

**WORKFORCE LOCALIZATION AND HRM PRACTICES IN THE GULF COUNTRIES: A LITERATURE REVIEW**

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**ABSTRACT**

As members of the Gulf Cooperation Council (GCC), the states of Bahrain, Kuwait, Qatar, Oman, Saudi Arabia and the United Arab Emirates pursue localization as a government policy aimed at increasing the participation of national citizens in the private sector. Workforce localization programs can be described as the recruitment and development of national citizens to increase their employability, thereby reducing the country's dependence on an expatriate workforce (Cave, 2004). Government legislation to enhance workforce localization has changed the human resources landscape in the GCC (Randeree, 2009) and made localization policy a significant staffing consideration for international businesses operating in this particular environment (Mellahi, 2007, Rees et al, 2007). However, there is a lack of academic research on HRM in emerging markets in general, and especially in GCC countries. Although anecdotal records and literature on workforce localization exist in most GCC countries, there is still a lack of academic research on such programs (Randeree, 2012) and the HRM practices that support them. Although several researchers have addressed particular HR practices with respect to localization, there has been no comprehensive study encompassing the key HR processes.

This article reviews the literature on workforce localization programs in the GCC and on the HRM practices that facilitate the implementation of these programs.

**Key words:** Literature review, workforce or labor localization, nationalization, HRM practices, Gulf Cooperation Council (GCC), Bahrain, Kuwait, Qatar, Oman, Saudi Arabia, (KSA), United Arab Emirates (UAE).

## 1. INTRODUCTION & BACKGROUND

Over the last 30 years, the need to create more employment opportunities for national citizens has gained increasing attention throughout the six member states of the Gulf Cooperation Council (GCC). Bahrain, Kuwait, Qatar, Oman, Saudi Arabia and the United Arab Emirates have each adopted some form of politically-led localization initiative (Looney, 2004; Rees, Mamman and Bin Braik, 2007).

**Workforce localization** (WL) programs can be described as the recruitment and development of citizens to increase their employability, thereby reducing the country's dependence on an expatriate workforce (Cave, 2004). These efforts have been formally defined as "a multi-level process through which dependency on the expatriate workforce is reduced and nationals are prepared to take up jobs performed by expatriates" (Abdelkarim, 2001, p56). These efforts date back to at least the early 1980s in Saudi Arabia, but Oman adopted a moderately successful program in 1995 and the UAE has become something of a policy leader in recent years.

Government policy and legislation to enhance participation of nationals in the workforce have changed the human resources landscape in the GCC (Randeree, 2009), making WL a significant staffing consideration for international businesses operating in this particular region (Looney, 2004; Mellahi, 2007; Rees et al., 2007). For member states of the GCC, the development of human capabilities, especially in nationals, is recognized as a major strategic priority. A key element of the Human Resource Management function throughout the region is seen as enabling employers to get the best out of an increasingly educated national population. If the role of HR can be defined as 'building strategic capabilities' to achieve strategic goals (Scott-Jackson et al., 2011), then HRM has a key role to play in the economic and social achievement of national and organizational strategies in the GCC countries (Scott-Jackson et al., 2014 a).

However, there is a lack of academic research on HRM in emerging markets in general, and especially in GCC countries. Although anecdotal records and literature on workforce localization exist in most GCC countries, there is still a lack of academic research on such programs (Randeree, 2012) and the HRM practices that support them. Given the importance of these programs for the GCC countries and the enabling role that HRM could play, it is surprising to find relatively few published articles about HRM practices that further the employment of nationals. Although several researchers have addressed particular HR practices with respect to localization, there has been no comprehensive framework encompassing the key HR processes.

The objective of this paper is to review the conceptual, theoretical and empirical literature on specific HRM practices that strategically facilitate the implementation of localization programs. We searched the ABI/INFORM database for published, peer-reviewed, academic articles using the following keywords: "human resource management, HR practices, HR policies, HR strategies, HR roles, HR planning, job analysis, recruitment, selection, training, development, performance management, rewards, compensation, talent management" in combination with "localization, nationalization, Emiratisation, Qatarization, Kuwaitization, Bahrainization, Saudiization and Omanization", without limiting the time frame. Out of the 17 articles we retrieved, only a few had an empirical focus on specific HRM practices that facilitate localization. All the other academic

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articles examined GCC demographics, educational systems, localization policies, and general challenges related to these localization programs, often using common sense to recommend HRM practices that might facilitate localization. Because the selected articles were not comprehensive enough to sufficiently inform readers about HRM practices that facilitate nationalization programs, we extended our review to include other relevant empirical reports.

