may be considered for improving the process	The study showed that the process was experiencing protracted problems in private sector from four perspectives: the attitude and disposition of Saudi employees and job seekers whose expectations may be a little bit out of touch with the reality of market trends; the attitude and disposition of foreign labour as formidable competition to local labour in many respects; the attitude and disposition of private sector organisations driven by profit maximisation motives and short-term objectives; and the effectiveness of government policies, initiatives and programmes that could either serve to foster the

					process or indeed impede its progress
Al-Lamki, (2000)	Omanisation: A Three Tier Strategic Framework for Human Resource Management and Training in the Sultanate of Oman.	Analysis of the current government documentation s in Omanisation programmes	Secondary research	Addresses the issue of Human Resource Management (HRM) and training with particular emphasis on Omanisation.	The missing link in the successful realszation of Omanisation in the private sector is a holistic and integrated coordination and cooperation between the government, the private sector employers and the employees.  In the private sector, slow progress has been achieved in this endeavor, and the ratio of Omanis to expatriates in the private sector is very low.
Kamel et al. (2010)	Local workers in Gulf States: Assets or liabilities	Managers from private sector in Saudi and Oman	Qualitative (interview)	Investigates private sector managers perceptions about problems and solutions of localisation (in private sectors in Saudi and Oman).	Cheap foreign labour makes the employability of locals difficult. The ability to integrate in multi-nationals companies
Al-Lamki, (1998)	Barriers to Omanisation in the private sector: The perceptions of Omani graduates	The senior graduating students at Sultan Qaboos University (SQU)	Quantitative (Questionnaire)	To determine barriers to Omanisation in the private sector as perceived by the senior graduating students at the Sultan Qaboos University (SQU).	A significant majority of the students confirmed that obstacles to Omanisation in the private sector exist. These barriers are: Work preference in the public sector. The most deterrent factors to Omanisation in the private sector as perceived by the students were related to the compensation and benefits packages offered in the private sector. The lack of information (awareness) about private sector employment opportunities.

# Appendix 3: Cover Letters and Survey Questions (English and Arabic Versions)

### A) English Version



5 June 2013

Our Ref: IEO\_AUTHABS/1174475/1

To whom it may concern

#### Mr Yahya Al-Nahdi, Student ID: 1174475, Date of Birth: 12/Jun/1973

This is to confirm that Mr Yahya Al-Nahdi is enrolled on the PHD (Business School) (Course code BX504) at the University of Huddersfield.

I have authorised a period of absence to be taken between the 26/06/2013 and the 25/08/2013 for the following reason:

Study visit/data collection outside the UK.

Yahya will be expected to complete his/her studies by 31/Mar/2016.

I trust that this information is of help.

Yours faithfully

Sharon Youngson International Compliance Officer International Office University of Huddersfield Queensgate Huddersfield HD1 3DH

....

Tel: 01484 372048 Email: sharon.youngson@hud.ac.uk







University of Huddersfield Business School, Huddersfield UK.

Dear Participant,

I am undertaking a research project on "attitudes to employment in Oman" as part of my PhD under the supervision of Professor Stephen Swailes,. The study intends to develop an integrated and comprehensive strategy for increasing Omani participation in the private sector workforce.

I would like you to spend around 20-30 minutes filling in the following survey to explore your opinion on the employment of Omanis in the private sector. All information provided by you will be strictly confidential and used for the purpose of this study. The results will be presented in a comprehensive form, thus, your anonymity is guaranteed and no individual will be identified.

Please complete the questionnaire and return back to me at your earliest possible convenience, no later than 01/08/2013.

I thank you in advance for your anticipated co-operation and participation in this study. If you have any questions, please feel free to email me by: (u1174475@hud.ac.uk) or call me by (00 968 95955554 – Oman) or (00 44 7427603356 – UK). Also, you can contact directly the supervisor of this research as named above by his email (s.swailes,@hud.ac.uk).

Yours sincerely,

Yahya Al Nahdi PhD Researcher

## **Main Survey**

## Attitudes to employment in the private sector

## **Section 1: Employment attitudes**

Please show how much you agree or disagree with the following statements relating to employment in Oman. Please tick the column, which best indicates your opinion about each statement based on your experience in your workplace.

Items		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.	National school leavers and high school graduates are inadequately prepared for the workplace.					
2.	There is a mismatch between the education system's contents and workplace requirements of communication, teamwork, analytical and innovative thinking skills.					
3.	The poor procedures for the selection of teachers have led to poor quality of education outcomes.					
4.	The current education system prioritises theoretical knowledge and memorisation rather than practical preparations for the workplace.					
5.	Developing students' English skills is weakness of the education system.					
6.	Developing students' IT skills is weakness of the education system.					
7.	The education system has mainly focused on developing a national identity rather than creating a productive workforce.					
8.	Private workplaces do not value skills and experiences in recruitment and promotion processes.					
9.	Omani nationals do not have sufficient experiences and skills to do their jobs well.					
10.	Foreign workers have more experiences and skills than Omani workers					
11.	Overall, the current in-job training programmes are not sufficient to develop employees work skills.					
12.	Private companies do not provide much opportunity for further education (e.g. part time Bachelor					

4		ı	
degree programmes).			
13. Lack of technical and vocationa training is considered a key cause of the inability of Omani employees to compete with the expatriates in the private sector.			
<ol> <li>Private organisations do not maintair the well-being of their Oman employees.</li> </ol>			
<ol> <li>Private sector work is less interesting than public sector work.</li> </ol>	1		
16. Private organisations do not support employees with the balancing of work and social life.			
17. Omani employees are less loyal to their workplace than migrants.			
18. Omanis think frequently about quitting their jobs.	:		
19. Omani employees in the private sector do not feel they are ar important part of their organisations			
<ol> <li>Men and women do not have the same employment opportunities ir private organisations.</li> </ol>			
21. Women's career development is hindered in private companies as they are perceived to lack managerial skills.			
22. Women are pressured to sacrifice some of their femininity if they wish to achieve a high position in the private sector.	L		
23. Training opportunities are very limited for women in private companies.			
24. Private employers are reluctant to employ married women.			
25. The constraints imposed or employers in relation to logistica issues, special entrances, seating arrangements, separation etc. make it harder to hire women.			
26. Employers in private organisations feel that recruiting women is a short-term investment.			
27. Cultural perceptions are an important factor explaining women's exclusior from leadership positions in private organisations.	ı		
28. A woman who stays at home with her children is a better mother than a woman who works outside the home.	L		
29. In private organisations, expatriate managers do not trust Oman workers.			
30. In private organisations, Oman			

	employees do not trust management to look after their career interests.			
	In private organisations Omani employees avoid expressing their opinions due to fear of punishment.			
32.	Managers in private organisations are reluctant to delegate to Omanis.			
	Private employers believe that Omanis are 'costs' not 'valued' assets.			
	Work relations between employees and their managers are poor.			
	Personal connections are still very influential to get and seek jobs.			
	Working environment is dominated by tribal allegiances among Omanis.			
37.	Favoritism in private organisations does occur in recruitment decisions.			
1	Who you know is more important than what you know when it comes to promoting employees in private organisations			
i	Women are discouraged from working in first line production jobs in factories due to cultural constraints.			
1	Parents are very reluctant to permit their daughters to work in companies far from their home.			
1	Attitudes about the ability of women to mix with non-family members is a barrier to Omanisation.			
1	Speaking good English is the fundamental obstacle to gaining promotion in private companies.			
	Speaking good English is a major advantage for non-nationals in private companies.			
	Private employers expect new entrants to be fluent in English language.			
	Multiple nationalities in the workplace hold back teamwork.			
1	Expatriates are not encouraged to train and transfer their knowledge to Omanis in private organisations.			
	Private employers demand high education qualifications for low level jobs.			
	The current rules and regulations in private sector organisations are not supporting Omanisation policy.			
	There is no consideration of Ramadan and no change in working hours for Ramadan in private companies.			

50. Important spiritual needs are ignored			
by expatriate managers.  51. Omanis are stereotyped by expatriate managers as less disciplined.			
52. Omanis are stereotyped by expatriate managers as less committed to their work.			
53. Omanis are stereotyped by expatriate managers as less motivated.			
54. Omanis are stereotyped by expatriate managers as lacking experience and skills.			
55. Omanis are stereotyped by expatriate managers as not appreciating the company's goodwill.			
56. Omanis are stereotyped by <u>Omani</u> <u>managers</u> as less disciplined.			
57. Omanis are stereotyped by <u>Omani</u> <u>managers</u> as less committed to their work.			
58. Omanis are stereotyped by <u>Omani</u> <u>managers</u> as less motivated.			
59. Omanis are stereotyped by <u>Omani</u> <u>managers</u> as lacking experience and skills.			
60. Omanis are stereotyped by <u>Omani</u> <u>managers</u> as not appreciating the company's goodwill.			
61. There is a poor future career in private companies.			
62. There is no opportunity available in private companies to discuss employees' future career plans.			
63. Non-nationals have more opportunities to get promoted and hold managerial posts.			
64. There is a lack of information awareness about opportunities for changing jobs in private sector organisations.			
65. In private organisations, poor performing and high performing employees enjoy the same outcomes (e.g. pay and promotion).			
66. Talented Omani employees are ignored and marginalised by their expatriates' bosses in private companies.			
67. Opportunities to compete for promotions are rare as most managerial roles have dominated by expatriates.			
68. Working hours in private organisations do not fit local workers' social and family obligations.			

70. Physical working conditions are poor	
in private organisations.	
71. Private Organisations offer less job security than public organisations.	
72. Shift-based work is disliked by Omanis.	
73. There is less annual leave entitlement in private sector.	
74. Organisational policies discriminate between locals and expatriates.	
75. It is cheaper to dismiss an expat and employ another than it is to dismiss an Omani.	
76. Lower average earning in the private sector create little incentive.	
77. Expatriates managers and their locals counterparts are not rewarded equally.	
78. There is less retirement pension in private sector.	

## **Section Two: Demographic Information**

Finally, we would like to know just a little about you so we can see how different types of people feel about the issues we have been examining?

