

Nationalization : A case from the Middle East “Kingdom of Bahrain”

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Abstract

This research explores human resource development 'HRD' as a 'nationalization strategy' within developing contexts. A framework for managing nationalization challenges and issues is constructed based on a 'development' concept at a national level. The development concept researched in the study is examined and explored through HRD and capacity building. Nationalization as an HRD national strategy is of crucial importance in developing country contexts, and this is especially true for the Gulf Cooperation Council (GCC) countries in the Middle East.

Nationalization strategies have been applied by GCC countries in the Middle East to increase national labour participation within the economy. Since the early 1980s, although nationalization strategies have been implemented through government authorities and ministries, the expatriate employment share remains at around 70 per cent with increasing national unemployment rates. The main aim of the research is to explore the role of nationalization programs within an HRD framework designed to build capacity from national human resources. Forces of resistance towards nationalization are addressed through a development framework that depends on human resource development and capacity building. Nationalization challenges are examined within developing contexts along with HRD theories presenting an intersection that positions 'nationalization' within HRD literature. Addressing nationalization issues through a 'qualitative' approach, distinct from quantitative measures such as quotas, proves to be a necessity for transitioning national labour towards a diversified economy in the GCC. The framework presented to address nationalization in the GCC was explored at the individual, organizational and national levels, hence presenting the nationalization challenges faced by the main executors of nationalization policies.

The research findings reveal a strong correlation between the real practice of nationalization and HRD theories revealing the intersection between key concepts. The research findings demonstrate the significance of the intersection of nationalization and HRD, thus positioning nationalization within the HRD literature. The research findings reveal other 'qualitative' factors necessary to ensure long-term economic returns. The relevant areas include preparation of HRD professionals, coordination among entities, balancing supply and demand for labour, creating desired private sectors, education and culture. Considering retention strategies within nationalization indicates to be a crucial necessity to avoid lost investments in nationalization efforts. An examination of the role of career development in private sector organizations in Bahrain for managing and retaining local talents within nationalization initiatives reveals the importance of considering monetary rewards and creating suitable nationalized sectors that are attractive to nationals. The research examination of change management processes within nationalization in Bahrain provides strong evidence of the importance of considering qualitative approaches for developing economic sectors through national human resource interventions by embedding capacity building processes that can create long-term economic sustainable benefits within the economy. Therefore, the research findings provide a nationalization framework that takes a holistic approach by revealing findings at the individual, organizational and national levels that are essential to consider for increasing national human resources participation in developing economies such as the GCC countries where resistance towards nationalization persists.

DECLARATION

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Chapter 1

INTRODUCTION

This chapter provides an introduction to the thesis by presenting a brief background concerning nationalization in developing economies, particularly the Gulf Cooperation Council (GCC) countries in the Middle East. The research focus and rationale are introduced and explained. In addition, the research aim and objectives are specified in relation to the study. The research methodology is explained and the chapter presents the research approach towards nationalization examination and exploration within a developing country context.

1.1 Introduction

Developing and optimizing local human resources is a challenge faced by several developing countries in Africa, Asia and the Middle East as they wish to strengthen their economic positions in the global competitive market. Developing countries are not only facing the challenge of using their human resources effectively to challenge competition in a global liberal capitalist economy (Terreblanche 2002), but are under pressure from Breton Woods Institutions (the International Monetary Fund, World Bank, World Trade Organization and the General Agreement on Tariffs and Trade) that are imposing barriers to their entry into the global marketplace (International Forum on Globalization 2002). Realizing the importance of local human resources, strategies known as ‘**nationalization**’ has been implemented to build capacities through local human resources.

Nationalization emphasizes projecting a national identity and protecting a nation's economy and culture from the threat of foreign domination. Nationalization strategies consist of replacing foreign workers, creating new employment opportunities for nationals and fostering the participation of citizens throughout the process of building the economy (Forstenlechner 2009). Implementing nationalization strategies is a challenge faced by many developing countries in

African, Asian and Middle Eastern contexts to promote independent economic prosperity, fuller employment and social cohesion through local human resources for globalization, economic growth, market reform, and competitiveness (Al-Dosary 2004, Looney 2004, Mellahi and Wood 2002).

Looking particularly at the Middle East region we see a region having approximately 65 per cent of the world's known oil reserves but which has grown at only half the rate of other developing countries (Budhwar and Mellahi 2007). Slow economic development is attributable to various reasons such as growing unemployment rates (Shaban et al. 1995), lack of privatization, the weakness of local entrepreneurial cultures (Talib 1996, Abed 2003), structural imbalances, over-dominance on the oil sector (Mellahi and Al-Hinai 2000), dominant public sectors, deficient political systems, continuous war and conflict, cultural and religious conflicts, underdeveloped financial markets (Yousef 2004, Abed 2003), lack of integration into the global economy (Looney 2003), closed economies, traditional Muslim laws and family-oriented working relations (Rice 1999, Weir 2000, Kuran 2004).

Realizing their economic strength, six Arab Gulf countries in the Middle East (Bahrain, Qatar, Saudi Arabia, UAE, Oman and Kuwait) joined together for regional collaboration by forming the Gulf Cooperation Council (GCC) in 1981. Apart from sharing a common cultural, religious and historical background (Kirk and Napier 2008), GCC countries play a vital role in Middle East economic development owing to their oil reserves. According to OPEC estimates, four countries in the Middle East Gulf region (Saudi Arabia 22.2%, Qatar 2.1%, United Arab Emirates 8.2%, and Kuwait 8.5%) are among the top seventeen countries in the world for oil reserves (http://www.opec.org/opec_web/en/data_graphs/330.htm). Yet in comparison with other developing countries, the most challenging economic dilemma for the oil-dependent GCC nations are unemployment and labour market participation, which are a result of rapid population growth, labour force growth rates, and economic instability due to oil price volatility (Shaban 1995). Unemployment among nationals is one of the region's key domestic policy challenges (Fasano and Goyal 2004, Toledo 2006, Al-Kibsi, Benkert and Schubert 2007, Harry 2007). The World Bank and the International Monetary Fund have long identified unemployment as a major hindrance to development in the Arab Gulf countries. World Bank (2004)

calculations imply the need for an estimated 80-100 million jobs to be created across all Arab Gulf countries by 2020. Marchona and Toledo (2014) explain that the recent uprising in North African and Middle Eastern countries was caused in part by high unemployment and rising commodity prices and call for urgent action to reduce the current high rate of unemployment among nationals.

To overcome unemployment barriers to economic development, GCC governments exerted efforts to improve the economic situation they faced by embarking on the formulation of labour market reform strategies to create sufficient employment opportunities for nationals in the private sector, to limit dependence on expatriate labor, and to increase work force participation. These strategies are termed '**nationalization**' or '**gulfization**' (Al-Lamki 2000, Metcalfe 2011) generically and, depending on the country, individually as: **Bahrainization, Saudization, Kuwaitization, Omanization, Emiratization, Qatarization** (Kapiszewski 2006). Despite labour market reform initiatives through nationalization strategies, the average number of non-nationals in GCC states is close to **70 per cent** (Fasano 2003, Kapiszewski 2004). Nationalization is the strategic tool implemented to address unemployment and labour force participation among nationals, but the low returns yielded by nationalization strategies merit a close study.

The focus of the thesis is to study nationalization strategies in a developing country context within an HRD framework in order to build capacities through national resources within developing economies. The researcher aims through the study to provide a framework to aid developing countries in lowering unemployment rates, increasing national labour market participation and optimizing local human capital development to aid capacity building.

1.2 Research Focus and Rationale

1.2.1 Nationalization Strategies: an enforcement towards national employment and labour market participation

In this thesis, the researcher will review nationalization strategies within African, Asian and Middle Eastern contexts, but believes that GCC nations in the Middle Eastern context deserves particular study because, despite being large and healthy economies, they are dependent on expatriates for economic prosperity, rapid

development and improvement of the quality of life (Kapiszewski 2006). To underpin their booming oil economies, GCC countries maintained an open door policy to attract expatriate labor since the 1970s and this has played an important role in the diversification of the production base and development of the service sector (Fasano and Iqbal 2003). As the oil boom era diminished with the subsequent fall in oil prices in 1986, GCC leaders realized the crucial need to shift from oil dependent economies to diversified economies, which caused greater dependence on expatriates as most GCC nationals preferred to work in the public sector, causing expatriate employment to rise to account for three-quarters of the total workforce (Fasano 2003). Soon GCC nations realized that dependence on a large expatriate workforce has serious long-term political, economic and social consequences (Al-Lamki 1998, Rees 2007). GCC leaders were highly concerned at the high expatriate migration and dependency on expatriate competency that began to have an adverse effect on nationals' employment rate (Al-Lamki 1998; Mellahi and Wood 2002; Shaban 1995). Apart from lowering national labour participation, expatriates involved GCC nations in various foreign affairs developments and brought a number of negative cultural and socio-economic consequences which caused the employment of nationals and labour migration to become a politically sensitive issue in GCC states, leading to tensions between the profit-driven concerns of the private sector, the nationalization efforts of the states and national security considerations (Kapiszewski 2006). Unemployment of nationals creates reduced output and lower standards of living, with dependency on foreign labour reaching 2.4 times the world average in Saudia Arabia (Ramady 2010).

The nationalization policies implemented to increase national labour participation and lower national unemployment through government ministries and authorities had common strategies including the imposition of quotas for national employment, creation of jobs and training programmes, higher quality educational systems for locals, and attractive incentives and preferential treatment for companies adhering to nationalization policies (Al-Ali 2008; Al-Dosary 2005; AlHamadi 2007; Al Lamki 2005; Maloney 1998; Rees 2007). However, the efficiency of such reforms remains questionable, as only the public sector in GCC states remains nationalized (Edwards 2011, Al-Qudsi 2005). The rates of non-nationals recorded is 50 per cent in Bahrain, Saudi Arabia 65 per cent, Kuwait 82 per cent, Qatar almost

90 per cent, and in the UAE 90 per cent (Gulf Cooperation Council 2002; Human Rights Watch 2004; Fasano and Goyal 2004; Girgis 2002). Nationalization in the private sector remains very low. In 2004, national workforce in Kuwait accounted for only 1.8 per cent (Jassen 2004), in Qatar, Oman and the UAE there were around 10 per cent of nationals in the workforce, in Bahrain 27 per cent, and only in Saudi Arabia in excess of 30 per cent (Fasano and Goyal 2004). The latest unemployment rates are Bahrain 15 per cent, Oman 15 per cent, Saudi Arabia 10.8 per cent, Kuwait 2.2 per cent, and Qatar 2.4 per cent (Broomhall 2011). Even though positive employment rates have been published, nevertheless the reliability of such figures are not considered accurate (AHDR; UNDP 2002a; Al-Dosary and Rahman 2005). A review of nationalization strategies, policies and labour market reforms in comparison with the figures and statistics indicated above merits a study to reveal the reasons for these low results. Examining issues that hinder positive results is a crucial matter for GCC nations to strengthen local national human resource capacities as the GCC moves towards diversified economies.

It is argued that nationalization strategies are faced with several challenges that explain the above statistics. One of these challenges is the preference of large numbers of nationals to be employed in the public sector, leaving the private sector for expatriates, leading to a large number of unemployed nationals (Booz and Co. 2009; Abdalla et al. 2010; Mashood and Veroheaven 2009; Wilkins 2001) as GCC nations reached a stage where the public sector that had previously acted as an employer of first and last resort could no longer absorb these nationals (Fasano and Goyal 2004). GCC nationals consider employment in the public sector as a 'birth right' with better pay and flexibility (Suliman 2006), while the private sector employer continues to prefer expatriate competencies (Gulf 2007; Morris 2000; Al-Ali 2006, 2008; Al-Lakmi 1998; Al-Dosari 2004; Harry 2007). On one side, private sector employers continue to rely on expatriates as they are considered to be cheaper, better qualified, prepared to work longer hours, accept lower wages, tolerate poorer working conditions and accept physically demanding jobs which are not accepted by nationals (Al-Lamki 1998; Eickelman 1991; Shaeffer 1989; Ruppert 1998; Igno 2007). A national is still not an employee of choice for many private organizations owing to the negative perceptions of nationals as being less productive than expats, legislation entitling nationals to higher salaries than expatriates for the same work,

and expatriate resistance to transferring skills and knowledge to a national employee (Al-Ali 2008; Randree 2009; Sadi and Henderson 2005). On the other side, nationals face challenges in becoming competitive with expatriates when employed in the private sector such as dealing with resistant expatriates, lack of business skills and knowledge among nationals, lack of openness to career progression plans, and inability to fit in with the organizational culture (Al-Ali 2006; Freek 2004; Bayt 2008). Alarissa (2014) explains through his study how private sector organizations in the United Arab Emirates that have poorly developed approaches to recruiting, retaining, developing and motivating their national employees, and risk losing nationals as national employees need their qualifications and career ambitions to be taken into account. Hence, preference of public sector employment by nationals and expatriate employment by employers causes resistance hindering the successful implementation of nationalization strategies.

An additional challenge is the demographic imbalance in the GCC states (Tanmia 2006) where about 60 per cent of the local population of GCC states is between the ages of 14 and 27, leading to a rapidly increasing number of employment-seeking adults (Dollman 2007). The region's demographic characteristics (Chaaban 2009; Doumato 2010) and ongoing educational reforms indicate that in the coming years there will be a growing number of young nationals with advanced qualifications and salary expectations (Noland and Pack 2008; Bains 2009; EIU 2009). Exploring needs from the perspective of a young, well-educated population of nationals and demanding private sector employers is essential to examine the reasons for the low returns achieved by nationalization strategies. Both sides are crucial to understand human resource development needs at individual and organizational levels to form a link within human resource development (HRD) framework to serve development at a national level. Thereby studying the reasons for nationals' resistance to join the private sector and organizations expatriate preference requires further exploration owing to the major role they both play in nationalization implementation.

1.2.2 Nationalization within an HRD framework

Analysing nationalization reflects human resource development initiatives at a broad national level. This research maps nationalization issues and challenges within a

human resource development (HRD) framework, as the longevity or success of national development plans depends heavily on human resource development as a key element in the development planning process (Al-Dosary 2004). HRD is important in developing countries to promote economic prosperity, fuller employment and social cohesion through high levels of knowledge, skills, and competence of its human resources for future security and success (Organization for Economic Co-operation and Development 1999). Developing human resources is one approach to alleviating high unemployment rates which can lead to high levels of poverty, lack of stability and ambiguity of global competition (McLean 2001). HRD at a national level develops and unleashes human expertise for national economic performance, political and social development, growth and well-being by enhancing the learning and performance capabilities of individuals, family units, communities, other social groupings, organizations and thereby the nation as a whole (McLean 2004; MacLean and McLean 2001; McLean, Osman, Gani and Cho 2004; Cunningham and Lynham 2006). Even though HRD is defined at a national level, consideration of HRD from a community societal level of analysis remains under researched and has yet to establish itself within mainstream HRD discourse (Graven and David 2004). There is no pure model of human resource at a national level (Cho and Mc Lean 2004) and there is a need to record and explore the practical and theoretical implications of national human resource development (McLean et al. 2004). Limited studies have been made concerning the practice of HRD at national level in developing nations (Paprock 2006). There is a need to record and explore the practical and theoretical implications of national human resource development (McLean et al. 2004). Furthermore, there is hardly any research evidence available on national HRD strategies in GCC countries (Debrah et al., 2000). Having reviewed nationalization literature in several contexts, it is evident that nationalization deserves to be highlighted in HRD literature as it is a human resource development issue that requires further study but receives scant review within western literature. In this study, the researcher addresses the gap in HRD literature in relation to nationalization by integrating HRD core activities with nationalization issues. The researcher intends through this research to explore nationalization as an HRD strategy, adding to the current broad HRD field that lacks a thorough review of nationalization in Gulf Middle Eastern countries.

1.2.3 Nationalization within HRD for capacity building

HRD is essential but there are factors beyond HRD to be examined within a national development framework for long-term economic returns. There is a need to consider a broader concept that includes the entire capacity building programme such that components work together (Franks 1999). If the local human resources were developed into a core of highly skilled professional or experts, that expert system would be a national asset, not a liability, helping to build a new generation of experts, enlarging and enriching the national expert system (Al-Dosari 2004). Here, the researcher integrates the concept of nationalization at a broader level, reflecting how HRD provides for the development of knowledge, skills, abilities, and talent that enable the building of ‘capacities’ to face the challenges of a modern global economy. This is referred to as capacity building: “The process by which individuals, groups, organizations, institutions and societies increase their abilities to ... understand and deal with their development needs in a broad context and in a sustainable manner” (OECD) – a process that involves “all stakeholders; including ministries, local authorities, non-governmental organizations, professionals, community members, academics and more” (UNDP). Despite the implementation of capacity building in practice, Hamdy (1998), Schacter (2000), Bossuyt (1994) and Land (1999) consider the expression is in need of further investigation and intervention owing to its importance (Weidner 2002). Even though the concept has been developed since 1950s, “Yet the concept remains a complex and difficult one to grasp, and operationalize in the design, execution, and evaluation of development initiatives” (Lavergne and Saxby 2001:1). This research aims to study capacity building further within a practical framework by indicating the areas of intersection that unite capacity building and HRD into one development concept which is essential in addressing practical nationalization issues for long-term economic development. The researcher highlights the intersection of HRD and capacity building as one concept of development, but differentiates capacity building from HRD strategies in terms of taking an ecosystem approach that operates and interacts towards building capacities that include ‘intangibles’ such as values and culture through partnerships at the individual, organizational, and national level, ensuring sustainability in changing environments.

Running a search on ‘capacity building’ and ‘HRD’ through the John Rylands search engines and Google Scholar on 1st February 2011, most of the articles generated were related to capacity building in the areas of health and water. Articles indicating the relationship of HRD with capacity building were limited. The researcher, while reviewing the existing literature, was able to identify a relatively high level of integration between HRD and capacity building as a development concept at a national level, yet there is scant literature uniting both concepts. The lack of literature means there is no easy formula for linking HRD with capacity building as a development concept, but the researcher analyses the meaning of capacity building from an HRD perspective by applying it to nationalization strategies.

Having identified areas of study which merit further examination and exploration, the research rationale and identified research gaps require a case study to examine nationalization issues in order to build a HRD framework for capacity building for developing economies. For reasons mentioned earlier, the GCC countries are suitable for such a study, but owing to the difficulty of access to data in six of the GCC countries, the researcher selected one GCC country as a case study, which is the Kingdom of Bahrain.

1.3 Context of Research: Nationalization within the Middle East – “Bahrainization”

The literature review in Chapter Two indicates that the challenges and market labour reforms for nationalization in GCC nations are common. The commonality of issues and challenges can aid applying the framework within other GCC nations and developing economies. Among the GCC nations, the researcher chose Bahrain to conduct the study. There are several reasons for choosing Bahrain.

Firstly, Bahrain is one of the countries that started its nationalization programme in the early 1980s, yet faces challenges in increasing nationalization. Secondly, owing to Bahrain’s early efforts in human development, the 1998 United Nations Development Programme (UNDP) identified Bahrain as first in the Arab region for developing human resources (Wilson 2001). Bahrain human development efforts are reflected in its human development index (HDI), which is the highest in the region: “Bahrain's HDI is 0.806, which gives the country a rank of 42 out of 187

countries with comparable data. The HDI of Arab States as a region increased from 0.444 in 1980 to 0.641 today, placing Bahrain above the regional average” (<http://hdrstats.undp.org/en/countries/profiles/BHR.html>). Even though the HDI index appears high, nevertheless unemployment among nationals remains around 15 per cent (Broomhall 2011).

Thirdly, Bahrain has exerted efforts in education since 1919 when it opened the first school for boys, followed in 1928 by the opening of the first girls’ school (<http://en.wikipedia.org/wiki/Bahrain>). The emphasis on education can be reflected in the 91 per cent literacy rate and the growth of universities in the kingdom, which has now reached 15 universities (Abouammoh 2009; World Bank 2009). Training and development is constantly improved and upgraded through the Quality Assurance Authority that audits schools and the growing number of training institutes attaining international standards (<http://www.qaa.edu.bh/>). Despite such efforts in qualifying nationals for the labour market, expatriates employment in the private sector is 80 per cent (Edwards 2011).

Fourthly, various nationalization strategies and policies through the Ministry of Labour, Labour and Market Regulatory Affairs Authority, Ministry of Education, Quality Assurance Authority for Education and Training, and Tamkeen have been set up to enable effective human capital development, but still there are challenges that persist. Tamkeen’s objective is developing human capital for employed and unemployed Bahrainis in the private sector and improving the living standards for Bahrainis through optimizing talent, enabling enterprise growth and improving labour market policies. It also relates government strategies to human capital development to assist in the achievement of Bahrain’s 2030 Economic Vision and National Strategy. Despite Tamkeen’s efforts to develop local talent in the private sector and create value added jobs for Bahrainis, the share of national workers in the private sector is still only around 30 per cent (Al Kibsi et al. 2007), therefore there are challenges that persist in national programmes. Among these challenges are treating the economic and social costs of high unemployment, raising the quality of life index, making Bahrainis employers’ first choice, developing Bahrainis to compete with expatriates, combating dissatisfaction of Bahrainis with wages levels, changing Bahrainis’ mindset towards employment, tackling employers’ inability to provide career planning for Bahrainis, and dealing with the failure of organizations

to respond to training related to market needs. Such challenges, which are similarly faced by nationalization programmes in the rest of the GCC, need to be overcome in order to improve national labour participation for long term economic returns.

Fifthly, a review revealed a lack of available literature concerning Bahrainization. To examine nationalization strategies in Bahrain, the researcher conducted a search on 31st October 2011 for 'Bahrainization' in electronic journals search engines available through John Rylands Library at the University of Manchester, producing the result: "*Titles where title name contains 'Bahrainization': 0*". No articles examined Bahrainization programmes, although the subject has been mentioned within other GCC nationalization articles. The researcher aims to add to the existing nationalization literature concerned with 'Bahrainization' and specifically to add to the existing literature the experience of one of the first GCC nations to implement nationalization efforts.

Sixthly, the political situation in Bahrain differentiates it among GCC states. Bahrain experienced political unrest among the unemployed in the 1990s and efforts have been exerted by the government to resolve issues through Bahrainization. February 2011 marked another episode of political unrest in the Kingdom with protesters demanding jobs and better living standards, which had been predicted to occur:

... socio-economic realities such as rising unemployment, poverty, and decreasing standards of living are increasingly fostering vocal discontent within sections of Bahraini society and risk a return to the instability of the late 1990s, when unruly violence took on a momentum of its own. Unemployment and economic hardship, combined with political disillusionment, is the prime driver of the challenge Bahrain will continue to face in the medium term. (Wright 2008:3).

This study and its findings can aid the country's reform strategies for the implementation of the 2030 Bahrain Strategic Vision, which may otherwise be restrained by unemployment among nationals, and can reduce the possibility of such unrest in future. The study can therefore enable an assessment of the requirements to develop human capital among local talents to build capacity in the economy and protect the country from political, economic and social consequences.

Finally, originating from Bahrain and working in the field of human resource development in the private sector in Bahrain, the researcher will face human resource development challenges in the labour market for nationals throughout her career, and therefore has an interest in providing a framework to examine and explore the reasons for low national participation that can aid in reformation strategies to build capacities from national human resources for the country.

1.4 Research Aim

The main aim of the study is to explore the role of nationalization programmes within an HRD framework designed to build capacity from national human resources.

To achieve the above aim, the objectives listed below are necessary to conduct the study.

1.5 Research Objectives:

- To examine the practice of nationalization within an HRD framework in developing economies
- To examine career development in organizations for managing and retaining local talents within nationalization initiatives
- To understand the change management process towards resistance of nationals and private sector employers in integrating nationalization programmes in organizations
- To explore HRD and capacity building as a development concept to build national human resources within developing economies

1.6 Research Methodology

To study the role of nationalization programmes in building capacity from local talents, both qualitative and quantitative data collection methods were used in order to answer the research questions and meet the research objectives. Hence, the researcher used a ‘mixed method approach’ (Tashakkori and Teddlie 2003; Guba

and Lincoln 1994). The researcher used qualitative and quantitative methods to conduct the research as “It is likely that quantitative methods and qualitative methods will eventually answer questions that do not easily come together to provide a single, well-integrated picture of the situation” (Patton 1990:464). Data was collected during the periods of October 2012 to March 2013 and March 2014 to May 2014) in four government entities – the Ministry of Labour, Tamkeen, Labour Market Regulatory Authority and Quality Assurance Authority – and seven private sector organizations.

Questionnaires were distributed to seven private organizations with a return of 476 responses. In this research, using questionnaires as a quantitative method to answer the research questions reflects a deductive research strategy which aims to test theories to eliminate false ones and corroborate the survivors by borrowing or constructing a theory and expressing it as an argument and deducing hypotheses (Blaikie 1993). When the researcher adopts a deductive research strategy then the logic of the research is a positivist epistemological position and an objectivist ontological positioning (Bryman and Bell 2007).

However, the research requires going beyond objective data to interpret human action within contexts, and the researcher therefor chose also to use interviews as a qualitative method. Interviews were aimed at managerial level employees working in human capital development in the government organizations and with managerial level employees in the private sector organizations. Using interviews as a qualitative method to answer research questions reflects an inductive strategy aiming to establish universal generalizations to be used as pattern explanations by accumulating observations and producing generalizations (Blaikie 1993). When the researcher uses an inductive strategy then the logic of the research takes an interpretivist epistemological position and constructivist ontological positioning (Bryman and Bell 2007).

Hence the methodology of the research is mixed method consisting of quantitative and qualitative data collection tools, thereby positioning the research in a positivist epistemological position and objectivist ontological position. In addition, the research has an interpretivist epistemological position and constructivist ontological position. Having explained the research methodology briefly, the following section indicates the structure of the thesis.

1.7 Thesis Structure

The thesis is structured in six chapters as outlined below.

- **Chapter One** – provides an introduction to the study and its area of focus. It briefly presents the aims, objectives, relevance and methodology of the research.
- **Chapter Two-** explains the concept of nationalization by defining its meaning in different country contexts. Key nationalization policies and strategies from Africa, Asia and the Middle East are presented. The nationalization context within the Middle East is looked at in greater depth by presenting nationalization policies and nationalization barriers in the Gulf Corporation Council states. The literature review indicates the human resource development component embedded in all nationalization policies reflecting its crucial necessity even when nationalization reflects other symbols of national identity such as freedom, culture preservation or participation in the global economic world. The link between nationalization policies and human resource development for building capacity within nations is presented in this chapter.
- **Chapter Three** - The chapter provides a brief description of research methodologies and research philosophies. A description is given of the context of the study, especially Bahrain where the research took place. The chapter explains the methodology used to conduct the current research in addition to the epistemological and ontological philosophical standings, respectively, for the research method used. The chapter then provides a detailed explanation of the quantitative and qualitative research methods used in the research. The components for the survey structure are provided and areas of research for interviews are provided.
- **Chapter Four** - The data collected through the questionnaires is analysed. The analysis collected from 467 questionnaires presents the ‘individual’ level in the research framework. The individuals are employees from seven private sector organizations in Bahrain that are below managerial level.

- **Chapter Five** - An analysis of the data collected through 76 interviews is analysed and presented where interviewees are from private and government entities. The analysis presents the 'organizational' and 'national level' in the research framework. Managers' views from the seven private organizations present the organizational level view in the research framework, while government officials represent the national level.
- **Chapter Six** - The data collected is analysed within the framework built from the literature review to address the research objectives identified within the study. A conclusion is presented providing a summary to the research questions identified and revealing areas of further study if required.

Having in this chapter introduced the research aim with its objectives and rationale, the next chapter presents a literature review in the areas of nationalization, human resource development and capacity building. The literature review enabled the researcher to assess the gaps in the area of nationalization within a development framework. Addressing these gaps through the literature review enabled the formation of the research objectives and research questions for the thesis. Reviewing nationalization within a development concept of 'human resource development' and 'capacity building' in the literature review revealed unaddressed gaps that are worth examination and exploration for the research study.

Chapter 2

LITERATURE REVIEW

This chapter introduces the concept of nationalization by defining its meaning in different country contexts. Key nationalization policies and strategies from Africa, Asia and the Middle East are presented. The nationalization context within the Middle East is looked at in greater depth by presenting nationalization policies and nationalization barriers in the Gulf Cooperation Council states. The literature review analyses the human resource development component embedded in all nationalization policies, reflecting its crucial necessity even when nationalization reflects other symbols of national identity such as freedom, culture preservation or participation in the global economic world. The link of nationalization issues with human resource development for capacity building within developing nations is presented in this chapter.

2.1 Nationalization: Different terms in contexts with a common definition

Postcolonial governments have strived over a period of time to implement nationalization strategies to liberate themselves from colonial powers. Liberation has been expressed within a national identity framework in nationalization strategies and policies. Nationalization can embed expressions of national identity in terms of freedom, resistance to foreign powers, local talent optimization, and culture preservation, depending on the country context. Nationalization has been solely an expression of liberation from colonial powers in African contexts; as expressed by Nelson Mandela in 1956, nationalization “Is absolutely imperative and necessary because the realisation of the charter is inconceivable, in fact impossible, unless and until these monopolies are first smashed up and the national wealth of the country turned over to the people” (<http://www.anc.org.za/show.php?id=2603>). In other contexts, such as Asian and Middle Eastern, nationalization remains a challenge as countries welcome the foreign investment or expertise necessary to move beyond national and domestic boundaries and to become part of the global economy, but at the same time strive towards protecting their national identities in the globalization process. As the Alliance Malaysian Party points out: “We do not share the specious

reasoning of many of our critics who believe that foreign capital is exploitative in character. On the contrary, ‘the foreign investor has a significant role to play in our economic advancement’ (White 2004:58-59, in Yacoob 2010). Creating a balance between foreign interventions in an economy and local national resources is crucial to ensure strong capacity building within developing economies. Sheikh Mohamed Rashed bin Maktoom, ruler of Dubai, realizes the importance of introducing international practices in the economy, stating his vision to be "One of the best governments in providing quality services, nurturing creative minds, building national talent, innovating solutions and adopting international best practices" (<http://www.uaepm.ae/en/index.html>).

Nationalization can be referred to as ‘**localization**’ or ‘**indigenization**’. The use of the term varies in different contexts but share a common meaning of projecting a national identity and protecting a nation's economy and culture from the threat of foreign domination. The term ‘nationalization’ and ‘indigenization’ is used mostly in African contexts while ‘localization’ in Asian contexts.

Nationalization is considered to be a process of replacing foreign workers and creating new employment opportunities for local nationals, fostering the participation of citizens throughout the process in building the economy (Forstenlechner 2008, 2009). **Indigenization** has its conceptual roots in academia in Latin America as a result of the disillusionment experienced by social workers with the use of western theories and practices (Midgley 1981, in Ferguson 2005; Resnick 1995, in Younong 1981). Indigenization is a process through which a recipient country experiences discontent with the imported western model of social work in the context of the local political, economic, social and cultural structures and works to adapt, adjust or modify the western model to the local country and culture (Walton and Abo El Nasr 1988, in Yip 2005). Indigenization also refers to a process by which organizations in their functioning are adapted to the socio-cultural environment of the host country resulting in a unique end product (Kao, Wilper and Sinha, 2000). Nationalization and indigenization are state strategies to exert greater domestic control over a political economy and to counter the negative effects of direct foreign investment (Wilson 1990). **Localization** addresses political problems more than economic ones as the concept of localization is tied to the notion of “decolonization” (Chang 1996, Keay 1997, in Butler 2004). Localization refers to the extent to which

jobs originally held by expatriate managers are filled by local employees who are competent to perform the job (Potter 1989). According to Potter (1989), localization occurs when a local national fills a required job sufficiently competently to fulfil organizational needs, not merely responding cosmetically to the requirement. It involves the replacement of expatriate civil servants, lowering governmental costs and thereby providing positive political returns. Owing to the shared meaning as reflected the definitions of the three terms, the researcher uses the term **‘nationalization’** throughout the research.

Nationalization, localization and indigenization strategies target involvement of ‘citizens’ in countries. The Oxford dictionary defines a citizen as *“a legally recognized subject or national of a state or commonwealth, either native or naturalized.”* Citizen and citizenship are powerful words which speak of respect, rights and dignity (Shafir 1998). Searching through library databases to define citizenship, it can be found that defining ‘citizenship’ is hard as there are various approaches to defining the term depending on the individual and the nation to which he or she belongs. There are two approaches to defining citizenship: liberal individualistic view and civic republican view. From the liberal individualistic view citizens are sovereign, morally autonomous beings with duties to pay taxes, obey the law, engage in business transactions, and defend the nation if it comes under attack, but are passive politically; while the civic republican emphasizes man's political nature, and sees citizenship as an active, not passive activity (Beiner 1995; Turner and Hamilton 1994). Marshall (1950, in Cohen 1995) considers “the universal status of citizenship” as a plane of equality such that “all who possess the status (of citizenship) are equal with respect to the rights and duties with which the status is endowed”. Peter and Peter (1997) consider defining citizenship to be hard without referring to terms such as nationalism, civil society, and democracy. Leary (1999) describes a citizen as having “a bundle of rights” – primarily political participation in the life of the community, the right to vote, and the right to receive certain protection from the community. It is not within the scope of this research to define the rights of citizens but the researcher holds the views that citizens embody *“nationalism that creates national identity”*(Smith 1991) and of *“employment ... as one means among others to ensure citizenship”* Andersen (2002:12).

The coming sections review nationalization policies and issues in developing countries. The development of national or local human resources (citizens) becomes the focus within the literature review owing to the need to study this to address development concepts at a national level.

The table below indicates the use of nationalization terms defined above within several contexts highlighting key nationalization policies and strategies.

Table 2.1 Summary of nationalization within different contexts

Term	Country Context	Strategy and Policies implemented
Nationalization	Zaire Zambia Chile Peru Algeria Libya	<p>1960 to 1970: Government takeover of natural resource industries. Nationalization implemented when the indigenous commercial class is small and relatively weak (Bartlett 1989, Berry 1997, Henry 2001 Mac Gaffey 1987, Rood 1976, Weaver 1985, Wilson 1990)</p> <p>South African Policies Manpower Training Act (No. 56 of 1982) encouraged skill development throughout the labor force, which Employment Equity Plan (EEP) makes provision for employers who have more than 50 employees or who have a specified annual turnover Skills Development Act (Act No. 97) was passed in 1998. The act aims at developing the skills of the workforce and transforming workplaces into sites for quality learning Sector Education and Training Authorities to regulate training and education in specific industrial sectors Skills Development Act (No. 9 of 1999) is to determine and manage the skills-development levy (1% of total payroll) South African Qualifications Authority Act and the SA Qualifications Authority (SAQA) The SAQA Act (No. 58 of 1995) was established to provide a national qualifications framework (NQF) and led to the development of such a framework. (Lynham and Cunningham 2004)</p>
	Saudi Arabia	<p>1985 : Saudization Policy 1999: Cooperative Training Scheme and Saudi Human Resources Fund 2001: Ministry of Labor set the quota of 25% nationals (Saudization) in private sector 2003: Reduce expatriate population by 20% (Al-Dosary and Rahman 2004)</p>
	Oman	<p>1980s: Omanization Policy Education and Training Council to train locals Restricting jobs to Omanis 1991-1995: Added 120,000 jobs for nationals Compensation to private sector for training expenses 1995: Set 5% tax of expatriate salary for funding nationals training 1999: Set certain percentages for nationals (omanization) 2020 plan: achievement of 12 % national women participation (Winckler 2000, Al-Lakmi 1998)</p>

	United Arab Emirates	<p>Early 1990s: Emiratization Policy Implementation through UAE Government Employment Ministry and Tanmia (Al-Ali 2008) (Godwin 2006)</p> <p>Quota system combined with training initiatives, levies and rebates to make employing Nationals more attractive to companies (Mashood and Veroheaven 2009)</p> <p>Ministerial Decree 10/98 , 4 percent per year requirement Emiratis in banking sector (Godwin 2006)</p> <p>April 2002: all bank branch managers directed to Emiratis (Godwin 2006)</p> <p>June 2006 : HR managers, secretaries and public relations officers were limited to Emiratis only (Forstenlechner 2008)</p> <p>Implementation of several development programs for a diversified market. Such programs are: (Randree 2009)</p> <p>-UAE National Capacity Development Programme’ -‘Tamheed’</p>
	Bahrain	<p>1980s: Bahrainization Policy Specific quotas in industries for nationals 4% of expatriate salaries to be funded for national training Human Capital development programs through Tamkeen Ensure high standard quality training for nationals by setting up Quality Assurance Authority (http://www.mol.gov.bh/mol/defaulten.aspx?id=41) (http://www.lf.bh/en/) (http://en.qaa.bh/)</p>
Indigenization	Uganda Ghana Sierra Leone Zambia Malawi Nigeria	<p>1968 to 1973 : Indigenization decrees designed to limit immigrant commercial and light industry traders in favor of nationals (Ogbuagu 1983, Kennedy 1988, Herbest 2000, Friedman 2003)</p> <p>Indigenization practiced when the indigenous commercial class is larger and more powerful (Young 2004)</p>
	Tanzania	1971: Acquisition of Buildings Act minimized the Asian community extensively
	Nigeria	1970s: quota system imposed to restrict expatriates Submission of succession plan with each application for an expatriate work permit

	Philippines	1999 : Indigenous People Rights Act Recognized and promoted the rights of indigenous cultural communities within the framework of national unity and development (Ymashita, Bosco, Eades 2004)
	Thailand	The Thai government after opening its country to investments acted in the enforcement of indigenization for Japanese decolonization (Tiara 1980)
Localization	Malaysia	1969 : New Economic Policy aim to achieve national harmony through racial balance of economic opportunity 1970 : Restriction on foreign ownership of business enterprises from 62 percent to 30 percent After 1970: Malaysia's New Economic Policy aimed to reduce the expatriate share of the corporate economy to 30%. Expansion of Bumiputera investment from 4 to 30 percent while slightly increasing the non-Bumiputera share from 34 to 40 (Yacoob 2010, Young 2010) Work permits and variable levy (fees) to manage their large expatriate population through a complex and tightly regulated immigration policy (Ruppert 1998) 2008: the chief minister of the state of Penang, Lim Guan Eng, made a breakthrough decision whereby he announced that the new state administration will be free from NEP. (http://en.wikipedia.org/wiki/Malaysian_New_Economic_Policy)
	Thailand	Policy of localization by Thai government. Enforcement of localized parts of parts and components in industries. (Feller and Rasiah 2002) (Kaosa-ard 1991)

Having defined different nationalization terms and outlined policies in different contexts, exploring the challenge of implementing nationalization deserves further analysis.

2.2 The ‘development’ challenge within nationalization

Developing countries share not only the meaning of nationalization, but also have a common challenge within nationalization implementation – that is, the development of citizens, referred to as local or national human resources. The human resource development challenge is briefly introduced below, as it shall be justified and examined in detail within the African, Asian and Middle Eastern contexts.

It is noted that there has been increased focus on workforce development as a government initiative within human resource development in many countries (Holton and Naquin, 2002). For many countries human resources are their primary resources, for example Japan and Korea have succeeded because of their emphasis on human resources when they do not have access to natural resources (McLean

2001). Developing human resources is important in developing countries to promote economic prosperity, fuller employment and social cohesion through high levels of knowledge, skills, and competence of a country's human resources for future security and success (Organization for Economic Co-operation and Development 1999). Countries that are young with delicate democracies share the need to educate and develop their people for an effective civil society (Cunningham and Lynham 2006). The common challenges facing developing countries are "those related to a shortage of 'high-level' human resources with critical skills and competence, and those related to redundant or underutilized human resources" (Harbison and Meyers 1964:15). Nationalization strategies are associated with a wide range of considerations such as globalization, economic growth, market reform, and competitiveness (Al-Dosary 2004, Looney 2004, Mellahi and Wood 2002) that require capable and productive human resources. Nationalization of human resources is essential as reliance on an expatriate workforce has serious long-term political, economic and social consequences (Al-Lamki 1998, Rees 2007). It is also of importance for the management of multinationals operating in the developing world (Haily 1993). Developing countries are not only facing the challenge of using their human resources to meet the challenge of competition in a global and liberal capitalist economy (Terreblanche 2002), but are under pressure from the Bretton Woods Institutions (the International Monetary Fund, World Bank, World Trade Organization and the General Agreement on Tariffs and Trade) imposing barriers to their entry into this global marketplace (International Forum on Globalization 2002). In addition, developing countries have a gap between the haves and have-nots as these countries are troubled with high unemployment rates (Marquardt 1999).

Several countries in the world such as the Republic of Korea (South Korea), New Zealand, Singapore, India, South Africa and Kenya have developed radical approaches to human resource development at a national level (McLean 2004). For example, human resource development in Singapore has always been highly recognized in strategic planning for national development (Osman-Gani and Tan, 1998, 2000). India became the first country in the Asia-Pacific region to reconstitute its Ministry of Education as the Ministry of Human Resource Development in 1985 (Rao 2004). The Korean Ministry of Education was renamed the Ministry of Education and Human Resource Development (Cho and McLean 2002; Moon and

McLean 2003), reflecting the importance of human resource development. Another example is the HRD Working Group of Asia-Pacific Economic Cooperation (APEC) (Zanko and Ngui 2003).

The challenge in implementing nationalization strategies in developing countries is that these are politically driven. In many developing countries the immediate post-independence years were marked by a resurgence of nationalism associated with embedded visions of self-sufficiency and economic independence. Since the early 1990s, there has been a need to look into nationalization as a development concept because, as Haily (1993:17) claims, nationalization fails because it is driven by legislative and political imperatives rather than a recognized need to embed nationalization in management values or the culture of a local company. The reason is that many post-colonial states were striving to disengage from colonial powers by acquiring foreign assets in order to restructure domestic capital ownership, human resources and consumption. Although these strategies may limit capital, goods and labour flows across borders, nevertheless post-colonial states see this as necessary in order to assert economic independence after years of colonialism. Restricting the number of expatriates or ensuring a certain proportion of local shareholding was seen as crucial in many developing countries as many local politicians reacted to the perceived economic power of expatriates and multinational corporations that were viewed as exploiting local labour and raw materials to make excessive profits (Haily 1993).

Other human resource development challenges within nationalization include expatriate replacement, retaining and developing nationals according to the organizational culture and country culture. In many developing countries the post-independence pressure to nationalize and remove expatriate managers from high-profile positions had to be balanced with the need to employ local executives who could be trusted, understood company procedures and could manage effectively in the international business environment (Negandhi 1983). Corporate culture needs to be learned and local modifications made (Zhan 1999) through a mutual process of give and take between locals and expatriates to produce effective local managers (Bartlett and Ghosal 1989). Local managers can take the role of the expatriate managers only if the nationalization process was successful in initially socializing them within the organization culture and operating procedures through expatriate

managers (Simon 1991). The heart of successful nationalization lies in the effective education and retention of local managers through an interactive (MacNamara and Weeks 1982; Mapes 1993, 1996) and iterative (Quere 1994) learning process. Haily (1993) points to the cyclical and ongoing nationalization process that created a “managerial vacuum” of “third generation” managers. Third generation managers are young, inexperienced and have limited training or international exposure, which has resulted in companies having to employ return-expats or consultants in executive positions. A former generation of managers inherited positions previously held by expatriates who provided some degree of support and training. Cohen (1991) highlights that the failure to retain local managers in a developing country can be explained by the fact that the training provided is of limited practical relevance, the selection and promotion procedures are often inappropriate or biased, or the post-training terms and conditions offered to such ambitious and highly-trained young managers are insufficient to provide an incentive for high flyers.

Despite the importance of the nationalization challenge in developing countries, it has received scant attention in western social work literature (Miu and Kwak 2006). The lack of published research does not mean that firms consider nationalization as an unimportant issue (Fryxel et al. 2004), but they do not appear to be particularly good at it (Wright et al. 1998). Research has looked at the implications of nationalization from the multinational or Head Office perspective. There is a well established body of research into role and performance of the “new expatriate”, the “transnational manager”, and the “global leader”, but little has been written about the localization process, the nationalization of senior management, or the personal dilemmas faced by local managers working for multinational corporations operating in their home countries (Haily 1993). Researchers have rarely been concerned with the dynamics of nationalization, the pressures to localize, the operational and financial implications, the difficulties of localizing management in developing countries, or the potential conflict of interest or cross-cultural dilemmas faced by local managers, nor the process of selecting and training local managers (Buckley and Brooke 1992).

In particular, there is a lack of international academic literature that is focused directly upon nationalization strategies in the Middle East such as Emiratization, Omanization and Saudization, representing a weakness in the international

knowledge base as it relates to HRM in the Middle East (Rees 2007). Afiounia, Ruelb and Schuler (2014) point to many suggestions for further research in HR in the Middle East pointing that human resource on the Middle East region has proven to have substance and deserves further attention. The focus of this thesis is to study nationalization strategies in a developing country context to examine the challenge of developing national human resources. The researcher aims to add to the understanding of nationalization as a development strategy that lacks attention in published research and literature. The research focuses on nationalization strategies in the Middle East, considering the limited literature published about nationalization strategies in the Middle Eastern context and the high dependency on expatriates although these are healthy and rich economies. However, before studying, nationalization within the Middle Eastern context, nationalization in African and Asian contexts are worth examining to assess strategies used within other contexts.

2.3 Nationalization within African, Asian and Middle Eastern contexts

Nationalization implementation may vary within contexts, but the challenges and issues of developing national human resources and optimizing local talents within a national identity is evident in all contexts, as indicated in the coming sections. For example, in Asia, China realized the need to project national identity by resisting western models in organizations. Malaysia welcomed foreign investments for economic growth, but faced the challenge of projecting national identity. In the Middle East, optimizing local human resources against cheap foreign labour for a diversified economy is the challenge. The next sections explore nationalization within the African, Asian and Middle Eastern contexts.

2.3.1 African Context – nationalization is referred to as ‘indigenization’

With the abrupt end in the 1960s of colonial political domination, the black African states, striving for an economic autonomy that would match their new political independence, turned to nationalization as a solution. Most of the takings of foreign property in Africa fell into one of three categories: the nationalization of large extractive industries (petroleum, copper, iron, bauxite, phosphate, gold, and diamond) owned by multi-national corporations; the nationalization of small branch

enterprises of multi-national corporations, typically banking, insurance, and petroleum distribution; and the indigenization of small- and medium-sized enterprises owned by alien residents (Wilson 1990).

Africanization has been described as the process of transforming a colonial-type civil service into a national service (Adu 1965; Fonge 1997; Morris-Jones and Fischer 1980). Africanization aimed to consolidate political independence, maintain indigenous staff rather than expatriate staff, ensure stability of staffing, conserve foreign exchange, and manage the country's own affairs (Adu 1965; Adejugbe 1984; Morris-Jones and Fischer 1980). Africans are faced with similar challenges of to colonial expats in running businesses, but strategies are implemented to ensure Africans gain control for reasons of self respect, status, power and nationalism.

Indigenization and nationalization in Africa have been used as alternative nationalization strategies but with different approaches (Wilson 1990). When the indigenous commercial class was larger and more powerful, indigenization was more likely. Where the indigenous commercial class was small and relatively weak versus the state elite, then nationalization was more likely. For example, indigenization has been more commonly seen in Nigeria and Ivory Coast, with nationalization more common in Zambia and Tanzania. When questioned, the compensation to foreign investments in Africa has been justified as the government must be in control of the exploitation of its own natural resources (Wilson 1990). Indigenization of human resources was among the priorities of the African political and intellectual elites striving for meaningful independence (Weaver 1985). Although most African governments adopted Africanization policies, each government developed its own brand of the policy (Fonge 1997). For example, in Nigeria legislation was passed in 1972 to ensure that local shareholders controlled at least 40 per cent of multinational subsidiaries operating in the country, and later in 1978 a Decree was issued which raised this proportion to 60 per cent local shareholding. Realizing the importance of local talents, Nigeria operated on a more rigorous quota system with work permits only being granted to expatriates with sufficient experience and suitable qualifications. Companies had to submit a "succession plan" with each application for an expatriate work permit which included the name of the Nigerian who had been nominated to take over from the expatriate, normally within a three to five year period (Haily 1993). From 1968 to 1973, a wave of indigenization measures swept

Africa. For example, in Ghana, Sierra Leone, Zambia, Malawi and Nigeria, governments enacted indigenization decrees designed to squeeze immigrant traders out of the commercial and light industrial sectors in favour of nationals (Young 2004).

Owing to the ‘triple transition’ of democracy, economic liberalization, and racial equity, a united national effort at the workplace level is considered necessary in Africa (Webster and Omar 2003). South Africa is implementing a national human resource development strategy aimed at maximizing people power through the acquisition of knowledge, skills and values (Asmal 2001). Africa will not achieve the enhanced organizational effectiveness that is necessary for competing in global markets without positioning human resource development as an important priority at a national level (Frank and Sear 1996). Fear and Sear (1996) explain further how if human resource development is properly implemented it has the capacity to enhance economic competitiveness, which can be achieved through investing in skills development, coaching, training and career development paths. Gerber et al. (cited in van der Walt 1999) asserts that human resources are the key to solving many economic and social problems, which leaves South Africa to no alternative but to ‘accelerate development’ of its people. Mukhebi (2004) indicates how the government of Kenya is fully aware of the vital role that well prepared human resources can play in national development, as reflected in the Kenya National Development Plans for the periods covering 1979–2008.

While Africans faced the challenge of running businesses in place of former colonial powers, in the Asian context organizations needed to indigenize management practices and challenge the applicability of Western management and organization theories (Kao et al. 2000).

2.3.2 Asian Context – nationalization referred to as localization or indigenization

Studying nationalization in China, Malaysia, Singapore and the Philippines reveals another set of challenges and policies to preserve national identity and culture. The nationalization challenge in China is responding to locals in a cultural framework. Localization is an issue that has troubled Chinese society more than a century (Miu and Kwak 2006). Localization has become a major concern for many foreign firms

operating in China as the future success of foreign firms depends on building strong local management teams (Jones 1997; The Economist Intelligence Unit 1997; Worm et al. 2001). Wong and Law (1999) state that localization in China is effective only if local managers are competent to perform the jobs originally performed by expatriates. Foreign firms in China are faced with localization challenges of recruitment, development and retention of competent and high-performing Chinese managers (Child 1991, 1994; Osland and Cavusgil 1996; Wong and Law 1999). Foreign firms operating in China find it hard to implement their headquarters' human resource management practices in their Chinese subsidiaries owing to the lack of localizing management practices (Kidd et al. 2001). Many Chinese employees find it easier to interact with local managers instead of expatriate managers because they share a common language as well as cultural background. The expatriate may be technically proficient, but lack the communication, development and management skills within the culture to pass on their wisdom to their designated successor (Furst 1999; Lynton 1999; Melvin and Sylvester 1997). There has been a failure to respond in a culturally appropriate manner (Osei-Hwedie, 1993).

In addition, the effectiveness of localization in the Chinese context is strained by incumbent expatriates. Some expatriates may not want to leave work because it is difficult for them to get a job elsewhere if they successfully localize their position (Keeley 1999; Wong and Law 1999). Rogers (1999) reports that expatriates feel inherently insecure about their long-term future or even their next job; they are attached to their current position, causing them to resist training up their successors in order to slow down the process of making themselves redundant. Furst (1999) explains how some expatriates have been known to abandon their responsibilities as soon as they learn that they are no longer to remain in their current position, not being motivated to help the local manager prepare for the new job.

Since 1978 the Reform and Open policy enabled China to make progress in developing human resource development functions at a national level by using a top-down approach to achieve the nation's goal of economic growth, emphasizing social and moral implications, and traditional values of harmony and balance (Yang et al. 2004). But without attending to several human resource development strategies, China will not be able to develop and leverage its competitive advantage through

human resources as it is transitioning from a centrally planned system to a free-market economy (Kie et al. 2006). China's issue with shortage of skilled employees and an inability to retain capable personnel is a major problem in China's economic development (Whiteley et al. 2002).

In Malaysia, despite constitutional independence for the Federation of Malaya in 1957 and the government commitment into the New Economic Policy developed after 1969, the Malaysian economy welcomed foreign investment as it was regarded as significant for economic advancement. According to Yacoob (2010), Malaysia did not practise narrow nationalism based on confiscation of foreign assets, but economic nationalism and economic liberalism to address the various political, economic and social integration issues of the nation. By imposing certain quotas the government was able to redress the problem of economic imbalance between Bumiputera (Malay and other indigenous Malaysians) and non-Bumiputera communities (Chinese and Indian). The government expanded Bumiputera investment from 4 to 30 percent while slightly increasing the non-Bumiputera share from 34 to 40 percent, in addition to restricting foreign ownership of business enterprises from 62 per cent to 30 per cent. Yacoob (2010) refers to this as a 'twin process' of economic diversification and localization of foreign enterprises. Some foreign firms already established during the colonial period were bought out while others opted to cooperate with Malaysians as business partners. Even though Malaysia adopted a liberal stand on foreign direct investment that drove new engines of growth and accumulated Bumiputera capital (Young 2010), nevertheless the country faced the challenge of having Malaysian managers managing businesses efficiently while retaining their identity and culture (Greaves 1983; Adam 1983). The country also faces the challenge of relying on foreign labour (Aryee 1994).

Among the emerging Asian economies is Singapore, which has experienced sustained economic growth by relying on foreign labour which forms approximately 20 to 25 per cent of Singapore's labour force (Ruppert 1998; Wong 1997). Singapore relied on foreign labour owing to excess demand for labour associated with economic growth as well as cheap labour cost (Ruppert 1998; Wong 1997). Both Singapore and Malaysia manage their large expatriate population through regulated immigration policies in the form of work permits and variable levy fees to curb the influx of foreign labour and encourage the employment of nationals (Ruppert 1998;

Ayree 1994). Both nations addressed the issue of indigenization of the workforce through human resource development programmes in line with the economic requirements and needs for requisite skills and competences (Ruppert 1998).

In the Philippines, the end of Spanish and American colonial rule and revolutionary period forced the application of indigenization (Ymashita, Bosco, Eades 2004). After various forms of legal legislation, the passage of the Indigenous People Rights Act on November 22, 1999 was an enabling act recognizing and promoting the rights of indigenous cultural communities within the framework of national unity and development. But indigenization is a continuing political struggle today as the Cordillera and Muslim people continue to assert their own aspirations.

In Thailand, through a policy of indigenization, the Thai government has been acting in the enforcement of decolonization by adapting to indigenous social climate and cultural tradition as there is a risk of Japanese colonialism in Thailand through foreign direct investment (Tiara 1980). Even though the Japanese have always been importers of foreign institutions and techniques leading to Thailand undergoing extensive 'Japanization', this has been resisted through indigenization policies (Tiara 1980).

Localization as indicated is not only an expression of identity and culture but also has positive effects in the workplace. A study about the effect of localization on subsidiary performance in Japanese multinational indicates how the 'localization' process improves performance. Andoa (2014) explains how localization improves subsidiary performance through legitimacy, control and knowledge transfer.

Having explored nationalization issues within the African and Asian contexts, the researcher next examines in further depth the situation of the Gulf Cooperation Council countries (GCC) in the Middle Eastern context owing to the scant literature in this area and these countries' unique situation of relying heavily on expatriate labour despite strenuous efforts by governments for national labour participation.

2.3.3 Middle East Context: Arabian Gulf states nationalization referred to as 'Gulfization'

To underpin their booming oil economies, GCC countries maintained an open door policy to attract expatriate labour from the 1970s and this has played an important role in the diversification of the production base and development of the service

sector (Fasano and Iqbal 2003) when the economic dependence on oil reduced in 1980s. The employment of large numbers of foreigners has been a structural necessity in these resource rich economies (Edwards 2011). In consequence, unlike in Western Europe, where foreign workers have only complemented the national workforce, they have become the primary, dominant labour force in most sectors of the economy (Kapiszewski 2001). This liberal foreign labour policy resulted in a segmented market as well as low elasticity of substitution between national and foreign workers, with imported skills at internally competitive wages and most of the national labour force employed in the well remunerated and undemanding government sector (Forstenlechner and Rutledge 2010).

Mellahi and Wood (2002) describe how governments in the GCC showed a lax approach to the management of people in the private sector, but soon came to realize the serious long-term political, economic and social consequences of dependence on a large expatriate workforce (Al-Lamki 1998, Rees 2007). At the beginning, Arab workers were welcomed, but quickly Asians were employed as they were less expensive, easier to lay off and unlikely to make claims of citizenship (Edwards 2011). It could be argued that the Iraqi invasion of Kuwait heightened security fears about non-GCC Arab expatriates and limited their ability to stay in the region (Harry 2007). GCC countries are also losing money in remittance outflows as foreign workers send what money they save back to their home countries instead of keeping it in the GCC. During the period 1993–2002, Saudi Arabia had 585.4 billion Saudi riyals (\$151.1 Billion), which is about 60 billion riyals (\$15 billion) a year, leave the country in remittances (Pakkiasamy 2004). This strategy of expatriate dependency has reached its limits because the wage bill has become too large at a time of pressing need to satisfy the demand for government services of a young population. The wage bill represents more than 10 per cent of GDP in most GCC countries (Fasano and Goyal 2004). At the same time, having large populations of low paid workers such as Asians who are sometimes mistreated can cause security concerns. A large number of expatriates will continue to dominate the foreign workforce at the expense of non-Gulf Arab labour and also brings new social and cultural challenges the consequences of which are difficult to predict.

Although GCC countries were able to replace Arab expatriates with nationals as many of their jobs are Arabic speaking, clerical and professional and thus

attractive to nationals (Abdalla 2006), there remain large populations of young unemployed nationals, which can threaten the political stability of nations. The region's demographic characteristics (Chaaban 2009, Doumato 2010) and ongoing educational reforms indicate that in the coming years there will be a growing number of young nationals with advanced qualifications and salary expectations (Noland and Pack 2008; Bains 2009; EIU 2009). Unemployment is one of the region's key domestic policy challenges (Fasano and Goyal 2004; Toledo 2006; Al-Kibsi et al. 2007; Harry 2007).

The former UAE nation builder President Sheikh Zayed bin Sultan al-Nahyan highlighted that the expatriate imbalance continues to pose a grave problem which threatens the stability of society and the prospects for future generations (Suliman 2006). During an October 2004 meeting of GCC labour ministers Majeed Al-Alawi, the Bahraini Minister of Labour and Social Affairs, warned that "non-Arab foreign workers constitute a strategic threat to the region's future" (<http://www.middle-east-online.com>). During another ministerial meeting in November 2005 Abdul Rahman Al Attiya, the GCC Secretary-General, warned about the possible consequences of the situation:

The GCC countries need to look at the massive presence of expatriates basically as a national security issue, and not merely as an economic matter. International accords are pressing for the settlement of expatriates and imposing giving them salaries equal to nationals and greater rights in the areas of education and health.

The World Bank (2004) describes GCC states as going through the situation of an unprecedented job creation challenge. The Gulf Cooperation Council (GCC) countries have been affected by increasing international labour mobility during the past thirty years (Ahuja 1997; Ruppert 1998; Stalker 1994). Nationals continue to prefer to work in the public sector, considering it a birth right and part of their social status (Suliaman 2006; Winckler 2006; Al-Lamki 1998; Al-Aali 2006). Forstenlechner (2010) explains that the unique dependence on expatriate labour – both blue collar and white collar – continues to grow.

In response, the Gulf Cooperation Council countries, have worked on nationalization strategies known as '**gulfization**' (Al-Lamki 2000; Metcalfe 2011) to reform their labour market (Al-Ali 2008). Gulf Cooperation Council states worked

on the formulation of labour market strategies to improve their economic situation through nationalization of labour, referred to, depending on the country, as Bahrainization, Saudization, Omanization, Emiratization, Kuwaitization and Qatarization (Kapiszewski 2006). There are several strategies adopted in every GCC state to encourage national participation which range among taxes, quotas and wage subsidy. As Hertog (2014) points to unemployment benefit or tax introduced in 2006 in Bahrain, Oman and Saudi to ensure unemployed are developed and then employed within a certain period of time. The introduction of “nitaqat” in Saudi Arabia which differentiates quotas by forty one sectors and four company sizes providing flexibility to companies (Hertog 2014). Kuwait’s approach to encourage national participation through “dam al amala” which is a wage support to for Kuwaiti employees and their family members caused salaries in private sector to be in line with government sector wage. Below is a summary presenting authorities and ministries that were established to execute national strategies in each GCC state.

Table 2.2 Authorities and Ministries established to execute GCC nationalization strategies within HRD objectives

GCC State	Nationalization Strategy	Executing Authority / Ministry	Objectives supporting human resource development
Kingdom of Bahrain	Bahrainization	<ul style="list-style-type: none"> i. Ministry of Labor ii. Ministry of Education iii. TAMKEEN iv. Quality Assurance Authority (QAA) V. Labor Market Regulatory Authority (LMRA) 	<ul style="list-style-type: none"> i. To actively participate in organizing the Bahraini Labor Market through creation and development of legislations, laws and regulations that enables coping with the continuous changes in the Labor Market and to achieve an active participation of the national workforce in all economical sectors, as well as drawing a National Workforce Development Strategies which can accomplish a successful investment of human resources in the Kingdom of Bahrain. ii. Provide educational opportunities for every citizen to develop his/her mental, physical and emotional potentials and skills iii. Making Bahrainis the employee of choice for semi-skilled and skilled professions iv. Assure the quality of education and training in Bahrain v. Provides effective, transparent, robust, and dynamic solutions and services to the local market through exultant quality staff

			<p>which delivers judicious labor market policy</p> <p>http://89.31.192.130/MOL/En/Ministory%20Of%20Labour/Vision_Mission.htm</p> <p>http://www.lf.bh/en/about/?p=Vision</p> <p>http://www.moe.gov.bh/en/vision_mission.aspx</p> <p>http://en.qaa.bh/ViewPage.aspx?PageId=10</p> <p>http://portal.lmra.bh/english/page/show/56</p>
Kingdom of Saudi Arabia	Saudization	i. Technical and Vocational Training Corporation	<p>i.</p> <ul style="list-style-type: none"> -To license, evaluate and develop technical and vocational training programs for males and females according to quality and quantity needed by the labor market and to enact rules and regulations governing their quality and also to supervise these programs. -To conduct research and carry out projects necessary to follow up international technological developments in technical and vocational training. -To participate in National programs that adopts transfer of technology as their policy, and support the Private sector. -To encourage the private sector to invest in technical and vocational training. <p>http://tvtc.gov.sa/English/AboutUs/Pages/Mission.aspx</p>

State of Qatar	Qatarization	i. General Secretariat for Development Planning GSDP	<ul style="list-style-type: none"> - A world-class educational system that equips citizens to achieve their aspirations and to meet the needs of Qatar's society. - Increased and diversified participation of Qataris in the workforce - Recruitment of the right mix of expatriate labor, protecting their rights, securing their safety, and retaining those who are outstanding among them. <p>http://www.gsdp.gov.qa/portal/page/portal/GSDP_Vision_Root/GSDP_EN/What%20We%20Do/QNV_2030/Human_Development</p>
Sultanate of Oman	Omanization	i. Ministry of Manpower	<ul style="list-style-type: none"> -Regulating the labor market and vocational training -Developing human resources in the country and ensuring the optimum utilization of them -Providing vocational training and technical training -Developing training curricula according to the approved vocational criteria and levels -Raising awareness with the values of work and encouraging the spirit of individual initiatives among citizens. <p>http://www.manpower.gov.om/en/ministry_home.asp</p>

United Arab Emirates	Emiratization	i. TANMIA	To support the Government's endeavors by effective planning of HR policies and developing strategic partnerships to achieve national development (HRD) objectives http://www.tanmia.ae/TanmiaNew/mission.aspx
State of Kuwait	Kuwaitization	i. Kuwait Fund ii. PAAET	To develop the national technical manpower and to meet human resource needs of the country through its two sectors: Education and Training http://en.wikipedia.org/wiki/The_Public_Authority_for_Applied_Education_and_Training

Even though such strategies were implemented, nevertheless the average number of non nationals in 2004 in GCC states remained close to 70 per cent (Kapiszewski 2004). The lowest rates were recorded in Bahrain with 50 per cent, Saudi Arabia 65 per cent, Kuwait 82 per cent, Qatar almost 90 per cent, and 90 per cent in UAE (Gulf Cooperation Council 2002; Human Rights Watch 2004; Fasano and Goyal 2004; Girgis 2002). Localization in the private sector is still very low. In 2004, localization in Kuwait accounted for only 1.8 per cent (Jassen 2004). In Qatar, Oman and the UAE there were around 10 per cent of nationals in the workforce, in Bahrain 27 per cent, and only in Saudi Arabia in excess of 30 per cent (Fasano and Goyal 2004). Kapiszewski (2006) sums up his findings that in the years to come the employment of nationals and labour migration will remain a politically very sensitive issue in GCC states as it will cause further tensions between the profit-driven concerns of the private sector, the nationalization efforts of the states and national security considerations.

Tables 2.3 and 2.4 below indicate the percentage of national labour participation in the GCC. It is evident that despite the efforts made towards gulfization, the percentages reported raise apprehensions in the GCC labour market. However, according to Edwards (2011), examination of the government statistics on unemployment reveals that there is often no recognition of internationally standardized criteria for the measurement of unemployment, and 'bogus' (extremely low) unemployment rates are sometimes published. The GCC countries do not

publish official data regarding even certain basic demographic characteristics of indigenous populations (Winckler 2009), as this might reveal the actual progress of nationalization policies (Edwards 2011).

Table 2.3 Share of national workers in private sector employment in the GCC in 2003

Share of national workers in private sector employment in the GCC in 2003	
GCC STATE	Total % national workers
Oman	48%
Saudi Arabia	46%
Bahrain	30%
Kuwait	3%
Qatar	3%

(Al-Kibsi et al. 2007, in Edwards 2011)

Table 2.4 Immigrant employment in the private sectors in the GCC in 2008

Immigrant Employment in the private sectors in the GCC in 2008	
GCC STATE	Total % national workers
Kuwait	97.3%
Qatar	99.2%
Oman	84.4%
Saudi Arabia	80.3%
Bahrain	80.9%

(Edwards 2011)

The figures outlined can be the result of population factors, resistance from national employees and private sector employers, or lack of coordination with education and training entities, as examined in the following section. Hence, owing to the literature review findings that describe the critical condition of labour market participation in the GCC, exploring nationalization in GCC countries deserves examination in greater depth to identify factors that cause the high percentages of non-national labour and enable the construction of a framework for building nationalization strategies.