The article is organized as follows: first, we examine the core factors pertinent to this theme, such as the demographic and labor-market characteristics of the GCC states, the underperforming education system, and the major components of localization policies. Second, we review the multiple challenges related to the implementation of the WL programs. Third, we review the literature on HRM practices that facilitate the implementation of WL programs. Finally, we present some avenues of research.

## 2. CORE ISSUES PERTINENT TO THE TOPIC

### 2.1 Demographic and labor markets characteristics in the GCC

The six GCC nations share similar demographic and labor market characteristics.

***Rapid growth in total population.*** The aggregate population of the GCC has increased more than tenfold in little over half a century, from four million in 1950 to 40 million by 2006 (Kapiszewski, 2006). The Economist Intelligence Unit (2009) estimates that the GCC population will rise to 53 million by 2020.

***Extensive reliance on expatriates.*** Heavy dependence on expatriate workers is obvious across the entire GCC: 62 percent of the overall workforce is made up of non-nationals. In 2011, the UAE, Qatar and Kuwait had the largest percentages of foreign labor (96, 94 and 83 percent, respectively), while in Saudi Arabia, Bahrain and Oman the percentages are respectively 49.5, 64 and 71 (see Table 1).

**Table 1. Demographic imbalances in the GCC countries in 2010**

Country	2010 population (millions)			Population %		Workforce %	
	Total	Nationals	Expatriates	Nationals	Expatriates	Nationals	Expatriates
Bahrain	1.05	0.51	0.54	48.57	51.43	36.10	63.90
Qatar	1.68	0.22	1.46	13.10	86.90	5.70	94.30
Oman	3.41	2.39	1.02	70.09	29.91	28.70	71.30
Kuwait	3.47	1.04	2.43	29.97	70.03	16.90	83.10
UAE	8.19	0.95	7.24	11.60	88.40	4.20	95.80
KSA	28.69	20.94	7.75	72.99	27.01	50.50	49.50
<b>GCC</b>	<b>46.50</b>	<b>26.05</b>	<b>20.45</b>	<b>56.02</b>	<b>43.98</b>	<b>38.30</b>	<b>61.70</b>

Source: Forstenlechner and Rutledge (2011).

***High unemployment-rates among citizens.*** Steady demand for imported labor creates an interesting paradox as unemployment among nationals increases in all GCC countries, especially

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among young citizens. The GCC countries all have an age pyramid with a wide base, resulting in substantial numbers of new labor-market entrants annually. Almost all reported unemployment is among nationals; as most of these countries require expatriates who lose their employment to return home if not able to find other work within 30 days. The so-called Arab Spring has highlighted the sensitive nature of high unemployment levels, particularly among young people, and GCC leaders recognize that unemployment issues must be addressed if political support is to be maintained. Forstenlechner and Rutledge (2010) reported unemployment rates in the GCC countries ranging between 8 and 28 percent for nationals in the 15-29 age bracket (see Table 2). However, even as unemployment rates are rising among national citizens, their levels of participation in private sector employment remain low. This is because many GCC nationals have a strong preference for public sector positions due to higher compensation, cultural factors, and easier working conditions relative to business (Abdalla et al., 2010).

Table 2. The GCC labor market characteristics, between 2004 and 2007

Country	Public Sector Labor force%		Private sector Labor force%		Unemployment among nationals %	
	Nationals	Expatriates	Nationals	Expatriates	All Nationals	Aged 15- 29
Bahrain	90.80	9.20	28.60	71.40	18.40	27.00
Qatar	52.80	47.20	17.00	83.00	3.20	11.00
Oman	80.50	19.50	15.50	84.50	6.30	
Kuwait	74.60	25.40	2.70	97.30	3.70	8.00
UAE	27.40	72.60	1.30	98.70	13.80	12.00
KSA	91.30	8.70	45.30	54.70	9.80	28.00
<b>GCC</b>	<b>72.30</b>	<b>27.70</b>	<b>31.70</b>	<b>68.30</b>	<b>9.20</b>	<b>17.20</b>

