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BAHRAINISATION: FACTORS DISCOURAGING EMPLOYERS FROM RECRUITING NATIONALS IN THE PRIVATE SECTOR

Mariam Abdulla Yousif Ali Janahi

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United Arab Emirates University

College of Business and Economics

**BAHRAINISATION: FACTORS DISCOURAGING EMPLOYERS
FROM RECRUITING NATIONALS IN THE PRIVATE SECTOR**

Mariam Abdulla Yousif Ali Janahi

This dissertation is submitted in partial fulfilment of the requirements for the degree
of Doctorate of Business Administration

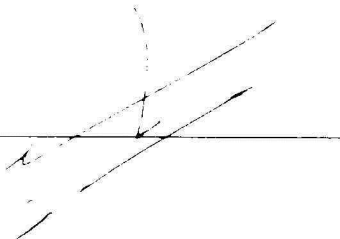
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I, Mariam Abdulla Yousif Ali Janahi, the undersigned, a graduate student at the United Arab Emirates University (UAEU), and the author of this dissertation entitled "*Bahrainisation: Factors Discouraging Employers from Recruiting Nationals in the Private Sector*", hereby, solemnly declare that this dissertation is my own original research work that has been done and prepared by me under the supervision of Dr. Abdul karim Khan, in the College of Business and Economics at UAEU. This work has not previously been presented or published, or formed the basis for the award of any academic degree, diploma or a similar title at this or any other university. Any materials borrowed from other sources (whether published or unpublished) and relied upon or included in my dissertation have been properly cited and acknowledged in accordance with appropriate academic conventions. I further declare that there is no potential conflict of interest with respect to the research, data collection, authorship, presentation and or publication of this dissertation.

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Declaration of Original Work

I, Mariam Abdulla Yousif Ali Janahi, the undersigned, a graduate student at the United Arab Emirates University (UAEU), and the author of this dissertation entitled “*Bahrainisation: Factors Discouraging Employers from Recruiting Nationals in the Private Sector*”, hereby, solemnly declare that this dissertation is my own original research work that has been done and prepared by me under the supervision of Dr. Abdul karim Khan, in the College of Business and Economics at UAEU. This work has not previously been presented or published, or formed the basis for the award of any academic degree, diploma or a similar title at this or any other university. Any materials borrowed from other sources (whether published or unpublished) and relied upon or included in my dissertation have been properly cited and acknowledged in accordance with appropriate academic conventions. I further declare that there is no potential conflict of interest with respect to the research, data collection, authorship, presentation and/or publication of this dissertation.

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Advisory Committee

1) Advisor: Dr. Abdul karim Khan

Title: Associate Professor

Department of Leadership & Organizational Agility

College of Business and Economics

2) Co-advisor: Professor Mohamed Madi

Title: Professor

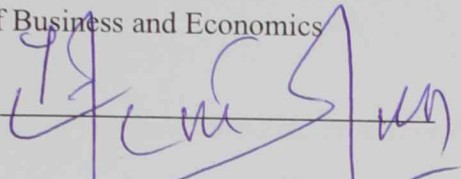
Department of Statistics

College of Business and Economics


Approval of the Doctorate Dissertation

This Doctorate Dissertation is approved by the following Examining Committee Members:

- 1) Advisor (Committee Chair): Dr. Abdul karim Khan
Title: Associate Professor
Department of Business Administration
College of Business and Economics

Signature  Date 12/11/19

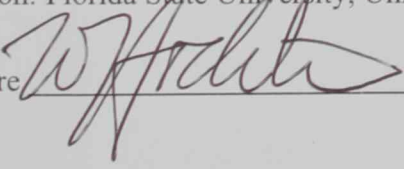
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Title: Associate Professor
Department of Chemistry
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- 3) Member: Dr. Mayowa Babalola
Title: Assistant Professor
Department of Business Administration
College of Business and Economics

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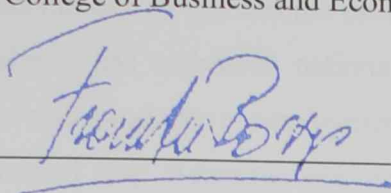
- 4) Member (External Examiner): Dr. Wayne A. Hochwarter
Title: Professor
Department of Management
Institution: Florida State University, United States of America

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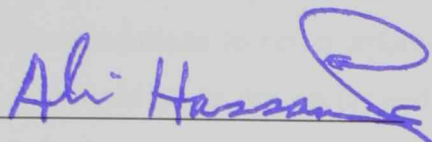


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Abstract

The growing level of unemployment among the nationals of the Arabian Gulf countries has become one of the chronic problems in the region. Like the rest of the GCC states, Bahrain has embraced nationalisation policy to solve this issue and provide citizens with productive employment in the private sector. However, it is generally understood that Bahrainis are not considered a favourable choice for employers in this sector (Bahrain Government, 2018). In addition, most of the private entities operating in Bahrain are not committed to Bahrainisation requirements. Therefore, this study aims at providing empirical evidence of the factors that discourage employers from recruiting Bahrainis in the private sector. It also aims at drawing policy recommendations to better inform policymakers of the factors that reduce Bahrainis' employability in this sector and hinder the Bahrainisation efforts. This study adopted the conceptual framework developed by Forstenlechner, Madi, Selim, and Rutledge (2012) to examine how socio-cultural, economic, regulatory, educational, motivational, and gender factors influence the perceptions of private-sector employers and affect their hiring decisions. Due to the paucity of relevant literature on Bahrainisation, the views of employers, executives and human resource managers working in the private sector were collated using a mixed-method approach. In particular, this research undertook both semi-structured interviews with employers and an employer survey using a pre-tested survey instrument. The findings of this study provided useful insights into the factors that deter employers from recruiting nationals in the private sector in Bahrain, thereby, adding to the growing body of knowledge on Bahrainisation and more generally to that on AME HR model.