2.4 Factors affecting nationalization in the GCC countries

2.4.1 Population

As explained in the earlier section, the local labour force is likely to continue to grow with more than one third of the local population currently below the age of 15 years. Population growth during the years 1975–85 was the highest that the Gulf area had ever experienced and was one of the highest in the entire world for that period (Winkler 2006). High growth in the local population during the past decades together with the rising participation of women in the labour force is translating into a rapidly growing supply of nationals seeking employment.

The lack of experience and expertise needed for certain positions is difficult to meet in young nations such as the Gulf states. For example, UAE is a young country with a very young population by any standards; a nation that was formed only some 30 years ago and where 45 per cent of nationals are under the age of 15 years (Kuntze and Hormann 2006). The World Bank and the International Monetary Fund have long identified unemployment as a major hindrance to development in the Gulf countries. World Bank (2004) calculations imply the need for an estimated 80–100 million jobs to be created across the entire GCC by 2020.

2.4.2 Nationals' resistance to nationalization

Nationals see themselves as middle class, and will only accept work congruent with comfortable white-collar jobs in managerial roles (Morris 2005; World Economic Forum 2008). A government job often provides a salary several times higher than the equivalent private sector position as well as coming with tenure and a very generous pension (Booz and Co. 2009; Abdalla et al. 2010). Working in the private sector, unlike in the public sector, is sometimes perceived as debasing the national's social status (Kapiszewski 2006). Nationals have for so long grown up with high-paying, low-stress government positions as a 'birthright' this mindset causes many nationals to stay out of the workforce and wait for jobs in government or organizations recommended by or well known to family members (Suliman 2006). Alarissa (2014) in his research into the perceptions of nationals voicing their experiences with expatriates indicates that among expatriates, Emiratis are stereotyped as lazy. Nationals find expatriates unwilling to transfer knowledge, making them prefer to

work with Emirati compatriots and hence prefer the government sector (Alarissa 2014). There is a need to create increased awareness of the need for both nationals and expatriates to work in a complementary way for the benefit of the company (Alarissa 2014; Schuler et al. 2011).

Banking sectors seem to have been successful whereas other sectors seem to struggle to reach the quotas set, which might be related to the ‘unattractiveness’ of the sector to nationals (Mashood and Veroheaven 2009). Technical and manual jobs in retail and service that were created owing to the diversification of the economy are unlikely to suit the aspirations of nationals (Wilkins 2001). Cultural barriers also tend to exclude nationals from jobs in the service sector, in that jobs such as taxi-drivers, food-service clerks and all forms of household work are considered to be the domain of foreigners (Shaham 2009). The high preference for working in the government sector has a strong basis, as nationals in Saudi Arabia before 1984 were forbidden to work in the private sector and had to work for the government as it had sponsored their studies (Al-Dosary and Rahman 2005). Similar to Saudi Arabia, Kuwait failed to implement its ‘Kuwaitization policy’ owing to the government’s determination to provide employment to Kuwaiti newcomers to the labour market, which resulted in more than 95 per cent of the national labour force being employed by the government in 1994 (Winckler 2006). Similarly in Qatar there is a high percentage of the national workforce employed by the government (62.4 per cent of public workforce is local, but less than 2 percent of the private workforce in Qatar) (Abdalla 2006).

The literature contains ample evidence that GCC nationals find unacceptable the private sector’s working conditions of long and irregular hours, restrictions on time spent on cultural and religious observances, short periods of leave, and a disciplined approach to employee performance (Abdelkarim and Ibrahim 2001; Al-Enezi 2002; Ali 2004; Al-Lamki 1998; Al-Mansory 2003; Kapiszewski 2003; Madhi and Barrientos 2003; Willoughby 2005). The government sector is perceived to offer higher salaries (Godwin 2006; Nelson 2004; Wilkins 2001) and better non-monetary benefits (Nelson 2004) than private sector companies. The remuneration package in the government sector for unskilled and semi-skilled work is twice that of the private sector (Al-Lamki 1998; Al-Maskiry 1992; Eickelman 1991). The public sector’s attractions include a traditionalist environment, Arabic as the preferred language and

an opportunity to practice *wasta* (using connections) (Freek 2004). Elhage et al. (2005) raise the need to reduce the disparity between public and private sector compensation and benefits. Al-Lamki (1998) explains how the government sector seems to be the ‘employer of choice’ among Omanis owing to attributes like lifelong employment, further educational opportunities, wages, benefits, working conditions, working hours and retirement benefits.

On the other hand, a Bayt.com (2008) survey indicates that 51 per cent of all Gulf nationals cite ‘assured career development’ as a positive inclusion in their total compensation package in lieu of a proportion of salary. Al-Ali (2006) adds that nationals do not see career development prospects in the private sector due to limited opportunities for training and promotion. Freek (2004) found higher labour turnover in the private sector owing to employers’ general lack of career development strategies due to the transient nature of the majority of the workforce. This suggests the need to re-evaluate human resource strategies, recognizing the need for increased consideration of cultural sensitivity in terms of workplace conditions, performance-related remuneration and awards, fast-track career development programmes, and career counseling (Farell 2004).

2.4.3 Employers’ resistance to nationalization

There are several factors that determine private sector employers view of national employment, including compensation, skills, retention and flexibility (Forstenlechner et al. 2012). Employers hold negative perceptions of nationals not being only ‘less productive’ (Nelson 2004) but also include the stereotype of being ‘under skilled and unmotivated’ (Gulf 2007). According to Business Middle East (2003), employers in Oman complain about the lack of punctuality on the part of Omanis and their having a higher rate of absenteeism than expatriate staff. Salary expectations of nationals are higher than those of the immigrant workers, thus the price of expatriate labour is generally considerably less than that of national labour (Gulf 2007; Morris 2000). For example, the United Arab Emirates not only has minimum wage provisions that apply only to nationals, but employers must make mandatory pension contributions to the State for each of their Emirati employees (Ballinger 2007) causing an increase in payroll costs. Forstenlechner et al. (2012)

point to four factors that make employers less willing to employ nationals: motivation, social issues, cultural issues and regulation.

Low fluency in English and low levels of trust are barriers to workforce participation (Al-Ali 2006, 2008). Al-Lakmi (1998) indicates the private sector in Oman discourages and disqualifies Omanis from applying because of the requirements for work experience and English language skills. Al-Dosari (2004) describes seventeen factors which are believed to be the main factors in the low participation rates of Saudi workers in the private sector, including language skills, lower wages, and benefits, inflexibility of relocation in the Kingdom and long working hours. The formal or informal rights of nationals compared to expatriates also cause employers to avoid recruiting nationals (Harry 2007). Mellahi (2006) raises the aspect of a 'hire and fire' culture that private employees practice on expatriates as the more protected locals enter the private workforce.

The quota system has encountered strong opposition from local businessmen as being potentially harmful and adversely affecting productivity and profitability of firms (Kapiszewski 2006). Private sector employers view nationalization as a form of indirect taxation (Al Qudsi 2006). This has caused private sector employers to practise what has been termed a 'window dressing operation' – hiring the bare minimum that the given quota stipulates and placing nationals in non-strategic positions with no intention of investing in their HRD (Farrell 2004). Al-Qudsi (2005) refers to as the use of "ghost workers", describing how some employers in the UAE react to quotas by creating employment only on paper that is understood as simply an added cost of doing business. Similar practices were reported by in Saudi Arabia, where national workers are used primarily to show the firm's commitment to the Saudization strategy (Mellahi 2007).

Exploring the needs from the perspective of a young, educated population of nationals and demanding private sector employers is essential to examining the reasons for low return on nationalization strategies. Understanding both sides is crucial to understand development needs at individual and organizational levels to form a link within the human resource development challenge to serve development of locals at a national level. Both the reasons for nationals' resistance to joining the private sector and the preference of organizations for expatriates merit investigation as both play a major role in nationalization implementation. The literature review

reveals a need to address change processes directed to overcoming the resistance of national employees and private sector employers. It also raises the need to understand how nationalization strategies need to examine career development in organizations for managing and retaining local talents within nationalization initiatives.

Apart from a young population, resistance from national employees and private sector employers, the literature reviews reveals that there is a lack of co-ordination with education and training reforms. The approach of nationalization strategies have also been criticized as being quantitative rather developmental. The below sections present views in relation to the mentioned factors.

2.4.4 Lack of coordination with the Education System and Labour Market Requirements

Even though GCC countries have worked on their education systems, the investment in human capital has failed to yield high economic returns owing to the nationals' expectations of working in a government that was 'bloated' (Al Lakmi 1998). Harry (2007) argues that to create a large number of jobs GCC countries need an appropriate education system, suitable work ethic within the host population, and willingness on the part of employers to make a sustained and genuine effort to support and transfer skills, attitudes, and behaviours. Studies by other authors (Al-Lamki 1998; Al-Maskery 1992; Rowe 1992; Birks and Sinclair 1980) indicate a lack of coordination and planning between education (training and development) and labour market requirements, thereby forming a mismatch in the supply of labour in terms of skills and competencies required by the private sector. Al Lakmi (2000) emphasizes that the government needs to ensure the development of a national cadre to face the challenges of globalization and a changing and competitive world by attaining a level of education and competence that is recognized internationally through holistic and integrated coordination and cooperation between the government and private sector employers and employees. Reinforcing Al Lakmi's (2000) position, Godwin (2006) emphasizes that education needs to be responsive to the social and economic need of the UAE while engaging with the West. Educational systems are not adequately prepared to deal with the problem of reorienting traditional work values (Kapiszewski 2006). Mellahi (2006) adds that to help train

present and future employees, firms must either work closely with learning institutions in developing courses or need to take advantage of government learning credits for training nationals. Al Lakmi's (1998) findings at the University of Sultan Qaboos revealed a noteworthy lack of awareness among Omanis about private sector employment opportunities coupled with the lack of a private sector recruitment campaign for Omani graduates. Robert (2009) concluded that providing training and education better attuned to the needs of the UAE and supporting trainees to find job rewards through cultural and value alignment could achieve the demographic balance that UAE society is seeking.

According to Wes (2007), the solution to nationalizing positions in the GCC developing states requires building a capable indigenous workforce through education while changing expectations, as well as creating new worthwhile jobs for citizens. The GCC countries have succeeded in supporting education and training to develop human resources. For example, focusing on developing human resources through vocational programmes in banking and finance and telecommunications engineering have successfully contributed to the achievement of the government's Emiratization targets for the banking and telecommunications industries in the UAE (Wilkins 2001). The sixth national five-year plan in Oman, covering the period 2001–2005, reflected the importance of human factors in Oman's national strategic development process (Budhwar et al. 2002). One of the main aims of the 'Oman 2020' strategy is to develop human resources and upgrade the skills of the Omani workforce throughout all sectors through education and training (Ministry of Information 1999). The Omani government continues to fund higher education in order to develop local professional and technical expertise as it emphasizes recognition of the private sector as a vehicle for growth (Al-Hamadi et al. 2007; Ghailani and Khan 2004). Mellahi (2000) indicates that the success of the national HRD strategy in the Kingdom of Saudi Arabia can be achieved through creating a pool of skilled, disciplined and productive national workers through vocational education to generate both the quantity and quality of skills required to decrease dependency upon expatriates. However, vocational education cannot be considered as a 'magic cure' to meet the demands of the economy, which as well as measures to reduce unemployment by providing individuals with employable skills requires an

adjustment of attitudes towards blue collar-work (Middleton et al. 1993; Middleton and Zideman, 1997). Nationalization requires more than education, it must include:

The development and unleashing of human expertise for multiple learning and performance purposes, individual, family, community, organization, nation, region and globe. National human resource development must be nationally purposeful and therefore formulated practiced and studied for the explicit reason of improving the economic, political and sociocultural well being of a specific nation and its citizens. (Cunningham and Lynham 2006:126)

The lack of HRD practice in organizations in the GCC nations, as indicated by the writers discussed below, may also reflect nationals' resistance to joining private sector organizations as discussed above. Dependence on foreign labour in Saudi Arabia is mainly due to poor HRD in the country in general and to the poor contribution of the Saudi private sector in HRD in particular (Achoui 2007). In addition there is a lack of skilled HRD professionals to manage HRD (Fadhel 2007). The serious challenge of human development plans in Saudi Arabia is to achieve harmony between the content of educational training programmes and an economy that is increasingly driven by competition, information and knowledge, particularly in scientific and technical areas, thereby establishing a link between macro development aspects (strategies, plans and policies) and micro development aspects (organization change and development) (Achoui 2007). The Saudi government is aware of current trends at the national and international levels, which call for a response to emerging challenges especially in the development of human capital, which has led to revisions in education curricula, job training practices and other human development policies to upgrade individuals' competencies (Saudi Government 2002). The challenges of Saudization puts more pressure on the private sector to spend more money on HRD through different methods, such as 'on-the-job' training programmes and professional training programmes in the training and development centres that are 'mushrooming' across the country (Achoui 2007). However, Winckler (2006) finds that many companies in Saudi Arabia admitted they lack the experience to train and supervise Saudi workers. Even though training institutes are increasing, workplace training must raise its own bar to achieve quality standards and underscore the cultural values required of organizations by new

recruits to avoid recruits being demoralized to the point where they leave their positions permanently (Jones 2008).

2.4.5 GCC Governments' approaches to labour market reforms to support nationalization

Nationalization programmes in the GCC rely heavily on setting quotas. Measures to curb the growth of foreign workers included mandated targets for “nationalization” in different employment sectors, permit requirements and levy fees for foreign workers, and attractive incentives and preferential treatment for companies adhering to nationalization policies (Maloney 1998; Ruppert 1998; Mashood and Veroheaven 2009). The policy of Emiratization has been described as not being realized “in its full scope” by means of its current form of implementation, which reflects the inability to achieve ‘balance’ in the labour market owing to the threat of not being able to meet labour market needs (Al Shaiba 2008; Robert 2009). Godwin (2006) views Emiratization as an affirmative action quota-driven employment policy that ensures UAE nationals are given employment opportunities in the private sector through quotas set within selected industries considered suitable for national men and women to work in (Morris 2005). In 1995, Saudi Arabia passed legislation requiring every employer of twenty or more workers to employ a minimum 5 per cent of Saudi nationals which was increased to 25 per cent in 2000, 30 per cent in 2002 and 75 per cent in 2005 (Al-Kibsi et al. 2007). In Oman, a circular enforced that Omanis should hold at least 75 per cent of senior and middle management positions (Winckler 2009b). A further trend in all GCC countries recently has been to totally ban immigrant workers in specific occupations, with Kuwait as the last country to embrace this policy approach (Shah 2008). Certain jobs, such as HR managers, secretaries and public relations officers were limited to Emiratis only (Forstenlechner 2008). Similarly in Oman, different Omanization percentages are set for local companies, including support services, engineers and draughtsman in the oil and gas sector (Directorate General of Employment 2008). The Saudi government has set percentages for different positions and industries. A general requirement to increase Saudi manpower by five per cent annually, reducing the number of expatriate workers to 20 per cent of the total population in a decade, has accelerated Saudization of the banking sector (Looney 2004). Another restriction aimed at discouraging expatriates was that non-nationals were barred from entering into a

commercial venture without a national partner in order to involve nationals in the new projects that were being undertaken in various economic fields; however, this has instead led to the appearance of 'silent partners' who merely sign contracts and complete formalities while receiving 51 per cent of the revenues (Winckler 2006).

Looking at the nationalization programmes in the GCC, it becomes clear that they all focus on reducing the reliance on expatriates by replacing them with local workers and are all seen as 'positive discrimination' on behalf of local nationals (Mashood and Veroheaven 2009; Suter 2005). Even though GCC labour nationalization policies focus on encouraging nationals to view the private sector as a viable career option (Forstenlechner 2011), the nationalization policies of GCC countries are considered an interventionist approach taken by governments (Harry 2007) with the aim of reducing the countries' reliance on expatriate labour and increasing the participation of nationals in the labour market (Wilkins 2001). Mashood and Veroheaven (2009) explain how the approach to nationalization in the United Arab Emirates, Saudi Arabia and Oman is one of intervention rather than using a normative approach which debates the success of the nationalization. GCC governments have been focused on a quick-fix of replacing expatriates, most of who have jobs that are undesirable to locals, and instead should focus on encouraging education and entrepreneurship to create jobs that local nationals will want to do (Harry 2007). Weir (2008) emphasizes that "It is imperative for the region's human resource departments to work differently. They need to think as marketers and to create a powerful and persuasive talent value proposition." Achieving a balanced workforce needs a rigorous approach focusing on multiple dimensions, not just those which are immediately obvious (Jasem Ahmad Al Ali of the Dubai Municipality, as reported by Ashfaq Ahmed, Gulf News 2008). Forstenlechner (2008) recommends taking a business perspective to be explored in terms of image and marketing campaigns based on tangible success stories to change the demographic or quantitative perspective. He also recommends the use of a combined measure that includes the average length of service of nationals on the payroll, the promotional track-record of nationals and the quantity and quality of on-the-job training and support provided to national employees. Quantitative measures alone cannot gauge localization success, qualitative methods are also required that show the attitudinal

and motivational states of localization processes and how these relate to traditional change management (Rees 2007). Marchona and Toledo (2014) observe that there is considerable evidence in the economics literature that labor quotas appear to reduce productivity.

However, gulfization strategies have also shown some success, as shown by Hertog (2014) in an analysis of nationalization policies in the GCC states. Oman's policy in 2006 to allow foreign labour mobility and increased wages led to an impressive increase in Omanization from 2007–2010. However, the political unrest in 2011 caused governments to create government jobs instead of focusing on private sector employment. The creation of 35,000 government jobs in 2011 in the government sector has caused work permits for expatriates to increase and Omanis to resign from the private sector to join the government sector. Hertog (2014) further explains the impact of increasing nationalization through strategies that encourage government sector employment, such as the creation of 20,000 jobs in the Ministry of Interior and an increase in public sector wages in Bahrain in 2011. This causes nationals to move to the government sector instead of the private sector.

The various government labour nationalization policies are yet to achieve their goals as unemployment rates remain in double figures in all GCC states (Forstenlechner 2008). The measures and restrictions imposed, such as the sponsorship system and the rotational system of expatriate labour to limit the duration of foreigners' stay, have not brought the expected results (Kapiszewski 2006). Stricter regulation seems to be an unlikely option; rather, the government needs to move towards adopting a softer approach more focused on education and less on quotas (TANMIA 2006; AMEInfo 2007a, 2007b). Fasano et. al. (2003) believe that GCC governments are aware of the drawbacks of a quick localization of the labour force and have now moved towards focusing on long-term structural solutions for retraining and educational reforms to meet medium- and long-term skill demands.

2.4.6 Summary of nationalization issues in all contexts

Nationalization issues discussed earlier within all contexts are summarized below, reflecting areas of focus within nationalization strategies. Apart from sharing similar approaches in addressing nationalization issues in terms of quotas, mandates,

taxation, setting government authorities and ‘positive discrimination’ for the employment of local human resources, there are common areas of focus within nationalization strategies. The areas of focus within nationalization are strategic approach, education and learning, retention through career development, performance management, succession planning, culture, developing local talents for international assignments, and investment in and utilization of human resources that reflect human resource development components, which will be examined in the following section.

Table 2.5 Area of focus within nationalization issues

Nationalization Issues	Area of focus
<ul style="list-style-type: none"> - Linking nationalization plans strategically with globalization, economic growth, reform and competitiveness (Al-Dosary 2004, Looney 2004, Mellahi and Wood 2002) - Aligning development of human resources with economic requirements (Ruppert 1998) - Development of a national cadre to face challenges of a changing, competitive global world Al Lakmi (2000) 	Strategic approach
<ul style="list-style-type: none"> - Educating, training and developing locals to pursue jobs with competency and efficiency (Al Lakmi 1998, Harry 2007) - Educational reforms to meet medium and long-term skill demands (Fasano et. al. 2003) - Adapting a softer approach towards educating locals rather than setting quotas to enforce local employment (TANMIA), (AMEInfo 2007a) (AMEInfo, 2007b) - Education needs to be responsive to the social and economic need (Godwin 2006) - Develop a national cadre through international standards of education and competence that is recognized internationally (Al Lakmi 2000) 	Education and Learning
<ul style="list-style-type: none"> - Provision of training attuned to the needs of the society (Robert 2009) - Companies lack the experience to train and develop locals (Winckler 2006) - Raising the training quality standards (Jones 2008) - Lack of coordination and planning between education (training and development) and labour market requirements thereby forming a mismatch in the supply of labour in terms of skills and competency required by the private sector (Al-Lamki 1998, Al-Maskery 1992 , Rowe 1992, Birks and Sinclair 1980) 	Training and development

<ul style="list-style-type: none"> - Develop training according to the quality and quantity needed of skills gap in the market (Shaiba 2008, Robert 2009) 	
<ul style="list-style-type: none"> - Development and retention of high performing, competent, local managers (MacNamara and Weeks 1982, Mapes 1993, 1996, Child 1991, 1994, Osland and Cavusgil 1996, Wong and Law 1999).) - Meeting expectations of ambitious highly trained young managers (Cohen 1991) - Meeting expectations of a growing number of young nationals with advanced qualifications and salary expectations (Noland and Pack 2008, Bains 2009, EIU 2009) - Lack of career development strategies or prospects for locals (Al-Ali 2006), (Freek 2004) - Consideration of fast-track career development programmes and career counseling (Farell 2004) 	Retention through Career development and Performance Management
<ul style="list-style-type: none"> - Succession planning for local human resources taking over expatriate positions (Haily 1993) - Expatriate resistance to train local successors (Rogers 1991) 	Succession Planning
<ul style="list-style-type: none"> - Retaining identity and culture in having locals managers manage business processes (Greaves 1983, Adam 1983) - Developing a suitable work ethic within the host population (Harry 2007) - Forming a willingness on the part of employers to make a sustained and genuine effort to support and transfer skills, attitudes, and behaviours (Harry 2007) 	Culture
<ul style="list-style-type: none"> - Optimum utilization of locals (Al-Dosari 2004, AL- Qudsi 2005, Kapiszewski 2006) - Making locals the employee of choice (Mashood and Veroheaven 2009, Shaham 2009, Al-Dosary and Rahman 2005, Abdalla 2006) - Long term investment in local human resources through 	Investment and utilization of local human resources

training and education (Robert 2009, Al Lakmi 1999, Harry 2007, Al-Hamadi et al 2007, Ghailani and Khan 2004)	
<ul style="list-style-type: none"> - Build strong local management teams operating in multinational / foreign companies (Child 1991, 1994, Osland and Cavusgil 1996, Wong and Law 1999) - Developing local human resources to meet international standards of managing business processes (Negandhi 1983) 	Developing local talent for international exposure and integration

2.5 Human Resource Development within Nationalization

The research focus is on ‘Human Resource Development’ (HRD) within nationalization strategies. Through analysing the literature related to nationalization issues in Africa, Asia and the Middle East, the challenge of human resource development in developing countries becomes evident. Rowters (1997) stresses that HRD exists in all contexts in order to build skilled and knowledgeable workers. The unlocking and development of human resources has become a national concern and a priority for future national wealth and well-being in all contexts, as human resource development is the major contributor to long-term economic growth (Briggs 1987). The literature review presented earlier reflects that HRD influences the local and national economy through the development of workforce skills and intellectual capital (Marquardt and Berger 2003). It also indicates that HRD involves various activities, not only managing human resources but also developing and retaining the local human resources that are crucial for a country’s development. To explore the role of human resource development in nationalization strategies further, we need to analyse theories and definitions that enable the concept of HRD to serve objectives set at a national level. The researcher aims to analyse those theories and disciplines that have contributed to HRD at a national level by reviewing existing HRD literature and linking it within nationalization issues.

2.5.1 Defining Human Resource Development

HRD definitions date back to the 1960s, when Harbison and Myers defined HRD as “the process of increasing the knowledge, the skills, and the capacities of all the people in a society” (Harbison and Myers 1964:2). The definition of Harbison and

Myers (1964) positions HRD at a broad societal level, but the literature developed later indicates the growth of HRD focusing on training, education, and development at individual and organizational levels. Nadler (1970) defined HRD at an individual level as a “series of organized activities conducted within a specific time and designed to produce behavioural change” (Nadler 1970:3). HRD was further defined as “organized learning experiences provided by employers within a specific period of time to bring about the possibility of performance improvement and or personal growth” (Nadler and Nadler 1989:6). McLagan (1989:7) looked at HRD at an organizational level, defining HRD as “the integrated use of training and development, organization development, and career development to improve individual, group, and organizational effectiveness”. The HRD wheel by McLagan (1989) grouped organization development, training and development, and career development as the primary components of HRD. McLagan defined HRD as a field that fosters long-term, work-related learning capacity at individual, group and organizational levels (Watkins 1991). This indicates that HRD at an organizational level facilitates organizational learning, performance, and change through organized interventions for performance capacity, capability, competitive readiness, and renewal (Gilley and Maycunich 2000).

To define HRD further, theories underlying HRD deserve analysis to explore the core functions and nature of this field. The discipline of HRD relies on three core theories: psychological theory, economic theory and systems theory (Swanson 2001). According to Swanson, psychological theory captures the core human aspects of developing human resources as well as the socio-technical interplay of humans and systems. A reflection of this theory is obvious as HRD is considered to be “a process of developing and/or unleashing human expertise through organization development and personnel training and development for the purpose of improving performance” (Swanson 1995:208) as well as:

the field of study and practice responsible for the fostering of a long-term, work-related learning capacity at the individual, group, and organizational level of organizations... by enhancing individuals’ capacity to learn, to help groups overcome barriers to learning, and to help organizations create a culture which promotes continuous learning. (Watkins 1995:2)

Economic theory captures the core issues of the efficient and effective utilization of resources to meet productive goals in a competitive environment (Swanson 2001). The economic perspective within the HRD definition has been discussed since 1964 when Harbison and Myers (1964:2) observed:

In economic terms, it could be described as the accumulation of human capital and its effective investment in the development of an economy. In political terms, human resource development prepares people for adult participation in political processes, particularly as citizens in a democracy. From the social and cultural points of view, the development of human resources helps people to lead fuller and richer lives, less bound by tradition. In short, the processes of human resource development unlock the door to modernization.

Within an economics framework, human capital theory is considered a foundation of HRD (Weinburger 1998). People possess skills, experience and knowledge that have economic value to organizations that represent capital which enhances productivity (Snell and Dean 1992). Resources such as people are a form of cost to the organization and investment in this resource should develop the human capital in a way that demonstrates a financial benefit to the organization (Patterson 1986).

Systems theory captures the complex and dynamic interactions of environments, organizations, work process and group or individual variables operating at any point in time and over time (Swanson 2001). HRD moved from traditional training and development to a reactive, proactive, system-wide intervention linked to strategic planning and cultural change (Beer and Spector 1989; Rothwell and Kanzas 1991; Megginson and Pedlar 1992). HRD consists of “activities and processes which are intended to have impact on organizational and individual learning...constituted by planned interventions in organizational and individual learning processes” (Stewart and McGoldrick 1996:1). It has a multilevel concept that ensures members of the organization “have access to resources for developing their capacity for performance and for making meaning of their experience in the context of the organization’s strategic needs and the requirements of their jobs” (Yorks 2004:11).

HRD also contains disciplines such as psychology, sociology, anthropology, economics, counseling, education, management science and behavioural science

(Chalofsky and Lincoln 1983). Later, education, systems, economics, psychological behavior and organizational behaviour were added (Jacobs 1990). Donovan and Marsick (2000) pointed to the inclusion of other fields of study into the common understanding of HRD such as organizational leadership, organizational values and workforce development (Holton and Naquin 2002; Jacobs 2000). Dilworth (2003) suggested that subfields such as strategic change management, integration of learning processes, knowledge management, career development, healthy and productive workplaces, insourcing and outsourcing of training, team building, leadership development, and application of technologies to HRD should all be contained within the HRD discipline.

Therefore, it is obvious that several theories and disciplines have contributed to the growth of the HRD field. Hansen and Brooks (1994) found that HRD practitioners from different nations use culturally based perceptions and attitudes to define their work. Shaped in sophisticated historical, social, philosophical, and cultural contexts, HRD practices in different countries are affected by their distinct characteristics (McLean 1996). Definitions vary considerably owing to the economy, the influence of government and legislation, and the influence of other countries (McLean and McLean 2001).

Defining HRD through its underlying theories provides a broad concept that leaves the researcher with no specific definition, but rather viewing HRD from a broad national perspective targeting all levels. Definitions reflect that HRD is responsive to a distinct set of need at the individual, organizational, and community societal levels, with outcomes different and unique to each level (Graven and David 2004). The interdisciplinary nature of HRD cannot unify the definition of the theories that underpin this field (Weinberger 1998), but contributes to the lack of distinct nature of HRD, although the bodies of knowledge that influence HRD tend to be highly interrelated (Jacobs 1990). There is much to be gained from greater clarity and shape of HRD and a reduction of the 'fog factor' that seems to be characteristic of the field (Megginson et al. 1993). There is no definite view of what constitutes HRD, but Stewart and McGoldrick (1996) stress that it is both strategic and practical. The researcher agrees with the view of Holton (2000) that learning, performance and change are three important elements that define HRD. These three elements are among the areas of focus that need to be addressed when looking at

issues of nationalization, as highlighted by the researcher in Table 2.3. Nevertheless, HRD cannot be narrowed down to just three areas; the contributions over many years towards the development of the HRD field have caused it to be ‘holistic’, taking place within a network of economic, political, and moral decisions (Valkaeavaara 1998).

Reviewing the literature, the researcher realizes that even though there have been attempts to produce narrower HRD definitions within individual and organizational levels, it has eventually moved back to the broad societal level as it was in the definition given in 1964 by Harbison and Myers. Cho and McLean (2004:390) point out that “no longer can academics hold to narrow definitions of HRD; it is clear that around the world ... the concept of HRD is much broader with much greater impact than has been acknowledged in many academic programs and much of the literature of the field.” The US approach to HRD has focused on organizational outcomes, but as HRD started to have implications for nationals in many Asian countries, this caused HRD to move beyond individual, work team and organizational levels (McLean and McLean 2001). As HRD provides knowledge and skills that enable the citizens of a nation to perform both specific occupational tasks and other social, cultural, intellectual, and political roles in a society (Bowmaker-Falconer et al. 1997), it has moved to the national level, termed national human resource development, causing HRD to be defined as:

Any process or activity that, either initially or over the long term, has the potential to develop adults’ work-based knowledge, expertise, productivity, and satisfaction, whether for personal or group/team gain, or for the benefit of an organization, community, nation or, ultimately, the whole of humanity. (McLean and McLean 2001:322)

Hence HRD is “the interplay of global, national, organizational, and individual needs” (Walton 1999:54). To summarize, it is apparent that to give HRD its full value in terms of a definition, its significance can only be realized if the term is addressed at a national level.

2.5.2 HRD at a national level

As the scope of HRD has grown broader, HRD at the national level has become necessary to develop and unleash human expertise for national economic

performance, political and social development, growth and well-being by enhancing the learning and performance capabilities of individuals, family units, communities, other social groupings, organizations and thereby the nation as a whole (McLean 2004; MacLean and McLean 2001; McLean et al. 2004; Cunningham and Lynham 2006). The researcher's analysis has revealed that HRD at the national level is the result of the evolution of the HRD field through the years.

Referring to the psychological, economic, and system theories underlying HRD definitions as explained earlier, it can be realized that HRD at a national level embeds these theories as it takes a holistic approach through all levels. Paprock (2006) strengthens this analysis by identifying how the nature and extent of national human resource development was formed from human capital theory (Schultz 1961), social capital (Bourdieu 1983; Coleman 1988), open systems (Miller 1955; Von Bertalanffy 1968), and change (Kuhn 1962; Lewin 1951). In the analysis of Paprock, such theories centre on the people skills of a nation that are considered 'hidden' capital and assets that are not limited to economic goals only but are also important for social and political goals. HRD 'unlocks the door to modernization' as at the economic level it accumulates human capital, at the political level it prepares people for participation, and at a social and cultural level it helps people lead fuller, richer lives, less bound by tradition (Habison and Myers 1964). Human resource development at a national level is therefore defined as "processes of organized capability and competence-based learning experiences undertaken within a specified period of time to bring about individual and organizational growth and performance improvement to enhance national, economic, cultural, and social development" (Lynham and Cunningham 2004:319). Rees and Metcalfe (2005:455) considered national human resources within a broader term of International Human Resource Development:

IHRD is a broad term that concerns process that addresses the formulation and practice of HRD systems, practices, and policies at the global, societal, and organizational level. It can concern itself with how governments and inter- national organizations develop and nurture international managers and how they develop global HRD systems; it can incorporate comparative analyses of HRD approaches across nations and also how societies develop national HRD policies.

Even though HRD is defined at a national level, consideration of HRD from a community societal level of analysis remains under researched and has yet to establish itself within mainstream HRD discourse (Graven and David 2004). There is no pure model of human resource at a national level (Cho and MacLean 2004). There is a need to record and explore the practical and theoretical implications of national human resource development (McLean et al. 2004). HRD needs to be studied at a national level to serve nationalization strategies. In McLean's (2001) analysis, the following reasons justify HRD at a national level. Developing human resources is one approach to alleviating high unemployment rates, which can lead to high levels of poverty and lack of stability. There is also an increased need to deal with the ambiguity of global competition. Dynamic changes in technology create pressure to upgrade all human resources. Beyond economics, HRD has the potential to improve individuals' quality of life. It is worth indicating that limited studies have been made about the practice of HRD at national level in developing nations (Paprock 2006). There is a need to record and explore the practical and theoretical implications of national human resource development (McLean et al. 2004). Specifically, there is hardly any research evidence available on national HRD strategies in Gulf countries (Debrah et al. 2000). The researcher intends through this research to explore nationalization as an HRD strategy, adding to the current broad definition of HRD that lacks focus on nationalization in Gulf Middle Eastern countries as part of HRD strategies. Nationalization has been the HRD strategy implemented by developing countries at a national level to develop local human resources within their economies. The researcher finds that nationalization has not been addressed as an HRD concept, even though the existing literature defines HRD at a national level and in the practical world development lies at the core of nationalization. The researcher believes that nationalization deserves to be highlighted in the HRD literature as it is a human resource development issue that requires further study but has, to date, received scant attention within western literature. The researcher will address the gap in HRD literature by defining a national level HRD strategy for 'nationalization' by integrating HRD core activities within nationalization issues. HRD activities are derived from HRD definitions and linked it with nationalization issues, thereby revealing the integration between HRD and nationalization.

2.5.3 HRD activities derived from HRD definitions

Below is a detailed table analysing HRD activities in order to relate definitions of HRD to the HRD focus required within nationalization. By comparing the column ‘Areas of focus’ in Table 2.5 (page 62) with the column ‘Derived HRD Activity’ in Table 2.6 (page 72), common themes can be derived. The themes of learning, development, education, career development, organizational culture, performance improvement, and human capital development investments at individual, organization and national levels to build human capacity within societies for strategic integration within a global international economy become evident.

Table 2.6 HRD activities derived from HRD definitions in relation to nationalization issues areas of focus

HRD Definition	Derived HRD Activity	Area of focus within nationalization issues (Refer to Table 2.3)	Common Theme between HRD and nationalization area of focus
“In economic terms, it could be described as the accumulation of human capital and its effective investment in the development of an economy. In short, the processes of human resource development unlock the door to modernization.” Harbison and Myers (1964:2)	Investment of human capital Development	Investment and utilization of human resources Strategic approach	Human capital development
“The process of increasing the knowledge, the skills, and the capacities of all the people in a society” (Harbison and Myers 1964:2)	Increasing the knowledge, skills, and capacities of all the people	Training and Development	Learning and development
“Series of organized activities conducted within a specific time and designed to produce behavioural change” (Nadler 1970:3)	Produce behavioural change through a series of organized activities	Training and Development	Learning and development
“Organized learning experiences provided by employers within a specific period of time to bring about the possibility of performance improvement and or personal growth” (Nadler and Nadler 1989: 6)	Performance improvement and or personal growth through organized learning experiences	Retention through Career development and Performance Management	Career development
“The integrated use of training and development, organization development, and career development to improve individual, group, and organizational effectiveness (McLagan 1989:7)	Training and development, organization development, and career development	Training and Development Retention through Career development and Performance Management	Learning and development Career development

<p>“The field of study and practice responsible for the fostering of a long-term, work-related learning capacity at the individual, group, and organizational level of organizations... by enhancing individuals’ capacity to learn, to help groups overcome barriers to learning, and to help organizations create a culture which promotes continuous learning” Watkins (1995:2)</p>	<p>Long-term, work-related learning capacity at the individual, group, and organizational level of organizations</p> <p>Enhances individuals’ capacity to learn</p> <p>Create a culture which promotes continuous learning</p>	<p>Training and Development</p> <p>Learning Culture</p>	<p>Organizational culture</p> <p>Learning and development</p>
<p>“A process of developing and/or unleashing human expertise through organization development and personnel training and development for the purpose of improving performance” (Swanson 1995:208).</p>	<p>Organization development and personnel training and development</p> <p>Improving performance</p>	<p>Training and Development</p> <p>Education and learning</p> <p>Performance Management</p>	<p>Learning and development</p> <p>Education</p> <p>Performance improvement</p>
<p>“Activities and processes which are intended to have impact on organizational and individual learning...constituted by planned interventions in organizational and individual learning processes” Stewart and McGoldrick (1996:1)</p>	<p>Planned interventions in organizational and individual learning processes</p>	<p>Training and development</p>	<p>Learning and development</p>
<p>“Developing their capacity for performance and for making meaning of their experience in the context of the organization’s strategic needs and the requirements of their jobs” (Yorks 2004:11).</p>	<p>Develops capacity for performance</p> <p>Development within the organization’s strategic needs and the requirements of jobs</p>	<p>Performance Management</p> <p>Strategic approach</p>	<p>Performance improvement</p>

<p>“Human resource development is any process or activity that, either initially or over the long term, has the potential to develop adults’ work-based knowledge, expertise, productivity, and satisfaction, whether for personal or group/team gain, or for the benefit of an organization, community, nation or, ultimately, the whole of humanity” McLean and McLean (2001:322)</p>	<p>Develops work-based knowledge, expertise, productivity, and satisfaction</p>	<p>Training and Development</p> <p>Strategic approach</p> <p>Developing local talent for international exposure and integration</p>	<p>Learning and development</p> <p>Human capital development</p>
<p>“The interplay of global, national, organizational, and individual needs.” Walton (1999: 54)</p>	<p>Interplay of global, national, organizational, and individual needs</p>	<p>Strategic approach</p>	<p>Human capital development</p>
<p>“Processes of organized capability and competence-based learning experiences undertaken within a specified period of time to bring about individual and organizational growth and performance improvement, and to enhance national, economic, cultural and social development” (Lynham & Cunningham 2004:319)</p>	<p>Individual and organizational growth and performance improvement</p> <p>Enhances national, economic, cultural, and social development</p>	<p>Education and Learning</p> <p>Retention through Career development and Performance Management</p> <p>Training and Development</p>	<p>Learning and development</p> <p>Career development</p> <p>Performance improvement</p> <p>Learning and development</p>
<p>“IHRD is a broad term that concerns process that addresses the formulation and practice of HRD systems, practices, and policies at the global, societal, and organizational level. It can concern itself with how governments and inter- national organizations develop and nurture international managers and how they develop global HRD systems; it can incorporate comparative analyses of HRD approaches across nations and also how societies develop national HRD policies.” Rees and Metcalfe (2005:455)</p>	<p>Develop international managers</p>	<p>Developing local talent for international exposure and integration</p>	<p>Human capital development</p>

The derived themes from HRD activities within nationalization issues will be used by the researcher to build the framework for conducting the study. The areas will be explored within a developing country context to examine nationalization gaps in practice. This will reflect factors that are essential for HRD implementation at a national level.

In summary, it is obvious that HRD activities enable the tackling of nationalization issues within developing contexts as HRD develops human talent, knowledge, skills and abilities leading to build ‘capacities’ with national human resources. It is necessary to address HRD at a national level to ensure the practice of development in a holistic approach aimed at the individual, organizational and national levels. As HRD is raised to the national level to address nationalization issues, the researcher realized that the themes derived from HRD activities and nationalization area of focus have been dealt with in one form or the other through nationalization policies and strategies (see Table 2.6 page 72). There is a need for a broader concept to be integrated within the framework to face nationalization issues: “There are nevertheless benefits in increasing the capability of individuals even if it is outside the specific framework of HRD” (Franks 1999:56). The concept needed to address nationalization beyond HRD is ‘capacity building’ owing to its characteristics, as identified through a reviewing of the related literature.

In the following sections, the literature review reflects the areas of unity between HRD and capacity building as a development tool essential to address nationalization issues. The literature review differentiates HRD and capacity building as separate concepts, but the researcher indicates the unity of both concepts as a development tool. The differentiation between both concepts is also indicated in the scope of each, which justifies the approach of the researcher in viewing both HRD and capacity building as aspects of the same development tool for nationalization challenges. To justify the reasoning, analysing capacity building definitions is essential to develop the point articulated.

2.6 HRD for Capacity Building

Prior to understanding capacity building, understanding capacity is necessary. Capacity is not the same as capacity building; rather, the absence of capacity necessitates capacity building (Larbi 1998). “Capacity can be defined as the ability of individuals and organizations or organizational units to perform functions effectively, efficiently and sustainably” (UNDP, in Enemark and Williamson 2004). It is the “emergent combination of attributes that enables a human system to create development value” (Morgan 2006:6). Development of human resources is essential as it provides “society’s capacity to fulfil the needs of its members in an increasingly

satisfactory way” (Lavergne and Saxby 2001:2). The critical role of HRD within capacity building becomes evident when analysing the literature.

Looking at the definition of capacity in relation to the HRD definitions stated earlier in the chapter indicates that the way human resources are utilized is central to capacity building and that the overall context within which organizations undertake their functions will be a key consideration in strategies for capacity development (Enemark and Williamson 2004). The generation of capacities through HRD was acknowledged as early as 1964 by Harbison and Myers who defined HRD as “The process of increasing the knowledge, the skills, and the *capacities* of all the people in a society” (Harbison and Myers 1964:2). HRD is an essential component for capacity building strategies to be implemented at all levels as building and sustaining capacity requires organizational capacity as well as the expertise of individuals (Grisso et al. 1995; Rist 1995). Human resource development should underpin all sustainable development as this must take a sustained and long-term perspective (Nchinda 2002). Nchinda (2002) explains how considering HRD issues such as training can assist developing countries to build indigenous research capability to undertake studies in their own national settings that will lead to the development of appropriate control strategies in their own countries.

Capacity building is of importance to developing and transitional economies (Franks 1999), which the researcher believes are of importance to the African, Asian and Middle Eastern developing contexts indicated earlier. Shaffer (2005) explains how development analysts switched their focus in developing countries from having outsiders to fill development gaps through technical assistance, skills and ‘injections of know how’ to that of a collaborative process which called upon ‘capacity building’ initiatives. Janicke and Weidner (2002), in discussing capacity building, note that:

The ability of a country to follow sustainable development paths is determined to a large extent by the capacity of its people and its institutions as well as by its ecological and geographical conditions. Specifically capacity building encompasses the country’s human, scientific, technological, organizational, institutional and resource capabilities. (Agenda 21, in Janicke and Weidner 2002)

However, “in some cases existing capacity is rendered irrelevant or made inadequate by the emergence of new challenges and awareness of these challenges has grown faster than the ability of many institutions to solve them” (OECD 1994:11).

Despite HRD being an essential component of capacity building, there is scant literature in this area. Running a search of ‘capacity building’ and ‘HRD’ through the John Rylands search engines and Google Scholar on 1st February 2011, most of the articles generated were related to capacity building in areas of health and water. Articles indicating the relationship of HRD with capacity building were very limited. There were limited articles talking of HRD in relation to capacity building. The lack of literature provides no easy formula for building a framework or model to address nationalization issues. To add to the overall knowledge of capacity building, the researcher intends to focus on the role of HRD within capacity building and to develop the integration of these concepts by analysing capacity building definitions and theories.

2.6.1 Defining capacity building

Currently, capacity building and capacity development are being used interchangeably (Weidner 2002; Wikipedia). Angeles and Gurstein (2000) in the article “Planning for Participatory Capacity Development: the Challenges of Participation and North-South Partnership in Capacity Building Projects” chooses to distinguish between capacity building and capacity development by defining capacity-building at the micro-level, referring to projects, and meso-level, referring to institutional levels. The capacity development approach integrates micro-, meso- and macro-levels of participation. Therefore capacity-building becomes essential for capacity development. The researcher chooses to use the term ‘capacity building’ owing to the impact of capacity building on capacity development as “the true test of meso-level capacity-building is actually micro-level impact, as well as, to a certain extent, macro-level impact” (Jackson et al. 1996: 48–9), therefore “capacity building at the micro (project) and meso (institutional) levels is essential to the capacity development approach that integrates (micro, meso, macro) levels of participation” (Angeles and Gurstein 2000:473).

Defining capacity building is difficult as it is used variably in the literature (Hawe et al. 1998). There are several definitions of capacity building, each reflecting

a certain orientation with some definitions considering it as an approach or process and some as development (Bolger 2000). According to Angeles and Gurstein (2000), capacity building is enriched by around forty years of development experience. In the 1950s and 1960s there was an emphasis on institution-building, the 1970s and 1980s focused on human rights and economic reforms, and the 1990s focused on governance issues, including "the importance of stakeholders, participatory techniques, indigenous ownership, consensus and commitment" (ibid.:2). Foundations such as the Ford Foundation and National Institutes of Health have promoted capacity building activities since the 1970s (Vita and Fleming 2001). Ballantyne (2000) pulled together a variety of quotations and definitions from various sources, concluding that there is a huge variation in interpretations of capacity building. The concept has been in existence for a long time, "Yet the concept remains a complex and difficult one to grasp, and operationalize in the design, execution, and evaluation of development initiatives" (Lavergne and Saxby 2001:1). Schacter (2000) cites authors who criticized the term capacity building as "useless" from an analytical and practical point of view. Land (1999) points to the 'slipperiness of capacity building' and observes that capacity building is risky, with unpredictable and unquantifiable outcomes. The lack of clarity on what capacity building is remains an obstacle to its effective implementation (Bossuyt 1994).

As there is no specific definition for capacity building, the researcher chooses to define capacity building as a development concept to aid building a framework to address nationalization issues. Various definitions of capacity building are reviewed within HRD reflecting areas of unity between both concepts. Analysing the HRD definitions presented earlier in the chapter with the various definitions of capacity building given below, the researcher notes areas that unite HRD and capacity building (See Table 2.5). Apart from being broad and systematic development approaches, two particular areas unite HRD and capacity building definitions: 'performance' and 'development'. Performance and development indicate a development concept essential to nationalization strategies to improve skills and abilities that can strengthen economic performance in the long term. The following paragraph outlines definitions of capacity building as integrated in Table 2.7, reflecting performance and development linkages between HRD and capacity

building. Owing to the development concept embedded in capacity building, the role of capacity building in addressing nationalization issues merits closer study.

The United Nations Development Program evolved the term ‘institution building’ into capacity building, which is defined as “the process by which individuals, groups, organizations, institutions and societies develop abilities to **perform** functions, solve problems, set and achieve objectives” and is considered as a “long-term continual process of **development** that involves all stakeholders; including ministries, local authorities, non-governmental organizations, professionals, community members, academics and more” (UNDP). OECD defines capacity building as “The process by which individuals, groups, organizations, institutions and societies increase their abilities to: (i) **perform** core functions, solve problems, define and achieve objectives; and (ii) understand and deal with their **development** needs in a broad context and in a sustainable manner.” Oxfam International defines capacity building according to its own principals by considering capacity building an approach to development rather than a set of discrete or pre-packaged interventions: “All people have the right to an equitable share in the world’s resources, and to be authors of their own **development**; and that the denial of such rights is at the heart of poverty and suffering.” (Eade 1997). Bolger (2000:2) refers to capacity building as “the approaches, strategies, and methodologies used by developing country, and or external stakeholders, to improve performance at the individual, organizational, network/sector or broader system level.” Capacity building is also defined as increasing the ability of people and institutions to do what is required of them (Newlands 1981). Hawe et al. (1998:286) refer to capacity building as “problem-solving capability among individuals, organizations, neighborhoods and communities.” Hamdy (1998) defines capacity building as “The process of gaining technical, managerial and institutional knowledge and insight in relation to the socio-economic structure, cultural standards and values of the society concern” (Hamdy 1998: 126). Paul (1995) considers capacity building as “The creation, expansion or upgrading of a stock of desired qualities and features called capabilities that could be continually drawn upon over time ... the focus of capacity therefore tends to be on improving stock rather than on managing whatever is available.” Paul (1995) argues that capacity building evolved from institutional management, while Filmer et al. (2000) and Maconick (1999)

consider capacity building has evolved from an earlier concept of institution building. Pielemeier and Salinas-Goytia (1999) also observe that the concept of capacity building is not necessarily different from concepts such as institution building, institutional strengthening, or development management. According to their view, capacity building emphasizes the creation or strengthening of capacity for programme execution independent of the permanence of an institution, hence developing sustainable, and robust, systems.

The above definitions reflect that there is no one specific definition of capacity building, but the development and performance concept lies at the core of capacity building definition. Even though various definitions and frameworks for capacity building have been advanced in recent years with different details, all agree on the importance of understanding the context in which development occurs and that there are different dimensions or levels of capacity at the individual, organizational and societal levels which require recognizing and responding to the relationships among them (Bolger 2000). Despite the implementation of capacity building in practice, Hamdy (1998), Schacter (2000), Bossuyt (1994) and Land (1999) consider the expression is in need of further investigation and intervention owing to its importance (Weidner 2002). The researcher here attempts to add to the existing literature a clarification of capacity building as a development tool that is generated through HRD activities addressing nationalization strategies. Having identified areas of unity between HRD and capacity building, it is worth exploring both concepts as a single development tool, but also examining the factors that cause the reviewed literature to separate both concepts. Even though the researcher finds factors that differentiate capacity building and HRD, she strongly holds the view that both concepts unite as a development strategy at a national level. The upcoming section clarifies this argument.

Table 2.7 Areas of intersection between HRD and Capacity Building

HRD	Capacity Building	Intersection areas
Cannot unify the definition of the theories that underpin HRD field (Weinburger 1998). HRD is much broader with much greater impact than has been acknowledged in many academic programs and much of the literature of the field Cho and McLean (2004:390)	Capacity building remains a complex concept (Lavergne and Saxby 2001:1)	Broad and complex concepts
HRD could be described as the accumulation of human capital and its effective investment in the development of an economy (Harbison and Myers 1964:2) Paprock (2006) identifies the nature and extent of national human resource development was formed from human capital theory, social capital, open systems HRD relies on three core theories: psychological theory, economic theory and systems theory (Swanson 2001).	The creation, expansion or upgrading capabilities with the focus of capacity to be improve stock rather than on managing whatever is available (Paul 1995) Institution-building, institutional strengthening, development management- Filmer et al. (2000) and Maconick (1999), Pielemeier and Salinas-Goytia (1999) Social Capital -Shaffer (2005) Institutional management -Paul (1995)	Economic Theory Human Capital Investment Theory Systems theory Social Capital
“A process of developing and/or unleashing human expertise through organization development and personnel training and development for the purpose of improving performance ” (Swanson 1995:208). “Organized learning experiences provided by employers within a specific period of time to bring about the possibility of performance improvement and or personal growth” (Nadler and Nadler 1989: 6) “The integrated use of training and development , organization development, and career development to improve individual, group, and organizational effectiveness” McLagan (1989:7)	“The process by which individuals, groups, organizations, institutions and societies develop abilities to perform functions, solve problems and set and achieve objectives” “Retaining and strengthening existing capacities of people and organizations to perform their tasks.” (Enemark and Williamson 2004: 640) “Long-term continual process of development that involves all stakeholders; including ministries, local authorities, non-governmental organizations, professionals, community members, academics and more” (UNDP). OECD " The process by which individuals, groups, organizations, institutions and societies increase their abilities to: (i) perform core functions, solve problems, define and achieve objectives; and (ii)	Development and Performance

	<p>understand and deal with their development needs in a broad context and in a sustainable manner."</p> <p>"All people have the right to an equitable share in the world's resources, and to be authors of their own development; and that the denial of such rights is at the heart of poverty and suffering." (Eade 1997)</p>	
<p>HRD is responsive to a distinct set of need at the individual, organizational, and community societal levels, with outcomes different and unique to each level (Graven and David 2004).</p> <p>Enhancing the learning and performance capabilities of individuals, family units, communities, other social groupings, organizations and thereby the nation as a whole (McLean 2004, MacLean and McLean 2001, McLean, Osman, Gani and Cho 2004, Cunningham and Lynham 2006).</p> <p>"Processes of organized capability and competence-based learning experiences undertaken within a specified period of time to bring about individual and organizational growth and performance improvement, and to enhance national, economic, cultural, and social development" (Lynham & Cunningham 2004:319)</p> <p>"The development and unleashing of human expertise for multiple learning and performance purposes, individual, family, community, organization, nation, region and globe. (Cunningham and Lynham 2006:126).</p> <p>"Human resource development is any process or activity that, either initially or over the long term, has the potential to develop adults' work-based knowledge, expertise, productivity, and satisfaction, whether for personal or group/team gain, or for the benefit of an organization, community, nation or, ultimately, the whole of humanity" McLean and McLean (2001:322).</p>	<p>"The approaches, strategies, and methodologies used by developing country, and or external stakeholders, to improve performance at the individual, organizational, network/sector or broader system level" Bolger (2000:2)</p> <p>"Complex learning, adaptation and change at the individual, group, organizational and even societal levels" (Morgan 1997: 4)</p> <p>"Includes an emphasis on the overall system, environment and context within which individuals, organizations and societies operate and interact." Enemark and Williamson (2004)</p>	<p>Addresses all levels</p> <ul style="list-style-type: none"> -Individual -Organizational -Institutional -National

2.7 Difference between HRD and Capacity Building

Both HRD and capacity building take a broad holistic approach to providing development at various levels. HRD provides "Work-based knowledge, expertise, productivity, and satisfaction, for personal or group/team gain, or for the benefit of an organization, community, nation or, ultimately, the whole of humanity" (McLean and McLean 2001:322) forming an "interplay of global, national, organizational, and individual needs" (Walton 1999: 54), and capacity building approaches involve

several levels of “complex learning, adaptation and change at the individual, group, organizational and even societal levels” (Morgan 1997:4). Capacity building is “a process by which individuals, groups, organizations and societies enhance their abilities to identify and meet development challenges on a sustainable basis” (Qualman and Bolger 1996: 1). A capacity building approach can be a top-down organizational approach, a bottom-up organizational approach, a partnership approach that involves strengthening the relationships between organizations, or a community organizing approach in which individual community members are drawn into forming new organizations or joining existing ones (Crisp et al. 2000). Williamson and Enemark (2004) define capacity building on three levels: firstly, the broader system/societal level, the highest level within which capacity initiatives may be considered. This is the system or enabling environment level, for example those that are national in context, covering the entire country or society. Secondly, the entity/organizational level may be a formal organization such as a government or one of its departments or agencies, a private sector operation, or an informal organization. Capacity building within this level includes the role of the entity within the system, and the interaction with other entities, stakeholders, and clients. Thirdly, the people/individual level addresses the need for individuals to function efficiently and effectively within the entity and within the broader system.

On the one hand, Williamson and Enemark (2004) observe that it is within the individual level of capacity building that HRD lies, as it assesses capacity needs and skills. Thus HRD is differentiated from capacity building by being broad and holistic, covering institutional and country-specific initiatives. On the other hand, as the literature review has clearly indicated:

no longer can academics hold to narrow definitions of HRD; it is clear that around the world ... the concept of HRD is much broader with much greater impact than has been acknowledged in many academic programs and much of the literature of the field. (Cho and McLean 2004:390)

However, development of human resources

should not be understood in a narrow, individualistic sense: I am not talking about individual improvement, enrichment, education or influence. In fact such individualized changes are very often obstacles to sustained development as it

leads to increased inequality, waste of social resources, conflict and competition.
(de Graaf, 1986:15)

Therefore, reflecting on HRD definitions and the above, the researcher strongly believes that HRD provides development at the individual, organizational and national levels. HRD actually generates capacity building that causes HRD to be broader as capacities grow within an economy. Hence, HRD and capacity building unite in terms of development, but the difference lies in the approaches. The researcher has highlighted the differences through the review of the current literature and summarizes these in terms of 'tangible' and 'intangible' factors as outlined in Table 2.8.

While HRD at national level may appear very similar to capacity building, nevertheless capacity building strategies differ in terms of ensuring 'sustainability'. Newlands (1981) argues that investment in capacity building measures provides the necessary foundations for sustainability efforts. As capacity building is concerned with sustainability, capacity building hence takes a "macro" approach that emphasizes the linkage between development activities and broader capacity needs in the society (Angeles and Gurstein 2000). Bolger (2000) raises an interesting point by noting that capacity development has focused on the micro-level and harder issues such as structure, systems, training and organizational structuring rather than macro and softer issues such as societal values and learning. Capacity building differs from human resource development in its inclusion of organizational capital, long-term changes in human behavioural attitudes, values and relationships that support systemic or structural improvement within a permanent or sustainable state (ibid.:9). Capacity building is characterized by participation through partnerships, aiming to transform individuals from passive recipients of services to active participants in a process of community change (Finn and Checkoway 1998). It has moved towards a broader-based social capital based on norms and networks facilitating collective objectives for mutual benefit (Shaffer 2005). Partnerships are essential in capacity building, but the challenge is how partnerships can become participatory, produce effective results, and sustain participation (Fals-Borda and Rahman 1991; Burkey 1993; Hawe 1998). Capacity building involves partnerships and collaboration at a broad level, raising the development process within common understandings of ideas, culture, and social dynamics to motivate parties to complex

learning and change their behaviour at the individual, organizational and societal levels (Angeles and Gurstein 2000; Fukuyama 1995).

Capacity building is viewed as a 'system' similar to the HRD system theory derivation proposed by Swanson (2001). However:

Like the changing ecosystem, capacity building is neither a one-time fix nor a permanent solution. As community needs and environments change over time, the need to revisit and redefine the question "capacity for what?" becomes a dynamic force. If done well, this repeated cycle promotes a healthy community environment in which to address current needs and prepare for future generations. (Vita and Fleming 2001:26)

Thus capacity building is viewed as a 'systems capacity', recognizing that there is a hierarchy of needs that must be considered, each requiring its own strategic response (Weidner 2002; Pielemeier and Salinas-Goytia 1999; Paul 1995; Filmer et al. 2000; Maconick 1999). Capacity-building frameworks require skills development strategies to emphasize the creation of a supportive 'self sustaining high skills ecosystem' to build skills capacity in nations (Kuruvilla 2007). This tends to be an evolving process; different measures may be required at different stages of the intervention (Hawe et al. 1997).

Capacity building is an approach to development that responds to 'multi-dimensional' processes of change, not a set of discrete or pre-packaged interventions. It is 'development' through a long term investment in people and their organizations by commitment to the various processes which can better shape forces that affect their lives (Eade 1997). Capacity building is an approach that can take several years (Amodeo et al. 1995; Chavis 1995) and characteristically deals with:

community development that raises people's knowledge, awareness, and skills to use their own capacity and that from available support systems, to resolve the more underlying causes of maldevelopment; capacity building helps them better understand the decision making process; to communicate more effectively at different levels, and to take decisions eventually instilling in them a sense of confidence to manage their own destinies. (Schuftan 1996:261)

According to Franks (1999), individuals need to work in a supportive environment that compensates their efforts, which human resource development

activities cannot provide on their own. Enemark and Williamson (2004) consider capacity building:

broader than HRD since it includes an emphasis on the overall system, environment and context within which individuals, organizations and societies operate and interact. Even if the focus of concern is a specific capacity of an organization to perform a particular function, there must nevertheless always be a consideration of the overall policy environment and the coherence of specific actions with macro-level conditions. Capacity development does not, of course, imply that there is no capacity in existence; it also includes retaining and strengthening existing capacities of people and organizations to perform their tasks. (Enemark and Williamson 2004: 640)

The above review differentiates capacity building from HRD, with capacity building seen as a comprehensive methodology aiming to provide a sustainable outcome through assessing and addressing a whole range of relevant issues and their interrelationships. The area of unity between HRD and capacity building lies within the development concept at every level. Capacity building is dependent on and generated from HRD activities. The systematic and holistic approach is very much reflected through HRD and capacity building definitions but capacity building differs in terms of seeking a sustainable ecosystem including intangibles such as values, culture and interaction through partnerships at all levels ensuring sustainability in changing environments. The researcher, examining the differences between capacity building and HRD, proposes that issues revolving around nationalization issues such as the lack of coordination with entities, the emphasis of the HRD literature on the need for nationalization strategies to move towards a softer approach, and understanding the resistance of nationals and employers, suggests the necessity of integrating a capacity building approach within the proposed framework to address nationalization issues for developing countries.

2.7.1 Tangible versus Intangible

By reviewing the literature and comparing HRD and capacity building, it can be recognized that HRD activities and capacity building activities both aim towards development and performance but differ in the 'nature' of their activities. HRD activities are more tangible while capacity building is intangible. Whether the

intangible activities within capacity building can address nationalization issues from a ‘softer’ perspective is therefore an area for further exploration. As discussed earlier, nationalization strategies have used taxes and quotas that can have short term results while losing sight of the development aim towards national human resources. Such approaches therefore need to be replaced with a softer development approach, for example the lack of coordination among educational and training entities within the Middle Eastern context calls for partnerships within entities. Such intangible activities question whether the need to take a softer approach towards addressing nationalization can be executed through capacity building.

Table 2.8 below has been developed from the definitions of the two concepts to reveal the nature of both activities.

Table 2.8 Differentiation of HRD and Capacity building activities

Capacity Building Activities (Intangible)	HRD activities (Tangible) See Table 2.4
Technical, managerial and institutional knowledge and insight in relation to the socio-economic structure, cultural standards and values of the society concerned (Hamdy 1998)	Training Development Performance Management
Resolves causes of maldevelopment, Helps better understand the decision making process, enables decision making by instilling in people a sense of confidence to manage their own destinies (Schuftan 1996:261)	Career Development Investment utilization of human resources Retention
Interaction with overall systems at all levels -Includes an emphasis on the overall system, environment and context within which individuals, organizations and societies operate and interact . (Enemark and Williamson 2004: 640).	Education and Learning Development for international exposure
Attitudes, Values, Partnerships - Long-term changes in human behavior attitudes, values and relationships that support systemic or structural improvement within a permanent or sustainable state (Ibid:9). Moved towards a broader based social capital referring to norms and networks facilitating collective objectives for mutual benefit (Shaffer 2005)	
Sustainability- "A process by which individuals, groups, organizations and societies enhance their abilities to identify and meet development challenges on a sustainable basis" (Qualman and Bolger 1996: 1).	
‘System or ecosystem’ approach to capacity (Weidner 2002, Pielemeier and Salinas-Goytia 1999, Paul 1995, Filmer et al 2000, Maconick 1999, Kuruvilla (2007)	

Examining HRD and capacity building theories and definitions at the individual, organizational and national levels, a development concept can be formulated with the aim of dealing with national concerns in the area of developing national human resources. As an integrated form of development framework has now been formed at the end of this literature review, the researcher concludes by discussing the

questions arising from the literature review and presenting the framework for the research study.

2.8 Conclusion

The literature review discussed a human resource development (HRD) concept at a national level, namely nationalization. It indicated the importance of HRD to many developing countries by identifying the challenges in implementing nationalization policies. The HRD challenge is evident in the contexts examined, reflecting that human resource development needs to be planned and managed strategically to optimize and retain national human resources to strengthen economies. In addition to studying HRD as a development concept, the researcher has reviewed a concept beyond the HRD framework. This concept lies within capacity building as a development approach focusing on the softer side of development but crucial for developing capacities in the long term for economies. Both HRD at a national level and capacity building have limited previous research, and the scant literature available for review merits an examination to add knowledge to help close the existing research gap. The examination and exploration is initially taken by developing a framework to be studied within a developing country context.

The researcher studied nationalization strategies by firstly identifying the definition of nationalization. It becomes evident that nationalization is practiced in several developing countries using different labels, with the terms ‘nationalization’ and ‘indigenization’ used mostly in African contexts, ‘localization’ in Asian contexts. The use of the terms may vary but the definition is the same: involving citizens, projecting a national identity, protecting a nation’s economy and culture from the threat of foreign domination. Studying African, Asian, and Middle Eastern contexts reveals that nationalization is not only crucial for globalization, economic growth, market reform and competitiveness, but is critical as reliance on foreign labour can cause political, economic and social consequences. Despite the importance of nationalization to many countries, the researcher finds that western literature has given it scant attention, leading to calls for further exploration by authors such as Buckley and Brooke (1992), Miu and Kwak (2006), Wright et al. (1998), Rees (2007), Haily (1993) and Fryxel et al. (2004).

Acknowledging the importance of nationalization to developing countries and the limited literature in this area, reviewing the policies and strategies within countries is essential to question the challenges within nationalization strategies. The review of nationalization initiatives (Tables 2.1 and 2.2) reveals that the 'Human Resource Development' challenge is evident in all contexts. Although countries have worked on developing their national human resources by implementing various policies and strategies, nevertheless successful outcomes are limited. This raises questions as to the extent to which human resource development is embedded within nationalization.

The literature reflects that human resource development may be politically driven to liberate a country from foreign domination, requiring sacrifices in the standards and competencies required for competition in a global market. For example, since the 1960s Africa has been striving for economic liberation from colonial powers and has implemented various nationalization strategies. Yet, Africa faces the challenge of running business through its national human resources as nationalization strategies were a form of liberation during the 'triple transition' of democracy, economic liberalization and racial equity. A number of authors highlight the need for implementing and accelerating the development of human resources at a national level in Africa to maximize human resource capabilities to compete at an international level (Asmal 2001; Frank and Sear 1996; Mukhebi 2004; Webster and Omar 2003; Walt 1999).

