



HR PRACTICES AND THEIR EFFECTIVENESS DURING THE POST-OMANIZATION PHASE: A CRITICAL REVIEW

Basil John Thomas¹ 
Ruqiya Jaber AlDarwashi²

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Abstract: *Omanization is a strategy applied by the Sultanate of Oman since 1988 with an aim to replace expatriate workers with Omani nationals. The Omani government has set goals to increase the percentage of employed Omani nationals compared with foreigners (expatriates) through Omanization as a routine Human Resource (HR) practice. This strategy was introduced because of the increasing number of expatriates that indirectly resulted in reduced job opportunities for Omani nationals. It is expected that this strategy would allow Omani nationals to get jobs and consequently needed training and development programs. This research work is focusing on Omanization and its likely impact on HR practices in Oman. As it was not feasible to collect data from both the public and private sectors, this research, therefore, aims to analyze the perceptions of private sector employees on Omanization. This research is expected to highlight likely changes in the HR practices applied and their effectiveness in Oman. It will be worthwhile identifying how employees from the private sector foresee this strategy, and whether the Omanization initiative can actually improve the quality of work and enhance HR output to reach a higher level of productivity. It is assumed that Omanization could have a significant impact on HR practices, so it was decided to conduct interviews and focus group discussions with some of the private sector employees to gain a richer insight. Findings from this research indicate that there is a gap between the labor market and the education system. It is evident that fresh graduates lack the necessary skills and training for taking over the positions. Furthermore, there is a lack of training and development programs for the employees. This research is highlighting some recommendations too for the progress toward Omanization.*

Keywords: *Human resource management, Omanization, Human resource practices, Employee perceptions.*

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✉ drbasiljt@gmail.com

¹ Department of Business Administration, Sur University College, Sur, Sultanate of Oman

² Department of Business Administration, Sur University College, Sur, Sultanate of Oman



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1. INTRODUCTION

In recent years, Human Resources Management (HRM) has become one of the most significant areas for any organization, and so it is claimed that the success of an organization depends on the management of its employees. HRM facilitates the effective use of human capital to achieve primary business objectives. HRM focuses on the recruitment processes and control of employees. Further, it provides a direction for the employees in an organization (Hoffmann, 2014). Therefore, it is necessary for a manager to understand the importance of human resources activities and policies in an organization. HRM involves different tools to help meet the needs of business, for example, training and development, recruitment and selection, rewarding and motivation, and communication to make all employees engaged and create a cooperative environment in the workplace. All these tools help an organization to improve its employees to ensure effective management of their skills and abilities.

The practices of HRM have a significant role in managing employees and overcoming issues that occur in any organization. One of the recent practices that are related to HRM is Omanization (Nationalization), which was introduced in Oman. The strategy was introduced by the government of Oman in 1988 with the aim to replace expatriate workers with Omani nationals (Bel-lo-Pintado, 2015). Omanization has gained much attention over recent years in Oman. About 40,000 Omani students are graduating every year searching for jobs. As a result, Omanization aims to reduce the number of unemployed Omani nationals. The actual output of this strategy is yet to be realized however it is believed that the HR managers need to somehow have a clear vision when implanting it into the recruitment process.

HRM became one of the essential functions in the world (including the Gulf States) as a result of globalization and hyper-competition. Over the years, Gulf States have proved to be a desirable destination for expatriate workers. Therefore, HRM policies have been more or less shaped by different factors including but not limited to slow economic growth, oil prices, political situation, a growing number of university graduates, and labor market demand. Having said that, most of the Gulf States are still relying on expatriates in different fields because of their lack of experience, expertise, and education. At the same time, the citizens are not able to work in technical jobs, for example, construction and industrial occupations. As a result of this, the number of expats has grown in the past few years, which has created many issues like unemployment for the locals.

The objective of this research is to identify and understand how private-sector employees perceive Omanization. Furthermore, to investigate the likely impact of the strategy on existing HR practices in the country. Lastly, to somehow understand whether Omani nationals are actually ready to take over positions that were historically occupied by highly skilled and experienced expatriate workers. It was important to find out how the employees felt about the strategy and as a consequence of their beliefs and perceptions, whether would there be any impact on HR practices. The study aims to highlight the role of government particularly in the private sector to enhance the attractiveness and opportunities of hiring as many as Omani nationals to their organization rather than depending on expatriates. Because of the low salary packages and less attractive job features in the private sector, some Omani nationals are not interested to join these organizations. It was therefore deemed that both sectors must create opportunities for Omani nationals due to the large number of expatriates increasing every year. This research emphasizes the role of HR policymakers and practitioners in the recruitment and selection process. It aims to highlight possible solutions for employing an increasing number of graduates. It further aims to identify the role of the private sector in the economy and to find diverse resources other than depending on oil reve-

nues, which are decreasing every year. The study is important to enhance the role of small enterprises in recruiting Omanis and encourage them to improve their business. This policy can be an advantage to Omanis to take over expats in many positions.