Findings of this research reveal that gender issues together with the socio-cultural, motivational and regulatory factors serve to reduce the willingness of employers to recruit Bahrainis in the private sector. Moreover, the socio-cultural factor and gender issues were found to have a greater impact on recruitment decisions than the motivational and regulatory factors. Findings also show that the educational attainment levels of Bahraini candidates are positively related to employers' willingness to hire from this cohort. All other things being equal, the average educational attainment levels of Bahrainis are likely to increase their employability

vis-a-vis their expat counterparts. Finally, a significant relationship was not found between the economic factor and hiring decisions in the private sector in Bahrain.

Keywords: Bahrainisation, GCC labour market, Bahraini jobseekers, Localization, Recruitment decision, Gulf cooperation council, Bahrain.

Title and Abstract (in Arabic)

سياسة البحرنة: العوامل التي تثني أصحاب العمل عن توظيف المواطنين في القطاع الخاص

الملخص

أصبح المستوى المتزايد للبطالة بين مواطني دول الخليج العربي أحد المشاكل المزمنة في المنطقة. كبقية دول مجلس التعاون الخليجي، تبنت البحرين سياسة التوطين بهدف حل هذه المشكلة وتزويد المواطنين بتوظيف منتج في القطاع الخاص. ومع ذلك، فمن المتعارف عليه عموماً أن البحرينيين لا يعتبرون خياراً مؤثراً لأصحاب العمل في هذا القطاع (الرؤية الاقتصادية للبحرين 2030). بالإضافة إلى ذلك، فإن معظم الكيانات الخاصة العاملة في البحرين غير ملتزمة بمتطلبات البحرنة. ولهذا، تهدف هذه الدراسة إلى تقديم أدلة تجريبية للعوامل التي تثبط أصحاب العمل من توظيف البحرينيين في القطاع الخاص. كما تهدف إلى وضع توصيات سياسية لإبلاغ صانعي السياسات بشكل أفضل عن العوامل التي تقلل من إمكانية توظيف البحرينيين في هذا القطاع وتعيق جهود البحرنة. تبنت هذه الدراسة الإطار المفاهيمي الذي طوره كل من فورستنليشنير وماضي وسليم وروتليدج (2012) لدراسة كيفية تأثير العوامل الاجتماعية والثقافية والاقتصادية والتنظيمية والتعليمية والتحفيزية والجنسية على تصورات أرباب العمل في القطاع الخاص والتأثير على قرارات التوظيف. وبسبب ندرة الدراسات ذات الصلة بالبحرنة، تم جمع آراء أصحاب العمل والمديرين التنفيذيين ومديري الموارد البشرية العاملين في القطاع الخاص باستخدام منهج الطريقة المختلطة. وعلى وجه الخصوص، أجرى هذا البحث المقابلات شبه الهيكلية مع أرباب العمل، بالإضافة إلى إستبيان لأرباب العمل باستخدام أداة مسح تم اختبارها مسبقاً. قدمت نتائج هذه الدراسة نظرة ثاقبة ومفيدة للعوامل التي تمنع أرباب العمل من توظيف المواطنين في القطاع الخاص في البحرين، وبالتالي، أضافت إلى مجموعة المعرفة المتزايدة حول البحرنة، وبشكل أعم لنموذج الموارد البشرية للشرق الأوسط العربي.

تكشف نتائج هذا البحث أن القضايا المتعلقة بجنس الموظف بالإضافة إلى العوامل الاجتماعية والثقافية والتحفيزية والتنظيمية تعمل على تقليل رغبة أرباب العمل في توظيف البحرينيين في القطاع الخاص. علاوة على ذلك، تبين بأن العامل الاجتماعي والثقافي والقضايا المتعلقة بجنس

الموظف لها تأثير أكبر على قرارات التوظيف من العوامل التحفيزية والتنظيمية. النتائج تبين أيضاً أن مستويات التحصيل العلمي للمرشحين البحرينيين ترتبط ارتباطاً إيجابياً برغبة أرباب العمل في التوظيف من هذه المجموعة. مع كون كل الأمور الأخرى على قدم المساواة، من المرجح أن يزيد متوسط مستويات التحصيل العلمي للبحرنيين من قابلية توظيفهم مقارنة بنظرائهم الوافدين. وأخيراً، لم يتم العثور على علاقة مهمة بين العامل الاقتصادي وقرارات التوظيف في القطاع الخاص في البحرين.

مفاهيم البحث الرئيسية: سياسة البحرنة، سوق العمل الخليجي، البحرينيون الباحثون عن عمل، التوطين، مجلس التعاون الخليجي، البحرين.