Another challenge in implementing human resource development within nationalization is the lack of HRD practice within the culture of a particular society. HRD within a cultural framework needs to be considered in matters of expatriate replacement and retraining and developing nationals. For example, nationalization by localizing human resources has troubled China for more than a century. China realized the need to project national identity by resisting western models in organizations and responding to locals in an appropriate cultural framework. The shortage of national skills and an inability to retain capable staff remains a challenge as nationalization strategies have to move towards working within social and traditional values.

The challenge of implementing HRD towards developing national human resources persists even in economies that welcome foreign labour and investment.

For example, even though Malaysia has been independent since 1957, it welcomed foreign investment for economic advancement through a ‘twin process’ of economic diversification and nationalization between the *bumiputera* and *non-bumiputera* but the country still faces the challenge of projecting a national identity as it relies on foreign labour. Another example from the Middle East is the GCC countries that continue to rely on foreign labour owing to a lack of national labour force participation in private organizations that are crucial to support the move towards a diversified economy. Such reliance poses an economic, social and political threat to GCC economies.

The researcher summarized all nationalization issues within the African, Asian and Middle Eastern contexts, classifying the issues into the following areas of focus: strategic approach, education and learning, retention through career development, performance management, succession planning, culture, developing local talents for international assignments, investment and utilization of human resources that reflect human resource development components (Table 2.5, page 50). Such areas of focus manifest the need to address Human Resource Development in greater depth as it has become a national concern and priority for national wealth and to contribute to long-term economic growth.

Studying HRD in depth revealed that authors (Nadler 1989; McLagan 1989; Swanson 1995) have attempted to narrow the definition of Harbison and Myers who in early 1964 defined HRD at an economic, political and cultural level. HRD proved to be interdisciplinary in nature with different bodies of knowledge causing it to be holistic and to move beyond the organizational level, as explained by McLean (2001), Cunningham and Lynham (2006) and Gani and Cho (2004). Even though the existing HRD literature has grown at the national level and in the practical world, at the core of nationalization lies development, yet this remains under researched and has yet to establish itself. This calls for highlighting nationalization in the HRD literature as it is a human resource development practice at a national level. An attempt to integrate all HRD activities from early HRD definitions up to the present date with areas of focus of nationalization (Table 2.6, page 72) revealed that nationalization is an HRD practice at a national level but is an area that has scant existing literature and there is no pure model that addresses development at a national level.

Integrating HRD activities and nationalization issues reveals common themes (Table 2.6, page 72) of learning, development, education, career development, organizational culture, performance improvement, human capital development investments at an individual, organization and national levels. It is evident that these themes are necessary to build human capacity within societies for strategic integration within a global international economy. The themes derived from HRD activities within nationalization issues are used by the researcher to build the framework for conducting the study in the Middle Eastern context. Owing to the importance of HRD in optimizing national human resources to strengthen developing economies as reflected through the areas of focus analysed, the practice of nationalization within an HRD framework merits exploration. The researcher chose to examine the GCC countries within the Middle Eastern context owing to their unique characteristics.

Examining the GCC, it is noted that there are several ministries and authorities (Table 2.2, page 46) set up to implement nationalization strategies, yet the average number of non-nationals in GCC states is close to 70 per cent (Tables 2.3 and Table 2.4, page 50). The development initiatives by governments to raise nationals' competencies in the work place can be seen in the increasing development of schools, universities and training institutes, but private sector employers continue to prefer expatriate competencies. GCC nations are losing money in remittance outflows causing a high wage bill of more than 10 per cent of GDP in most countries. Expatriates are bringing new social and cultural challenges leading to economic, social and political threats. The challenge of nationalization is increasing in the GCC with the growing number of young nationals and women with advanced qualifications and salary expectations, leading unemployment to be recognized as one of the region's key domestic challenges and calls for 80–100 million jobs to be created in the GCC by 2020 (World Bank). Such reasons are interpreted within the framework presented by the researcher as national-level constraints causing low nationalization rates.

The literature review explains and justifies that the challenge in implementing nationalization strategies (Gulfization) is that nationals continue to prefer working in the public sector as a 'birth right' and 'social status' while private sector employers continue to prefer expatriates for greater control. Nationals resist working in the

private sector as they consider it unattractive compared to the high salaries, flexibility and traditionalist environment in the public sector. Private sector employees prefer to use 'ghost workers' (nonexistent national workers) and 'window dressing' (nationals in non strategic positions with no intention for development investment) to comply with enforced national quotes. The need to practise retention and development strategies through HRD is emphasized by Achoui (2007), Winckler (2006) and Jones (2008) as they point out that there is a lack of HRD professionals that causes HRD not to be practised by private sector employers. The literature review has identified some factors that cause the low national labour participation, but exploring the needs further from the perspectives of both a young nationals' population and demanding private sector is essential.

Understanding the needs of young qualified nationals and private sector employers merits exploration so that it can be embedded in nationalization strategies. In the framework developed by the researcher, the issues analysed are considered individual and organizational level constraints causing low nationalization. This requires understanding how nationalization strategies need to examine career development for a young population by qualifying private organizations to manage and retain local talents by creating a genuine effort to transfer skills, knowledge, attitudes and behaviours to nationals along with a career growth perspective. Both nationals and employers are the main players in successfully implementing nationalization strategies that cannot be achieved without both sides acknowledging the importance of career paths in the private sector for retention and development of national resources. Resistance from both sides needs to be studied to understand the change management processes to support the integration of nationalization strategies with the private sector, benefiting both the national and the employer.

The HRD activities when mapped with nationalization issues (Table 2.6, page 72) reflect that the derived themes have been dealt with through nationalization policies and strategies, raising a need for a broader concept to be integrated within the framework to face nationalization issues outside the specific framework of HRD. A set of needs beyond HRD activities were analysed, such as the lack of coordination between the education system in the GCC and the labour market needs. (Al-Lakmi 2000, Godwin 2006, Harry 2007, Robert 2009, Wes 2007, Al-Maskery 1992, Rowe 1992) indicate that there is a mismatch in the supply of labour and

labour market needs, which raises the issue of a development strategy with parties coordinating to build capable nationals through education and development while creating worthwhile jobs meeting the expectations of nationals and private sector employers. The growth of universities, training institutes and literacy rates in the GCC states reflects the efforts to support education and training, but from the analysis of definitions of HRD practice by Cunningham and Lynham (2006) it is clearly evident that HRD at a national level requires actions beyond the 'magic cure' of education and training. The rigorous quantitative strategies implemented through quotas, taxes and mandates to execute nationalization have been criticized as short-term interventionist approaches with low returns. Such approaches of quotas, mandates, taxation, and setting government authorities 'positive discrimination' targets for employment of local human resources are not unique to Middle Eastern practice, but are also evident in the African and Asian contexts. Therefore many researchers (Forstenlechner 2008; Rees 2007; Weir 2008; Harry 2007; Fasano 2003; Wilkins 2001; Suter 2005; Mashood and Veroheaven 2009) recommend longer-term qualitative strategies with softer approaches. The researcher has determined that the concept needed to address nationalization beyond HRD is 'capacity building' owing to its characteristics as identified through a review of its literature. Hence, the researcher attempts to explore both HRD and capacity building as a combined development tool to address nationalization issues.

The literature review differentiates HRD and capacity building as separate concepts, but the researcher indicates the unity of both concepts for their use as a development tool (Table 2.7, page 81). Running a search for 'capacity building' and 'HRD' through the John Rylands search engines and Google Scholar on 1st February 2011, most of the articles generated were related to capacity building in areas of health and water. Articles indicating the relationship of HRD with capacity building were very limited. The lack of literature provides no easy formula for building a framework or model to address nationalization issues. To add to the overall knowledge of capacity building, the researcher intends to focus on the role of HRD within capacity building by integrating HRD and capacity building through analysing capacity building definitions and theories.

Reviewing various definitions and theories, it is evident that there is no specific definition for capacity building. Reflecting the definition of 'capacities' with

HRD definitions indicates that the way human resources are utilized is central to capacity building and that the overall context within which organizations undertake their functions will be a key consideration in strategies for capacity building. Views by Harbison and Myers (1964), Nchinda (2002), Grisso et al. (1995), Rist (1995), Franks (1999) and Enemark and Williamson (2004) indicate the strong relationship and importance of underpinning HRD activities within capacity building.

The researcher chooses to define capacity building as a development concept to aid building a framework to address nationalization issues. Analysing HRD definitions alongside definitions of capacity building, the researcher notes areas that unite HRD and capacity building. Apart from being broad and systematic development approaches, two areas unite HRD and capacity building definitions: 'performance' and 'development' at the individual, organizational and national levels (Table 2.7, page 81). Performance and development indicate a development concept essential to nationalization strategies to improve skills and abilities that can strengthen economic performance in the long term. Owing to the development concept embedded in capacity building, analysing the role of capacity building in addressing nationalization issues merits closer study.

The researcher finds factors that differentiate capacity building and HRD (Table 2.8, page 88), yet strongly holds the view that both concepts unite as a development strategy at a national level and differ only in terms of the approach to development in tangible and intangible terms. Some writers such as Williamson and Enemark (2004) point out that HRD exists only at the individual and organizational levels of capacity building, but comparing this view with the broad national definition of HRD, it is evident that both HRD and capacity building unite at all levels. Capacity building differs in terms of a sustainable ecosystem including intangibles such as values, culture, and interaction through partnerships at all levels, ensuring sustainability in changing environments. The researcher, examining the differences between capacity building and HRD, relates that nationalization issues such as the lack of coordination with entities, the emphasis of the HRD literature on the need for nationalization strategies to move towards a softer approach, and understanding the resistance of nationals and employers towards nationalizations, leads to the identification of the necessity of integrating a capacity building approach within the proposed framework to address the 'intangible' or 'softer' nationalization

issues for developing countries. Consideration of the intangible activities within capacity building raise as an area for exploration whether this can address nationalization issues according to a 'softer' approach. The intangible activities question whether the need to take a softer approach towards addressing nationalization can be executed through capacity building.

As the chapter built on the review of the literature to integrate concepts of HRD and capacity building within a development framework, further examination of the findings through an integrated framework to address nationalization issues and build capacities from within economies requires investigation through fieldwork and research. The framework developed (Figure 2.1, page 99) for the field research is a summary of the theories revolving around HRD and capacity building to address nationalization issues in GCC nations.

The framework aims to reduce criticisms that HRD has poor connection between research and practice (Short et al. 2009). Swanson (2001) regards HRD practice as distant from what is known from sound theory. Jacobs (1999) claims that few advances in HRD practice have been grounded in research. The researcher aims to reduce the gap between theory and practice by exploring HRD theories in practice through adapting HRD activities in nationalization strategies through the proposed development framework. The framework built will adapt theoretical concepts by taking a holistic approach, recognizing partnerships among various parties and balancing social needs with long term, sustainable improvements in capacity.

The researcher's framework may be questioned in terms of measuring the effectiveness of applying the concept of HRD to capacity building. It is important to note that the concept researched is a mix of tangible and intangible activities. The extent of nationalization satisfaction from the employee and employer sides can be quantified after a period of time through improvement in 'unemployment rates' or 'national retention rates' in private organizations. Kuruvilla (2007) mentions it is possible to assess the effectiveness of skills development policies and institutions through economic growth and foreign direct investment as these were the key variables driving skills reform in Singapore, which is considered a nation that has the capacity to reach a new level of high skills equilibrium. Kuruvilla (2007) insists that skills development is functioning well if there are no skills shortages or high levels of unemployment. Laverne and Saxby (2001:9) add that:

Capacity in human affairs is not a fixed, measurable quantity but rather potential to act effectively. For many people the real test of capacity will be end results in improved performance ... Capacity development is therefore both a mean and an end and assessing success requires a balanced approach between these two views.

Owing to the tendency of capacity building to be an evolving process, different measures may be required at different stages of the intervention (Hawe et al. 1997). Crisp et al. (2000) propose that the most effective means of building capacity is for organizations to become committed to continuous learning and improvement.

The framework indicates that there are issues effecting nationalization percentages in the private sector. In examining nationalization, the researcher has grouped issues into individual, organizational, and national level as there is a need for “a systematic recognition of the importance of thinking about individuals, organizations, programs, policies, etc. as part of a broader whole rather than as a discrete or loosely connected concerns” (Bolger 2000:3). The individual level issues relate to nationals’ resistance to join the private sector, considering it challenging with a lack of career development, lower social status, low pay, and with lack of flexibility in working hours and recognition of cultural observances. At the organization level, resistance lies in issues of viewing nationals as under skilled, unmotivated, less productive with weak communication skills, higher salary demands and unable to be dismissed or employed easily. At the national level, nationalization is challenged by the increased participation of women, lack of coordination between education and market labour needs, non utilization of a training levy for nationals and because the population comprises young nationals with little experience of booming diversified economies.

Mapping the issues among the three levels into a development concept, the researcher finds an integration of the nationalization issues with the derived HRD activities that have been analysed through definitions and theories at individual, organization and nation levels. The HRD activities can address nationalization issues owing to the common themes of learning and development, education, career development, development culture, performance improvement and human capital development at all levels through training and development, strategic approach, investments in development, career development, retention strategies, performance management, development culture, and development for international challenges.

Outside the framework of HRD when implemented lie the issues of resistance and lack of coordination that cannot be addressed through HRD activities. An intangible approach needs to circulate HRD activities to address softer issues within all levels through capacity building. This causes HRD to work within a sustainable ecosystem that recognizes attitudes, values, norms, culture, interaction, empowerment and partnerships provided through capacity building. Both capacity building and HRD embed performance and development within the context of addressing the issues through the cycle as reflected through the arrows presented in Figure 2.1, page 99.

The framework developed from the literature review findings will engage individuals, organizations, and nations in the process of building capacity from within their economies, gradually causing an increase in nationalization in the private sector. Having reviewed the literature in the research study areas forming a research framework, the next chapter explains the methodology of applying the researcher developed framework in a developing context.

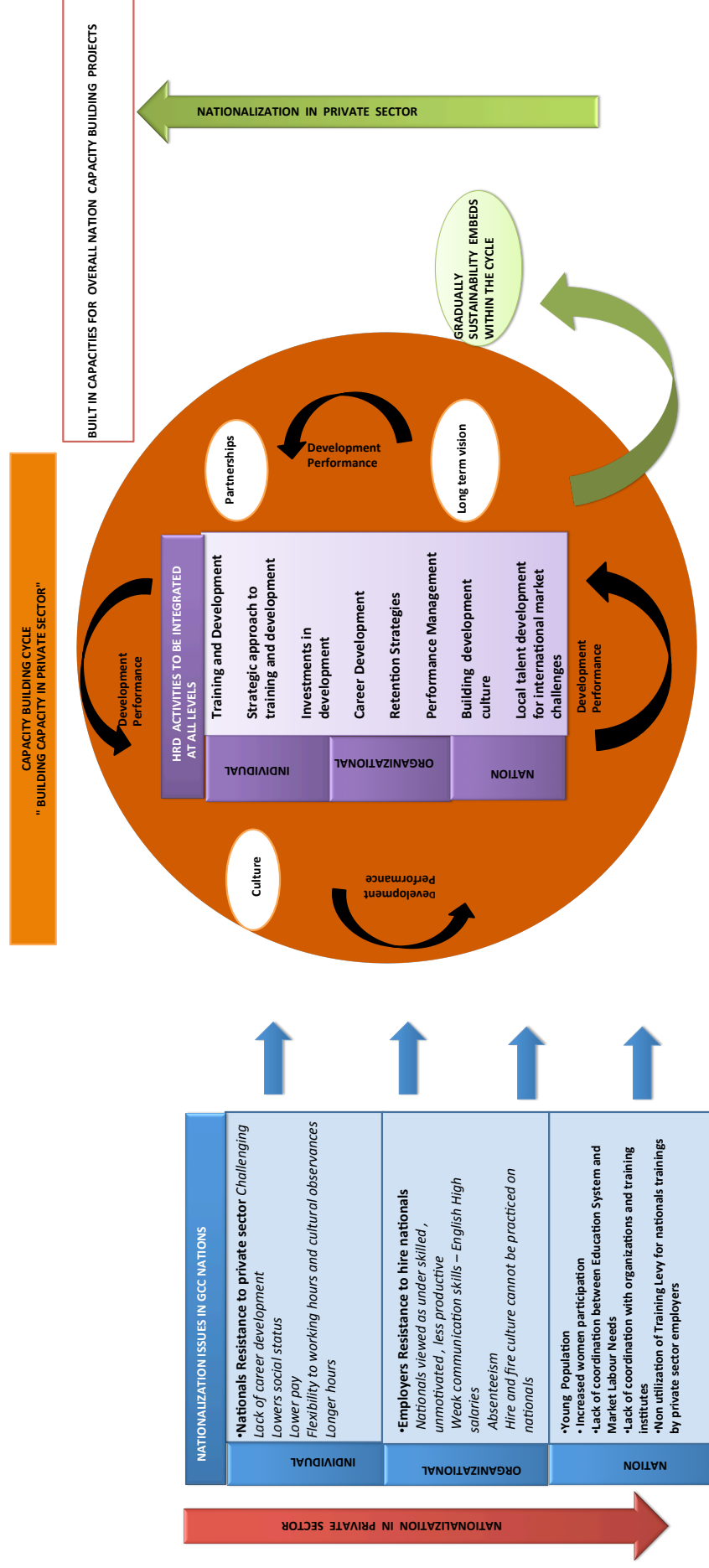


Diagram 1 : Nationalization Framework within a development framework

Figure 2.1 Nationalization framework within a development framework

Chapter 3

RESEARCH METHODOLOGY

This chapter provides a brief description of research methodologies and research philosophies in general. It explains the methodology used to conduct the current research in addition to the epistemological and ontological philosophical standing respectively for the research method used. A description of the context of study in which the research shall take place is introduced.

3.1 Introduction

Examining nationalization strategies in the African, Asian and Middle Eastern contexts revealed the commonality in implementing policies and strategies within all contexts. The strategies implemented were common in terms of education, training, quotas and labour levy to develop local human talent reflecting positive discrimination towards nationals. The levy based labour reform strategy is favored in developing countries (Cassen and Mavrotas 1997; Edwards 1997) as it can enhance the competitiveness of firms (Middleton et al. 1993). The levy system can be used to restructure the economy by restructuring skills (Ziderman 2001), motivating employers to take a serious approach to career and performance management (Cassen and Mavrotas 1997; Edwards 1997) and creating an incentive for firms to invest more in the skills and competencies of their staff (Ziderman 2001). Reforming labour market through training has become the most popular ‘prescription’ for curing organizational pathologies in many developing countries and the most preferred option to solve organizational weaknesses (Analoui 1996, 1993; Kiggundu 1994; Kerrigan and Lake 1987, in Analoui 2008). According to Porter (1990:628), “Education and training constitute perhaps the single greatest long term leverage point available to all levels of government in upgrading industry.” But training is only one factor in successful development (Reichard 1998; Kowu 2001, in Analoui 2008): “Despite an increasing effort on the part of empirical researchers there remain enormous gaps in the knowledge of the magnitude of any links between skills

formation and economic performance” (Ashton and Green 1996:2, in Wilson 2005). There is a “paucity of hard, detailed evidence of direct causal links” (Keep and Mathew 1998:198, in Mathews 2001) between training and successful development. The literature review revealed that the use of quotas, taxes, mandates, training and education alone was not able to resolve nationalization challenges and issues completely. No matter how well educated or trained individuals may be, that is of no value if they remain unemployed or unproductive in a job offering limited incentives or career development prospects. There is a need for a holistic or systematic view of development representing “a systematic recognition of the importance of thinking about individuals, organizations, programs, policies, etc. as part of a broader whole rather than as a discrete or loosely connected concerns” (Bolger 2000:3). Having identified the commonality of nationalization challenges, the researcher developed a framework (Figure 2.1, page 99) derived from nationalization issues and integrating the HRD and capacity building concepts within it to form a tool to explore and investigate as discussed in Chapter Two. To investigate the development framework for capacity building within HRD in developing countries, the researcher generated a set of research questions against which to conduct the study.

3.2 Research Questions

To examine the framework derived from the identified research gaps and nationalization focus identified in Chapter Two, the researcher generated a set of research questions to conduct the study in a Middle Eastern context. According to Baker (2000:373), research questions are “The vehicle through which a research problem is made researchable. The question gives research focus and direction, delimits boundaries, makes research project manageable and anticipates a successful outcome.” The research questions for the study are:

- **What are the challenges within nationalization strategies in developing contexts?**
- **To what extent is the concept of human resource development embedded in nationalization programs?**

- **How can nationals be retained and managed through career planning in nationalization strategies?**
- **What are the change management processes to support integration of nationalization against resistance?**
- **How can HRD and capacity building be integrated within a development framework for building capacity in an economy?**

Table 3.1 Research objectives relative to research questions

Research Objective	Research Question
I. To examine the practice of nationalization within an HRD framework in developing economies	<ul style="list-style-type: none"> • What are the challenges within nationalization strategies in developing contexts? • To what extent is the concept of human resource development embedded in nationalization programs?
II. To examine career development in organizations for managing and retaining local talents within nationalization initiatives	<ul style="list-style-type: none"> • How can nationals be retained and managed through career planning in nationalization strategies?
III. To understand the change management process towards resistance of nationals and private sector employers in integrating nationalization programs in organizations	<ul style="list-style-type: none"> • What are the change management processes to support integration of nationalization against resistance?
IV. To explore HRD and capacity building as a development concept to build national human resources within developing economies	<ul style="list-style-type: none"> • How HRD and capacity building be integrated within a development framework for building capacity in an economy?

Apart from meeting the research objectives, the research questions generated led to establishing the focus of the study, that is *to study nationalization strategies within an HRD framework to build capacities within developing economies*. Having identified the research focus through questions generated from the literature review, research strategies, philosophies and methods in general require a closer

study to select the most appropriate research method and philosophy for the questions generated.

3.3 General Research Strategies and Paradigms

The generated research questions require a philosophical approach through a research strategy to approach research paradigms and questions. Research strategies are required to answer the questions and generate knowledge (Baker 2000). There are four research strategies: inductive, deductive, retroductive and abductive that have been derived from the work of many writers and practitioners to identify approaches to social research (Blaikie 2009). The inductive approach establishes universal generalizations to be used with patterns of explanations and accumulated observations, produces generalizations and uses the laws to explain further observations (Blaikie 2000; Baker 2000). The deductive approach tests theories to eliminate false ones and support valid ones. It identifies regularity, constructs theory, deduces hypotheses and ends by testing the hypotheses by matching them with data (Baker 2000). The retroductive approach discovers underlying mechanisms to explain observed regularities (Easton 2010). It documents and models regularity, constructs a hypothetical model of a mechanism and finds the mechanism by observation or experiment (Baker 2000; Sayer 1992). The abductive approach describes and understands social life in terms of social actors motives and understanding by discovering everyday concepts, meanings and motives, producing a technical account from lay accounts and developing a theory and testing it iteratively (Baker 2000).

To understand the social world within research study, broad philosophical and theoretical traditions are needed which are considered ‘research paradigms’ or ‘approaches to social enquiry’ (Baker 2000). Research paradigms for an inquiry have three main elements: ontology, epistemology and methodology (Dalmiya and Alcott 1993, in Goodson and Phillimore 2004). The inquiry paradigm is the “basic belief system or worldview that guides the investigator” (Guba and Lincoln 1994:105). Ontology reflects ‘reality’ and raises questions about the nature of reality referring to the claims or assumptions that a particular approach to social inquiry makes about the nature of social reality (Denzin and Lincoln 1998). Epistemology is the theory of knowledge, where claims and assumptions are made regarding the nature of

knowledge that lie ‘between reality and the researcher’ (Longino 1990; Dalmiya and Alcoff 1993). Methodology is the ‘techniques’ of how knowledge is collected about the world (Phillimore and Goodson 2004). Guba and Lincoln (1994) state that inquiry paradigms can be answered by three fundamental and interconnected questions. In summary:

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?” (Guba and Lincoln 1989:201)

Philosophical approaches have been developed extensively over centuries. Such philosophies include ethnography, which aims to learn and understand cultural phenomena reflecting the knowledge and system of meanings guiding the life of a cultural group (Philipsen 2009). Grounded theory philosophy discovers theory through analysis of data (Strauss 1993, in Spiggle 1994). Phenomenology seeks to understand the experiences of individual life worlds: “The researcher ‘brackets’ sets to one side his or her own preconceptions about the phenomena being studied” (Husserl 1931, in Cassell and Syman 2006). It involves recognizing and explicitly stating preconceptions in the analysis (Hycner 1985; Kvale 1983, in Cassell and Syman 2006).

Some of the ontological philosophies that answer the nature of social reality are realist, conceptual realist, cautious realist, depth realist, idealist, and subtle realism. Realism is dependent on a belief that structures, mechanisms, and processes are independent of the events they generate (Devitt 2006, in Greenough and Patrick 2006). It is “The basic principle of realist philosophy of science ... that perceptions give us access to things and experimental activity access to structures that exist independently of us” (Bhaskar 1978:9). Empirical realism “fails to recognize that there are enduring structures and generative mechanism underlying and producing observable phenomena and events and is therefore superficial” (Bhaskar 1989:2). Critical realism holds that “we will only be able to understand and so change the social world if we identify the structures at work that generate house events and discourses... these structure are not spontaneously apparent in the observable pattern of event: they can only be identified through the practical and theoretical work of the

social science” (Bhaskar 1989:2). Conceptual realism argues that reality can be known only by the use of human capacity of thought and reason (Bhaskar 1986). Cautious realism acknowledges an independent external reality but claims it is impossible for humans to perceive it owing to imperfections of the human senses, the interpretive process of observation forming ‘uncovered realism’ (Guba 1990:20). Depth realism sees reality as consisting of three levels or domains: the empirical, the actual, and the real (Bhaskar 1978). The empirical domain is experienced through the use of senses, the actual domain includes events whether or not anyone observes them, and the real domain consists of processes that generate events. The idealist claims there are fundamental differences between natural and social phenomena and that human unlike things in nature have culture, live in a world of their shared interpretations and construct activities of creative subjects that constitute the world of objects (Musgrave 1999; Baker 2000). Subtle realism relies on cultural assumptions to reproduce social phenomena; it is “Distinct in its rejection of the notion that knowledge must be defined as beliefs whose validity is known with certainty” (Hammersley 1992:52). Some of the epistemological philosophies are rationalism, objectivism, constructionist, empiricism, neo-realism, and conventionalism. Such epistemological philosophies provide “a philosophical grounding for establishing what kinds of knowledge are possible what can be known and criteria for deciding how knowledge can be judged as being both adequate and legitimate” (Crotty 1998:8, in Blaike 2007). Rationalism is based on instinctive human capacity to apply universally valid rational principles conforming to deductive standards of proof while falsification rejects theories that do not match reality (Baker 2000; Musgrave 1999; Popper 1994, in Notturmo 1998). In objectivism, objects have intrinsic meaning and the researcher’s role is to discover the meaning that exists in them (Rotry 1991; Karl 1972, in Ratner 2002). Subjectivism has no interplay between the observer and the subject causing quite different meanings to different observers (Salmon 1990; Baker 2000). Constructivism “Is constrained by the nature of the things themselves their meaning is the result of the observer engagement with them and we need to add the understandings of it that already exist” (Crotty 1998:8-9). Empiricism claims that knowledge is produced by the use of human senses and that knowledge comes from observing the external world objectively to represent it in scientific concepts and theories (Baker 2000; Williams and May 1996). In neo-realism “a scientific theory is

a description of structures and mechanisms which causally generate the observable phenomena, a description which enables us to explain them” (Keat and Urry 1975:5, in Snyman 1997). Constructionism philosophy claims that knowledge is neither discovered from an external reality not produced by reason independently but is the product of the activity of human beings in their everyday lives which cannot be innate, because different cultures or communities are likely to have different constructions of social reality (Baker 2000; Gillett 1998; Slezak 2000; Joe 2005). Conventionalism regards scientific theories created by scientists as convenient tools to deal with the world which are justified if such tools produce the desired results (Baker 2000).

Having identified some of research philosophy paradigms, it is crucial to select the appropriate research method to conduct the study.

3.4 Research Method

Research can be approached through a quantitative, qualitative or mixed methods approach. Quantitative methodologies describe the general characteristics of a population and ignore the details of each particular element studied (Hyde 2000). Quantitative methods provide systematic empirical investigation of social phenomena through statistical, mathematical or computational techniques (Given 2008). Quantitative methods are supported by a positivist or scientific paradigm regarding a world made up of observable and measurable facts (Bernard 2000). Quantitative methods include scientific methods, opinion surveys and statistics. The modern approach to quantitative reasoning is the positivist approach (Mangan et al. 2004).

Qualitative methodologies strive to reach a general profile regarding the study population by providing particulars of individual cases allowing the researcher to study issues in depth, producing a wealth of detailed data on a small number of individuals (Patton 2002). Qualitative methods can be approached through ethnographic inquiry, critical social research, ethical inquiry, grounded theory, and phenomenology. But qualitative methods are supported mostly by interpretivists who view reality as socially constructed and complex (Bernard 2000).

Qualitative methods include ethnography, field methods, qualitative inquiry, participant observation, case study, naturalistic methods, responsive evaluation, non-participant observation, field notes, reflexive journals, structured interview, semi-structured interview, unstructured interview, and analysis of documents and materials (Smith 1992; Marshall 1998).

The differences between qualitative and quantitative methods are more than just differences between research strategies and data collection procedures; rather, these approaches represent fundamentally different epistemological frameworks for conceptualizing the nature of knowing, social reality, and procedures for comprehending these phenomena (Smith 1983). The latest contemporary research approaches identified for qualitative research by Guba and Lincoln (2005) are positivism, post positivism, critical theories and constructivism.

Mixed methods combine both qualitative and quantitative methods. Linking qualitative and quantitative techniques elaborates analysis and initiates new lines of thinking (Rossman and Wilson 1991). Qualitative and quantitative methods have been used for many years in empirical research, which has led to accepted research results (Flick 2009; Maykut and Morehouse 1994). Creswell et al. (2003) argue that mixed-methods research conveys a sense of the rigour of the research and provides guidance to others about what researchers intend to do or have done. In the view of Das (1983):

Qualitative and quantitative methodologies are not antithetic or divergent, rather they focus on the different dimensions of the same phenomenon. Sometimes, these dimensions may appear to be confluent: but even in these instances, where they apparently diverge, the underlying unity may become visible on deeper penetration.

Teddlie and Tashakkori (2003:3) point to unresolved issues in mixed methods: “the mixed methods field is just entering its ‘adolescence’ and that there are many unresolved issues to address before a more matured mixed methods research area can emerge”. Further:

Debates about quantitative and qualitative methodologies tend to be cast as a contest between innovative, socially responsible methods versus obstinately conservative and narrow-minded methods (an opinion of advocates of qualitative approaches) or precise sophisticated techniques versus mere common sense (an opinion of supporters of quantitative approaches. (Stewart and Shields 2001:307)

Having examined some research philosophies and methods, how the above analysis can be mapped to the research questions of the study is indicated below. Both qualitative and quantitative methods are used to answer the questions of the research study, reflecting the indicators identified. Selecting the research method helps the researcher to select the philosophical strategy of the study and predict indicators to answer the research questions. There is a difficulty in selecting the most appropriate strategy among the various philosophies, hence the researcher attempts to select the method and justify the philosophical stance at this point. This is explained in greater depth in section 3.5.

Table 3.2 Research Questions relative to research method

Research Question	Research Method	Respondent Group	Indicator
What are the challenges within nationalization strategies in developing contexts?	a. Qualitative – Semi Structured Interviews b. Quantitative – Questionnaires	a. Senior Management from Ministries and Private Sector Organizations b. Below management employee level	-Nationalization % -Assessing the barriers towards nationalization
To what extent is the concept of human resource development embedded in nationalization programs?	a. Qualitative – Semi Structured Interviews b. Quantitative – Questionnaires	a. Senior Management from Ministries and Private Sector Organizations b. Below management employee level	-Nationalization % in private sector - Utilization of training and development allocations by government - National employees in private sector placed within career plans
How can nationals be retained and managed through career planning in nationalization strategies?	a. Qualitative – Semi Structured Interviews b. Quantitative – Questionnaires	a. Senior Management from Ministries and Private Sector Organizations b. Below management employee level	-Percentage of nationals retained through HRD retention strategies - Extent of HRD activities practiced in private sector
What are the change management processes to support integration of nationalization against resistance?	a. Qualitative – Semi Structured Interviews	a. Senior Management from Ministries and Private Sector Organizations	-Commitment to Partnership strategic plans between private organizations and government HRD plans
How HRD and capacity building be integrated within a development framework for building capacity in an economy?	a. Qualitative – Semi Structured Interviews	a. Senior Management from Ministries and Private Sector Organizations	-Nationalization% -Retention of nationals % - HRD government national plans

3.5 Research Philosophical paradigm and Research Method for current study

The philosophies discussed by Baker (2000), Blaikie (2000), Lincoln and Guba (2000), and Bryman and Bell (2007) have been reviewed by the researcher to capture the right paradigm. However, detecting the philosophy pertaining most closely to the

research questions and focus from among the various philosophical standpoints was a challenge.

The aim of the research is to study the role of nationalization programs within an HRD framework to build capacity from national human resources. This requires both qualitative and quantitative data to enable answering the research questions as indicated in Table 3.1, page 103. Questionnaires will be used as the quantitative method while semi structured interviews are the qualitative method. Hence, the researcher shall be using a 'mixed method approach' (Tashakkori and Teddlie 2003). Guba and Lincoln (1994:105) consider that "both qualitative and quantitative methods may be used appropriately with any research paradigm". The researcher will use qualitative and quantitative methods to conduct the research as "It is likely that quantitative methods and qualitative methods will eventually answer questions that do not easily come together to provide a single, well-integrated picture of the situation" (Patton, 1990:464). The integration of qualitative and quantitative methods is widely discussed, ranging from rather abstract and general methodological considerations to practical guidelines for mixing methods and models in one research design (Bryman 1988, Brannen 1992, Cresswell 1994, Tashakkori and Teddlie 1998). In these discussions authors have stated that qualitative and quantitative methods are not exclusively tied to a specific epistemological standpoint and that the epistemological positions often connect to different methodological traditions (Bryman 1988; Brannen 1992; Cresswell 1994; Tashakkori and Teddlie 1998).

The researcher agrees with the philosophical position of Bryman and Bell (2007) as it clearly states and analyses the epistemology and ontology position with respect to quantitative and qualitative methods. This reduces the difficulty in selecting the research paradigm among the various philosophical views described in Section 3.3. Applying the explained inquiry paradigm to answer the research questions formulated in the earlier section provides a guide to justifying our epistemological and ontological position for the 'mixed method approach'.

The quantitative data collection was conducted by distributing questionnaires to private organizations in the Kingdom of Bahrain with the aim of obtaining a minimum 300 completed questionnaires from private sector organizations. Questionnaires were distributed to seven private organizations in Bahrain and the researcher was able to get 476 respondents. Questionnaires are a good way of

collecting certain types of information quickly and relatively cheaply (Oppenheim 1992; Gill and John 1997). They are a flexible means to collect data as they can meet the objectives of any type of research project, measuring people's opinions, attitudes, motives, and frequency of past behaviour or predicting future behaviour (McNab 2008). The researcher decided to distribute questionnaires among employees below management level only, ensuring consistency for valid data collection. Questions are designed around areas that cause resistance in private organizations. The factors that are embedded in the questionnaire are derived from HRD activities and factors of GCC nationals' resistance to the private sector. The factors embedded are :

- Career development
- Retention strategy
- Training and development opportunities
- Organizational culture
- Flexibility towards adapting to private sector work policies
- Acceptance of expatriate management
- Satisfaction of nationals with compensation and benefits

(A copy of the questionnaire distributed is included in the Appendix)

The data collected from questionnaires were analysed using the Statistical Package for the Social Sciences programme (SPSS) to analyse data in a reliable and valid manner. In addition, questionnaires were distributed and collected by the researcher herself ensuring data is completed by employees themselves. Obtaining statistical data through questionnaires as a quantitative method to answer the research questions reflects a deductive research strategy which aims to test theories to eliminate false ones and corroborate the survivor by borrowing or constructing a theory, expressing it as an argument and deducing hypotheses (Blaikie 1993). When the researcher adopts a deductive research strategy then the logic of research is a positivist epistemological position and objectivist ontological positioning (Bryman and Bell 2007). The researcher justifies this paradigm selection as she requires objective data for testing theories and concepts in the field. By having an objectivist

ontological position the researcher is able to segregate human subjectivity from hard facts of reality and assumes that 'science' produces successive theories that progress to the correct description of reality which involves genuine empirical knowledge whose results can be tested against 'objective' data independent of the human mind and external to the knower (Johnson 2007). Objectivism asserts that social phenomena and their meanings have an existence that is independent of social factors while constructivism implies that social phenomena and their meanings are not only produced through social interaction but are in a constant state of revision (Creswell 1994). By taking a positivist epistemological position the researcher is being objective in viewing reality, and the ontological positioning of reality is real and apprehensible (Guba and Lincoln 1994). In positivists' view the scientific conceptualization of reality actually directly reflects that reality (Bryman and Bell 2007). Positivism emphasizes objective knowledge without personal involvement or interest of the researcher: "The external world itself determines absolutely the one and only correct view that can be taken of it, independent of the process or circumstances of viewing" (Kirk and Miller 1986: 14). On the one hand, Silverman (1970) considers positivism as inherently flawed and ideologically unsound. On the other hand, Donaldson (1996) describes the positivist approach as determinist, generalizing and explaining organizations according to material factors. Silverman (1970) and Clegg and Dunkerley (1980) tended to reject the use of quantitative methods as they relied heavily on philosophical and theoretical arguments of a sociological type. Donaldson (1996) points out that although many scholars reject positivist theory, they make use of quantitative and empirical data to prove their points.

The researcher believes that the area of research requires her to go beyond objective data to include interpreting human action within the research context, and therefore chooses to also use interviews. Five to eight managerial level interviews were conducted in each of the seven private organizations where questionnaires were distributed, totaling 38 interviewees. The interviews were conducted with managerial level employees, and together with the questionnaire analyses from employees in private sector the aim was to capture both the employee and employer side. In addition, a total of 28 interviews were conducted with government officials in managerial positions only. Hence, the researcher ensured that the field study is

conducted at all levels of the developed research framework – employee, organizational and government levels – that map with the individual, organizational and national levels of the developed framework.

Interviews may be highly formalized and structured, using standardized questions for each respondent, or they may be in the form of unstructured or semi structured conversations (Healey and Rawlinson 1993; Jankowicz 1995, in Ardley 2005; Cooper and Schindler 1998). Interviews provide an opportunity to probe deeply to analyse information through interaction, producing valuable data (Babbie 2008; Gill and Johnson 1997). Through interviews the attitudinal level of respondents can be investigated and the researcher can target the respondents' perceptions and feelings (Crouch and McKenzie 2006; Stokes and Bergin 2006, in Kaar 2009). Semi-structured interviews will be used to conduct the study as they allow direct interaction between the researcher and a respondent or group (Patton 1991; Oppenheim 1992) by supporting a list of themes with a list of questions all aimed at identifying issues within a topic predetermined by the questioner; that is, using direction-preset questions (Robson 1993, in James 2006). The semi-structured questions were structured around the following themes:

- Human resource development practice
- Strategic human resource development through partnerships
- Building capacities through nationalization
- Human Capital Development Investments
- Development of nationals for globalization and international standards
- Barriers to nationalization implementation.

To ensure validity of data collected, the semi-structured interviews were recorded on tape with the consent of the interviewee. The data collected through interviews, as a qualitative method to answer the research questions, reflects an inductive strategy aiming to establish universal generalizations to be used as pattern explanations by accumulating observations and producing generalizations (Blaikie 1993). When the researcher uses an inductive strategy, then the logic of the research takes an interpretivist epistemological position and constructivist ontological positioning (Bryman and Bell 2007). By taking the constructivist ontological

paradigm, the researcher believes that individuals do not exist in isolation but develop a shared meaning by being with others (Ernest 1993). Individuals are able to develop some understanding of others' realities (Sless 1986, in Davis 1993). A constructivist ontological paradigm looks at local and constructed realities by having a 'passionate participant' within the world investigated (Guba and Lincoln 1994). Interpretivism respects the differences between people and the objects of the natural sciences and therefore requires the social scientist to grasp the subjective meaning of social action (Bryman and Bell 2007). By taking an interpretivist epistemological position the researcher does not depend on a general approach but draws upon the notions of accuracy of description to establish validity, employing a "thick description" of the research (Geertz 1973; Lin 1998). Interpretivism regards all human action as meaningful and hence "has to be interpreted and understood within the context of social practices" (Usher 1996:18, in Donoghue 2007). According to Rapoport (1970, in Masters 1995), the interpretivist acknowledges bias and subjectivity in the collection of information, data and knowledge and works within a mutually acceptable ethical framework. Guba and Lincoln (1989) consider credibility in interpretivists as the degree of correspondence between the realities of the research domain and participants includes the relation of the researcher to people's intentions and realities.

Combining constructivism and objectivism ontological paradigm is described by Jonassen (1991:8) as "polar extremes on a continuum from externally mediated reality (objectivism) to internally mediated reality (constructivism)." Cunningham et al. (1992) argue that constructivism is completely incompatible with objectivism and cannot be mixed or integrated owing to the underlying philosophical assumptions. Tehrat (2003:31, in Cronje 2006) states that even though these opposing "world-views are distinctly different, they have one important characteristic in common: they can be formulated and advocated with different degrees of radicalness." However, Mayer (2001) and Wittrock (1989, in Cronje 2006) were able to indicate the possibility of moving towards the middle of the continuum in learning by using elements from both sides. Using interpretivism and positivist epistemological approaches at the same time can be criticized as opposite approaches with irreconcilable differences (Lee 1991). According to Morey and Luthans (1984:29, in Parkhe 1993) the 'widening gap between two major

orientations' have called for a rapprochement between the two approaches. Lee (1991) provides a demonstration of the feasibility of integrating the two approaches which provides a "mutually supportive collaboration" to research paradigms. King et al. (1994:40) point out that interpretivist work can "help us ask the right questions and even given us additional confidence in our conclusions. But only with the methods of scientific inference will we be able evaluate the hypothesis and see whether it is correct." Hence the combination of positivist and interpretivist approaches for the current study provides the "what" and "how" to the research questions, which neither can provide alone.

3.6 Context of Research

The researcher focused on conducting the study within a Middle Eastern context owing to its unique characteristics as discussed in Chapter Two. The researcher examined GCC nations, but it is not within the scope of the researcher to conduct research in all GCC nations owing to the difficulty in conducting a research in six countries. The Kingdom of Bahrain is selected for conducting the research study for the reasons explained in Chapter One (Section 1.3). By exploring nationalization issues in a developing country like Bahrain, the researcher aims to develop an HRD framework within nationalization issues to build capacity for developing countries not only within the Middle East, but owing to the similarity of challenges and market reforms in other developing countries, the framework can be adapted in other regions. Having discussed the development framework to be investigated in the research, the research method and philosophy, a description of the context is next provided below.

3.6.1 Organizational context of field study

The researcher conducted the research in seven private organizations and four government entities upon receiving a formal letter from the University of Manchester indicating the mode and objective of the research study. The field study was conducted during two periods between October 2012 and March 2013 and March 2014 to May 2014. The researcher aimed to select organizations with a range of Bahrainization percentages from high to low, but it was difficult to access private sector organizations with lower extents of Bahrainization, hence the research study

was conducted in organizations that were meeting Bahrainization percentages according to their sector. The researcher aimed for three organizations with the percentages outlined below:

Table 3.3 Organizations targeted before research study

Private Sector Organization	Nationalization percentage
Organization A	70-100%
Organization B	50-60%
Organization C	Below 50 %

However, the desired organizations were difficult to access, hence the researcher conducted the study in organizations that met Bahrainization percentages. The percentages appear low but the organizations were considered to be Bahrainized owing to the sector each organization belongs to:

Table 3.4 Organizations accessed during research study

Private Sector Organization	Bahrainization
Gulf Petrochemical Industrial Company	90%
Gulf Hotel	31%
Arabian Pearl Gulf school	45%
Movenpick Hotel	27%
Jawad Group	50%
Kanoo Group	63%
Dnata Travel	20%

Interviews were conducted with managerial government officials in the government entities listed below:

- Ministry of Labour
- Tamkeen
- Labour Market Regulatory Authority

- Quality Assurance Authority.

3.6.2 Country Context

Bahrain was the first GCC country to have a comprehensive debate about labour market reforms in the 2000s (Hertog 2014). Bahrain is one of the countries that started its nationalization programme in the early 1980s and started its official aims of Labour Reform in 2007 (Hertog 2014), yet the government faces challenges and gaps in successfully implementing nationalization. As a result of Bahrain's efforts, the 1998 United Nations Development Programme (UNDP) identified Bahrain as first in the Arab region for developing human resources. Reflecting nationalization strategies specifically in Bahrain, it can be realized that nationalization efforts are exerted by several governmental parties.

Firstly, the Ministry of Labour, whose vision is *“Enhancing the National Human Resources in a sustained organized Labour Market”*, participates in organizing the Bahraini labour market through creation and development of legislation, laws and regulations to cope with the continuous changes in the labour market and to achieve an active participation of the national workforce in all economic sectors. It also develops national workforce development strategies which can accomplish a successful investment of human resources in the Kingdom of Bahrain *“to build an outstandingly vibrant society and achieve a remarkably successful economy.”* The Ministry of Labour supports projects to reform the labour market to limit the problem of unemployment and make Bahrainis the favourite choice of employers in the private sector by training them to compete with expatriates.

(http://89.31.192.130/MOL/En/Ministry%20of%20Labour/Vision_Mission.htm)

Secondly, the government has set up Tamkeen, a semi-government authority which holds a vision of *“Empowering Bahrainis to prosper and contribute to the national economy”*. Tamkeen's short term strategy is to assess current market challenges and opportunities to enable human capital development and continued growth for the private sector. Tamkeen's overall strategy is to enhance the strength of the private sector to emerge as the primary engine for economic growth and development as well as job generation, and its long term strategy involves profiling medium to long term issues facing Bahrain's economy by relating its strategies to

government strategies to assist in the achievement of Bahrain's 2030 Economic Vision and National Strategy. Through Tamkeen's strategies, effective human capital development is provided for employed and unemployed Bahrainis in the private sector. It aims to improve the living standards for Bahrainis through optimizing talent, enabling enterprise growth and improving labour market policies. (<http://www.tamkeen.bh/en/about/?p=Vision>).

Thirdly, the Labour Market and Regulatory Affairs' (LMRA) vision is *"to interact with the society through linear and direct partnership to provide high quality services beyond local market expectations."* The LMRA provides solutions and services to the local market to deliver judicious labour market policies, manage an effective and humane expatriate labour market programme, and provides efficient application of the law.

The LMRA is a dynamic entity which is an important player in the Bahrain 2030 plan, we strive to reach the highest level of interactivity and partnership with the society and the labour market stakeholders. We are committed to serve our clients and community with devotion and optimum quality." (<http://portal.lmra.bh/english/page/show/56>)

Fourthly, the Ministry of Education in Bahrain has a strategy to develop human resources by improving the education process through accessible, responsive, high quality education oriented services for the public. In its vision the Ministry:

seeks to develop a qualitative education system to reach a high degree of excellence and creativity. This vision emanates from the Islamic Religion lofty principles and values and the Kingdom of Bahrain's interaction with the human civilization and its Arab belonging to satisfy the requirements of continues development that conforms with the international standards, as stated in the Kingdom's constitution. Its mission is "to ensure the provision of evidence-bases education at all levels based on efficient use of ministry resources (Schools, libraries, e-services) and encouragement of personal responsibility for education. (<http://www.moe.gov.bh/en/education/index.aspx>)

Fifthly, the Quality Assurance Authority for Education and Training was set up in 2008 with a vision to be *"To be partners in developing a world-class education system in Bahrain"*. The QAA is responsible for reviewing public and private schools, vocational training and higher education institutions, developing and

implementing a national examination system for schools, and advancing Bahrain's reputation as a leader in quality assurance in education, regionally and internationally. (<http://en.qaa.bh/ViewPage.aspx?PageId=10>)

Despite, governmental efforts exerted through the above ministries and authorities to develop local talent and create value added jobs for Bahrainis, there are challenges facing the national programmes in Bahrain. Some of these challenges are treating the economic and social costs of high unemployment, raising the quality of life index, making Bahrainis employers' first choice, developing Bahrainis to compete with expatriates, dissatisfaction of Bahrainis with wages levels, change of Bahrainis' mindset towards employment, employers' inability to provide career planning for Bahrainis, and failure of organizations to respond to training related to market needs.

Below is a summary of several statistics in the GCC at different periods that indicate the growth in education and development, rate of unemployment and expatriate employment versus national employment. The growth rate of education and development versus national labour participation is evident in all GCC states.

3.6.3 Bahrain statistics compared with GCC countries

The tables below reflect the growth in education through the increasing number of universities in the GCC, reflecting the growth of the educated population and the decrease of the illiteracy rate in the countries. In addition, the human development index is presented, indicating Bahrain as the highest in the GCC. This in itself deserves an exploration in terms of its strategies for human development for potential implementation in other GCC countries. However, the low national labour participation rates and increase in unemployment rates raise questions about the education and human capital development efforts in all GCC countries. The researcher strongly believes that the contradictory figures for education and development compared to the low national labour participation deserve further study and form an area of exploration to develop nationalization strategies that can benefit the GCC in the long term, allowing countries to utilize the investments made in national human resources to build capacity within their economies.

Table 3.5 Number of Universities in GCC countries for four academic years

GCC STATE	2001/2002	2002/2003	2003/2004	2007/2008
Bahrain	8	9	10	15
Kuwait	6	6	6	6
Oman	4	4	4	5
Qatar	3	4	5	7
Saudi Arabia	8	8	11	25
UAE	8	8	8	15
Total	37	39	44	73

Source: Adapted from Abouammoh (2009)

Table 3.6 Literacy rates in GCC

GCC STATE	Literacy %
Bahrain (2009)	91
Oman (2008)	87
Saudi Arabia (2009)	86
Kuwait (2008)	94
Qatar (2009)	95
UAE (2005)	90

Source: World Bank Data: accessed 28th February 2012

Table 3.7 Human Development Index in GCC derived from Health, Education and Income

GCC STATE	HDI %	Rank
Bahrain	0.806	42
Oman	0.705	89
Saudi Arabia	0.770	56
Kuwait	0.760	63
Qatar	0.831	37
UAE	0.846	30

Source: Human Development Report: Accessed on 28th February 2012

Table 3.8 Share of national workers in private sector employment in the GCC in 2003

GCC STATE	Total % national workers
Oman	48%
Saudi Arabia	46%
Bahrain	30%
Kuwait	3%
Qatar	3%

Source: Al-Kibsi et al. (2007) in Edwards (2011)

Table 3.9 Immigrant Employment in the private sectors in the GCC in 2008

GCC STATE	Total % foreign workers
Kuwait	97.3%
Qatar	99.2%
Oman	84.4%
Saudi Arabia	80.3%
Bahrain	80.9%

Source: Edwards (2011)

Table 3.10 Annual growth of unemployment rates in the GCC countries, 1974-2002

Period	Country	Unemployment Growth rate (Percent per year)	Initial value	Ending value
1975-2001	Bahrain	5.0	3.9	14.0
1975-2004	Kuwait	6.9	1.0	5.0
1993-2002	Oman	3.0	13.0	17.0
1974-2002	Saudi Arabia	2.10	5.4	9.67
1975-2004	UAE	7.5	1.9	11.4

Source: Al-Qudsi (2005)

Table 3.11 Unemployment in the GCC in 2011

GCC STATE	Total % unemployment
Oman	15%
Bahrain	15%
Saudi Arabia	10.8%
Kuwait	2.2%
Qatar	2.4%

Source: Broomhall (2011)

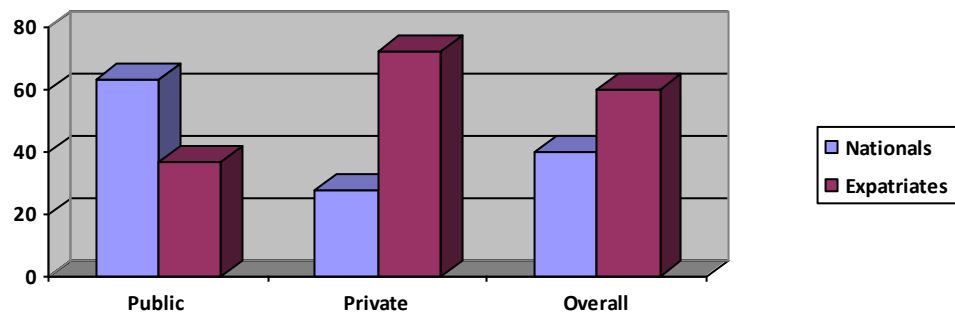


Figure 3.1 Workforce composition in the Gulf Corporation Council States

Source: Adapted from Boer and Turner (2007); McKinsey Quarterly http://www.relooney.info/SI_ME-Crisis/0-Important_88.pdf

The researcher tried to find up-to-date estimates and statistical figures, but these were difficult to locate. According to Edwards (2011), examination of the government statistics on unemployment reveals that there is often no recognition of internationally standardized criteria for the measurement of unemployment, and ‘bogus’ (extremely low) unemployment rates are sometimes published. The GCC countries have a very short and constrained history of demographic and labour market data-collection (Edwards 2011). The GCC countries do not publish official data even regarding certain basic demographic characteristics of the indigenous populations (Winckler 2009). The lack of data seems to be linked with policy decisions to suppress sensitive data. In the case of demographic data, this may be a ‘disguise the huge percentage of foreign population’ (Winkler 2009); along with the fear among privileged elites that providing such information to outsiders could harm national interests (Kapiszewski 2001). It can also reveal the actual progress of

nationalization policies (Edwards 2011), which GCC nations prefer to keep confidential to a certain extent.

The nationalization percentages do not vary significantly in the GCC nations, as shown in the tables and figures above, but Bahrain is selected as the country for the study owing to the ambiguity and difficulty of collecting data in all GCC nations. In addition, the researcher, as a Bahraini working in human resource development in the private sector, has an interest in exploring and examining the challenges that may be faced during her career in implementing nationalization strategies in the private sector in Bahrain.

3.7 Ethical Issues

As the researcher aimed to approach government officials and employees in private sector organizations, it was crucial to consider ethical issues while conducting data collection. Even though ethical issues cannot be completely planned for as events on the field are unforeseeable, nevertheless the researcher depended on appropriate values, morals, ethical codes of professional standards to avoid ethical and moral dilemmas. Before beginning the fieldwork, the proposed questionnaire and interview questions were reviewed by the supervisor to ensure the work accorded with the ethical standards of the University of Manchester. In addition, the researcher obtained approval prior to going on the fieldwork in accordance with University of Manchester codes, rules and regulations, . The researcher ensured completion of ethical administration with the university before going on the fieldwork, obtaining a permit from the University administration.

It may be argued that the quantitative method of research can keep the researcher distanced as a positivist approach was adapted, but using the qualitative method involves the researcher in dealing directly with participants. The researcher kept in mind to the need to balance her own moral and professional standards, feelings and intuitions (Liane 2000). Before accessing the field site, the researcher made sure to obtain a formal letter to the organizations indicating the objectives of the research. The researcher was able to establish ‘gatekeepers’ (Lee 1991) to gain access to the fieldwork through a rapport established during seven years of private sector experience, demonstrating to participants *“trust and familiarity showing*

genuine interest, assuring confidentiality and not being judgemental” (Glassner and Loughlin 1987:35, in Silverman 2004). People who participated in the research were made aware of what they were involved with, as the participant has the right to decide whether or not to provide the data required (Locke et al. 2000). In addition, the researcher ensured the research did not damage, or potentially damage, the environment in which the research was conducted, protected the best interests of those involved and did not harm those involved in the research. Owing to the interpretivist approach there was a temptation for the researcher to go ‘native’ with participants (Liane 2000), but this was avoided by fostering the capacity to think about others theoretically by having a rationalized, impersonal and analytical position (Strauss and Corbin 1990). The researcher worked within the established ethical principals (Bell and Bryman 2007) by not harming participants, respecting the dignity and privacy of all concerned, ensuring confidentiality of research data, protecting anonymity, ensuring honesty and transparency in communication, reflecting mutual benefits to the researcher and participants and avoiding misrepresentation or false reporting.

Having explained the research methodology of the thesis by discussing the research method and approach towards collecting data in the Bahrain context, the following chapters (Chapters Four and Five) present the quantitative and qualitative results collected during the field study in Bahrain from October 2012 to March 2013 and March 2014 to May 2014.

Chapter 4

QUANTITATIVE RESULTS

The main aim of this chapter is to present the analysis of questionnaires that represent the views of employees in the private sector in Bahrain. The national employees' views present the individual level in the researcher's framework developed from the literature review findings. The chapter is structured as follows. First, the emerging themes from the questionnaire are explained and reflected on in relation to the research questions to ensure that data collected meets the research objectives. Secondly, a descriptive analysis is presented with respect to each emerging theme. The data collected is explained through means, factor analysis and reliability analysis. The chapter concludes with further analysis by presenting statistical data according to organization sector, thereby enabling an assessment of the views of nationals in Bahrain according to the sector they work in.

4.1 Questionnaire Target Group distribution

The findings explained in the sections below have been collected from 476 questionnaires that were distributed among six private sector organizations with varying Bahrainization percentages. The questionnaire was completed by Bahraini employees in non managerial positions. The companies with their respective percentages are indicated below:

Table 4.1 Respondents per private sector organization

Private Sector Organization	Number of Respondents	Bahrainization
i. Gulf Petrochemical Industrial Company	89	90%
ii. Gulf Hotel	43	31%
iii. Arabian Pearl Gulf school	65	45%
iv. Movenpick Hotel	13	27%
v. Jawad Group		
Fashion Division	145	50%
Costa Coffee Division	7	
Restaurants - Papa Johns and Chillis	8	
Head Office	55	
vi. Kanoo Group		
Commercial	14	63%
Travel	37	
Total Respondents	476	

Among the 476 employees, the majority of responses came from female employees:

Table 4.2 Respondents by gender

Private Sector Employees	Frequency	Percentage
Males	195	41.0
Females	259	54.4
Blank	13	2.7

4.2 Questionnaire emerging themes in relation to research questions

The questionnaire was designed specifically to assess the individual level within the framework developed by the researcher (Figure 2.1, page 99). The questionnaire explores the needs of Bahraini employees within the private sector thus examining national employees' Bahrainization issues at an individual level.

Owing to the researcher's integration of nationalization issues and derived HRD activities, as analysed in (Table 2.6, page 72), the questionnaire has been designed based on the derived common themes integrated from nationalization issues and HRD concepts.

Six main themes have been embedded within the questionnaire for exploration of nationals' perspectives within the private sector in Bahrain. The themes are:

- a. Government versus private sector preference**
- b. Training and Development**
- c. Career Development and Performance Management**
- d. Compensation and Benefits**
- e. Organizational Management and Organizational Culture**

Career Progression, Training and Development have been structured in the questionnaire to assess the two areas that unite HRD and capacity building, which are 'performance' and 'development', which are considered essential to improve skills and abilities of individuals in the long term. Organizational Management has been embedded to assess organizational culture, which is considered one of the HRD derived activities common to nationalization issues.

The questionnaire further explores the nationals' perspective outside the framework of HRD activities by exploring compensation and benefits, expatriates' and nationals' working relationship, and government versus private sector preference. Such issues have been discussed in various literature reviews to assess the challenges within nationalization in the GCC. Hence an assessment of such issues in relation to the framework developed is essential to build correlations and further study the issues.

The themes developed within the questionnaire answer the research questions of the study as detailed in the table below:

Table 4.3 Questionnaire themes in relation to research questions

Research Questions	Themes within Questionnaire	Questionnaire Items
What are the challenges within nationalization strategies in developing contexts?	Government versus Private Sector employee preference	<p>I prefer working in the government sector</p> <p>I believe the government sector has better compensation and benefits than the private sector</p> <p>Government sector has more opportunities for career progression</p> <p>I would leave my current job for a job in the government sector</p> <p>I joined the private sector because I did not find an opportunity in the government sector</p>
	Organizational Management	<p>Top management support training and development of Bahrainis</p> <p>Top management recognizes high performing Bahrainis</p> <p>Top management promotes Bahrainis to higher positions in the organization</p> <p>Bahrainis have a positive attitude towards work</p> <p>In my organization Bahraini employees need further development to be promoted to higher positions</p> <p>Bahrainis work towards developing themselves through training</p> <p>Generally management view Bahrainis as hard working employee</p>
	Expatriate and Bahraini relationship	<p>Expatriate management are hesitant to deal with Bahrainis</p> <p>I find it hard to deal with expatriate managers</p> <p>Expatriates engage in transferring knowledge and experience to Bahraini employees</p> <p>I prefer working with a Bahraini manager</p>

		<p>Bahraini management are more supportive than expatriate management in terms of development</p> <p>Communication with Bahraini management is easier than expatriate management</p>
	Compensation and Benefits	<p>I feel compensation and benefits in my organization is higher than the government sector in Bahrain</p>
To what extent is the concept of human resource development embedded in nationalization programs?	Training and Development	<p>I am trained at a regular basis</p> <p>I attend at least 2 trainings per year</p> <p>Am given the opportunity to choose my training programs</p> <p>My manager only nominates me for a training program</p> <p>Training programs are mutually agreed by myself and manager</p> <p>Training programs are aligned with my job requirements</p> <p>Am hesitant to request training from my organization</p> <p>Training programs in my organization meet development needs for promotion at work</p> <p>Training is well managed in my organization</p> <p>My manager encourages and supports my training</p> <p>My organization promotes a learning culture</p>
	Career progression	<p>My manager develops me to be promoted</p> <p>My manager communicates to me openly regarding my next career position in the organization</p> <p>My manager guides me towards achieving a higher position in the organization</p>

		<p>I see career prospectus in my organization</p> <p>Career progression is discussed during yearly appraisal</p> <p>Career paths are limited in my department</p> <p>Career paths are limited in my organization</p> <p>Career progression retains me at my organization</p> <p>Career progression was discussed when I first joined the organization</p> <p>Career progression was discussed after more than a year of joining the organization</p> <p>Besides, high performance my organization engages in a culture of promotion through development programs</p>
	Organizational management	<p>Our top management communicates openly to all employees</p> <p>I feel barriers in dealing with top management</p> <p>Top management support training and development of Bahrainis</p> <p>Top management recognizes high performing Bahrainis</p> <p>Top management promotes Bahrainis to higher positions in the organization</p> <p>In my organization Bahraini employees need further development to be promoted to higher position</p> <p>Expatriates engage in transferring knowledge and experience to Bahraini employees</p> <p>I prefer working with a Bahraini manager</p> <p>Bahrainis work towards developing themselves through training</p> <p>Bahraini management are more supportive than expatriate management in terms of development</p>
How can nationals be retained and managed through career planning in nationalization strategies?	Career progression	<p>My manager develops me to be promoted</p> <p>My manager communicates to me openly regarding my next career position in the organization</p> <p>My manager guides me towards achieving a higher position in the organization</p>

		<p>I see career prospectus in my organization</p> <p>Career progression is discussed during yearly appraisal</p> <p>Career paths are limited in my department</p> <p>Career paths are limited in my organization</p> <p>Career progression retains me at my organization</p> <p>Career progression was discussed when I first joined the organization</p> <p>Career progression was discussed after more than a year of joining the organization</p> <p>Besides, high performance my organization engages in a culture of promotion through development programs</p>
	Compensation and Benefits	<p>Am satisfied with the company compensation</p> <p>Am satisfied with the company benefits</p> <p>Compensation and benefits in my organization retains me</p> <p>Compensation and benefits retains me more than career progression opportunities in the organization</p> <p>Expatriates in my organization have benefits more than nationals</p> <p>Compensation and benefits are given in a fair equal manner according to the company policy</p> <p>Compensation and benefits are communicated through formal means via written policies</p> <p>I feel compensation and benefits in my organization is higher than the government sector in Bahrain</p>

		Our company compensation and benefits is higher than the private sector organizations in the same industry My organization compensation and benefits need improvement
	Training and Development	Training programs in my organization meet development needs for promotion at work
What are the change management processes to support integration of nationalization against resistance?	Organizational Management	Bahrainis have a positive attitude towards work Generally management view Bahrainis as hard working employees
	Government versus Private Sector employee preference	I prefer working in the government sector

4.3 Descriptive Analysis of Questionnaire Themes

4.3.1 Government versus private sector preference

The literature review identified reports that nationals in the Middle East have a tendency to seek work in the government as opposed to the private sector. The researcher finds it necessary to examine Bahrainis' preferences as there is a lack of analysis to indicate Bahrainis' views in this area. Assessing Bahrainis' preference towards the government sector strengthens the literature review in Chapter 2. It is evident that similarly to their neighbouring GCC nationals, Bahrainis also prefer the government sector. **Fifty per cent** of the respondents strongly agree that they prefer working in the government sector; **49 per cent** strongly agree that the government sector has better compensation and benefits while only **13 per cent** strongly agree that the government sector has more career opportunities. **Forty eight percent** of the respondents strongly agreed that they would leave their job in the private sector for a government job. In addition, **53 per cent** of them strongly agree that they joined the private sector because they did not find an opportunity in the government sector.