2. LITERATURE REVIEW

Literature highlights different studies about Omanization and its perceived impact on HR practices (Nolan, 2008). Most of these perceptions explain the need for training and development for Omani nationals for them to be ready to replace expatriates, especially in more senior positions. The most important question was how employees of private sector organizations perceived the impact of Omanization on HR practices. The expatriates' perceptions are more likely to be negative towards Omanization because they are skeptical of losing their jobs. Omanis are more positive towards Omanization because of the large number of unemployed citizens which is still increasing every year as well as the rise in the number of graduates. The need for Omanization is supposed to be rather necessary as one of the solutions for unemployment. More than that it is also assumed that it is the right of an Omani to take positions that are fulfilled by expatriates. This perception is affecting HR practitioners as Omanis are not capable of handling these positions because of a lack of skills and experience.

Skilled labor is a segment of the workforce with a high skill level that makes significant economic value from the work performed (Nikolowa, 2010). The labor market has changed towards skilled labor. The demand for skilled labor has explicitly grown for specialized skills that refer to workers who have specialized training such as doctors and lawyers. These workers are highly educated and have expertise in their work areas. The Gulf States including Oman have tended to bring highly skilled labor due to the lack of skilled labor in the country (Nikolowa, 2010). There is a high demand for skilled labor in these countries that need to bring highly educated and qualified employees to local organizations. Training and development programs are also required for the citizens who have to get engaged with these professionals so they can get experiences and knowledge (Pi & Zhou, 2012).

As new technologies have emerged, the demand for skilled workers has become necessary for any country. There is a need to attract skilled workers to come to work in the country and benefit from their experiences (Al-Riyami, 2014). Otherwise, these workers might have to leave the country and look for other opportunities and careers that will develop their skills and abilities. Omanization strategy means that expatriates keep staying in Oman for good but, most of them take their expertise to the other Gulf States when there is a distinct demand for such experiences to the projects being initiated to develop the country (Al-Riyami, 2014). Once a nation has a highly qualified labor force that has the skills and experiences to manage any position, there will be a full dependency on locals for the development of the country.

Omanization as a policy must take into consideration the significance of skilled labor which traces the way to implement the strategy without any problems related to productivity or efficiency of work. This could be done by bringing highly skilled labor to the country if needed to engage locals with foreigners to learn and get experiences in the concerned field. One way of implementing Omanization and making sure the Omani nationals are ready to replace expatriates is initiating intensive training and development programs as well as onsite training with the expertise to prepare Omanis to hold these positions once they get full knowledge and skills.

Education is another way of enhancing the knowledge and skills of employees (Al-Riyami, 2014). The strategies and practices of human resource management have a central role in bringing in

skilled labor and giving advantages to the employees to improve their skills and experiences (Hidalgo et al., 2014). Currently, there is a need for highly skilled labor in Oman as locals are not skilled enough to handle some high-level positions. There are some posts that need specific qualifications that do not exist inside the country. The government needs to involve fresh graduates in such posts at least as trainees to get all the skills needed for these jobs. Moreover, the Ministry of higher education shall be up to date with the latest fields in the market.

Researchers attribute this to several factors such as lack of human resources planning and coordination between the government and the private sector. In the past, Omanis were not educated enough to hold some of the expatriates' positions, so there was a need for getting experiences from foreigners in these fields. In recent times, education in Oman is developing, and many Omanis have opportunities even to study abroad and come back with highly professional certificates in rare specializations that are not provided locally.

In most of the papers, researchers question the ability of Omanis to substitute expatriates (Al-Lamki, 1998). Further, the government still needs foreigners in some of the positions while Omani nationals should be employed in these positions once they are ready and have enough experience (Al-Lamki, 1998). At the same time, some studies show that the number of expatriates, for example, Indians, is increasing in many positions when there are Omani graduates still looking for job opportunities. Most of the graduates do not have experience in real work but even though they have the correct training and are ready to hold such positions. Since these organizations are not employing these graduates eventually, this would create a big problem in employment and the number of expatriates will remain the same. While some studies signify the need for Omani nationals to overtake the positions, this need cannot be justified by simply arguing that Omani nationals need a job. While going through the literature, repeatedly there is an argument for setting a quota for expatriates, which is again a unique argument as it again tends to set a limit, which indirectly brings in the issue of diversity management.