1. Gender:		Male	
		Female	
2. Marital status:		Single	
		Married	
3. Your profession	al backgro	ound:	
a) Salary (OM	₹):		
Less than 4	400		
401-700			
701 and at	oove		

b) Sector:
Tourism Banking
Car retailing
c. Job title:
Senior manager Middle manager
Junior manager Non-manager
d. Work experience:
Less than 2 years
2-5
6 -10
More than 20
4. In your opinion, how much in-company training have you received:
Very little training
Occasional training
Extensive training
5. Please select one from the following that best describes your academic background
Below secondary education
Secondary education certificate
Diploma
Higher Diploma
Bachelor's degree and above

Would you like to receive a copy of the results	of the study?
Yes (if yes, please provide you	ur email or postal address)
No	
If you would like to provide any additional conplease do so in the space provided below. You achievement of the goals of this research projection devoted to fill in this questionnaire.	our input will greatly contribute to the ect. Thank you very much for the time
Thank you for your co-operation	
Supervising tutor:	
Yahya Al Nahdi	Professor Stephen Swailes,
PhD Researcher Management	Professor of Human Resource
Department of Management and Leadership	Director of Research
Business School	Business School
University of Huddersfield, UK	University of Huddersfield, UK
Tel + 44 7427603356 (UK), 95955554 (Oman)	Tel: + 44 1484472857
E-mail: u1174475@hud.ac.uk	E-mail: S.Swailes,@hud.ac.uk

#### **B)** Arabic version



الأفاضل/ الأخروة / الأخروات

المحترمون

السلام عليكم ورحمة الله وبركاته ...وبعد...

الموضوع: إستبانة حول "سياسة التوظيف في سلطنة عمان"

أود الافادة بانني أقوم حاليا بعمل مشروع بحثي حول "سياسة التوظيف وإحلال العمالة المحلية مكان العمالة الوافدة" لنيل شهادة الدكتوراه في بالمملكة المتحدة تحت اشراف البروفيسور/ستيفن سويلاس University of Huddersfieldالموارد البشرية من جامعة هدرسفيلد ()، حيث أن الدراسة ستتعرف على الصعوبات والمعوقات التي تواجهه القوى العاملة المحلية من Professor Stephen Swailes, والتحقيق المشاركة في سوق العمل بالقطاع الخاص والخروج باستراتيجية شاملة تساهم في رفع مشاركة العمانيين وانخراطهم في هذا القطاع. ولتحقيق هذه السياسة هذه الغاية فقد تم تصميم الاستبانة المرفقة لاستقصاء آراء الموظفين العاملين بالقطاع الخاص حول سياسة التعمين ومدى فاعلية هذه السياسة والمعوقات التي تواجهه تطبيقها.

لذا يرجى التكرم الاجابة على هذه الاستبانة بكل صراحة وموضوعية وذلك باختيار الاجابة التي تجدونها تعبر عن رأيكم حيال كل عنصر، حيث ان كل عنصر بجانبه خيارات من 1 الى 5، فالرقم 1 يعبر عن عدم الموافقة بشدة والرقم 2 عن عدم الموافقة والرقم 3 عن الحيادية والرقم 4 عن الموافقة والرقم 5 عن الموافقة بشدة. كذلك الجزء الاخير من هذا الاستبيان هو عبارة عن أسئلة عن بيانات عامة عن الشخص يرجى الاجابة عليه قبل تاريخ 2013/8/1

وسوف يتم الحفاظ على سرية ما سوف تدلون به من إجابات ولن يكون هناك تعريف باسم المشارك او المشاركة بأي شكل من الاشكال.

المشارك فهمها وهي: كذلك هناك بعض المصطلحات التي أردت ايضاحها حتى يسهل على

العامل العماني: يشمل جميع الموظفين العمانيين العاملين بالمؤسسة.
المؤسسة/المؤسسات: تعبر عن المؤسسة/الشركة/البنك الذي تعمل/تعملي به.
العادات والتقاليد والاعراف: تعبر ممارسات افراد المجتمع العماني والتي تشمل أفكار هم واسلوب حياتهم وسلوكهم الاجتماعي. نظام التعليم: هو نظام الدراسة الحكومي الإلزامي في سلطنة عمان والذي يبدأ من الصف الاول وينتهي بصف الثاني عشر.
العمالة الوافدة: هي فئة العاملين بالقطاع الخاص الغير عمانيين والذين لا يحملون الجنسية العمانية.
النظرة النمطية: هي النظرة السلبية الراسخة في عقول المديرين الاجانب والعمانيين عن الموظف العماني في بيئة العمل. سياسة المؤسسة: هي القوانين والأنظمة التي تتبعها الشركة او المؤسسة في القطاع الخاص لادارة مواردها البشرية.

شاكرا لكم عونكم لاستكمال هذا المشروع البحثي، وتفضلوا بقبول فائق الاحترام والتقدير،،

الباحث/ يحيى بن ربيع بن ناصر النهدي

جامعة هدر سفيلد/ كلية التجارة، المملكة المتحدة

هاتف نقال (عمان) 0096895955554

<u>u1174475@hud.ac.uk</u>البريد الالتكروني:

## استبانة

## حول الوضع الوظيفي في القطاع الخاص بسلطنة عمان

الجانب الوظيفي الأول الجزء

في هذا الجزء يود الباحث معرفة إلى أي مدى تؤثر العناصر الآتية في عملية التوظيف في القطاع الخاص بعمان من وجهة نظرك ، وذلك بوضع علامة  $(\lor)$ على ما تراه مناسبًا في التعبير عن رأيك وفقًا للواقع العملي الممارس في مكان عملك بشأن كل عنصر.

موافق	مو افق	محايد	غير	غير		2
بشدة	الرابي ا	<del>-</del>	موافق موافق	موافق موافق	العنصــــــر	م
				بشدة		
					خريجو شهادة دبلوم التعليم العام (الثانوية العامة سابقًا) وما دونه غير مؤهلين للانخراط بسوق العمل.	1
					ضعف التوافق بين مخرجات التعليم العام وما يحتاجه قطاع العمل من مهارات وخبرات.	2
					ضعف إجراءات انتقاء المدرسين أدّى إلى ضعف جودة مخرجات التعليم	3
					نظام التعليم الحالي يركز على النواحي النظرية والحفظ ولا يعطي اهتماما بالنواحي العملية.	4
					قلة الاهتمام بمهارات اللغة الانجليزية إحدى أهم مواطن الضعف في نظام التعليم.	5
					قلة الاهتمام بتطبيقات الحاسب الآلي إحدى أهم مواطن الضعف في نظام التعليم.	6
					التعليم في عمان العبرة منه الاكثار من الخريجين وحملة الشهادات العليا، وليس خلق مواطن عماني منتج وفاعل .	7
					المهارات والخبرات لا يكون لها اعتبار في عملية التوظيف وترقية الموظفين في مؤسسات القطاع الخاص .	8
					العمانيون يفتقرون إلى المهارات والخبرات الكافية لإتقان المهام التي يقومون بها في العمل.	9
					العمالة الوافدة تمتلك مهارات وخبرات أكثر من العمالة المحلية.	10
					بر امج التدريب على رأس العمل غير كافية لتطوير وصقل مواهب العامل بمؤسسات القطاع الخاص.	11
					فرص مواصلة التعليم ما بعد الدبلوم العام (الثانوية العامة سابقًا) محدودة في مؤسسات القطاع الخاص.	12
					قلة توفر التدريب الفني والمهني يعتبر أحد عوائق جعل العامل العماني قادر وبكل جدارة لمنافسة العامل الوافد في مؤسسات القطاع الخاص.	13
					مؤسسات القطاع الخاص لا تعمل على ضمان رفاهية وسعادة العاملين بها.	14
					الوظيفة في القطاع الخاص أقل متعة من الوظيفة في القطاع العام.	15
					لا يوجد توافق بين الوظيفة في مؤسسات القطاع الخاص والحياة الاجتماعية للعامل.	16
					العامل العماني في القطاع الخاص أقل و لاء للمؤسسة التي يعمل بها.	17
					العامل العماني دائم التفكير في ترك وظيفته والبحث عن وظائف أخرى.	18
					العامل العماني بالقطاع الخاص لا يشعر بأن المؤسسة التي يعمل بها عبارة عن كيان أسري وأنه جزء مهم بها.	19
					الرجل والمرأة غير متساويين في فرص التوظيف في مؤسسات القطاع الخاص.	20
					فرص التطور في الوظيفة لدى المرأة العاملة بالقطاع الخاص محدودة بسبب الصورة النمطية المأخوذة عليها على أنها تفتقد إلى المهارات الإدارية.	21
					تضطر المرأة بالتضحية بشيء من أمومتها إذا كانت تطمح لتحقيق تقدم في مستواها الوظيفي والوصول إلى وظانف قيادية بمؤسسات القطاع الخاص.	22
					المرأة العاملة بالقطاع الخاص تفتقر إلى فرص التدريب وذلك لكونها امرأة.	23
					أصحاب الشركات بالقطاع الخاص يترددون في توظيف المرأة المتزوجة.	24