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Dedication

To my beloved mother and father

Table of Contents

Title	i
Declaration of Original Work	ii
Copyright	iii
Advisory Committee	iv
Approval of the Doctorate Dissertation	v
Abstract	vii
Title and Abstract (in Arabic)	ix
Acknowledgements	xi
Dedication	xiii
Table of Contents	xiv
List of Tables.....	xvii
List of Figures	xix
List of Abbreviations.....	xx
Chapter 1: Introduction	1
1.1 Overview.....	1
1.2 Statement of the Problem and Research Aims	4
1.3 Applicability and Significance	5
1.4 Research Questions and Hypotheses	7
Chapter 2: Literature Review	8
2.1 Labour Market Characteristics	8
2.2 Policy Responses and Strategies.....	13
2.2.1 Economic Diversification	14
2.2.2 The Educational Reforms.....	15
2.2.3 Nationalization Policies	16
2.3 Barriers to Effective Nationalization	24
2.3.1 Employer Resistance to Localisation Policies	26
2.4 Theoretical Framework.....	50
Chapter 3: Methodology	53
3.1 Research Paradigm	53
3.2 Research Methodology	54
3.3 Methods	57

3.4 Sample Design	61
3.5 Field Access	64
3.6 Ethical Considerations	65
Chapter 4: The Qualitative Results	67
4.1 Qualitative Results	67
4.1.1 The Demographic Characteristics	67
4.1.2 Interviews Findings	70
Chapter 5: The Quantitative Results	112
5.1 Introduction	112
5.2 Descriptive Analysis	112
5.2.1 Gender	113
5.2.2 Nationality of Respondents	113
5.2.3 Education	114
5.2.4 Occupation	114
5.2.5 Business Sector	115
5.2.6 Company Size	116
5.2.7 The Private-Public Ownership	117
5.2.8 Bahrainisation Percentage	117
5.3 Data Screening	119
5.3.1 Missing Data	119
5.3.2 Aberrant Values	120
5.3.3 Outliers	121
5.4 Normality	124
5.5 Linearity Test	125
5.6 Homoscedasticity Test	126
5.7 Multicollinearity	127
5.8 Common Method Bias (CMB)	127
5.9 Reliability Analysis	129
5.10 Validity Analysis	134
5.10.1 Bartlett's Test of Sphericity	134
5.10.2 Kaiser-Meyer-Olkin Measure of Sampling Adequacy	135
5.10.3 Results of Principal Component Analysis Extraction Process	135
5.10.4 Extraction Method: Principal Component Analysis	136
5.10.5 Factor Rotation and Factor Loading	138
5.10.6 Factor Naming and Interpretation Process	139
5.11 Descriptive Statistics and Correlations	143
5.12 Hypotheses Testing	143

5.12.1 Multiple Regression Analysis	144
5.12.2 Results of Hypotheses Testing	147
5.13 Post Hoc Analysis	152
5.13.1 Gender	152
5.13.2 Nationality	153
5.13.3 Company Size	154
5.13.4 The Private-Public Ownership of the company	157
5.14 Chapter Summary	158
Chapter 6: Discussion and Conclusion	160
6.1 Addressing the Research Hypotheses	160
6.1.1 The Socio-cultural Factor	161
6.1.2 The Economic Factor	163
6.1.3 The Regulatory Factor	164
6.1.4 The Educational Factor	165
6.1.5 The Motivational Factor	167
6.1.6 Gender Issues	169
6.2 Addressing the Research Questions	171
6.2.1 The First Research Question	171
6.2.2 The Second Research Question	178
6.3 Theoretical implications	186
6.4 Practical Implications	191
6.5 Limitation and Future Directions	194
6.6 Conclusion	197
References	201
Appendices	214
Appendix A: Employer Interview	214
Appendix B: Employer Survey	220
Appendix C: Flexi Permit	226
Appendix D: Royal Order No. 28 of 2011	227

List of Tables

Table 3.1: Questions used to Operationalize the Research Constructs	63
Table 4.1: Employer Interview, Sample Demographics	69
Table 4.2: The Distribution of Respondents Based on Business Type and Size	70
Table 4.3: General Perceptions of Bahraini Jobseekers	74
Table 4.4: The Career Expectations of Young Bahrainis	78
Table 4.5: The Salary Expectations of Young Bahrainis	81
Table 4.6: The Socio-Cultural Factor	85
Table 4.7: Societal Norms	89
Table 4.8: The Educational Attainment of Bahraini Jobseekers	92
Table 4.9: The Soft Skills of Bahraini Jobseekers	95
Table 4.10: The Regulatory System	99
Table 4.11: Managing Bahraini Employees	103
Table 4.12: Bahrainis' Commitment to Work	106
Table 5.1: Gender of Respondents	113
Table 5.2: Respondents by Nationality	113
Table 5.3: Respondents by Education	114
Table 5.4: Respondents by Occupation	115
Table 5.5: Business Sector	116
Table 5.6: Company Size	116
Table 5.7: The Private-Public Ownership	117
Table 5.8: Respondents by Bahrainisation Level	117
Table 5.9: Sample Characteristics	118
Table 5.10: Partial Display of the Dataset Descriptive Statistics	120
Table 5.11: Partial Display of Univariate Outlier Test	122
Table 5.12: Partial Display of Mahalanobis Distance Test	123
Table 5.13: Normality Test Results for all Constructs	124
Table 5.14: Kolmogorov-Smirnov and Shapiro-Wilk Test	125
Table 5.15: Collinearity Statistics	127
Table 5.16: Results of Harmon's Single-Factor Test for Common Method Bias	129
Table 5.17: Reliability Analysis for the Research Variables	132
Table 5.18: KMO and Bartlett's Test	135