Source: Data aggregated in 2009 - Forstenlechner and Rutledge (2010)

**Participation of women.** Limited involvement of women in the GCC labor force merits special mention. Although employment patterns for women have changed dramatically in recent years, their participation remains low relative to OECD countries. Between 2005 and 2008, labor force participation of national women (age 15+), was 17 percent in KSA, 28 percent in the UAE, 30 percent in Bahrain, 35 percent in Qatar. Participation rates of all females (nationals + expatriates) were 25 percent in Oman, 42 percent in the UAE, and 51 percent in Kuwait (Shehadi et al., 2011). Even though fewer than half of the women in most Gulf countries are active in the labor force, unemployment rates among those who are active remain high—even among the most educated women. Of national women who do work the overwhelming majority are employed in the public sector (Shehadi et al., 2011). GCC national women form an interesting, but under-utilized, talent pool for private sector organizations.

**Underperforming education systems.** Many authors have commented that educational attainment levels are inadequate in the GCC and suggest that education reforms present an important challenge in the region (Stasz et al., 2007, Lootah and Simon, 2009; Pech 2009).

Although education in GCC countries has gradually shifted from an emphasis on Islamic Studies, history and tradition, public secondary school programs still lack rigor and often leave students

unprepared for university studies. Instruction in quantitative skills is particularly weak, leading many students to choose tertiary degree programs that require less mathematics. Between 1996 and 2003, those students in the GCC who chose scientific, technical and engineering studies represented on average only about 18 percent of total enrolled students. In contrast, similar programs in China and South Korea enrolled 46.8 and 41.1 percent respectively (The World Bank, 2007).

All GCC countries invested significant sums to reform their educational systems. Saudi Arabia allocated \$36.7 billion of its 2010 budget to education, or 25 percent of planned total expenditure. The UAE committed 22.5 percent of its total government budget, and Qatar allocated 20.5 percent of its 2008-09 budget (Bains, 2009). In spite of these investments in physical infrastructure, however, school curricula have generally failed to build critical thinking and analytical skills or maintain minimum standards in other areas (Gallup, 2010). Lootah and Simon (2009) reported that fewer than 50 percent of executives responding to a survey in the region felt that national school leavers were equipped with the required competencies.

Leaders in these countries have also taken an active role in encouraging well-known foreign universities to set up branch campuses, as in Qatar's "Education City" or Dubai's "Academic City." Neighboring Sharjah has emphasized building its own educational institutions and pushing them to meet international quality and accreditation standards. Abu Dhabi reportedly provided very attractive terms to bring New York University and the Sorbonne to their emirate. Saudi Arabia opened a new graduate-level university reported to have cost \$2.6 billion (Bains, 2009).

As noted earlier, women in the GCC tend to participate in the workforce at much lower levels than men. Nevertheless, women represent three-quarters of the students in post-secondary institutions in Qatar (Karoly, 2010), and about two-thirds of participants in tertiary programs the UAE and Bahrain (Randeree, 2009). Women's higher educational attainment in the GCC seems driven by an increase in the visibility of female role models and increased ambition of young women, who are gaining higher levels of education in order to offset the traditional preference for men (Williams et al., 2011). Well-educated national women represent a particularly underutilized pool for organizations willing to localize their workforce.

## **2.2 Localization policies**

By the mid-1990s, shrinking public sector opportunities prompted most governments to focus on more effectively integrating local workers into the private sector. In general, all GCC countries, with varying degrees of commitment, adopted three types of localization policies: enhancing educational attainment, diversifying the economy away from the hydrocarbons sector, and regulation of the labor market. GCC nations have employed a variety of quota systems in attempts to stimulate hiring of nationals in the private sector.

The region's latest localization program has come from the UAE, where the government has historically imposed different employment goals for each sector—with banks typically facing the highest targets. In a new initiative, the UAE announced a tier-based system of targets, with financial incentives and penalties designed to encourage firms to achieve higher levels of workforce localization. Under the new rules, in addition to setting tough minimum levels of Emiratization, companies achieving higher localization levels will be rewarded by paying lower fees to process visas for their expatriate employees (Gulftalent, 2011). In contrast, Bahrain

effectively taxes the use of expatriate labor, directly raising its cost relative to the use of national employees.