1 25		
25	القبود المفروضة على أصحاب الشركات في القطاع الخاص لتوفير أماكن خاصة	
	المرأة العاملة مثل المداخل ودورات المياه وفصل مكاتبها عن مكاتب الرجال يجعل	
	أمر توظيفها محدود في هذه الشركات.	
26	أصحاب الشركات يعتقدون أن توظيف المرأة هو استثمار مؤقت للمؤسسة .	
27	للعادات والتقاليد دور كبير في إبعاد المرأة عن المراكز القيادية في مؤسسات	
	القطاع الخاص.	
28	النظرة العامة لدى المجتمع بأن المرأة غير العاملة والمهتمة بتربية أولادها أفضل	
	من المرأة العاملة خارج منزلها.	
29	المسؤولون الأجانب في القطاع الخاص لا يثقون في العاملين العمانيين.	
30	لا يثق العامل العماني في مؤسسات القطاع الخاص بمديريه الأجانب في تطوريه	
30	وظيفيًا.	
31	العامل العماني بالقطاع الخاص لا يصرح بآرائه حول بيئة العمل أو ما يخص	
31	المؤسسة؛ خوفا من احتمالية العقاب الذي قد يواجهه.	
32	المديرون في مؤسسات القطاع الخاص يترددون في تفويض العامل العماني	
32	الممارسة بعض المهام الوظيفية.	
33	أرباب العمل في مؤسسات القطاع الخاص يعتقدون بأن العامل العماني خسارة على	
33	الشركة وليس ذا قيمة مهمة لها.	
34	المعرف وبيس ما بيعة مهمات الهاب المديرين في مؤسسات القطاع الخاص هي علاقة	
34	العادف التي تربط العاملين بالمديرين في موسسات العظاع الخاص هي عادف	
2.5	طعبیه و تنعدی عدمه مس. العنصر الأقوى والمؤثر للحصول على العنصر الأقوى والمؤثر للحصول على	
35		
2.6	وظيفة.	
36	القبلية في المجتمع العماني ما زالت تهيمن على بيئة العمل.	
37	المحسوبية في قرارات التوظيف ما زالت تمارس في مؤسسات القطاع الخاص.	
38	"من تعرف" أهم عن "ماذا تعرف" عند ترقية الموظفين في مؤسسات القطاع الخاص.	
39	الأعراف والعادات الاجتماعية تحد من إمكانية عمل المرأة في الأقسام التشغيلية في	
	المصانع بالقطاع الخاص.	
40	المصانع بالقطاع الخاص. تردد الآباء في السماح لبناتهم للعمل في مؤسسات القطاع الخاص البعيدة عن مكان	
10	الاقامة	
41	اختلاط المرأة العمانية مع غير أفراد الأسرة يحد من توظيفها	
	_	
42	تحدث اللغة الانجليزية هي العائق الجوهري للترقية في مؤسسات القطاع الخاص.	
43	تحدث اللغة الانجليزية هي الميزة القوية لدى العاملين الأجانب والتي تجعلهم في	
	الوضع الأقوى في مؤسسات القطاع الخاص.	
44	أرباب العمل بالقطاع الخاص يتوقعون من الملتحقين الجدد بالعمل من العمانيين	
	بأنهم يمتلكون قدرات كبيرة في اللغة الإنجليزية	
45	بسبب اختلاف الجنسيات في بيئة العمل الواحدة في مؤسسات القطاع الخاص يجعل	
	من العمل الجماعي غير متوفر.	
46	في مؤسسات القطاع الخاص الأجانب لا يقومون بتدريب ونقل خبراتهم إلى	
	العاملين العمانيين.	
47	مؤسسات القطاع الخاص تطلب مؤهلات عالية لوظائف متواضعة.	
48	السياسات الحالية في مؤسسات القطاع الخاص لا تدعم عملية التعمين.	
49	مؤسسات القطاع الخاص لا تراعي العاملين العمانيين والمسلمين خلال شهر	
	رمضان، مثال على ذلك لا يتم تغيير ساعات العمل خلال هذا الشهر الفضيل.	
50	الشعائر الدينية مثل السماح بأداء الصلاة في وقتها خلال ساعات العمل هي محل	
	تجاهل من المديرين الأجانب. المديرون الأجانب يرسمون صورة نمطية عن العامل العماني بانه أقل تهذيبا وتأدبا	
51	· ·	
	في العمل.	
52	المديرون الأجانب في مؤسسات القطاع الخاص يرسمون صورة نمطية عن العامل	
F-0	العماني بأنه أقل التزامًا بواجبات عمله. المديرون الأجانب في مؤسسات القطاع الخاص يرسمون صورة نمطية عن العامل	
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54	المديرون الأجانب في مؤسسات القطاع الخاص يرسمون صورة نمطية عن العامل العماني بأنه ضعيف المهارات والخبرة.	
55	المديرون الأجانب في مؤسسات القطاع الخاص يرسمون صورة نمطية عن العامل	
33	العماني بأنه يتجاهل شهرة واسم المؤسسة التي يعمل بها	
56	المديرون العمانيون يرسمون صورة نمطية عن العامل العماني بانه أقل تهذيبا	
20	المديرون العمايون يرسمون صوره لمصية عن العامل العمالي باله الل لهديبا	
57	المديرون العمانيون في مؤسسات القطاع الخاص يرسمون صورة نمطية عن	
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# الجزء الثاني: البيانات الديمو غرافية

ا، يود الباحث معرفة بعض المعلومات الشخصية عنك كي يتعرف عن قرب إلى الكيفية التي يفكر بها كل فرد حول القضية التي يناقشها هذا	أخير
ع.	البحن

. الجنس: ذكـــر أنثــى	1
. الحالة الاجتماعية : أعزب منزوج	2
. الخلفيات المهنية : أ) <u>الراتب (ر.ع)</u> : أقل من 400 700 700 فأعلى	3
ب) <u>القطاع الذي تعمل به</u> : قطاع المبياحة قطاع البنوك قطاع المبيارات	
ت) المسمى الوظيفي : مدير أول مدير إدارة وسطى مدير مبتدأ (حديث) موظف	
ث) <u>سنوات العمل:</u> أقل من سنتين 2-5 10 10 6 20 عما فوق	
. في رأيك كم من التدريب الوظيفي الذي حصلت عليه خلال فترة عملك ؟ تدريب قليل جدا تدريب عرضي (متقطع) تدريب مكثف	4
. المستوى الاكاديمي الذي حصلت عليه: مادون الدبلوم العام (الثانوية العامة سابقا) دبلوم دبلوم عالي جامعي فما فوق	5

	¥			نصول على نسخة من نن بنعم ، يرجى كتابة البر	
-		القائد والم	3- 4-35	~· 6+% ·	
•					
		في انجاح هذا البد	لها مساهمة فاعلة	معلومات اضافية فيما يـ ن معلومات سوف يكون ل الوقت والجهد الذي خـ	لك ان ما تقدمه مر

## شكرا على تعاونكم،،،

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# Appendix 4: Cover Letter and Interview items (English and Arabic Versions)

#### A) Cover letter



THE AWARDS
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UNIVERSITY OF THE YEAR

18<sup>th</sup> July 2014

Our Ref: AR/TL/1174475/1

LETTER OF CONFIRMATION

**Student Details** 

Full Name:

Mr Yahya Rabia Al-Nahdi

Date of Birth:

12/Jun/1973

Student Number:

1174475/1

**Course Details** 

Course Name:

PhD

School:

**Business** 

Start Date:

01/Apr/2012

Submission Date:

31/Mar/2016

This is to confirm the above named student is enrolled on the full time Doctor of Philosophy (PhD) programme at The University of Huddersfield Business School.

Yahya will be returning to Oman to conduct data collection on 21<sup>st</sup> July 2014 and returning on 28<sup>th</sup> August 2014 to resume his studies and continue with his research programme.

I trust this information is of assistance to you but should you require further information please do not hesitate to contact me.

Yours faithfully

James Ferguson Research Officer

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Vice-Chancellor: Professor Bob Cryan DL MBA DSc CEng FIET FHEA











### B) Interview items (English version)

- 1. What skills and characteristics do expats have that make them more likely than Omanis to be recruited into managerial posts?
- 2. How would you explain the large discrepancy between the numbers of expatriates and Omanis in managerial roles?
- 3. What is your evaluation of the training programmes provided by the Ministry of Manpower for Omanis who are later employed in private companies under quota systems? To what extent do you think these programmes are enough to create future Omani leaders?
- 4. From your point of view, what type of training do you think Omanis should have in order to better compete with expatriates at managerial levels?
- 5. What are the most difficult challenges currently facing human resource development regarding hiring Omani managers in the private industries?
- 6. It is claimed that Omanis lack important leadership skills such as communications and conflict-solving and that prevents them from joining private sector companies as leaders do you agree? Explain why?
- 7. Do you think the current quota system imposed by the government for manual jobs will be practical if it is extended to cover managerial posts?
- 8. How does private sector management perceive Omanisation policy in terms of giving Omanis the chance to occupy managerial posts?
- 9. Are these perceptions regarding citizens shared by both expatriate and Omani members? What are the differences in perceptions between the two groups?
- 10. Although most companies are owned by Omanis, why do you think they still prefer expatriates in management positions? To what extent do you think this attitude impacts the selection of Omani personnel for managerial roles?
- 11. In Oman, cultural influences mean that certain jobs are considered unsuitable for Omanis because social status is determined by type of work and sector of employment. To what extent do you think the cultural values and norms negatively influence the employment of Omanis in the private sector?
- 12. Although not the case with unskilled jobs (manual jobs), salaries and Remuneration for private sector management posts are much better than those for equivalent government sector posts. Why do you think Omanis still prefer to hold managerial roles in the public sector?
- 13. What tensions or difficulties exist in the relationship between Omani employees and their expatriate managers?