Table 4.4 Government versus private sector preference among Bahrainis

Question	FQY / PCT	SA	A	N	D	SD	Mean	STD DEV.
I prefer working in the government sector	Frequency	239	70	85	45	28	3.96	1.273
	Percent	50.2	14.7	17.9	9.5	5.9		
In general, the government sector has better compensation and benefits than the private sector	Frequency	232	90	61	63	19	3.97	1.242
	Percent	48.7	18.9	12.8	13.2	4.0		
Government sector has more opportunities for career progression	Frequency	60	81	102	118	104	2.73	1.331
	Percent	12.6	17.0	21.4	24.8	21.8		
I would leave my current job for a job in the government sector	Frequency	229	79	75	55	26	3.93	1.277
	Percent	48.1	16.6	15.8	11.6	5.5		
I joined the private sector because I did not find an opportunity in the government sector	Frequency	251	77	52	47	41	3.96	1.356
	Percent	52.7	16.2	10.9	9.9	8.6		

4.3.2 Training and Development

Assessing the percentages under the training and development theme, it is evident that there is a high level of agreement reflecting the process of training in organizations. The researcher structured the questions regarding training and development in terms of attendance, management, nomination, mutual agreement and job alignment. The percentages of agreement were high in all areas as specified in the table below, and specifically the highest percentage related to managers' support in training and organizations, i.e. building the learning culture. According to the statistics, **46 per cent** of Bahrainis have managers that encourage and support their training and **43 per cent** strongly agreed to having organizations that promote a learning culture. Management encouragement for training had the highest mean of **4.06** while organizations promoting learning culture had a mean of **4.05** in the set of questions relating to the training and development theme. The question with the lowest mean of **2.82** was related to the employees' hesitance to request training from their organization. **Thirty four per cent** of the Bahrainis were neutral in terms of requesting training from their organizations. The questions with the highest disagreement percentages reflect the positive percentages in training activities in private sector organizations. Referring to the table, **18 per cent** strongly disagreed to

being hesitant to request training while **15 per cent** disagreed with attending two training courses per year.

Table 4.5 Training and development for nationals in Bahrain private sector

Question	FQY / PCT	SA	A	N	D	SD	Mean	STD DEV.
I am trained at a regular basis	Frequency	199	136	73	51	16	3.95	1.143
	Percent	41.8	28.6	15.3	10.7	3.4		
I attend at least 2 training courses per year	Frequency	188	122	59	72	33	3.76	1.304
	Percent	39.5	25.6	12.4	15.1	6.9		
Am given the opportunity to choose my training programs	Frequency	138	123	119	62	34	3.57	1.232
	Percent	29.0	25.8	25.0	13.0	7.1		
My manager only nominates me for a training program	Frequency	150	175	88	45	16	3.84	1.078
	Percent	31.5	36.8	18.5	9.5	3.4		
Training programs are mutually agreed by myself and manager	Frequency	141	160	118	36	21	3.76	1.091
	Percent	29.6	33.6	24.8	7.6	4.4		
Training programs are aligned with my job requirements	Frequency	184	155	82	38	14	3.97	1.073
	Percent	38.7	32.6	17.2	8.0	2.9		
Am hesitant to request training from my organization	Frequency	33	107	162	84	86	2.82	1.177
	Percent	6.9	22.5	34.0	17.6	18.1		
Training programs in my organization meet development needs for promotion at work	Frequency	115	198	93	49	21	3.71	1.078
	Percent	24.2	41.6	19.5	10.3	4.4		
Training is well managed in my organization	Frequency	189	134	102	35	13	3.95	1.076
	Percent	39.7	28.2	21.4	7.4	2.7		
My manager encourages and supports my training	Frequency	217	132	81	30	16	4.06	1.086
	Percent	45.6	27.7	17.0	6.3	3.4		
My organization promotes a learning culture	Frequency	203	135	97	22	13	4.05	1.037
	Percent	42.6	28.4	20.4	4.6	2.7		

4.3.3 Career Development and Performance Management

Analysing career progression as an HRD activity through the questionnaire, there is significant agreement in several areas as explained in this section. A high percentage of Bahrainis responded affirmatively towards appraisal discussions and career promotion by development through management support and organizational culture. The factor of career path limitation had a high percentage in terms of being ‘neutral’. In addition, response towards the question of whether career progression retains employees in the organizations was significantly neutral.

The highest agreement percentage of around **50.8** related to the organizations engagement of a culture of promotion through development programmes. Looking at the highest mean in the table below, which is 3.78, this relates to development through promotion. As highlighted below, over **30 per cent** of the Bahrainis strongly

agree that managers develop and guide them to be promoted. Although **37 per cent** of Bahrainis see career prospects in their private sector organizations, nevertheless there were higher neutral responses in terms of viewing career prospects. As indicated below, **39 per cent** of the Bahrainis were neutral towards career limitations in their department, **50** were neutral towards career limitations in their organization, and **41 per cent** had neutral views regarding career progression retaining them within their private sector organization. Around **44 per cent** of the Bahrainis agree that career progression is discussed during their appraisals, **36 per cent** agree that they had their careers discussed when they first joined the organization, while **47 per cent** were neutral as to whether their career progression was discussed more than a year after they joined the private sector organization.

Table 4.6 Career Development and Performance Management for nationals in Bahrain private sector

Question	FQY / PCT	SA	A	N	D	SD	Mean	STD DEV.
My manager develops me to be promoted	Frequency	158	139	117	31	28	3.78	1.153
	Percent	33.2	29.2	24.6	6.5	5.9		
My manager communicates to me openly regarding my next career position in the organization	Frequency	57	197	131	52	38	3.39	1.085
	Percent	12.0	41.4	27.5	10.9	8.0		
My manager guides me towards achieving a higher position in the organization	Frequency	148	135	110	54	28	3.68	1.194
	Percent	31.1	28.4	23.1	11.3	5.9		
I see career prospects in my organization	Frequency	90	177	138	47	22	3.56	1.051
	Percent	18.9	37.2	29.0	9.9	4.6		
Career progression is discussed during yearly appraisal	Frequency	35	208	120	82	30	3.29	1.038
	Percent	7.4	43.7	25.2	17.2	6.3		
Career paths are limited in my department	Frequency	54	144	186	65	23	3.30	1.004
	Percent	11.3	30.3	39.1	13.7	4.8		
Career paths are limited in my organization	Frequency	40	100	240	73	23	3.13	0.937
	Percent	8.4	21.0	50.4	15.3	4.8		
Career progression retains me at my organization	Frequency	47	147	197	58	26	3.28	0.986
	Percent	9.9	30.9	41.4	12.2	5.5		
Career progression was discussed when I first joined the organization	Frequency	82	171	117	72	33	3.41	1.145
	Percent	17.2	35.9	24.6	15.1	6.9		
Career progression was discussed after more than a year of joining the organization	Frequency	24	89	225	100	37	2.92	0.953
	Percent	5.0	18.7	47.3	21.0	7.8		
Besides, high performance my organization engages in a culture of promotion through development programs	Frequency	38	242	134	41	20	3.50	0.915
	Percent	8.0	50.8	28.2	8.6	4.2		

4.3.4 Compensation and Benefits

The compensation and benefits theme within the questionnaire showed neutral and disagreement responses. The percentages between disagreeing and being neutral vary slightly in terms of analysing the satisfaction of compensation and benefits. Agreement tends to be high in terms of improving compensation and benefits. A positive indication is reflected through agreeable responses in terms of communication of compensation and benefits.

Referring to the table below, the highest mean of **3.86** and percentage strongly agreeing of **41 per cent** refers to the question of expatriates receiving more benefits than nationals. A high mean of **3.87** and a percentage in agreement of **35%** were recorded towards Bahrainis' view that their organization's compensation and benefits needed improvement. In addition, **34 per cent** of Bahrainis agree that their organizations communicate compensation and benefits through formal means.

However, there tends to be a higher percentage of responses in disagreement when employees' satisfaction with company compensation and benefits is questioned. While **27 per cent** disagree regarding benefits satisfaction, **29 per cent** are neutral towards compensation and **25 per cent** disagree towards compensation satisfaction. In terms of compensation and benefits as a factor in retention of Bahrainis, **31%** were neutral towards compensation retaining them in organizations while **25%** disagreed and **22%** agreed with this aspect. While **36%** of Bahrainis are neutral towards compensation retaining them compared to career progression, **26%** disagree that compensation and benefits retain them more than career progression opportunities.

In comparing the compensation and benefits of the target group with the government sector, **36%** were neutral while **23%** disagreed that their compensation was higher than in the government sector. Comparing the compensation and benefits with other private sector organizations, **47%** were neutral while **19%** agreed with their compensation being higher than other private sector organizations.

Table 4.7 Compensation and benefits among Bahrainis in private sector

Question	FQY / PCT	SA	A	N	D	SD	Mean	STD DEV.
Am satisfied with the company compensation	Frequency	34	109	136	117	79	2.79	1.178
	Percent	7.1	22.9	28.6	24.6	16.6		
Am satisfied with the company benefits	Frequency	41	107	121	129	77	2.80	1.206
	Percent	8.6	22.5	25.4	27.1	16.2		
Compensation and benefits in my organization retains me	Frequency	29	103	146	118	78	2.76	1.147
	Percent	6.1	21.6	30.7	24.8	16.4		
Compensation and benefits retains me more than career progression opportunities in the organization	Frequency	15	82	169	122	85	2.62	1.065
	Percent	3.2	17.2	35.5	25.6	17.9		
Expatriates in my organization receive more benefits than nationals	Frequency	194	96	130	27	26	3.86	1.179
	Percent	40.8	20.2	27.3	5.7	5.5		
Compensation and benefits are communicated through formal means via written policies	Frequency	92	160	135	57	31	3.47	1.127
	Percent	19.3	33.6	28.4	12.0	6.5		
I feel compensation and benefits in my organization is higher than the government sector in Bahrain	Frequency	34	87	172	111	68	2.81	1.117
	Percent	7.1	18.3	36.1	23.3	14.3		
Our company compensation and benefits are higher than the private sector organizations in the same industry	Frequency	41	90	223	88	29	3.06	0.986
	Percent	8.6	18.9	46.8	18.5	6.1		
My organization compensation and benefits need improvement	Frequency	148	166	116	27	13	3.87	1.013
	Percent	31.1	34.9	24.4	5.7	2.7		

4.3.5 Organizational Management and Organizational Culture

The set of questions within the theme ‘Organizational Management and Organizational Culture’ reflects communication with top management and the culture built in the organization in terms of employee development, recognition and interaction with expatriates. The section below indicates that there is a high percentage of agreement concerning open communication with employees. Support through development and recognition of Bahrainis by top management is positive as shown by the agreement percentages. There is an indication of preference towards having a Bahraini manager in terms of support and communication, but neutral responses towards expatriate management.

Analysing the questions relating to organizational management and organizational culture reveals that there is a high tendency of responses around agreeing or being neutral. Hence, the researcher focused on the higher percentages to analyse the emerging theme. The emerging theme with respect to organizational management and culture reveals different aspects relating to:

- *Top management support for national development*

- *View of Bahraini employees in private sector organizations*
- *Bahrainis' relationship with expatriates in private sector organizations*

Analysing top management practices towards nationals in the private sector, it is evident that Bahrainis feel that top management communicates openly and recognizes, promotes and supports development of nationals. The figures in the table below indicate **42%** of responses from Bahrainis in agreement in terms of top management communicating openly. Around **42%** of Bahrainis strongly agree that top management supports their development, while **35%** strongly agree that high performers are recognized and **32%** agree that top management promotes Bahrainis. Low percentages of disagreement are seen in the areas mentioned, thus indicating a culture of top management support for national development. The high neutral responses towards feeling barriers with top management may strengthen the percentages analysed earlier as **46%** of Bahrainis were neutral in feeling barriers towards their top management.

Furthermore, in analysing the questions, the researcher was able to reveal Bahrainis' view of themselves in the private sector. As indicated below, **33%** respond by strongly agreeing that management view Bahrainis as hard workers, **40%** of the nationals view Bahrainis as having a positive attitude towards work, but **36%** agree that nationals need development for promotion to higher positions. Even though Bahrainis need to be developed, **39%** agree that Bahrainis work on developing themselves through training.

One of the main issues within nationalization is expatriate dependency in the private sector. Referring to the literature review in Chapter 2, there has been much discussion on the relationship between expatriates and nationals in private sector organizations. Viewing the results in the questionnaire, **46%** of the Bahrainis are neutral towards dealing with expatriate management and **25%** disagree in having difficulty, while **50%** feel neutral about having expatriate managers deal with Bahrainis. **Fifty seven per cent** of the respondents were neutral in viewing expatriates as engaged in transferring knowledge to nationals while **22%** agreed that expatriates are engaged in this process.

Despite the neutral responses towards expatriates, **33%** strongly preferred a Bahraini manager and **35%** strongly agreed that Bahraini management is more supportive, while **38%** strongly agreed that communication with a Bahraini manager is easier than with expatriate management.

Table 4.8 Organizational management and organization culture in Bahrain private sector

Question	FQY / PCT	SA	A	N	D	SD	Mean	STD DEV.
Our top management communicates openly to all employees	Frequency	63	202	142	49	19	3.51	0.982
	Percent	13.2	42.4	29.8	10.3	4.0		
I feel barriers in dealing with top management	Frequency	45	90	220	85	34	3.06	1.017
	Percent	9.5	18.9	46.2	17.9	7.1		
Top management support training and development of Bahrainis	Frequency	199	145	81	32	18	4.00	1.097
	Percent	41.8	30.5	17.0	6.7	3.8		
Top management recognizes high performing Bahrainis	Frequency	165	149	101	37	21	3.85	1.120
	Percent	34.7	31.3	21.2	7.8	4.4		
Top management promotes Bahrainis to high positions in the organization	Frequency	129	153	127	33	32	3.66	1.147
	Percent	27.1	32.1	26.7	6.9	6.7		
Expatriate management are hesitant to deal with Bahrainis	Frequency	38	82	239	83	32	3.02	0.970
	Percent	8.0	17.2	50.2	17.4	6.7		
Bahrainis have a positive attitude towards work	Frequency	193	132	102	32	14	3.97	1.078
	Percent	40.5	27.7	21.4	6.7	2.9		
In my organization many Bahraini employees need further development to be promoted to higher positions	Frequency	141	169	112	43	11	3.81	1.033
	Percent	29.6	35.5	23.5	9.0	2.3		
I find it hard to deal with expatriate managers	Frequency	24	66	219	119	47	2.79	0.973
	Percent	5.0	13.9	46.0	25.0	9.9		
Expatriates engage in transferring knowledge and experience to Bahraini employees	Frequency	30	106	270	48	19	3.17	0.844
	Percent	6.3	22.3	56.7	10.1	4.0		
I prefer working with Bahraini manager	Frequency	156	133	147	24	15	3.82	1.047
	Percent	32.8	27.9	30.9	5.0	3.2		
Bahrainis work towards developing themselves through training	Frequency	161	184	98	28	5	3.98	0.936
	Percent	33.8	38.7	20.6	5.9	1.1		
Bahraini management are more supportive than expatriate management in terms of development	Frequency	167	128	136	33	11	3.86	1.052
	Percent	35.1	26.9	28.6	6.9	2.3		
Generally management view Bahrainis as hard working employees	Frequency	157	140	121	43	15	3.80	1.092
	Percent	33.0	29.4	25.4	9.0	3.2		
Communication with Bahraini management is easier than expatriate management	Frequency	182	110	118	47	19	3.82	1.164
	Percent	38.2	23.1	24.8	9.9	4.0		

Summarizing nationals' responses to their private sector HRD activities, several aspects are revealed describing Bahrainis' views of private sector organizations. The most important aspects are government sector preference and positive satisfaction

towards development and training in the private sector. Overall, the area that requires further exploration is that despite a high percentage of agreeable and neutral responses towards training, development, career planning, organizational culture, and top management support for national, Bahrainis still prefer the private sector and view compensation and benefits as a crucial factor. Hence to further explore factors within Bahrainization at an individual level, the researcher conducted reliability and factor analyses to explore any underlying factors that may affect the findings.

4.4 Reliability Analysis

In order to measure the reliability of the quantitative data, the researcher conducted a reliability analysis to ensure the internal consistency of data collected. Using the SPSS reporting tool for reliability analysis, the researcher was able to run a reliability analysis test for the questionnaire and themes within the questionnaire. Referring to the tables below, it is indicated that overall variables within the questionnaire had a reliability of $r=.919$. The themes within the questionnaire had an internal consistency of more than .8, hence ensuring the intercorrelations among the themes. The lowest reliability was $r=.641$ in relation to the ‘compensation and benefits’ theme while other themes had Cronbach's Alpha greater than $r=.8$.

Table 4.9 Reliability analysis

Themes	Reliability Statistics		Scale Statistics			
	Cronbach's Alpha	N of Items	Mean	Variance	Std. Deviation	N of Items
Questionnaire reliability	0.919	51	180.76	617.381	24.847	51
Government versus private sector preference	0.801	5	18.57	23.363	4.834	5
Training and Development	0.905	11	41.63	78.296	8.848	11
Career Development and Performance Management	0.851	11	37.29	52.752	7.263	11
Compensation and Benefits	0.641	9	28.07	25.915	5.091	9
Organizational Management and Organizational Culture	0.861	15	54.26	82.207	9.067	15

On the basis of the reliability coefficients reported in Table 4.9, it is concluded that the questionnaire produced reliable results in accordance with standard expectations for a questionnaire of this nature. The overall reliability coefficient of $r= 0.919$ compares favourably to reliability standards of $r= 0.8$. The coefficients for

the theme subscales all fall within the range of $r = 0.641$ to $r = 0.905$ which is in the acceptable range for studies of this nature which is $r \leq 0.8$. As a result the decision was taken to proceed with further analyses of the findings by using factor analysis.

4.5 Factor analysis

In order to explore further the data derived from the questionnaire the researcher conducted a factor analysis procedure. This factor analysis was designed to indicate any underlying factors present in the questionnaire data and thus to provide a mechanism to examine further the themes that were originally identified when developing the questionnaire. The following section reports the process and findings of the factor analysis.

With reference to the scree plot, the SPSS reporting indicated 11 underlying components that can affect the correlations in the questionnaire. The scree plot flattens to 1 at the 11-component variance hence indicating 11 underlying factors. The researcher, referring to the table '**Total Variance Explained**', analyses the components with high percentages of variance. The highest variances lies within the first four components as reported in the '**Total Variance Explained**' Table. The researcher disregarded the percentages below 4% to analyse further the underlying components within the research. The highest variance was **28.093%** for component 1 as an underlying factor affecting the research analysis. The other three component factors had variances of **10.33%**, **5.642%** and **4.504%** respectively.

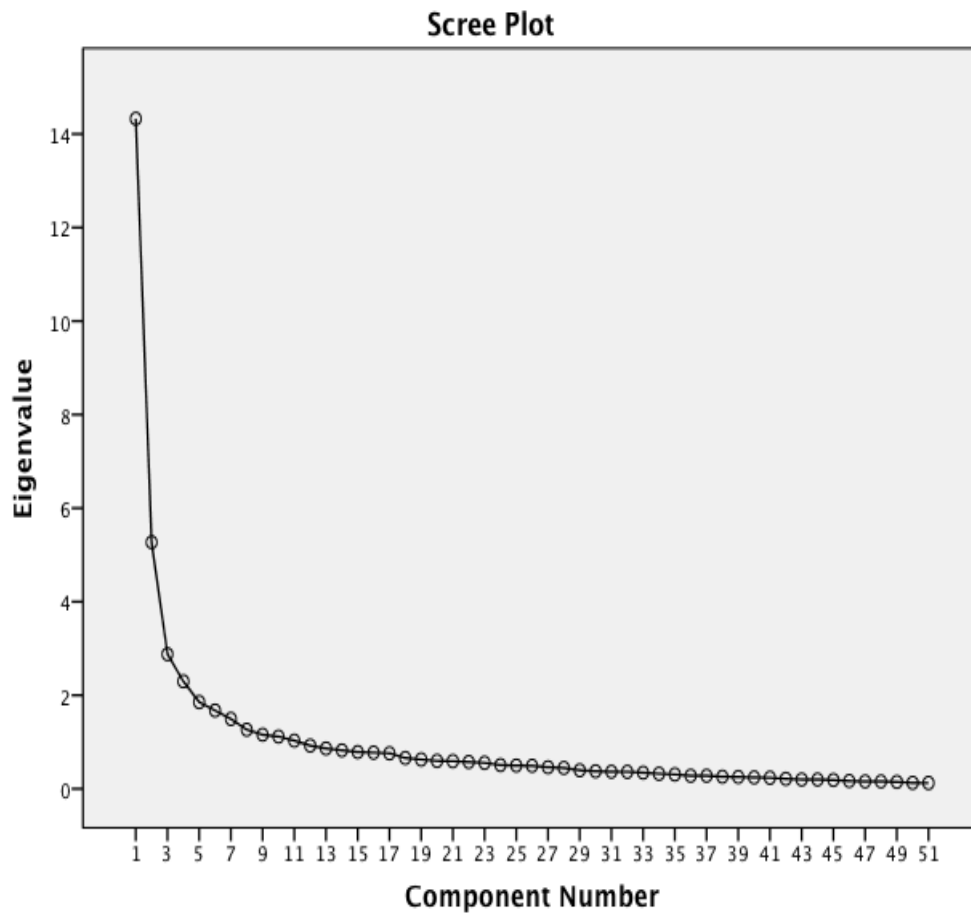


Figure 4.1 Scree plot

Table 4.10 Total Variance Explained

Total Variance Explained							
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings
	Total	% Of Variance	Cumulative %	Total	% Of Variance	Cumulative %	Total
1	14.327	28.093	28.093	14.327	28.093	28.093	7.657
2	5.270	10.333	38.426	5.270	10.333	38.426	4.280
3	2.877	5.642	44.068	2.877	5.642	44.068	4.038
4	2.297	4.504	48.572	2.297	4.504	48.572	3.809
5	1.854	3.636	52.207	1.854	3.636	52.207	3.596
6	1.674	3.282	55.490	1.674	3.282	55.490	2.802
7	1.494	2.930	58.420	1.494	2.930	58.420	1.968
8	1.265	2.480	60.900	1.265	2.480	60.900	1.681
9	1.155	2.266	63.166	1.155	2.266	63.166	1.620
10	1.117	2.191	65.357	1.117	2.191	65.357	1.495
11	1.029	2.018	67.375	1.029	2.018	67.375	1.417
12	.924	1.812	69.187				
13	.862	1.689	70.877				
14	.823	1.615	72.491				
15	.786	1.540	74.032				
16	.774	1.518	75.549				
17	.759	1.489	77.038				
18	.659	1.291	78.329				
19	.627	1.230	79.559				
20	.597	1.170	80.729				
21	.591	1.159	81.888				
22	.574	1.126	83.014				
23	.555	1.089	84.103				
24	.508	.996	85.098				
25	.499	.978	86.076				
26	.491	.963	87.040				
27	.461	.904	87.943				
28	.446	.874	88.817				
29	.397	.779	89.596				
30	.377	.739	90.335				
31	.366	.717	91.052				
32	.363	.713	91.765				
33	.344	.675	92.439				
34	.322	.631	93.070				
35	.307	.602	93.672				
36	.279	.547	94.219				
37	.278	.545	94.764				
38	.259	.507	95.271				
39	.252	.495	95.766				
40	.242	.475	96.241				
41	.236	.462	96.703				
42	.213	.419	97.122				
43	.199	.391	97.513				
44	.197	.386	97.898				
45	.189	.371	98.270				
46	.167	.328	98.598				
47	.158	.310	98.908				
48	.156	.306	99.214				
49	.148	.291	99.505				
50	.128	.252	99.757				
51	.124	.243	100.000				

Table 4.11 Extraction Method: Principal Component Analysis

Component	Rotation Sums of Squared Loadings	
	% Of Variance	Cumulative %
1	15.014	15.014
2	8.391	23.406
3	7.917	31.323
4	7.468	38.790
5	7.051	45.842
6	5.494	51.335
7	3.858	55.194
8	3.297	58.490
9	3.176	61.666
10	2.931	64.597
11	2.778	67.375
12		
13		
51		

Further analysing the four components through the Component Score Coefficient Matrix and the nature of the related questionnaire items, it is revealed that these four high variance components do appear to be consistent with nature of the researcher's questionnaire themes. Extracting the questions with the high variances enables analysing the themes within the components as they map to the questionnaire themes.

Table 4.12 Components indicating underlying factors relating to research themes

Component	Questions with high variance within components	Underlying factor reflects research themes
Component 1	6-17	Training and Development
Component 2	17-21 24-27	Career Progression and Performance Management
Component 3	45-51	Organizational Culture and Organizational Management – Bahraini versus expatriate
Component 4	28-31	Compensation and Benefits

Referring to **Component 1** in the table, the high variances lie within **questions 6 to 16** of the questionnaire. These questions relate to the management and support of training in private sector organizations. They describes Bahrainis' attendance of training in private sector and reflect the management of training process within organizations. The component variances reflect the culture of learning in the private sector. The training and development theme is evident within the high variance of component 1.

Table 4.13 Component 1

Questions		1	2	3	4
6	I am trained at a regular basis	.178	-.093	.011	.022
7	I attend at least 2 training courses per year	.180	-.092	-.045	-.008
8	Am given the opportunity to choose my training programs	.174	-.095	-.028	.019
9	My manager only nominates me for a training program	.150	-.097	-.027	.029
10	Training programs are mutually agreed by myself and manager	.161	-.082	-.023	.003
11	Training programs are aligned with my job requirements	.154	-.104	-.029	.037
12	Am hesitant to request training from my organization	.092	-.034	-.110	-.045
13	Training programs in my organization meet development needs for promotion at work	.067	.052	-.061	-.001
14	Training is well managed in my organization	.153	-.039	-.024	-.001
15	My manager encourages and supports my training	.173	-.060	-.030	.002
16	My organization promotes a learning culture	.152	-.030	-.015	-.004

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization. Component Scores

High variances in **component 2** are within **questions 17-21 and 24-27**. These questions reflect the theme of career progression and performance management. The high variances within **component 2** reflect the practice of Bahrainis career growth within organizations through development practices. The questions with high variances reflect the process of career progression, communication and guidance. Performance management within the private sector is analysed within the questions below. The questions provide an indication of an organizational culture of managing performance through development as outlined in the table with its respective variances. Therefore, component 2 variances relate to career progression and performance management.

Table 4.14 Component 2

Questions		1	2	3	4
17	My manager develops me to be promoted	.062	.104	-.037	-.041
18	My manager communicates to me openly regarding my next career position in the organization	-.021	.227	-.065	-.035
19	My manager guides me towards achieving a higher position in the organization	-.006	.190	-.047	-.032
20	I see career prospects in my organization	-.089	.248	-.042	-.034
21	Career progression is discussed during yearly appraisal	-.099	.228	-.011	-.009
24	Career progression retains me at my organization	-.038	.132	.036	.071
25	Career progression was discussed when I first joined the organization	-.065	.265	.024	-.018
26	Career progression was discussed after more than a year of joining the organization	-.037	.271	-.003	.038
27	Besides, high performance my organization engages in a culture of promotion through development programs	-.041	.174	.004	.101

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Component Scores

With reference to the column for **component 3**, it appears that the high variances relate to organizational culture and organizational management. The questions specifically indicate organizational culture in relation to the Bahraini and expatriate management. As highlighted in the table, **questions 45-51** form a cluster of questions relating to expatriate versus Bahraini management. Hence an underlying component affecting the analysis relates to organizational culture specifically in relation to nationals' preference to have Bahraini management.

Table 4.15 Component 3

Questions		1	2	3	4
45	I find it hard to deal with expatriate managers	-.022	.021	.129	-.014
46	Expatriates engage in transferring knowledge and experience to Bahraini employees	-.085	-.016	.167	-.033
47	I prefer working with Bahraini manager	-.023	-.007	.193	.026
48	Bahrainis work towards developing themselves through training	-.004	-.055	.247	.052
49	Bahraini management are more supportive than expatriate management in terms of development	-.010	-.045	.266	.014
50	Generally management view Bahrainis as hard working employees	-.059	.002	.259	-.013
51	Communication with Bahraini management is easier than expatriate management	-.013	-.022	.286	.014

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Component Scores

The **fourth component** affecting the analysis has high variance in relation to **questions 28-31**, which relate to compensation and benefits. The questions project a compensation and benefits theme as shown below. The satisfaction with compensation and benefits and whether these can help retain nationals is analysed. Furthermore, the factor of whether compensation and benefits retain nationals more than career progression is included within the high variances affecting the underlying factor within component four.

Table 4.16 Component 4

Questions		1	2	3	4
28	Am satisfied with the company compensation	.014	-.021	.034	.270
29	Am satisfied with the company benefits	-.002	-.014	.055	.258
30	Compensation and benefits in my organization retains me	-.019	.029	.044	.269
31	Compensation and benefits retains me more than career progression opportunities in the organization	.039	-.004	.017	.204

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Component Scores

In summary, the factor analysis provides support for the prior questionnaire themes and thus provides justification for proceeding with the analysis of the findings with reference to these themes. That is, the components with high variances do reflect the questionnaire themes.

To further explore Bahrainization within private sector, in the next section the researcher provides a descriptive analysis of Bahrainization within each organization, hence presenting Bahrainization HRD practices within sectors.

4.6 Descriptive Analysis in relation to specific sectors

The earlier section provided an analysis of respondents' views regardless of the organization they work in. The organizations vary in terms of sector, therefore is worth examining the results of the questionnaire in relation to each organization to present more accurate results of the views of nationals from various sectors and in relation to specific industries. The analyses presented in the following sections have been analysed by focusing only on the mean response within each theme for every organization. In addition, responses agreeing, disagreeing or neutral in relation to the questions are analysed together with the means. The organizations and their respective industries are shown below:

Table 4.17 Research organization sectors

Private Sector Organization	Sector
Gulf Petrochemical Industrial Company (GPIC)	Petrochemicals
Gulf Hotel (GULF)	Hospitality
Arabian Pearl Gulf school (APG)	Education
Movenpick Hotel (MVP)	Hospitality
Jawad Group	Fashion Division Restaurants Division -Costa Coffee -Papa Johns -Chillis
Kanoo Group	Travel Division Commercial Division

The private sector companies are different in terms of business activities as indicated earlier (Table 4.14). GPIC is a petrochemical organization, Kanoo Group has two divisions, travel and commercial, and Jawad Group has a main headquarters and divisions of Fashion, Restaurants and Costa coffee. Both Gulf Hotel and Movenpick are considered in the hospitality sector, while APG School is in the educational sector.

It is worth examining individuals within each sector to enable an assessment of whether Bahrainization practices differ between sectors. It is revealed that each sector has its own challenges in HRD activities and practices in areas of training and development, career planning and performance management, organizational culture and management of nationals' development. The researcher could not analyse that situation of nationals within each company as employees responded differently within divisions of one organization. The reason may be the type of activity within the organizational divisions. For example, responses of Jawad Fashion, Costa and Restaurants division differ from the headquarters employees. Kanoo Commercial employees had different responses from Kanoo travel employees. Nevertheless, the researcher tried to find common interesting and issues within Bahrainization in the sectors explored.

4.6.1 Government versus private sector preference

Within the sector preference theme, the reported means indicate that employees from the petroleum industry would not prefer a government job. The statistics show that responses from the petroleum sector had the lowest mean as GPIC employees had a mean of **2.66**. The highest means were from the retail sector and hotel sector as Jawad Fashion respondents had a mean of **4.31** while Movenpick Hotel respondents had an average mean of **4.46**.

Table 4.18 Government sector theme means per organization

Company	I prefer working in the government sector	In general, the government sector has better compensation and benefits than the private sector	Government sector has more opportunities for career progression	I would leave my current job for a job in the government sector	I joined the private sector because I did not find an opportunity in the government sector	Average Mean
APG	4.29	4.15	2.88	4.14	4.15	3.92
GPIC	2.72	2.66	2.76	2.60	2.53	2.66
GULF	3.38	3.39	2.94	3.26	3.17	3.23
JD FASH	4.92	4.92	1.85	4.94	4.94	4.31
JD HO	3.85	3.71	3.51	4.05	3.98	3.82
JD RC	2.43	3.86	3.71	3.14	4.71	3.57
JD RP	3.75	4.00	3.38	3.00	3.50	3.53
KANOO C	3.79	3.64	3.64	3.57	3.93	3.71
KANOO T	3.49	3.84	3.22	3.41	3.68	3.52
MVP	4.23	4.62	4.46	4.38	4.62	4.46

Referring to the means of the petroleum industry it can be seen that the lowest means in all questions under the sector preference theme range from **(2.53-2.72)**. The overall means within sectors are also reflected in the percentage level statistics generated in relation to each question within the theme. It is indicated that GPIC respondents had the highest percentages in terms of sector preference (see Table 4.19, below). The statistics show that **26%** of GPIC respondents disagreed with a government sector preference and **40%** disagreed with the government sector having better compensation and benefits. Around **37%** of GPIC respondents disagreed that they would leave their current job for the government sector, while **32%** strongly disagreed that they joined the private sector because they did not find an opportunity in the government sector. Hence petroleum respondents strongly disagreed with the proposal that they would leave their current job for a job in the government sector.

Looking at the hospitality sector, of the respondents from the Movenpick Hotel, who had an overall highest mean of **4.46** for sector preference, **62%** strongly

agreed in preferring the government sector while **69%** strongly agreed that the government has more opportunities for career progression.

To some extent Jawad Fashion Group statistics were similar to Movenpick Hotel. Jawad Fashion Group had a high mean of **4.31**, close to that of Movenpick Hotel. Specifically, it had a high mean of **4.92** in preferring the government sector and the lowest mean in terms of career progression in the government sector of **1.85**. The percentages indicate Jawad Fashion Group respondents strongly agreed at a percentage of around **94%** that they joined their current job owing to lack of opportunity in the government sector. They also strongly agree at around **94%** in preferring the government sector, leaving their current job for a government job if offered and viewing the government sector as having higher compensation and benefits. Jawad Fashion respondents had **46%** strongly disagree in viewing the government sector as having preferable career opportunities whereas the figure was **69%** for Movenpick Hotel respondents. Both sectors intersect in sector preference but diverge in career opportunities question. Employees from Jawad Group (Restaurant Division) specifically share similar views with the Fashion Division, as **63%** agreed in preferring the government sector and viewing it as providing better compensation and benefits. Although Jawad Group employees are from one organization, it is evident that the divisions have different views as well. Opposite statistics are generated by Costa Coffee Division as they had an overall mean of **3.57** and specifically a low mean for sector preference of **2.43**. The percentages generated emphasize the statistics generated further as **43%** strongly disagreed in preferring the government sector while **43%** were neutral towards government sector career opportunities, compensation and benefits.

Table 4.19 Government sector percentage responses per organization

Government Sector Preference Questions		Company									
		APG	GPIC	GULF	JD FASH	JD HO	JD RC	JD RP	KANOO C	KANOO T	MVP
		Column N %	Column N %	Column N %	Column N %	Column N %	Column N %	Column N %	Column N %	Column N %	Column N %
I prefer working in the government sector	Strongly Disagree	3%	10%	16%	0%	11%	43%	0%	7%	3%	0%
	Disagree	3%	26%	16%	0%	7%	0%	13%	7%	22%	8%
	Neutral	8%	48%	19%	2%	15%	43%	13%	21%	30%	23%
	Agree	34%	14%	11%	3%	20%	0%	63%	29%	16%	8%
	Strongly Agree	52%	2%	38%	94%	47%	14%	13%	36%	30%	62%
In general, the government sector has better compensation and benefits than the private sector	Strongly Disagree	3%	11%	8%	0%	7%	0%	0%	7%	0%	0%
	Disagree	8%	40%	25%	0%	11%	0%	13%	7%	19%	0%
	Neutral	6%	28%	19%	2%	18%	43%	0%	29%	14%	8%
	Agree	37%	15%	14%	3%	31%	29%	63%	29%	32%	23%
	Strongly Agree	46%	6%	33%	94%	33%	29%	25%	29%	35%	69%
Government sector has more opportunities for career progression	Strongly Disagree	15%	14%	22%	46%	7%	0%	0%	0%	8%	0%
	Disagree	29%	28%	19%	35%	9%	0%	25%	14%	19%	8%
	Neutral	18%	31%	25%	10%	29%	43%	25%	36%	35%	8%
	Agree	26%	21%	8%	4%	35%	43%	38%	21%	19%	15%
	Strongly Agree	11%	6%	25%	4%	20%	14%	13%	29%	19%	69%
I would leave my current job for a job in the government sector	Strongly Disagree	5%	15%	15%	0%	5%	0%	13%	0%	3%	0%
	Disagree	8%	37%	18%	0%	5%	29%	13%	14%	8%	8%
	Neutral	5%	21%	26%	1%	22%	29%	50%	36%	49%	15%
	Agree	35%	26%	9%	3%	13%	43%	13%	29%	27%	8%
	Strongly Agree	48%	1%	32%	95%	55%	0%	13%	21%	14%	69%
I joined the private sector because I did not find an opportunity in the government sector	Strongly Disagree	3%	32%	19%	0%	5%	0%	0%	0%	3%	0%
	Disagree	9%	17%	17%	0%	9%	0%	38%	14%	27%	0%
	Neutral	9%	22%	25%	1%	15%	0%	0%	21%	8%	15%
	Agree	26%	25%	6%	3%	24%	29%	38%	21%	24%	8%
	Strongly Agree	52%	5%	33%	95%	47%	71%	25%	43%	38%	77%

4.6.2 Training and Development

Analysing the means under training and development theme, it is revealed that respondents from Jawad Fashion and Costa Coffee had the highest means of **4.39** and **4.49** respectively. The lowest means were from Gulf Hotel **3.30** and Kanoo Travel **3.20**. The means indicate that training and development is found to be agreeable in the retail sector. The next section explains the training and development processes further in each sector by reflecting on the percentages of each item.

Table 4.20 Training and development theme mean responses per organization

Company	I am trained at a regular basis	I attend at least 2 training courses per year	Am given the opportunity to choose my training programs	My manager only nominates me for a training program	Training programs are mutually agreed by myself and manager	Training programs are aligned with my job requirements	Am hesitant to request training from my organization	Training programs in my organization meet development needs for promotion at work	Training is well managed in my organization	My manager encourages and supports my training	My organization promotes a learning culture	Average Mean
APG	4.03	3.63	3.55	3.72	3.55	3.91	2.92	3.62	3.88	4.45	4.14	3.76
GPIC	3.68	3.34	3.00	3.73	3.26	3.65	2.97	3.49	3.56	3.73	4.11	3.50
GULF	2.93	3.00	2.98	3.19	3.47	3.48	3.05	3.51	3.61	3.67	3.40	3.30
JD FASH	4.83	4.81	4.28	4.53	4.57	4.65	2.26	4.12	4.77	4.72	4.73	4.39
JD HO	3.40	2.91	3.16	3.40	3.31	3.56	3.16	3.44	3.42	3.25	3.33	3.30
JD RC	4.29	4.43	3.71	5.00	4.57	4.57	4.86	4.71	4.43	4.71	4.14	4.49
JD RP	3.63	3.13	3.38	3.63	3.75	3.88	3.25	3.88	3.75	3.50	3.75	3.59
KANOO C	3.79	3.71	4.00	3.93	3.71	3.64	3.57	3.79	3.79	3.93	3.93	3.80
KANOO T	3.05	3.05	3.46	3.06	3.22	3.46	2.89	3.27	3.24	3.32	3.19	3.20
MVP	4.00	3.69	3.00	3.08	3.46	3.62	3.23	3.31	3.31	3.92	3.25	3.44

Gulf Hotel, having a low mean of **3.30**, was the organization that had respondents with strongest disagreement percentages in terms of training and development. **Sixteen** per cent strongly disagreed with attending training on a regular basis, **14%** strongly disagreed with attending at least two training courses per year, **3%** disagreed with having training programmes that meet development needs for promotion at work, **7%** disagreed with having training well managed in their organization, while **8%** strongly disagreed with having their organization promote a learning culture. However, over **30%** were neutral in the areas of having training aligned with their job, being developed for promotion and given the opportunity to choose their training programme.

While half of Kanoo Commercial respondents agreed positively towards training and development, Kanoo Travel respondents had the highest disagreement percentages and the lowest mean of **3.20** under the Training and Development theme. **38%** disagreed with being trained regularly, **33%** disagreed with having their manager's training nominations, **16%** disagreed with having a mutual agreement and job alignment for training, while **22%** disagreed in having their manager support their training.

Costa Coffee employees with the highest mean of **4.49** had positive views which are also reflected through the percentages. **71** percent strongly agreed with attending training regularly, having a mutual training agreement and having their organizations promote a learning culture. Analysing Jawad Fashion Division also showed a high mean of **4.39**, and it is evident that they are developed regularly as the percentages of responses in agreement were high: **86** per cent of the respondents strongly agreed with attending at least 2 trainings per year, **61%** strongly agreed with choosing their training programmes, **83%** strongly agreed in having their training programmes aligned with their job requirements while **61%** agreed with having training programmes that meet development needs for their work.

An interesting percentage was that **100%** of the Restaurants Division respondents strongly agreed to having their manager nominate them for training, **86%** strongly agreed to having training meet development needs for promotion and being encouraged by their managers, **57%** strongly agreed that training is well managed. Similarly, Restaurants Division employees had high agreement percentages towards training and development. As indicated in the table, **63%** of Restaurants Division respondents agreed that training is well managed in their organization and they are being training regularly and given the opportunity to choose their training programme. Restaurants Division employee had the highest agreement percentage of **75%** in terms of a manager nominating employees, **88%** agreed that training programmes are aligned with their job requirements and **50%** agreed that their organization promotes a learning culture. Even though they had high positive agreement responses towards training, **38%** of the respondents were hesitant to ask for training from their organization. While Jawad Fashion, Restaurants and Costa Coffee divisions had positive responses towards training and development, Jawad Head Office respondents had disagreement responses with a low mean of **3.30**. Around **29%** disagree in attending training at least twice a year and in having the opportunity to choose their training programmes. In areas of regular training attendance, training nomination by manager, promotion of learning culture, training support, encouragement and management, respondents from Jawad Head office had high neutral responses of over **33%** as indicated in the table below.

Fifty-two percent of APG respondents agree that they and their manager mutually agree training programmes. A small percentage of GPIC employees

disagreed in terms of training and development in their organization, where 10% strongly disagreed that training programmes are mutually agreed and 7% strongly disagreed that training is well managed in their organization. Movenpick respondents had high strongly disagreeing percentages in the areas of training and development. 31% strongly disagreed with being given the opportunity for training, 23% strongly disagreed with having their manager nominate them for training, and 15% strongly disagreed in having training programmes aligned with their job requirements. In addition, 31% disagreed in having training sessions that meet development needs. Despite the high disagreement percentages, nevertheless 46% had mutual agreement in training and development and 46% disagreed to being hesitant to ask for training.

Table 4.21 Training and development percentage responses per organization

Training and Development Questions		Company									
		APG	GPIC	GULF	JD FASH	JD HO	JD RC	JD RP	KANOO C	KANOO T	MVP
		Column N %	Column N %	Column N %	Column N %	Column N %	Column N %	Column N %	Column N %	Column N %	Column N %
I am trained at a regular basis	Strongly Disagree	3%	2%	16%	0%	5%	0%	13%	0%	0%	8%
	Disagree	9%	9%	23%	1%	15%	14%	0%	14%	38%	0%
	Neutral	9%	25%	26%	1%	33%	14%	13%	21%	22%	8%
	Agree	38%	45%	21%	10%	29%	0%	63%	36%	38%	54%
	Strongly Agree	40%	18%	14%	87%	18%	71%	13%	29%	3%	31%
I attend at least 2 training courses per year	Strongly Disagree	8%	10%	14%	0%	13%	0%	13%	0%	11%	8%
	Disagree	16%	18%	26%	0%	29%	14%	25%	21%	27%	23%
	Neutral	11%	18%	26%	4%	20%	0%	13%	7%	16%	0%
	Agree	35%	36%	16%	10%	31%	14%	38%	50%	38%	31%
	Strongly Agree	30%	18%	19%	86%	7%	71%	13%	21%	8%	38%
Am given the opportunity to choose my training programs	Strongly Disagree	5%	13%	16%	2%	4%	14%	13%	0%	3%	31%
	Disagree	14%	20%	19%	1%	29%	0%	0%	7%	19%	15%
	Neutral	23%	26%	33%	25%	29%	14%	25%	21%	24%	0%
	Agree	38%	34%	16%	12%	24%	43%	63%	36%	38%	31%
	Strongly Agree	20%	7%	16%	61%	15%	29%	0%	36%	16%	23%
My manager only nominates me for a training program	Strongly Disagree	3%	2%	7%	0%	7%	0%	0%	0%	6%	23%
	Disagree	14%	6%	26%	0%	7%	0%	13%	7%	33%	15%
	Neutral	18%	28%	28%	7%	35%	0%	13%	14%	17%	8%
	Agree	37%	44%	21%	33%	40%	0%	75%	57%	39%	38%
	Strongly Agree	28%	19%	19%	60%	11%	###	0%	21%	6%	15%
Training programs are mutually agreed by myself and manager	Strongly Disagree	5%	10%	9%	1%	2%	0%	0%	7%	3%	8%
	Disagree	9%	15%	5%	0%	15%	0%	0%	7%	16%	0%
	Neutral	23%	29%	35%	7%	45%	14%	25%	21%	41%	46%
	Agree	52%	31%	33%	27%	27%	14%	75%	36%	38%	31%
	Strongly Agree	11%	15%	19%	66%	11%	71%	0%	29%	3%	15%
Training programs are aligned with my job requirements	Strongly Disagree	2%	3%	5%	3%	2%	0%	0%	0%	3%	15%
	Disagree	11%	10%	12%	1%	13%	0%	0%	14%	16%	0%
	Neutral	8%	20%	33%	7%	27%	14%	13%	29%	30%	23%
	Agree	55%	50%	31%	6%	44%	14%	88%	36%	35%	31%
	Strongly Agree	25%	16%	19%	83%	15%	71%	0%	21%	16%	31%

Am hesitant to request training from my organization	Strongly Disagree	9%	8%	17%	39%	4%	0%	0%	0%	19%	0%
	Disagree	26%	24%	7%	10%	24%	0%	38%	7%	14%	46%
	Neutral	31%	31%	40%	41%	36%	0%	13%	43%	30%	8%
	Agree	31%	35%	26%	5%	25%	14%	38%	36%	35%	23%
	Strongly Agree	3%	1%	10%	5%	11%	86%	13%	14%	3%	23%
Training programs in my organization meet development needs for promotion at work	Strongly Disagree	8%	8%	9%	1%	2%	0%	0%	0%	5%	0%
	Disagree	15%	11%	2%	1%	22%	0%	0%	7%	27%	31%
	Neutral	14%	26%	47%	10%	16%	14%	38%	29%	19%	23%
	Agree	34%	34%	12%	61%	51%	0%	38%	43%	32%	31%
	Strongly Agree	29%	21%	30%	28%	9%	86%	25%	21%	16%	15%
Training is well managed in my organization	Strongly Disagree	2%	7%	7%	0%	2%	0%	0%	0%	5%	0%
	Disagree	5%	11%	7%	0%	16%	0%	13%	7%	14%	23%
	Neutral	28%	22%	29%	4%	35%	14%	13%	36%	46%	31%
	Agree	37%	40%	29%	14%	33%	29%	63%	29%	22%	38%
	Strongly Agree	29%	20%	27%	81%	15%	57%	13%	29%	14%	8%
My manager encourages and supports my training	Strongly Disagree	2%	3%	9%	0%	9%	0%	13%	0%	5%	0%
	Disagree	3%	13%	0%	0%	9%	0%	13%	7%	22%	8%
	Neutral	6%	20%	35%	5%	42%	14%	13%	14%	22%	15%
	Agree	28%	33%	26%	19%	27%	0%	38%	57%	38%	54%
	Strongly Agree	62%	30%	30%	77%	13%	86%	25%	21%	14%	23%
My organization promotes a learning culture	Strongly Disagree	6%	1%	8%	0%	4%	0%	0%	0%	8%	0%
	Disagree	3%	0%	8%	0%	11%	29%	0%	0%	16%	25%
	Neutral	6%	24%	43%	5%	44%	0%	38%	29%	32%	42%
	Agree	39%	36%	23%	17%	33%	0%	50%	50%	35%	17%
	Strongly Agree	45%	39%	20%	78%	9%	71%	13%	21%	8%	17%

4.6.3 Career Development and Performance Management

The training and development mean responses are similarly reflected in relation to the career development and performance management means. The statistics indicate a relation between practices of training and development, and career development and performance management. If training and development is practised, career development and performance management practices appear to be positively supported as well. The table below presents the means for each organization, showing the highest means as those for Jawad Costa **3.90** and Jawad Fashion **3.85**. The lowest means were for Gulf Hotel **2.97** and Kanoo Travel **2.89**. The means reflect that training and development practices are aligned to career development and performance management processes. The career development and performance management theme is analysed at depth within the organizations by studying the percentages of items within the theme in the coming section.

Table 4.22 Career development theme mean per organization

Company	My manager develops me to be promoted	My manager communicates to me openly regarding my next career position in the organization	My manager guides me towards achieving a higher position in the organization	I see career prospects in my organization	Career progression is discussed during yearly appraisal	Career paths are limited in my department	Career paths are limited in my organization	Career progression retains me at my organization	Career progression was discussed when I first joined the organization	Career progression was discussed after more than a year of joining the organization	Besides, high performance my organization engages in a culture of promotion through development programs	Average Mean
APG	3.79	3.03	3.31	3.06	2.86	3.74	3.58	3.48	3.02	2.64	3.14	3.24
GPIC	3.34	3.16	3.30	3.55	3.05	3.40	3.17	3.09	2.98	2.91	3.60	3.23
GULF	3.09	3.02	3.07	3.14	3.02	2.88	2.79	2.81	3.05	2.95	2.88	2.97
JD FASH	4.64	3.98	4.61	4.20	3.81	3.35	3.12	3.52	4.23	3.00	3.92	3.85
JD HO	3.20	2.98	3.22	3.11	2.82	3.09	3.07	3.25	3.00	3.09	3.42	3.11
JD RC	4.71	4.57	4.57	4.29	4.00	2.43	2.00	4.00	4.29	3.86	4.14	3.90
JD RP	3.38	3.50	3.38	3.63	4.00	2.75	2.50	3.13	3.38	2.38	3.63	3.24
KANOO C	3.93	3.86	3.79	3.86	3.86	3.71	3.71	3.50	3.64	3.86	3.71	3.77
KANOO T	2.92	2.84	2.92	2.89	3.11	2.95	2.89	2.95	2.78	2.57	3.00	2.89
MVP	3.83	3.33	3.25	3.42	3.08	3.38	3.00	2.75	3.38	2.54	3.08	3.19

The analysis below reflects views regarding career development and performance management as HRD practices in the private sector. Gulf Hotel respondents, with a mean of **2.97**, had disagreeing responses that revolved around development through promotion. The means were the lowest in all questions under the career development and performance management theme ranging from **2.97–3.09**. As the statistics indicate, **19%** strongly disagreed that the manager develops them to be promoted, **12%** strongly disagreed that the manager guides them towards achieving higher positions, while **16%** strongly disagreed to having their organization engaged in a culture of promotion through development. But the respondents had the highest neutral responses where **51%** were neutral towards career progression discussion during the yearly appraisal, and **58%** were neutral in having career progression as an issue for retaining them in Gulf Hotel.

Kanoo Travel group had disagreement percentages in several areas and the lowest mean of **2.89**. As indicated in the table below, **22%** disagreed that their manager developed them to be promoted, **19%** strongly disagreed in having managers communicate to them regarding career progression, while 24% disagreed in having a culture of promotion through development in their organization. Furthermore, they strongly disagreed that career progression is communicated and **30%** strongly disagreed that their manager guides them towards career progression. In addition, 35% disagreed in seeing career prospects, while around **57%** were neutral towards viewing career limitations. Kanoo Commercial group had **43%** of its respondents agree that their manager guides them towards career development, **29%**

strongly agreed that career progression is discussed and **50%** of the respondents agreed that career progression retains them.

Having the highest mean of **3.90**, **86%** of Jawad Costa Coffee respondents strongly agreed that their manager develops them to be promoted. In addition, **71%** of Costa respondents strongly agreed that their manager communicates and guides them to higher positions. Costa coffee respondents further strengthen their satisfaction towards career progression at their division as shown by the 'strongly agree' percentages indicated below. **43%** strongly agree that a culture of promotion through development is engaged in their division, **57%** strongly agree that they see career prospects in their organization and have career progression discussions with their managers. Furthermore, **29%** strongly agree that career progression retains them. Their positive responses are reflected through the highest percentages of strongly disagreeing with career limitations where **29%** strongly disagree that career paths are limited in their department and **43%** strongly disagree that career paths are limited in their organization.

Jawad Fashion respondents with a high mean of **3.85** had the highest positive agreement responses as the statistics indicate **86%** agreed that their organization engages in a culture of promotion through development, **76%** agreed that their manager communicates to them openly regarding their next career progression while **50%** agreed that career progression was discussed when they first joined. But **39%** agreed that there are career limitations in their organization and **77%** were neutral towards career progression discussions. Positive career planning is reflected in the restaurants division in Jawad Group, where **63%** agree that they see career prospects in their organization. All respondents agree that career progression discussions take place and **50%** agree that a career discussion took place when they first joined. Around **38%** disagreed that career planning is limited in their department.

On the one hand, the statistics indicate that **41%** of APG respondents agree that they are being developed to be promoted but they had the highest percentages of strongly disagreeing in terms of career progression. As indicated below, **14%** strongly disagree in seeing career prospects, and around **31%** feel that career paths are limited in their organization and department. In addition, career discussion has been viewed negatively as **17%** strongly disagree in having career progression discussed during a yearly appraisal, **15%** strongly disagreed that career progression

was discussed when they first joined, while **20%** strongly disagreed that career progression was discussed after more than a year. Movenpick Hotel respondents had neutral views in the area of career planning and performance management. **33%** were neutral towards having managers communicate to them career progression while **58%** were also neutral in seeing career prospects and culture of promotion through development in the Movenpick Hotel. Over **30%** disagreed that career paths are limited, **38%** disagreed that career progression was discussed after more than a year but **33%** also disagreed that career progression retains them.

Table 4.23 Career development and performance management percentage responses per organization

Career Planning and Performance Management		Company									
		APG	GPIC	GULF	JD FASH	JD HO	JD RC	JD RP	KANOO C	KANOO T	MVP
My manager develops me to be promoted	Strongly Disagree	5%	9%	19%	0%	7%	0%	13%	0%	11%	0%
	Disagree	10%	10%	7%	0%	7%	0%	13%	0%	22%	0%
	Neutral	16%	30%	33%	9%	49%	14%	25%	36%	35%	42%
	Agree	41%	39%	30%	18%	31%	0%	25%	36%	30%	33%
	Strongly Agree	29%	11%	12%	73%	5%	86%	25%	29%	3%	25%
My manager communicates to me openly regarding my next career position in the organization	Strongly Disagree	9%	11%	16%	0%	15%	0%	0%	0%	19%	0%
	Disagree	22%	17%	9%	0%	9%	0%	13%	0%	24%	33%
	Neutral	38%	33%	42%	13%	40%	14%	38%	36%	19%	17%
	Agree	18%	24%	21%	76%	36%	14%	38%	43%	30%	33%
	Strongly Agree	12%	16%	12%	11%	0%	71%	13%	21%	8%	17%
My manager guides me towards achieving a higher position in the organization	Strongly Disagree	8%	11%	12%	0%	7%	0%	0%	0%	11%	0%
	Disagree	12%	13%	14%	0%	18%	0%	25%	7%	30%	33%
	Neutral	37%	25%	44%	7%	29%	14%	25%	29%	24%	25%
	Agree	28%	35%	16%	25%	36%	14%	38%	43%	27%	25%
	Strongly Agree	15%	16%	14%	68%	9%	71%	13%	21%	8%	17%
I see career prospects in my organization	Strongly Disagree	14%	3%	9%	0%	9%	0%	0%	0%	3%	0%
	Disagree	16%	10%	12%	1%	13%	0%	0%	7%	35%	0%
	Neutral	33%	34%	47%	11%	40%	29%	38%	21%	38%	58%
	Agree	25%	34%	21%	54%	35%	14%	63%	50%	19%	42%
	Strongly Agree	13%	19%	12%	34%	4%	57%	0%	21%	5%	0%
Career progression is discussed during yearly appraisal	Strongly Disagree	17%	10%	7%	0%	7%	0%	0%	7%	5%	0%
	Disagree	22%	22%	16%	5%	36%	0%	0%	0%	27%	38%
	Neutral	31%	31%	51%	12%	29%	29%	0%	21%	30%	15%
	Agree	20%	28%	19%	81%	22%	43%	100%	43%	27%	46%
	Strongly Agree	11%	9%	7%	3%	5%	29%	0%	29%	11%	0%
Career paths are limited in my department	Strongly Disagree	5%	3%	18%	0%	7%	29%	0%	7%	8%	0%
	Disagree	15%	17%	8%	8%	25%	29%	38%	0%	14%	15%
	Neutral	14%	27%	55%	52%	33%	29%	50%	36%	57%	46%
	Agree	34%	41%	10%	39%	20%	0%	13%	29%	19%	23%
	Strongly Agree	32%	11%	10%	2%	15%	14%	0%	29%	3%	15%

Career paths are limited in my organization	Strongly Disagree	8%	4%	12%	0%	4%	43%	13%	0%	8%	0%
	Disagree	20%	24%	16%	2%	27%	29%	25%	7%	14%	31%
	Neutral	9%	31%	58%	85%	36%	14%	63%	29%	59%	46%
	Agree	32%	31%	9%	12%	24%	14%	0%	50%	19%	15%
	Strongly Agree	31%	9%	5%	1%	9%	0%	0%	14%	0%	8%
Career progression retains me at my organization	Strongly Disagree	12%	6%	14%	0%	4%	0%	0%	0%	11%	8%
	Disagree	11%	24%	12%	1%	18%	0%	13%	14%	19%	33%
	Neutral	18%	36%	58%	54%	36%	29%	63%	29%	41%	33%
	Agree	34%	26%	12%	38%	33%	43%	25%	50%	24%	25%
	Strongly Agree	25%	9%	5%	8%	9%	29%	0%	7%	5%	0%
Career progression was discussed when I first joined the organization	Strongly Disagree	15%	11%	5%	0%	11%	0%	0%	0%	11%	8%
	Disagree	22%	25%	14%	1%	25%	14%	13%	7%	30%	8%
	Neutral	22%	24%	60%	12%	27%	0%	38%	36%	30%	31%
	Agree	29%	34%	14%	50%	25%	29%	50%	43%	30%	46%
	Strongly Agree	12%	6%	7%	37%	11%	57%	0%	14%	0%	8%
Career progression was discussed after more than a year of joining the organization	Strongly Disagree	20%	11%	5%	0%	11%	0%	13%	0%	11%	8%
	Disagree	27%	24%	21%	13%	18%	0%	38%	0%	38%	54%
	Neutral	25%	33%	53%	77%	33%	29%	50%	36%	38%	15%
	Agree	25%	28%	16%	6%	27%	57%	0%	43%	11%	23%
	Strongly Agree	3%	4%	5%	3%	11%	14%	0%	21%	3%	0%
Besides, high performance my organization engages in a culture of promotion through development programs	Strongly Disagree	12%	1%	16%	0%	4%	0%	0%	0%	5%	0%
	Disagree	17%	6%	9%	1%	15%	14%	0%	0%	24%	17%
	Neutral	25%	36%	51%	10%	35%	0%	38%	36%	41%	58%
	Agree	37%	47%	16%	86%	31%	43%	63%	57%	24%	25%
	Strongly Agree	9%	10%	7%	3%	16%	43%	0%	7%	5%	0%

4.6.4 Compensation and Benefits

The means of organizations regarding the compensation and benefits theme were highest for GPIC respondents with a mean of **3.57**. The lowest mean was Movenpick Hotel with a mean of **2.90**. These means reflect that satisfaction with compensation and benefits is highest in the petrochemical sector and lowest in the hotel sector. Othe organizations were near to the highest mean of **3.57**: Restaurant Division at **3.43** and Kanoo Commercial at **3.54**. Despite Jawad Fashion having high mean for satisfaction in relation to areas of training, development, career planning and

performance management, the respondents show a low mean of **2.93** in relation to the compensation and benefits theme. Further analysis regarding compensation and benefits within organizations is provided by comparing percentages between items within the theme, as analysed in the coming paragraph.

Table 4.24 : Compensation and benefits theme responses per organization

Company	Am satisfied with the company compensation	Am satisfied with the company benefits	Compensation and benefits in my organization retains me	Compensation and benefits retains me more than career progression opportunities in the organization	Expatriates in my organization receive more benefits than nationals	Compensation and benefits are communicated through formal means via written policies	I feel compensation and benefits in my organization is higher than the government sector in Bahrain	Our company compensation and benefits are higher than the private sector organizations in the same industry	My organization compensation and benefits need improvement	Average Mean
APG	2.92	2.80	2.69	2.55	3.40	2.83	2.25	3.23	4.03	2.97
GPIC	3.74	4.00	3.65	2.94	3.76	3.30	3.74	3.52	3.47	3.57
GULF	3.14	3.05	3.05	2.88	2.80	3.26	2.83	3.10	3.16	3.03
JD FASH	1.90	1.88	2.01	2.12	4.71	4.24	2.45	2.74	4.30	2.93
JD HO	2.65	2.65	2.76	2.89	3.51	3.35	2.98	3.00	3.67	3.05
JD RC	2.43	3.57	3.14	3.29	3.14	3.14	2.29	3.14	4.57	3.19
JD RP	3.50	3.38	3.50	3.50	3.25	3.63	3.00	3.13	4.00	3.43
KANOO C	3.86	3.64	3.36	3.50	3.57	3.43	3.57	3.50	3.43	3.54
KANOO T	2.97	3.00	2.95	2.61	3.72	2.68	2.57	2.97	3.81	3.03
MVP	3.31	2.46	2.62	2.54	3.46	2.92	2.46	2.23	4.08	2.90

Compensation and benefits questions provided the views of Bahraini employees towards their packages in relation to the private sector and government sector. The highest mean of **3.57** and percentage of responses in agreement was by GPIC respondents. In terms of compensation and benefits satisfaction, **53%** agreed that they are satisfied with GPIC compensation and benefits and **49%** agreed that compensation and benefits are higher than with the government. Around **17 per cent** strongly agreed that compensation and benefits retain them in their organization. GPIC had the highest means in all questions, ranging from 3.47–3.74.

A high mean of **3.54** is also shown in Kanoo Commercial Division, but although **21%** of Kanoo Commercial employees strongly agree that they are satisfied with compensation, **14%** disagree that their compensation needs improvement, and dissatisfaction is expressed in other areas. As indicated, **50%** of the respondents agree that expatriates receive more compensation, while **21%** strongly agree that compensation in the government and other private sector organizations is higher than in their organization.

The lowest mean in terms of compensation and benefits was for respondents from the hospitality sector specifically Movenpick Hotel at **2.90**. The means and percentages were low in several areas regarding compensation and benefits. In addition, Jawad Fashion group dissatisfaction towards compensation and benefits is reflected through the overall low mean of **2.93**, and further analysing the percentages for individual questions, **48 per cent** disagreed that they are satisfied with the compensation while **52%** disagreed that they are satisfied with the benefits. The means in the above areas were the lowest at **1.90** and **1.88** respectively. In terms of retention, **34%** strongly disagreed that compensation and benefits retain them in their organization while **34%** disagreed as well that compensation and benefits retain them more than career progression. The highest strong agreement had a mean of **4.71** and a percentage of **61%** towards having expatriates receive more compensation than Bahrainis, and **48%** of them also agreed that communication of compensation was through formal means. **66** per cent of the respondents were neutral towards compensation and benefits in their organization being higher than other private organizations. Neutral responses towards satisfaction with compensation and benefits were recorded from **51%** of Jawad head office employees. Although Fashion Division had low means and percentages in responses, referring to the tables, it is noted that the Restaurants Division had a high overall mean of **3.43**. **Sixty-three per cent** agreed that they were satisfied with compensation, **50%** agreed that compensation and benefits lead to retention and these also retain them more than career planning. **38%** agreed that their compensation was higher than other private sector organizations, but **50%** agreed that expatriates receive more benefits than Bahrainis and that compensation and benefits need improvement.

Costa Coffee respondents were also satisfied with the benefits, having a high mean of **3.57** for benefits satisfaction with **29%** recording strong agreement, but there were neutral responses towards being retained. As outlined in the table below, **57%** were neutral that compensation and benefits were retaining them, and **71%** were neutral that compensation and benefits retained them more than career progression. Costa employees were also neutral towards expatriates having more compensation and benefits than Bahrainis. **43** per cent of Costa Coffee employees disagreed that compensation is communicated through formal means and that their compensation and benefits were higher than in the government sector. Hence the

analysis indicates that there are variances in employees' views in each division of Jawad Group organization.

It is revealed that 42% of APG employees strongly disagreed that their compensation and benefits are higher than the government sector, while 18% strongly disagreed that compensation and benefits are communicated through formal means. Gulf Hotel respondents were neutral towards their compensation and benefits with 51% neutral regarding their compensation and benefits satisfaction, 53% neutral in assessing their compensation as higher than in the government and 55% neutral in expressing that Gulf Hotel compensation and benefits need improvement. Furthermore, 20% strongly disagreed that expatriates receive more compensation in their organization. Movenpick hotel employee had negative responses in the area of compensation as 46% disagreed that compensation retains them in their organization. Furthermore, 46% strongly agreed that their organization compensation and benefits need improvement, with 31% strongly disagreeing that their compensation is higher than other private sector companies. However, 54% were neutral towards the company communication of compensation and benefits through formal means.