In spite of some notable successes, most localization efforts have failed to deliver significant growth in the employment of nationals in the private sector (see tables 1 and 2). Many local workers are simply not interested in private employment paying market rates that are below public service salaries and which offer more limited benefits than government jobs (Bulmer 2000; Suliman, 2006; Harry, 2007). In Kuwait, for instance, more than 90 percent of the national work force is on the public payroll (Spiess, 2010).

### **3. KEY CHALLENGES RELATED TO LOCALISATION PROGRAMS IN GCC COUNTRIES**

Based on our literature review, we identify four categories of significant challenges to localization programs.

***Demographic, Educational And Motivational Challenges.*** The relative scarcity of qualified GCC national candidates is in part due to the fact that they are a minority in the workforce (Forstenlechner, 2010). Second, graduating UAE nationals lack market-oriented skills (Rendree 2009), language skills in English (Al-Ali, 2008; Randree, 2009), relevant work experience (Al-Ali, 2008), and vocational motivation (Rees et al., 2007; Forstenlechner et al., 2012; Mellahi 2007).

***Economic challenges.*** The direct salary cost of a national compared to the cost of a similarly qualified and experienced expatriate constitutes a first economic challenge for employers in the private sector (Mellahi, 2007). Nationals are also expensive because so many quit during training or leave after their training to take up better offers elsewhere (Forstenlechner, 2010). Moreover, national workers also have a strong preference for public sector jobs because of higher salaries, better working conditions and cultural sensitivities (Abdalla et al., 2010). It is not uncommon to meet nationals who forego the search for a private sector job in the belief that a public job will come available in the future (Achoui, 2009; Harry, 2007; Williams et al., 2011).

***Social and Cultural Challenges.*** Cultural influences and social stigmas also factor into the recruiting and selection process. First, nationals are attracted by the prospect of working with other Emiratis and by the feeling that their culture and values are respected in the workplace (Gulf Talent, 2013), which is usually the case in the public sector. Second, the type of work, sector of employment and related social interactions are important determinants of the social status of a person in GCC societies (Mellahi, 2007). Culturally speaking, many job categories are deemed socially unacceptable for GCC nationals, particularly those that have traditionally been filled by low-skilled foreign labor. In much of the Gulf region, many national may consider remaining unemployed preferable to taking up undesirable employment in the private sector (Achoui, 2009; Harry, 2007; Williams et al., 2011). Third, UAE nationals also suffer from resistance by expatriates. Non-Emirati employees sometimes resist the successful integration of national workers into the private sector, particularly when successful integration might lead to the replacement of the expatriates themselves (Rees et al., 2007, Mellahi and Wood, 2002). Finally, UAE nationals suffer from negative stereotypes. Al-Waqfi & Forstenlechner (2010) found that both nationals and expatriates shared negative stereotypes about Emiratis' lack of relevant skills,

competencies and work ethic. These authors presented UAE citizens as a minority in need of acculturation to their own country's work environment.

**Regulatory challenges.** We identified at least four regulatory challenges. The first one is associated with the difficulty of developing effective employment regulations that support the employment of nationals, while at the same time protecting the global competitiveness of the whole workforce (Marchon and Toledo, 2014, Toledo, 2013). The second challenge is related to the efficient communication of these WL policies. Baker (2013) argues that Emiratisation has made limited progress in part because the government has not made significant efforts to promote the idea with a concerted marketing effort. His research suggests that many misperceptions and stereotypes could be addressed through a campaign to make localization more appealing with a branding exercise that positions the policy as a positive benefit to several stakeholder groups. A third challenge is to efficiently enforce and monitor the implementation of the WL policies. That few employers raise serious protests about these quotas is likely due to the lack of serious enforcement (Forstenlechner et al., 2012). Harry (2007) points out that most business owners are able to bypass restrictions and quotas. Compliance, when it occurs, may be motivated by a desire to secure government favor in the awarding of contracts (Forstenlechner et al., 2012) or it may take the form of a token effort intended to impress an influential decision maker. Finally, uncertainties surrounding differences in employment rights are likely to act as a deterrent to hiring national employees (Forthenlechner, 2010). Terminating the employment of unproductive nationals is not easy (Hafez, 2009). In contrast, the legal framework gives employers more control over expatriate workers, who usually have residence permits tied to one specific employer. Although certainly unintended, when taken together these policies may tip the balance in labor appeal unfavorably against nationals (Mellahi & Wood, 2002). Based on studies focused on these aspects, we conclude that localization policy is progressing but still needs fine-tuning to be effective.