The policy of Omanization works by setting a quota where a specific percentage should be achieved in different industries. Upon completing the task green cards are awarded to these organizations. In return, they get more facilitation in any expatriate's applications, and they get press attention as well as free deals with the government (Al-Rawas, 2007). The Omani labor law is mainly set to manage external and internal employees in the private sector. And because the Omani population is low, it was necessary to prohibit expatriates from some jobs that could be executed by Omanis. Therefore, the Omani law restricted bringing external employees to Oman. However, they possess some technical qualifications that are not available to the citizens of Oman. The data from National Centre for Statistics and Information (NCSI, 2010) shows a growth of about 10.4 percent in the private sector compared to 2012. Some of the areas which were least affected by Omanization were retail trading, wholesale, fishing community agriculture, and personal service. Oman Chamber of Commerce and Industry has requested the Ministry of Manpower to put the chairmanship of Omanization on the heads of the private sector.

Another impact of Omanization was noticed in the economy of the country in some of the businesses. Once nationals replaced these expatriates, weak growth and uncertainty over jobs were affecting the outcome of the organizations. The figures have shown that Omanization in the private sector in Muscat has increased by 8.6 percent (Al-Mujaini, 2010). Al-Dakhiliya region had the highest rate of Omanis working in the private sector. Of the total of 214,000 nationals working in the private sector, 16,856 of them hold a bachelor's degree and 15,622 have a diploma. These numbers cover only 14 percent of the national workforce in the private sector. About 12,000 expatriates join the Omani market every year, most of them in the real estate and construction field.

The Ministry of Manpower is taking an important role to develop and manage this policy in the private sector (Al-Mujaini, 2010). Also, the ministry is looking to improve the stability of nationals in their jobs in the private sector which is considered a big challenge for Omanization. However, the private sector is required to decrease reliance on expatriates and give suitable training to Omanis in the positions currently occupied by expatriates to create job opportunities as well as make Omanis more skilled and qualified to hold such views. Recruitment in the private sector has gone through different issues that restrict the policy of Omanization in this sector.

Omanization is considered a feature of economic development for Oman (Al-Hinai, 2015). Although foreign laborers are playing an essential role in building the national infrastructure, there is a need to involve more qualified local laborers in the economy. The government has started a measure to come over unemployment issues and bring the policy of Omanization to success. They arranged expatriate's labor by regulating their employment in jobs that can be quickly occupied by Omanis (Al-Adawi, 2014). Also, implementing an appropriate human resources plan that matches the needs of the private sector. Moreover, developing the working conditions in the private sector as well as encouraging well-skilled Omanis to initiate their enterprises (Al-Adawi, 2014).

However, the number of unemployed people is increasing every year in the private sector. This unexplained matter makes people wonder about the efficiency of Omanization in the industry. The statistics showed by the National Center for Statistics and Information states that the number of graduates is increasing, and they wait for three to four years just looking for a job opportunity. The Ministry of higher education has done a study indicating that only 47 of graduates manage to get into the labor market and have a job after graduation which means that more than more than 50 percent of graduates are jobless. The apparent gap between the private sector or the employers and the education system is a big issue that restricts the Omanization process to employ Omanis in such positions that are not suitable for them and would not develop their skills. It is obvious in the private sector that we can see employees working in different positions just to cave the percentage of Omanization in their organizations.

The unskilled jobs that are employed by most expatriates are another challenge of Omanization. There is a big conflict between politics and the economy which employers will take into consideration in their employment plans. Most of the organizations in the private sector particularly the small ones are more concerned about the salaries of their employees as well as their efficiency in their jobs. They would prefer to recruit an expat instead of an Omani national who will earn more money and is not active for long working hours.

Employers from the private sector emphasized that it is much more expensive to hire Omani than an expat (Ali & Alani, 2017). It is complicated to replace an Indian with Omani in one job. An Indian can be asked to stay for two years working night and day especially in an oil site in the desert for thirty-five riyals per month, while Omanis are difficult to restrict to do the same (Ali & Alani, 2017). Therefore, they would prefer to pay an Omani and ask him to stay at home and keep the Indian working.

The requirements and demand for expatriates in the few coming years will be influenced by the growth of the economy and the creation of new job opportunities which forces Omanization policy to be implemented. So, the percentage of expatriates is declining, for example, in 1996 there were about 27.46% migrants compared to 21.12% in the year 2012. The statistics report a decline in the proportion of expatriate labor (Kooij et al., 2012). The jobs that are recently under the drive of Omanization are substituting migrants with Omanis. Most of these migrants are from South Asian countries. In this case, migration to other Gulf countries is an available option. Omaniza-

tion programs are targeting neither high-level positions nor unskilled ones. In both ways, they still must depend on expatriates for a few years till Omani nationals manage them. The educational development and the change in mindset are important factors in identifying the scope of Omanization in these jobs (Kooij et al., 2012). This will insist Omanis sustain themselves in the private sector without limiting themselves to specific occupations.