#### C. Interview Items (Arabic Version)

- 1. من وجهة نظرك ما هي المهارات والقدرات القيادية التي تمتلكها القوى العاملة الاجنبية ويفتقر اليها العاملين العمانيين والتي تجعل الاجانب اكثر قابلية للتوظيف في الوظائف القيادية ؟
  - 2. كيف تفسر ظاهرة التفاوت الكبير بين عدد المدراء الاجانب والعمانيين في مؤسسات القطاع الخاص؟
- 3. هل في إعتقادك إن البرامج التدريبية التي يتلقاها العمانيين من قبل وزارة القوى العاملة واللذين يتم لاحقا تعيينهم في مؤسسات القطاع الخاص هي كافية لصقل مواهبهم العلمية والعملية الأمر الذي يجعلهم مستقبلا مؤهلين للعمل كقياديين في هذه المؤسسات ؟
- 4. ما هي الاحتياجات التدريبية التي يجب الحاق العمانيين بها حتى يتمكنوا من منافسة العاملين الاجانب في المواقع القيادية بمؤسسات القطاع الخاص؟
- 5. ما هي أهم التحديات الحالية التي تواجهه الحكومة في تنمية الموارد البشرية فيما يخص تهيئة عمانيين إكفاء في العمل كقياديين بمؤسسات القطاع الخاص؟
- 6. هناك نظرة سلبية عن العاملين العمانيين بأنهم يفتقرون إلى المهارات القيادية مثل مهارات الاتصال وحل الخلافات، في رأيك إلى أي مدى قد تعيق هذه النظرة من وصول العماني إلى الوظائف القيادية بمؤسسات القطاع الخاص؟
- 7. ما مدى تقييمك لنجاح النظام االذي تفرضه وزارة القوى العاملة على مؤسسات القطاع الخاص بالحاق العمانيين في مهن مختلفة وبنسب متفاوته بهذه المؤسسات اذا ما تم تطبيقه كذلك في المستويات الوظيفية الاعلى (مدير وما يعلوه) باجبار هذه المؤسسات في تعبين مديرين عمانيين بنسب معينه في اداراتها؟ وهل سوف يساعد ذلك على انجاح سياسة تعمين الوظائف العليا بمؤسسات القطاع الخاص؟
  - 8. ما هي وجهة نظرك في نظرة الادارات العليا بمؤسسات القطاع الخاص لسياسة التعمين ؟
- 9. هل هذه النظرة عن العمانيين يشترك بها القياديين الاجانب والعمانيين في الادارات العليا لمؤسسات القطاع الخاص؟ وما هي الفروق بين نظرة المدير الاجنبي والمدير العماني في اشارك الموظف العماني في شغل مناصب قيادية في ادارة المؤسسة؟
  - 10 على الرغم من إن اكثر الشركات في عمان مملوكة من عوائل واشخاص عمانيين، لماذا في نظرك مالكين الشركات العمانيين ما زالوا يفضلون الاجانب لشغل المناصب القيادية في شركاتهم؟ وإلى أي مدى في رأيك هذا الاتجاه يؤثر على التطور الوظيفي للموظف العماني في المؤسسة؟
- 11. في عمان الاعراف والعادات الاجتماعية تجبر الشاب العماني تجنب العمل بوظائف بسيطة في القطاع الخاص لأن النظرة الاجتماعية للمجتمع نحو الفرد غالبا ما تتحدد بنوعية ومكان العمل الذي يعمل به ، ما هو تقييمك لمدى تأثير هذه الاعراف على الحاق العمانيين بمؤسسات القطاع الخاص ؟
  - 12. غالبا ما تكون الرواتب والحوافز في الوظائف القيادية العليا بمؤسسات القطاع الخاص هي أفضل بكثير عن مثيلاتها في القطاع الحكومي، لماذا في رأيك العمانيين ما زالوا يفضلون الوظائف القيادية في القطاع العام ؟
    - 13. كيف تقيم العلاقة بين العاملين العمانيين والمدير الاجنبي ؟

## **Appendix 5: Interview Coding Procedure (Thematic analysis)**

Stage 1: Generating patterns (Initial coding)

Qs	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10
What skills and characteris tics do expats have which make them more likely to be requited into managerial posts than	Omanis have Same skills. Omanis have Family commitm ents.	Omanis have same skills. Omanis Lack of expertise. Omanis do not like job retention. Omanis should compete with expats.	<ul> <li>Omanis have same skills.</li> <li>Omanis have leadership abilities.</li> </ul>	Omanis Less skills     Omanis not stable.     Omanis waiting gov. job.     Omanis search easy job.	<ul> <li>Omanis have same skills.</li> <li>Expats more dedicated to work (more hours, only</li> </ul>	<ul> <li>Omanis lacked of skills.</li> <li>Omanis Do not stable.</li> <li>Omanis Waiting for gov. job.</li> <li>Private sector not willing to create Omani leaders.</li> <li>Profit-based sector.</li> <li>Companies only want ready-made labour</li> </ul>	<ul> <li>Expats have better English skills.</li> <li>Expats more stable in their Jobs.</li> <li>Expats trusted by owners.</li> <li>Expats very keen to learn.</li> <li>Omanis not stable.</li> <li>Omanis lack of experience.</li> </ul>	Omanis have English skills barrier.     Omanis have Same leadership skills.     Omanis transfer Knowledge to expats regarding Omanis     Customs and norms.     Culture differences.	Omanis have same skills.     Culture differences.     Influx of expats.     Sector domination.	Omanis have same skills.     Business owners prefer expats.     Social customs and norms avoidance.     Muslims are not welcomed.     Expats.     Conflict of Islamic practices
Omani Q2 Large discrepanc y between expat and Omani managers (why)	Omanis less productive Omanis less loyal to work. Omanis not trusted. Omanis seek for Waste.	Expats mangers prefer same nationality employees.     Tendency that majority share CEOs nationalities.	Requisition of managerial posts by expats. Expats afraid from Omanis from taking their places. No future career for Omanis	Omanis lack of experiences.     Families not want their children to join private sector.     Omanis waiting for Gov. Job (volunteer unemployment).	Weak Gov. rules that can control the influx of expats. Gov. entities open the door for Omanis. Expats dominate private sector for 3 decades. Availability of jobs in Gov. There are few Omani leader in the market. Well-experienced expats are easy to find. No trust given	No job security in private sector. Poor pension fund. Gov. has good pension fund and job security.  No job security.	Omanis prefer public sector job.     Better work experience in private sector.     Multi culture environment provide better experience.     Less experience gained in Gov. job (same culture).     Movement of staff from gov. to companies.	• Every day the gap is expanding between two groups	There is lobby of expats.  Expats mangers give privilege to their counterpart s.	Omanis skills and capabilities are ignored by expats mangers.

					to Omanis. • More trust given to expats.					
Q3 Weather training programmes provided by Ministry of Manpower are effective to create leaders. (trends weather effective or not effective (Linked with Q 4)	No good match between the training programm es and trainees. No good match between training programm es syllabus and manageri al tasks' requirements. Trainees not taking these programm es seriously (just to gain access to companie s). No good selection of trainees. Lack of systemati c choosing procedure (include skills test before trainee is selected for a certain programm e).	These programmes are not targeted managerial roles.  The programmes only prepare Omanis for manual jobs.  Training programmes need to reassessment.  Organize some leadership skills programmes. (Not for new entrance but for Omanis who has experiences).  The programmes are very short.	The programmes are effective. The programmes only provide theoretical background. Leadership is gained by experience not by theories. Omanis should work hard to develop their skills and gain experience. Those how finished these programmes work in different job different from what they learnt.	The training programmes are effective. The programmes provides trainees with basic skills. Intensive leadership programmes should be provided by companies. Leadership training programmes should given to those who have wok experience not new entrance.	<ul> <li>The Training programmes provide the basic only.</li> <li>The Training programmes provide vocational training only.</li> <li>The Training programmes not provide advanced leadership skills.</li> <li>Gov. should force companies to provide leadership programmes.</li> <li>Companies should provide Omanis who prove some leadership skills with advance training.</li> </ul>	<ul> <li>The programmes not effective.</li> <li>The programmes are only wasting time.</li> <li>The programmes are very short.</li> </ul>	The training programmes are effective. Companies should provide Omanis with leadership skills.  10 years of experience are enough to create leaders. Omanis should not give up. Omanis should have the desire and enthusiasm to compete. Omanis should have ability to learn.	The programmes are not effective. The programmes are not about leadership skills. The programmes are only vocational training. No quality and given in short courses.	The Programme s are not effective. The programme s are very short. To create leaders, theory and practice should be provided together.	Wrong training system. Training system need to redesign. In job training should be covered. The programmes are only design to create followers not leaders.

of training needs. Have 2 views: - Omanis have the theory but no experience - Or have the experience but lack of theory. (Link with Q3)	In- company training. In job shadowin g. Force expats to transfer their knowledg e. Cross posting.	• Some overseas training.	<ul> <li>In-job training.</li> <li>Send Omanis abroad.</li> </ul>	<ul> <li>Professional training.</li> <li>Encourage Omanis to learn from expats.</li> </ul>	<ul> <li>More advanced training for those who proof leadership skills in their work.</li> <li>Trust should be given to Omanis.</li> </ul>	<ul> <li>Very specialized training.</li> <li>Combining theories with practices.</li> <li>Training in real life situation.</li> </ul>	<ul> <li>Companies should give intensive leadership training courses to Omanis.</li> <li>Send abroad.</li> <li>Give the trust to Omanis to take decisions.</li> <li>Give Omanis very professional courses.</li> </ul>	<ul> <li>English courses.</li> <li>Send Omanis abroad.</li> </ul>	<ul> <li>No courses at all.</li> <li>Companies do not want to give Omanis courses because they know in the long run Omanis will take expats places.</li> <li>If Omanis well trained there will be no excuse why expats are not replaced by Omanis</li> </ul>	<ul> <li>Create gov. organisation to direct Omanis to right place.</li> <li>Build a good images about private sector jobs.</li> <li>Stop thinking on public sector.</li> <li>Special training programmes for smart Omanis.</li> </ul>
Q5. (challenge s facing HRD in term of Omanis having managerial role in private sector	Families are reluctant to send their children to private sector. Girls are not encourage to work in companie s (due to social restriction ). Girls do not want to move from one place to another. Girls do not want to go abroad for work. Lack of Leadershi	Omanis are waiting for Gov. job.	<ul> <li>Lack of trust on Omanis abilities to hold managerial roles.</li> <li>Expats prefer same nationality managers.</li> <li>Low financial intensive.</li> <li>No leadership certificate holders.</li> </ul>	Companies do not want to spend money on training (Cost constraint).  Most CEOs from India and prefer staff from India.  Omanis avoid taking serious decision.  Expats only taking critical dictions.  Expats are trained to deal with difficult situation.	<ul> <li>Omanis are not trusted by business owners.</li> <li>Business owners give the trust to expats.</li> <li>Discrimination between Omanis an expats managers.</li> <li>Overlapping on Gov. rules and regulation in hiring Omanis managers.</li> </ul>	The good benefits of gov. job.  The	<ul> <li>Omanis do not want to work far from home.</li> <li>Social commitments.</li> </ul>	<ul> <li>English language skills.</li> <li>English documentations.</li> <li>Owners do not trust Omanis.</li> <li>Lobby formed by Indian expats between different companies.</li> </ul>	<ul> <li>Business owners do not trust Omanis.</li> <li>Business owners blindly trust expats.</li> </ul>	Weak education system. Less educated Omanis. Omanis have the fear to stand and demand their rights.