#### **4. HRM PRACTICES THAT FACILITATE THE IMPLEMENTATION OF WORKFORCE LOCALISATION PROGRAMS.**

After reviewing the conceptual, theoretical and empirical literature on specific HRM practices that strategically facilitate the implementation of localization programs, we organized the content into the following sections: 1) development of effective staffing processes to recruit and select GCC nationals, 2) training and development practices, 3) engagement and retention practices, 4) gender issues and HRM in the context of localization. Since the articles are very few, we ended up with a mosaic of practices and information, with little basis for cross-country comparisons: most of the relevant articles focused on the UAE. However, based on the labor market similarities among the different GCC countries, we suggest that the HRM practices that are interesting in one country can be at least of some value for the other nations.

##### **4.1. Development of effective staffing processes to recruit and select GCC nationals**

Recruiting local talent is one of the most important challenges in the GCC (Scott-Jackson et al., 2014a). However, very few articles focus specifically on recruitment and selection methods that facilitate localization in the GCC.

Forstenlechner (2010) identifies at least three challenges to recruitment and selection of UAE nationals. They are in order of importance: 1) pressure to lower selection standards, 2) creation of a sufficient applicant pool, and 3) the difficulty of differentiating among many national CVs, particularly from fresh graduates without any kind of work experience. These challenges show the importance of developing strong recruitment and selection processes.

A first best practice to attract more GCC nationals to private organizations is to align employers' **brands and employee value propositions** to national aspirations in ways that make employment more motivating (Scott-Jackson et al., 2014b). However, Scott-Jackson et al. (2014b) found that most UAE employers do not understand the key motivations and aspirations of Emirati students nor do their employee value propositions take these into account. On one hand, young Emiratis professed to be most motivated by helping the country (41 percent), money (38 percent), challenge (37 percent), development (36 percent) and contributing to society (33 percent). On the other hand, Emirati employers felt nationals were most motivated by money (76 percent), challenge (48 percent) and pride (44 percent). Only 8 percent of the employers felt young nationals were motivated by contributing to society (8 percent), and no employers mentioned a desire to contribute to the country.

Moreover, employers should use a variety of specific and targeted **external recruitment methods** to attract the best National candidates and increase the recruitment base. A first best practice is the development of strong relationships with educational institutions that have a high enrollment of the targeted individuals (Mathias, 2006). A second useful group of practices includes offering internships, summer jobs or part-time employment for national citizens (Forstenlechner, 2010). The third best practice is to have special induction schemes for new National employees, including for those who lack experience (Al-Dosary and Rahman, 2005; Randeree, 2009). A fourth approach is to organize sectorial or joint initiatives to attain a mass effect. For example, the UAE insurance sector has developed a joint vocational training program with one of the UAE's largest education providers (Mathias, 2006), and a major bank has established strong ties with a government-run university (Khaleej Times, 2007). Finally, employers can increase their recruitment base by targeting under-tapped talent pools such as national women, lower qualified or non-graduates, nationals living in remote areas of the country, and disabled and special needs nationals (Scott-Jackson et al., 2014b). If these nationals lack the skills necessary for specific roles, employers can create intensive training centers and be more proactive by finding ways to accommodate those under-utilized nationals who do want to work (Scott-Jackson et al., 2014b).

Regarding the **selection practices** that facilitate localization in the GCC, the only reported practice we found in the WL literature consists of lowering the selection standards for GCC nationals, such as required qualifications levels or expected work experience, or even removing criteria deemed too demanding (Forstenlechner, 2010). Whereas the literature on diversity management and selection of diverse employees offers some best practices (Waxin and Panaccio, 2004; Waxin, 2008; Panaccio and Waxin, 2010), these have not been examined in the context of WL in the GCC so far.