Table 5.19: Principal Component Analysis Extraction Results	136
Table 5.20: Commonalities	137
Table 5.21: Rotated Component Matrix ^a	138
Table 5.22: Descriptive Statistics & Correlation	143
Table 5.23: Research Hypotheses	148
Table 5.24: Model Summary ^a	148
Table 5.25: Summary of ANOVA ^a	149
Table 5.26: Results of Regression Coefficients ^a	149
Table 5.27: Model Summary of the Stepwise Multiple Regression.....	151
Table 5.28: Hypotheses Testing Results	151
Table 5.29: T Test Results for the Motivational Factor by Gender	152
Table 5.30: Mean Average of the Motivational Factor across Genders	153
Table 5.31: ANOVA Results of Nationalities	153
Table 5.32: Post Hoc Analysis for Education by Nationality	154
Table 5.33: Mean of Education by Nationality	154
Table 5.34: ANOVA Results of Company Sizes	155
Table 5.35: Post Hoc Analysis for Willingness and Education by Company Size	156
Table 5.36: Mean of Willingness to Recruit Bahrainis and Educational Factor.....	156
Table 5.37: T-Test Results for the Motivational Factor by Gender.....	157
Table 5.38: Mean Average of the Motivational Factor across Genders	157
Table 6.1: Measuring Items of the Dependent Variable	188
Table 6.2: Measuring Items of the Explanatory Variables	188

List of Figures

Figure 5.1: Standardized Residual Plot.....	126
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List of Abbreviations

ALBA	Aluminium Bahrain
AMEHR	Arab Middle Eastern Human Resource
BAPCO	The Bahrain Petroleum Company
BCC	Bahrain Chamber of Commerce
BHRS	Bahrain Human Rights Society
BICI	Bahrain Independent Commission of Inquiry
BQA	Bahrain Education and Training Quality Authority
CAPM	Career Attitude and Perception Model
CEO	Chief Executive Officer
CIO	Central Informatics Organization
EDB	Economic Development Board
GCC	Gulf Cooperation Council
GDI	Gender Development Index
GDP	Gross Domestic Product
GNI	Gross National Income
HEC	The Higher Education Counsel
HRM	Human Resource Management
IFLB	The Islamic Front for the Liberation of Bahrain
IMF	International Monetary Fund
LLOC	The Legislation and Legal Opinion Commission
LMRA	The Labour Market Regulatory Authority
MLSD	Ministry of Labour and Social Development

MOE	Ministry of Education
MOFA	Ministry of Foreign Affairs
NAC	The National Action Charter
NUC	The National Union Committee
SCW	Supreme Council for Women
SME	Small and Medium Enterprises
TIP	Trafficking in Persons
UNDP	United Nations Development Programme
VPM	Value Proposition Model

Chapter 1: Introduction

1.1 Overview

The spectre of unemployment and the concomitant burden on the GCC governments to create productive employment opportunities for their citizenry are amongst the key economic and policy challenges in the region. Like the other GCC countries, Bahrain has embraced the Bahrainisation policy to give their nationals priority in recruitment over expatriates who constitute more than half of the total population (CIO, 2015). In response, various structural and institutional reforms were introduced to develop the local human capital, create productive employment in the private sector and improve the labour market regulations (Forstenlechner & Rutledge, 2010).

Despite these efforts, progress has only been achieved in the public sector where Bahrainis comprise 86.3% of the total workforce, whereas the expatriate workers dominate the private sector by 83.7% (CIO, 2015). Further, while the policy has to some extent so far been successful in containing the level of national unemployment at 3.7% (CIO, 2015), this is unlikely to continue in the upcoming period, as the drop in the oil prices and the recurrent wage bills curtail the ability of the Bahraini government to absorb newly graduated citizens in their saturated public sector. Consequently, the government has had to direct the focus toward creating real jobs in the private sector (Al Ubaydli, 2016). However, this is not an easy task, due to a variety of reasons; private-sector employers tend to prefer expatriates over nationals in recruitment. In fact, this, combined with the growing size of the national workforce was highlighted as the most pressing issues facing the Bahraini economy in the Economic Vision 2030 (Bahrain Government, 2018). Further, Hussein al-

Shami, the Director of the Employment Department in the Ministry of Labour and Social Development, has recently stated that most of the privately-owned businesses are not committed to Bahrainisation quotas (Ali & Khamis, 2017). On the other hand, and based on a survey that sought the opinions of owners and managers in small and medium enterprises (SMEs), Bahrainisation was perceived as one of the barriers that hinder the growth of these businesses (Alrabeei & Kasi, 2014).

The identified reasons of employers' resistance towards recruiting nationals were diverse and previous studies had discussed this issue in all GCC states except Bahrain (e.g. Al-Dosary & Rahman, 2005; Al-Lamki, 1998; Forstenlechner et al., 2012; Salih, 2010; Williams, Bhanugopan, & Fish, 2011). Despite the common features among the GCC countries, there are idiosyncratic attributes specific to each state. Therefore, it is the aim of this study to fill this void and determine the factors that discourage employers from recruiting nationals in the private sector in Bahrain. The second aim of this study lies in drawing policy recommendations based on the research findings to better inform policymakers on the factors that reduce Bahrainis' employability in the private sector and hinder the Bahrainisation efforts.

More specifically, this study will utilize the conceptual framework developed by Forstenlechner et al. (2012) to answer;

RQ1: What are the perceptions of employers toward the Bahraini candidates? Moreover, how do social-cultural, economic, regulatory, educational, motivational and gender factors influence these perceptions and affect their hiring decisions?

RQ2: What are the necessary improvements or new measures that need to be introduced to the currently devised HR policies and practices in order to create value for all stakeholders (i.e. the government, private sector and citizens)?