Q6. Omanis lack of leadership skills such problem solving and decision making Agree or not agree and why? (Linked with Q1)	p certificate holders.  No delegation in power in private sector.  Omanis have same leadership skills as expats.  No desire to work in private sector.  Lack of authority and delegation .  Save their dignity.  Omanis know better about their culture requirements.	Omanis have same leadership skills as expats. Negative stereotypes expats create about Omanis. Easy to fire expats.	Omanis have good leadership skills.  No trust given to Omanis.	Both share same leadership skills. Omanis know better about their culture values and norms  Both share same leadership skills.  Omanis know better about their culture values and norms  Both share same leadership skills.	Both have same skills. Self-interest issues is the problem. Owners care only about their profits  Both have same skills. Self-interest issues is the problem.	Omanis lack of leadership skills.     Managements in private do not intend to have skilled Omanis because the alternative is available.	Both have same leadership skills. Omanis have critical thinking skills and because of that they are very successful in Oil and banks sectors. No one born as a leader.	unrealistic view about Omanis.  • It is kind of stereotype created by expats about Omanis.  • Owners not trust Omanis	This view is not true.  Most problems and conflicts solved by Omanis.  Omanis know each other and know what is suitable and what is not with respect to their culture values and norms.	Omanis lack of leadership skills. They lack of leadership training. Wall is built to stop Omanis from develop themselves, this wall is the expats. Owner support expats in their attitude. Smart Omani staff. Omanis have the since of creativity. Omanis are given wrong training programmes which are not in line with their skills and ability.
Q7. Imposing Quota system for managerial posts. Agree or not and why.	<ul> <li>Quota systems cannot imposed for manageri al jobs.</li> <li>No Omani suitable candidate s available in the market.</li> <li>HR posts</li> </ul>	<ul> <li>All level of jobs must be Omanized.</li> <li>Omanisation should first consider managerial roles then manual jobs.</li> <li>Most of remittances come from high level jobs.</li> <li>Remittances cost Oman a lot</li> </ul>	It is important to Omanized managerial roles. The problem is Omanis do not want to join private sector managerial roles. Enhance the awareness of Omanis towards	It should be Omanized.  Make well-educated Omanis available.	<ul> <li>Replace         expats with         Omani         managers is         important.</li> <li>Imposed new         quota system         for         managerial         roles</li> </ul>	<ul> <li>This solution is not practical.</li> <li>Omanis not continue for long in the company if expats are there.</li> </ul>	<ul> <li>The system should cover managerial role.</li> <li>Lack of skilled Omanis.</li> </ul>	<ul> <li>Impose quota on managerial role is good idea.</li> <li>Make chances available to Omanis.</li> </ul>	<ul> <li>Quota system is a good strategy.</li> </ul>	Quota should be imposed from long.

all Om No HRN cert s ho Pler Fen HR cert s ho	tificate olders. nty of nale tificate olders.	private sector works				
to Q 7. Top manageme nt view towards Omanizing managerial posts  The only about 1 o	recruitment and selection	pressure increases the chance for Omanis to hold hold managerial roles.	or realistic view wards the policy. They do not support the policy. The be successes. The policy of the policy of the successes. The policy of the policy of the policy. They do not support t	<ul> <li>Omanis are cost not asset to the company.</li> <li>Business Owners do not trust Omanis.</li> <li>Profit condo brings together it</li> </ul>	ews • Expats work not audited at all.  ern • Omanis hate companies work because of expats treatment.	<ul> <li>Do not want Omanis to reach managerial posts.</li> <li>Omanis are only managers in the papers.</li> <li>Expats work do not be checked at all.</li> <li>Business owners satisfy about what expats tell them about Omanis.</li> <li>Expats take all decisions.</li> <li>Omanis are mangers in the papers.</li> <li>All Companies CEOs Indian.</li> <li>Practically Manpower does not follow the policy very strictly.</li> <li>Omanis with 10 years experience and high educational degree is still not capable to hold managerial</li> </ul>

Probing Q to Q7. is the view shared by both expat and Omani managers	Both share negative view about the policy. Afraid of losing their places. Omanis avoid conflicting with	<ul> <li>Different views.</li> <li>Expats prefer mangers from their nationalities.</li> <li>Omanis prefer Omanis managers.</li> </ul>	<ul> <li>Both have same negative views.</li> <li>Both have same stereotype about Omanis as less productive.</li> <li>They both want to protect their places.</li> </ul>	<ul> <li>Same view.</li> <li>They fear of losing their places.</li> </ul>	Different views.     Omanis and Western managers have kind of empathy towards Omanis.     Indian work hard to stop Omanis from holding managerial	Both share same negative view.     Business owners do not want to disclose their wealth to society so do not employ Omanis (social distance) .Omnis.     Expats have no social relation with Omanis.	<ul> <li>Share same negative view.</li> <li>Fear of losing their tasks.</li> </ul>	<ul> <li>Different view.</li> <li>Omanis more empathy about their counterparts.</li> </ul>	Share same negative view. Both want to protect their places.	role.  No Career Development for Omanis.  This means in long run there will be no skilled Omanis.  Both share negative stereotype about Omanis.  Both want to secure their places.
Q10. Most companies owned by Omanis, why they still prefer expats	expats.  Owners are officials in gov. so they do not free for their business.  Business owners lack of managem ent skills.  During 80s and 90s there were no skilled Omanis.  Expats prefer one who is from their countries.	Omanis asking for more salary.     Expats flexible in their contract.     Easy to fire expats.	Lack of trust on Omanis ability.     Lack of leadership skills.	Negative stereotype business owners have about Omanis. Expats are very dedicated.	roles.  Indian owned the businesses. Business owners only have the name and percentage of profits. Omanis in the companies only to comply with rules and regulations. Expats prefer one from their nationality.	Owners only care about profits.     Expats expat.	Owners not trust Omanis. Omanis less dedicated to work. Expats only coming to work.	• Owners do not trust Omanis.	Owners not trust Omanis. Owners do not want any one knows about their wealth (social distance)	Employment decision is not in owner's hand.     Expats take the critical decisions.     Omanis are only mangers in papers.     Expats control the business.

Q11. Your views towards cultural influences on localizing managerial posts	than Omanis Owners have no hand on their business, Indian are the actual owners I agree culture and social values and norms prevent Omanis from joining private companie s. Omani culture effects Omanisati on policy. Leadershi p is gained by experienc es only. Islamic values prohibited working in some sector (hotels, banks). Omanis doing tasks that are different from their training and backgroun d.	This view has changed. Some sectors are very encouraging (oil, banks). Comparative salary and benefits are available in some sectors. Money is the important elements.	• This view still resists and prevent Omanis from holding managerial roles.	Negative social images about private sector job.	Private sector job is less accepted by society. Leaders cannot be created if no one accept work in private sector. Expats are an alternatives. Some Islamic values prevent Muslims from working in some sector (Banks insurance, notels).	The people who are working in private sector are underestimated by their communities.	Social values and norms still resist.     Negative images are build on Oamais minds about private sector job.	The problem is not the social views. Fundamentall y there is no managerial spaces for Omanis. Omanis not reach managerial roles since business owners leave the decision in the hand of expats.	This view was disappeared. Omanis are prevented by expats to hold managerial roles. Expats create negative view about Omanis and pass it to the owners.	Culture and social influences still resist. The Omanis who are in private sector are viewed as have low social background and less educated. Omanis waiting for gov. job. Expats control the business in Oman since 70s. Expats prefer their counterparts. Omanis are only subordinates.
Q12 • (										

Why Omanis prefer managerial roles in Public sector	now moving from gov. to private sector. Starting new business. Attitudes of expats towards Omanis	moving from gov. to private sector.  Omanis ready to join private sector as managers if chance given to them.	better in public sector. Pension fund is better in public sector. Very high competition in private sector's job.	moving from gov. to private sector.  Benefits given in gov. make Omanis prefer the sector.	responsibilitie s. Pension fund is better in public sector. Job security is better in public sector. Companies may bankrupt. Fear of oppression of expats	better in public sector.  Avoid movement between different places.  Gov. job more stable.	better in public sector.  Gov. job has less responsibilitie s.	better in public sector.  Pension fund is better in public sector.	is better in public sector.  Pension fund is better in public sector.  Avoid working with expats.	role benefits are only better for expats.  Expats are treated defiantly from Omanis in term of benefits they are receiving (health insurance, free accommodati on, free schoolingetc).  Better pension fund in gov.  Job security much better in public sector.  Sort of discrimination is practiced against managers in private sector when demandling some services from gov. (example: see # 10.)
Q13. Relationshi p between expats and Omani managers	<ul> <li>Conflicts are existed between two groups.</li> <li>Expats take only responsibility and leave Omanis as a picture in their positions.</li> </ul>	<ul> <li>Each group concerns about its self-interest.</li> </ul>	<ul> <li>Very bad relationship existed.</li> <li>Expats create troubles to Omanis.</li> <li>Omanis hate the work with expats.</li> <li>Eventually left the company and this the aim of expats.</li> </ul>	• The relationship is determined by self-interest.	<ul> <li>No harmony between the two groups.</li> <li>Omanis are only managers in the papers.</li> </ul>	<ul> <li>Rare cases of Omanis in higher posts.</li> <li>Waste/nepotism is only the way to reach high posts.</li> <li>Omanis very strict in implementing rules and regulations.</li> <li>Expats always tend to break rules and regulation in order to gain profits.</li> </ul>	<ul> <li>Bad relationship is existed.</li> <li>Expats show that they do all the work.</li> <li>Owners trust expats.</li> <li>Owners scarify by Omanis.</li> </ul>	<ul> <li>Business-based relationship.</li> <li>Expats always right.</li> <li>Omanis always wrong.</li> <li>No trust from owners.</li> <li>No protection from gov.</li> </ul>	<ul> <li>Bad         relationship         existed.</li> <li>Expats want         to secure         their         positions.</li> </ul>	<ul> <li>Work-based relationship.</li> <li>No team work between both groups.</li> <li>Lack of authority given to Omanis.</li> <li>Omanis can set at home and expats do their jobs.</li> <li>Omanis are only</li> </ul>

<ul> <li>Omanis are less trusted.</li> <li>Looking for easy tasks.</li> <li>Waite at home to until getting gov. job.</li> <li>Fake quota system.</li> </ul>	surrenders to this bad situation fearing form losing their job.
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#### Stage 2: Creating Groups and Sub-Groups

#### High turnover

- Omanis not stable
- Searching for easy tasks.
- Hated expats bosses.
- Better government jobs
- Omanis now moving from gov. to private sector

#### Lack of leadership skills

- Reluctant to take serious decisions in the company.
- Weak training (No leadership courses, no in-job training, no exposure
- Mismatch between a person's skills and the training given to him

#### Lack of English skills

- Education system syllabus lack of English skills teaching
- Ministry of Manpower ignores the important of English skills
- Omanis avoid practicing their English with expats
- Expats do not allow Omanis to work with them so that Omanis can practice their English

#### **Cost constraints**

- Expats are cheaper
- Company prefer ready-made labour to avoid cost of training.
- Expats easy to fire if demanded more money.