Hiring the right people for the right position is a crucial role that should be carried out by the HR team (Paterson, 2016). HR practices have been identified as a system that develops, motivates, and attracts employees to ensure the effective implementation of an organization and its members (Renckly, 2011). It is also, viewed as a set of consistent internal policies designed to provide that organization's human resources contribute to the achievement of the objectives. One of these HR practices, recruitment, and selection is centrally related to Omanization in which Omanization has an impact and influences these practices in many ways. For every organization, there must be a recruitment plan that can facilitate the process of Omanization in the organization (Ali & Alani, 2017). As Omanization has entered into the labor market to replace expatriates with highly qualified Omanis, the recruitment and selection practices are being much more manipulated by the policy of Omanization. When they set up their plan, they need to consider the percentage of Omanis identified by the Ministry of Manpower.

Two main factors have disrupted the recruitment and selection practices of recruiting Omanis (Al-Lamki, 1998). When the oil output decreased, it had a negative impact on the government's capability to employ Omanis. Secondly, the skills and qualifications required by the labor market were not proof of the growing population of youth. The government had an excellent reaction to solve these issues where they started a 2020 vision to diversify by improving the private sector rather than depending on oil revenues (Al-Lamki, 1998). Also, they invested in education and vocational training centers to develop human resources (Al-Lamki, 1998). The government believes that there should be a contribution of Omani nationals in the industrial sector.

It is seen that the recruitment of Omanis in the labor market is about quantity but not quality (Al-Hinai, 2015). In the selection process, employers struggling to find the proper and qualified person who has the right skills for the posted job. All the powers, qualifications, and experiences must be taken into account for the recruitment of Omanis who might not have these skills. However, at the same time, there are some positions that were selected for expatriates who are at the same level as Omanis. Some employers' perceptions of Omanis and lack of trust to hire them and pick them for such positions is an obvious factor that prevents Omanization from going into progress.

Employee engagement is a positive attitude and behavior aiming to achieve the organization's objectives in the way of reinforcing one another. It is also about employees feeling of loyalty towards their organization and drawing ideas and knowledge to improve products and services (Al-Lamki, 1998). This practice is essential for Omanis to get involved in the private sector. Omanization would be the policy where Omanis can get engaged with expatriates in work. They are part of this country, and their cooperation and hard work are appreciated more than expatriates. This process can bring Omanis into the labor market, especially in the private sector where their role is highly needed as many expatriates possess many jobs that shall be filled by locals. As Omanis get engaged in the labor market, they will be involved with the global market as well and understand more experiences with outside relationships. These relationships are playing an essential role in constructing the personal profile of Omanis and improving their skills and abilities.

Unemployment rates among Omanis are now a socioeconomic issue that affects the stability of the country. As a result of the increasing number of unemployed graduates of Omanis, the government has come up with

an Omanization strategy to replace expatriates with Omanis and ensure the capability of Omanis to operate these positions and reduce unemployment (Al-Mjeni, 2015). Although Omanization is an excellent strategy to encourage and motivate Omanis nationals to work and be something, there are some problems related to Omanization attributed by construction firms who are claimed that they recruit Omanis not because they would like to have Omanis in their firm and give them the opportunity to work. They hired them just to reach the percentage of the Ministry of Manpower and also the threat of two years bans on expatriates. There would be a reduction in exports due to the lack of an unskilled labor force, so organizations would be required to give intensive training to ensure highly qualified employees have adequate knowledge of their jobs which will affect the gross profit of the organization. The Ministry of Manpower is applying Omanization to all small and large firms in the country, which will transform the small organizations that depend on expatriates for all their work (Al-Mjeni, 2015).

The lack of foreign investment is another challenge for Omanization and will create a lack number of new job opportunities. Opening the labor market to foreign investment can create so many job opportunities and reduce the number of unemployed graduates (Al-Mjeni, 2015).

There are also many challenges related to the attitude of Omanis employees. More than 50% of Omani employees still are not dedicated to work, and they remain absent from work without reason. These breakings of the rules will affect the outcome of the company and again create a lousy image of Omanis in the minds of employers to recruit expatriates instead of Omanis who are insufficient and earn more money.

Remuneration is another factor that can lead to progress towards this policy. Compensation in the private sector is facing difficulties, particularly in small and medium enterprises that cannot afford high salaries compared to large organizations and public sector institutions. These enterprises find it easier and economical to hire expatriates instead of paying high wages to Omanis.

Omanization has several benefits for society and the country in general. The most important advantage that Omanization can make is reducing the high rate of unemployment in the Sultanate. More than that, it makes Omanis more reliant on themselves rather than depending on expatriates. Omanization enhances the training programs by initiating vocational institutions. The government is concentrating on training programs that will develop the skills and create more qualified and highly educated human resources (Al-Riyami et al., 2015).