Table 4.25 Compensation and benefits percentage responses per organization

Compensation and Benefits		Company									
		APG	GPIC	GULF	JD FASH	JD HO	JD RC	JD RP	KANOO C	KANOO T	MVP
Am satisfied with the company compensation	Strongly Disagree	17%	1%	7%	36%	13%	14%	0%	0%	11%	0%
	Disagree	18%	6%	7%	48%	22%	29%	13%	0%	27%	15%
	Neutral	28%	30%	58%	8%	53%	57%	25%	36%	24%	54%
	Agree	29%	45%	21%	7%	13%	0%	63%	43%	30%	15%
	Strongly Agree	8%	18%	7%	1%	0%	0%	0%	21%	8%	15%
Am satisfied with the company benefits	Strongly Disagree	19%	0%	9%	34%	16%	0%	0%	0%	0%	15%
	Disagree	25%	4%	12%	52%	18%	14%	13%	0%	32%	38%
	Neutral	25%	17%	51%	6%	51%	43%	38%	50%	38%	31%
	Agree	20%	53%	21%	6%	13%	14%	50%	36%	27%	15%
	Strongly Agree	11%	26%	7%	1%	2%	29%	0%	14%	3%	0%
Compensation and benefits in my organization retains me	Strongly Disagree	22%	1%	7%	34%	11%	0%	0%	7%	8%	0%
	Disagree	22%	7%	12%	41%	31%	14%	0%	0%	24%	46%
	Neutral	29%	35%	54%	14%	33%	57%	50%	50%	38%	46%
	Agree	22%	40%	22%	8%	22%	29%	50%	36%	24%	8%
	Strongly Agree	6%	17%	5%	2%	4%	0%	0%	7%	5%	0%
Compensation and benefits retains me more than career progression opportunities in the organization	Strongly Disagree	20%	6%	12%	33%	13%	0%	0%	0%	14%	15%
	Disagree	28%	24%	12%	34%	22%	0%	0%	7%	31%	31%
	Neutral	32%	46%	54%	23%	33%	71%	50%	43%	39%	38%
	Agree	17%	20%	20%	7%	29%	29%	50%	43%	14%	15%
	Strongly Agree	3%	4%	2%	3%	4%	0%	0%	7%	3%	0%
Expatriates in my organization receive more benefits than nationals	Strongly Disagree	15%	2%	20%	0%	4%	0%	0%	0%	8%	8%
	Disagree	8%	7%	12%	0%	7%	14%	25%	7%	8%	0%
	Neutral	29%	34%	46%	10%	44%	57%	25%	36%	19%	46%
	Agree	17%	27%	12%	10%	25%	29%	50%	50%	31%	31%
	Strongly Agree	31%	30%	10%	81%	20%	0%	0%	7%	33%	15%
Compensation and benefits are communicated through	Strongly Disagree	18%	6%	5%	1%	5%	0%	0%	7%	11%	15%
	Disagree	20%	16%	10%	3%	11%	43%	13%	7%	24%	8%
	Neutral	32%	33%	52%	6%	36%	29%	13%	36%	51%	54%

formal means via written policies	Agree	18%	35%	21%	48%	38%	0%	75%	36%	14%	15%
	Strongly Agree	11%	11%	12%	41%	9%	29%	0%	14%	0%	8%
I feel compensation and benefits in my organization is higher than the government sector in Bahrain	Strongly Disagree	42%	2%	10%	9%	13%	14%	0%	7%	22%	38%
	Disagree	23%	5%	20%	40%	13%	43%	38%	7%	27%	15%
	Neutral	14%	27%	53%	48%	47%	43%	25%	29%	30%	15%
	Agree	12%	49%	13%	3%	18%	0%	38%	36%	16%	23%
	Strongly Agree	9%	17%	5%	0%	9%	0%	0%	21%	5%	8%
Our company compensation and benefits are higher than the private sector organizations in the same industry	Strongly Disagree	5%	2%	8%	6%	11%	0%	0%	7%	3%	31%
	Disagree	16%	10%	10%	22%	18%	29%	25%	7%	41%	23%
	Neutral	41%	36%	58%	66%	40%	43%	38%	36%	24%	38%
	Agree	30%	35%	15%	3%	22%	14%	38%	29%	22%	8%
	Strongly Agree	9%	16%	10%	3%	9%	14%	0%	21%	11%	0%
My organization compensation and benefits need	Strongly Disagree	3%	1%	8%	1%	7%	0%	0%	7%	0%	0%
	Disagree	5%	9%	5%	1%	9%	0%	0%	14%	11%	8%
	Neutral	17%	48%	55%	6%	25%	14%	25%	29%	27%	23%
improvement	Agree	37%	26%	26%	49%	25%	14%	50%	29%	32%	23%
	Strongly Agree	38%	16%	5%	43%	33%	71%	25%	21%	30%	46%

4.6.5 Organizational Management and Organizational Culture

Organizational management and organizational culture means were lowest in the hospitality sector. Both Gulf Hotel **2.95** and Movenpick **3.10** had the lowest means, as indicated in the table. The highest mean was Jawad Fashion having a mean of **4.14** while Costa Division was near to the highest mean at **3.95**. The means reflect the organizational management and culture in various areas such as communication, support and recognition. The expatriate and Bahraini management preference is also questioned through this theme and reflected through the percentage responses to items within the theme, as explained further below.

Table 4.26 Organizational management and organizational culture theme responses per organization

Company	Our top management communicates openly to all employees	I feel barriers in dealing with top management	Top management support training and development of Bahrainis	Top management recognizes high performing Bahrainis	Top management promotes Bahrainis to high positions in the organization	Expatriate management are hesitant to deal with Bahrainis	Bahrainis have a positive attitude towards work	In my organization many Bahraini employees need further development to be promoted to higher positions
APG	3.88	3.23	4.31	3.57	3.09	2.88	4.22	3.51
GPIC	3.64	2.92	4.08	3.90	4.03	2.75	3.99	3.66
GULF	2.90	2.91	3.07	3.17	2.90	2.72	2.76	3.02
JD FASH	3.68	2.99	4.66	4.69	4.40	3.21	4.66	4.47
JD HO	3.04	3.05	3.42	3.20	2.95	3.36	3.35	3.49
JD RC	4.86	3.14	4.43	4.14	4.14	3.29	4.29	4.14
JD RP	2.88	3.00	3.50	3.38	3.75	3.13	3.88	3.88
KANOO C	3.36	3.57	3.50	3.50	3.29	3.43	3.71	3.57
KANOO T	3.24	3.28	3.30	3.17	3.19	2.70	3.30	3.73
MVP	3.31	3.23	2.77	2.69	2.62	3.38	3.38	3.23
Company	I find it hard to deal with expatriate managers	Expatriates engage in transferring knowledge and experience to Bahraini employees	I prefer working with Bahraini manager	Bahrainis work towards developing themselves through training	Bahraini management are more supportive than expatriate management in terms of development	Generally management view Bahrainis as hard working employees	Communication with Bahraini management is easier than expatriate management	Average Mean
APG	2.52	3.28	3.68	4.26	3.66	3.42	3.88	3.58
GPIC	2.36	3.51	3.69	3.92	3.65	3.74	3.46	3.62
GULF	2.63	2.88	3.12	3.05	3.09	2.93	3.09	2.93
JD FASH	3.16	3.03	4.49	4.60	4.70	4.67	4.72	4.09
JD HO	2.73	3.05	3.42	3.40	3.35	3.27	3.11	3.23
JD RC	3.29	4.00	3.86	4.14	3.43	4.00	4.14	4.05
JD RP	2.88	3.25	3.75	4.38	3.63	3.38	3.50	3.42
KANOO C	3.57	3.71	3.43	3.93	3.93	3.93	4.07	3.49
KANOO T	2.69	3.00	3.51	3.22	3.35	3.43	3.00	3.24
MVP	2.92	2.69	3.38	3.62	3.31	2.62	3.31	3.08

To further analyse the position of individuals within the private sector in Bahrain, the final section of the questionnaire had questions embedding organizational management and organizational culture themes.

Gulf Hotel respondents had neutral responses towards their organizational management. The table indicates the high neutral responses, with 42% neutral towards top management for training and development of Bahrainis, 49% neutral towards their management recognizing Bahrainis, 54% were neutral about management promotion of Bahrainis to higher positions. They also had neutral

responses in terms of preference to work with Bahraini management: 67% of the respondents felt neutral in this area and also 58% were neutral that Bahraini management can be more supportive and easier to deal and communicate with. Even though 12% of Gulf Hotel respondents strongly disagreed that Bahrainis need further development to be promoted, 16% also disagreed that Bahrainis work towards developing themselves.

The Movenpick Hotel respondents strongly disagreed with having their top management recognize high performing Bahrainis or promote Bahrainis to high positions. The percentages were 23% and 31 % respectively in these areas. In addition, 54% disagreed that management views Bahrainis as hard working employees. 15 per cent also strongly disagreed that top management communicates openly to them and a similar number strongly disagreed that top management is more supportive towards Bahrainis.

Jawad Fashion Division had positive responses towards their top management. Referring to the table, there are 70% that agree with top management communicating openly to them and viewing Bahrainis as hard working employees. The percentages below indicate that 78% strongly agree that top management supports Bahrainis development and recognize high performing Bahrainis, while 53% strongly agreed that top management promotes Bahrainis to high positions. 79 per cent of the respondents were neutral towards feeling a barrier to top management dealings.

Further analysing the figures, 76% strongly agreed that Bahraini have a positive attitude in work, while 61% strongly agreed that Bahrainis work to develop themselves, but 56% strongly agreed that Bahraini need further development for higher positions in work.

The respondents were neutral towards expatriate management: 77% felt neutral that expatriate management is hesitant to deal with Bahrainis and 82% were neutral in finding it hard to deal with expatriates. In addition, 91% were neutral towards expatriate management transfer of knowledge. But the respondents strongly agreed on a Bahraini manager preference, as 60% strongly agreed to preferring to work with a Bahraini manager, 70% felt that Bahraini management are more supportive than expatriate management and 74% strongly agreed that communication with Bahraini management is easier.

The Costa Coffee division employees had similar positive views towards their management to their colleagues in the Fashion division, with 86 % strongly agreeing that top management communicates openly to them, while 29% disagree in feeling barriers when dealing with top management. Even though 29% strongly agreed that expatriates engage in knowledge transfer, 29% strongly agreed to finding it hard to deal with expatriate management. They also agreed, with a percentage of 57%, that Bahrainis work on developing themselves.

Similarly, Restaurant division responses were related, as 50% agreed that top management recognizes and promotes Bahrainis to high positions, but 38% disagreed that top management communicates openly to them. Fifty per cent of respondents also agreed they prefer a Bahraini manager. 63 per cent agreed that Bahrainis have positive attitude and the same percentage felt neutral towards top management view of Bahrainis as hard workers.

Jawad Head Office division had different responses from the Fashion Division. Although 20% strongly disagreed that they find it hard to deal with expatriates, 16% strongly agreed that expatriate management are hesitant to deal with Bahrainis and 13% strongly disagreed that communication with Bahraini management is easier.

The statistics indicate that 25% of APG respondents strongly agree in feeling barriers in communication with top management and 32% agree that communication with Bahraini management is easier. 17 per cent of the respondents disagreed that expatriate management are hesitant to deal with Bahrainis and that Bahrainis need further development to be promoted.

GPIC respondents had positive percentages with respect to dealing with expatriate management, as 48% disagreed in finding it hard to deal with expatriate management, and 47% agreed that expatriate management engage in transferring knowledge. In addition, they also had positive views towards Bahraini management, as indicated by 32% who agreed that Bahraini management are supportive in terms of development and 45% who agreed that management views Bahrainis as hard working employees.

Analysing Kanoo Commercial Division respondents, it is revealed that 50% agreed that their top management supports development of Bahrainis and recognizes high performing nationals. 57 per cent also felt neutral towards top management

communication, while 36% agreed that they feel barriers in dealing with top management. Their views towards expatriate management and Bahraini management are reflected in the percentages. The table indicates that on the one hand, 29% strongly agree that expatriates engage in transferring knowledge, 57% agree that expatriate management are hesitant to work with Bahrainis and 50% agreed that they find it difficult to deal with an expatriate manager. On the other hand, 29% disagree that they prefer working with a Bahraini manager and 21% disagreed that Bahraini management are more supportive.

Kanoo Travel division had different responses towards their top management. They disagreed in several areas, as highlighted in the table. 27 per cent disagreed that top management supports their development, 22% disagreed that Bahrainis are recognized, and 32% disagreed that Bahrainis are promoted to high positions. But they seemed to disagree at 35% that communication with Bahraini management is easier than with expatriate management, while 46% disagreed that expatriates are hesitant to deal with Bahrainis.

Table 4.27 Organizational management and organizational culture percentage responses per organization

Organizational Management and Organizational Culture		Company Name									
		APG	GPIC	GULF	JD FASH	JD HO	JD RC	JD RP	KANOO C	KANOO T	MVP
Our top management communicates openly to all employees	Strongly Disagree	3%	4%	10%	2%	7%	0%	0%	0%	0%	15%
	Disagree	9%	10%	17%	5%	16%	0%	38%	7%	16%	8%
	Neutral	15%	26%	50%	19%	47%	0%	38%	57%	51%	31%
	Agree	42%	36%	21%	70%	24%	14%	25%	29%	24%	23%
	Strongly Agree	31%	24%	2%	3%	5%	86%	0%	7%	8%	23%
I feel barriers in dealing with top management	Strongly Disagree	12%	11%	7%	4%	9%	0%	0%	0%	3%	8%
	Disagree	23%	28%	26%	8%	22%	29%	25%	7%	11%	15%
	Neutral	18%	27%	37%	79%	35%	29%	50%	43%	47%	38%
	Agree	22%	23%	30%	3%	24%	43%	25%	36%	33%	23%
	Strongly Agree	25%	10%	0%	6%	11%	0%	0%	14%	6%	15%
Top management support training and development of Bahrainis	Strongly Disagree	2%	3%	16%	0%	7%	0%	0%	7%	0%	15%
	Disagree	5%	5%	7%	2%	9%	0%	13%	0%	27%	23%
	Neutral	5%	14%	42%	8%	27%	14%	38%	36%	22%	31%
	Agree	40%	38%	23%	12%	47%	29%	38%	50%	46%	31%
	Strongly Agree	49%	41%	12%	78%	9%	57%	13%	7%	5%	0%
Top management recognizes high performing Bahrainis	Strongly Disagree	5%	3%	10%	1%	7%	0%	0%	7%	3%	23%
	Disagree	11%	7%	7%	1%	15%	0%	13%	0%	22%	15%
	Neutral	23%	18%	49%	2%	36%	29%	38%	36%	36%	31%
	Agree	46%	40%	24%	17%	35%	29%	50%	50%	33%	31%
	Strongly Agree	15%	31%	10%	78%	7%	43%	0%	7%	6%	0%
Top management promotes Bahrainis to high positions in the organization	Strongly Disagree	9%	4%	20%	1%	11%	0%	0%	14%	0%	31%
	Disagree	15%	0%	2%	0%	16%	0%	0%	0%	32%	8%
	Neutral	38%	18%	54%	9%	47%	29%	38%	43%	27%	31%
	Agree	31%	43%	17%	37%	18%	29%	50%	29%	30%	31%
	Strongly Agree	6%	35%	7%	53%	7%	43%	13%	14%	11%	0%
Expatriate management are hesitant to deal with Bahrainis	Strongly Disagree	17%	9%	14%	1%	2%	0%	0%	14%	3%	8%
	Disagree	23%	33%	19%	2%	11%	29%	25%	0%	46%	8%
	Neutral	30%	36%	51%	77%	53%	29%	50%	21%	32%	31%
	Agree	14%	17%	14%	13%	18%	29%	13%	57%	16%	46%
	Strongly Agree	16%	5%	2%	6%	16%	14%	13%	7%	3%	8%

Bahrainis have a positive attitude towards work	Strongly Disagree	3%	0%	15%	1%	5%	0%	0%	0%	3%	0%
	Disagree	2%	7%	17%	0%	15%	14%	0%	7%	19%	8%
	Neutral	12%	20%	49%	6%	40%	0%	25%	29%	38%	46%
	Agree	37%	40%	17%	17%	20%	29%	63%	50%	27%	46%
	Strongly Agree	46%	33%	2%	76%	20%	57%	13%	14%	14%	0%
In my organization many Bahraini employees need further development to be promoted to higher positions	Strongly Disagree	2%	1%	12%	0%	5%	0%	0%	0%	3%	0%
	Disagree	17%	8%	16%	0%	13%	0%	0%	14%	19%	15%
	Neutral	25%	31%	42%	9%	35%	29%	38%	21%	11%	46%
	Agree	43%	43%	19%	35%	22%	29%	38%	57%	38%	38%
	Strongly Agree	14%	17%	12%	56%	25%	43%	25%	7%	30%	0%
I find it hard to deal with expatriate managers	Strongly Disagree	17%	18%	12%	1%	20%	0%	0%	0%	6%	8%
	Disagree	40%	48%	26%	1%	18%	43%	38%	21%	44%	15%
	Neutral	23%	20%	51%	82%	38%	14%	38%	14%	31%	54%
	Agree	14%	7%	12%	13%	16%	14%	25%	50%	14%	23%
	Strongly Agree	6%	7%	0%	3%	7%	29%	0%	14%	6%	0%

Expatriates engage in transferring knowledge and experience to Bahraini employees	Strongly Disagree	8%	2%	7%	1%	9%	0%	0%	0%	3%	8%
	Disagree	12%	13%	14%	1%	11%	0%	0%	21%	22%	31%
	Neutral	32%	28%	65%	91%	56%	29%	75%	14%	50%	46%
	Agree	40%	47%	12%	5%	13%	43%	25%	36%	22%	15%
	Strongly Agree	8%	10%	2%	1%	11%	29%	0%	29%	3%	0%
I prefer working with Bahraini manager	Strongly Disagree	6%	2%	5%	0%	7%	0%	0%	0%	5%	8%
	Disagree	8%	2%	7%	1%	9%	0%	0%	29%	5%	15%
	Neutral	23%	45%	67%	10%	35%	57%	38%	14%	43%	38%
	Agree	38%	24%	14%	30%	33%	0%	50%	43%	24%	8%
	Strongly Agree	25%	26%	7%	60%	16%	43%	13%	14%	22%	31%
Bahrainis work towards developing themselves through training	Strongly Disagree	0%	0%	5%	0%	4%	0%	0%	0%	0%	8%
	Disagree	3%	2%	16%	0%	13%	0%	0%	14%	16%	15%
	Neutral	5%	24%	49%	1%	44%	14%	13%	21%	54%	23%
	Agree	55%	54%	30%	39%	20%	57%	38%	21%	22%	15%
	Strongly Agree	37%	20%	0%	61%	20%	29%	50%	43%	8%	38%
Bahraini management are more supportive than expatriate management in terms of development	Strongly Disagree	3%	2%	9%	0%	2%	0%	0%	0%	0%	15%
	Disagree	9%	6%	7%	0%	16%	0%	0%	21%	14%	15%
	Neutral	34%	39%	58%	1%	40%	71%	50%	7%	51%	23%
	Agree	26%	32%	16%	29%	29%	14%	38%	29%	22%	15%
	Strongly Agree	28%	22%	9%	70%	13%	14%	13%	43%	14%	31%
Generally management view Bahrainis as hard working employees	Strongly Disagree	8%	2%	9%	0%	7%	0%	0%	0%	0%	0%
	Disagree	18%	4%	16%	1%	7%	0%	0%	21%	14%	54%
	Neutral	20%	29%	56%	1%	47%	43%	63%	7%	46%	31%
	Agree	32%	45%	9%	28%	27%	14%	38%	29%	24%	15%
	Strongly Agree	22%	19%	9%	70%	11%	43%	0%	43%	16%	0%
Communication with Bahraini management is easier than expatriate management	Strongly Disagree	3%	4%	9%	0%	13%	0%	0%	0%	3%	8%
	Disagree	9%	10%	7%	1%	18%	0%	0%	14%	35%	23%
	Neutral	20%	39%	58%	1%	31%	43%	75%	14%	32%	31%
	Agree	32%	27%	16%	24%	22%	0%	0%	21%	19%	8%
	Strongly Agree	35%	19%	9%	74%	16%	57%	25%	50%	11%	31%

Analysing the statistics within organizations provided an in-depth analysis of HRD activities within each organization. Even though the findings were in general similar at the individual level of analysis, nevertheless a specific analysis can allow the researcher to explore Bahrainization within an HRD framework by sector. The analysis indicated nationals' position in the hospitality sector. It revealed the satisfaction of employees within the petrochemical sector. In addition, the strength of training and development, career planning and performance management in the retail sector was shown. The analysis percentages revealed top management practices, and the position of cultures such as learning and development through promotion within organizations.

4.7 Conclusion

To summarize the above analysis from 476 questionnaires collected from the private sector in Bahrain, the table below presents a summary of the analysis within individual sectors. HRD practices were evident to varying degrees within each sector through the national views within each sector, as analysed in detail in the previous sections. Analysing the data in depth reflected the strength of the retail sector and the need to develop HRD practices further in the hotel and travel industry in Bahrain.

The chapter provided an analysis of nationals' views towards Bahrainization practices within an HRD framework in the private sector in Bahrain. Analysing the views of Bahrainis provided an exploration of the individual level of the researcher's framework. The chapter presented reliability and factor analyses to explore any underlying factors that could affect the analysis within the research. The questionnaire had a high reliability of 0.919. Furthermore, in conducting a factor analysis, the four components extracted reflected the themes developed by the researcher.

Analysing nationals within the HRD framework, the analysis revealed several aspects. Firstly, it is evident that Bahrainis prefer government jobs as they see these as having higher compensation but limited career opportunities. In terms of training and development, Bahrainis are positive towards private sector programmes and the engagement with a learning culture. In addition, Bahrainis respond positively towards being guided and developed for higher positions. A culture of promotion

through development is also evident in the private sector. Reflecting on the culture within the private sector, Bahrainis expressed views in agreement with the idea of having top management communicate openly to them. Top management recognizes Bahraini development, promotion and high performers. Even though Bahrainis feel top management views them positively, nevertheless Bahrainis agree that nationals need development to grow within their organizations. In addition, Bahrainis see nationals to have a positive attitude and be engaged in developing themselves.

Secondly, the areas of disagreement and dissatisfaction lie within compensation and benefits. Bahrainis disagreeing responses indicate their dissatisfaction with their current compensation and that they feel that expatriates are being paid more benefits. Furthermore, it is revealed that nationals prefer Bahraini management even though expatriates do engage in transferring knowledge. Bahraini management is viewed as easier to communicate with. Thirdly, Bahrainis had neutral responses towards retention questions. Both compensation and career development had neutral responses when questioned as retention tools. They also had neutral responses in respect of dealing with expatriates in their organization.

The chapter also presented an analysis of Bahrainization at the individual level from different sectors. Common Bahrainization challenges between sectors were evident. The training and development activity is lacking in the travel and tourism sector as shown by the disagreement responses. Referring to the tables, it is evident that Gulf Hotel, Movenpick Hotel and Kanoo Travel employees were dissatisfied with training and development practices in their organization. A learning culture is lacking in these organizations. It is also evident that the lack of training and development activities leads such organizations to fall behind in career planning and performance management HRD practices. The responses reflect a culture that lacks a structure for promotion through development and training. Hence training and development activities correspond with career planning and performance management practices. In the retail and service sector, such as Jawad Fashion, Costa, Restaurants division as well as Kanoo Commercial, training and development activities are practised effectively, as reflected by the positive responses from Bahrainis. The responses showed a similar reflection on career planning and performance management. A culture of development through career planning and performance management is evident in this sector.

Such activities also seem to relate to organizational management and culture where the statistics indicated high means and percentages of agreeable responses in Jawad Fashion and Costa Coffee division while the hospitality sector had low responses for satisfaction in the organizational management and culture theme. Nationals in the retail and service sector (Jawad Fashion, Costa, Restaurants divisions, Kanoo Commercial) were positive towards top management communication, support and recognition, and were neutral towards dealing with expatriate management, yet they had a preference for Bahraini management. Even with positive responses towards expatriates' transfer of knowledge to nationals, Bahrainis preferred to have a national manager. Similarly, in the education sector, APG school respondents found Bahraini management easier to communicate with.

The preference shown to the government sector by nationals is based on compensation and benefits factors. In the petrochemical sector, GPIC employees highly preferred their sector and their responses reflected that they would not leave their current job for the government sector. They were satisfied with their compensation, viewing it as higher than in the government sector. However, employees in the education sector (APG school), retail sector (Fashion), restaurant sector (Papa Johns and Chillis) view the government as having better compensation and benefits despite their satisfaction with development activities in their organizations. Employees in the petrochemical sector (GPIC), hotel sector (Gulf Hotel) and Costa Coffee employees did not prefer the government sector as their responses towards compensation in the government sector were neutral or negative. The factor of compensation as a reason for preference for the government sector is further strengthened as even though employees in the various sectors do not see career opportunities, nevertheless they would leave their current job for a government job owing to better pay. The retail sector also views expatriates as having higher compensation and benefits.

Hence, the analysis within the sectors to a large extent displayed similar findings to the individual findings. However, it revealed areas for management in the organizations to work on to satisfy nationals within their organization within the themes analysed in this chapter. The analysis indicates that the absence of one theme can cause dissatisfied responses in other themes. Specifically, the themes of HRD activities – training and development, career development and performance

management, organizational management and organizational culture – indicate interrelatedness of satisfaction when one is practised. Nevertheless, the compensation and benefits theme indicated its importance for Bahraini nationals despite the practice of HRD activities in organizations.

Having analysed nationals in the Bahrain context, representing the individual level within the researcher's developed framework, the next chapter provides an analysis at the organizational and national levels. The chapter presents the analysis of interviews conducted with private sector managers and government officials in Bahrain.

Table 4.28 Summary of analysis within sectors

Summary of Analysis within sectors	
<p>APG School – Education Sector</p> <p>SP- agreed to leave for government position TD- agreed on mutual agreement in training</p> <p>CP- career limitation, no career discussions CB- Disagreed that their compensation is higher than the government</p> <p>Lack of communication about CB OM/OC- Barriers in communication with top management Agree that Bahraini management are easier to communicate with</p>	<p>Jawad Group- Retail Sector <i>Fashion Division</i></p> <p>SP- Agrees on government sector preference Agrees government sector has low career progression TD- High agreement responses in several areas such as Mutual agreement, alignment, support, communication, attendance CP-Agrees on culture of promotion and career progression</p> <p>Communication CB- Agrees government sector has higher CB but neutral in Comparison with other private sector Agree that expatriates have higher CB OM/OC- top management supports Bahrainis development</p> <p>Recognition, promotion</p> <p>Neutral towards expatriate management</p> <p>Preference of Bahraini management</p>
<p>GPIC – Petrochemical Sector</p> <p>SP- disagreed in preferring government CB- disagreed that government CB is higher</p> <p>Satisfied with their CB OM/OC- Neutral towards Bahraini and Expatriate managers Agreed that expatriates engaged in knowledge transfer Top management view Bahrainis with positive attitude</p>	<p>Restaurant Division</p> <p>SP- Agrees on government sector preference TD- High agreement responses in several areas such as Mutual agreement, alignment, support, communication, attendance CP-Agrees on culture of promotion and career progression</p> <p>Communication CB-satisfied with CB</p> <p>Agree that expatriates have higher CB OM/OC- top management supports Bahrainis development Recognition, promotion Preference of Bahraini management</p>
<p>Gulf Hotel - Hospitality Sector</p> <p>SP- disagreed in preferring government TD- negative percentages towards culture, mutual agreement CP- negative responses in development through promotion</p> <p>Negative responses in career guidance Negative responses towards culture of promotion through Development OM/OC- Neutral responses towards management Neutral responses towards expatriate management</p>	

<p><i>Movenpick Hotel - Hospitality Sector</i> TD- disagreement in practices CP- disagreed in retaining them CB- disagreed in retaining them</p> <p>Needs improvement OM/OC- top management does not view Bahrainis as hard working No recognition, promotion, development by top management</p>	<p><i>Costa Coffee Division</i> SP- disagreed in preferring government TD- High agreement responses in several areas such as Mutual agreement, alignment, support, communication, attendance CP- Agrees on culture of promotion and career progression Communication CB- neutral towards CB retaining them Neutral towards expatriates having higher compensation Disagree that compensation and benefits is higher than government</p>
<p><i>Kanoo Group</i> <i>Kanoo Commercial</i></p> <p>TD- agreed on promotion of learning culture CP- agreed in being guided for career progression CB- satisfied with CB CB in private sector and government sector is higher Agree that expatriates have higher CB</p> <p>OM/OC- top management supports Bahrainis development Recognition, promotion Preference of Bahraini management</p>	
<p><i>Kanoo Travel – Travel Sector</i></p> <p>TD- Disagreement in many areas of practices Such as culture and support CP- disagreement in many areas of practices Such as career limitation, lack of career guidance and communication CB- They feel they are higher than other private sector OM/OC- no recognition, promotion, development by top management No communication difficulty with expatriate or Bahraini management</p>	<p><i>Head Office</i></p> <p>TD- disagreement percentages CB- Neutral towards CB</p> <p>*SP- Sector Preference * TD- Training and Development * CP- Career Planning and Performance Management * CB- Compensation and Benefits *OM/OC- Organizational Management / Organizational Culture</p>

Chapter 5

QUALITATIVE ANALYSIS

This chapter presents the analysis of the next levels in the framework developed by the researcher. These levels represent the views of private sector managers, representing the organizational level in the framework, and government officials, representing the national level. Only managerial level employees have been selected for the interviews to ensure collection of data at a broader level. This allows the researcher to compare managerial views with those of employees as revealed in the questionnaire analysis in chapter four. The chapter is divided into two sections. The first section provides findings for managerial level employees in the private sector while the second section provides findings for managerial employees in the government sector working in human capital development and human resources management. The managerial interviews conducted were able to answer all the research questions, as summarized at the end of the chapter.

5.1 Interview Target Group

Interviews were conducted with managerial positions in the seven private sector organizations discussed in Chapter Four. The aim of conducting interviews with managers in the private sector is to analyse views from the organizational point of view within the researcher's developed framework. The total number of interviews conducted was 38 interviews at managerial level in the private sector.

In addition, interviews were conducted with government officials from four government entities, which are: the Ministry of Labour, Tamkeen (Labour Fund Authority), Labour Market Regulatory Authority, and Quality Assurance Authority. The total number of interviews conducted was 28 interviews with officials holding managerial positions in the entities.

The total number of interviewees was 66 managers from both the private and government sectors. Both target groups are crucial to the research study to examine and answer the research questions. Managers in the private sector form a level of resistance that deserves in-depth analysis as discussed in the various literature reviews and indicated by the researcher in the development framework (Chapter

Two). The government officials form a nation-level analysis that deals with both the nationals and employers that form the two key players in the execution of Bahrainization strategies by the government. The interviews were semi- structured, revolving around the research questions:

Table 5.1 Private sector manager interviews

Private sector managers Perspectives	Research Questions	Government Officials Perspectives
	What are the challenges within nationalization strategies in developing contexts?	
	To what extent is the concept of human resource development embedded in nationalization programs?	
	How can nationals be retained and managed through career planning in nationalization strategies?	
	What are the change management processes to support integration of nationalization against resistance?	
	How HRD and capacity building be integrated within a development framework for building capacity in an economy?	

5.2 What are the challenges within nationalization strategies in developing contexts?

The challenges within nationalizing jobs in Bahrain identified by private sector managers strengthen views that have been discussed in the literature review. Private sector managers point towards nationals' resistance towards national employment owing to their characteristics; they are frequently described as 'complainers' or as lacking 'commitment', 'dedication', and being 'proactive' in work. In addition, private sector managers express their concern with nationals' desire to move towards the government sector after employment. Private sector interviewees blamed education and culture have for their contribution in shaping nationals in terms of knowledge, skills and abilities that do not meet business needs. The expatriate and Bahraini relationship was expressed positively during interviews in the Bahraini private sector context and therefore does not form a major barrier towards nationalization, as described in the literature review in other developing contexts.

The interview feedback regarding challenges towards nationalization identified the existence of the factors listed below that will be analysed individually in the following sections. The factors have been analysed based on the emphasis expressed

by the interviewees in all organizations. Interview data reported in this chapter demonstrate that the following form the common factors that private sector managers from all organizations mentioned constantly:

1. Culture
2. Move towards the government sector
3. Bahraini employee commitment
4. Education
5. Bahraini Skills
6. Bahraini and expatriate relationship

The next sections of the thesis will explore each of these factors with reference to the interview data collected from the private sector employers.

5.2.1 Culture

As noted by managers in several instances, culture plays a role in shaping nationals at work, specifically in the private education sector and the hotel sector. The interviews reflect ‘blame’ towards the culture in shaping Bahrainis at work. According to managers in the private sector, culture plays a role in shaping Bahrainis’ working style and choice of sector to work in. Managers had negative views about Bahrainis’ working style, describing them as weak in commitment and dedication. In addition, the interviewees view Bahrainis as conservative regarding joining service sectors such as hotels and restaurants. Religion and facing the public in service jobs form challenges with the Bahraini cultural mindset, as pointed out by interviewees. Even in cases language is not a barrier towards facing customers, Bahrainis are hesitant to serve others. Bahrainis seem to be attached to office government jobs that may be viewed differently within their society, as stated during interviews.

Bahrainis were frequently described by private sector managers interviewed as not being ‘proactive’ and ‘committed’ towards their work, causing private sector managers to view their working style as a culture within their society. The characteristics of Bahrainis’ ‘working style’ that were viewed by private sector managers as forming resistance towards Bahraini employment were being ‘complainers’ and lacking ‘commitment’, ‘dedication’ and ‘proactivity’. Experiencing Bahrainis at work made managers blame the culture for shaping

Bahrainis' working style. Commitment, dedication and absenteeism are the phrases often used to describe Bahrainis and judged by managers to be 'cultural' aspects.

“Nationals are seen as “*Frequent complainers* and *not open for additional load*. The reason is perhaps it has something to do with the *culture*.” (Administration Manager)

“There have been challenges with 70% of local teachers. The challenges are the *working style*. Their sense of *commitment and dedication* is far less than expatriates in terms of productivity and attendance. If they are not teaching they do not any research work or improve their work process. They would rather spend their time having a cup of coffee. This is probably of their *culture*.” (Vice Principal)

“I feel it is the *culture* that shapes Bahrainis towards looking for secured jobs in the government.” (Head of Security)

Managers interviewed described how the culture in the society does not support jobs in the service sector. The interviewees explained that Bahrainis seem to be hesitant to serve others, avoiding facing customers in restaurants and reluctant to work in hotels for religious reasons. Hotels appear to be against religious values in terms of being place where alcohol is served and which are not respectful for females to work in, as reported by the interview data. Restaurants are avoided by Bahrainis in terms of serving other people since they feel reluctant to face customers. It is evident that service jobs such as waiters or jobs in certain sectors such as hotels are not accepted by nationals as they are not encouraged by the culture within the society. The managers views quoted in this regard are as follows:

“Sometimes it not about the shortage of skills only in positions but finding a Bahraini to work as a *waitress* in a hotel has *cultural* barriers.” (Security Manager)

“The *culture* is a reason that they *do not want to serve* food as waiters in restaurants or fast food chains.” (Assistant HR Manager)

“Bahrainis *cannot accept* working in restaurants and shall not accept cleaning the bathrooms of the coffee shops they work in.” (Acting Group HR Manager)

“The challenges in recruiting Bahrainis are with the Bahrainis themselves. Females have *a religion and culture view* for working in a hotel. ” (Sales Manager)

“The mindset of working in a hotel is a bad environment. Culture is not supporting jobs in the hotels.” (**Chief of Finance**)

The interview data reported that the mindset built into the culture looks down at jobs in the service sector forming a challenge towards nationalizing positions in such sectors. Strengthening the cultural mindset challenge towards nationalization beyond the required work skills is further reflected in a **Restaurant Manager’s** explanation:

“Our approach is employing Bahrainis to converse in Arabic as most of our customers are Arabs and will be delighted if served by Arabs waiters. The issue with Bahrainis they are *hesitant* to take orders by *facing outside customers* preferring to work inside in the kitchen but not face customers.”

Analysing the Bahrainization challenge, it was worth examining whether the mindset of working in service jobs exists in uneducated categories in the society. On one hand, it appears that a cultural view towards certain jobs exist in certain categories of nationals such as high school leavers or the uneducated.

“The main challenge of Bahrainization is not all Bahrainis want to work in restaurants and cannot accept cleaning the retail places. Usually such difficulties are faced with *high school leavers*.” (**Payroll Manager**)

On the other hand, it is obvious that the same issue still exists in educated categories of nationals.

“The main issue we face is acceptance of jobs for Bahrainis. *Even those educated and trained* in BIRD institute do not want to work in our organization. They want office work only.” (**Fashion Operations Manager**)

The Bahrainis are affected by the cultural mindset of viewing an office job as giving them more status in the society. The culture seems to view nationals working in offices in a different manner than service jobs, as indicated earlier by the

interviewees. This also strengthens views that were identified in the literature review in Chapter Two.

“Bahrainis are *hesitant to work in lower positions* in our organizations even though we very much support their growth. This is a result of the *culture*. They want to work in offices straight away.” **(Restaurant Manager)**

“Bahrainis *want to work in offices only* as they see it more rewarding and respectful among people.” **(Chief Accountant)**

It is noteworthy that managers pointed out that the culture is changing. Having Bahrainis working in service sectors is encouraging others to join and view such positions positively away from the built-in cultural mindset in Bahrain. The move towards a diversified economy that requires service and retail jobs is being accepted as Bahrainis realize that the new economy lacks opportunities in offices and requires the participation of Bahrainis in service sectors.

“Bahrainis percentages working in such areas have increased as see more of colleagues cleaning and working in such areas motivates them to work in our organization.” **(Restaurant Manager)**

“The culture and mentality of working in a hotel has changed. Bahrainis are open-minded compared to other GCC states and as Bahrainis we have developed in the hospitality sector compared to other GCC states but yet we need to improve further by putting Bahrainis in the front line jobs to reflect a positive culture.” **(Sales Manager)**

“The new generation is changing their views because they started studying that in schools or maybe they do not see opportunities in the government or big private companies.” **(Fashion Operations Manager)**

5.2.2 Move to government sector

Nationals’ preference towards the government sector forms a challenge for employing them to private sector managers. The move to the government sector is a factor that was emphasized in the literature reviews and is supported further by the managers from the private sector in Bahrain. Despite training, development and

equalizing compensation to government standards, nationals seem to prefer to move to the government sector. Private sector managers expressed their concern on regarding the investments made in terms of money, effort and time in developing nationals who leave them for a government job. This can have an effect on their business objectives and goals. This was a concern expressed by the educational private sector where national teachers withdraw in the middle of the year, disregarding their commitment towards students.

“We give them a lot of training and then they want to quit towards the **government** sector. Bahrain labor law gives them **liberty to move**. One-month notice is not adequate and fair to the education sector as leaving in the middle of the academic year we have to face the students, syllabus, and parents. That is why it is difficult to hire Bahrainis.”
(Principal)

Furthermore, managers indicated that nationals still view the government sector as a more secure sector for Bahrainis. Interviewees explained that the labour law provides liberty for nationals to move even after support from the private sector employer in terms of development or wage subsidy. This leaves private sector employers frustrated at the investments made towards nationals’ development when they seem to look forward for government jobs. Even when salary is aligned with the government sector salary, nationals prefer the government sector as a form of security. The government sector, as reflected in the literature review and the interviews conducted, provide benefits that strengthen it as an employer of choice for nationals.

“We started since a long time to develop Bahrainization through several development programs. But many do not continue the programs because they think the **government** sector is stronger to **secure** them.” (Chief Accountant)

“Even though our school benefits are the same as the **government** sector, Bahrainis have a psychological feeling of **security** to join the government sector.” (Vice Principal)

Apart from security, nationals prefer the government sector owing to the working hours. The private sector has longer working hours or shift hours that

nationals prefer not to work in compared to a government sector job that has shorter hours to balance their social and family commitments.

“Bahrainis are always reluctant to accept longer working hours, complaining of work pressure. They always mention the family commitment.” **(Principal)**

“Bahrainis want to earn high salary with low pressure and short working hours.” **(Corporate Office Manager)**

“Bahrainis don’t like the timing of our organization which is 8am-6pm.” **(Payroll Manager)**

The interviews reflect that the government sector forms the ideal working environment for Bahrainis in terms of greater security and shorter working hours. Such features strengthen the private sector for Bahrainis as employer of choice despite the career development opportunities and similar salary in the private sector organizations. This leads private sector employers to resist employing nationals who cannot be retained owing to the government sector preference.

“Government sector needs to increase working hours. Government should make a contract to make Bahrainis stay in organizations. I feel Ministry of Labor is cushioning nationals too much but not supporting the private sector employer.” **(Acting Group HR Manager)**

5.2.3 Bahraini employee commitment

During the interviews private sector managers emphasized Bahrainis’ poor commitment in the workplace. The phrases constantly used by the interviewees describing Bahrainis are ‘absenteeism’, and that ‘commitment to work standards’, ‘responsibility’ and ‘hard work’ seem to be lacking in Bahraini employees. The phrases can be grouped together as Bahrainis’ commitment in the workplace. The interviews reflected that Bahrainis seem to have difficulty in abiding by strict regulations of attendance and are much more strongly attached to their family commitments instead of working hours regulations. They find it difficult to regulate their family and social commitments with demanding private sector working hours and shifts , whereas expatriates are more committed to the work culture. Commitment of Bahrainis is crucial to meet the business requirements of private

sector employers. Their lack of commitment forms a challenge in recruiting them when compared to expatriates.

It is noteworthy to analyse Bahrainis' commitment further as managers have indicated that Bahraini's lack of commitment owes to culture, as discussed previously. It is obvious from the reported data that there are commitment issues with private sector teachers who would prefer to work in government schools, as explained earlier. In addition, commitment issues exist for uneducated nationals and the young generation. The following quotes by managers reflects such views:

“To be honest, expatriates are harder working, *committed* and willing to stay longer hours if the job requires. But Bahrainis they are reluctant to accept longer working hours and keep complaining of work pressure. They always mention the family commitment. Bahrainis are so much into social life commitments.” **(Principal)**

“I think expatriates are more *committed* as they left their country with an objective of working and we can stop their service or dismiss them if they do not work well.” **(Vice Principal)**

“Bahrainis lack holding responsibility, they need to form *commitment*. Most of them want short shifts. They want to earn high salaries with low pressure and short working hours.” **(Corporate Office Manager)**

“Comparing Bahrainis' with expatriates' *commitment* working under pressure, an expat will continue working but with a Bahraini will leave immediately. Most of our problems are with employees working in the food chains.” **(Assistant HR Manager)**

The interviewees mentioned the factor of absenteeism among Bahrainis often, pointing out that the nationals' absenteeism causes private sector employers to make expatriates work double shifts. This leads to the expatriates being viewed as committed and hard working employees. Hence, as determined from interview discussions, it appears that private sector employers developed a certain standard of commitment from employees owing to their experience with expatriates that are more restricted with their contracts and job opportunities in Bahrain. Apart from absenteeism, Bahrainis seem to be more focused on family commitments as well.

This causes the expatriate to be more productive as he is living without his family in Bahrain. Interviews reflect that private sector employers seem to understand this factor but they expect Bahrainis to be more committed to their work, especially in being committed to work attendance for productivity as mentioned below:

“Two aspects that need to improve in nationals to be employees of choice which are the *permissions to leave* and *absenteeism*. Looking at other aspects they are doing what is given to them, attending workshops and very responsive to improve themselves.” (Vice Principal)

“The reason for the low Bahrainization percentage we are looking for candidates with customer satisfaction and customer oriented skill hence we are always looking at those that abide by strict regulations which Bahrainis find it frustrating. It is hard for them to be restricted as Bahrainis have *absenteeism* hence we fall in lack of supporting Bahrainization.” (Manager)

“Bahrainis take *leaves* without informing us causing us to make expats work double shifts in the hotel.” (HR Manager)

“The problem in recruiting Bahrainis is in commitment to work requirements which our business requires on holidays. They do not like to work in the coffee shops during holidays. They take *leaves* on holidays when our form of business requires them most during this period. ” (Restaurant Manager)

Along with the exceptional case of APG school, where local teachers prefer the government school working hours and less commitment to work standards, it is evident from the interviews that Bahrainis’ commitment to work is also poor in categories of low level jobs in other sectors. Managers views emphasize that commitment issues for Bahrainis exist for school leavers, uneducated nationals and the young generation.

“Bahrainis are given exceptional cases and treatment for Bahrainis. Our court cases are zero with Bahrainis. We counsel Bahrainis well but Bahrainis have issues of immaturity, irresponsibility and lack of self-development. The above is found in the *uneducated categories*. The educated categories are good and developed with better understanding Developed better. They are 55% better than the uneducated category.” (Acting Group HR Manager)

“Bahrainization strategies are difficult to implement owing to the Bahrainis themselves. Private sector wants to employ them but the *young generation* needs to be mature, responsible and prove themselves.” **(Regional Manager)**

“Also the *young generation* should be more independent. They must be able to face the challenges and difficulties of life but they are waiting for the government to do improve job opportunities for them” **(HR Manager)**

Analysis of the interviews indicates that the private sector has constructed itself around a culture of dependence on hard working and committed expatriates as they are profit driven while Bahrainis have the issue of absenteeism and commitment to family, hence commitment needs to be strengthened for nationals to prove their competencies.

“Bahrainis must work on themselves to compete with expats and to think positive to reach their goals.” **(Payroll Manager)**

5.2.4 Education

Private sector managers explain that education in Bahrain has not prepared individuals for the workplace and does not meet market needs. The interviewees explain how Bahraini employees’ lack of commitment and work skills is not only a result of culture itself, it is also evident of another important factor in shaping nationals for market needs. Education has been identified several times by managers interviewed as an important aspect that has failed to develop nationals for the economy’s needs. Education was criticized by a majority of the interviewees for failing to shape nationals for the workplace. Furthermore, there is a need to prepare individuals for vocational jobs as the economy moves towards dependence on technical and vocational competencies.

The interview data reveals that Bahrainis’ lack of skills and commitment partly owes to the mode of study they have gone through that lacks practical experience, business ethics and has specializations that are not aligned with the needs of the economy. There are several areas that managers recommended be improved in

Bahrain's educational system to develop Bahrainis towards business needs to develop the economy. Managers point towards the curriculum and mode of study that lacks creativity and business skills. An interesting issue discussed by managers is how Bahrainis' cultural mindset towards jobs in the retail and service sector can be changed through education.

Managers realize that the curriculum and mode of study need to be strengthened for high caliber graduates. Graduates are not meeting job requirements reflecting the need to improve the curriculum and mode of education. The education nationals go through affects their productivity and quality of outputs at work. Education does not meet the standards for work required by private sector organizations. Curriculum improvement to upgrade the knowledge and skills of nationals is emphasized. The quotes from private sector managers below illustrate this analysis:

“Ministry of education needs to raise the standards of their *curriculum.*” (HR Manager)

“We are recruiting high distinction Bahraini graduates but their *productivity* is low owing to the education they have gone through in high school and university standards. This needs to be taken care of in Bahrain.” (Vice Principal)

“The challenge in Bahrainization in GPIC is the shortage of chemical engineer people. There is a challenge in finding *quality* engineers. By quality I mean *strong basics* of engineering skills. Bahrain University graduates generally are not good enough to meet and fit into our requirements.” (Superintendent)

Managers further discussed how education needs to meet the market requirements of the economy and generate graduates for challenging jobs. National graduates do not meet the needs of the economy in terms of jobs being generated in the areas of service, retail and hospitality as reflected by interviewee comments in these sectors:

“Education in Bahrain needs to be improved to meet *market requirements.*” (Acting Group HR Manager)

“Universities in Bahrain need to *generate challenging jobs.*” (Superintendent)

“Bahrain has improved but the world is changing, schools and universities need to keep up with market requirements, graduates need to be *familiar to working and practical environments* to be able to be competent nationals. Universities need to improve to *meet economic requirements and schools have to set standards for market needs* to bring in more responsible people to the market.”
(Superintendent)

Apart from education not meeting market needs, on the basis of the interview data it is obvious that the educational mode has played a role in shaping the creativity and practical thinking skills of Bahrainis. It appears that education fails to instil skills that shape nationals for the actual work place.

“Bahrainis do not find creative ideas to improve their own work. This is *the outcome of the education* they have gone through. Most of our educational system in school focuses on memorization and learning thereby not allowing much room for *creativity and talent*. Talent is not appreciated in schools of Bahrain” (Principal)

“Students need to have *a practical and actual experience* for work. From secondary school, they need to work and learn to get a flavor and sense of the real world.” (Superintendent)

An interesting aspect concerning educational improvement in Bahrain is the way culture can be changed through education and development. Interviewees recommend improving education and development to support the sectors that the economy is diversifying into. The managers propose that education and training can play a role in tackling cultural issues by educating Bahrainis in the new sectors and their requirements. Hence, it is evident that education is a challenge that needs to be overcome to increase Bahrainization by improving its system to generate productive national labour for the economy. In sectors such as retail and hotels that have low Bahrainization, managers point to how the education system or training institutes were not effective in making Bahrainis aware of the benefits and value of such sectors. The analysis is supported by from different retail and service companies as shown in the quotes below:

“Government schools have not prepared us to work in the retail and service field.” **(Divisional Manager)**

“In summary in Bahrain the problems with the hotel industry employing nationals are the salary and training institutes. A training institute or college is required to instill values and culture of working in the hotel industry. I wish Bahrainis fill the position expats are being paid for BD1500 - BD2000. We need to improve by advertising to nationals the future in the hotel. They need to understand this from the secondary school.” **(HR Manager)**

“Because culture is not supporting jobs in the hotels, we need Bahrainis to learn about sectors from an institute to clear the cultural barriers within the industry.” **(Chief of Finance)**

“For the travel industry to improve the government needs to introduce it in education to make them join the travel sector.” **(Regional Manager)**

5.2.5 Bahraini Skills

It was identified in several instances during the interviews that apart from Bahraini commitment, a barrier towards employing nationals lies with their skills. Private sector managers raise the need for certain skills that are lacking in nationals which are technical skills, English communication, confidence and dealing with people. The respondents explained the view that a lack of skills exists in school leavers and fresh graduates which can be further explained by the educational system that nationals have gone through. In the next section education is analysed as a challenge towards nationalization which can explain Bahrainis' lack of work skills.

Nationals have a gap in technical skills as noted by managers which causes organizations to employ expatriates in technical areas. The interviewees explained during the interviews that nationals need to upgrade their technical skills for private sector jobs. As quoted below, there seems to be a lack of skills for specialist and technical position requirements. The sector needs cannot be met by Bahraini graduates who lack technical and specialist competencies.

“Expats are employed for jobs that need *technical skills*. Most administration positions are Bahrainized.” **(Manager)**

“Bahrainization difficulty lies in *technical positions*.”(Security Manager)

“Expats are employed mainly for *specialist positions* such as holidays or corporate accounts as nationals lack high technical skills in the travel industry.” (Operations Manager)

Managers frequently referred to English language as a barrier towards Bahrainis’ selection, specially as English is the main mode of communication in the private sector to meet business needs. English language communication and lack of experience is another challenge in employing Bahrainis. As indicated in the quotes below, nationals’ lack of exposure to practical work settings has seemed to make them incompetent compared to the cheap, experienced expatriate labour.

“Bahrainis have a high turnover in our organization because they are not ready to work in the private sector owing to *their lack of experience and language*.” (Sales Manager)

“Bahrainis are being *paid double* in restaurants but their productivity, *communication skills* and understanding is different.” (Acting Group HR Manager)

“It is difficult to find Bahrainis because of the *language and confidence*. Fresh graduates have *no experience*. We cannot jeopardize standards for Bahrainization.” (Chief Financial Manager)

“Bahrainis need development in how *to deal with people* in the business organizations.” (Assistant HR Manager)

“Majority of Bahrainis have *English difficulty* and need to be trusted more.” (Fashion Operations Manager)

“Bahraini *technical skills* are low. *Communication* skills vary among people but remain a barrier as we need to evaluate them at a global perspective to serve our industry. Attitude wise if channelized in a proper manner can be future good travel consultants.” (General Manager)

“Our corporate culture needs strong *English skills*. Bahrainis speak good English but written English is a challenge. Bahrainis are hard working but need to improve their written communication and being available all the time for passenger follow ups. In other GCC states, the same salary was difficult

for us to bring nationals on board but in Bahrain this is not an issue.” (**Chief Finance Controller**)

“Expats are recruited to communicate with foreign guests. Bahrainis lack *communication skills* with foreign guests.” (**HR Manager**)

In cases where English language skill is not a barrier towards recruiting Bahrainis, managers face other skill shortages, for example a private sector manager explained the lack of hospitality skills. This reflects on the education or development system that has not prepared nationals for the diversified economic needs that sectors such as hospitality, service, retail and tourism currently depend on.

“We don’t face a problem when we employ Bahrainis with their English skills because they can meet the customer needs who are Arabs. We need Bahrainis who understand what *hospitality* is by being more close to our guests. To make them work outside as servers in the restaurant not inside as cooks.” (**Restaurant Manager**)

On the one hand, managers have clearly identified that Bahraini nationals’ skills and competencies need improvement. On the other hand, managers have positive views towards Bahrainis’ skills. They clearly point out that Bahrainis when developed can be productive in the workplace. This reflects the importance of the mode of education and development in instilling and shaping nationals for the economy. Some managers further compared Bahrainis to other nationals in GCC states in their experience, and they found Bahrainis willing to work in lower office positions and accept lower salaries than other GCC nationals.

“Owing to my work experience in the GCC and comparing Bahrainis to other GCC nationals, Bahrainis are easy in terms of working everywhere and that is intriguing, they are not only looking forward to work in top levels but at lower levels and grow. Saudi Arabia as well has a large number of Saudis wanting to work in different capacities, but Bahrain has great potential because they are young who on average are qualified and are looking to grow themselves and careers to move ahead with. I firmly believe once travel industry and inbound infrastructure improves in *Bahrain it can expand through nationals by enhancing their skills*.” (**General Manager**)

Furthermore, a **Chief Finance Controller** compared Bahraini skills with his experience in the GCC:

“The good part is the good attitude of willing to work and learn in Bahrainis. In my view, nobody is perfect whether expat or Bahraini. I do not see difference between Bahraini and expat as it just lies within the leadership skills for *developing the Bahraini national skills* for the workplace. Being their country, locals must have priority to be recruited and be promoted in the organization.”

Similarly (Vice Principal) adds :

“I feel Bahrainis have the capacities, very well mannered nationals, educated but *they need to be taken care of*. There is a wrong idea that nationals are not good but there have a lot of good nationals when taken care of their skills for the working life. *I do see that after training they are positively productively in the school.*”

It is noteworthy that as discussed earlier, managers indicated that Bahraini commitment was not positive among the young generation and school leavers, but in terms of skills Bahrainis are looked at positively in higher level jobs. This helps explain the importance of experience and development factors in making Bahrainis productive. The analysis clearly indicates that development when instilled with work experience can meet business needs as Bahrainis at higher levels have gone through development and gained experience. The quotes below support the above analysis:

“Talking about *higher level jobs*, Bahrainis in terms of knowledge are educated and have an initiative to learn.” (**HR Manager**)

“Bahraini employees’ *senior staffs* are productive, punctual, experienced but the new generations are irresponsible. Fresh graduates they like to change jobs a lot.” (**Regional Manager**)

“The category that we face a problem with school leavers. *Graduates* we do not have not much turnover in this category, they are good and we can retain them. Myself is an example of fresh graduate and I stayed for seven years.” (**Assistant HR Manager**)

5.2.6 Expats and Bahraini relationships at work

Examining the relationship of Bahrainis with expatriates from managers' point of view is noteworthy as managers deal with both categories in their organization. It is necessary to examine the relationship if it forms any challenges or barriers in the workplace between nationals and private sector employees. Overall the relationship was positive, as explained by several managers. Bahrainis are viewed as accepting and caring towards others with no form of resistance. Some expatriate managers also identify a 'Bahraini culture' of accepting others and being able to work with others as colleagues. Managers mention that Bahrainis respect expatriates who coach and motivate them in the workplace, forming the basis of a good working relationship.

Managers from several sectors expressed positive views regarding the relationship between expatriates and Bahrainis in the workplace. The phrases 'accepting' and 'deal with respect' were quoted by several managers. The positiveness makes managers view it as a culture within Bahrain to accept and welcome others.

"Working relationship is fine. They do not keep distant and can *accept* what is given to them. As an expat managing nationals they are accepting it and *dealing with respect*."
(Senior Administration Manager)

"They do *accept* from expat managers the advice. There is no form of resistance from their side. Bahraini and expats are good colleagues together with good attitudes." (Sales Manager)

"Expats and Bahraini relationship is very good and regard them as brothers. In general, there are no problems between Bahrainis and expats. Overall the *relationship is good*."
(Manager)

Such acceptance towards expatriates gives managers a sense of the Bahraini culture. Acceptance of expatriates in the workplace reduces the resistance between expatriates and nationals within organizations as may exist in other GCC nations as explained in the literature review. Overall there were no issues of resistance between expatriates and Bahrainis in the workplace.

“Bahraini culture is welcoming. Nationals are flexible and have no problem to deal with expatriates.” **(Regional Manager)**

“As an expat manager I find Bahrainis soft centered, *respecting* and *caring* people. This has kept me stay in Bahrain compared to other GCC states.” **(Operations Manager)**

The data collected from the interviews indicate that the resistance between expatriates and Bahrainis is reduced based on a relationship of transferring knowledge and developing nationals by being coaches or mentors to nationals. It is evident to interviewees that Bahrainis seem to respect expatriates for developing them to progress on their career paths. In reference to this, managers expressed their views as follows:

“They are working as one family and team, my manager is an expat motivating and coaching me. During my 15 years experience working in hotels I did not see any form of resistance of Bahraini in accepting expatriate managers. The main aspects to be considered with Bahraini employees are motivation and coaching in the relationship with expatriates.” **(Sales Manager)**

“We tell expatriates the more you train Bahrainis the more you stay at GPIC hence it is like an incentive. We always find them an opportunity when they successfully train Bahrainis on a project, this allows, promotion for both an expat and national equally.” **(HR Manager)**

“We have expatriates train Bahrainis and work side by side. There is no form of resistance in transferring knowledge owing to our culture. If you see all management have been trained by expats (Italians). Myself have been trained before 18 years by expat. There is no threat in loosing their jobs as expats go to new projects.” **(Training Superintendent)**

“Bahrainis need to be coached and they need good managers for it. Bahraini managers as well need to know how to develop Bahrainis. They need to innovative in coaching nationals.” **(Acting Group HR Manager)**

The policies, regulations and organizational culture have also a vital role in shaping the relationship and reducing resistance between Bahrainis and expatriates.

Such measures as explained have formed the relationship between nationals and expatriates in the workplace.

“As colleagues Bahraini and expatriates are in good terms. In the past expatriates would not accept having Bahrainis with them in the field but now expatriates feel more secured with the labor law protecting them.” **(HR Manager)**

“There is a policy and guidelines to reduce resistance between expat and Bahrainis.” **(Acting Group HR Manager)**

“Expatriate and Bahraini relationship is maintained through fairness, trust, and equal treatment. It is also worth mentioning that Bahraini culture is friendly and accepting others.” **(Superintendent)**

A few managers expressed their concern in having expatriate managers. Even though the relationship with expatriate managers appears to be on good terms as mentioned earlier, nevertheless some managers expressed different views in this regard. A Bahraini manager is preferred in terms of knowing how to deal with Bahrainis in terms of understanding their culture. In addition, expatriate managers may not prefer to work with Bahrainis.

“Bahraini manager is better in terms of understanding the culture. The expatriate works formally according to written policies.” **(Chief Accountant)**

“Bahrainis might feel sensitive about the expatriates but overall the relationship is fine. But when given a choice 70% of expatriate managers would not choose a Bahraini employee” **(Payroll Manager)**

5.3 To what extent is the concept of human resource development embedded in nationalization programmes?

To examine the practice of strategies within nationalization in the private sector it is necessary to examine the human resource development concept in organizations. Human resource development activities are analysed in depth being the core of the framework presented by the research. Furthermore, assessing the extent of HRD practice in the private sector is crucial to map the results of the questionnaires completed by nationals with respect to their private sector employers' practice of

human resource development activities. A comparison of this with the interviewees' view of resistance towards nationalization provides a fair view with regard to HRD implementation in organizations by the two main executors (employee and employer) of nationalization strategies.

It is evident from interview discussions that companies with various Bahrainization percentages practise the HRD concept. Organizations with high Bahrainization percentages like GPIC have their own HRD planning strategies. Other organizations that do not have resources to practise HRD activities confirm they receive support through the government Bahrainization development scheme. The HRD activities practised in organizations reflect the HRD activities identified in the literature review and the researcher's development framework. The HRD activities that were frequently identified through the interviews with private sector managers reflected an emphasis on three areas:

- 1. Training and Development**
- 2. Career Development**
- 3. Organizational culture**

The above areas extracted from the interviews will be discussed in detail in the following sections.

5.3.1 Training and Development

Interviews reflected that training and development as an HRD activity is practised in private sector organizations in various ways. Interviewee discussions reflect that organizations with high Bahrainization percentages support their own development plans while other organizations with lower percentages depend fully or partly on government development support. However, it is worth mentioning that small organizations do not value training and development activities owing to their small number of employees and profit driven objectives. Overall, the analysis reflects that training and development HRD activities have caused a change in Bahrainis' productivity and cultural mindset.

It is worth mentioning GPIC which is a company with high Bahrainization that appears to recognize training and development highly as an HRD activity for

developing Bahrainis within their organization. Training and development is practised through aligned and structured processes to develop national competencies. GPIC values developing nationals in specialized positions and invests in Bahraini development to reduce dependency on expatriate competency. Training and development is highly practised in GPIC as managers explain how HRD activities are well integrated. GPIC training and development practices have also caused them to be ranked highly for their development activities among the private sector in Bahrain. During the interviews managers clearly explained how training needs are analysed through an automated system to form training and development programmes that are aligned with career planning. GPIC is a company that shows a high Bahrainization percentage as a result of its focus on national development, which is also emphasized by managers' feedback as presented below:

“Training and Development is aligned with career planning. We have a program based on competencies. A program for engineers, technicians and operators, which is well structured, defined training. Competency based training is also available at GPIC. Development of staff to senior positions is also communicated to employees. Training needs analysis is generated through an automated system, which provides an indication of our constant efforts to identify needs. Hence we have a training plan generated through the system. We won 2nd place in the training and development in Bahrain based on our training and development programs.”
(Training Superintendent)

“We meet the need for specialized requirements and required experience through our training programs.” **(HR Manager)**

“Training is one of the important keys that help in success of Bahrainization in GPIC.” **(Internal Auditor)**

Interview data from government entities shows they value the practice of development in private sector organizations as reflected by Tamkeen and Ministry of Labor support in providing training and development for nationals. Some organizations like APG School do not depend entirely on government entities but also practice HRD through their own processes as well.

“Apart from Tamkeen programs, Mrs. Ebtisaam our head principal is working on Bahraini attitude and professionalism

in work. In addition we are having trainers from outside to develop them.” (**Vice Principal**)

Other organizations with lower Bahrainization may not be able to afford to form their own training schemes and plans and hence seek for training levy utilization and support by Tamkeen and Ministry of Labour. It is also worth mentioning Jawad Group which is an organization that directs development support by government entities towards national development at various levels. The practice of HRD activities in organizations makes them aware of their training needs to meet skills gaps among national employees. For example, Jawad Group explained below how it invests heavily in training and development. Apart from local programmes there are also regional programmes as noted in the quotes below:

“Bahrainis in Jawad are developed in various ways. They have also started taking employees to universities like AMA. Training levy is being utilized as well; they are using the maximum and using the full budget provided by Ministry of Labor. All departments need English courses. Other courses needed are motivation, time management, finance skill and Bachelor programs are the most required training programs by departments in Jawad. From the feedback of management, Bahrainis in Jawad need in other areas than English like self confidence, attitude, customer service needs, written business communication which we provide every year and enhance such programs as well further.” (**Training Administrator**)

“At Costa coffee we have a training program of certified baristas and from barista we have programs with several phases to reach store manager done through our brand standard trainers that are certified from our regional Costa headquarter.” (**Costa Coffee Manager**)

“Training and development we are doing a very good job, we have management trainee programs, programs in USA, Dubai and local programs is in the agenda always.” (**Chief Accountant**)

“By training and organizational culture we develop nationals’ communication skills. We are patient with them to develop by sending them to British council class, trainings locally and regionally.” (**Restaurant Manager**)

Interviews revealed that other private sector organizations do not utilize their government national development schemes or training levy by the Ministry of Labor. Owing to the small number of staff and business objectives they may not be able to free their employees for development or do not value training as much as the outcome of the employee towards their profit driven business.

“We have our academy of training and leadership. The issue in small and medium enterprises compared to GPIC is they are not utilizing their training levy. Being small, they cannot avail their people. There is no substitute to take their place while on training and hence prefer on the job training considering the 4% as tax. They may also have no awareness how to utilize training levy.” **(HR Manager)**

Furthermore, an interviewee within the hotel industry explained that in the hotel sector training and development activities are valued but there are barriers in the practice and implementation. Commitment and English language barriers prevail not only as a challenge for nationalizing positions but for practising HRD activities for national development.

“Bahrainis standards can be improved through training, but they are not motivated. For example, they do not attend the English and computer courses for them. This issue lies in low positions like bellboys and drivers.” **(Head of Security)**

Interviewees from other organizations explained that language may be a barrier towards HRD practice. For instance, organizations like Jawad realize the need to develop their training strategies further to meet development requirements for nationals. Jawad managers explain how training activities are being delivered in Arabic to enhance and develop nationals’ competencies. For example, two of the interviewees stated the following:

“Company management has changed their vision towards national development. They are trying to meet the market needs according to Bahraini skills providing them a step to move further. There are trainings done just for Bahrainis in Arabic.” **(Fashion Operations Manager)**

“We have a Bahraini trainer to make them comfortable as well.” **(Restaurant Manager)**

It is significant to note managers' positive reviews about Bahrainis when training and development practices are implemented. That Bahrainis' commitment, skills and cultural mindset barriers are overcome through training and development is apparent. The training has a positive effect towards Bahraini skill development and career growth in organizations as analysed below through interviews with managers from different sectors. This reflects that certain private sector organizations have a willingness to depend on developed nationals in their organizations rather than resisting employing nationals. Interviewing managers from organizations that employ nationals and work towards national development show patience and desire to develop national manpower for high positions, as reflected below:

“Bahrainis are productive, if you train, develop and coach them. For example, we need to explain to them about grooming standards for the hotel and make them understand the requirements for the environment they work in.” **(Head of IT)**

“I was very well developed with reputed trainings to reach this position. I feel I learned a lot through the management trainee program by planned by the hotel. The on job training and rotation within the hotel gives a good experience.” **(Health Club manager)**

“The training programs in the hotel can be broken into three which are: specific council training, expatriate training, management trainees. We have several examples in our hotel that rose to top positions owing to the development received at the hotel.” **(Chief Financial)**

“Bahrainis can reach to high positions with development. There are several examples as you can see with training and proper channeling they can reach high positions.” **(Training Manager)**

“I was able to grow in the group because of trainings provided. Jawad gave me trainings in English, Computer and several courses.” **(Fashion Operations Manager)**

“Overall training has a positive effect over Bahraini development. There are jobs before that were not accepted like the ones in the restaurant, sales assistant in fashion, males and females working shifts from 4pm – 12a.m. Bahrainis are changing in terms of changing mind sets in terms of working hours and positions, personal excuses have

changed and being more responsible as a result of the trainings also done.” **(Corporate Office Manager)**

5.3.2 Career development

Career development practice in the private sector is evident through the views shared by the managers. It is given equal importance with Training and Development in private sector organizations in Bahrain. On the basis of the interview data, it can be seen that career management is managed and implemented in several ways. Some organizations like GPIC depend on expatriates to promote nationals or have their own training academies that form career paths in line with their training programmes. Organizations like Gulf Hotel and Kanoo practise promotion from within or utilize the career planning strategies by Tamkeen. Dnata, having a head office in Dubai, values developing national careers through its head office in Dubai to prepare employees for higher level roles. Private sector managers described the government support towards forming career paths in several instances. It is notable that in various scenarios organizations referred to their dependency on expatriates for developing nationals within a framework of transferring knowledge, coaching or mentoring, further reflecting HRD practices. Career development is valued for growth and retention of nationals. Private sector managers value this HRD activity as a means for developing nationals within their businesses.