To achieve these aims and answer the research questions, a mix of qualitative and quantitative methods was employed. Six hypotheses were devised to assess the effect of each explanatory factor on employers' willingness to recruit nationals in the private sector. Given the paucity of relevant literature on Bahrainisation, thirty-one semi-structured interviews were conducted with employers, human resource managers and personnel who work in the private sector in Bahrain to gain insights into the factors that influence their recruitment decision and that are specific to the research context (see Appendix A: Employer Interview). The data gathered from the interviews were then used to adapt and fit a pre-established survey instrument to the context of the study. In order to empirically determine the factors that dissuade employers from recruiting nationals, a survey questionnaire was administered to a representative sample of private-sector employers who work in Bahrain to seek their views about this subject (see Appendix B: Employer Survey).

The findings of this research shed light on the factors that deter employers from recruiting nationals in the private sector in Bahrain, thereby, significantly contributing to the practical and theoretical spheres. On one hand, practitioners and authorities in charge of Bahrainisation may benefit from such information to make better-informed policy decisions and increase Bahrainis' share in the private sector. Moreover, the policy recommendations that the researcher has suggested based on the research findings provide valuable insights into ways that the Bahraini government could facilitate greater integration of Bahraini nationals into the private sector without compromising the competitiveness of the latter. On the other hand, the results theoretically contribute to the conceptual framework developed by Forstenlechner et al. (2012) by enhancing the reliability and generalizability of the employed theory in a different context. A major contribution also lies in extending

the growing body of knowledge on AME HR model identified by Afiouni et al. (2013), as the findings examined the external realities that are relevant to the Bahraini context and that affect the human resource practices. Moreover, while most of the pertinent literature focused on these two dimensions, this study took a step further and proposed policy recommendations that could promote the employability of Bahrainis in the private sector.

The remainder of this chapter is structured as follows: The next section outlines the statement of the problem, research aims and objectives. The research practical and theoretical significance will be covered in the third section (Applicability and Significance). Finally, the research questions are summarized in the fourth section.

1.2 Statement of the Problem and Research Aims

It is a frequently stated view that private-sector employers in the GCC states favour foreign workers over nationals in employment. However, while previous studies have discussed this issue in all GCC countries from different perspectives (e.g. Al-Dosary & Rahman, 2005; Al-Lamki, 1998; Forstenlechner et al., 2012; Salih, 2010; Williams et al., 2011), similar attention was not paid to this topic in Bahrain. Further, although the majority of these studies were revolving around describing the contextual factors and other external business realities that influence the human resource functions in the Arab Middle East (AME) region in general and the GCC in particular, more research is still needed in this area especially after the political uprisings that swept across some of the Arab Middle Eastern countries in 2011 (Afiouni et al., 2013). Therefore, the current study aims to contribute to the growing body of knowledge on the AME HR model by providing empirical evidence

of the factors that discourage employers from recruiting Bahrainis in the private sector. It also aims at drawing policy recommendations to better inform policymakers on the factors that reduce Bahrainis employability in the private sector and hinder the Bahrainisation efforts. This is of particular importance, as the extant literature was predominantly focused on reporting the potential factors that affect the HR practices without recommending the best indigenous HR practices that would guide policymakers toward a more value-added HRM paradigm.

To achieve these aims, the opinions of private-sector employers and HRM personnel will be sought to:

1. Determine the extent to which the employers of the private companies in Bahrain are willing to recruit from the national cohort.
2. Determine the effect of the socio-cultural, economic, regulatory, educational, motivational and gender factors on employers' willingness to recruit citizens in the private sector.
3. Explore the idiosyncratic factors (e.g. the political situation) that affect the recruitment decision of private-sector employers in Bahrain.
4. Provide policy recommendations to enhance the employability of Bahrainis in the private sector, in particular addressing the factors that deleteriously affect their employability.

1.3 Applicability and Significance

One of the main challenges that the Bahraini government faces and that was highlighted in its economic vision 2030 is that Bahrainis are not considered a favourable choice for recruitment by private-sector employers. On the other hand,

most of the productive employment opportunities are created in this sector. Therefore, the findings of this research have significant contributions at the practical level, as they provide valuable insights into the factors that dissuade private-sector employers from considering the Bahraini candidate as a favourable recruitment choice. Further, such findings are of particular importance to the authorities in charge of Bahrainisation who strive to increase Bahrainis' share in the private sector. Furthermore, policymakers may gain from such information and make better-informed policy decisions which in turn, would help to assimilate the Bahraini citizens in the private sector without compromising the competitiveness of the latter. Another practical contribution lies in the policy recommendations proposed based on the research findings, as they suggest ways in which the Bahraini government could improve the currently devised HR policies and practices to create value for all concerned stakeholders.

As mentioned previously, this research utilized the conceptual landscape developed by Forstenlechner et al. (2012) to explain the reasons behind the internal resistance toward recruiting Bahrainis in the private sector. The results of this study theoretically contribute to the pertinent literature by enhancing the reliability and generalizability of the employed theory in a different context. Moreover, the data derived from interviews were utilized to add, subtract and amend the constituent elements of the utilized theory, whereas the quantitative part of the study empirically determined whether the conceptual framework and the hypothesized relationships explain the observed patterns.

This research also adds to the growing body of knowledge on AME HR model identified by Afiouni et al. (2013) through examining the external realities that affect the HR practices in Bahrain. This is of great importance; especially that

Bahrain was one of the Arab countries that experienced the unrest of the so-called 2011 Arab Spring. Therefore, another contribution lies in exploring the influence of such events on the HRM practices in the region. Finally, most of the previous studies in this area were focused merely on describing the potential factors that affect the HR practices, this research took a step further and suggested ways in which the currently devised HR policies and practices could be improved to respond to such realities, thereby enriching the academic discourse on HRM in the Middle East.