This is considered a real investment in human resources by which the country ensure the capability of the citizen the high take positions in their organizations and make ready well-qualified employees. In general, Omanization has reduced the number of unemployed people and increased the top income of families. As a result of this, it reduces the poverty level in society and solves many issues inside the community. It also encourages the social responsibility of large and small firms to involve Omanis in their activities and develop public projects or support small enterprises to grow up (Al-Riyami et al., 2015). This policy will change so many aspects regarding the employee's productivity in their organizations, and it will create a better understanding of the role of Omanis in developing their country.

3. METHODS

Here qualitative research methods are followed for collecting and analyzing data. As this research aimed to explore employees' perceptions, it could be related to social science research and opt for exploratory research (Welch & Patton, 1992). As stated, this research is in essence exploratory in nature as it attempts to understand a certain issue, Omanization, and its impact on HR practices.

Exploratory research itself can be described as a technique to better understand theoretical ideas (Stebbins, 2001). In this research work, the main goals are to assess how employees from the private sector perceive Omanization and what could be the likely impact on HR practices in the country. Applying the exploratory approach helped to ground the research argument after going through the related literature and connecting it to the presented work in the context of Omanization and HR practices.

This method is suited as it is rather flexible and helps in collecting qualitative data. As stated earlier, the original search began with a literature review but later it was realized that the available literature did not provide enough information about the research objective, and the need for collecting data through qualitative tools became obvious.

This research is done using the deductive approach (Lynham, 2002) moving on to collecting data in order to investigate employees' perceptions of Omanization. The research design of this research work has played a significant role in collecting the data and analysis process of the responses. Here the most important factor of the research design is that it facilitates the reliability of results and provides a logical outcome for the research. By using the survey method in this research, it aids in obtaining different ideas and attitudes from employees through open-ended questions (Usharani, 2017).

In addition to the surveys, the researchers have interviewed private sector employees too. These interviews were conducted to collect further opinions from employees working in several positions. The interviews were expected to expand the ideas about Omanization. The responses added to the thoughts about the subject and covered the different points of view of employees. The respondents from the interviews were positive about Omanization, and they seemed to think that Omanization would change many aspects of HR in the country. The interviewees supported the idea of replacing expatriates with Omani nationals, and they saw it as very important in giving Omani nationals chances to prove their capabilities and skills. Omanis have demonstrated their ability to work in different positions in government and private sector, and have demonstrated leadership skills at their workplace. Here it can be seen the importance of Omanization as it helps to provide jobs for Omani nationals and at the same time lower number unemployment rate. In this paper, the participant's perception was recorded and collected in user information to be analyzed (Freeman, 2006).

The interviewees are from different private sector organizations like line managers, HR practitioners, recruiters, and other general employees for gathering different points of view and perceptions. Since the research was focused on the perception of private sector employees, interviews indeed generated new ideas and perspectives. An effort was made to interview participants for this research who had more than five years of experience in their organizations. This was done to ensure that their replies would provide deep insights and enhance the responses.

Interviews were chosen for collecting qualitative data because the technique helps to conduct detailed discussions with a relatively small number of participants (n=9) in order to understand their opinions on a particular subject or research question (Boyce & Neale, 2006). Further, this technique helps gather data about participants' perceptions, experiences, and expectations about a specific topic. Interviews are also known for being highly useful when researchers aim to get detailed insights and understand individual opinions. At times it is also argued that this technique is suitable for situations where conducting a focus group is not practical (Boyce & Neale, 2006). In addition to the interviews, a focus group discussion was further done. The number of participants in the presented research was six (n=6), which is relatively small, but large enough for each participant to make a significant contribution to the discussion as outlined by Krueger and Casey (2000).

4. RESULTS

As stated above this research employed qualitative surveys, interviews, and focus group discussions that are assumed as suitable methods for collecting the data from private sector employees. The surveys were redistributed among 130 employees from different nationalities and different organizations in the private sector. The surveys were redistributed randomly to Omanis and expats (both male and female) who are working in the private sector. Most of the answers are from the age of 25 to 40 which refers to the youngest age group of the Omani society that has its most population from youth.

The most common expat nationality among expatriates was Indian. The participants were working in different positions. Clerical positions were taken by Omanis and marketing and sales positions were held by Indians, on the other side, British and other European nationals held the executive positions and managerial ones. In each organization, the number of expatriates was noted to be between 51 to 500 which is a significantly large number, and in some organizations, the number of expats is more than 100 due to the nature of their jobs such as cleaners, builders, and auto mechanics in which expats occupy these jobs.