“We are an organization that strives for excellence. It is important for us to give a career path for retaining our employees as people in a certain stage need higher roles. Even though we are small in Bahrain, but we have a training infrastructure in Dubai and employees can see where they can be in the next couple of years through the trainings provided in our own academy in Dubai. Growing business with our people is extremely important to us.” **(General Manager)**

Examining the context of GPIC, it is evident that nationals are developed through expatriates. Utilization of expatriate competencies is productive as indicated by GPIC. The significance of expatriate knowledge transfer is shown to be valued as Jawad also raised the need for its organization to move towards an approach similar to GPIC. The development of nationals by encouraging growth through transfer of

knowledge and skills to nationals is crucial, as pointed out in the following interviews:

“But this does not mean we deny expatriates progression further. We are still keeping them and placing them in other projects. By forming job security for expats, they are not reluctant to pass on their knowledge to Bahrainis.”
(Marketing Manager)

“Career development is given a very high priority at GPIC. There is always a national who takes place of an expatriate in a fair way. Special recognition and incentives to expatriates developing Bahrainis to higher positions has played a role in Bahrainization. Our management team is 100% Bahraini, all the management before were none Bahrainis and was managed by Italians.” **(Internal Auditor)**

According to a **Corporate Office Manager**, there is :

“The need of forming successors for nationals to take over expatriate positions. Jawad needs to forming successors, forming a culture of development and sharing knowledge.”

Other organizations like Kanoo utilize the career path planning programme by Tamkeen. Utilization of Tamkeen development for national career growth in organizations is evident in the provision of technical skills to support national growth. Kanoo practises career development as an HRD activity as mentioned:

“Career paths along with development training are discussed with employees Tamkeen career path programs enabled us to form career development. For example, Tamkeen worked on certified IATA holders for Kanoo.” **(Regional Manager)**

Among the practices of career planning for nationals is promotion from within in private business. For instance, Gulf Hotel develops career paths by emphasizing promotion from within when an employee resigns or moves to another department:

“When a person resigns there is an opportunity for promotion from within and you are trained to get into that position. There are different sections that you can move into from, sometimes it can also match your ambition or hobby.”
(Health Club Manager)

Jawad Group emphasizes the practice of career planning within their organization by providing live examples of career development. The following HRD practices indicate the development of nationals within organizations:

“I have been working for 17 years in fashion. I started as a storekeeper and worked towards developing myself through the company development programs. The company played a role in developing me and today an operations manager.”
(Fashion Operations Manager)

“ I started in Jawad as summer job in BHS, I was given training and rotation in that place. Then I was given higher opportunities through training and rotation. Then I was given the opportunity to be an opening team supervisor in the branches. Then promoted to store manager and then was even given training in the UK to implement UK strategies in store. Today I am a brand manager in for multiple ladies fashion brands.” **(Fashion Divisional Manager)**

5.3.3 Organizational culture

The overall discussions with managers reveal that organizational culture is practised as an HRD activity to develop nationals. Interviews reflect that organization culture is a vital component for Bahrainizing positions in the private sector. Managers reflect how organizational culture as an HRD practice can aid in forming the right working environment for nationals. Drawing upon the interviews with managers, discussions reveal that organizational culture in the private sector in Bahrain is built through equality in management vision, trust in Bahrainis, engagement through development and forming a family culture, as explained by managers. Such factors have been frequently mentioned in several instances. Managers further indicate through their experience with nationals how organizational culture can play a role in changing Bahrainis to be productive, creative and efficient. The discussions reveal that the organizational culture must integrate several aspects all together rather than focusing on one cultural aspect. It can include intangibles such as trust, recognition, support, and sense of family bonding. In addition, cultures that include learning and development are highly regarded and valued reflecting the importance of HRD practice as an organizational culture. It is evident to managers in the private sector

that organizational culture can improve and change Bahrainis' areas of low competence such as 'commitment' and 'skills'.

Private sector organizations identified the organizational culture that nationals would prefer to work in. Managers shared their views based on their respective organizations, but it is worth mentioning that managers' descriptions intersect at values of transparency, teamwork, openness, equality and a caring family culture as factors ideal for nationals in organizations. Managers from several sectors shared the same values in building organizational culture that can increase numbers of nationals within their organizations:

"The best working conditions for a national are is building a culture of *transparency, team work, openness, discourage discrimination and to resolve issues to notice* and get it resolved." (**Operations Manager**)

"GPIC management merged employees whether nationals or expats as one *family*. Bahrainization is high in our organization because management builds a whole process through a fair culture, the environment, management treatment and the different incentives as encouragement to both nationals and expats. Our culture supersedes all other places." (**Internal Auditor**)

"Our culture as you can see we are working as one *family*. Management interacts with everyone without borders and builds relationships with others. Other organizations miss this family bond which gives us our strength." (**Marketing Manager**)

"We need to understand the Bahraini worker and how to treat him on the *personal* side." (**Chief Accountant**)

"Bahrainis are productive when we work on their motivation by developing, supporting and advising them forming a relationship of *care*. Bahrainis *need a hand* to grow in work." (**Costa Manager**)

A further development aspect within organizational culture was revealed by the interviewees to be vital in shaping organizational cultures that can attract nationals to the private sector. It is worth mentioning that a culture of development is valued by managers to retain nationals in organizations as reflected in the interviews. A development and learning culture appears to be important to nationals from the

interview data reported in order to give them confidence against their potential lack of competence in certain areas in the workplace. The interview quotes below emphasize this importance:

“We have changed the way we were by channeling our employees through an *appraisal system* to build a *development culture*. We now realize that Bahrainis need to be dealt with in a different manner through *training, development, appraisal, proper coaching* by store manager and looking after working environment overall.” (Training Manager)

“To deal with Bahrainis in this low position category, I feel we need to sit with him and *train, coach and give them confidence*. Bahrainis need a hand to be given to them.” (Manager)

“Our culture strategies have been improved constantly as well. Employee schemes are improved on a yearly basis to *retain* nationals. This includes improvements in our *organizational culture* and *training* that contributes to retain Bahraini employees and increase their loyalty.” (Internal Auditor)

It is noteworthy that an interviewee from GPIC pointed to the importance of implementation of the practice of development of nationals through organizational culture as seen through key performance indicators in GPIC. Encouraging managers to develop a culture of development with their employees increases productivity of nationals, as explained below:

“As managers we have Bahrainization targets as key performance indicators for all departments as an objective which causes us to work on developing Bahrainis. Saying Bahrainis are unproductive are “wrong and unjust excuses”. Managers built *a culture to drive Bahrainis potential*. Bahrainis *need a hand* to make them move forward but pay is also important also.” (Superintendent)

The analysis reveals that organizational culture has a similar effect to training and development in terms of improving nationals’ skills in organizations. The interviews revealed specific examples of how organizational culture can improve Bahrainis’ skills. It can shape the attitude of nationals as observed in Dnata,

providing an indication of how the practice of organizational culture can shape the previously widely criticized skills of Bahrainis. Interviewees from Dnata indicated that their organization has corporate policies within their organizational culture that shape Bahrainis' attitudes and skills. Interviewees from the Gulf Hotel further explained how creativity, a skill that is lacking in Bahrainis as discussed earlier, is developed through the organizational culture of the Gulf Hotel. This indicates that the gap in national skills is also addressed through organizational culture in the hotel sector. A reflection of the above analysis is evident from the quotes below:

“Regarding Bahraini attitude in Dnata can be managed through corporate structure and employee rules and regulations we all have to follow standards. We educate and develop their skills through our organizational values.”
(Chief Finance Controller)

“Bahrainis creativity is supported and recognized in the hotel. Top management encourages creativity through the brilliant idea program by paying 50 BD to best idea in solving organizational problems.” **(Health Club Manager)**

5.4 How can nationals be retained and managed through career planning in nationalization strategies?

Analysing retention strategies for nationals in the private sector is crucial to increase national labour retention versus investments made towards their development and career progression. Interview data reported that the strategies that private sector employers discussed related to HRD practice activities that are career development and organizational culture. Interviewees revealed that career development and organizational culture are HRD activities practised in organizations that can retain nationals. Yet, it is evident that an aspect outside the HRD activities appears crucial for the retention of Bahrainis. The issue of retention through compensation, which is of major importance to the young generation that seem to struggle with the demands of a modern society, was referred to frequently by interviewees. Even in organizations like GPIC where Bahrainization is high, managers express their concern for compensation as a factor that attracts young nationals. Organizations with lower Bahrainizations percentages expressed their views about retention

through compensation but justify that their salary standards are aligned with the Ministry of Labour laws.

The interviews conducted aimed to analyse the issue of retaining nationals by analysing the factors that interviewees discussed most frequently. Interviewees revealed that private sector employers in Bahrain face the issue of retaining Bahrainis despite the development and legally mandated salary standard provided to nationals. The aspects identified by the managers during the interviews are analysed below:

- 1. Compensation**
- 2. Career Development**
- 3. Organizational culture**

The listed aspects will be presented as per interviewees' feedback and views in the coming sections.

Despite managers' discussion of the importance of development and organizational culture for Bahrainis, the views from various managers in different sectors indicate that compensation prevails as the most important and crucial factor for retaining Bahrainis.

5.4.1 Compensation

Interviewees clearly identified that compensation plays a vital role for Bahraini retention. Private sector employers discussed how they are faced with employees who constantly look for better salaries. They explained during interviews that even when organizations have high salary standards, the young generation category of nationals seems to be looking for higher offers and ignoring long term development outcomes. Some interviewees from the private sector justify their salary standards with Ministry of Labor regulations and policies. The interviewee feedback indicated that the Ministry of Labor plays a role in shaping salary packages and development, but leave private sector employers to invest in developing Bahrainis who may still leave their organization for an increase in salary.

Large organizations like GPIC express that their challenge for Bahrainization is low as their salaries and benefits are high. As an **HR Manager** explained:

“Bahrainization in the big companies BAPCO, GPIC, BANAGAS is very high because we are long standing companies for 30 - 40 years. Those companies have **good salary packages and benefits**, hence you can see in GPIC more than 90% Bahrainization. Sometimes we reach 94-95% but we are always above the 90%.”

However, it is worth mentioning that the young generation also keep looking for better offers and have a short-term monetary vision. For instance, in GPIC, even young engineers leave for better offers:

“Wages even though we are the best, **fresh engineers will get attracted to better offers** in other companies ignoring long term benefits of GPIC and continuous career development and planning.” (Superintendent)

“Before developing Bahrainis we need to give them what they are expecting in terms of salary. I believe they will not be developed or accept development further in an organization if we do not **meet their salary expectation**. To retain Bahrainis, we first need to consider salary, then training courses, followed by on job training and organizational culture training.” (Head of Security)

Strengthening the compensation factor in retention further, the views below from various managers reflect that Bahrainis keep changing jobs owing to better salaries:

“It is difficult to retain Bahrainis as they are always trying to find **better offers**, the movement for better offers is the enemy factor faced by employers.” (Social Counsellor)

“Bahrainis have high turnover generally because of **salary and benefits**. This is everywhere in Bahrain I believe. It is crucial for Bahrainization strategies to think about increments, monetary rewards and salary increases. I find that 95% of Bahrainis are looking for increment but not the training.” (Training Administrator)

“Bahrainis have a high turnover owing to **salary and better offers**.” (IT Manager)

“As far as we are concerned with Bahrainis it is better prospects and better pay, they mostly left for *better package*, but not the working environment.” (Operations Manager)

“Turnover in our organization is high owing to the better packages. *Better salaries* can *retain* nationals.” (Fashion Operations Manager)

Interview data indicates that nationals seem to be in a quest for better offers for various reasons. Bahrainis are looking for better offers to cope with living standards. In addition, they need to be compensated for the challenge of facing customers in service and hotel sectors. The quotes below reflect this analysis:

“We try our best to place Bahrainis in the right jobs and develop them but for an increase of 10 or 20 BD they will leave us suddenly. Their *mind set is in the salary only but I don’t blame them because of the high cost of living in Bahrain.*” (Chief Accountant)

“Bahrainization percentage is low at Dairy Queen owing to the salary which is around 230–250 BD. For Bahrainis the job to him as *working in kitchen, counter and facing customers is a challenge as well.*” (Manager)

“Many guests appreciate being served by nationals and dealing with Bahrainis nature. We want to keep Bahrainis for this reason in the hotel but *the only way to retain Bahrainis in the hotel is the salary.* I would also like to add that before all HR staff in hotels had to be Bahrainis but now it is being difficult to find Bahrainis owing to the salary.” (HR Manager)

It is evident from the interviewees that compensating Bahrainis for experience is a barrier towards selecting and retaining nationals. Nationals, as seen earlier from interview data, lack experience and certain skills. These barriers cause the profit driven private sector owners to move towards selecting expatriates who are more experienced with lower cost. Paying a fresh graduate seems to cost more than an experienced expatriate. As a school **Social Consellor and owner of a private magazine business** explained regarding the issue of salaries in Bahrain:

“Bahrainis leave private sector jobs owing to the salary. As a business owner, I can pay the same *salary* for an experienced

expatriate compared to a Bahraini with limited experience. If the *salary* in private sector organizations are high even if he is stressed the Bahraini will stay because the living is expensive they keep looking for better salaries. In addition, Bahrainis keep comparing their *salary* standards with other GCC states, as nationals in the majority of the GCC have high salaries and positions.”

It is interesting to note interviewees’ views regarding the Ministry of Labor’s role in structuring the salaries in the Kingdom of Bahrain as managers constantly justified their salary structure as ‘*per Ministry of Labor*’. Private sector managers constantly mentioned that their structure is aligned as per the labour law, but still nationals leave organizations, raising concerns that development investments made are transferred to other organizations. Below are examples of references to the Ministry of Labor by private sector managers:

“Our salary structure has improved. Earlier Bachelor holders used to receive BD 270 but now it is BD 400. This also owes to the *Ministry of labor law* to improve the structure of the salaries.” (Corporate Office Manager)

“Salary is the challenge in retraining Bahrainis. Our salary is compatible with the *Ministry*. Therefore to retain Bahrainis we face salary, working hours and institute culture. ” (Principal)

“We conduct surveys with other hotels to improve the salary standard but as per the hotel market and *labor law* we are doing accordingly to salary standards.” (HR Manager)

“To keep Bahrainis motivated in the organization we are training them and increasing their salary as per the market and *labor law*.” (Assistant HR Manager)

The above analysis raises a concern whether the salary structure is helping to retain nationals within the efforts exerted to increase Bahrainization. Managers’ discussions indicated a need for an increase in the salary structure as an enforcement by government entities to retain nationals within the private sector. Even though nationals developed within certain organizations can benefit other organizations, private sector employers are still concerned with the retaining the investments made to develop Bahrainis. The analysis from interview data reveals private sector employers need a strategy to retain Bahrainis through government entities. Further

views emphasized the need of a retention strategy from government entities, as indicated below:

“Bahrainis leave because the payment is *low*. The training received in our hotel also makes them earn higher in other sectors.” (**Health Club Manager**)

“The hotel industry is paying is not enough, we need an *enforcement* of at least 400 BD to retain them.” (**HR Manager**)

5.4.2 Career Development

Even though a majority of the interviewees identified that salary is the main factor for retaining nationals, career development has also been recognized in the private sector as a retention strategy. Hence this reflects the practice of HRD activities to integrate nationals in career paths through development.

Interviews described how some organizations are career driven, believing that development can retain nationals. Career development is practised as a vital factor for retaining employees through training, career planning and succession planning as explained below.

“Our *retention* strategy is we are *career driven*. We have trainers from abroad providing training, and provide our staff familiarization trips and art of communication to develop their career paths. As we also get bigger our paths shall be more structured hence retaining nationals.” (**General Manager**)

“We use a *career growth* and grading that develops people, if they work and perform they grow. Showing *nationals the career paths retains* Bahrainis in the organization.” (**Chief Finance Controller**)

“To *retain* employees, we make it very clear about their *career growth*. When employees join succession planning is made clear for them indicating a sense of where their career will be heading with us.” (**Marketing Manager**)

“Retention strategies in GPIC are practiced through *career planning, development is for Bahrainis and expats equally, succession planning* is clear and expats have the opportunity

of promotion when developing Bahrainis and transparency in management.” **(Superintendent)**

In discussing with managers about improving career development for nationals as a retention strategy, an interesting factor for nationals’ career development was identified. The conversation below explains that the organizational culture that Bahrainis find amenable is to have a coach or mentor that can give them a ‘hand’ as referred earlier and help them grow within an organization. Other interviewees raised the need for a coach or mentor to guide nationals through their career. The recommendation by private sector managers to provide coaches or mentors supports the GPIC practice of nationals’ career development through expatriates. Such a retention strategy reflects the value of retention through development via a coach or mentor, hence getting nationals attached to the organization.

“Development is important and nationals need to be attached in a place that believes in development like our hotel. But to retain Bahrainis we need a coach or mentor to shape the candidate. The coach or mentor needs to be a serious person to instill working values. Having a national coach and mentor is important to set an example. Trainees should have a discussion with their managers about their development indicating to them a move towards their career path. Setting targets for managers as yearly targets to develop nationals through engagement is a way of enforcing the replacement of expatriates in organizations with all my respect.” **(Chief of Finance)**

Analysing retention strategies through the interview data reported, it is evident that there are several factors involved in retention. Career development appears to be important to nationals, yet some managers in Bahrain view that to retain nationals within organizations several factors have to be taken into consideration. Even though compensation seems to be a crucial factor to retain Bahrainis from managers’ point of view, several factors have to be considered together within retention strategies, and these include training, career development, compensation and reward. Below are the views of managers supporting the factors analysed :

“Believe in the FOUR Rs: Recruitment: recruit people with the right criteria (minimum requirement). Retrain: we have to

retrain nationals to GPIC standards. In this respect, we have different training paths – engineer 42 months- non-engineers 18 months, non-technical graduate he has it for 24 months, and we have 4 or 5 different scenarios. Retraining is given to become competent from GPIC point of view by having the right knowledge, skills attitude and behavior of GPIC requirements. Reward- reward nationals by giving the right salary, benefits, medical insurance, saving scheme, housing, senior education. By doing the first three we end up by Retaining employees. A Retention strategy lies within training, development and reward.” **(HR Manager)**

“Bahrainis retention is through monetary factors, but this is one aspect. At GPIC the training and development aspect plays a role in retaining employees. When employees have planned and clear career paths qualifying employees towards managers and superintendents retains them at our organization.” **(Internal Auditor)**

“Our retention strategies are strong because we have a good working environment as a family. But also pay is good. We have fairness and equality. The strategy of open door and transparency is in our culture.” **(Superintendent)**

5.4.3 Organizational Culture

Organizational culture, as discussed earlier through interview data, has been practised as a human resource development activity to support Bahrainization. The interviews below explain that organizational culture not only develops Bahrainis, but also plays a role in retaining Bahrainis within their organizations. Interviews report that organizational cultures based on equality, engagement, and forming a bond similar to a family are the main aspects considered within Bahraini private sector organizations as retention strategies. Other organizations like APG have certain organizational culture standards that Bahrainis do not find agreeable. It is also worth mentioning the category of nationals that employers find difficult to retain, as a **Payroll Manager** pointed out:

“Retaining graduates is not an issue as much as in high school leavers.”

In discussing organizational cultures in the private sector in Bahrain, interviews revealed that a family culture plays a role in retaining Bahrainis within

organizations. Interviews further discussed that values of equality also retain nationals, as indicated below. For example, GPIC is an organization with high Bahrainization where culture plays a role in retaining employees. The culture developed in GPIC is a family culture of equality and supporting talents. For instance, an **Internal Auditor** strongly pointed to the fact that:

“Management that takes care of its employees as a *family*. The family culture is a factor for retaining GPIC employees. Another unique aspect in our organization is the social responsibility towards our employees. For example many employees faced medical situations that are not covered by medical insurance. Management worked on getting them full support from inside and outside Bahrain.”

Furthermore, GPIC managers stressed the importance of culture by explaining that:

“Our culture retains employees as we have built a culture unique. In terms of supporting talents, taking care of our employees, *being fair to everyone*, open door culture, suggestion boxes for openness to new ideas and improvement of needs.” (**Training Superintendent**)

“By emphasizing loyalty to employees and making them feel it is their *second home*, employees are retained and perform better as well.” (**Marketing Manager**)

“We do not work on retaining Bahrainis only but also retaining expats. *Bahraini and expats are equalized*: same allowances to Bahrainis and non Bahrainis, no distinction between the two.” (**Manager**)

Interview discussions with Kanoo, which is another private sector company with high Bahrainization, indicate that it retains its employees through a family culture. The family culture and building a relationship by being closer to employees is evident as an HRD practice through data reported. The organization believes in engagement of employees to make them feel closer as explained further below:

“The way the owners of the business are treating employees as *family members*, creating a sense of belonging and provision of development in the organization hence Kanoo is being an employer of choice to many Bahrainis.” (**Regional Manager**)

“ We work as a family and form bonding among our employees. Our bonding extends to outside our organization by engaging our employees to assist the society as well.”
(**Commercial Manager**)

Interviewees emphasized the value of ‘equality’ and ‘engagement’ as values that can retain employees. It is worth mentioning that managers discussed such values as a method for retaining all employees, whether expatriates or nationals. Building a culture of engagement and equality is valued by the managers interviewed, as reflected below:

“As far as the company keeps employees motivated by *engaging* them and building a good culture in the organization with a treatment of *equality*.”(**Chief Finance Controller**)

“To *retain* Bahrainis Jawad provides outside *engagement* work activities and entertainment. Motivates employees through vouchers and nominations of employee of the month.” (**Corporate Office Manager**)

“Retention strategies need to have factors of respect, promotion and recognition based on *equality*. In my view Bahraini can be productive if we consider the facts discussed. The issue can be with any nationality but blaming Bahrainis is not the reason. For any national we need to develop the culture for retention through such values.” (**Restaurant Manager**)

5.5 What are the change management processes to support integration of nationalization against resistance?

It is evident from interviews that government entities and authorities have supported nationalization through several strategies. Discussions with managers in the private sector reflect the integration of government strategies to support Bahrainization in the private sector through development programmes and salary subsidies. Managers interviewed had different views on integrating Bahrainization strategies into their management processes within their organizations. Most managers were satisfied and spoke highly of Tamkeen as a labour fund authority supporting the development of employees. Interviewees raised issues revolving around the improvement of

Bahrainization strategies by the Ministry of Labor through greater salary support and retention strategies within the private sector.

Interview data reported that managers had positive views with regard to government support for nationals' development and making nationals employees of choice. It was revealed through the interviews that private sector employers are being funded up to 80% after employee training completion. Bahrainis' skills gap in terms of productivity, commitment, language, and work standards has improved through Tamkeen and Ministry of Labor development programmes as expressed by the managers quoted below. Private sector managers that tied their development programmes to Tamkeen described Bahrainis' improvement in the workplace during interviews. Tamkeen, as a labour reform authority, is viewed positively by most interviewees for improving the knowledge, skills and abilities of nationals. Interviewees pointed to the efforts of Tamkeen that are extended to nationals as early as high school to meet market and organizational needs. Respondents expressed positively that the challenges that exist within nationals in terms of skills and commitment are improved through Tamkeen's efforts, representing an important change management process in terms of resistance to the development of nationals in organizations. The interviewees from the various sectors valued Tamkeen's efforts as as described below:

“Tamkeen and *Ministry of Labor* are doing a lot of efforts. Specially *Tamkeen* is doing a lot of *professional training*.”
(HR Manager)

“Most Bahrainis have problem with language in terms of writing. We have good support in British council, *Tamkeen and high specific council, they are paying almost 80% of fees*”. (Health Club Manager)

“*Ministry of Labor is cooperating* with us. Every three months we claim the money after trainings and we monitor their performance and show the ministry the performance form and the percentage of performance.” (Assistant HR Manager)

“To make Bahrainis more productive, I really appreciate what *Tamkeen is doing to improve the workforce and quality outputs* of the work through training and workshops. Life skills as well are being given for students. APG school training is given at an early age for student to form

commitment to work place. Many sessions are arranged with *Tamkeen grade 9 to 11 to experience training* for the working place.” (Senior Administration Manager)

“Tamkeen has played a very important role in *shaping Bahrainis skills and commitment*.” (Vice Principal)

“Tamkeen is providing extensive professional development. I had most of my teachers trained with professional training. Also preparation of students for the economy of Bahrain. We invited Tamkeen since 2007 to *educate students about Bahrain market and prepare them for the market need*. Experienced speakers advise students about the market requirements in Bahrain.” (Principal)

To support the integration of nationalization strategies within private sector organizations, managers expressed their concern during interviews that the Ministry of Labor needs to improve its Bahrainization strategies to support nationals and their organization objectives respectively. Interview data reported the need for improvements in terms of better support for recruitment, enforcement for certain positions to be ‘Bahrainized’, more support for wage subsidy, and follow-up regarding nationals’ career paths and retention strategies, as these factors have been pointed out by managers as indicated in the following section. Interview data reflects the call of private sector employers to integrate ‘qualitative’ methods of Bahrainization through recruitment, career progression and retention within nationalization strategies offered by the government entities. The two change processes identified through the interviews for the integration of nationalization are:

- **Support of private sector employers**
- **Retention of nationals**

During interviews, managers seemed to be in need of policies that strengthen Bahrainis within their organizations. Managerial interview feedback recommended a strategy of expatriate replacement or enforcement of certain positions for nationals. Such views are reflected below:

“We need to build a plan by Ministry of Labor where *expatriates are replaced with Bahrainis*. Ministry of labor needs to work on developing Bahrainis through replacement rather than focusing on percentages. By force companies use percentages of Bahrainis in low positions. Ministry of Labor needs to question the *quality of Bahraini positions in*

percentages. There is a need of regulation to retain Bahrainis.” (Chief Accountant)

“*Certain jobs must be enforced as Bahraini*. Ministry of Labor must not give residence or visa expect for top positions such as General Managers or Chiefs.” (HR Manager)

Apart from strengthening Bahrainis incertain positions in organizations, interviewees emphasized the need for government entities to develop retention strategies to retain Bahrainis. Managers have referred to this aspect in several instances in order to retain investments made in development of nationals. For instance:

“Tamkeen needs to form a strategy to *retain or hold the employee* within an organization. They should be stricter to form contracts with employees to stay within organizations after trainings offered.” (Training Administrator)

“Government should make a *contract to make Bahrainis stay in organizations*. I feel Ministry of labor is cushioning nationals too much but not supporting the private sector employer.” (Acting Group HR Manager)

“Ministry of Labor supports through subsidized salaries and professional trainings but on the other hand they have the contract open hence giving the Bahraini the *liberty to move* to the government sector. As a school we dictate our needs and they provide us. Upon completion of the two year CPP programs neither Tamkeen nor Ministry of Labor supports us in retaining our employees or salary subsidy.” (Principal)

“The government needs to stop paying to non-working monthly salary as it is making them lazy. They are not being retained in this way as they are being employed and then leave to be unemployed to receive the allowance and the cycle goes on. ” (HR Manager)

Managers raised during interviews the need for improvement of the recruitment processes in the Ministry of Labor. According to managers, there is a need for improvement as candidates recommended by the Ministry do not meet organizational needs. The Ministry needs to understand the private sector employers’ candidate requirements to meet their business objectives and integrate the right nationals within their organizations, as indicated below:

“Ministry of Labor will only help recommend teachers. Sometimes wrong candidates for the positions.” **(Principal)**

“The problem we face with Ministry of labor they send us *uneducated people* that cannot read and write. We cannot also put them through training programs such as English or computer skills by Tamkeen and the High Specific Council owing to their poor skills and sometimes they are scared to join owing to their weakness. **(HR Manager)**

Some managers interviewed recommended that before integrating nationals within their organizations, it is crucial to have them prepared for the work environment. The interview feedback identified areas of development or training needed before joining organizations as communication, body language or nationals with the right mindsets from specialized training societies and institutes. For example:

“The Ministry of Labor needs to put Bahrainis in training institutes for *English and body language* before joining our organizations. A program of excellence performance that will help them in their life, career and all aspects till they reach the position they aim for”**(HR Manager)**

“From Ministry of Labor we need *a society and committee* for hoteliers to take right people from there. We need to place them in front positions to project and promote our culture.” **(Sales Manager)**

Apart from improving the recruitment process, managers interviewed expressed their concern that there should be follow-ups with regard to nationals employed through government recruitment processes. Their concern for follow-ups reflects their issue of trying to retain the nationals employed. Managers raised the need to be supported in retaining the developed national within their organization, as indicated below:

“The Ministry of Labor *does not follow up after recruitment and entrance of employees in the career planning paths* offered from their side. Nationals are looked in the beginning of the two-year CPP. But this only supports the employee but not the organization.” **(Social Consellor)**

“Even though Tamkeen and High Specific council never reject trainings required and follow up with us to send nationals for development. *Follow up on progression of*

nationals in their careers, training and development programmes.” (Chief Finance Officer)

The interview data indicates that private sector employers appear to be in need of further support from government entities. They feel the support for nationalization strategies is aimed towards the nationals more than employers. The need for government support was expressed by respondents:

“A company like us that is using the budget and utilizing the training levy and Tamkeen programs should be provided a benefit such as exemption for training levy payment for a year as a form of *reward* for using development.” (Training Administrator)

“Government support towards private sector is fair but not enough. CPP programmes *supports the employee but not the organization*. After development and payment of subsidies, employees leave us and we are in a cycle of getting new staff again.” (Social Counsellor)

The above recommendations and concerns identified by managers through interview discussions reflect that the Ministry of Labor, as the main entity enforcing Bahrainization through laws and policies, needs to improve its strategies to allow for ‘qualitative’ integration of nationals with the private sector in Bahrain. During interviews it was evident that percentages and quotas need to be replaced with a ‘qualitative strategy’. This is revealed through the need of questioning private sector employers in the positions that are being nationalized. The concern of managers interviewed is to increase Bahrainization in higher positions thereby practicing qualitative strategies by forming the Bahraini as an employee of choice in competitive positions. Interview data reports that percentages have caused private sector employers to practice nationalization in lower jobs as explained below:

“Bahrainization strategies have certain percentages for different industries. For the travel industry it is 25%. Government has done a proper study depending on each and every activity and for the travel industry is far for 25% and it increases with the *overall headcount*.” (Chief Finance Controller) “

“*Quotas should be practiced at all levels*, categories, levels and grades as some organizations may reach the quotas by employing lower level national employees.” (HR Manager)

“Having *quotas and percentages is short lived* and may not help the Bahrainis for higher positions. I feel if we do not have quotas our social responsibility becomes more towards nationals.” (General Manager)

“Ministry of Labor needs to *move away from percentages and move towards setting targets for managers* to develop Bahrainis to higher positions in organizations.” (Chief Finance)

It is worth mentioning that , from interview data collected, some organizations like Dnata which have regional offices cannot identify an integration of national development plans with their global or regional business objectives. Such organizations align their strategies with government strategies in terms of following quotas, rules and regulations, but cannot align the government development strategies with their objectives or vision. As managers expressed their views regarding this:

“Regarding Tamkeen and Ministry of Labor, they are *not in sync* of what we do. We are a specialized field and we have resources ourselves such as the Dnata in house training and state of the art emirates aviation center.” (General Manager)

“We do not have any coordination in terms of development or subsidized wages as we prefer to have experienced staff which has been difficult for them to provide us. We are *a service industry that requires certain caliber specifications.*” (Chief Finance Controller)

5.6 How can HRD and capacity building be integrated within a development framework for building capacity in an economy?

Linking the HRD practice in organizations with capacity building is needed for a sustainable economy as reflected in the framework (Figure 2.1, page 99). The researcher questioned if capacity building is linked with HRD activities in the private sector. The interviews with managers revealed that human resource development activities enhance capacities within organizations, strengthening the economy of Bahrain. Interview data indicates that capacities are viewed in terms of employees as ‘capable Bahrainis’ in terms of being productive and knowledgeable,

meeting organizational expectations. Human resource development activities identified by managers that contribute to build capacities in Bahrain are: *employee selection, development, performance management, organizational culture, knowledge sharing within and outside organizations*. It is evident from interviews that the generation of capacity building is triggered by development activities, as the interviewees have mentioned the terms ‘development’ and ‘training’ repeatedly. The phrases analysed from interviews with regard to capacity building reflected a long-run development concept at a society or national level generated through HRD activities. Example of the phrases are: *‘development of staff and students’, ‘training sessions’, ‘programs that contribute to the society’, ‘character building’, ‘national development’, ‘contribution regarded as a school’, ‘in house training to make a difference in the society’, ‘building capacity aligning itself with 2030 vision’, ‘knowledge sharing with society’, ‘sustainability’, ‘something bigger in the society’*. An emphasis on knowledge contribution and sharing through national human resources has been emphasized in the interviews. It is apparent from interviewees’ responses that capacity building is a concept yet to be developed in private sector organizations in Bahrain. Among the seven organizations researched, only three organizations described the integration of human resource development activities with the aim of enhancing the capacity building process.

Exploring in depth the views of capacity building held by the managers interviewed, it is evident that HRD and capacity building can be integrated within a nationalization programme for long-term societal level benefit for the economy as a whole. It is evident from respondents that capacity building is generated through HRD activities that create capacities through human resources within organizations that, according to respondents, *‘contribute their capacities to the society’* through *‘knowledge sharing in society’*.

The practice of HRD activities is clearly listed in the interviews by managers reflecting the generation of capacity building through HRD. Activities such as **‘Training’, ‘Development’, ‘Career planning’** and **‘appraisals’** are mentioned by respondents frequently. It is significant to note some further phrases mentioned by respondents, these are the creation of *‘sustainability’* through HRD activities and *‘knowledge sharing’* to the society. The quotes below illustrate the above analysis:

“A lot of skills are added and injected through Bahrainis at GPIC. There is a move upward for the capacities based on *sustainability* and this *sustainability pillars* are the policy, company performance, mission, vision, and values. These pillars sustain development that I believe in an investment in human resources. *Sustainability is formed through career planning, training and development, maintaining the quality people.* This makes GPIC people different.” (Superintendent)

“GPIC employees have achieved capacity building through *development and education*, which is an effective part of GPIC for sustaining the whole organization and adding the knowledge to other entities through societies and committees, we develop ourselves and we add knowledge sharing and *sustain* it through.” (Superintendent)

Similarly, HRD activities for capacity building, according to APG School interviewees, are triggered by ‘development’ of staff and students. Development, as described during interviews, is linked with the long-term Vision 2030 of Bahrain. During interviews, a respondent from APG described their contribution towards the economy of Bahraini by hiring nationals and developing them, therefore aiming to improve the national employment rate. Students in the school are developed by aligning their development needs with the 2030 Vision and helping them participate in the society with both social and knowledge contributions. A remarkable output from the interviews at APG School concerned the aspect of development of character for the nation. This reflects on the ‘intangible’ side of capacity building as reflected in the literature review. Apart from building capacities in knowledge and skills, building capacities in terms of character to meet the needs of Bahraini society is required by being productive and efficient at work both for students and staff. The analysis is supported by the views below from APG respondents:

APG School is building capacity in their perspective by “Increasing *capacities through development of staff and students*. I feel we are on the right path we are preparing our students for the challenges, we are aware of *2030 vision*, we are heading towards that, we have conducted *many sessions to make our staff and students aware of this vision*. We are contributing in the *employment rate* as we hire Bahrainis, as every year we have higher rate of Bahrainis employed, we are expanding every year. There is bigger expansion in 2 years time, we are encouraging students and teachers to

contribute their knowledge outside school social activities. We are also relieving the *ministry by educating students as well*, hence we are contributing.” (Principal)

“APG is working towards capacity building in several ways. We *hire Bahrainis* and the owner has too much plans for them. We outsource to *deliver training sessions even from outside the country* thereby helping Bahraini employees to be better workers for their economy. In terms of students, students from *higher grades they have projects and programs outside the school to contribute towards the society* as social hours to serve and outreach people.” (Senior Administration Manager)

“Bahrainis need to be more productive for building capacities within a nation. *Character building is nation building*. We need to build a character inside our nation by being productive, hard working to earn a living for our family. Hopefully to make them refrain from phrases “this is too much or this is hard.” (HR Manager)

Interview data analysed indicates the in Dnata and Kanoo, the development of nationals reflects the strength of the programmes that can lead to nationals holding positions in the organizations or even moving to other organizations while still contributing to the society as a whole. Hence, capacities built in the society through the development programmes have formed strengths within national human resources to benefit the economy as a whole, as mentioned by the interviewees. It is evident from interview discussions that private sector organizations need to have strong development programmes that can benefit not only the organization but also the economy to contribute to the process of capacity building. During interviews, emphasis was placed on the human resource development activities of ‘training’, ‘development’ and ‘career development’. Reflecting on the above, below are the supporting respondents’ views:

Dnata believes they are “Contributing heavily in capacity building. There is a *national development plan* done from our head office in UAE for this respect. In UAE we are very large and particular in developing local staff in every area of the business. Within the Dnata group this *caused locals to be in high positions contributing in building the economy*” (General Manager)

“Capacity building in Kanoo talks about itself. Kanoo is *contributing and regarded a school as it exports the*

experience and quality of people. Training and development at Kanoo made them move to a higher position. Kanoo is a school to the travel industry as most well know employees in other companies have started their *career* in Kanoo and received their *career development* from here.”
(Regional Manager)

Similarly, Dnata and Kanoo take account of the contribution of national development to the economy through the development of nationals for the economy. An interview with **an HR Manager for GPIC** indicated that capacity building in terms of development and training created career opportunities for Bahrainis that enhanced the capacity of the economy of Bahrain, explaining that:

“GPIC has been established for creating *job opportunities and building capacities aligning* itself with the 2030 country vision. Many of *our employees have become ministers, chief executives, businessman*, and many of our people although they are operators the way we developed them only in their skill but also attitude, they have gone to banks *serving the economy of Bahrain*” (HR Manager)

Analysing the interview data, it is evident that there is a strong emphasis on the aspect of *‘contribution towards the society’* in the process of building capacities. This has been strongly and constantly identified by managers engaged in the capacity building process, as emphasized below:

“The way we train our employees is not only dependent on CPP by the Ministry of Labor but we have our own *in house training that aims to build more focused capacities that can add to the economy more* through increased customer service customized for our industry. Our aim with our in-house trainings is *to make a difference with our people towards the society.*” (Training Manager)

“The way we are practicing knowledge sharing is building capacities. For example we contribute our knowledge though contribution to the society by *having our employees in committees and societies in the kingdom. Knowledge sharing* is built over several years and this makes it powerful. GPIC HAS the 2020 vision which is in line with the 2030 vision of the government of Bahrain.” (Internal Auditor)

“Capacity Building is practiced through sponsoring training and conferences, contributing with conference papers,

volunteers group, enjaz program to the *society*. GPIC has been developed and raised to be part of *something bigger to sustain in the economy*.” (Superintendent)

5.7 Government Officials Interview Analysis

Government officials’ perspectives were analysed to provide a governmental level analysis as government entities interact with employees and employers throughout the process of implementing nationalization strategies. It is important to examine government level views to assess the strength of support towards the nationalization initiatives of the private sector and nationals. It also provides an assessment of aspects of Bahrainization from a higher level that is involved with planning and controlling the nationalization strategy in this context.

5.8 What are the challenges within nationalization strategies in developing contexts?

It is evident from the interview data collected that the challenges of nationalization in the Kingdom of Bahrain from the government authorities’ perspective consist of factors related to the nationals, private sector employers, and the government entities themselves. The discussion with government officials revealed several challenges within Bahrainization. Analysing the challenges from the interviews, they can be grouped according to the following factors drawn from interview discussions:

1. Demand for unskilled employees versus a population of young educated nationals with low work ethics
2. Culture
3. Private sector structure
4. Salary
5. Education
6. Lack of occupational standards
7. Formation of expatriate limitation
8. Government entities limitations to policy making.

How the above factors are determined from the interviews with government officials is explained in depth in the coming sections.

5.8.1 Demand for unskilled employees versus a population of young educated nationals with low work ethics

The data from the interviews reflect the economic situation in Bahrain, where private sector employers need both ‘unskilled’ or ‘experienced’ labour at low cost although faced with a population of nationals that are educated but with little experience and a low work ethic.

It is evident from the literature review that Bahrainis lack of competencies is referred to as a challenge for achieving Bahrianization. Government officials through the interviews expressed that private sector employers prefer expatriates owing to the lower wages, better work ethics, and control of stay. It is interesting to find that government officials confirm the incompetency of Bahrainis in the areas of ‘*work ethics*’ and ‘*retaining Bahraini stay within organizations*’. With reference to the above analysis, the interview quotes below provide further indication:

“Nationalization schemes were not successful because of *employer’s resistance to hire Bahrainis* for several reasons. The reasons for resistance of employers to hire Bahrainis are owing to *expat lower wage, expatriates better work ethics, control over contract period, dismissing or firing an employee as a Bahraini cannot be fired easily*). Employers feel Bahrainis do not have *good work ethics* in terms of punctuality, transparency, being enthusiastic to give the best of what they have. *I do not blame private sector employers as I feel Bahrainis do have these characteristics*, but private sector employers must not generalize.” (Senior Manager – Human Capital Development)

“Private sector employers need Bahrainis that are competent, disciplined, hold a set of *work values*, and *sustainable in the organization*. Private sector employers currently see that they paying more for expatriates in terms of costs and legislations but nationals are lazy and search for comfort zones.” (Director Human Resource Development)

“Private sector employers as well see that Bahrainis would not accept *low segment jobs*, cannot keep confidentiality of the private business family owners, and again *work ethics*.” (Senior Manager – Human Capital Development)

Apart from ethical and retention factors, the interview data indicates that the core issue in employing nationals lies with skills. Government officials specify that the skills required for the Bahraini economy are those of 'low skilled male labour'. The national skills available are educated Bachelor's degree holders with a female majority. The educated nationals prefer to work in organizations such as banking and telecom rather than construction and services. The demand for low skilled male labour is faced with educated nationals that do not accept work in the sectors the private sector is offering. Hence a mismatch is clearly revealed through the interviews between the demand for low skilled cheap male labour and the educated female population. The interview data reports that the numbers of females in search of jobs are large owing to the specializations they hold, which do not meet the market needs, or available jobs that do not suit their gender. The economy is highly dependent on the construction sector, which accounts for almost 70% of total employment, but young nationals do not see potential for career growth or social status in such a sector. This raises the challenge of diversifying the economy to match the resources available. An appealing outcome of the interviews was to reveal young nationals' ambition of working in sectors that were developed during the oil boom. Such sectors were successfully Bahrainized as they met the needs of the educated young work force in terms of pay and better life. Young nationals currently cannot see such benefits within the construction or other sectors in the diversifying economy of Bahrain. Interviewees stated that it is crucial to consider the needs of a young educated population as emphasized below. An appealing factor mentioned by interviewees is that Bahraini high school leavers do accept jobs easier than Bachelor's degree holders, but a challenge exists as degree holders outnumber high school leavers and diploma holders owing to the increase in universities in Bahrain. The above analysis is supported by the government official quotes indicated below:

"Our problem of unemployment of nationals lies within the *vocational skills*. It is *hard finding nationals in areas with vocational skills*. Our economy is not creating opportunities for graduates. *We need economic projects that can absorb that youth in the market.*" (Manager of Research Studies)

"It is contradicting how Bahrianis are termed as not skilled , but the *percentage required for our economy is unskilled expat*. Hence why can't we have Bahrainis. But what *we have is qualified Bahrainis*, this is where the argument we

need to look at greater depth.” (Policy Development Manager)

“The issue is that our economy is depending on the *construction industry* which our booming economy needs. This is where we have **70%** of our need.” (Head of Labor Inspection)

“The issue in unemployment of nationals in Bahraini is because expatriates are *low waged, low skilled around 70%, unskilled Labor and are mostly males of age above 35 years*. Our problem as well is with the youth generation as they *struggle to see themselves in a better condition like the era of the oil boom* that their parents and grandparents have lived in. I believe construction is just more a visible reason for them to blame nationals as not accepting jobs. *We have a youth population to deal with their employment. No youth in the world can accept to work in the construction.*” (Policy Development Manager)

“Banking, Telecom, Insurance, and Industrial organizations like ALBA, BAPCO, GPIC are examples of industries with the right idea of Bahrainization and preferred by the employers and nationals as well. These projects are the ideal example of Bahrainization.” (Head of Labor Inspection)

“Reflecting on the evidence of Banks, BAPCO, and ALBA, why have they been succesful? The factors of their success are labour demand, *reshaped the labour force, better levy, salary, and provided nationals a step forward for a better life.*” (Policy Development Manager)

Furthermore, interview data reflects that Bahrainization is hard to implement as the available human resources are predominantly females. The industries that the current economy is building require mostly males, especially in sectors like construction or sectors that have a cultural boundary like hotels or service, as discussed earlier. It is indicated through interviewees that the specializations that females studied do not meet economic requirements. Female graduates also do not want to work outside the specializations that they have studied. The jobs offered in the market do not meet female expectations in terms of conditions and working hours, as explained by government officials:

“The challenges in Bahrainization are that *75% of the unemployed are females* versus 25% males. *Females aim to complete their higher studies* but the *vacancies do not match females* in terms of, working hours working

conditions. In addition, their *specialization is not according to the market needs*. We need to coordinate with entities to create the opportunities that meet the market needs. Bachelor holders are mostly unemployed as they are the ones that mostly want to work within their specialization and *not adjust to another specialization*. The category of job seekers with high school certificates does accept any level of work.” (Head of Employment Services)

“We have a large number of Bachelor holders in Bahrain but *Bachelor graduates are unemployed more than high school*. There is an increase in Bachelor holders owing lowering of university fees, change of mindsets, social status to be educated. Our female job seekers outnumber the males; we have *78% of job seekers females while 30 % of job seekers are males*.” (Manager of Research Studies)

5.8.2 Culture

During the interviews, government officials reinforced the views of private sector employers in terms of culture as a barrier towards Bahrainization. Data reported specified that culture has a vital role in shaping Bahrainis’ values and ethics towards work as explained by government officials. Interviewees mentioned that even though Tamkeen is exerting efforts to change the culture, nevertheless it will take time to effect a cultural change in the society. Respondents blamed culture, in that the way children are brought up in schools does not build work ethics and values within them. Furthermore, respondents explained that the cultural mindset is to work in offices, view this as a social status issue. In addition, private sector employers do agree that the jobs generated are not viewed as appropriate in terms of cultural social status or religious practices, hence causing resistance to accepting jobs and hiring nationals. The cultural factor analysis is drawn from the views below:

“Despite all the Bahrainization efforts, *culture* is the reason for low Bahrainization. Ethics for work need to be trained and the positive impact will take time. *Culture* will not change very soon. It will take time. It’s a matter of decades to change the potential in employees. They have to be trained to acquire such ethics. As we are dealing with people and culture this will not change soon. I do not see Tamkeen efforts on the ethics programs since at an early age since school are a waste but cultural change will not happen very soon. The work ethics programs will make Bahrainis understand the importance of having proper conduct and

behavior at work.” (**Senior Manger – Human Capital Development**)

“Causes of resistance between employees and employers in Bahrain are nationals look forward to work in offices big companies that provide an appraisal and development system with allowances and insurance and give them a social status. We need to be realistic as well to some jobs as it is *against the culture and religion*.” (**Chief of Studies and Research**)

“Bahrain unlike other countries is like an inverted pyramid 20% work with vocational skills and 80% with academic skills. The pyramid is upside down and the reason is that vocational is not attractive, *cultural mindset is defensive to such jobs*.” (**Training Affairs Advisor**)

“Challenges in Bahrainization owes to the *culture of the way children are brought up*. We need to *build the capability to work ethically* and according to high standards.” (**Head of Labor Inspection**)

5.8.3 Private sector structure

Interview data analysed indicates that the private sector structure appears to be a challenge to Bahrainization in terms of the ‘**lack of HRD practice**’ and the ‘**types of jobs**’ created. Government officials explain that working conditions and lack of career paths form barriers for nationals to work in the private sector. The interviewees explain that the type of jobs created by the private sector do not match the nationals’ aims. The issue of low-skilled labour also persists as a challenge in the private sector structure. Similarly to the previous analysis, government officials point out that the government is faced with the need for low-skilled labour or experienced low-cost labour but are presented with educated nationals aiming to work in sectors that give status in their culture.

Explaining the structure of the private sector specifically, government officials during interviews stated that skilled or semi-skilled jobs are required. This reflects the analysis explained earlier regarding the caliber needed in terms of low-skilled positions. The types of jobs generated by the private sector are mostly low-skilled, thus employers would prefer an experienced expatriate at a lower cost, as explained by several officials below. It is evident that expatriates work in low-skilled positions or low paid jobs and work beyond the scope of their position:

“The *structure of the private sector* is the reason. The nature of the jobs are skilled or semi skilled which Bahrainis do not want to enter as they are facing the cheap expats accepting any working condition. The structure of the private sector is extremely weak. We have a problem of job creation. We do not have new firms and foreign direct investment for growth at the rate of the population growth.” (Vice President Human Capital Development)

“Expatriates are *populated in low skilled jobs*. They are also seen in jobs that require confidentiality like accounting as employers do not want information to be leaked out. Mechanical engineers are expatriates. Even the professions that expatriates are registered in GOSI and LMRA is *not aligned to the work they actually are doing*. Expatriates are on some positions but doing beyond that job.” (Senior Manager Human Capital Development)

“Private sector employers search for cheap labor as they get more profit. The *structure of construction companies* requires low skilled jobs. For example companies in construction such as NAS has 5000 expats, Alhamad has 7000 expats.” (Chief of Studies and Research)

“Every industry in Bahrain has different percentages. Some industry percentages do not meet the output of nationals. For example the *construction industry cannot reach its percentage of Bahrainization owing to the salary and working environment*. The problem of Bahrainization that we need to solve is in the smaller sectors to meet the employer and national need.” (Head of Employment Services)

During the interviews, government officials expressed concern with the lack of HRD activities in the private sector organizational structure. Interviewees identified ‘career planning’, ‘training’ and ‘working environments’ as lacking in private sector practices. Government officials discussed that Bahrainization in the private sector is practised as an enforcement of percentages rather than focusing on qualitative methods through HRD practices. Investment in training and opportunities for growth need to be embedded in private sector practices, as government officials explained. In addition, government officials specified that the provision of the right environment is crucial and needs to be improved to make nationals loyal to the private sector. With respect to working conditions and career development in the private sector, government officials stated that:

“Companies that say Bahrainis do not work are those that *do not care about development*. Private sector unfortunately regards Bahrainization as a percentage but do not try to see the competencies and capabilities of Bahrainis. Companies need to understand that the below factors are important to Bahraini job seekers which are *career planning and training and development*. It is important that such activities are practiced for those already at work not only new employees.”
(Head of Employment Services)

“Private sector employers must invest in their *training*. Indicate to *nationals they can grow*. Bahrainis are *ambitious* and *loyal people* if the *right work environments* are provided. Not all employers are successful in providing this *environment*. Jawad group is an example of the *right environment*. Yet there are few companies that do not pay attention on how to retain employees.” (Senior Manager Human Capital Development)

“Bahrainis are not willing to join private sector businesses owned by families as they Bahrainis do not see *career progression*. The problem with private sector employers is we do not have regulations that regulate the working conditions. We have ILO standards but the inspection is not aggressive for better *working environments*.” (Vice President Human Capital Development)

“There are 6000 companies, but *only 2000 use the training levy*. There are companies that have 100, 0000 BD for training and do not utilize it.” (Manager Training)

“Bahrainization is still not a culture to all in private sector organizations. I feel it is still same as the 1980s where private sector employers views nationals as enforcement. Apart from cheap labor, nationals when employed are *not taken care of in terms of development and career growth*.
(Director of Training Institutes Affairs)

5.8.4 Salary

The interview data revealed further the factor of compensation that was also raised by private sector managers, with government officials also emphasizing this as a challenge towards nationalization in Bahrain. The challenge of low salaries has been constantly identified by respondents as a barrier to achieving Bahrainization. Government officials expressed their concern that Bahrainis keep moving for better salaries. There is a constant need in Bahrainis to search for better offers to cope with

living expenses and standards. Government officials raised the need to improve salaries. Even though there are HRD challenges, salary still remains a challenge to be dealt with, as reflected below:

“*Salary* is the problem in Bahrainization, it is the first and main reason. Since 1980s, minimum wage has been done through (Basket of prices – Price Index. Every ten years it is done for a summary of 1000 families spending. Minimum wage was formulated that 5 dinars per day was spent hence totaling to BD 150. This formed 20% of the population as this forms the poverty. Yet *we need to improve our salary standards in Bahrain*” (Director of Labor Relations)

“Bahrainis are ambitious and if they are qualified *they keep looking for better pay* in another organization. If there is better pay they will move. This makes private sector employers resist employing Bahrainis as they believe they feel insecure with Bahrainis after investing on them.” (Senior Manager Human Capital Development)

“Ministry of Labor is doing well especially with graduate projects in provisions such as half salary, wage subsidies to get them engaged in the private sector. But MOL has only increase employment but the quality of life requires higher salaries. *Wages need adjustment in Bahrain.*” (Head of Unemployment Insurance)

“We need to look at the actual problems of Bahrainis. Challenges in Bahrainization in private sector are the working hours, career paths, and development and yearly increments. But the *salary remains the problem.*” (Head of Inspection)

“Our *Bahraini market does not pay* a lot.” (Training Affairs Advisor)

“Employee and employer resistance lies in *salary* and hard work. *Salary* is an important factor in shaping Bahrainization.” (Head of Occupational Safety Section)

Bahrainization strategies, as government officials stated, have focused on development factors but ignored compensation. This causes Bahrainis employed to be underpaid. Government officials describe the labour market as going through not only an issue of employing nationals, but also of underemployment. This raises an interesting aspect concerning the compensation structure in Bahrain, with government officials explaining that:

“We need to make the private sector as an engine of growth. If nationals job security, good pay and decent working conditions and career progression directions naturally people will go towards it. The *private sector is not paying well at all for letting Bahrainis to get attracted. The average of private sector is 270, while the government sector is BD 500.* The government is doing more to reform itself than reform the private sector. *Both sectors pay low in Bahrain. But the government sectors wins. But overall both are not attractive and have to reform for a man in 21 century* ” (Manager Human Capital Development)

“We did not reach a reservation wage, we *are under reservation wage.*” (Policy Development Manager)

“We are focusing on a paradigm of employment rate that is not looking at real life. Unemployment low percentage has changed its place in Bahrain. We are facing an issue of *underemployment that is more dangerous than unemployment.* Underemployment is ignored by Bahrainization strategy.” (Policy Development Manager)

5.8.5 Education

The earlier analysis indicated that education was blamed by private sector employers for not shaping nationals for work. Such views are strengthened further by government officials’ interviews, during which they recommended education improvements to meet market needs, inculcate work ethics and give young nationals an experience of the real world. The mode of education seems to lack certain factors for preparing nationals for the market. Government officials constantly mentioned the need for coordination of education with *‘market needs’* and *‘economic demands’*. During interviews, government officials raised the need for curriculum improvement to generate nationals with strong skills in areas that are currently weak: English, information technology, numeracy, creativity and knowledge economy skills. They further explained that schools fail to create a culture of work preparation and values. Education in Bahrain need to meet market needs, as government officials expressed:

“Working in the human capital currently and before in the education sector, the issue is the supply from the education sector *does not meet the demand of the labor market*. Bahrainis are not well structured which we related to education A major issue the *graduates need a lot of improvements*. For example, English language, IT skills, numeracy, problem solving. Nationals cannot work outside the box or work with others in projects.” (Senior Manager Human Capital Development)

“We are in a knowledge economy, we need *knowledge economy skills*, and we need to put this in curriculum. We need to *change the curriculum to integrate knowledge and skills*.” (Manager Higher Education Unit)

“Our *own culture in schools* that depends on grading culture need to be changed to give confidence for children to improve their skill. Even in our achievement of grades.” (Head of School Review Unit)

“Capacities of educational institutions need to be upgraded. Training institutes are not up to standards. They are not producing the youth we want to see in the market. To build capacities in the long run we should start with *education*. Pre seniors have to be guided properly. *Work ethics* and *soft skills* and *life skills* should be in embedded in every subject. *Entrepreneurial, risk taking* and *critical thinking* need to have a mind set in nationals. A generation that reads practices and develops is needed within the mode of education.” (Senior Manager Human Capital Development)

Government officials continually emphasized during interviews that the barrier in Bahrainization lies in education to meet market needs. Government officials strongly emphasized aligning education outputs with the market. As explained by the interviewees quoted below, universities have increased but this has failed to address the gap in national skills as education is lacking in several aspects. Interview data reported that education lacks guidance for students; students study the wrong specializations and study in the Arabic language. The specializations that students study do not meet the industry needs of Bahrain and advanced countries, hence forming weak competencies in nationals. Interviewees explained that youth in Bahrain is highly educated but with the wrong specializations and competencies that do not meet market needs:

“Our education has failed in bringing specializations that *meet the market needs* and in guiding youth towards choosing the right specializations.” **(Director of Human Resources)**

“Due to the output of academic bodies a skill gap has been created in the market. Our universities have increased; from 3 universities currently we have 14. But *we need to have them improved by training nationals for the workplace.*” **(Training Affairs Advisor)**

“We have a high percentage of Bahrainis that are educated. But *Education needs to meet market needs as well*. We have the knowledge but to build the capacities, *education needs to build the capacities*. For example, we had Bahrainis studying wrong specialization with no one to advise them.” **(Chief of Studies and Research)**

“We have a lot of *universities* with specializations in *Arabic* or do not meet the market demands. For example we have *law specialization* in university of Bahrain where we are expecting 25000 graduates. Where shall we put them in such a small country? We need to advise and guide nationals since school.” **(Training Manager)**

“We need a solid strong base by educating nationals in school they need to know what to *study or what to aim for*. *English language* needs to be strengthened. Ministry of education needs to work on meeting *market needs*.” **(Head of Training Institutes)**

“We need education improvement through *research depending on the industry*.” **(Manager Higher Education Unit)**

“*Education needs improvement. Education does not meet the requirements*. We need to increase the level *to meet advanced countries*. In general our education is giving less than what is actually needed. According to the quality audits, most schools are satisfactory. We need them to be good. The percentage of inadequate schools is alarming as well.” **(Head of School Review Unit)**

5.8.6 Lack of occupational standards

Government officials indicated through the interviews that the lack of occupational standards is a further barrier towards increasing Bahrainization. They believe that the creation of occupational standards can give vocational jobs value to nationals.

Respondents explained that Bahrain as a country is in need of vocational skills to meet an economy dependent on construction to aid it in moving towards a diversified economy. This raises the need for forming occupational licensing that can increase the value and worth of jobs for nationals. Yet it is worth reflecting on this barrier in terms of the earlier analysis that identified that the young educated population does not find vocational occupations attractive. The lack of occupational standards is considered a crucial need to give value to jobs:

“The problem in Bahrain and that exists in the Arab world is we do not have *occupational skills standards*. For example, a plumber, carpenter in Europe makes more money than doctor. This license increases the market value of this profession. For example in Bahrain five star hotels, the chief and waiter must be licensed if we want to increase the value of jobs in such sectors). Hence the expatriate market value goes up. The problem is Bahrainis do not want to join as the market value of such jobs is low. We are currently working with the Ministry of Labor to come up with *occupational skills standard in Bahrain to train a lot of technical and vocational skills through this*.” (Vice President Human Capital Development)

“Our issue is in vocational jobs . Job seekers do not accept vocational jobs. We need to *form vocational jobs with qualification to form a commitment and value towards it*. For example we had a training program scheme for national welders but none accepted to work as welders.” (Director Human Resources)

“*Standardizing the occupations can make Bahrainis more willing to look into vocational jobs*. Forming a set of qualification , training, experience with a framework of occupational standards systems can form a value to the job.” (Planning and Business Development Manager – Tamkeen)

5.8.7 Labor law to minimize expatriates

Government officials believe that expatriates need to be made more expensive to employ to minimize their number in the country. Interview data reveals that even though the government is paying a lot in developing nationals, nevertheless at the same time expatriates are cheaper, hence this does not balance options for private

sector employers. Government officials discuss that the challenge of Bahrainization can be met if expatriates are made more expensive, for instance by limiting sponsorships and enforcing replacement of expatriate positions with nationals:

“Tamkeen is there to help the private sector through HR system, better retention systems, clear CP plans. We are providing private sector employers a lot of funding, yet to reform the labor market we to make expatriate *more expensive. I think Bahrain needs to impose more policies. Am not with Bahrainization quotas. Am with the reform spirit by making expats more expensive.* Recently, *MOL worked on abandoning nationalization all together. Mandating Bahrainization is good if expats are made expensive. Bahrainization will stay a challenge as long as expat labor stays cheaper.*” (Senior Manager – Human Capital Development)

“Nationalization in Bahrain needs to be examined by looking at *expatriates’ sponsorship systems and forming limitations to expatriates.*” (Manager Policy Development)

“We will need help from foreigners while Bahrainis develop but there must be a *form of program that will eventually allow Bahrainis to take over from expatriates.*” (Senior Manager Human Capital Development)

“*No laws actually enforce certain positions for Bahrainis.* The ministry needs to change itself. We do not have strong laws.” (Training Manager)

“We need *political decision to be done at a strategic level by the government.* For example, Oman has enforced that expats should not be more than 33% and national salaries minimum should be BD 325.” (Training Affairs Advisor)

“LMRA was established to increase Bahrainization, but looking at the way it is functioning we see that it is not increasing *the cost of the expatriate*, as recently even some fees have been waived and allowing the expat to change the sponsor easily”. (Head of Unemployment Insurance)

5.8.8 Government entities limitations to policy making

During interviews government officials expressed their concerns with the limitations of policy making towards Bahrainization. Government officials feel that their entities are restricted in terms of passing laws that can help Bahrainization percentages

increase. Apart from the Ministry of Labor, government authorities like the QAA, LMRA and Tamkeen expressed during interviews that they are not policy-making bodies, which causes their objectives to be restricted in terms of achievement, as discussed in the coming section. Interviewees mentioned that they are also restricted in terms of budgets. In addition, the interview data reflect a need for coordination and support with one another. Government officials discussed the limitation of Bahrainization strategies in restricting their approach to quantitative approaches rather than qualitative approaches. In expressing limitations related to decision making, government officials explained:

“We are *not decision makers* we provide reviews against indicators for improvement for decision Tamkeen, Ministry of Labor, Higher Education Council and report to the Prime Minister court. But I feel as government entities we *need coordination* among all entities.” (Manager Higher Education Unit)

“Our *role is only to diagnose. Integration* with Ministry of Education is essential.” (Head of School Review Unit)

“As a *sustainable national model* we do not have sustainability in the country as the MOL does *not have funding* at all times to avail from and create subsidy schemes all the time. *We are not a policy making body. We have the LMRA and MOL as well involved in the process. A lot of government agencies are exerting a lot of efforts but are not working together for a specific profession.* To explain this further, for example, MOL focuses on university graduates, but it is salary oriented giving 200 BD subsidies. MOL is not profession related its qualification related. While Tamkeen our focus is on qualifying nationals with profession (total different mindset) and forming Bahrainis as employees of choice.” (Vice President Human Capital Development)

“LMRA currently frankly speaking *our strategies are not effective. We became more of a service entity, there is an issue in implementation of our strategies. We put in strategies through research but we have limited strategic implementation.* Our LMRA role shrinks owing to politics of economy and politics of country. The tools used to project the figures are not a full picture of the truth it is a social protection tool.” (Policy Development Manager)

“We do not have laws to impose Bahrainization strategies or regulations in private sector. That is the principal of our mandate.” (Manager Human Capital Development)

Interview data reflects that Bahrainization strategies are restricted to quantitative approaches rather than qualitative approaches as government officials discussed the need to consider long-term qualitative approaches. Interviewees raised the need for an enforcement of qualitative practices to allow nationals to grow within organizations. Limiting strategies to percentages caused private sector employers to employ nationals to serve short term objectives regardless of aspects of career growth for nationals, as discussed in the following interview responses:

“Bahrainization strategy is quantitative but the problem is qualitative. Depending on foreigners has endorsed certain norms in private sector employers. Mindset of private sector has adjusted its mindset on certain norms. But the Bahrainis are not the problem. Bahrainis are well educated but they need a better living. Hence we are facing a qualitative problem.” (Policy Development Manager)

“We have been fighting with Bahrainization. Bahrainization strategies have used short to medium strategies.” (Affairs Advisor)

“The extent of success of our Bahrainization strategies honestly is not to an extent as planned. We reach a point and then we deviate. We need to question if development and promotions taking place for nationals, is the Bahraini taking over the expat in succession planning.” (Director Human Resources)

“Human resource development practices integration in national strategies is needed through laws enforcement. Our laws give a choice to the private sector employers to implement rather than enforce it on them. For example, the law for enforcing HR managers as Bahrainis has to be enforced rather than a choice.” (Head of Inspection)

“Our problem is our approach is statistical. I strongly believe that we need to have quality Bahrainis trained and qualified within small batches. We need to address qualitative issues by law. The high turnovers of Bahrainis need to be addressed by qualitative methods.” (Director of Human Resources)

5.9 To what extent is the concept of human resource development embedded in nationalization programmes?

Interviewees have criticized Bahrainization as being ‘quantitative’, as indicated earlier. Despite this, it is worth also noting the discussion by interviewees about the extent to which HRD practice can reflect a qualitative side. Furthermore, it is essential to assess the extent of Human Resource Development practice within nationalization strategies in Bahrain owing to the focus of this research on the development of national resources. That HRD activities are evident in Bahrainization strategies is emphasized below:

“Ministry of Labor moulds nationals through *HRD activities* in private sector hence we build trust towards the national for private sector employment.” (Training Affairs Advisor)

“*HRD activities within Bahrainization are practiced* through training and development, encourage companies for Bahrainization through wage subsidies (Reward), inspecting right environments in the private sector by Ministry of Labor.” (Chief of Studies and Research)

The factors emphasized by government officials frequently are listed below, reflecting HRD practices within Bahrainization strategies. The factors are:

1. Career Progression Planning
2. Development
3. Shaping private sector employers as HRD professionals.

The above factors are analysed in depth in the coming section through the interview data collected from government officials.