1.4 Research Questions and Hypotheses

This research intends to address the following research questions:

RQ1: What are the perceptions of employers toward the Bahraini candidates? Moreover, how do socio-cultural, economic, regulatory, educational, motivational and gender factors influence these perceptions and affect their hiring decisions?

RQ2: What are the necessary improvements or new measures that need to be introduced to the currently devised HR policies and practices in order to create value for all stakeholders (i.e. the government, private sector and citizens)?

Chapter 2: Literature Review

Bahrain is one of the six GCC states that have embraced nationalization policy to reduce the dependence on expatriate workers and provide nationals with productive employments. Past anecdotal and empirical evidence suggests that the policy had limited success in terms of localizing the private sector. Many factors have been proposed to explain why there seems to be some form of ‘internal resistance’ towards recruiting nationals in the private sector in the GCC states.

This chapter provides the theoretical background of this issue. It is structured to discuss three essential themes; the first theme outlines some of the key traits of the GCC labour market in general and those of the Bahraini labour market in particular, the policy responses and strategies that were deployed to rectify the distortions in the labour market and alleviate national unemployment are summarized in the second theme, finally, the last theme examines the barriers to effective localization in general and then it narrows down to discuss these barriers from employers’ perspective.

2.1 Labour Market Characteristics

All GCC countries have experienced dramatic population growth over the past-half century. Bahrain’s total population doubled sevenfold, it grew from 182,203 in 1965 to reach 1,370,322 in 2015 (CIO, 2015). Part of this was due to natural growth factors such as improved fertility rates and life expectancy among Bahraini citizens (SCW, 2015), the other, however, was a direct result of seeking ambitious development plans after the oil discovery. The scarcity of the indigenous workforce both in terms of quantity and quality at that time entailed extensive labour importation and a heavy reliance on the high- as well as the low-skilled foreign

cohorts. That process has made significant contributions at the economic, political and socio-structural levels; it has transformed Bahrain and other GCC countries from tribal communities into modern states (Kapiszewski, 2006).

Although the large influx of immigrants into the region was mutually beneficial at the outset, it is now placing enormous strains on the economy, infrastructure, labour market and productivity levels. According to Forstenlechner and Rutledge (2011), the demographic imbalance has reached a critical point in all GCC countries, as the overwhelming foreign majority exceeds the local component of region's population by multiple stages and thus, giving rise to a number of serious issues that compose a threat not only to the local economy and political security but also to the socio-cultural norms and values. According to the latest population figures, the foreign share constitutes more than half of Bahrain's population and 77.8% of its total workforce (CIO, 2015). Such ratios confirm what has continuously been mentioned in the pertinent literature; that one of the most distinctive attributes of GCC labour markets is the significant stake of expatriates in the workforce (e.g. Fasano & Goyal, 2004; Forstenlechner & Rutledge, 2011).

As a result, a growing level of unemployment became evident among Bahraini citizens, and other GCC nationals are no exception. In the 1970s and early 1980s for instance, the region experienced rapid economic growth due to a boom in the oil prices. In the same period, Bahrain's average unemployment increased sharply from 5% in the 1970s to reach 12% in the mid-1980s and early 1990s (Al-Qudsi, 2006). This rate has increased further to hit 14% in 2002 and recorded one of the highest unemployment levels among GCC states (Al-Qudsi, 2006). It is reasoned by the fact that most of the jobs created at that time were filled by expatriates which

in turn aroused deep resentment among unemployed citizens toward foreigners who work in their countries (Harry, 2007).

In response, certain initiatives were adopted to rectify this situation such as; improving the educational system, diversifying the resource-based economy and localizing the job market. However, little success was achieved in addressing the unemployment problem and reducing the reliance on expatriates. The way in which the hydrocarbon wealth has been historically consumed and distributed has severely distorted the region's labour market and made the creation of employment one of the most challenging issues to address (Forstenlechner & Rutledge, 2010).

The citizens of the Arabian Gulf countries have long benefited from a generous welfare system. This system or 'social contract' as defined by external observers outlines the relationship between the ruling elites and citizens in the Gulf monarchies; it rests on sharing the wealth of oil among the inhabitants through generous subsidies that range from the provision of well-remunerated government jobs to free access to most of the public services (Forstenlechner & Rutledge, 2010; Sdravovich, Sab, Zouhar, & Albertin, 2014). As a result, and given the fiscal abilities derived from the natural resource wealth, these governments controlled the growing level of unemployment by absorbing the young cohorts in their public sector and providing them with attractive employment packages. This process stemmed a sense of entitlement to such privileges, to the extent that many nationals preferred staying unemployed than seeking employment in the private sector (Shaban, Assaad, & Al-Qudsi, 1995).

Another form of the ruling bargain lies in citizen's easy access to inexpensive foreign labour. This is not limited to business owners; even the national households have long benefited from these workers to enjoy a comfortable lifestyle and improve

their living standards (Forstenlechner & Rutledge, 2010). According to Forstenlechner and Rutledge (2011), this liberal attitude to the labour market and immigration policies entrenched the reliance on the foreign workforce, exacerbated the distortion of the labour market and worsened the demographic dilemma. Further, the private-sector employers had little incentive to invest in labour-saving technologies and recruit their national fellows who are relatively expensive.