The most common HR practice that was expected as an outcome of Omanization and was welcomed by employees was training and development and compensation and rewards. Nationalization came third which is also seen as important as many other HR practices. As training and development was seen as the best HR practice, there is a lack of training programs given to the employees and it affects their capability of taking high-level positions. In other words, the training and development of an employee are highly required in any organization which one wants to improve and develop. Employees' skills and abilities raise the level of productivity as well as the level of knowledge within the employees. This practice is significantly related to Omanization because the lack of training and development for Omani nationals is required to replace expatriates with highly qualified, skilled Omanis who can take high-level positions when they get excellent training and have enough experience.

The most crucial question that has been asked is whether it is true that Omani nationals were capable of substituting expatriates. Most of the respondents were supporting that Omanis are capable of taking the positions that are now fully filled by expatriates. On the other hand, those who said no their justification was that Omani nationals do not have enough experience and skills to operate in those positions. However, Omani nationals are highly educated, and there are many prominent examples of Omanis full filling many high-level positions that they can improve. Most of the participants ensured the significance of Omanization in a positive way.

Interviews

The interviewees answered the critical question of the presented research in different ways, mostly by approving Omanization and its impact on HR practices. The impact could be seen from different points of view. Some employees from the private sector pointed out a definite lack of coordination between the private sector and government in the formulation of the strategy, which is seen as the main reason for the increased number of expatriates in the private sector.

As Omanization has entered into the labor market to replace expatriates with highly qualified Omanis, the recruitment and selection practices are being much more manipulated by the policy of Omanization when they set up their plan they need to consider - the percentage of Omani na-

tionals identified by the Ministry of Manpower. The other practice that was impacted by Omanization was the training and development practices. Omanization would require organizations to set up a budget for the training and development of employees.

By implementing training and development practices, the employees will perform well for their organizations and be more educated and highly qualified to hold higher positions and get promotions in the future. One of the interviewees emphasized that the training and development for Omanis are highly required and needed to make Omanis ready and suitable for some positions. The packages that are received by Omanis will affect the organizations that will prefer to choose expatriates due to their low salaries and work under any circumstances. However, Omanization has emphasized the packages being given to Omanis as well as rewards for their success.

The policy has put pressure on the private sector to implement Omanization and include Omanis in their recruitment plan. The recruitment and selection practices were profoundly impacted by Omanization when this policy must be implemented and more Omanis should be selected for the posted positions. These training programs for youth will naturally create many job opportunities for Omani nationals and develop the process of employability in the Sultanate. Some organizations also make internal onsite training programs for locals to make them ready for work as well. It encourages Omani nationals for high performance and productivity. And another impact that was explained by some of the interviewees is related to the economy by which Omanization can influence the organization's budgets when Omani nationals get recruited who earn more than expats.

From an expat interviewee's point of view, Omanization has been seen as an appropriate practice but, there is a fear of losing their jobs due to the implementation of this practice. As one has mentioned that Omani nationals are not yet able to replace expatriates, because of the lack of skills and experiences. Some of them think that Omanization will make them lose their jobs and it must be applied in the right way without harming their existence in the country.

All nine participants in the interviews shared valuable information based on their knowledge, skills, experience, and most importantly perceptions. In general, it appeared that there is a clear divide between how different people perceive Omanization and its potential impact on HR practices in the country. At times, it was noted that some of the respondents were reluctant to give in-depth and detailed replies, which was surprising. Nevertheless, the overall data collected from the interviews provided a fair picture of how Omanization was perceived and related to HR practices. Some of the representative comments as presented below in quotes with the respondents' details anonymous for data integrity and confidentiality:

“Omanization is a pre-mature initiative. What I mean is that the policymakers have (did) not considered the time span (that is) needed for such an initiative. It will take a long while before we (Omanis) can actually take over the jobs (roles) currently occupied by expats”. (Male, Omani)

“The idea of Omanization in my view (opinion) is not too bad. It is the only way to support Omanis growth as professionals. As an Omani, I am sure that Omanization will strengthen our (Omani) potential. We do need more education and training but I think it is time (for Omanization)”. (Male, Omani)

On the other hand, some people opposed the previous ideas where they thought that expats who are hired within the region are highly experienced professionals who have an impact on the development of the country, and replacing them would have a negative outcome. One participant stated:

“Omanization will have a negative impact on HR practices in my country (Oman). We have been hiring skilled people from across the globe and they have contributed to the growth of our country. If we were to strictly adhere to Omanization, I fear that most of the expats will either leave the country (even when they have a job) or start looking for jobs elsewhere”. (Female, Omani)

Different people have different points of view. Some have seen it from a different side where it went as deep as discrimination issues:

“Expats are an integral part of Oman and its development. We need to have a review of Omanization in itself. I pose a question to you! “Does Omanization mean a complete shift in recruitment policy?” If someone was to tell me that we are going to replace Omanis with all the expats in the country, I would perceive that as discriminatory and an act that is against Equal Employment Opportunity”. (Female, Omani)

Some females also commented and had modest points of view where they were not against or with but think a valid balance between the two and more time would reach us the desired results.