#### 4.2. Training and development practices



GCC nationals must not only be hired, but they must be adequately socialized and prepared to perform to a level that warrants their retention. We could not find any study focusing on the organizational socialization processes related to GCC native citizens. Based on the shortcomings of the educational system and the lack of market-related skills and experience, effective **training and development programs** are key for successful integration of national citizens in the workforce. However, Scott-Jackson et al. (2014b) found that most UAE organizations use the least effective development methods (e.g., classroom instruction) most often and use the most effective methods least often (e.g., structured on-the-job learning). The two main tools UAE employers used to develop nationals were management training (48 percent) and personal development plans (20 percent). Less than one-in-ten offered technical training (8 percent), secondment (8 percent), mentoring schemes (4 percent) or communicated internal job vacancies (4 percent). Sixteen percent did not use any development resources at all (Scott-Jackson et al., 2014b).

McDermott and Neault (2011) describe the development and implementation of an in-house **coaching program** to support newly hired UAE employees in a financial services organization in the UAE. The organization arranged a partnership with a Canadian training provider to give its human resources and learning and development professionals career coaching skills. The first evaluation showed promising results in terms of employee engagement and retention.

Successful companies do not simply aim to meet localization quotas, but try to develop nationals into skilled and leadership positions over time (Scott-Jackson et al., 2014b). They identify fast-track career paths which utilize local strengths and support weaknesses with training, systematize the development of locals—very much like graduate and ‘talent pool’ schemes—and deploy a wide range of interventions across the whole **talent management** process (Scott-Jackson et al., 2014b).

### 4.3. Engagement and retention practices

**Employee engagement** is one of the most important HRM priority areas in the GCC, cited by both HR and business leaders (Scott-Jackson et al., 2014a). Retention rates among Emiratis in the private sector are at about 40 per cent, and one of the major reasons identified for low retention is the lack of career development plans within organizations (AMEInfo, 2007).

Forstenlechner (2010) highlights at least two challenges related to local employee retention and career management. First, starting in a non-managerial role is considered unappealing by many nationals, even if necessary to gain a grasp of the entire business process, so it is important for local employees to have a clear career path from the start. Second, and particularly relevant for female staff, the need to move in order to advance within the organization may also constitute a serious constraint that undermines retention and motivation.

The broader social and psychological contract between employer and employee is often more important than financial rewards to engage and retain talent. Aon Hewitt (2011) identified “**career growth**” and “**learning and development**” as the principal factors behind the engagement of national employees, with pay and benefits in third place. The implication here is that employers may be too simplistic in relying on compensation as the key motivator. The private sector may have some comparative advantages over the public sector: private sector respondents reported greater satisfaction with growth and learning opportunities, along with a much more positive relationship with their immediate line manager (Aon Hewitt, 2011).

Singh, Jones, and Hall (2012) studied the components of engagement in the GCC and expatriate workforces. Based on a questionnaire completed by 4,599 workers from 40 companies in the UAE,

Qatar and Bahrain, their results show that expatriate employees are more engaged than GCC nationals (56.9 versus 50.8 percent highly engaged). Men are more engaged at work than women, (57.3 versus 49.7 percent highly engaged). Female nationals are the least engaged demographic, at 48.4 percent highly engaged. Compared to Aon Hewitt's worldwide scores of workplace engagement on this metric, these are some of the lowest recorded scores for a major demographic. Perhaps even more interesting is the stratification of engagement across age cohorts, with a significant trough during the years between 25 and 45 when the pressures of family life may take their toll.

Moreover, Singh et al. (2012) highlight how much the GCC identity influences the approach to work and engagement. Sixty-five percent of nationals "strongly" or "very strongly" agree that their national or religious identity influences their approach to work." This reaction was nearly double that of expatriate responses to this question (35 percent answered "strongly" or "very strongly"). The implication is that private foreign companies must keep identity in mind when aiming to develop an engaged Arab workforce.

#### **4.4. Gender issues and HRM in the context of localization**

Another research stream focuses on HRM organizational policies that support local women's employment and development (Metcalf, 2007; Scott-Jackson, et al., 2014c). These authors suggest that national and organizational policies need to be improved if they are to support additional female participation in the workforce.