5.9.1 Career Progression Planning

During interviews, government officials discussed that the Career Progression Plan Program (CPP) has been planned and rolled out to private sector organizations as one of the main HRD activities within Bahrainization. Interview data reflects that CPP has been developed to allow nationals to grow within organizations through competency development. In addition, CPP aims to improve the standard of living

through salary increments funded by the government for two years, as explained by interviewees. CPP has been developed to enhance the careers of Bahraini fresh graduates starting their careers or Bahrainis stagnant within their positions in organizations. The CPP program is handled by government staff, hence relieving the private sector from costs and administration processes, as government officials described:

“*Stagnant Bahrainis* in organizations have opportunities for *development through CPP* and *ehtref* scheme. Professional schemes are open for anyone depending on any qualification body requirements.” (VP Human Capital Development)

“To *develop nationals* we have the *CPP* program. We are doing this strategy to reform companies by paying attention to people development through *first class training and manage their performance*. We pay for the training removing all administration procedures from the private sector employer and also provide a *salary increase*. The CPP program which is huge pillar for development of employees. We are trying to outsourcing the training for zero cost for private sector employers. It is employer driven, who decides who to select, we give TNA and training for free. The first year increase 28 months is on Tamkeen.” (Manager Human Capital Development)

“CPP is meeting ambitions to Bahrainis to some extent. CPP has actually two objectives, *raising living standards, increasing the wage based on development improvement*. Yet, CPP can be improved by improving the training providers further.” (Senior Manager- Human Capital Development)

5.9.2 Development

Apart from development for career progression through the CPP programme, interviews with government officials indicated that development and training is directed to Bahrainis through government entities. It is evident from interviewees that nationals can be developed through various programmes by their private sector employers' nominations, or they even have the choice to enrol themselves in Tamkeen programmes without private sector employer approval. Interview data indicates that the aim of development is to make Bahrainis employees of choice at a global level through development activities. For instance, as mentioned by

interviewees, training activities provided by Tamkeen are professional certifications to meet the market gaps assessed through studies of the Bahrain economy. The above analysis is drawn from the following interviewee' quotes:

“Our focus as Tamkeen is to make *Bahrainis employee* of choice by enabling Bahrainis through the *right qualification* and making you a *global citizen*. We do not train on degrees (Bachelor, Phd, or Masters). Our aim is *professional certifications and a professional qualification* to help the economy needs and making Bahrainis global citizens. The Bahraini or the company can select development.” **(Vice President Human Capital Development)**

“We have talent management schemes, HR certification, leadership, workshops, and certification hence doing things in parallel form and *raising capacity of nationals* within the organization.” **(Senior Manager Human Capital Development)**

“We form research for the next shift in industries market needs. Our last big research in 2009, called Market Gap looked at the entire layer of the economy providing *an assessment of skills gap to train nationals for the economy needs*. Hence there is an ongoing research to address gaps in the market.” **(Manager Planning and Business Development)**

“Our *training programmes* enhance skills for Bahraini nationals. We have many trainings and we try to push for Bahrainis.” **(Head of Occupational Safety)**

“To utilize training levy Training programmes selected by private sector employers have to be approve by the Ministry of Labor. MOL only takes on courses that are well accredited and approved by QAA.” **(Training Manager)**

5.9.3 Shaping private sector employers as HRD professionals

Apart from embedding HRD activities within nationalization schemes, interviewees explained how Tamkeen strives towards making private sector employers work as HRD professionals to enhance the development of nationals within organizations. Respondents mentioned that even though Bahrainization may relieve organizations from HRD administration processes, it still works to develop the competencies of private sector employers in HRD practices. For instance:

“Tamkeen is helping and developing *private sector employers to work as HRD entities*. We have *HRD qualifications for small or big entities* in Arabic and English. We even have workshops for to make them *better entities practicing HR*.” (Senior Manager Human Capital Development)

“We need employers to practice HRD. Corporate culture is poor in small companies. MOL made a study indicating that 80% of those working in HR do not have right qualification programs to practice HR. Hence we created programs in Arabic and English to *change the culture in HR indicate the importance of HR to change culture in organizations*.” (Vice President Human Capital Development)

“We pay private sector employers for nationals development in CPP, but this is not charity!!! We are making them practice *HRD and work place development believing in Bahraini potential for their own companies*. We are *showing them if you train people and you are not ready for them they will leave you*” (Manager Human Capital Development)

“We have career progression we are acting as an HR department for private sector employers by identifying their needs, paying and following for training. Private sector employers lack competences in HR hence we are *creating different schemes to build HRD culture within private sector employers*.” (Manager Planning and Business Development)

It is worth mentioning interviewees' views about health and safety and trade union initiatives within nationalization strategies to protect nationals and encourage them towards the private sector. Below are views from officials in the trade union department and health and safety department at the Ministry of Labor regarding labour protection:

“Trade unions help to create awareness, creates a healthy environment and helps to make people trained which leads to good examples at work leading to stability of national manpower and labor that are well educated thereby increasing the Bahrainization percentage. Unions help to stabilize the Bahrainization percentages through recruitment and training. Unions help to improve the situation of labor by giving them their rights, and improving their working conditions, improving their salaries, safety, working hours,

allowances, health programs.” (Chief of Labor Union Affairs)

“Apart from training and development, the strategies used in Bahrainization are occupational safety. As occupational safety we improve safety and health conditions in organizations to encourage them work in the private sector. Employees will trust working in companies with safety procedures. Safety is one of five factors important for an employee. The important factors for nationals are salary, annual increment, health, area, training and development” (Head of Occupational Safety)

5.10 How can nationals be retained and managed through career planning in nationalization strategies?

Retaining Bahrainis in the private sector is a challenge to government officials as revealed from interview data. Reflecting on the views of government officials, it is evident that the factor of retention through ‘compensation’ is a major factor to be considered in retaining Bahrainis in the private sector, as both private sector employers and government officials agreed in the interviews. Managers from both private and government sectors considered the aspects of salary and compensation as challenges in the implementation of Bahrainization. The interview analysis below further supports the compensation factor as a retention strategy for nationals. Government officials mentioned during interviews that government strategies provide both development and compensation subsidy, yet Bahrainis require further salary support.

In explaining government efforts to retain Bahrainis, the aspects of training, development, wage subsidies and working environments were frequently referred to by government officials. Factors influencing retention, as specified by government officials, are:

“Salary, training development, inspection helps to retain for nationals. Inspection ensures companies are working legally with employees or example, factory inspection caused retaining Bahrainis and removal of *alwahmeeyeen* (ghost workers). Other retention strategies within nationalization programs are through ***wage subsidies for 2 years.***” (Head of Occupational Safety)

“The immediate aspect to help private sector employers to retain nationals is exactly what Tamkeen is doing at the moment. For example, *professional trainings, career planning programs, wage subsidy scheme* while Bahrainis.” (Senior Manager Human Capital Development)

“We consider the employer and job seeker needs and we meet these needs through *training* to bridge the gap between the skills and employer needs. We *support salaries* for Bahrainis as well to take advantage of salary and Bahraini staff. After 2006 national project, we are leading to make everybody satisfied by *minimizing resignations through such activities* hence we are retaining them.” (Head of Labor Inspection)

Although HRD efforts have been made as identified by government officials earlier, interview data reveals that the most important retention factor for Bahrainis in organizations is salary. It is also worthy of mention that government officials stated that the CPP programme aimed to increase salary standards, yet Bahrainis seem to be in need of still higher compensation standards to be retained. Reference to government officials data in reference to this reveals that:

“The MOL worked towards making a Bachelor graduate salary *as 400 dinars minimum*.” (Senior Manager Human Capital Development)

“We have done a research and it indicated that *salaries are number one that Bahrainis look into the job*, second is work environment and third future prospects. There are different factors that are incorporated in these researches.” (Manager Planning and Business Development)

“Retention strategies for Bahrainis are through *salary* and the *working environment*.” (Director of Training Institutes Affairs)

“Retention of nationals in the organizations can be made through the following factors with *salary as number one*. Other factors are working environment. Salary is necessary owing to the high expenses of life.” (Head of Unemployment Insurance)

“We are trying to retain nationals in *private sector through programs that provide wage subsidy* first year 200 BD, second year 150 BD and through *a program of accredited trainings*.” (Training Affairs Advisor)

“We need a focus towards focusing our Key Performance Indicator in nationalization is whether the national stays at the work or not after employment. In addition, coaching and mentoring after recruitment is important to guide and retain Bahrainis towards career paths.” **(Director Human Resources)**

5.11 What are the change management processes to support integration of nationalization against resistance?

Through interviewing government officials, it is evident that a series of strategies exist in the Kingdom of Bahrain to support national employment. Government officials explain that the strategies started with enforcement of quotas, with percentages set according to activity and sector, and then moved towards a ‘qualitative’ approach through HRD activities. It is evident from data reported that the government realized the need for a move towards a softer, qualitative approach that views Bahrainis as employees of choice. Strategies mentioned during the interviews reflect that strategies seem to be moving towards developing young Bahrainis with experience and vocational skills and putting them through a national occupational framework to support the skills required in the economy.

It is desirable, as mentioned by government officials below, that Bahrainization strategies move from an entirely enforcement system of quotas towards a more developmental approach to increase Bahrainization. For instance, **Policy Development Manager** explained that Bahrainization strategies started in 1996 as a strategy of at least 20% Bahrainization enforcement which increased at a rate of 5% every year.

“This strategy also opened doors to “omal whmeeyeen” (ghost workers) and other forms of playing around the strategy to reach the percentage. Bahrainization strategy at that time worked as a regulator. Hence, there was a move to a strategy based on a study research where percentages were formed based on the activities within the organization. Then we moved towards taking a BD 10 fees for expatriate employee but had an adverse effect. We increased fees but the overall Bahrainization reduced. At that time private sector had a percentage of Bahrainization of 35% but today it is 23%.”
(Policy Development Manager)

“Early strategies by other government entities were imposing, Tamkeen moved towards a softer approach. But I cannot really which one is better whether imposing or using the softer approach. But we need different models that can serve the economy.” (Senior Manager Human Capital Development)

Government officials explained during the interviews that the adverse effect in Bahrainization percentages had caused government strategies to change their processes towards softer or qualitative approaches that embed HRD activities. In discussing qualitative approaches to Bahrainization, government officials emphasize the aim of increasing the value of the Bahraini employee and supporting private sector employers to view nationals as employees of choice. The change management processes within Bahrainization strategies embedded a qualitative approach in the projects and plans established. According to interview data, such change management projects included:

1. Career Progression Planning Program
2. Formation of active job seekers mindsets
3. Cultural values within Bahrainization schemes
4. National Qualification Framework
5. Formation of Quality Assurance Authority

The above aspects identified by government officials led to change management processes within Bahrainization aimed at reducing resistance between nationals and private sector employers. Analysing the interview data it appears that a softer, qualitative approach is embedded together with enforcement of percentages with the aim of increasing Bahrainization through knowledge, skills, abilities development and mindset change. It is also worth mentioning the explanation provided regarding the consideration of wage subsidy support benefits both the private sector employer and employee.

5.11.1 Career Progression Planning Program

Interviews revealed that the Career Progression Planning Program appears to be a national scheme that helps to integrate nationals into private sector organizations, giving the private sector employer support through wage subsidy and training to compensate for the skills otherwise

needed from an expatriate. The period of two years appears to be a period to give employers time to develop the national's productivity at work, for which they are compensated. The CPP encourages nationals to work in the private sector for a salary of a total of BD 400. Furthermore, interviewees explained that training programmes have also been funded to give Bahrainis in 'stagnant' careers to have an opportunity to develop themselves rather than wait for private sector employers to fund their development. Private sector employers that meet Bahrainization percentages are supported in several areas of business as well. In reference to the above analysis, government officials explained that:

“To some extent the CPP program (Career Progression Plan strategy) is moving towards meeting ambitions of Bahrainis. It is raising living standards based on some salary and development improvement. To improve CPP further we are also working on improving standards of training through a program called TEPS to ensure high quality training is delivered by providers to strengthen nationals.” (Senior Manager Human Capital Development)

“To work against the resistance of private sector employers and nationals, Tamkeen has many schemes, so does the MOL. For example, we have CPP programs, training and wage subsidy. The MOL worked towards making a Bachelor graduate salary as 400 dinars minimum. We have a private sector support where if the private sector meets the Bahrainization quota they can get benefits and support through Tamkeen such as (marketing, consultancy, sales, technology and equipment).” (Senior Manager Human Capital Development)

“We have helped to train and develop stagnant Bahrainis in organization by taking employees that did not have a chance to go to training for many years. We also have talent management program giving training opportunities to HR and leadership position holders in organizations to progress in their career within the private sector.” (Manager Human Capital Development)

“Ministry of labor has strived to help private sector employers and form good relations in order to reduce resistance for Bahrainization. By supporting private sector employers financially through wage subsidy and trainings we encourage them towards nationals hence the value of a national graduate increases as he gets experience and

development. Overall the value of the national graduate increases even if he moves to another organization, hence benefiting nationals as well.” (Head of Unemployment Insurance)

5.11.2 Formation of active job seekers mindsets

Interviewees explained that the law allowing expatriates to move has also increased Bahrainization and made private sector employers hesitant to employ expatriates as they no longer can hold them. This caused a change of mindset in private sector employers from preferring expatriate employees for control reasons as discussed below:

“Forming the freedom to move policy for expatriates is encouraging private sector employers seek Bahrainis hence we are encouraging employers to prefer Bahrainis who earlier preferred expatriates whom they can control their move among jobs in the country. In this way we have convinced employers about Bahrainis rather than enforcement.” (Head of Labor Inspection)

Government officials described during interviews how the Ministry of Labor has a process to change the mindsets of job seekers in Bahrain through supporting the period that a Bahraini seeks for a job through counselling. In addition, job seekers have to be ‘active’ in terms of seeking job opportunities provided by the recruitment office. A paid salary for six months is given to the national during which he has to attend counselling and accept jobs offered through the recruitment office of the Ministry of Labor. The approach described in the interviews thus develops national mindsets to accept jobs offered in the private sector as a salary will not be paid if he refuses job offers during the six months, and at the same time this is reinforced by going through counselling. This is further described by government officials below:

“The unemployment Insurance Scheme aimed to establish a new culture teaching unemployed nationals to seek jobs as their responsibility. They have to be active job seekers and hence given the opportunity to get a job with a paid salary for six months within which they called in for a job. The job seeker also meets needs to meet a consellor to receive advice and be considered an active job seeker in seeking a job.” (Head of Unemployment Insurance)

5.11.3 Cultural values within Bahrainization schemes

The interview data reveals the approach of Tamkeen in adjusting strategies in line with cultural values. This has caused Bahrainis to become more willing to join sectors they were resistant to working in. As a government official expressed:

“We are trying to *adjust nationalization strategies to meet cultural values*. Some issues of culture are not with the mindset but with the profession. For example, we had a contract with Gulf air, where we had female air hostess do not sleep over night, have local flights in the region and in this way female Bahrainis can bond with their family which part of the culture by having breakfast with family and dinner , plus will not to serve alcohol on flights. Hence we are trying to customize strategies to cultural values to increase Bahrainization in sectors.” **(Vice President Human Capital Development)**

5.11.4 National Qualification Framework

Interview data provides evidence towards building nationalization strategies in Bahrain based upon skills attainment and assessment between expatriates and nationals. Government officials explain that strategies are moving towards generating capacities required in the economy through development of a national qualification framework which nationals must meet and align with jobs. The formation of a market intelligence unit through the national framework can guide nationals and organizations towards meeting economic needs as elaborated by the training affairs advisor at the Ministry of Labor quoted below. The approach reflects the aim to create value in national skills and encourage the attainment of further development through structured standards in training programmes and assessment centers that can enable career growth and provide guidance for organizational and economic needs.

“The new framework for labour market reform has taken place since last year. We started to work in parallel with the below components within our strategies for the skill gaps in nationals to meet economy needs:

1. National framework: (For example Bahrain Training Institute graduate can complete university and up to PHD) linking is trainings and certificates to the national qualification framework
2. Occupational standards: (For example an accountant, there are 7-8 jobs related to accounting, we specify jobs and requirements with 'license' to be practitioners, and form an occupational standard linked with the national framework)
3. Assessment centers: to assess both Bahrainis and expatriates within skilled levels according to ILO (International Labor Organization). There are 5 levels of skills(Skilled, semi skilled, practitioner, master) to decide which Bahraini are in which skill level opening a career path for them to develop them through lifelong learning path. For the expatriates no one will enter the country before completing certain assessments and skills are assessed ensuring that there is no Bahraini to fill this job ensuring the entrance of quality expatriates.
4. Apprenticeship programs: At age 14 nationals are nominated for apprenticeship programs to get the technical and practical side of work life causing them to be semi skilled when they enter the work life.
5. Market Intelligence Unit: to have all the job seekers and graduates filtered to create a "compass" of what to specialize and reporting serves three phases:
 - i. monthly – firefighting plan
 - ii. yearly – parents and training providers
 - iii. Five year project – strategic level of unemployment through an economic vision

This overall strategy can prepare the whole country at a government, organizational and personal level providing a solid base and prediction of market needs. This will also be implemented at GCC level to allow movement of labor in a unified way.” (Training Affairs Advisor)

“Occupational level standards can create sustainability and this can be done through categorization of jobs through a license and this categorization needs to be practical as well.” (Director of Training Institutes Affairs)

5.11.5 Formation of Quality Assurance Authority

Interviewees explained that the formation of the Quality Assurance Authority aims to upgrade skills, knowledge and abilities of educational and training institutes through quality diagnosis and audits. This caused a change of culture in training and development in institutes to meet

quality standards that meet economic needs. Therefore, nationals' competencies are developed and improved to higher quality standards, making them more competent for private sector employment, as explained:

“Earlier training institutes did not have the mindset to be audited. But now training institutes are being linked with Ministry of Labor. Employers seek institutes of high rating to send their employees. Institutes with inadequate rating we do visits for improvement. This caused institutes to take accredited courses from outside external bodies. External body wants quality hence the level of institutes raised. And this trend *strengthens the capacities of learning seekers*. The *QAA played a role in projecting best practices in institutes*. Reporting enabled institutes to see what *best practice is and caused new institutes to be aware of the standards required*” (Specialist Vocational Review Unit)

“*We ensure the employer is satisfied and by looking at the return of investment* which is done through meetings, phone, meeting the institute with the employer, coaching and action plan is laid out. Request reports for on job training and progress if promotion made. Success stories are issued. Check if CIPD program trainees have their case studies published in international journals if high rankings.” (Specialist Vocational Review Unit)

“We increase the level of quality of education and increase capacity building through the national examinations. Our *framework is being aligned with the market needs*. The positive issue is a *culture of quality* started to develop among school staff.” (Head of School Review Unit)

“*QAA has changed the mindset* which was difficult but now after 4 years it is very much welcomed by learners and parents. The quality of culture has changed and the jargon has changed also.” (Manager Higher Education Unit)

5.12 How can HRD and capacity building be integrated within a development framework for building capacity in an economy?

The researcher examined the integration of HRD and capacity building by exploring whether capacity building is being embedded in Bahrainization strategies. It is evident from interview data collected that the initiatives to generate capacity building in Bahrainization strategies are implemented through human resource

development activities. Government officials explain that human resource development activities generate and trigger building capacities. ‘*Training, development, career planning, organizational culture and working environments*’ have been referred to by government officials as the activities that contribute towards building capacities for nationals.

An appealing analysis from the interview data reveals that even though HRD activities contribute to capacity building, nevertheless to engage in the capacity building process there are two areas lacking in practice. Building capacities for Bahrainization, as pointed out by government officials, lacks:

- **Sustainability**
- **An intelligence unit**

5.12.1 HRD activities for capacity building

The role of HRD within capacity building is emphasized by government officials pointing to the HRD activities within Bahrainization strategies. In reference to HRD activities as generators for capacity building, government officials indicate the importance of training and development within Bahrainization strategies to build national capacities. Government officials explained the role of development programmes for building capacities in Bahrainis by both the Ministry of Labor and Tamkeen. Training and development programmes in Tamkeen are based upon researching market skills gaps to ensure the delivery of the right training to develop national capacity for an economic need. There are also various training schemes by Tamkeen to build capacities within the economy for entrepreneurship projects and enhancement of professional skills for business. Regarding capacity building, government officials considered that:

“Capacity Building cannot be ignored – its marvel is in the center of the HRD strategy. HRD is not the full. Capacity building is at the heart of HRD at all levels.” (Training Affairs Advisor)

“Ministry of Labor activities are the heart of HRD for Bahrain. We have the Training and Development sector, Labor Affairs sectors, Inspection sector that aim to build capabilities in nationals.” (Head of Labor Inspection Department)

“Each group in the labor market has a certain capacity to meet market needs. An industry set by the government shall *sustaining people through human resource development activities* will blossom. In this way management maintains good people by formation of *career development*.”
(Manager Policy Development)

“*Building capacities* in the economy of Bahrain is being done by forming *a skills gap to reduce the mismatch between the outcomes* of the university and market needs. Gulf Aviation Academy is an example where we gave the business model to Mumtalakat, money stays in our economy, and *training* is done in Bahrain to serve Bahrain and GCC. We are currently trying to build capacities for cabin crew, transport and logistics.”(Vice President Human Capital Development)

“*Results of our trainings* will accumulate overtime where at the end you will have a result of *a pool of skilled Bahrainis* in certain areas (logistics, aviation). This *form of capacities* are a dramatic shift from the regular fields of interest as it was built up through studies and surveys showing there is a need in the economy. We will have to wait a period of time to assess the capacities built through Tamkeen training.”
(Manager Planning and Business Development)

“We offer the (*ehtref*) scheme open for any national to get a professional certification, as nationals require *development on a professional sides to build their capabilities for the economy*. In addition, we have the (*mashroay*) scheme that *builds entrepreneurship capacities* by nurturing idea generators and start up initiatives.” (Senior Manager Human Capital Development)

Interview discussions and feedback reflect that the Quality Assurance Authority plays a crucial role in ensuring the quality of capacities built in the economy, from development activities practised through training, development and education in institutions and schools. In consideration of development of capacities within organizations, the Quality Assurance Authority ensures training and development conform to quality standards and international frameworks to make Bahrainis employees of choice, as described by government officials. In addition, interviewees viewed the efforts of the Quality Assurance Authority as also geared to improving

the education of graduates from schools and universities to ensure the formation of capacities according to economic and global needs. The above analysis is supported as follows:

“For capacity building we *train institutes in terms of capacity building*. But we do not have something prescribed, it is a general process. We *improve education, institutes, and skills of Bahrainis which is all linked with the 2030 Bahraini vision to make a ‘Bahraini first choice’* for private sector employers.” (Manager Higher Education Unit)

“We do capacity building activities through quality reviewers to *visit educational and training institutes to build the knowledge, skills and abilities up to international standards*.” (Manager Higher Education Unit)

“Capacity building is done through *programmes meeting requirements of the economy needs by providing quality checks and reviews of institutes through our international framework*. Tamkeen uses our reports for the service providers (institutes).” (Specialist Vocational Review Unit)

“We look at the *personal development of students and provision for development for better quality outcomes in terms of knowledge, skills and abilities*. Before we used to measure success percentages but this does not have a *skills factor that we need for our economy*.” (Head of School Review Unit)

5.12.2 Capacity Building requirements for Bahrain

It is worth analysing the views of government officials with regard to aspects required for further capacity building implementation firmly within Bahrainization strategies to ensure economic returns in Bahrain. The aspects to be considered, according to government officials, are:

a. An intelligence unit

b. Sustainability

a. Intelligence Unit

To engage in capacity building, government officials expressed the need for an intelligence unit. The intelligence unit is required for indicating the market and economic requirements for coming periods in Bahrain. It is essential to have such a unit to prepare nationals skills for the gaps in the labor market as discussed below. It

is expressed that in this manner capacities can be built to meet requirements of sectors in the economy based on reliable data. For instance:

“We need *an intelligence unit to generate data* at a regular basis to *assess skills gap* and be responsible to generate ongoing data regarding the skills gap as it keeps on changing with years. This will *form a compass that will direct entities towards capacity building*.” (Senior Manager Human Capital Development)

“Our issue is we do not have access towards reliable data. We need *data about our economic needs to direct Bahrainis towards trainings and development that have sectors to absorb them*. We face an issue of data collection as government entities did not collect data for a long time. Tamkeen is currently working on forming reliable data. For example, the skill gap report by Tamkeen, a consultancy company and EDB has helped to support different professions. ” (Senior Manager Human Capital Development)

“There is *no solid base for jobs categorization*. We need an IT support system fully fledged system *to categorize specializations to actually indicate the manpower required to build capacities in sectors*.” (Director of Training Institutes Affairs)

b. Sustainability

Sustainability has been identified by government officials as a crucial factor towards sustaining capacities of nationals within the economy. They observe that sustainability is required to gain the benefit from investment in and efforts exerted towards Bahrainization. Government officials explained that sustainability is required to ensure that development and training for nationals sustain a certain sector in the economy. The practice of sustainability is at an individual level rather than sustaining sectors through nationals' development. Occupational standards have been identified by government officials as a way to sustain the skills of nationals for a certain sector as definition of occupational skills and requirements can sustain individual capabilities for sector growth. Government officials raised the need for foreign investment to create sectors that can the development of national capacities through nationalization schemes rather than utilizing foreign human resources to support foreign investments in Bahrain. In addition, the need for cooperation among

government entities towards sustainable projects for national development was raised. The above analysis has been drawn from the following interview data:

“Even though we are providing various forms of training and development programs giving a stepping stone to youth, but not the skills to sustain a certain sector. We are serving everybody even school dropout but *we have not done a sector specific human capital enrichment to be surely sustainable for that sector*. For example, we served the retail sector with 3000 nationals, Hospitality with 2000 nationals. They got trained and placed in the jobs but we do not know what happened to them next. Hence *Tamkeen is building capacity for individuals as knowledge and skills attained are sustainable... Foreign direct investment, more institutions more entrepreneurs, national apprenticeship schemes and refined policies in the labor market are required to be looked at by the government for sustainability.*” (Vice President Human Capital Development)

“Human Resource Development is practised in Bahrain but *sustainable developments are lacking*. Occupational level standards can create sustainability and this can be done through categorization of jobs through a license and this categorization needs to be practical as well. But we are working randomly. We need organized trainings through the job categorization and change the way of training and make it more practical to sustain sector and individual growth.” (Director of Training Institutes Affairs)

“The sectors mentioned (aviation, tourism aviation) do not respond easily for *our efforts by being committed to employ nationals*. The problem is not with the nationals but with our labor laws and sectors itself. There are *no occupational skills standards or laws that govern these sectors*. We do not have occupational skills standards in any sector. One needed solution which is *legislations, occupational skills standards and coordination among entities*. Then there will be industry standards, certifications, training packages and defined pay skill, with that we can succeed with *sustaining sectors through nationals*.” (Manager Human Capital Development)

“The sectors Tamkeen are working with sector that have challenges and are shaken. For example, Bahraini Air has challenges and got downsized. *Strategies need to work towards sustaining sectors*. Nationalization strategies in Bahrain are contradicting as well. There is flexibility for foreign business, providing *freedom for employing*

foreigners to support the business and we end up losing developed national human resources by having a liberating foreign investment.” **(Manager Policy Development)**

“We find deficiency in capacity building as strategies in the actual economy are not joined. *Government entities need to work together and coordinate for sustainable projects towards national recruitment.* For example, being the main recruitment entity, MOL and Industry of Commerce need to form joint projects to bridge the gap in bringing foreign trade and *giving a time frame for utilizing expatriate competencies.* After that nationals take over the positions from *a pool of accredited Bahraini nationals to strengthen capacity building.*” **(Head of Labor Inspection Department)**

“A holistic solution to tackle Bahrainization from all sides is required for capacity building. We need to have occupational standards to make Bahrainis competent as expatriates. We need to make employers of choice, we are currently working on several initiatives to make the employer attractive. And we are coming up with award schemes. Tax on expatriates will be required part of the labor as this will add sweeteners to take Bahraini.” **(Senior Manager Human Capital Development)**

5.13 Conclusion

The interviews conducted provided answers to the research questions as summarized in Table 5.1, page 183. There are common factors between private sector managers and government officials in discussing nationalization in Bahrain. Both private sector managers and government officials agree that culture and education form a challenge towards Bahrainization. Factors such as lack of Bahraini skills and commitment have been identified by private sector employers as vital for increasing Bahrainization in their organizations. Apart from such factors, Bahraini employees continue to prefer the government sector, which causes private sector employers to lose investments made towards increasing Bahrainization. Government officials explained that private sector structure in terms of management and salary form barriers towards Bahrainization. Formation of policies that can increase government entities’ policy making power, formation of occupational standards and limitations on expatriates’ length of stay have been recommended to improve Bahrainization. But the crucial area for Bahrainization according to government officials is the

demand for unskilled labor versus an economy that has a supply of educated nationals with low work ethics.

Both private sector employers and government officials identified training, career development and organizational culture as crucial factors that are embedded in Bahrainization strategies in organizations. Bahrainization within an HRD framework is implemented through schemes of career progression planning, training levies and development programme funding that are strengthened through several government entities in private sector organizations. Even when employers cannot afford to develop Bahrainis, Bahrainization strategies provide funding for national human resource development. Government officials explained the efforts made to change private sector employers' mindsets towards human resource development through professional certifications, workshops and coaching to create HRD professionals within the private sector.

In terms of retaining Bahrainis in the private sector, private sector managers state that it is important to embed development and organizational culture in retention strategies. However, both private sector employers and government officials raised the need to consider salary standards in the private sector to retain national human resources and the investment made towards their development.

The change management processes to support integration of Bahrainization within the private sector have been strengthened through a change in government strategy. Managers from both sectors explained the move towards qualitative Bahrainization. Private sector managers appreciate and praise Tamkeen efforts to develop nationals, yet they raise the need for government entities to form strategies to support private sector employers and national retention policy within private sector. Government officials acknowledged the success of embedding cultural values within Bahrainization schemes and incentive schemes within career progression planning. However, they recommend the formation of occupational standards to further upgrade development needs to meet higher quality standards through the national qualification framework.

The findings from the data collected provide evidence that human resource development activities generate capacity building. To implement Bahrainization both capacity building and human resources are necessary, as emphasized by managers in

Bahrain. Even though human resource development activities are evident in Bahrain, nevertheless managers raise the need for capacity building practices within Bahrainization. Private sector managers raised the need to create capacity building by having a long-term development vision and knowledge sharing within and outside the organization. Government officials raised the need to embed sustainability within Bahrainization and create an intelligence unit that can serve development needs at a national level, aligned with the national economic vision.

Table 5.2 Summary of Qualitative Findings

Research Questions	Private sector managers perspectives	Government Officials perspectives
What are the challenges within nationalization strategies in developing contexts?	<ul style="list-style-type: none"> a. Culture b. Move towards the government sector c. Bahraini employee commitment d. Education e. Bahraini Skills 	<ul style="list-style-type: none"> a. Government entities limitations to policy making b. Culture c. Private sector structure d. Salary e. Education f. Lack of occupational standards g. Formation of expatriate limitations h. Demand for unskilled employees versus a population of young educated nationals with low work ethics
To what extent is the concept of human resource development embedded in nationalization programs?	<ul style="list-style-type: none"> a. Training and Development b. Career Development c. Organizational culture 	<ul style="list-style-type: none"> a. Career Progression Planning b. Training and Development Funding c. Shaping private sector employers as HRD professionals
How can nationals be retained and managed through career planning in nationalization strategies?	<ul style="list-style-type: none"> a. Compensation b. Development c. Organizational culture 	Even though development support is implemented, salary support needs further enhancement as an important factor for retention strategies
What are the change management processes to support integration of nationalization against resistance?	<p>Tamkeen's role to make Bahrainis employees of choice</p> <p>Qualitative versus quantitative processes</p> <p>Support for private sector employers required</p> <p>Retention strategies for nationals are needed</p>	<p>Move from quotas to softer development approaches</p> <p>Career Progression Planning Program</p> <p>Cultural values embedded in strategies</p> <p>National qualification framework and Occupational standards for economic needs</p> <p>Change of development activities to meet quality standards</p>

<p>How HRD and capacity building be integrated within a development framework for building capacity in an economy?</p>	<p>Evidence that generation of capacity building is triggered by human resource development activities forming an intersecting concept of development Long term development is embedded Knowledge sharing needs to considered Contribution to the society is essential for capacity building</p>	<p>To integrate capacity building in Bahrainization strategies two factors are crucial: a. An intelligence unit b. Sustainability</p>
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Having provided the findings at the organizational and national levels, the next chapter provides a discussion of the research findings, bringing together the literature review findings and the findings from the fieldwork in Bahrain.

Chapter 6

DISCUSSION OF FINDINGS

The previous chapters, specifically Chapters Four and Five, provided a detailed analysis of data collection in Bahrain. Chapter Four provided an analysis through private sector nationals' questionnaire responses, while Chapter Five presented a detailed analysis of interviews within private sector and government entities at managerial level. Hence, the analysis chapters presented data collected in a developing context within the three levels of the framework developed by the researcher. This chapter presents a discussion of both the quantitative and qualitative data findings of the field study in Bahrain in relation to the research questions and nationalization framework developed. A summary of the findings in relation to the research questions at all levels with the research framework is presented. The chapter indicates an intersection of findings among the levels in specific areas, strengthening the research findings for the Bahrain context.

6.1 Discussion of Research Questions

To study nationalization within a development framework in a developing country context, a set of research questions was formulated to address the research gap identified in the literature review, enabling the examination of 'Bahrainization' as a nationalization strategy. Bahrainization was examined through a study in seven private organizations in Bahrain (Table 4.1) using questionnaires and semi-structured interviews. To further examine nationalization, Bahrainization was explored by interviews with government sector officials. The data collected provided an analysis of Bahrainization as a nationalization strategy that provided answers to the research questions raised.

The framework developed by the researcher (Figure 2.1, page 99) and the research questions extracted from literature review gaps were implemented in one GCC country, the Kingdom of Bahrain, for several reasons. Firstly, being a lone researcher, the research focused on examining one GCC state. Secondly, there is a lack of available literature regarding Bahrainization as the researcher identified by running a search through University of Manchester search engines. Thirdly, Bahrain has a lower dependence on foreign labour compared to other GCC states at 50 per

cent, hence potentially enabling Bahrainization practices to be applied to other GCC states to achieve higher national labour participation.

Bahrainization policies have existed since the 1980s, yet the challenge of Bahrainization as a strategy seems difficult to implement. In addition, the researcher is a Bahraini who has been working within human resource development departments in the private sector in Bahrain, enabling the researcher to present a framework that can improve nationalization in her own developing context. By examining Bahrain specifically, other GCC countries can examine Bahrainization approaches for implications within their contexts.

To explore Bahrainization, the research utilized a mixed method research strategy to address the research questions. The researcher combined constructivist and objectivist ontological paradigms using questionnaires and interpretivist and positivist epistemological approaches using semi-structured interviews. Using both methods enabled her to answer the research questions and attain the findings indicated in Table 6.1, page 272.

Table 6.1 provides a summary of the findings discussed in more detail in the sections that follow. The findings intersect in some areas and diverge in others. The intersection of views within the levels analysed strengthens the research findings, providing further support to the factors revealed. There were several areas where private sector managers and government officials together with nationals agreed, hence providing an indication of strong evidence for issues regarding Bahrainization that need to be further explored for improved implementation or that provide indication of a successful approach that can be implemented in other developing country contexts.

Table 6.1 provides a summary of the following sections that discuss the findings for each research questions. The findings of the research are outlined in terms of three levels: the employee, organizational and government level.

Table 6.1 Summary of findings in Bahrain at the individual, organizational and national levels

Research Questions	Bahrainis (Quantitative Findings) Questionnaire	Private sector managers (Qualitative Findings) Interviews	Government Officials (Qualitative Findings) Interviews	Intersection of perspectives
I. What are the challenges within nationalization strategies in developing contexts?	<p>Compensation – Bahrainis prefer sectors according to higher compensation.</p> <p>Despite, Bahrainis awareness of limited career opportunities in government sector, yet they preferred government sector jobs.</p> <p>Compensation as a crucial factor for Bahrainis exists regardless of sectors. When private sector pays more they tend to prefer private sector jobs.</p>	<p>Culture – Bahrainis tend to prefer working in offices for social status. Working in service sectors such as hotels is still not acceptable.</p> <p>Bahrainis have a tendency to avoid facing customers such as working in restaurants.</p> <p>There is a lack of awareness in education and development programs to build mind sets for private sectors positions</p>	<p>Compensation- salary standards in Bahrain need to be restructured to be aligned with the raising living costs.</p> <p>Culture – efforts to change cultural mindsets will take time to take effect for a change in the society.</p> <p>Education- does not shape nationals for workplace such as communication, creativity and business ethics. in Bahrain does not meet ‘market needs’ and ‘economic demands’. While education in Bahrain strives to progress to high standards through the QAA and National Qualification</p>	<p><i>Government officials agreed with Bahrainis in terms of compensation and agreed with private sector managers in terms of working conditions. Both government officials and private sector managers agreed on education and cultural barriers.</i></p>
		<p>Education – Education fails to meet economic requirements in terms of specializations, awareness to business working environments, and development of nationals’ communication. Universities offer specializations that do not meet market needs.</p> <p>Bahraini employee commitment and skills – has been criticized as lacking to meet business environments.</p>	<p>frameworks, yet the demand for low cheap skilled labour exists.</p> <p>Government entities limitations to policymaking – entities are not policy-making bodies that cause restrictions in goals implementation.</p> <p>Private sector structure-the demand for unskilled labour continues while the educated population of nationals’ increases.</p> <p>But the young educated national population is with low work ethics and competencies causing private sector employers to resist national employment. Furthermore, private sector working conditions defer</p>	

		<p>Culture and Education are blamed in forming such characteristics thereby forming a barrier towards nationals' selection for employment in private sector.</p> <p>Move towards the government sector – private sector organizations cannot provide shorter working hours and flexible working conditions. Some private sector organizations lack career paths causing jobs to be unattractive for nationals to grow.</p>	<p>than government sector in terms of working hours and flexibility.</p> <p>Formation of expatriate limitations – while the government invests on nationals' development, yet expatriates are cheaper to hire with flexible renewal and transferrable residency visas.</p>	
Research Questions	Bahrainis (Quantitative Findings) Questionnaire	Private sector managers (Qualitative Findings) Interviews	Government Officials (Qualitative Findings) Interviews	Intersection of perspectives
<p>II. To what extent is the concept of human resource development embedded in nationalization programs?</p>	<p>Satisfaction of HRD activities - high agreeable responses towards HRD activities embedded in the questionnaire:</p> <p><i>Training and Development</i> <i>Career Development</i> <i>Performance Management</i> <i>Organizational culture</i></p>	<p>Training and Development – practice of training and development is through several methods depending on the organization. Training and development ranges from in house training, external trainings or trainings subsidized by the government for Bahrainis development.</p>	<p>Training and development programs – training and development programs subsidized by the government entities enables nationals to be developed globally through the national qualification framework.</p>	<p><i>All three perspectives agreed on the presence of HRD activities within Bahrainization</i></p>

	<p>HRD not seen as retention tool – Compensation and benefits is of crucial importance to Bahrainis in private sector for retention.</p> <p>Preference of Bahraini manager- preference of Bahraini manager for supportive and communication purposes. Reflects the need of culture understanding in executing HRD activities.</p>	<p>Career Development – achieved through structured career paths through coaching and mentoring by expatriates, organizations owned structured career paths or the government supported CPP programs.</p> <p>Organizational culture – sense of family, bonding, trust and recognition in organization culture can change Bahrainis mindset to work.</p>	<p>Career Progression Program- CPP program main HRD activity allows national career growth through development programs salary increments funded by government to allow nationals reach private sector employers expectations.</p> <p>Shaping private sector employers as HRD professionals- there is a lack of HRD skills within private sector managers and employers that needs to be developed to ensure national human resources are developed within private sector organizations.</p>	
Research Questions	Bahrainis perspectives	Private sector managers perspectives	Government Officials perspectives	Intersection of perspectives
<p>III. How can nationals be retained and managed through career planning in nationalization strategies?</p>	<p>Career development as retention tool- neutral responses to career development HRD activity.</p> <p>Compensation appears to be retaining nationals more than HRD activities in private sector organizations in Bahrain.</p>	<p>Compensation – attractive compensation packages are essential to retain nationals.</p> <p>Development- development programs are effective to retain nationals when linked with career growth.</p> <p>Organizational culture- plays a role in retaining nationals when built with a sense of family bonding, trust and recognition.</p>	<p>Compensation -salary restructuring for retention strategies within Bahrainization is crucial.</p>	<p><i>All three perspectives agreed on salary restructuring for retaining national talents</i></p>

Research Questions	Bahrainis (Quantitative Findings) Questionnaire	Private sector managers (Qualitative Findings) Interviews	Government Officials (Qualitative Findings) Interviews	Intersection of perspectives
IV. What are the change management processes to support integration of nationalization against resistance?		<p>Change management processes include :</p> <p>a. Tamkeen’s role- to make Bahrainis employees of choice by focusing strategies on cultural mind sets, business competencies development, vocational and technical training assessed through market needs study.</p> <p>b. Qualitative approaches- realization of the need of qualitative methods for nationalization by combining qualitative process and quantitative processes.</p>	<p>Change management processes include :</p> <p>a. Qualitative approaches- Move from quotas to softer development approaches that have HRD activities</p> <p>b. Career Progression Planning Program – to compensate private sector employers for hiring nationals that are less competent by funding development and salary for two years till the national fits into private sector employer requirements</p> <p>c. Cultural values- is embedded in strategies to engage nationals in private</p>	<p><i>Agreement on qualitative change management processes to integrate Bahrainization against resistance from both employees and employers</i></p>
		<p>Further requirements:</p> <p>a. Qualitative emphasis in Bahrainization implementation such as strengthening Bahrainization in qualitative positions in organizations not lowers positions for quantitative Bahrainization.</p>	<p>sectors that may be avoided for cultural reasons.</p> <p>d. National qualification framework- the national qualification framework enables Bahrainis to be developed according to international standards hence equipping them with global work competencies.</p> <p>e. Quality Assurance Authority- the development of the QAA changed development, training and education activities to meet quality standards ensuring national competencies are developed according to specified standards.</p>	

The research questions outlined above are discussed respectively in the following sections. Each question discusses the findings at each level of the researcher’s nationalization framework, that is, national employees in the private sector, managers in the private sector and government officials at the national level of the framework.

6.2 Research Question I: What are the challenges within nationalization strategies in developing contexts?

To examine the challenges within nationalization strategies, the researcher explored Bahrainization within the three levels are employee, employer and government level of the developed framework (Figure 2.1, page 99). Examining Bahrain, it is evident through the interviews and government policies that although Bahrainization has existed since the 1980s, nevertheless the challenge of Bahrainization is difficult to implement. A set of issues have emerged from the data collection findings which are discussed below.

a. Protective tools

It is worth mentioning that government officials stated that Bahrain needs to avoid the use of '*protective tools*' against unemployment rates. The use of '*active seekers*' is not regarded as an accurate measure of unemployed nationals. The December 2013 unemployment rate in Bahrain issued by the Ministry of Labor indicated 4.3% unemployment in Bahrain. This figure represents Bahrainis that are active in seeking jobs by going to the recruitment office in the Ministry of Labor. Some government officials criticize this form of reporting as a protective tool as there are unemployed nationals that do not register with the Ministry of Labor owing to the type of jobs listed in the recruitment office. According to government officials, the jobs do not suit either the cultural mindsets or competencies of Bahrainis.

The total active job seekers was 8,468 as per December 2013, with 7,114 females and 1,354 males (Ministry of Labor statistics, private communication). However, this raised a question whether the challenge identified in the fieldwork and discussed extensively as a national concern is an issue of providing jobs for just 8,468 nationals in Bahrain. The number of unemployed appears to be small compared to the national issue that has been a struggle to implement for many years. Understanding the nationals' needs for employment reveals another challenge within Bahrainization which is sector preference, as explained below.

b. Government sector preference

The data analysed from Bahrain strengthens the challenge in nationalization that was identified as the main barrier towards nationalization in the GCC in the literature

review. Private sector managers in Bahrain explained that the government sector forms the ideal working environment for Bahrainis in terms of greater security and shorter working hours. Such features strengthen the status of the government sector as employer of choice for Bahrainis despite the similar salaries and career development opportunities provided by private sector organizations. This leads private sector employers to resist employing nationals that cannot be retained owing to government sector features. Furthermore, managers in Bahrain explained the preference of Bahrainis for administrative jobs, avoiding jobs that would serve customers. In addition, they explained the resistance towards service sectors such as hotels and restaurants. However, many of the opportunities provided by the Ministry of Labor recruitment office consist of undesired sectors and jobs. Petroleum or telecommunication sectors are considered desirable sectors as the data presented identified the views of nationals from the petrochemical industry (GPIC) in Bahrain, who would not prefer a government job. But the research data revealed an interesting area that is worth noting: that is, Bahrainis would prefer a particular sector according to the compensation provided.

c. Compensation

The data collection significantly identifies a majority preference of Bahrainis from different sectors preferring government sector employment owing to one factor – that is, better compensation and benefits – despite them viewing it as having lower career opportunities. Bahrainis stated that lack of opportunities in the government sector made them join the private sector. Bahrainis also feel that expatriates are paid more than nationals, as reflected in the questionnaire responses.

The data indicated that within Jawad Group division, despite other divisions preferring a government sector job, Costa Coffee division employees did not prefer a government job and had neutral responses for compensation, benefits and career development in their division. Hence this reflects the critical consideration of compensation and benefits when forming Bahrianization strategies.

Similarly, government officials in Bahrain constantly raised the crucial need to adjust salary structures in the private sector as noted in Chapter Five to increase nationals' preference towards private sector jobs. Government officials further expressed their concern about salary structure as they explained that Bahrainis keep

moving for better salaries to cope with living expenses and standards. Therefore, the analysis indicated that having private sector salaries similar to those in the government sector will cause Bahrainis to resist the private sector and continually search either for higher salaries within the private sector or to prefer government sectors job for similar salary but with greater benefits and shorter working hours.

Further analysing findings on challenges to Bahrainization, interviewees explained that the lack of HRD professionals, private sector structure, labour market structure, education and culture form challenges to Bahrainization. These findings are explained further below.

d. Lack of HRD skills in organizations

Rather than focusing on lack of national employees' skills, government officials in Bahrain stated that there is a need to focus on private sector employers' lack of skills. Government officials explained that private sector employers may practise HRD, but they lack HRD skills for proper implementation. Despite Tamkeen development programmes to establish HRD professionals within organizations as identified from interview data, HRD practices still need to be monitored and strengthened further. Government officials explained that employers need to upgrade their skills and change their mindsets towards upgrading their human resource development skills. Apart from lack of skills, government officials explained the importance of the labour market structure; organizations are working in an economy where the supply of skills does not meet the demand of the market.

e. Supply of skilled nationals versus a demand for unskilled labour

In the area of labour market structure, government officials described the labour market in terms of low-skilled labour demand versus a supply of young educated nationals. Analysing the most recent population statistical reporting for Bahrain for the year 2010, the data clearly reflect that most of the population of 568,399 Bahrainis is made up of young nationals and their numbers are increasing. The highest population in the labour market within four years will lie within age group of 15–19, totalling up to 59,657, with age group 20–24 totalling 54,876. In addition, looking at future increases of young nationals by looking at those in age groups 0–4, 5–9 and 10–14 that will enter the working population in turn, the next decades reflect a challenge within Bahrainization of creating jobs that meet needs of young educated

nationals (See Appendix: Source: from Central Informatics Organization). The increase of education in Bahrain will mean that this growing population will be one of educated young nationals, yet the labour market demands low-skilled labour.

The increasing educated population in Bahrain raises another challenge within Bahrainization which is the quality of education provided to meet economic needs. If the need for unskilled labor cannot be met by nationals, why are skilled jobs in the private sector not yet Bahrainized? The analysis findings revealed two factors, education and culture, as challenges within Bahrainization.

f. Education and Culture for creating competent nationals

Despite the efforts to improve education in Bahrain, both private sector managers and government officials criticized education in Bahrain, sharing the view that education and culture form challenges to achieving Bahrainization. The interviewees emphasized that the challenge of education to meet labour needs persists, criticizing education's failure to shape nationals for the workplace competencies of '*communication*', '*creativity*', '*business ethics*', and '*specializations*' as discussed in Chapter Five. Government officials in Bahrain constantly mentioned the need for coordination of education with '*market needs*' and '*economic demands*'.

Culture in Bahrain is blamed by interviewees for its influence on nationals' attitudes to work. They justify their views in blaming the culture owing to the way children are developed in schools, which does not build work ethics and values within them. Managers from both private and government sectors in Bahrain agree that Bahrainis are conservative when it comes to joining service sector industries such as hotels and restaurants, either for religious reasons, social status reasons or being hesitant to face customers. Therefore they continue to prefer working in offices. Educating nationals from an early age with work ethics and building in them work values can overcome cultural barriers within their mindsets, as recommended by interviewees.

However, the distinguishing challenge for Bahrain as indicated by government officials is that the population of young educated nationals has shown an increase in the numbers of Bachelor degree holders that are females. According to Ministry of Labor officials, creating jobs for national females is a challenge. Statistics for the year 2010 by the Central Informatics Organization in Bahrain indicate (see

Appendix: source, Central Informatics Organization) that the population of Bahrain is mostly made up of nationals within the age range of 10–24 where females and males. Government officials explain a critical situation that in previous years, unemployment used to lie within the uneducated national population, but the demographic has changed, and now the majority of unemployed are female Bachelor's degree holders. Having cultural barriers within Bahrainization increases the pressure to achieve Bahrainization with a population of educated female nationals that have more cultural restrictions towards working in certain service sectors. The increase in females seeking employment was analysed through the unemployment support scheme, where, according to December 2013 Ministry of Labor statistics, among 1,401 nationals seeking unemployment support, 1,200 were female bachelor's degree holders and 171 were male bachelor's degree holders. However, government officials point out that the increase in female education is due to the lowering of university fees and change of cultural mindsets towards female higher education completion. According to 2013 data for job seekers whose unemployment case files have been dealt with by the recruitment office in the Ministry of Labor, there are 703 females bachelor's degree holders compared to 164 males bachelor's degree holders.

Remarkably, as pointed out by interviewees in Chapter Five, Bahrainization strategies have worked differently from other Gulfization strategies in terms of moving towards changing cultural mindsets in work and building work ethics and competencies within nationals. The efforts of Tamkeen as a government authority have been highly recognized in every private sector organization that participated in the research. Tamkeen's efforts are distinguished from other GCC state initiatives in terms of forming cultural campaigns, developing nationals into new sectors, supporting HRD development in the private sector and spreading awareness of economic and market needs in Bahraini schools, community social organizations and even to nationals in their homes as explained in Chapter Five. The example of nationalizing air hostess positions in the airline industry by restricting national air hostesses to shorter daytime flights and not serving alcohol is an example of Tamkeen's efforts towards reducing resistance to sectors that had cultural barriers in the past.

Government officials further explained the challenges within Bahrainization at a strategic level. They believe that there are limitations in Bahrainization policies, as analysed below.

g. Limitations in Bahrainization policy

At a higher strategic level, Bahrainization implementation has limitations, as explained by government officials. The data analysed indicates that Bahrainization at the national level has its own challenges of implementation, in terms of policy making, management and execution, that need to be reconsidered.

Officials explained that even though the government is paying a great deal to develop nationals, at the same time expatriates are cheaper, hence this does not balance options for private sector employers. In describing coordination between authorities, government officials in Bahrain expressed their concern with policy-making bodies being able to coordinate with one another. Government authorities felt restricted in implementing Bahrainization within their scope of responsibility, without being strengthened with adequate policies or powers to ensure implementation of Bahrainization goals. In addition, government officials from the Quality Assurance Authority, Labor Market Regulatory Authority, and Tamkeen expressed that they are not policy-making bodies, which causes their objectives to be restricted in terms of Bahrainization achievement.

Hence, analysing the challenge of nationalization in Bahrain indicates challenges such as government sector preference, compensation, education and culture that government officials and private sector managers consistently agreed upon. Nationals agreed regarding the factor of compensation as a challenge towards Bahrainization.

To meet the research objective in examining challenges within nationalization as stated, it is necessary to examine the practice of nationalization through the HRD framework. Examining nationalization within an HRD framework is at the core of the research aim and has been explored by questioning: ***To what extent is the concept of human resource development embedded in nationalization programs?***

6.3 Research Question II: To what extent is the concept of human resource development embedded in nationalization programmes?

To examine nationalization within an HRD framework, Bahrainization was studied by embedding HRD activities drawn from the literature review in the data collected by quantitative and qualitative methods. The questionnaire distributed to nationals working in the private sector was structured around HRD themes of ‘Training and Development’, ‘Career Development and Performance Management’ and ‘Organizational Management and Organizational culture’. Interviews with private sector managers and government officials were also based on HRD activities to examine the actual practice of HRD within Bahrainization.

6.3.1 Bahrainization examination at employee level

At the individual level in Bahrain, by referring to the analysis in Chapter Four, the practice of HRD within Bahrainization is evident. Nationals had high agreement responses to HRD activities in the questionnaire that were strengthened by managers’ explanations of HRD activities within their organizations. Questions in the questionnaire formulated around HRD activities such as directing areas of attendance, management, nomination, mutual agreement and job alignment had high favorable responses from Bahrainis. Learning as a culture in organizations had significant high responses reflecting practices of training and development as HRD activities. Specifically, Bahrainis in the retail sector such as Jawad Group seem to be satisfied with training and development, while Bahrainis in the travel and hospitality sector such as Gulf Hotel, Movenpick and Kanoo travel had negative responses.

Apart from training and development, career development through performance management also had positive responses from Bahrainis in the private sector, reflecting further HRD practice. The questionnaire analysis reflected high agreement towards their organizations’ engagement of a culture of promotion through development programmes. Bahrainis strongly agree that managers develop and guide them to be promoted. They also agree that career progression is discussed during their appraisals. Bahrainis’ responses indicated that they see career prospects in the private sector yet they had neutral responses towards career development retaining them in the private sector.

HRD activities in terms of organizational management and organizational culture were lowest in the hospitality and travel sector, while the highest means were in the retail sector. Analysing top management practices towards nationals in the private sector, it is evident that Bahrainis feel that top management communicates openly, recognizes, promotes and supports national development, indicating a culture of top management support for national development. Despite private sector managers during interviews complaining about nationals, it is interesting to find that nationals feel that their managers view them as hard workers despite the need for their development. It is positive to find that nationals feel valued by their management even though managers find nationals in need of work competency development as constantly mentioned in the interview feedback in Chapter Five. The positivity in nationals towards their management may be a result of HRD practices that require management to value employees through forming an ideal organizational management and culture.

A remarkable aspect in the analysis was nationals' preference for a Bahraini manager in terms of support and communication, although responses were still neutral towards dealing with expatriate management. The respondents were also neutral in viewing expatriates as engaged in transferring knowledge to nationals. The analysis reflects that consideration of cultural understanding in HRD activities is crucial to ensure nationals feel comfortable in their organizations. Consideration of having national managers or coaches for nationals can encourage nationals' productivity in organizations with easier communication and cultural understanding.

The satisfaction of Bahraini nationals towards the HRD activities in their organizations is strengthened by managers' feedback. The analysis reflected HRD practices in the private sector organizations in Bahrain as identified by managers.

6.3.2 Bahrainization examination at organizational level

At the organizational level, private sector managers confirm that training and development, career development and organizational culture are practised within their organizations as stated through the quotes presented in Chapter Five. Interviewees confirmed HRD practice as they explained that organizations with high Bahrainization percentages support their own development plans while other organizations with lower percentages depend fully or partly on government

development support, thus there are ways of utilizing HRD practices even when organizations cannot individually afford them

The interview analysis reflects that training and development HRD activities have caused a change in Bahrainis' productivity and cultural mindset. But it is worth mentioning that small organizations do not value training and development activities owing to their small numbers of employees and profit-driven objectives. Another concern towards national development in Bahrain is nationals in the hospitality and travel sector. Managers in the hotel sector explain that the practice of training and development forms a barrier owing to the lack of English language skills and commitment competency in Bahrainis.

On the basis of the interview data with private sector managers, national development through career development as an HRD activity is valued for growth and retention of nationals by managers in Bahrain. Career development is practised in several ways. Some organizations like GPIC depend on expatriates to develop nationals by promoting nationals and expatriates through career programmes as reflected in the interviews. This reflects the view of Alarissa (2014) who recommended introducing rewards for expatriate employees who invest in transferring knowledge and experience to national employees. Other organizations in Bahrain have their own training academies that form career paths in line with their training programmes. This reflects Organizations like Gulf Hotel and Kanoo practise promotion from within or utilize the career planning strategies of Tamkeen. Dnata values developing national careers through its head office in Dubai to prepare employees for higher roles. It is notable in organizations that dependency on expatriates for nationals' development is referred to in various scenarios within a framework of transferring knowledge, coaching or mentoring, reflecting HRD practices further. However, managers emphasized the need for the practice of succession planning in organizations to enable nationals' growth in organizations. Even though career management is valued highly by managers in the private sector, there remains a concern with the neutral responses of nationals towards career development as a retention tool as indicated in Chapter Four. The next section will further explain retention factors for Bahrainis.

Drawing upon the interviews with managers, discussions reveal that organizational culture in the private sector in Bahrain is built through equality in

management vision, trust in Bahrainis, engagement through development and forming a family culture as explained by managers. Managers further described their experience with nationals, indicating how organizational culture can play a role in changing Bahrainis to be productive, creative and efficient as managers. The discussions revealed that the organizational culture must integrate several aspects all together rather than focusing one cultural aspect. It can include intangibles such as trust, recognition, support, and sense of family bonding. In addition, cultures incorporating learning and development are highly regarded and valued, reflecting the importance of HRD practice as an organizational culture. It is evident to managers in the private sector that organizational culture as an HRD activity can improve and change Bahrainis' low competence areas such as 'commitment' and 'skills'. Therefore, interviews indicate how the 'blame on culture' in resisting nationals can change when an organizational culture that understands nationals' culture can be used to attract them to work in their organizations.

Investigating HRD practice at individual and organizational levels in Bahrain, the researcher finds a correlation in that if training and development is practised, career development and performance management practices appear in positive practice as well together with a strong organizational culture and management. The results presented in Chapter Four reflect that when mean scores for training and development were high, career development, performance management and organizational culture had high means in parallel. Specifically, the results in Chapter Four for the retail sector in Bahrain show that it appears to embed HRD practices more than the travel and hospitality sector.

Government support towards Bahrainization is evident through the analysis both at the individual and organizational levels. Government officials' interview feedback reflected strategies that embed HRD activities, as discussed in the following paragraphs.

6.3.3 Bahrainization examination at national level

According to government officials, HRD at a national level is embedded within Bahrainization strategies through career programmes designed to develop and shape private sector employers to be HRD professionals. Government officials discussed that the Career Progression Plan Program (CPP) has been planned and rolled out in

private sector organizations as one of the main HRD activities within Bahrainization. CPP has been developed to allow nationals to grow within organizations through competency development and salary increments funded by the government for two years, as explained by interviewees. Such funded development and training programmes can make Bahrainis employees of choice in several ways. They change cultural mindsets to work in other economic sectors; move nationals towards the global level through the national qualification framework; and fill market gaps assessed through studies in the Bahraini economy. Furthermore, officials explained that Bahrainization aims to strengthen HRD practice within organizations by relieving private sector HR employees from HRD administrative processes to develop their competencies to practise HRD at a strategic level. However, even when HRD is practised in Bahrain, barriers such as English language in employees or lack of HRD competencies within employers, as specified in Chapter Five, cause Bahrainization to fail.

By analysing the practise of HRD at the levels of nationals, managers and government officials in Bahrain, it was possible to measure the extent of the HRD concept within Bahrainization. The analysis strongly proved the presence of HRD activities within Bahrainization in the private sector companies researched.

However, the challenge of Bahrainization is not only creating a preference towards private sector jobs or national employees, but retaining employees within the private sector, as indicated by the interviewees in Bahrain. The researcher's findings identified career development and performance management as retention tools for Bahrainis in the private sector. The section below answers the research question relating to national retention in the private sector.

6.4 Research Question III: How can nationals be retained and managed through career planning in nationalization strategies?

The research question was applied in a Bahrain context by examining career development and performance management in the private sector in Bahrain in order to understand how Bahrainis are retained and managed through Bahrainization. Career development and performance management themes were analysed to assess career planning processes in Bahrainization schemes as these two areas form

decisive factors in forming retention tools as determined from the HRD literature review.

It was evident through the questionnaire analysis that Bahraini employees in the private sector had positive responses towards being guided and developed for promotion but had neutral responses regarding career progression retaining them in their organizations. To retain Bahrainis within the private sector, the data reflects the importance of the HRD practice of career development as well as ‘compensation’ factors in retaining Bahrainis. By embedding compensation themes within the questionnaire the researcher was able to understand nationals’ needs in depth, explaining their needs within a working environment from all angles. The questionnaire was designed to assess the theme of ‘compensation and benefits’ to allow a comparison among the HRD themes embedded in the questionnaire.

6.4.1 Compensation as a retention strategy for Bahrainization

The importance of compensation to nationals in Bahrain is comparable to other GCC states, as shown by responses in Chapter Four that showed high favourable responses towards the importance of compensation to retention. Bahrainis had high agreement percentages in terms of improving compensation and benefits. There was also a high percentage of responses in disagreement when questioning employees’ satisfaction with company compensation and benefits. For example, despite Jawad Group having high means for satisfaction in relation to areas of training, development, career planning and performance management, the respondents had a low mean in relation to the compensation theme and a high mean towards preference towards the government sector for compensation factors, despite them agreeing in their responses that the government sector had limited career progression.

However, the comparison of compensation versus career development as a retention tool for Bahrainis differentiates Bahrain from other GCC states when comparing results further. The data indicated that within Jawad Group divisions, despite other divisions preferring government sector jobs, Costa Coffee division employees did not prefer a government job and had neutral responses for compensation, benefits and career development in their division. Hence, the data analysed indicates that when employees were satisfied to some extent in career development and compensation, they do not prefer a government job.

Reflecting on the interview responses of government officials further strengthens the importance of retention of Bahrainis through compensation. Quotes presented in Chapter Five from government officials reflect that retention through ‘compensation’ is a major factor to be considered in retaining Bahrainis in the private sector. It is apparent that the factor of ‘compensation’ for retention is an aspect agreed by private sector employers as well.

Managers from private and government sectors have considered the aspect of compensation as a challenge towards retaining Bahrainization. On the one hand, private sector managers appreciate the wage subsidy support for two years and explain that their compensation is in line with the Ministry of Labor wage structure. Despite this, private sector managers complain that nationals are continually changing jobs for monetary reasons. Private sector employers explain that they cannot pay higher owing to their business scope and profit driven objectives, but justify their compensation as according to the labor law, even though despite this they still face issues of retaining Bahrainis. On the other hand, government officials explain that efforts are made to retain nationals through strategies that provide training, development and compensation subsidy, such as the CPP programme discussed above, but the salary structure for Bahrainis needs to be supported further. Government officials observed that the CPP programme aimed to increase salary standards, but salaries do not seem to be sufficient for nationals to cope with the high living expenses. Government officials emphasized the need to restructure salary standards. Hence, both sides agree that the issue of compensation is a vital factor for retaining Bahrainis even when other HRD factors exist in an organization.

Having examined factors within nationalization relevant to retaining national human resources, which provided strong evidence of the importance of compensation considerations at all levels, it is critical also to understand the change management processes undertaken to reduce the resistance of nationals and employers towards nationalization to provide a complete model of nationalization in a developing economy. The following section explains the change management processes involved in tackling resistance of nationals and private sector employers to integrating Bahrainization in private sector organizations.

6.5 Research Question IV: What are the change management processes to support integration of nationalization against resistance?

Data findings in Bahrain revealed that the change management made a move to become more qualitative recently. Both government officials and private sector managers during interviews specified the processes that can embed change in Bahrainization. Employees' views in private sector organizations also reflected a move towards a more qualitative Bahrainization practice. However, interviewees emphasized the need for further qualitative processes in terms of coordination among entities and policies that support qualitative Bahrainization.