Consequently, the public sector continued to recruit nationals until it reached a saturation point and could no longer absorb or afford the new comers. On the one hand, the GCC countries have a large share of young nationals; those who are less than 20 years for instance, make up 41.5% of Bahrain's population pyramid (CIO, 2015). This means that a significant number of young nationals are either seeking or will be expecting state employment as soon as they reach the working age. On the other hand, the excessive wage bills of the public sector became a heavy fiscal burden on these governments, especially in Bahrain, Saudi Arabia and Oman, where the oil reserves per capita are relatively low (Rutledge, 2008). However, between 2008 and 2013, the highest expansions of these bills were recorded in two of these countries, namely, Oman and Bahrain. Further, the bills of the latter, Saudi Arabia and Kuwait were considered among the highest in the advanced and emerging economies (IMF, 2014).

Given these realities, and with the continuation of such coping strategies, the labour markets of the six GCC countries became highly segmented. According to the segmented or internal labour market theory, there are two interconnected yet noncompeting groups in the market; primary and secondary (Dickens & Lang, 1985; Doeringer & Piore, 1985). The employment and wages in the primary or internal market are governed by administrative rules and procedures, whereas those of the

secondary or external market are influenced by the conventional drivers of the economic theory. The jobs in the former – the national labour market – are shielded from external competition due to inelastic mobility of labours between the two markets. Further, the pay levels, working conditions and other privileges of this market are better compared with the secondary market – the expatriate labour market.

Based on these tenets and by utilizing a quantitative approach, Abdalla, Al-Waqfi, Harb, Hijazi, and Zoubeidi (2010) provided evidence that the labour markets in GCC countries are segmented into the public sector (the primary market) and private sector (the secondary market). Further, it was found that citizenship is one of the main ports of entry to state employment, whereas the levels of education, except postgraduate degrees, are not essential for securing such jobs. Thus, the selection criteria of this sector are not tied to human capital endowments or other economic factors, and noneconomic barriers such as nationality, to some extent, restricts expatriates from obtaining government employment.

The salary expectations of nationals are driven by the public sector, which offers generous pay levels and favourable working conditions. Like the employment standards, the pay system in this sector is not linked to performance or other productive aspects, but to the privileges derived from being a citizen (Harry, 2007). Further, Abdalla et al. (2010) found that unlike the private sector, the educational attainment (except postgraduate degrees) has an insignificant effect on public-sector wages. Consequently, while this sector provides generous remunerations and requires minimum levels of skills and efforts, it became hard for its private counterpart to compete with such rates and benefits. Therefore, relying on the easy-to-control and

inexpensive foreign workforce was a more efficient choice for privately owned businesses.

Unlike Saudi and Oman, there is no legislation on minimum wages in Bahrain. However, there are minimum salary rates for Bahraini employees in the private sector which are set by the Ministry of Labour and Social Development (MLSD) through internal regulatory decisions. These rates are specified based on qualification. Prior to 2012 for instance, the minimum wage rates were BD 250 per month for high school graduates and dropouts, BD 280 per month for Diploma holders and BD 380 per month for Bachelor's degree holders (MLSD, 2019). However, these rates were not fixed, as stated by a source in the MLSD. In 2012, these rates were increased by 8% and had become fixed. At the end of 2017, these rates have further been raised to reach BD 300 per month for high school graduates (or lower) and BD 350 and BD 450 per month for Diploma and Bachelor holders respectively (Tamkeen, 2019b).

With regard to the legal framework, the labour market in the GCC region is characterized by lax immigration rules but also restrictive internal regulations. The sponsorship 'kafala' system for instance, bans labour mobility and thus, limits the opportunities of improving the productivity levels and consequently entrenched the distortion of the labour market (Forstenlechner & Rutledge, 2011).

2.2 Policy Responses and Strategies

This section reviews the main policy initiatives adopted by the GCC states in response to the aforementioned labour market challenges. Broadly speaking, these policies involved; economic diversification efforts, educational reforms and labour

market nationalization policies. The following provides a detailed review of these initiatives.

2.2.1 Economic Diversification

For several decades, oil revenues have been and still are the mainstay of the GCC economies, as they account for the majority of the total government revenues in most GCC states (Rutledge, 2008). In 2014, the share of these revenues from the total GDP was the highest in Kuwait as it reached 56.6%, the second-highest was 46% in Saudi Arabia, 38% in Oman and Qatar, 36% in the UAE, and the lowest rate was in Bahrain where it composed 24% of the total GDP (Ulrichsen, 2016). Bahrain has modest oil reserves compared with its neighbours. Thus, it has long been ahead of the other Arabian Gulf countries in terms of creating new industries, diversifying its economy and making progress in trade and other policy reforms (Hertog, Luciani, & Valeri, 2013). The fruits of these efforts appear in Bahrain's aluminium plant (ALBA), which is considered one of its most notable manufacturing projects (Hvidt, 2011). Further, in 1975, Bahrain has expanded its efforts and strived to improve its financial and service sectors. For this reason, it became well known for its thriving financial industry and was ranked among the most fast-growing financial centres by the Global Financial Centres Index (Looney, 2009). However, according to the IMF (2013), the contribution of this sector to GDP growth was less than other low-productivity industries like construction, retail trade and transportation.

Although these diversification efforts have made some economic progress in Bahrain as well as the GCC economies and increased their non-oil output, they have done little in terms of creating employment for citizens. According to Forstenlechner and Rutledge (2010), most strategies were focused on energy-intensive industries

such as aluminium smelting. These industries are capital-based and highly reliant on automation, thus, offer few jobs and require skills that often exceed the local competencies. Conversely, with other expanding sectors in the service industries such as retail, were concentrated on labour-intensive industries which required low skilled workers and provided low pay salaries, and locals do not even consider such career options. Therefore, the distribution of citizens in non-oil industries was highly skewed towards the service and financial sectors (Ark, Frankema, Manole, & Tank, 2008).