Current studies of gender and HR management issues in the GCC tend to report concerns similar to those of western critiques of women in management (Al-Lamki, 1999, 2000; Metcalf, 2007). Al-Lamki (1999: 22) reveals how the perception of women managers in Oman is constituted in patriarchal ways, and suggests that the lack of HR policies and strategies addressing women is a major obstacle to their progress and development, without being more specific. Metcalf (2007) examines the employment experiences of women professionals from different nationalities, including national citizens, in Bahrain in relation to diversity and equal opportunity initiatives. The authors revealed that major perceived barriers to the progress of female managers were business culture (76.5 percent), few female role models (72.5 percent), children-related family commitments (62.7 percent), stereotypical perceptions of women managers (60.8 percent), limited training opportunities (56.9 percent), and family commitments related to grandparents/other relatives (37.3 percent). The author's qualitative analysis highlighted three key thematic areas. First, there is a lack of HR policy planning relating to women and to equal opportunity generally. Very few organizations had formal policies related to equal opportunity, mentoring programs for women, and sexual harassment. Second, training and development opportunities for women are very limited. Job appointments and training allocation were often not based on personal qualification and competencies, but on an individual's relations and family networks. Third, this study highlights the significance of Islam in a work environment. The lack of HR policies related to equality issues and training opportunities reflect the "equal but different" philosophy underpinning Islam. The gendered formation of training structures and career paths created limitations for women in this research.

A study by Scott-Jackson et al. (2014c) focused on the employment of women in Saudi Arabia. The researchers found strong preferences of Saudi women for working in female-only offices (73 percent). Part-time work options were favored by 56 percent of respondents, though 86 percent of

employers had no such alternatives. Although these authors reported an unemployment rate of more than 60 percent of female graduates, most respondents were not pursuing employment with much determination. The level of preparation for the workplace, understanding of job roles and the degree of knowledge about science-related topics were judged to be inadequate in most cases. Limited advice about career options and transportation challenges were also noted as major impediments. For their part, Saudi employers pointed to a variety of complications in hiring women, though almost three-quarters indicated their willingness if these impediments could be overcome. Employers pointed specifically to lack of appropriate facilities (viz. lavatories), family obligations, cultural obstacles and social attitudes. Although most expressed willingness to hire females, an overwhelming majority (83 percent) did not support the belief that women might be able to progress into management. Still, the report makes a number of useful suggestions for employers interested in hiring women, many of which might be relevant throughout the GCC.

## 5. CONCLUSION

Our review of the literature shows that there are some common barriers to localization throughout the GCC: imbalanced demographics; very generous public employment benefits; education systems that fail to respond to market needs; ineffectual quota systems; a cultural focus on status and prestige rather than performance; constraining cultural practices concerning women in the workforce. Individuals, organizations and nations in the GCC will need to invest in human capital to achieve declared strategic objectives and to sustain the growth in physical infrastructure and financial investment in the region that has emerged over the last two or three decades. Localization in the GCC will require committed and effective participation of nationals in both the private and public sectors.

Too few published articles focus on HRM practices that can facilitate effective localization. More quantitative and qualitative research is needed to determine what HR practices work and how they can be improved. This review reveals specific research gaps. What are the precise challenges encountered in each of the core HR processes? What are the best HRM practices to recruit, select, socialize, train, develop, manage the performance, and enhance the careers of GCC nationals in different kinds of organizations, both public and private? How do organizations evaluate the effectiveness of these HR practices in terms that are meaningful for localization? How is localization managed in semi-governmental organizations, specifically those organizations that have been created to help diversify the GCC economies? What can private employers learn from them? Do efficient HR localization practices vary by industrial sectors?

**Our contribution.** This research reviewed the literature on core issues pertaining to localization programs and highlighted the main challenges. It also makes an initial effort to review the key HR processes that facilitate employment of nationals. Our hope is that this work, by illuminating these challenges, provides a better understanding of the key questions that must be answered to successfully integrate local employees into the workforce. By identifying some precise research gaps in the literature on this topic, we hope to attract additional attention to some unique aspects of HRM in the Gulf region which are not yet addressed in international academic journals.

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