#### **Opposite views**

- Expat managers receiving far more financial package than Omani managers.
- Business owners care about profit so they seek for cheap labour
- Most of remittances come from high level jobs.
- Remittances cost Oman a lot of money.

#### Training and development programmes

- Lack of systematic selection of the trainees (Q3: P1, P10)
- Mismatch between trainings' outputs and tasks assigned to those who joined the work. (Q3: P3).
- Mismatch between the programmes' syllabus and leadership tasks requirements. (Q3: P1,2,3,4,5,8)
- Trainees not taking these programmes seriously (Q3: p1)
- No quality (Q3: p8)
- No reassessment and redesign of old pragmas (Q3: p3, p10)

#### Lack of trust

- Business owners not trust Omanis
- Business owners blindly trust expats
- Business owners satisfy by what is told by expats about Omanis
- Expats management not trust Omanis
- Omanis work audited and checked very frequently and from A to Z.
- Expats work not audited at all
- Practically, Omanis not reach managerial roles as long as business owners leave the decisions on the hand of expats

#### Lack of experience

- Avoid job retention
- Not ready to learn from expats
- Not patient and quickly giving up
- Prefer to work in gov. with less responsibilities, so less experience gained
- Tendency of expats to exclude Omanis from team work

#### Lack of authority delegation

- Expats do all work
- Omanis are excluded from decision making process
- No authority or work delegation is given to Omanis
- Omanis are only manager in the papers. (p 5, 9 Q 8)
- Critical decisions are only taken by expats.(p5,9 Q 8)

#### Social issues

- · family commitments,
- Relative relations, friends,
- some social practices (marriages, condolence, et.)
- families do not allow girls to work in some private sector industries, or working far from home.
- Miss-perception towards private sector job (less prestige job, joined by low social background or educated personnel et) (Q11 P10)
- Islamic values (e.g Muslims are prohibited from working in interest associated works, insurance, hotels (new finding)
- No consideration of social obligations,
- no consideration of religion obligations

#### Ownership

#### **Hidden issues:**

- Indian expats own the businesses in Oman (Q10 p5)
- Omani owners only have the name and profit(Q10 p5)
- Omanis owners have no hand on their business (Q10 p1)
- Expats control the business since 70s (Q11 p10)

#### Cultural differences

- Expat managers prefer same nationality managers (Q2 p2,9, Q5 p3, Q9 p2, Q10 p5)
- Most CEOs from India, and they hire managers from India (Q5p4)
- Omanis know better than expats about their culture requirements (Q6 p1,2)
- Omanis know each other and know what is suitable and what is not when dealing with Omanis customers as we share same culture values (Q6 p9)
- Expats have no social involvements with their Omani communities due to the culture differences (Q10 p7), so they do not disclose the owner's financial status. (New finding)
- Avoiding to mix with different cultural background

#### Government rules and regulations

- Easy to fire expats (Q1: p5)
- Allows for influx of expats and dominate the sector since 80s (Q1: p9, Q2:p4, 5)
- Gov. not force companies to provide job security(Q2: p6)
- Less experience gained in gov. job (Q2:p7)
- Lack of public awareness towards private sector job (Q2: p7, Q4p10)
- Staff are frailly move from private to public sector (Q2: p7)
- Rules not force expats to transfer knowledge to Omanis (Q4p1)
- Rules not force company to provide equal salary between expats and Omanis managers (Q5:p3, p5)
- Gov. not follow up Omanisation very strictly (Q8: p10)
- High posts only reached by wasta and nepotism
- No protection from gov.

This results on high turnover of Omani staff from private companies to Gov.

#### Quota system

- Quota not cover managerial roles (Q2:p3)
- Omanis only in the company to comply with quota (Q10:p5)
- Quota should be imposed (Q7: p2, 3,4,5,7,8,9,10)
- Management not support quota system for managerial role (Q8: p1,2,4,5,6,7,8,9,10) only (p3, p2 said management support the system)
- Expats and Omanis share same negative view towards quota system (Q9: p1,3,4,6,7,9,10)
- Expats only have negative view towards quota (Q9: p2, 5,8)

Managements support quota or not:

8 participants answered yes

- 7 participants answered both groups share same negative view
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#### Job security

- No job security in private sector (Q2 p6)
- No good pension fund in private sector
- No future career in private sector (Q2 p3)
- Expats afraid of losing their place (Q8p4, Q9p1,3,4,7,9,10)
- Expats work hard to stop Omanis reaching managerial post (Q9p5)
- Better job security, pension fund in public sector (Q12 p3,4,5,6,7,8,9,10)
- No protection provided to Omanis from government (Q13 p10)
- Possibility of company's bankrupt

#### **Public sector temptations**

- Every year announcements of gov. jobs.
- Better salary and benefits
- Better pension fund
- Better job security
- Less responsibilities
- Low salary and pension fund in private job

#### Stereotyping isssues

- Both expats and Omanis managers share negative stereotypes about Omanis (Q9 p10)
- Omanis less dedicated to work (Q10 p7),
- Omanis not stable (Q1 p4,6)
- Less productive, less loyal (Q2 p1)
- Omanis seek for easy work(Q3p1)
- Expats always right Omanis always wrong (Q13 p8)
- Expats more stable, very keen to learn, more dedicated to work, working more house (Q1p1, Q10,p4)
- Expats always right, Omanis always wrong.

This lead to a negative perception created by Owners towards Omani managers

## **Challenges facing HRM regarding hiring Omanis managers**

- Every day gap is expanded between expat and Omani mangers (Q" p8)
- Well-skilled expats easy to find and hire (Q2 p5, Q11 p5)
- Companies do not want to spend money on T&D (Q3 p7)
- Omanis give up very quickly and do not have the desire to learn from expats (Q3 p7, Q6 p6)
- Omanis prefer to hold managerial roles in gov. sector (Q5 p2)
- Better benefits of Gov. job (Q5 p6)
- Lack professional Omanis certificate holders (Q7 p6)
- Conflict between expat and Omani managers (Q8 p7)
- Omanis hate working with expats managers

#### 1. MOM Training programs design & content

No systematic selection and design (short courses, mismatch between job requirements and syllabus, mismatch between personal skills and trainings he received, designed to train Omanis for manual jobs, Trainees not taking these programs seriously. Not cover intensive English learning To prepare Omanis for manual jobs (low level jobs) To prepare Omanis to become followers not leaders

#### 2. Lack of skills and competency

Lack of experience (avoid job retention, not ready to learn from expats, not patient and easy to give up, avoid responsibilities, expats exclude Omanis from team work) Lack of leadership skills (companies don't provide smart employees with leadership courses, Omanis avoid responsibilities, not involved in decision making process).

#### 3. Off-job versus on-job training

- Only vocational trainings
- Theoretical learning (not cover in-job training, cross posting, and overseas training)
- weak application of the acquired knowledge

Training and development

#### Mis-perception

Private sector work is not suitable for female (girls are not allowed to work in some private industries and factories, not allowed to work far from home Prestigious (Private sector job is only joined by low social background, and less educated people)

# Social conservatism and religion values

Family commitments (relative and friends, marriages, condolence. No consideration of social obligations Islamic low (Muslims are prohibited to work in some private industries which deals with interest (banks, insurance, hotels)

## Cross-cultural issues/cultural background

Same group (Expat managers prefer same nationality staff, CEOs from India and high managers from India, Omanis avoid mixing with not Omani staff.

Western managers are more empathy about Omanis than Eastern expats

Same culture (Omanis know better than expats about their culture' values and norms and know what is acceptable and what tis not this supposed to give them privilege in employment which is not the case

Cultural differences

#### General rules with regard to Omanization:

easy to fire or hire expats, companies are not forced by rules to provide job security

lack of public awareness towards private sector iob

frailly movement between private and public sector

no pressure putted on expats to transfer their knowledge to Omanis

Om anization not followed up very strictly high post only reached by wasta or nepotism No protection secured to Om anis in private sector

Quota not covered managerial posts.

#### Trust:

No authority or delegation given to Omanis (expats do all work, Omanis are excluded from decision making process, Omanis are only manager on paper Trust (Omanis are not trusted by (business owner, expats managers, expat managers are trusted by business owners and expat managers, Omani managers Omani managers work is audited very frequently from A to Z Expat managers work is not audited at all.

#### Gov. Job temptations

Employment situation in Gov.: Every year announcement of new gov. jobs.

Better salary, better pension fund, less responsibility, good future career.

Employment situation in companies: Weak salary, weak pension fund, more responsibly, no future career. Possibility of company's bankrupt Expats afraid losing their places so they create obstacles to prevent Om anis to reach managerial roles

## Financial constraint

Expats are cheaper to hire.
Ready-made labour to avoid T&D costs
Expats easy to fire if demanded more money

Organizational/institutional issues

#### Work ethics

Negative stereotypes about Omanis)

Not loyal,

Not dedicated to work

Not stable and searching for easy task

Not productive

Ignore companies rules and regulations

Expats always right Omanis always wrong

Always demanding more salary Positive stereotypes about expats

- More stable (only coming for work)
- working more house
- -satisfy with what they earn

#### Skills and competencies

Negative stereotypes about Om anis lack of leadership skills, avoid responsibilities not capable to take critical decisions lack of experiences don't like job retention Positive stereotypes about expats

- have leadership skills
- Capable to take critical decisions
- Well-experienced
- Work in different sections

### Cultural disposition

Omanis culture classifies private sector job as unsuitable of citizens

Omanis will leave if not get promoted fast The expectations of citizens regarding their position in their work are exaggerated

#### Effectiveness of Omanization

Citizens are employed because of quotas not because managements want to.

Opinion about quota for managerial role:

Management opinion towards quota system for managerial roles (8 interviewees answered not support, 2 answered support)

Expat and Omani managers share same negative view towards quota system (7 answered yes, 3 answer no only expats have this negative view)

Stereotyping issues

#### Network of expats

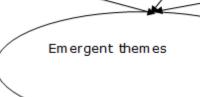
Lobby formed among expats in private sector companies

#### Inter-faith

Om anis and expats managers not wanting Muslims employees because of lower productivity due to religious observations.