“I have no problems with the idea of (Omanization). I do believe that we are still a little far from actual implementation. We need to act smart and be patient. It (Omanization) is much needed with a growing number of unemployed locals (Omanis). But it is a big change. Change is hard and needs time. We need to retain our expat community (labor force), and get them to help us in this transition phase. Perhaps, this is one better way to move forward towards this (Omanization) direction”. (Female, Omani)

There were different opinions from expats too on this matter, who had been working in Oman for different time spans varying from five to fifteen years.

“As an expat, I don’t have much of a say when it comes to the policies. All I know is that I will have to leave the country when asked. That does however mean that people like me will start looking for jobs in other places (countries). If that stands true, would that not influence performance at the current workplace?” (Male, Indian)

“I strongly believe that nationalization (Omanization) has its pros and cons. While I am not convinced about the pros, I do however see this as a situation where I can lose my job at any point in time and that means I have no job security. Without job security, how do we implement good practices in human resources?” (Female, Indian)

This female went into a very deep point about job security she stated that job security can influence performance. Unlike the Indian Female a Canadian female did not oppose the Omanization. She stated:

“The strategic leadership of Oman decides what it considers best for the country. Omanization, as I see it, is there to encourage Omanis to gain higher education and be prepared for the future. And I don’t think that there is anything wrong with it. If an Omani can replace me, well then, that is how it is! With my education, skills, and experience, I am not going to stay jobless (with a giggle).” (Canadian, Female)

Another positive comment was *“Omanization? Why not? Sure it will help the country and its youth to be self-reliant. There will be more skilled labor from within the country (I hope so). And it*

will have a direct impact on local HR policies, for example, a lot of resources would be needed to educate and train the Omanis, which means the transition will take a while". (Female, Pakistani)

Some people felt left out and have spent so many years of their lives dedicated and working for this country where they felt left out and took this initiative as discrimination as this Indian male stated:

"Omanization has a direct impact on human resource practices. I have absolutely no doubts that while the intentions behind the strategy (Omanization) are positive, it will however be exploited. Such is the nature of modern-day recruitment and selection. My primary concern is that the country (Oman) that I consider my second home might be labeled as a place where expats are not welcome for work (with a grim face). And what about equal employment?" (Male, Indian)

Focus Groups

In response to the invitation to participate in this research, six participants volunteered to take part in the focus group. The focus group was conducted to have a further understanding of participants' perceptions of Omanization and the central research question. Despite a relatively small number of participants, the focus group gave insights through productive discussions. All the participants were males working at local private organizations. Based on the discussion and the notes made during the focus group discussion, the following representative quotes were identified.

"It (Omanization) will affect HR, and HR practices in a lot of ways, and HR managers need to be capable to identify who is a skilled prospective employee. In other words, Omanis as a young nation are making progress, but their skill levels are yet relatively low. This will indeed not be a problem in the future". (Male, Omani)

"If Omanis are educated properly, trained in organizations in different roles (internships), and guided through the transition phase (Omanization), they will be as good as any other employee. Human resource practices will change accordingly. For example, I would be surprised if an Omani settles for the same salary as an expat! So my point is that one of the impacts of Omanization would be a demand for increased salaries". (Male, Omani)

"Every country has a strategy to be self-reliant. Here in Oman, we need to have more locals (Omanis) in the workforce. There is no doubt about that. However, I am not sure if the organizations are ready or even if they have thought about the added costs of training and development for the young Omanis!" (Male, Omani)

It is clear from the responses in the focus group that Omanis lack skills and qualifications, which then leads to the need for training and development. This is playing a significant role in preparing Omanis to be ready for handling expats positions. The success of Omanization is highly dependent on training and development practices. As one participant confirmed that eventually there will be a change in human resource practices.

Findings from the surveys, interviews, and focus group discussions suggest that most of the participants see Omanization as a good step for Omanis. They believe that Omanization has an impact on HR practices due to the interrelated relationships between Omanization and other practices. They think that Omanis need more training and development programs to be able to replace expatriates and they also need experience by working beside the existing expatriates who will

transfer their work experiences to the Omanis who can replace them in the future. Their perceptions about Omanization are positive but, they think that many obstacles can restrict this policy. One of these challenges is the lack of skills and experiences of Omanis which is very important to apply Omanization in both sectors. The government has to initiate training programs for Omanis and make them ready so, Omanization can be implemented efficiently.