At national level, government officials explained that the government realized the need to move from quantitative approaches towards a softer, qualitative approach to make Bahrainis employees of choice. The change management processes reflected a move towards a softer, more qualitative approach aimed at increasing Bahrainization through changing mindsets and development of knowledge, skills and abilities to meet economic needs, but still embedded alongside enforcement of Bahrainization percentages. The change management processes within Bahrainization strategies that embedded a qualitative approach in the projects and plans included:

- Career Progression Planning Program
- Formation of active job seekers' mindsets
- Cultural values within Bahrainization schemes
- National Qualification Framework
- Formation of Quality Assurance Authority

The findings revealed through interviews with government officials reflect that there has been a move towards 'qualitative Bahrainization' with the formation of Tamkeen and the Quality Assurance Authority. The authorities have worked on changing cultural mindsets toward work, education, and training and development programmes in organizational and educational institutes. Interviewees appreciated the efforts of Tamkeen that are extended to nationals from high school to meet market and organizational needs. Training and development strategy support for up

to 80 per cent of training costs after employee training completion has enabled the improvement of nationals' skills at minimum cost for profit-driven employers. Government officials explained how the formation of the QAA has improved education and development standards in Bahrain, but government officials also raised the need to change management processes to reduce restrictions, allowing them to act as policy making bodies and coordinate with other government entities to form change management processes with integrated, shared objectives to increase Bahrainization in the private sector.

Analysing Bahrainization change processes from an organizational perspective, private sector managers point to the presence of qualitative processes but observe that change management processes need to integrate 'qualitative' methods of Bahrainization further. Managers acknowledge that Tamkeen and the Ministry of Labor development programmes have narrowed the Bahraini skills gap in terms of productivity, commitment, language, and work standards through, but private sector managers also recommend further implementation of qualitative strategies in terms of better nominations for recruitment, enforcement of qualitative decisions on positions to be 'Bahrainized', more support for wage subsidy, follow-ups on nationals' career paths, and further emphasis on retention strategies. Managers particularly emphasized the need to formulate retention strategies to ensure investments made for national development are retained. A strategy of expatriate replacement or legal enforcement of certain positions for nationals was also viewed as necessary by private sector managers to support qualitative Bahrainization, but the importance was stressed of making Bahrainis employees of choice when positions were open to competition. Even though managers appreciated the change in Bahrainis' mindset regarding work, achieved through government development programmes, they still raised the need for training and development before joining organizations in terms of communication skills. They also raised a concern towards national follow-ups by the government entities after employment to ensure national retention within an organization or sector, hence strengthening Bahrainization within sectors.

At an employee level, the effect of change management processes for qualitative Bahrainization was further evidenced through questionnaire data where responses were highly in agreement when Bahrainis were asked if they were viewed

as hard-working employees. This may reflect the result of change management processes in Bahrainization strategies as employers practise HRD activities of training and development, and organizational culture change, projecting positive support towards their national employees.

The emphasis placed by interviewees on strengthening qualitative processes through education, development programmes, national jobs placement and retention programmes provides evidence of the existence of qualitative approaches. However, the main concern of the change management process within developing contexts must be to meet the demands of the economy and markets. In Bahrain, even though Tamkeen has implemented change management processes to create new sectors by that can be filled by developed and educated national human resources, nevertheless demand continues to be primarily for ‘unskilled’ labour as repeatedly mentioned during data collection. On the other hand, when a skilled national human resource is placed within a private sector organization, Bahrainization strategy faces the challenge of retaining the competencies gained from HRD investments within that sector, as explained in section 6.3.

Hence, the researcher found it necessary to explore beyond the HRD concept to include capacity building within nationalization frameworks to enable preservation of the outcomes of nationalization within the labor market in developing economies. Capacity building as a development concept within nationalization has been explored in the researcher’s field study as presented in the next section.

6.6 Research Question V: How can HRD and capacity building be integrated within a development framework for building capacity in an economy?

The researcher explored whether capacity building is being embedded in Bahrainization strategies by investigating capacity building practices through interviewing private sector managers and government officials. It was evident from interview data collected that the initiatives to generate capacity building as part of Bahrainization strategies are implemented through human resource development activities of training, development, and career development. The career progression programme CPP in Bahrain is a clear example of HRD activities to generate

capacities to enable nationals to be placed in the private sector. However, interview data collected indicates that to strengthen Bahrainization outcomes, and engage in the process of building capacities, certain factors need to be considered that are crucial to developing economies like Bahrain's.

Firstly, the factor of 'sustainability' has been emphasized by government officials in Bahrain to ensure that appropriate development and training is developed to create national capacities to sustain sectors within the economy. They explained the lack of sustainable sectors in the Bahrain labour market as they face the issue of retaining nationals who move between sectors for compensation reasons.

Secondly, government officials' views reflect the need for an intelligence unit to enhance capacity building through creating a 'system'. The interview analysis indicates that creation of an intelligence system in Bahrain could create sustainable sectors that can enable retained national capacities to be developed through constantly changing and aligning nationals' competencies according to the country's Strategic Vision as Bahrain moves towards diversifying its economy.

Thirdly, capacity building in Bahrain, as the data revealed, requires cooperation among government entities to develop sustainable projects. The limitations of current coordination between policy-making bodies was referred to several times in Chapter Five. Managers in the private sector explained that capacity building is not limited to development activities inside their organization but goes beyond to include people in the community. Engagement in capacity building is through knowledge sharing with the community, hence building capacity outside their organization. Partnerships proved essential in Bahrain to ensure meeting economic needs with a shared vision that can serve the demands of all stakeholders within an 'ecosystem'.

The interview data revealed current capacity building practice in Bahrainization, strengthening the importance of including this within nationalization. In practice HRD triggers capacities, but capacity building differs from HRD in terms of creating a sustainable ecosystem through sustainability processes. Integrating a capacity building approach within the nationalization framework was shown to be essential when explored in Bahrain. Capacity building can create a sustainable economy using competencies gained through HRD activities and retain national

human resources through a system such as the ‘intelligence unit’ as explained by government officials. The intelligence unit, national qualification frameworks and occupational standards as recommended by government officials can provide a systematic guide for national development. Such frameworks indicate the needs of the labour market and the requirement for HRD efforts to support developing nationals’ career paths in sectors where they are needed. Therefore, the findings indicate how capacity building can be implemented within a development framework to build national capacities within a developing economy.

Analysis of the findings as they relate to the research questions indicated that both HRD and capacity building need to be embedded together at the individual, organizational and national levels to ensure sustainable development and retain investments in national resources. The data collected indicated that capacity-building processes are triggered by HRD activities, but what happens to the capacities generated in this way was a concern for government officials in Bahrain. This can be addressed through the recommended intelligence unit to allow the capacity building to be sustained. It has been evident that practical engagement in capacity building is achieved through partnerships, culture and sustainability factors, which are ‘intangible factors’ that can create a system that builds and retains national capacities within sectors in order to strengthen newly developed sectors in a developing economy like that of Bahrain.

6.7 Conclusion

By applying the research questions and developed nationalization model in the Bahrain context, the research was able to present a framework to examine nationalization in developing contexts. The research findings strengthened the importance of embedding HRD within nationalization strategies, as issues of development lie at the heart of nationalization and these can be addressed through HRD practices at the individual, organizational and national levels in any context. The research indicated the importance of considering capacity building as a development framework to ensure a sustainable economic sector through national labour. Capacity building can be implemented through education by developing national human resources for the economy and market. Inclusion of intangible

factors such as culture and partnerships proved necessary to capacity building processes.

The research indicated the presence of HRD within Bahrainization. The findings in Bahrain provided strong evidence of Bahrainization as a national HRD strategy. The distinguishing challenge in Bahrain was the preference of Bahrainis for compensation, regardless of sector. A further challenge for Bahrainization is the population of educated female nationals that is putting pressure on the Bahrainization strategy formulation to adjust to these female Bahrainis as the demand for unskilled labour cannot be met with the supply of educated female Bahraini labour force. Within Bahrainization is the issue of retaining skilled labour within sectors, ensuring the investments of Bahrainization in terms of training, development, career planning and performance management do not lose value as Bahrainis move for better compensation. It was evident that Bahrainization has moved towards being qualitative through schemes implemented at a national level such as training levy funding and CPP programmes. Yet, Bahrainization faces challenges that need to be addressed outside the HRD framework. The findings strengthened the importance of embedding a development concept such as ‘capacity building’ to address intangible challenges such as culture, sustainability and partnerships. By exploring capacity building in Bahrain, the researcher was able to present a pragmatic model of capacity building implementation as government officials explained how the national qualification framework, occupational standards and an intelligence unit can create a system in which nationals in the labour market can be aligned and developed and retained according to market and economic needs. This can add value to jobs in sectors that are undesired by the population of uneducated nationals as the jobs generated conform with occupational standards and will also rise in monetary terms.

Having discussed the findings of Bahrainization at individual, organizational and national levels, it is worth examining the implications of Bahrainization as a nationalization strategy in other developing contexts. The next chapter discusses the implications of the research in developing contexts and the research limitations in terms of theory and practice.

Chapter 7

CONCLUSION

The final chapter presents conclusions regarding the developed research framework when implemented in a developing country context. The chapter explains how examining, understanding and exploring Bahrainization enabled the attainment of the research objectives. Every research objective attainment is explained in relation to the research gaps emerging from the literature review and findings from the fieldwork in Bahrain. Implications and future studies are discussed in the chapter to move ‘nationalization’ further within a development framework. Limitations of the research are presented explaining the restraints encountered during fieldwork. The chapter concludes with the researcher’s developed framework (Figure 7.1, page 326) that embeds the implications of the research findings, revealing the crucial importance of education in preparing nationals for economic needs.

7.1 Research Objectives Formulation

The main aim of the study was to explore the role of nationalization programmes within an HRD framework to build capacity from national human resources. The research focused on nationalization in the Middle East, specifically Bahrain, owing to the dearth of literature available concerning ‘Bahrainization’. The lowest rate of non-nationals in the GCC labor market is recorded in Bahrain at fifty per cent (Gulf Cooperation Council 2002; Human Rights Watch 2004; Fasano and Goyal 2004; Girgis 2002). The percentage reflects a series of Bahrainization strategies undertaken to reduce resistance to nationalization that are worth examining to enable understanding the change processes taken to achieve lower expatriate dependence than other GCC countries. The researcher as a Bahraini working in the field of human resources aimed to explore HRD at a broad level in relation to nationalization programmes within Bahrain and the GCC region.

To underpin their booming oil economies, GCC countries maintained an open door policy to attract expatriate labour from the 1970s, and this has played an important role in the diversification of the production base and development of the service sector (Fasano and Iqbal 2003). As the oil boom era diminished with the subsequent drop of oil prices in 1986, GCC leaders realized the crucial need to shift

from oil-dependent economies to diversified economies, which caused greater dependence on expatriates as most GCC nationals preferred to work in the public sector, causing expatriates to rise to a total count of three-quarters of the total workforce (Fasano 2003). Soon GCC nations realized that expatriate dependency has serious long-term political, economic and social consequences of dependence on a large expatriate workforce (Al-Lamki 1998; Rees 2007).

Nationalization was implemented to increase national labour participation and lower national unemployment through government ministries and authorities. Nationalization or ‘Gulfization’ (Al-Lamki 2000; Metcalfe 2011) – depending on the country referred to as **Bahrainization, Saudization, Kuwaitization, Omanization, Emiratization or Qatarization** (Kapiszewski 2006) – had common strategies ranging from imposed quotas for national employment, creation of jobs, training programmes and higher quality educational systems for locals, and attractive incentives and preferential treatment for companies adhering to nationalization policies (Al-Ali 2008; Al-Dosary 2005; AlHamadi 2007; Al Lamki 2005; Maloney 1998; Rees 2007), but the efficiency of such reforms remains questionable, as only the public sector in GCC states remains nationalized (Edwards 2011; Al-Qudsi 2005). Nationalization in the private sector remains low, with dependence on foreign labour reaching to 70 per cent (Kapiszewski 2004).

The rates of non nationals recorded in Bahrain is 50 per cent, Saudi Arabia 65 per cent, Kuwait 82 per cent, Qatar almost 90 per cent, and in UAE 90 per cent (Gulf Cooperation Council 2002; Human Rights Watch 2004; Fasano and Goyal 2004; Girgis 2002). In 2004, the national workforce in Kuwait accounted for only 1.8 per cent (Jassen 2004), in Qatar, Oman and the UAE there were around 10 per cent of nationals in the workforce, in Bahrain 27 per cent, and only in Saudi Arabia in excess of 30 per cent (Fasano and Goyal 2004). The latest unemployment rates are: Bahrain 15%, Oman 15%, Saudi Arabia 10.8%, Kuwait 2.2%, and Qatar 2.4% (Broomhall 2011).

Looking at the nationalization policies in the GCC (Table 2.2, page 46) it becomes clear that they all focus on reducing reliance on expatriates by replacing them with local workers and are seen as ‘positive discrimination’ in favour of local nationals (Mashood and Veroheaven 2009; Suter 2005). Even though GCC labour nationalization policies focus on encouraging nationals to view the private sector as

a viable career option (Forstenlechner 2011), nationalization policies are yet to achieve their goals as unemployment rates remain in double figures in all GCC states (Forstenlechner 2008). The measures and restrictions imposed such as: the sponsorship system, and the rotation system of expatriate labour to limit the duration of foreigners' stay, have not brought the expected results (Kapiszewski 2006). Nationalization policy, such as those implemented by the GCC, is considered an interventionist approach (Harry 2007; Wilkins 2001; Mashood and Veroheaven 2009) that has focused on a quick-fix of replacing expatriates (Harry 2007). "It is imperative for the region's human resource departments to work differently. They need to create a powerful and persuasive talent value proposition" (Weir 2008), focusing on multiple dimensions (Gulf News 2008) and taking a business perspective to change the demographic or quantitative perspective (Forstenlechner 2008). Quantitative measures alone cannot gauge localization success, qualitative methods that show attitudinal and motivational states are also required (Rees 2007).

To increase national labour participation, a move towards softer strategies has been recommended (Forstenlechner 2008; Rees 2007; Weir 2008; Harry 2007; Fasano 2003; Wilkins 2001; Suter 2005; Mashood and Veroheaven 2009), but there is no indication of a framework to be implemented within a developing context to strengthen national labour participation in the economy. The researcher aimed to construct a strategic nationalization framework that can aid developing economies like those of the GCC towards strengthening national labour participation by addressing the gaps identified in the literature review.

Constructing a nationalization framework is required to analyse nationalization issues within development contexts (Table 2.1, page 31) to explore the challenges within nationalization. The challenge of HRD as a development concept was evident in all contexts (Table 2.6, page 72). This formed the basis for the formation of the research objectives, which moved on to explore 'capacity building' as a development concept to meet intangible challenges within nationalization. It was strongly evident in the literature review (Chapter Two) that the literature discussing human resource development as a national strategy is severely limited. Nationalization strategies such 'gulfization' are not positioned within western HRD literature despite the areas of intersection between nationalization strategies and HRD. Hence, this indicated a deserving area of study to be focused on by positioning nationalization as a national

human resource development concept in western HRD literature. The literature review findings revealed the intersection of capacity building and HRD as a development concept but there is a lack of studies that investigate capacity building in practice, therefore by placing this within the development framework the research presented a functional model of capacity building in practice. It was evident that capacity building can examine tangible factors that intersect with HRD and intangible factors that can build long-term sustained capacities from national human resources.

Exploring the gaps in HRD and capacity building through the literature review was crucial to forming a set of objectives to address nationalization as an HRD strategy that can aid in building an economy through national human resources, as indicated in Table 7.1 below (page 299). The research objectives led to research questions that were addressed by conducting a field study in Bahrain, as discussed in Chapter Six. On the basis of the objectives formulated, a nationalization framework (Figure 2.1, page 99) was constructed to be applied within a developing context, which indicated further findings which may (after exploring Bahrainization) be embedded within a nationalization framework as indicated in Figure 7.1 at the end of this chapter (page 326). The findings from Bahrain enabled the researcher to relate this to other developing contexts where resistance to nationalization exists. In the following sections, the researcher explains the attainment of the research objectives in relation to gaps identified in the literature review, as indicated in Table 7.1 below.

Table 7.1 Research Objectives attainment in relation to Research Gaps

Gaps	Research Objectives	Finding
<p>The need to examine nationalization challenges from the views of nationals and employers.</p> <p>To indicate the relationship between HRD and nationalization</p> <p>Address the scant literature review in placing HRD at a national level.</p>	<p>I. To examine the practice of nationalization within an HRD framework in developing economies</p>	<p>HRD and nationalization intersection of themes placing nationalization as a national HRD strategy within western literature.</p> <p>Strong correlation of nationalization percentages with the presence of HRD activities in practice.</p> <p>HRD practice evident in private sector of a GCC country, yet ‘compensation’ is essential for national competencies retention to avoid loss of HRD investments.</p> <p>Nationalization requires beyond the HRD practice to manage challenges of culture, partnerships and sustainability that are crucial for long term nationalization returns.</p>
<p>Address the need to explore employer’s resistance in nationalization owing to loosing HRD investments towards national labor development.</p>	<p>II. To examine career development in organizations for managing and retaining local talents within nationalization initiatives</p>	<p>Nationalization framework need to develop organizations similar to desired and attractive sectors that nationals aim to work in.</p> <p>Understanding the needs of nationals indicates the importance of ‘compensation’ and ‘HRD’.</p> <p>In Bahrain, compensation was evident to be more important than career development.</p> <p>Forming nationalization strategies that develop and retain young national within sectors is crucial to form sustained sectors within developing economies like the GCC moving towards diversification of their economy.</p>

<p>Literature reviews in the GCC recommend the move towards a softer approach versus quantitative approaches, this raised the need to explore if the move towards ‘qualitative’ nationalization exists.</p>	<p>III. To understand the change management process towards resistance of nationals and private sector employers in integrating nationalization programs in organizations</p>	<p>Nationalization requires move of ‘qualitative’ strategies through HRD activities.</p> <p>The move towards a softer qualitative strategy reflects HRD activities embedded within nationalization.</p> <p>Formation of frameworks such as the ‘national qualification framework’ or ‘occupational standards’ need to be aligned with the demand of the labor market.</p> <p>Nationalization strategies need to form a balance between the supply national skills to meet demands of the economy.</p> <p>Qualitative nationalization is essential by considering culture to reduce resistance towards undesired sectors.</p> <p>Formation of policies that limit foreign labor stay can aid to increase national participation.</p> <p>Nationalization needs to emphasize being qualitative through ‘qualitative’ positions such as managerial roles.</p> <p>Working towards softer qualitative approaches can increase nationalization in percentages and quotas. Qualitative approaches are necessary to reach the quantity of nationals.</p>
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<p>The lack of literature review in indicating the relationship of HRD and capacity building.</p> <p>To retain nationalization investment, there is a need to look at a framework outside HRD which requires building capacities in developing contexts.</p>	<p>IV. To explore HRD and capacity building as a development concept to build national human resources within developing economies</p>	<p>Evidence of intersection between HRD and capacity building within nationalization framework.</p> <p>Capacity building essential to form sustainability within sectors of an economy. Sustainability creates retention of national talents within organizations and sectors.</p> <p>Culture as part of a capacity building process can form change of mindsets in a developing context.</p> <p>Partnerships among all stakeholders in a capacity building processes can form integrated policies and vision that can move the economy.</p> <p>Practical model of capacity building in practice through an intelligence unit that forms a system indicating labor market needs together with career development programs. This aids the society with all its stakeholders to align and develop themselves according to a shared vision that will serve the economy.</p>
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7.2 Research Objective I: To examine the practice of nationalization within an HRD framework in developing economies

7.2.1 HRD intersection with nationalization

Literature review findings considered HRD crucial within nationalization frameworks owing to the intersection between nationalization issues and HRD (Table 2.6, page 72). Hence, the researched examined the practice of nationalization within an HRD framework in a developing context. Examining the practice of nationalization in developing contexts in Africa, Asia and the Middle East presented common issues (Table 2.1, page 31). The issues formed an intersection of challenges with HRD activities that lie within a ‘development’ concept. This research objective, by examining the practice of nationalization in developing economies, was able was

to position nationalization as an HRD concept within western literature. By examining Bahrainization, the research was able to strengthen the intersection of nationalization and HRD in practice. The research, through the literature review, was able to signify the intersection of nationalization and HRD in theory as well as in practice in Bahrain. HRD activities enable addressing nationalization issues within developing contexts as they develop human talent, knowledge, skills, and abilities, leading to building 'capacities' within national human resources (McLean 2004; MacLean and McLean 2001; McLean et al. 2004; Cunningham and Lynham 2006).

The literature review in Chapter Two indicated that even though HRD is defined at a national level, consideration of HRD from community and societal levels of analysis remains under-researched and has yet to establish itself within mainstream HRD discourse (Graven and David 2004; Cho and Mac Lean 2004; Paprock 2006; McLean et al. 2004). Specifically, there is hardly any research evidence available of national HRD strategies in Gulf countries (Debrah et al. 2000). Establishing HRD at a national level requires a holistic approach to the practice of development aimed at the individual, organizational and national levels (Lynham and Cunningham 2004; Rees and Metcalfe 2005).

The literature review discussed resistance to 'Gulfization', but it is essential to explore needs from the perspective of a young, educated population of nationals and demanding private sector employers as they are considered the main executors of nationalization strategies. Hence, the researcher examined Bahrainization at three levels in relation to the nationalization framework constructed by the researcher (Figure 2.1, page 99), thus enabling an examination of HRD in actual practice.

Examining HRD practice in private sector Bahrain was conducted by designing a questionnaire based on HRD activities for distribution to national employees. Areas of training and development (Harbison and Myers 1964; Nadler 1970; Swanson 1995; Stewart and McGoldrick 1996; McLean and McLean 2001), career progression (Nadler and Nadler 1989; McLagan 1989) and performance management (Yorks 2004; Lynham and Cunningham 2004) and organizational management and culture (Watkins 1995) have been embedded in both the questionnaire and interviews to assess the practice of HRD in the private sector. The questionnaire responses as analysed in Chapter Four had responses significantly in agreement with HRD practices. The responses were strengthened by feedback from

interviews with managers as reported in Chapter Five. The presence of HRD was distinctly recognized in the private sector organizations of the study through the data collection findings.

It worth mentioning that, as explained in Table 3.4 (page 117), the organizations studied met Bahrainization percentages according to their sector. This indicates a possible correlation between the practice of HRD and high Bahrainization percentage. Existing literature defines HRD at a national level, and in the practical world nationalization lies at the core of HRD activities as indicated through the Bahrainization findings. The findings strengthened the correlation between the real practice of nationalization and HRD theories, revealing the intersection between both concepts. Hence, the researcher indicated how Bahrainization can be successful when practised within an HRD framework, adding to the current broad definition of HRD that lacks focus on nationalization in GCC countries as part of HRD strategies. The researcher addressed the gap in the HRD literature by defining a national level HRD strategy 'Bahrainization' indicating the presence and integration of HRD core activities within Bahrainization.

However, the challenges within nationalization cannot be addressed according to the presence of HRD activities only. The literature review and data collection in Bahrain revealed other factors to be considered to address nationalization issues. The factors explained below form challenges towards nationalization that need to be examined when formulating nationalization strategies. The factors explained relate to employers' HRD skills, compensation, coordination, nationals' competencies, supply and demand, education and culture.

7.2.2 Nationalization requires going beyond HRD

The findings in Bahrain indicated the importance of embedding HRD for implementing nationalization, but there are factors that need to be aligned during the process of nationalization. It is evident, as listed below, that nationalization strategies in developing contexts need to consider the areas discussed to ensure 'qualitative' nationalization with economic return. The areas include preparation of HRD professionals, coordination among entities, balancing supply and demand of labour, creating desired private sectors, education and culture.

Firstly, the findings indicated that nationalization strategies require skills to be executed successfully. The responses of government officials in Bahrain reinforced the views of Achoui (2007), (Fadhel (2007) and Winckler (2006) who stated that the lack of skilled HRD professionals in organizations can form organizational environments that are unattractive to nationals. Government officials raised the need for HRD practices to be monitored and strengthened further by Tamkeen. Findings reflect that nationalization strategies need to be implemented by developing the skills of those who execute HRD activities in organizations. It was explained by managers in the private sector that organizational culture plays a role in attracting nationals by creating a culture based on values of ‘development’, ‘bonding’ and ‘family’. Considering these findings explains that the formation of such an environment requires skilled HRD professionals that need to be developed in private sector organizations.

Secondly, government officials in Bahrain raised the issue of coordination among government entities towards nationalization policy making, which they described as essential to reduce policy making restrictions and form integrated objectives towards increasing Bahrainization. This reflects the views of Al-Lakmi (2000), Robert (2009) and (Wes 2007) who have raised the need of integration and cooperation of all stakeholders to create worthwhile jobs according to economic needs, making the private sector a vehicle of growth (Al-Hamadi et al. 2007; Ghailani and Khan 2004). The challenge of coordination revealed the importance of embedding capacity building, with partnerships considered essential to engage in capacity building. Section 7.1.4 discusses this point in detail.

Thirdly, examining Bahrainization indicated the need to manage national competencies through a long-term economic vision, creating a demand for national labour through economic projects. Bahrain, similar to the other GCC states, is going through a situation of “job creation challenge” (World Bank 2004) and mismatch of labour supply to private sector demands (Al-Lakmi 2000; Godwin 2006; Melhai 2006; Kapiszewski 2006; Robert 2009). The government officials’ description of ‘skilled labour supply versus low-skilled labour demand’ is aligned with descriptions by the World Bank (2004), Horman (2006) and Winkler (2006) of a major hindrance to the GCC in meeting the needs of a young educated population and creating jobs for them. The statistics also indicated the presence of large number of educated

females, as discussed in Chapter Six. Among 1,401 nationals seeking unemployment support, 1,200 were female bachelor's degree holders and 171 were male bachelor's degree holders.

Fourthly, nationalization strategies need to form desired sectors that meet national needs in terms of compensation and working environment. Nationalization strategies need to develop nationals with work ethics prior joining the workforce, as indicated by the findings. In addition, private sector employers' skills in HRD need to be developed to form the right organizational culture. Private sector managers' views in Bahrain agreed with Abdelkarim and Ibrahim (2001), Al-Enezi (2002), Ali (2004), Al-Lamki (1998), Al-Mansory (2003), Kapiszewski (2003), Madhi and Barrientos (2003) and Willoughby 2005 who provided ample evidence that GCC nationals find private sector working conditions unacceptable owing to flexibility, shorter working hours, compensation and cultural mindsets. Managers in Bahrain explained that Bahrainis avoid jobs that involve serving customers and continue to prefer administrative jobs. They agree with Al-Lamki (1998), Al-Aali (2006), Suliaman (2006), Winckler (2006) and Kapiszewski (2006) who explained that nationals in the GCC prefer the government sector as a birthright and for social status. It is evident that nationalization strategies need to develop nationals towards economic requirements as well as develop private sector employers' skills to create the right organizational environment.

The Bahrain findings agree with authors (Mashood and Veroheaven 2009; Wilkins 2001; Looney 2004) who indicated the success of nationalization programmes in private sectors such as banking, telecommunication and the petroleum industry in the GCC owing to human resource development initiatives, compensation and cultural mindset regarding being part of such organizations. Similarly, employees from the petrochemical industry (GPIC) in Bahrain had high (positive) responses towards not preferring a government job. But the research data differed to some extent in Bahrain in terms of government versus private sector preference. Bahrainis, as indicated in the analysis chapters, preferred sectors according to the compensation they offer. The necessity of compensation consideration within nationalization in the GCC has also been raised by authors (Godwin 2006; Nelson 2004; Wilkins 2001; Al-Lamki 1998; Al-Maskiry 1992; Eickelman 1991; Elhage et al. 2005; Booz and Co. 2009; Abdulla et al. 2010) who

discussed the disparity between public and private sector compensation and benefits. Nationalization strategies need to work in developing the private sector by making it as attractive as the more desired sectors. The findings indicate that both compensation and human resource development activities are crucial, but in Bahrain, compensation appears to be more important to nationals working in the private sector. Government sector officials also raised the need to consider wage structures in Bahrain. Hence, understanding the needs of nationals within this context is essential to develop the success of nationalization strategies.

Finally, a crucial area that deserves consideration within nationalization frameworks is education and culture. Education and culture are sensitive prerequisites that can aid HRD to be successful when nationals move into organizational environments. The next section indicates this necessity based on GCC findings.

7.2.3 Education and Culture requisites in a development framework

Forming nationalization strategies needs to be addressed at an early stage of national development. Nationalization needs to be considered as a process that starts developing its resources through education and culture. The findings in Bahrain indicate that focusing on upgrading education to prepare nationals for the labour market is crucial. Working on cultural values can cause a change in the labour market as is indicated in Bahrain.

Government officials in Bahrain constantly mentioned the need for coordination of education with '*market needs*' and '*economic demands*'. Their views reflect the literature review that criticized education in the GCC as failing to yield economic returns, lacking coordination to meet market needs and reorient traditional work values (Al-Lamki 2000; Al-Maskery 1992; Rowe 1992; Birks and Sinclair 1980; Godwin 2006; Kapiszewski 2006; Robert 2009; Harry 2007). Despite education being criticized since the 1990s as revealed in the literature review, the challenge still remains as was mentioned extensively during interviews with private sector managers and government officials in Bahrain. Consideration of education within nationalization is thus demonstrated to be a necessity within a nationalization framework. Education prepares the supply of resources for the demand of the economy from an early age. Hence, as shown in (Figure 7.1 page 3266), the

researcher considers it essential to embed education in nationalization strategies to reduce resistance towards change by preparing national capacities from an early age for a changing economic environment through preparation of work skills, ethics, creativity and other requirements for a global economy.

Apart from education, culture is blamed in Bahrain for shaping national mindsets. Managers justify their views in blaming the culture based on the way children are brought up in schools, which does not build work ethics and values within them. The findings reflect the views of Shaham (2009), Morris (2005) and Suliaman (2006) who described cultural barriers indicating the need for culturally sensitive strategies as described by Farell (2004). Having cultural barriers within Bahrain increases the pressure of achieving Bahrainization with a population of educated female nationals that, as indicated in Chapter Six, have more cultural restrictions towards working in certain sectors such as hotels.

It is worth mentioning that Bahrainization strategies have worked differently from other Gulfization strategies in terms of moving towards changing cultural mindsets in work and building work ethics and competencies within nationals. Tamkeen efforts are distinguished from those in other GCC states in terms of forming cultural campaigns, developing nationals to new sectors, supporting HRD development in the private sector and spreading awareness of economic and market needs in Bahrain's schools, community and social organizations and even to nationals in their homes, as explained in Chapter Five. The example of nationalizing air hostess positions in the airline industry by restricting national air hostesses to short haul flights and not serving alcohol is an example of Tamkeen efforts towards reducing resistance to sectors that had cultural barriers in the past. The findings in Bahrain reflect the importance of consideration of cultural understanding in nationalization frameworks. Culturally sensitive strategies are shown to be necessary as respondents in the private sector had high positive responses towards having national managers or coaches. It is viewed as important to encourage nationals' productivity in organizations with easier communication and cultural understanding. But Bahrainization strategies, in encouraging nationals to join sectors that are outside the cultural context, face the challenge of 'sustainability' and 'retention of national resources' as explained in Chapter Five. Such findings strengthen the need to embed 'capacity building', as explained in section 7.1.4.

Through the research objective of examining nationalization within an HRD framework, the research indicated the common issues within developing countries that require a development concept of HRD. Addressing nationalization issues through HRD activities is shown to be necessary to reduce the resistance between employees and employers. The research signified through its findings the intersection of nationalization and HRD, hence positioning nationalization within the HRD literature. The satisfaction of Bahrainis in private sector organizations indicated the practice of HRD at a national level and the success of nationalizing positions within the private sector. However, depending solely on HRD is not a solution towards nationalization. The research revealed that factors such as the execution and management of nationalization, coordination, formation of attractive private sector working benefits, education and culture are important to prepare the national workforce. Coordination and culture are evident to be capacity building factors that are intangible but essential within nationalization. Education revealed a further need for a 'development' concept to be embedded in the framework.

Examining nationalization within an HRD framework revealed gaps in the area of nationalization that deserve further study. The concern of nationalization is not only with creating a preference towards private sector jobs or national employees but retaining employees within private sector. The return on investments in nationalization and strengthening national participation within all sectors of the economy has been raised in Bahrain. Literature reviews discussing HRD indicate that HRD can retain human resources within organizations, but the challenge faced in the GCC region is that nationals leave the private sector as soon as they get an opportunity in the government sector. Considering retention strategies within nationalization is essential in any developing context to avoid losing investments in nationalization efforts. Hence, the research examined career development in organizations for managing and retaining local talents within nationalization initiatives, as discussed below.

7.3 Research Objective II: To examine career development in organizations for managing and retaining local talents within nationalization initiatives

The reasons for nationals' resistance to joining private sector organizations has been identified in the literature review as owing to their inability to see career prospects in the private sector (Al-Aali 2006; Freek 2004; Farell 2004; Bayt 2008). Examining career development and performance management in the private sector in Bahrain revealed factors of national retention in the private sector. Career development and performance management themes were analysed to assess career planning processes in Bahrainization schemes as these two areas form decisive factors in forming retention tools as identified in the HRD literature review (Nadler and Nadler 1989; McLagan 1989; Swanson 1995; Yorks 2004; Lynham and Cunningham 2004).

To retain Bahrainis within the private sector the data findings reflect the importance of the HRD practice of career development as well as 'compensation' factors in retaining Bahrainis. By embedding compensation themes within the questionnaire the researcher was able to understand nationals' needs within a working environment in depth and from all angles. The questionnaire was designed to assess the theme of 'compensation and benefits' to allow a comparison among the HRD themes embedded in the questionnaire. Compensation and benefits questions within the questionnaire enabled an analysis of sector preference in terms of compensation as the literature review referred to nationals' preference towards the government sector in the GCC as due to monetary reasons (Booz & Co. 2009; Abdulla et al. 2010; Suliman 2006). Even though nationalization is an HRD activity at a national level, the HRD literature lacks consideration of compensation and benefits. The results of the analysis in Bahrain presented in Chapters Four and Five agrees with the views of Booz & Co. (2009), Abdulla et al. (2010) and Suliman (2006) who identify the preference of GCC nationals towards government sector jobs for remuneration reasons. It is crucial that nationalization strategies consider compensation and benefits to retain local national talents within sectors with the aim of developing their economies.

There is constant mention in the research findings of the successful achievement of nationalization within the petroleum, telecommunication and banking sectors, hence indicating that nationalization strategies need to look at

factors that retain nationals within desired sectors which, it is evident, are in terms of compensation and HRD activities. Nationalization strategies within developing contexts need to study the needs of nationals to attract and retain them in the sectors that the economy is moving towards. Lack of retention causes nationalization to lose its investments and waste effort.

The examination of career development in organizations for managing and retaining local talents within nationalization initiatives has revealed the importance of considering monetary rewards and forming nationalized sectors that are attractive to nationals. Consideration of career development and compensation can reduce resistance towards the private sector. The persistence of resistance in the GCC towards nationalization deserves to be explored further to understand the change management processes that need to be undertaken to reduce the resistance of nationals and employers when integrating nationalization programmes in organizations.

7.4 Research Objective III: To understand the change management process towards resistance of nationals and private sector employers in integrating nationalization programmes in organizations

Nationalization in the GCC has been described as ‘quantitative’ relying on measures such as ‘setting quotas’, ‘levy fees’ and ‘mandated targets’ (Maloney 1998; Ruppert 1998; Mashood and Veroheaven 2009; Godwin 2006; Morris 2005). Certain jobs or management positions are restricted to nationals as practised in United Arab Emirates (Forstenlecher 2008) and Oman (Winkler 2009). Mellahi (2007), Kapiszewski (2006) and Al Qudsi (2006) reported the adverse effect of reliance upon quantitative measures in Gulfization strategies. The strategies, as explained in Chapter Two, are all seen as ‘positive discrimination’ (Mashood and Veroheaven 2009; Suter 2005), and have been described as ‘interventionist approaches’ or ‘quick fixes’ by governments (Harry 2007). It has been recommended that nationalization strategies in the GCC take business perspectives (Forstenlecher 2008), multiple dimensions (Gulf News 2008) and consider qualitative methods that show motivational and attitudinal states (Rees 2007). By exploring Bahrainization, the research was able to study the change processes in relation to nationalization strategies.

The data analysed in Chapter Five strengthens the fact that Bahrain took an early step towards moving Bahrainization into a qualitative mode by creating national qualification frameworks, and forming a quality assurance authority (QAA) and a labour development authority (Tamkeen) to develop talents for new sectors and make Bahrainis employees of choice through HRD strategies such as the Career Progression Planning and development training financial support of up to 80%. The formation of such authorities enabled changing the management of Bahrainization implementation towards being qualitative, as explained by interviewees. Hence, the change management processes within Bahrainization move towards being qualitative, as recommended for GCC states (TANMIA; AMEInfo 2007a, 2007b, Fasano et al. 2003).

It is worth mentioning the change management processes within Bahrainization undertaken through Tamkeen strategies, aligned with the country culture and values, to create the sectors required by the economy and that are desirable to, and thus encourage, young graduates. For example, a Tamkeen market gap assessment led to the development of strategies to develop national human resources to enter jobs in the hotel, airline, logistics and customer service industries, as observed by the interviewees. Thus, Bahrainization has moved towards 'qualitative' approaches, yet it still needs to be strengthened in terms of better nominations for recruitment, enforcement of 'Bahrainization' of positions subject to qualitative interventions, more support for wage subsidy, and follow-ups about nationals career paths and retention strategies. The concern of private sector managers is to increase Bahraini labour participation through qualitative strategies. Their recommendations, in calling for more government support to Bahrainize jobs, indicate their willingness to give up previous strategies that led to 'ghost workers' (Al-Qudsi 2005) and 'window dressing' (Farell 2004).

Understanding the change management process in integrating Bahrainization programmes in organizations revealed the need for qualitative change management processes for developing Bahrainis to be aligned with economic needs. It was significantly observed by interviewees that Bahrain has moved towards generating capacities required in the economy through the development of a national qualification framework and assessing market gaps. According to government officials, the national qualification framework and awareness of labour market gaps

will encourage Bahrainis to accept and align themselves with jobs that meet economic needs through structured standards for training programmes that can enable career guidance for individuals, organizations and educational entities. However, the apprehension raised in such change management processes is that the strategies are aiming to shift emphasis towards vocational and technical jobs. Some authors (Middleton et al. 1993; Middleton & Ziderman 1997) consider vocational education as the ‘magic cure’ to meet the demands of the economy, but this is not sufficient; nationalization requires more than education, it must include:

The development and unleashing of human expertise for multiple learning and performance purposes, individual, family, community, organization, nation, region and globe. National human resource development must be nationally purposeful and therefore formulated practiced and studied for the explicit reason of improving the economic, political and sociocultural well being of a specific nation and its citizens. (Cunningham and Lynham 2006:126)

The change management process within Bahrainization to improve educational and development programmes through quality audits, national development authorities and the national qualification framework raises some apprehensions. The amount of investment to improve and raise the competencies of young nationals does not align with Bahrain’s economic need, as constantly mentioned, for ‘unskilled labour’. Activities to increase Bahrainization are in opposition as the supply continues to raise its standards through Bahrainization efforts, while the demand for unskilled labour continues. The challenge that Bahrainization is facing is whether nationals, after being developed in the universities and training institutes that have increased in number and quality in the Kingdom owing to QAA efforts, will consider vocational or technical jobs? However, vocational jobs are not, as indicated earlier, a ‘magic cure’ (Cunningham and Lynham 2006:126). Change management processes in economic terms, as suggested by several government officials, need to be vitally considered to open Bahrain for foreign direct investments to nourish the economy with new sectors that can be filled with young nationals that have been developed through Bahrainization efforts and investments. In this way, Bahrainization as a nationalization strategy working within an HRD framework will be effective in *“Improving the economic, political and sociocultural well being of a specific nation and its citizens.”* (Cunningham and Lynham 2006:126).

The concern in the Bahrain labour market is to create more sectors that can attract educated young nationals rather than forcing them to enter undesired vocational or technical sectors. Nevertheless considering occupational standards as suggested by government officials can play a role in creating value in currently undesired jobs for the population of uneducated nationals, specifically males. As discussed earlier, compensation considerations can attract Bahrainis towards private sector jobs. Bahrainization strategies need to consider the population in formulating economic sector needs.

Having examined change management processes within nationalization in Bahrain, it is clear that qualitative approaches are vital to develop economic sectors through national human resources in a developing country context. The literature review recommendations to address nationalization in a qualitative manner were evident in Bahrain through the formation of authorities that support national development and encourage nationals to enter new sectors according to the cultural values. Further emphasis was placed by interviewees on strengthening Bahrainization through further development programs, national job placements and retention programmes, reflecting the the ‘qualitative nature’ of such approaches.

However, the concern within the change management process in a developing context is meeting the demands of the economy through qualitative processes. In Bahrain, even though Tamkeen has introduced change management processes to create new sectors by that can be filled with developed and educated national human resources, nevertheless the demand continues to be for ‘unskilled’ labour as extensively referred to during data collection. On the other hand, when a skilled national human resource is placed within the private sector, Bahrainization strategy faces the challenge of retaining the competencies gained from the HRD investment.

Therefore, the nationalization framework needs to expand its development framework to include a development concept that can create long term economic benefits within the economy. The research explored capacity building as a development concept to build national human resources within developing economies, as discussed in the next section.

7.5 Research Objective IV: To explore capacity building as a development concept to build national human resources within developing economies

The need to embed a development concept beyond HRD was distinct in the literature review findings. The researcher identified areas of unity between HRD and capacity building by analysing capacity building definitions and theories (Table 2.7, page 81). Despite HRD being an essential component of capacity building as discussed in Chapter Two, there is scant literature in this area. Running a search for ‘capacity building’ and ‘HRD’ through the John Rylands search engines and Google Scholar on 1st February 2011, there were limited articles talking of HRD in relation to capacity building. Despite the implementation of capacity building in practice, Hamdy (1998), Schacter (2000), Bossuyt (1994) and Land (1999) consider the expression is in need of further investigation and intervention owing to its importance (Weidner 2002). The researcher attempted to add to the existing literature a clarification of capacity building as a development tool that is generated through HRD activities.

Examining Bahrainization revealed challenges such as coordination among entities, cultural considerations, sector sustainability and nationals’ retention. The challenges that emerged through exploring Bahrainization within an HRD framework revealed the need for a concept beyond the HRD framework that can address the intangible side of nationalization. The data collected from Bahrain strengthened the literature review analysis in terms of the intersection of HRD and capacity building as a development tool and diverging in terms of intangible aspects. The Career Progression Program (CPP) in Bahrain was an example of the ability of HRD activities to generate capacities to be implemented in the private sector. This reflects the generation of capacities through HRD as proposed by Haribson and Myers (1964) and Nchinda (2002). The research findings indicated that achieving Bahrainization requires engagement in the capacity building process through creating a sustainable system and partnerships.

The findings from Bahrain agree with authors (UNDP; OECD; Eade 1997; Bolger 2000; Hamdy 1998; Enemark and Williamson 2004; Morgan 1997; Qualman and Bolger 1996; de Graf 1986; Angeles and Gurstein 2000; Kuruvilla 2007) who emphasized sustainability for the capacity building processes. Lack of sustainable

sectors in the Bahrain labour market is caused by the movement of trained and developed nationals among sectors for compensation reasons. Enemark and Williamson (2004) pointed out that capacity building includes “retaining and strengthening existing capacities of people and organizations to perform their tasks.” Hence, the research findings strengthen the crucial necessity for nationalization strategies to engage in capacity building processes by embedding sustainability.

The research findings in Bahrain added to the current literature review findings a practical model for practising capacity building by raising the need to create a system. Swanson (2001) described capacity building as “Like the changing ecosystem... As community needs and environments change over time, the need to revisit and redefine the question ‘capacity for what?’” Bahrainization, as explained in Chapter Five, needs an intelligence unit to create a system. Creating an intelligence system in Bahrain enables national capacities to be developed and retained within sectors that will align themselves with the country’s vision by developing their competencies according to occupational standards and defined career paths within sectors. The recommended intelligence unit should be a “self sustaining high skills ecosystem” to build skills capacity in nations (Kuruvilla 2007; Weidner 2002; Pielemeier and Salinas-Goytia 1999; Paul 1995; Filmer et al. 2000; Maconick 1999).

Engaging in capacity building in practice is in line with a number of authors (Shaffer 2005; Fals-Borda and Rahman 1991; Burkey 1993; Hawe 1998; Angeles and Gurstein 2000; Fukuyama 1995) who point out that partnerships that are participatory, effective and sustainable are essential to engage in learning and change at all levels for community change. Limitations of coordination among entities are raised as a crucial concern in Bahrainization implementation. The lack of coordination causes every entity to work without integrated and shared policies, as mentioned in Chapter Five. Similarly, the literature review, in discussing the situation in the GCC, raised the need for a holistic and integrated coordination among all stakeholders (Al-Lamki 1998; Al-Maskery 1992; Rowe 1992; Birks and Sinclair 1980; Al Lakmi 2000; Godwin 2006).

In summary, exploring Bahrainization enabled the attainment of the research objectives through examining, exploring, and understanding nationalization challenges. The objectives formulated to study Bahrainization can be applied to

other developing country contexts owing to the intersection of nationalization challenges that lie within ‘development’. The research findings provide implications for formulating nationalization in other contexts. It was strongly evident that the challenge of development within nationalization strategies is to address challenges through HRD and capacity building. HRD and capacity building do not constitute a magic cure for nationalization challenges as the research revealed other factors that need to be considered when implementing nationalization frameworks; however, both concepts are essential within a nationalization framework owing to their intersection in development activities. HRD meets the needs at individual and organizational levels, but to strengthen nationalization within organizations and move it towards a national level ‘capacity building’ is essential in nationalization strategies. Capacity building in nationalization is necessary to address intangible challenges such as culture, partnerships and sustainability. Considering capacity building further moves nationalization strategies towards being ‘qualitative’. The successful consideration of cultural values has proved its effectiveness in Bahrainization, but lack of sustainability and coordination has caused Bahrainization levels to stay low. Sustainability can retain nationals within sectors, thus forming sustainable sectors driven by competent nationals as explained above. Partnerships among stakeholders within nationalization strategies are essential to form a shared economic vision driven by integrated policies. In addition to being qualitative, considering ‘multiple dimensions’ that meets the needs of the human resources is essential. Compensation along with HRD activities proved to be essential for a young population of nationals. Finally, the research revealed that nationalization strategies need to consider ‘education’ to prepare nationals before they enter the labour market and to reduce resistance of employers towards national employment. Education as a development process strengthens the research findings of addressing nationalization issues through a ‘development’ concept.

Even though the researcher exerted efforts to provide a nationalization framework that can be applied in other developing contexts, the researcher believes that there are limitations in achieving the objectives explained above. The following section provides a detailed explanation of the research limitations.

7.6 Implications for future studies

Implications for future research have two perspectives: theory driven and practice driven implications. Each perspective is explained in turn below.

7.6.1 Theory driven implications

There is a need to explore the efforts of Gulfization strategies by HRD authorities in the GCC and relate it to HRD theories. The researcher believes that HRD in government authorities needs to be explored further to justify her findings, and this should be done in three ways. Firstly, to justify the findings for Bahrain in terms of differentiating features from other GCC countries. The researcher compared Bahrain with other GCC countries in terms of published literature reviews only, but in reality there may be strategies, frameworks and authorities similar to Bahrain that have little or no published literature concerning them. Secondly, the research needs to explore the intersections among Gulfization strategies through field study within government entities in the GCC. Thirdly, research should assess the presence of HRD and capacity building theories as development concepts in Gulfization for long-term economic growth through national human resources. Forming studies about strategies of HRD authorities in the GCC states can enable practitioners in the HRD field to achieve insights that can improve HRD at a national level. This can strengthen Gulfization in western literature as an HRD strategy at national level.

The researcher examined capacity building within a 'development' framework in organizations and government entities, hence narrowing the scope to relate it to national HRD strategy implementation at business organization and government levels. Capacity building as a development concept needs to be examined and explored further, particularly within educational organizations like schools and universities to assess the implementation of the capacity building theory for human resource development within educational institutions. The findings revealed at the end of the research in terms of strengthening education indicate the need to explore education within a capacity building framework. The blame placed on culture needs to be explored further by assessing the presence of capacity building processes in educational institutions consisting of schools, universities and training institutes that can mold cultural mindsets. It is crucial to examine and explore education within the nationalization framework, assessing its capability, specifically in building capacity

for economic needs in the GCC. It is crucial to assess whether education is engaged in capacity building of national human resources to create a supply of national human resources with capacities that meet the demands of economic visions.

The above implications represent theory driven implications of the research. Implications are not limited to theory only, but there are also practice driven implications as explained below.

7.6.2 Practice driven implications

Based on the research findings, the research presents practice driven implications that can raise nationalization further in practice. The paragraphs below list the implications in turn.

The developed research framework embedding HRD and capacity building needs to be implemented in other GCC states or other developing country contexts to demonstrate its wider applicability. The shared forces of ‘resistance’ within Gulfization need to be assessed to see if they can be changed in their management processes through HRD and capacity building frameworks in other developing contexts. This can aim to develop policies fitted to each GCC state. For instance, the challenge of retaining nationals in the private sector and preference for compensation benefits rather than sector preference distinguishes Bahrain in forming a policy based on compensation within the private sector assessed according to the number of years a national stays in a particular organization or industry.

GCC countries have been successful in the telecommunication, banking and petroleum industries. Research into preferred industries can aid nationalization strategies to explore factors that create such ‘desired’ sectors. The research was able to compare and contrast GPIC as a petrochemical industry in Bahrain with organizations in the retail, hospitality, travel and educational sectors and was able to indicate the importance of compensation within nationalization strategies. Further studies may be able to explore other factors that can aid the development of policies within Gulfization.

It was not within the scope of the research to consider issues of citizenship with respect to expatriates that have been resident for a long period of time in Bahrain and working as skilled or unskilled employees in the Bahrain economy.

Bahrain is typical of GCC states, young countries with small but rapidly increasing populations, as indicated in the population statistics (see Appendix). Provision of citizenship to migrants in young economies like the GCC can cause a loss of identity in a region that holds strongly to cultural values. As stated by government officials, there is a need to form a policy to limit expatriate stay on the understanding that the need for expatriate skills is temporary as they will be gradually filled by nationals. A 'twin process', similar to those created in other developing countries like Malaysia, needs to be implemented without losing the country's identity. Yet, the researcher finds it interesting to consider in further depth the effect of citizenship issues in the GCC, and this will be a subject of her future studies.

Bahrain government authorities need to form a study on improving wage schemes. The government officials' interviews explained about formation of wage schemes based on improving poverty standards in Bahrain. Being an oil economy or an economy rich in the human resource of educated females with bachelor's degrees, compensation and benefits for young nationals need to be examined to meet standards beyond basic living. Compensation and benefits need to be assessed to meet nationals' expectations and measured in the long term in terms of retaining national capacities within a certain sector.

Furthermore, coordination within government entities was a crucial need within gulfization strategies that may indicate a need to study ways of creating coordination and partnerships to develop nationalization among authorities for policy development and management. There is a need to explore a strategy that can engage the authorities in an integrated and shared vision.

Government officials in Bahrain constantly mentioned limited foreign investment in Bahrain that inhibits national human resources utilization. A study to assess the reasons for limited foreign investment in Bahrain can aid in assessing ways to improve the economic situation.

An exploration of private sector employers' practices in HRD implementation need to be undertaken by the industry. This study provided a selection of sectors, but further studies could be more focused towards specific sectors such as hospitality or travel organizations, especially as these sectors had negative responses towards the presence of HRD in their working environments. Both sectors represent crucial

sectors for Bahrain's economy in terms of economic returns and cultural projection that can be strengthened through Bahrainis' capacities.

Nationals in Bahrain entering programmes before joining organizations need to be assessed for their development not only in terms of knowledge, skills and abilities for certain positions but to assess changing mindsets towards work commitment, dedication and viewing jobs in terms of career paths. An exploration into creating mentoring, coaching and counselling plans for young graduates within nationalization is worth examination in its effect in retaining nationals within organizations. For instance, the effectiveness of a Bahraini manager or mentor within an organization for retaining and developing young national employees in work is worthy of study as the research data in Bahrain indicated a high preference for Bahraini managers in terms of support and communication.

The argument for developing young nationals towards technical and vocational jobs to build the Bahrain economy can be strengthened by analysing how many young nationals are willing to work in vocational or technical jobs. Such an analysis can provide an indication of the likely effectiveness of investments in developing national for jobs if they are willing to take these on as their careers and help build their country's economy. A nation-based study can provide an indication of whether Bahrain should invest in enforcing vocational and technical development or development of other business sectors within the economy that can provide economic strength through national resources.

The current capacities built in Bahrain through investment in development programmes need to be explored in fitting them into sectors or exploring ways in which current capacities can change within an ecosystem to build its capacities for current market needs. Hence it is noteworthy to examine the development of capacities currently being built in relation to the present economic vision. In addition, an examination needs to be made of how to upgrade the capacities of the current unemployed towards current market needs. This research can provide an input into the creation of a 'capacity building' system that embeds capacities that change systematically with changes in their context. Relating the national qualification framework or the intelligence unit within this study may provide insights into its validity for creating career paths and retaining national human resources within sectors as the economy develops.

Having discussed the limitations and future research directions for the research study, the researcher aims to be realistic in discussing her findings in terms of meeting the gaps in the nationalization literature and placing nationalization within the HRD literature. The next section concludes the study by presenting the nationalization model (Figure 7.1, page 326) as a subject for future research that varies in terms of considering education, compensation and employers' HRD skills.

7.7 Limitations of research

The researcher was limited in several areas in exploring nationalization. The researcher aimed to examine other GCC countries through fieldwork but that was difficult as an independent researcher with time and resource restrictions. In addition, it was difficult to access organizations with low Bahrainization to assess challenges of nationalization in depth. The aspect of retaining Bahrainis through compensation needs further exploration to strengthen the findings further.

Being a lone researcher, the study may lack in depth assessment of recent Gulfization strategy developments to compare and contrast with the Kingdom of Bahrain. The study of Gulfization strategies depended on published articles only. Collecting data from other GCC states has been difficult owing to the extra effort needed in terms of time limitation and relocation among GCC states to perform fieldwork. This raises a need for the researcher to further investigate Gulfization strategies within the three levels of the developed nationalization framework in each GCC state to further assess the implementation of Gulfization.

The companies in Bahrain that have been included in the study are all organizations considered to have high Bahrainization percentages. This fact may not justify views about Bahrainization in other organizations with lower Bahrainization percentages. The research has fairly indicated the relation between nationalization and HRD practice, but low Bahrainization can indicate other challenges. The researcher between September 2012 and March 2013 tried to access organizations with low Bahrainization but faced many rejections which left her with the option of only including high Bahrainization organizations to cope with fieldwork time restrictions.

The researcher's data collection at the individual level did not filter the data responses according to age group or years of service. The issue of compensation and benefits being important to Bahrainis as a retention tool needs to be strengthened further by analysing the age groups of respondents. Even though the researcher justifies her findings in this area based on the qualitative findings in Chapter Five, she believes that it needs further exploration at the individual level of the framework.

The reason is nationals at different stages of their career may have different preferences for what retains them within organizations. In addition, Costa Coffee division represents a small percentage within the whole group of nationals' questionnaires. Costa coffee employees were seventeen out of the 476 nationals in the survey. However, the researcher focused on the finding of compensation as it was a group that had neutral responses to HRD themes within the questionnaire. Other employees from the travel and hospitality sectors had disagreeing responses towards HRD presence in their organizations. The employees in GPIC did not prefer a government job, obviously due to the presence of all other factors in terms of compensation and HRD in their organization.

Having outlined the limitations of the study, the chapter ends with a brief conclusion.

7.8 Conclusion

The research presented the results of implementing the developed research framework in a developing country context in the Middle East. The research explored nationalization within an HRD framework designed to build capacity from national human resources through research objectives derived from gaps identified in the literature review. The research framework and objectives can be applied to other developing country contexts owing to the shared development challenge within all contexts.

Bahrain national statistics appeared to show a higher percentage of national labour participation than the other GCC states which made it interesting to explore the reasons for the lower expatriate percentage in the labour market. Despite its higher participation of nationals compared to other GCC states, there is hardly any published research about Bahrainization. The lack of research about Bahrainization

itself deserved a study. The research provided ample evidence from seven private sector organizations of a positive influence of HRD practices towards national development. The evidence of an HRD presence within Bahrainization indicated the presence of the development concept within nationalization strategies and proved further the need to highlight Bahrainization in western literature. Nevertheless Bahrainization remains a challenge despite the positive response towards HRD practice within organizations and government strategies. The preference of Bahrainis to move to other sectors persists when compensation is attractive. Bahrainization faces the challenge of retaining nationals despite development investments thereby causing resistance of private sector employers to employing Bahrainis, as they may lose investments in HRD activities and the capacities of nationals, and thus the opportunity to be sustainable sectors within the economy. This raised the consideration of compensation to attract nationals into the private sector. Forcing young educated nationals towards unskilled labor does not form an alignment with the national development efforts that are constantly working on upgrading national skills and competencies. On the one hand, in Bahrain we see improvements through Bahrainization strategies towards embedding HRD concepts to upgrade national skills and competencies, while on the other hand we see that the need is for unskilled labour. Hence, Bahrainization has contradictory paths: at a national level it is upgrading skills while the demand continues to be unskilled labour. This raises an economic question regarding diversification in the economy. Bahrain as it goes forwards building its national capacities through HRD strategies needs to create sectors in the economy for the educated population. Rather than depending on cheap labour, it is time after 30 years of policies and strategies that moved from quantitative to qualitative to create 'qualitative jobs' for nationals similar to the creation of successful industries like telecommunications, petroleum and banking. National managers expressed that they perceived skilled expatriates as a necessity but also as a threat, reflecting the same need in the GCC region to empower skilled nationals (Alarissa 2014). In addition, the occupational standards or national qualification framework may not be attractive for moving a young population towards vocational jobs if compensation is not attractive, as the research provided ample evidence that compensation is a crucial retention factor for Bahrainis. This does not mean that HRD activities are not of importance to Bahrainis, but HRD, to succeed at a national level, needs to take a holistic approach that includes monetary

rewards to motivate the young educated population that, it has constantly been mentioned, is a 'challenge'. A holistic approach towards Bahrainization implementation includes combining HRD and capacity building development concepts. The research indicated that HRD activities have high satisfaction responses when 'cultural values' are embedded, such as 'sense of family' and 'bonding' in private sector organizations, and when sectors adjust according to cultural values, as Tamkeen officials explained. When HRD activities of training, career development, and performance management move beyond organizational functions to include 'culture', 'partnerships', and 'sustainability' national development within organizations move towards the process of building capacities for the nation.

In conclusion, to build capacities in any developing context, the nationalization process needs to start at an early age and embrace capacities throughout a whole systematic cycle of preparing the supply of national human resources towards a long term economic vision through an education system that includes schools, universities and training institutes as concluded in the final nationalization framework (Figure 7.1, page 326). Education has been extensively identified as a necessity for preparing nationals for the market needs in Bahrain in several literature review sources. By considering education to prepare national competencies from an early age, resistance may reduce as mindsets of nationals towards work change. When nationals enter organizations, employers can make HRD investments focused towards retaining national career paths through HRD activities rather than investing in training for basic work skills, business ethics and communications skills. Having capacity building processes engaged throughout nationalization implementation in terms of creating sustained sectors driven by developed nationals can create a system where nationals align themselves with economic needs, especially if an 'intelligence unit' exists. In addition, nationalization strategies reflect nationals' identity, hence culture, which is an expression of identity, plays a vital role in all nationalization strategies implementation.

Final note

Working in the human resources functions for seven years made me initially approach nationalization as a research topic with a view to increasing nationals in organizations. Looking back at my mindset in September 2011, I found myself

thinking in a quantitative manner towards nationalization by analysing development programmes required for nationals' competency gaps. Further on, I felt my mindset turned into being a nationalistic one with a one-sided mindset of projecting national identity in the labour market. The nationalistic identity within me increased with the passion of my completing my research, causing me to face sensitive issues of 'equality' and 'citizenship rights' when discussing my research. But soon I realized the importance of approaching nationalization at a high strategic level, looking at it with a different lens to benefit all stakeholders within a developing economy and protecting it economically, politically and socially. Talking about nationalization was a sensitive issue in some cases during my fieldwork and conference attendance, but viewing nationalization with the capacity building lens as well made respondents realize that economies can be in danger when national human resources are not utilized to build their own economies.

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QUESTIONNAIRE

<p align="center"><i>Kindly note the questions are part of a research study and your respective views are highly appreciated in conducting the study. If you may wish to participate in providing data, please proceed to fill in the questionnaire.</i></p>					
Position					
Years of Service					
Nationality					
Gender					
As a Bahraini national consider the below questions by ticking the appropriate box:	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE
I prefer working in the government sector					
I believe the government sector has better compensation and benefits than the private sector					
Government sector has more opportunities for career progression					
I would leave my current job for a job in the government sector					
I joined the private sector because I did not find an opportunity in the government sector					
Kindly provide your views about government sector employment versus private sector :					
As a Bahraini employee please consider answering the below areas in relation to your respective organization by indicating the level as outlined	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE
I. TRAINING AND DEVELOPMENT					
I am trained at a regular basis					
I attend at least 2 trainings per year					
Am given the opportunity to choose my training programs					
My manager only nominates me for a training program					
Training programs are mutually agreed by myself and manager					
Training programs are aligned with my job requirements					
Am hesitant to request training from my organization					
Training programs in my organization meet development needs for promotion at work					
Training is well managed in my organization					
My manager encourages and supports my training					
My organization promotes a learning culture					
II. CAREER PROGRESSION					
My manager develops me to be promoted					
My manager communicates to me openly regarding my next career position in the organization					
My manager guides me towards achieving a higher position in the organization					
I see career prospectus in my organization					
Career progression is discussed during yearly appraisal					
Career paths are limited in my department					
Career paths are limited in my organization					
Career progression retains me at my organization					
Career progression was discussed when I first joined the organization					
Career progression was discussed after more than a year of joining the organization					
Besides, high performance my organization engages in a culture of promotion through development programs					
III. COMPENSATION AND BENEFITS					
Am satisfied with the company compensation					
Am satisfied with the company benefits					
Compensation and benefits in my organization retains me					
Compensation and benefits retains me more than career progression opportunities in the organization					
Expatriates in my organization have benefits more than nationals					
Compensation and benefits are given in a fair equal manner according to the company policy					
Compensation and benefits are communicated through formal means via written policies					
I feel compensation and benefits in my organization is higher than the government sector in Bahrain					
Our company compensation and benefits is higher than the private sector organizations in the same industry					
My organization compensation and benefits need improvement					
IV. ORGANIZATIONAL MANAGEMENT					
Our top management communicates openly to all employees					
I feel barriers in dealing with top management					
Top management support training and development of Bahrainis					
Top management recognizes high performing Bahrainis					
Top management promotes Bahrainis to higher positions in the organization					
Expatriate management are hesitant to deal with Bahrainis					
Bahrainis have a positive attitude towards work					
In my organization Bahraini employees need further development to be promoted to higher positions					
I find it hard to deal with expatriate managers					
Expatriates engage in transferring knowledge and experience to Bahraini employees					
I prefer working with a Bahraini manager					
Bahrainis work towards developing themselves through training					
Bahraini management are more supportive than expatriate management in terms of development					
Generally management view Bahrainis as hard working employees					
Communication with Bahraini management is easier than expatriate management					
Kindly provide your feedback regarding in any of the areas (I,II,III,IV) outlined above :					

إجمالي السكان بحسب فئات السن والجنسية والنوع - تعداد ٢٠١٠
Population by Age Groups, Nationality and Sex - 2010 Census

Age Groups	Nationality / Sex						الجنسية / النوع			فئات السن
	الجملة			غير بحريني Non-Bahraini			بحريني Bahraini			
	كلا النوعين Both Sexes	أنثى Female	ذكر Male	كلا النوعين Both Sexes	أنثى Female	ذكر Male	كلا النوعين Both Sexes	أنثى Female	ذكر Male	
0 - 4	89,020	43,783	45,237	25,282	12,522	12,760	63,738	31,261	32,477	٤ - ٠
5 - 9	82,925	40,360	42,565	23,913	11,625	12,288	59,012	28,735	30,277	٩ - ٥
10 - 14	75,658	36,767	38,891	17,474	8,425	9,049	58,184	28,342	29,842	١٤ - ١٠
15 - 19	72,713	35,391	37,322	13,056	6,256	6,800	59,657	29,135	30,522	١٩ - ١٥
20 - 24	112,402	46,033	66,369	57,526	19,416	38,110	54,876	26,617	28,259	٢٤ - ٢٠
25 - 29	182,232	55,403	126,829	134,073	31,915	102,158	48,159	23,488	24,671	٢٩ - ٢٥
30 - 34	161,448	50,080	111,368	119,374	29,102	90,272	42,074	20,978	21,096	٣٤ - ٣٠
35 - 39	131,729	41,134	90,595	97,842	23,808	74,034	33,887	17,326	16,561	٣٩ - ٣٥
40 - 44	106,196	34,819	71,377	72,865	17,536	55,329	33,331	17,283	16,048	٤٤ - ٤٠
45 - 49	81,471	29,168	52,303	48,510	12,046	36,464	32,961	17,122	15,839	٤٩ - ٤٥
50 - 54	60,575	20,984	39,591	33,087	6,820	26,267	27,488	14,164	13,324	٥٤ - ٥٠
55 - 59	35,149	12,105	23,044	15,751	3,211	12,540	19,398	8,894	10,504	٥٩ - ٥٥
60 - 64	16,819	6,801	10,018	4,762	1,233	3,529	12,057	5,568	6,489	٦٤ - ٦٠
65 - 69	9,626	4,686	4,940	1,336	458	878	8,290	4,228	4,062	٦٩ - ٦٥
70 - 74	7,719	4,033	3,686	666	302	364	7,053	3,731	3,322	٧٤ - ٧٠
75 - 79	4,435	2,299	2,136	363	179	184	4,072	2,120	1,952	٧٩ - ٧٥
80 - 84	2,683	1,404	1,279	184	85	99	2,499	1,319	1,180	٨٤ - ٨٠
85 +	1,771	907	864	108	58	50	1,663	849	814	+ ٨٥
Total	1,234,571	466,157	768,414	666,172	184,997	481,175	568,399	281,160	287,239	الجملة

Source: Central Informatics Organisation
Kingdom of Bahrain

المصدر: الجهاز المركزي للمعلومات
مملكة البحرين