#### Social distance

 Om ani m anagers not wanting to employ other Om anis because they want to keep employees socially distant which is easier if employees are foreign.



# Organizational salience/ unwritten rules/politically incorrect Unspoken policies:

- Om ani owners are high ranked officials in the government.
- Om anis are only owners on paper but in reality expats are the actual owners.

#### Suppression voice:

Om anis afraid to dem and their right as they are afraid from expats oppression.

Om anis avoid working with expats saving their dignity form any unwanted behaviour caused by expats due to lack of gov. protection given to Om anis employees in private sector

#### Organizational Structural

 Different practices by Government Civil Services (different treatment between private and public sectors staff when receiving some government benefits, the privilege is given to the later)

Conflicting on Gov. rules and regulations when hiring Om anis mangers.

## Appendix 6: MANOVA, T-test and ANOVA Results

## First: Overall Demographic Variables Differences on Omanisation Determinants (MANOVA Results)

## A) Equality of covariance matrix for independent variables

Variables	Box's M	Do	do	F	Sig
Gender	167.377	105	269997.5	1.523	<.001
Marital status	133.57	105	269997.5	1.22	.063
Income	309.256	210	127262.203	1.381	<.001
Seniority	309.256	315	10761.29	1.134	<.053
Work experience	521.881	420	69836.188	1.119	<.047
In-company training	272.126	210	36031.138	1.179	<.039
Educational background	521.881	420	69836.188	1.119	<.047

## B) MANOVA test for independent variables

Variables	Wilks' Lambda	F	Sig
Gender	.925	2.226	.007
Marital status	.914	2.590	.001
Income	.879	1.834	.006
Seniority	.826	1.802	.001
Work experience	.790	1.669	.002
In-company training	.849	2.342	<.001
Educational background	.790	1.669	.002

## Second: Demographic Variables Differences on Omanisation Determinants (T-test and ANOVA)

## Gender differences (t-test)

Capital Construct	Variables	Gender	No.	М.	SD.	Sig
Human	Education system	Male	334	24.85	4.86	.820
factors		Female	155	24.96	4.96	
	Training and	Male	334	11.18	2.49	.047*
	Development	Female	156	10.69	2.62	
	Organisational	Male	328	13.31	3.19	.458
	Engagement	Female	155	13.54	3.33	
Social factors	Gender and	Male	332	20.69	4.78	.005*
	inequality	Female	151	22.09	5.64	
	Trust	Male	328	21.28	5.20	.378
		Female	155	20.83	5.30	
	Waste/nepotism	Male	331	14.57	3.28	.697
		Female	153	14.69	3.02	
	Culture values and	Male	332	10.44	2.40	.769
	norms	Female	153	10.37	2.54	
	English language	Male	337	7.19	2.15	.020*
	skills	Female	154	7.67	1.98	
	Career	Male	331	23.700	5.79	.355
	Development	Female	154	24.23	6.11	
Organisational	Working Condition	Male	329	20.63	4.53	.235
factors		Female	157	21.17	4.97	
	HR Policies	Male	332	7.69	1.80	.900
		Female	156	7.67	1.96	
	Salary and	Male	337	12.65	2.56	.885
	Remuneration	Female	157	12.68	2.40	

## Marital status differences (T-test)

Capital Construct	Variables	Gender	No.	М.	SD	Sig
	Education system	Single	173	25.10	5.03	.733
Human factors	Education system	Married	315	24.84	4.81	
	Training and	Single	172	10.73	2.72	
	Development	Married	317	11.17	2.43	.073*
	Organisational	Single	172	13.56	3.37	.386
	Engagement	Married	310	13.29	3.16	
	Gender and	Single	167	22.59	4.94	.000*
	inequality	Married	315	20.39	4.99	
Social factors	Trust	Single	171	20.87	5.35	.406
	Trust	Married	311	21.29	5.18	
	Masta/assations	Single	168	14.66	3.21	.827
	Waste/nepotism	Married	315	14.60	3.17	
	Culture values	Single	172	10.86	2.37	.004*

	and norms	Married	312	10.18	2.45	
	English language	Single	173	7.54	2.04	.141
	skills	Married	317	7.24	2.14	
	Career	Single	170	23.98	5.98	.729
	Development	Married	314	23.79	5.86	
0	Moding Condition	Single	174	21.08	5.11	
Organisational factors	Working Condition	Married	311	20.65	4.43	.356
iactors	HR Policies	Single	175	7.66	1.93	.892
	TR POlicies	Married	312	7.69	1.81	
	Salary and	Single	175	12.51	2.52	.316
	Remuneration	Married	318	12.75	2.50	

## Income Differences (ANOVA)

Capital	Vastablas	Less t	than	401 to	o <b>700</b>	701a	nd above	Sig
construct	Variables	No.	M (SD)	No.	M (SD)	No.	M (SD)	Sig
	Education system	89	24.61 (5.1)	231	24.83 (4.91)	169	25.12 (4.79)	.709
Human Capital	Training and development	87	11.00 (2.85)	233	11.12 (2.58)	170	10.90 (2.31)	.682
	Organisational engagement	87	13.95 (3.25)	228	13.76 (3.22)	168	12.58 (3.11)	.000*
Conial Conital	Gender inequality	83	21.98 (4.83)	230	21.46 (5.31)	170	20.27 (4.85)	.017*
	Trust	88	21.59 (5.52)	229	21.27 (5.34)	116	20.73 (3.25)	.410
Social Capital	Waste/nepotism	84	14.85 (3.12)	230	14.84 (3.13)	170	14.18 (3.30)	.090
	Culture values and norms	88	10.64 (2.63)	227	10.42 (2.53)	170	10.31 (2.23)	.601
	English language skills	86	7.44 (2.21)	233	7.35 (2.11)	172	7.3 (2.19)	.873
	Career development	87	25.39 (6.24)	227	24.34 (6.28)	171	22.52 (5.16)	.000*
Organisational Capital	Working condition	90	21.56 (4.26)	228	21.21 (4.99)	168	19.87 (4.32)	.005*
	HR Polices	90	7.80 (1.95)	229	7.74 (1.91)	169	7.55 (1.72)	.504
	Salary and remuneration	90	12.57 (2.68)	231	12.73 (2.63)	173	12.62 (2.26)	.848

## Seniority Differences (ANOVA)

Capital	Variables	Senior Manager			Middle Manage		Junior Manager		None Manger		
construct	variables	No.	M (SD)	No.	M (SD)	No	M (SD)	No.	M. (SD)	Sig	
Human	Education	28	24.36 (5.51)	24	25.92 (6.10)	34	24.31 (5.12)	402	24.92 (4.80)	.593	
Capital	Training and	28	11.00	24	10.92	32	9.96	405	11.12	.108	

	development		(2.90)		(2.36)		(3.13)		(2.50)	
	Organisational	27	11.80	24	12.04	32	12.60	399	13.63	.002*
	engagement		(3.74)		(3.20)		(3.62)		(3.12)	
	Gender	28	18.54	23	20.52	33	20.20	398	21.43	.017
	inequality		(4.70)		(4.50)		(4.90)		(5.14)	
	Trust	28	18.70	24	21.40	34	20.20	396	21.40	.041
Social			(6.24)		(4.50)		(5.10)		(5.20)	
Capital	Waste/	28	13.07	24	14.08	33	13.70	398	14.90	.009*
	nepotism		(3.23)		(3.60)		(3.60)		(3.11)	
	Culture values	28	9.14	24	10.60	34	9.90	399	10.60	.012
	and norms		(2.40)		(2.33)		(2.63)		(2.42)	
	English	29	6.90	24	7.50	34	6.90	403	7.40	.336
	language skills		(1.93)		(2.20)		(2.05)		(2.12)	
	Career	27	21.81	24	22.50	35	22.54	398	24.20	.054
	development		(6.40)		(5.34)		(5.97)		(5.90)	
Organizatio	Working	28	18.70	22	19.60	34	18.00	401	21.30	.000
nal Capital	condition		(4.91)		(4.50)		(5.00)		(4.52)	*
	HR Polices	28	7.21	22	7.72	34	7.32	403	7.74	.312
			(2.20)		(1.63)		(2.30)		(1.80)	
	Salary and	29	11.44	24	12.07	35	11.90	405	12.90	.008
	remuneration		(3.07)		(2.50)		(2.70)		(2.42)	*

## Work experience differences (ANOVA)

Capital Construct	Variables		s than ears		veen 2 years		veen 6 years	11	tween to 20 ears		re than years	Sig
0011041 404		No	M (SD)	No	M (SD)	No	M (SD)	No	M (SD)	No	M (SD)	
	Education system	132	24.99 (3.80)	117	24.82 (4.70)	131	25.32 (5.80)	73	23.90 (5.50)	36	25.20 (4.40)	.508
Human Capital	Training and developme nt	133	10.93 (2.12)	114	11.30 (2.42)	133	10.90 (2.93)	74	10.62 (2.95)	36	11.83 (1.63)	.028
	Organisatio nal engagemen t	133	13.60 (3.30)	113	13.60 (3.10)	130	13.60 (3.02)	71	12.44 (3.62)	36	13.33 (3.33)	.115
	Gender inequality	130	21.90 (5.10)	113	21.40 (5.71)	132	21.30 (4.60)	72	19.10 (4.80)	36	21.33 (4.90)	.005 *
Social capital	Trust	130	20.50 (4.90)	115	20.80 (5.33)	129	22.02 (5.11)	73	20.80 (5.81)	36	22.40 (4.96)	.068
	Waste/nepo tism	131	14.81 (3.24)	114	14.70 (3.23)	130	14.80 (3.13)	73	13.91 (3.40)	36	14.42 (2.80)	.334
	Culture values and norms	130	10.81 (2.50)	114	10.60 (2.30)	132	10.60 (2.50)	74	9.52 (2.40)	35	9.90 (2.61)	.003
	English language skills	131	7.50 (2.10)	117	7.32 (2.12)	132	7.43 (2.13)	75	6.81 (2.09)	36	7.90 (2.3)	.113
Organisation al capital	Career developme nt	133	23.63 (5.80)	115	24.30 (6.31)	128	24.30 (5.63)	74	23.22 (5.99)	35	23.40 (5.80)	.64
	Working condition	135	21.80 (4.43)	115	20.90 (5.36)	129	20.52 (4.30)	72	20.04 (4.80)	35	19.42 (4.30)	.022
	HR Polices	135	7.80 (1.70)	113	7.64 (1.99)	132	7.73 (1.91)	74	9.60 (1.84)	34	7.52 (1.90)	.91
	Salary and remunerati on	135	12.80 (2.30)	116	12.70 (2.54)	132	12.80 (2.60)	75	12.60 (2.80)	36	12.05 (2.50)	.601