The findings also show that the private sector is less attractive than the public sector where Omanis are less attractive to work in this sector because of low salary, no incentives, and more working hours which is one reason why expatriates are more than Omanis in this sector. The other challenge revealed by participants is the role of the Ministry of Manpower should be more active and they need to follow the implementation of Omanization policy.

Expats perceive Omanization as a good policy, the suitable implementation is also required. In their situation, there is no security over jobs as they have to leave the country looking for another job. The finding also shows that the education system has a crucial role in implementing this strategy. Educational institutions must be aware of the labor market requirements so, they have the same objectives and interests to introduce suitable and highly educated graduates who can enter the labor market easily. By squeezing the gap between the two parties, Omanization would have a better vision for the future and will create a good opportunity for Omani nationals in the country. Most of the participants emphasize the role of HR practitioners to give the Omanis the advantage and opportunities to express their skills and abilities. The recruitment and selection practices must include the Omani national as a part of the development cycle. Engaging the Omanis in the industry would build their trust at work and raise the level of productivity.

It is believed that the replacement of expatriates by Omanis is not an easy process that can be applied in one day. It will take time due to many reasons and one of these reasons is lack of training and development. From the review, we can see that the policy needs more concentration from the government to be implemented appropriately. We understand that Localization has an impact on HR practices. Including Omanization in the recruitment and selection practices would give the Omanis the opportunity to prove themselves in the market. The training and development programs are very necessary to build their skills and make them able to handle high-level positions. Moreover, the study argues about the packages offered to Omanis in the private sector which are very low. This is playing a crucial role in holding back Omanis from joining companies with low packages and leaving these positions to expats in which the number of expats is increasing.

The perceptions collected from private sector employees by using different methodologies are quite convincing. The expats' positions need to be fully filled by Omanis who have the priority of handling such positions. The need for some expats is also necessary but, the government has to take advantage to locate youngsters with suitable qualifications to learn and take all the information and experiences from the expatriate until they can be replaced. Another important part discussed by the study is the gap between the education system and the labor market.

5. CONCLUSION AND RECOMMENDATION

In conclusion, it can be suggested that Omanization might have a significant impact on HR practices. The policy is very important for the country in general and Omani nationals in particular. The study helped to identify different perceptions from private sector employees in Oman. The findings can help bring change to the practices applied in Oman in order to improve the quality of work and enhance the HR strategies for reaching a high level of proficiency.

The research gap of the study indicated the lack of skills and experiences of Omanis to replace expatriates. Basically, Omanization came to squeeze the gap between the two. As per the instructions of the Ministry of Manpower, in order to implement the strategy in the organizations to reach their percentage of Omanization, the need for highly qualified Omanis who have the skills and qualifications to replace the expatriates is high which then put on the responsibility of the ministry of higher education to see what is needed in the business market and provide graduates accordingly.

In the literature review, the impact of Omanization was explained in detail by previous studies and researchers. The recruitment and selection practices must be taken into consideration by the Omani national when making the recruitment plan. Omanization forces organizations to recruit Omanis and involve them in the recruitment process. Another practice that is highly needed is to train Omanis to replace expatriates.

The compensation and rewards were impacted when Omanization is applied - there must be an increment in the salaries of Omanis particularly by the private sector organizations who used to pay low packages to Omanis to join their companies. Besides these practices, Omanization is also one way of developing the economy of the country. The policy is restricted by many barriers and limitations. For example, the wages of the private sector organization are too low and don't satisfy the needs of Omanis who deserve more than what is offered. Some of the private sector organizations recruit Omanis just to reach the percentage of Omanization where there is no enhancement and development of the employee inside the organization. The progress towards Omanization and the role of the government to apply Omanization in the right ways is crucial. For instance, employability, public sector attractiveness, remuneration, and skepticism all can lead to this policy.

Based on the findings, an array of recommendations are put forward. The purpose of Omanization and its goals need to be shared with organizations in both the private and public sectors. There is a real need to make an effort to identify the pros and cons of Omanization, although the initiative is already in progress. Omanization should not be used as a tool to restrain highly skilled workers from joining the workforce in the country. Equal Employment Opportunity must be considered when Omanization is applied as an HR practice. Clear recruitment and selection policies must be in place irrespective of workers' backgrounds. While Omanization is obviously about hiring more and more Omanis, however, it is highly recommended that restricting the hiring and recruitment process from overseas would in a way be discriminatory. Policymakers are recommended to realize that it is almost impossible to compete in a modern-day world without having expertise and skills from other countries. More focus should be paid to training the managers when it comes to HR practices especially hiring. Finally, there is an urgent need for applied focused research on Omanization and expat policy-making in the Gulf region, especially in Oman.

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