## In-company training differences (ANOVA)

Capital	Factors	Very traini	Little ng		asional ning	Exte	ensive ning	Sig
construct	ractors	No	M (SD)	No	M (SD)	No	M (SD)	
	Education	251	25.10 (4.74)	189	24.70 (5.10)	48	24.70 (5.10)	671
Human Capital	Training and development	251	11.43 (2.42)	189	10.71 (2.60)	49	10.20 (2.74)	001*
	Organisational engagement	248	13.80 (3.10)	188	13.10 (3.30)	46	12.52 (3.70)	015
	Gender inequality	245	21.11 (5.12)	189	21.60 (5.01)	48	19.50 (5.10)	042
Social Capital	Trust	274	22.30 (5.20)	186	20.30 (4.99)	49	18.80 (5.31)	000*
Social Capital	Waste/nepotism	247	15.20 (3.12)	189	14.12 (3.04)	47	13.81 (3.80)	001*
	Culture values and norms	248	10.42 (2.53)	187	10.54 (2.33)	47	9.90 (2.50)	257
	English language skills	250	7.54 (2.12)	192	7.20 (2.04)	48	7.02 (2.33)	091
	Career development	246	24.93 (5.90)	192	23.10 (5.70)	46	21.34 (5.62)	000**
Organisational Capital	Working condition	249	21.40 (4.60)	190	20.30 (4.62)	46	19.90 (5.12)	018
	HR Polices	248	7.90 (1.83)	190	7.55 (1.82)	49	7.16 (1.96)	015
	Salary and Remuneration	252	13.02 (2.33)	192	12.40 (2.64)	49	12.02 (2.70)	004*

## Academic background differences (ANOVA)

Capital	Factors	Below Secondary Education		Secondary education cert.		Diploma		Higher Diploma		Bachelor's degree and above		Sig
construct		NO	M (SD)	No	M (SD)	No	M (SD)	No	M (SD)	No	M (SD)	
	Education system	44	23.70 (4.60)	143	25.10 (5.10)	110	24.80 (5.10)	55	24.70 (5.22)	137	25.30 (4.50)	.427
Human Capital	Training and development	46	10.41 (2.30)	140	11.62 (2.63)	110	10.80 (2.50)	56	10.71 (2.51)	138	10.97 (2.40)	.014*
Сарісаі	Organisation al engagement	47	13.62 (3.20)	133	14.04 (3.10)	109	13.11 (3.53)	56	13.32 (3.40)	138	12.93 (3.10)	.057
	Gender inequality	45	12.31 (5.94)	138	21.40 (5.10)	106	21.94 (4.95)	56	19.81 (5.34)	138	20.72 (4.90)	.109
Social	Trust	43	20.33 (5.30)	140	22.30 (5.41)	110	21.10 (5.20)	56	20.13 (4.72)	134	20.70 (4.72)	.027*
Capital	Waste/nepot ism	44	14.40 (2.90)	138	15.23 (3.14)	108	14.60 (3.19)	56	14.40 (3.21)	138	14.20 (3.31)	.081
	Culture values and norms	47	9.63 (2.96)	139	10.70 (2.19)	108	10.30 (2.70)	55	10.23 (2.43)	136	10.60 (2.30)	.091

	English language skills	47	7.40 (2.10)	139	7.42 (2.24)	109	7.33 (2.20)	57	7.40 (1.95)	139	7.30 (2.02)	.978
	Career development	47	23.91 (6.80)	137	25.40 (6.00)	107	23.90 (6.23)	56	22.92 (5.81)	138	22.71 (4.92)	.004*
Organisation	Working condition	46	20.41 (4.80)	137	21.81 (4.30)	109	20.63 (4.92)	57	19.70 (4.80)	137	20.53 (4.70)	.027*
al Capital	HR Polices	47	7.30 (1.98)	139	8.10 (1.93)	109	7.70 (1.64)	55	7.30 (1.90)	138	7.61 (1.83)	.026*
	Salary and Remuneratio n	47	12.20 (2.80)	140	13.04 (2.54)	111	12.90 (2.20)	56	12.04 (2.70)	140	12.60 (2.52)	.049*

<sup>\*</sup>P<0.05

Third: Sector-specific factors hindering Omanisation (ANOVA)

Capital		Tour	rism	Banki	ng	Auto	motive	<i>a:</i>
construct	Variables	No	M (SD)	No	M (SD)	No	M (SD)	Sig
	Education system	173	24.81 (4.93)	151	24.66 (4.95)	163	25.27 (4.82)	.636
Human Capital	Training and development	175	11.05 (2.52)	151	10.80 (2.40)	162	11.22 (2.73)	.284
	Organisational engagement	174	13.50 (3.40)	145	13.20 (3.10)	162	13.50 (3.20)	.610
	Gender inequality	173	20.70 (5.10)	150	21.30 (4.90)	158	21.34 (5.23)	.454
Social Capital	Trust	171	20.95 (5.44)	149	20.14 (5.30)	161	22.20 (4.80)	.002*
Social Capital	Waste/nepotism	147	14.41 (3.30)	148	14.70 (3.20)	160	14.80 (3.20)	.568
	Culture values and norms	172	10.30 (2.70)	148	10.60 (2.30)	163	10.50 (2.40	.687
	English language skills	173	7.33 (2.10)	151	7.42 (1.95)	165	7.30 (2.40)	.854
	Career development	173	23.31 (6.30	148	23.60 (5.62)	162	24.80 (5.69)	.054
Organisational Capital	Working condition	175	20.60 (4.73)	147	20.82 (4.98)	162	21.10 (4.33)	.607
Capital	HR Polices	171	7.50 (1.99)	150	7.70 (1.72)	165	7.95 (1.80)	.047*
	Salary and Remuneration	176	12.50 (2.79)	152	12.80 (2.30)	164	12.80 (2.40)	.477

<sup>\*</sup>P<0.05

# Fourth: differences on negative stereotypes of Omani employees between expat and Omani managers based on participants' demographic differences

## Gender (T-test)

Group	Group	No.	М.	SD.	sig
Stereotyping ( Expat managers)	Male	329	16.83	4.57	.917
	Female	156	16.78	4.80	
Stereotyping ( Omani managers)	Male	327	13.85	4.62	.090
	Female	153	14.62	4.63	

## Marital status (t-test)

Group	Group	No.	М.	SD.	sig
Stereotyping ( Expat managers)	Single Married	170 314	16.99 16.71	4.58 4.68	.526
Stereotyping (Omani managers)	Single Married	170 309	14.64 13.81	4.52 4.67	.061

## Income (ANOVA)

Guara	Less t	han 400	401 to	700	701an	C:~	
Group	No	M (SD)	No	M (SD)	No	M (SD)	Sig
Stereotyping (Expat managers)	84	17.23 (5.26)	230	16.79 (4.82)	171	16.76 (4.17)	.667
Stereotyping (Omani managers)	86	14.22 (4.87)	225	14.49 (4.71)	169	13.77 (4.58)	.299

## Seniority (ANOVA)

Group	Senior Manager			Middle Manage		or ager	None	Sig	
ч	No	M (SD)	No	M (SD)	No	M (SD)	No	M (SD)	Sig
Stereotyping (Expat managers)	29	17.00 (4.90)	24	17.10 (3.61)	33	16.90 (4.80)	398	16.80 (4.70)	.987
Stereotyping (Omani managers)	28	14.50 (5.40)	23	14.20 (4.80)	33	13.50 (3.92)	395	14.12 (4.64)	.808

## Work Experience (ANOVA)

Group	Less than 2 years		Between 2 to 5 years		Between 6 to10 years		Between 11 to 20 years		More than 20 years		Sig
	No	M (SD)	No	M (SD)	No	M (SD)	No	M (SD)	No	M (SD)	
Stereotyping (Expat managers)	130	15.96 (4.60)	115	16.80 (4.90)	130	17.32 (4.50)	74	16.94 (4.83)	36	17.90 (4.04)	.097
Stereotyping (Omani managers)	131	13.90 (4.71)	114	14.40 (4.60)	128	13.80 (4.51)	72	14.00 (4.70)	35	15.50 (4.90)	.366

## In-Company Training (ANOVA)

Group	Very Li trainin		Occasiona	l training	Extensi training	Sig	
	No	M (SD)	No	M (SD)	No	M (SD)	
Stereotyping (Expat managers)	247	17.45 (4.70)	189	16.44 (4.40)	48	15.00 (4.80)	.001
Stereotyping (Omani managers)	245	14.72 (4.72)	186	13.60 (4.50)	48	13.10 (4.50)	.010

## Academic Background (ANOVA)

Group	Sec	Secondary Se		Below Secondary education		Diplo	Diploma		Higher Diploma		Bachelor's degree and above	
	N O	M (SD)	No	M (SD)	No	M (SD)	No	M (SD)	No	M (SD)		
Stereotypin g (Expat managers)	4 6	16.60 (5.13)	139	17.73 (4.80)	108	16.80 (4.43)	55	15.70 (4.90)	137	16.50 (4.34)	.048	
Stereotypin g (Omani managers)	4 5	14.20 (5.30)	136	14.30 (4.70)	106	13.95 (4.49)	55	14.50 (4.98)	138	13.90 (4.42)	.932	

## Sector of Employment (ANOVA)

_	Touris	sm	Bankir	ıg	Auto	Sig		
Group	No	M (SD)	No	M (SD)	No	M (SD)	Sig	
Stereotyping (Expat managers)	171	16.40 (4.80)	147	16.42 (4.60)	165	17.60 (4.62)	.035	
Stereotyping (Omani managers)	170	14.13 (4.64)	149	13.97 (4.59)	159	14.15 (4.70)	.935	

<sup>\*</sup>P<0.05