2.2.2 The Educational Reforms

Bearing in mind that the educational system of any state is one of the major tools to its prosperity, great value has also been placed on improving the educational outcomes in all GCC countries over the past few decades. There was a primary focus to raise school enrolment among nationals and improve the quality of education. However, little was achieved in terms of preparing students for private-sector jobs. According to Forstenlechner and Rutledge (2010), the education at both secondary and post-secondary levels was underperforming and represented a major impediment to the region's economic prospects. Further, the authors argued that rote learning was still prevalent; hence, the educational reforms failed to instil the critical thinking skills required in modern economies. On the other hand, Fasano and Goyal (2004) asserted that the outputs of the education and training systems are not matching the required skills in the labour market because most of the GCC nationals favour the social or Islamic studies over the technical majors and business administration, which are mostly required by the private sector.

Conversely, Harry (2007) contended that education in these countries is concentrated on national identity and religious studies. Thus, despite the substantial amounts allocated to improve this system, it still suffers from severe shortages and the unemployment situation was exacerbated by these weaknesses in education. Moreover, Hertog (2014) accused the selection and promotion criteria of the public sector of distorting the educational motives of the national students. As these criteria are not based on the academic performance or specializations and thus, not encouraging the national cohorts to work hard, spend efforts on difficult majors or excel academically.

2.2.3 Nationalization Policies

To curb unemployment, boost the employment opportunities for nationals and reduce the reliance on the foreign workforce, nationalization policies, as well as other labour market and structural reforms, were adopted by all GCC countries over at least the two past decades. The urgency of these reforms and their implementation mechanisms varied widely across these states. In Oman, Bahrain and Saudi Arabia for instance, countries that have much in common in terms of petroleum rents, GDP per capita, prevailing wage rates and percentage of nationals and non-nationals, these reforms were pursued more persistently and vigorously. Indeed, the situation in these countries is more acute, given their relatively low oil revenues and large national workforce (Fasano & Goyal, 2004; Forstenlechner & Rutledge, 2010).

Further, the localization policy is conceptualized variably among different groups and in different contexts. Al-Subhi Al-Harbi (1997) for instance, defined Saudization as the act of systematically replacing the foreign workers with adequately trained and qualified nationals. Emiratization was defined by Al-Ali

(2008, p. 368) as ‘a focused social capital program that seeks to overcome structural barriers to Emirati employment in organisations, and address social issues rising from citizens’ entry into the labour market’. Moreover, and among a selected number of managers and human resource professionals who work in public, private and semi-government sectors in the UAE, Al-Waqfi and Forstenlechner (2014) found that the most shared meaning of localization was prioritizing locals over expatriates in recruitment. In addition, providing nationals with the right skill set through training and development programmes while integrating them gradually and productively into the workforce were the second and third most common definitions of nationalization respectively. Although the localization policies and their conceptualizations vary from one GCC country to another, they all affect, whether directly or indirectly, the human resource activities of the public and private sectors (Rees, Mamman, & Braik, 2007).

The localization policies were successful in reducing the levels of unemployment among the young nationals, as in 2013, the average unemployment ranged from 0.5% in Qatar to 7.9% in Oman. The registered rate in UAE and Bahrain was 3.8%, whereas the corresponding percentages in Kuwait and Saudi Arabia were 3.1% and 5.7% respectively (IMF, 2016). However, this is not an indicator of a healthy economic growth or effective employment creation, firstly because expatriates which form a large percentage of the population in the UAE and Qatar are usually only granted residency on the basis of them first securing employment and secondly because GCC governments have absorbed large shares of their national labour forces into their respective public sectors. From 2000 to 2010 for instance, a total of 7 million jobs were created in the region (except the UAE), more than two-thirds of these jobs were generated by the private sector, yet, the

expatriates were the primary beneficiaries of these opportunities. Conversely, around 70% of the posts created in the conventional government sector were occupied by citizens (IMF, 2013). It is noteworthy that these figures include unemployment among expats which is virtually zero, because expats cannot be residents in the region without a job, therefore, this distorts the figures downwards.

According to Harry (2007), oil prices have fell to half of what they used to be in the mid-1970s, and given the recurrent budget deficits it became hard to continue with such strategies especially that the public-sector wage bills drain over 10% of the region's GDP. Therefore, and in an attempt to address the job creation issue, a number of top-down initiatives have been taken by these governments to assimilate their citizens in the private sector, such initiatives involved; reserving certain positions for nationals and imposing localization quotas on particular industries such as the banking and finance sector. However, these measures were criticised for their potential threat to the region's business-friendly reputation and the private-sector's competitiveness. Other initiatives encompassed introducing fines for noncompliance and obliging the private-sector employers with a number of regulations that grant nationals certain rights related to their dismissal and working hours. Still, while these regulations might encourage nationals to work in the private sector, they also would dissuade employers from recruiting them. Hence, some of these initiatives were not maintained especially in the wealthier countries like the UAE, Qatar and Kuwait (Forstenlechner & Rutledge, 2010).

As the other GCC countries, Bahrain has engaged in labour market reforms to boost nationals' participation in the private sector. In the 1990s, and as the cultural norms were changing in the region, especially in Kuwait, Bahrain and Qatar, there was a growing number of national women seeking employment. With the steady

growth in the national population, this has increased the pressure of creating jobs on these governments (Louër, 2015). Therefore, a number of coercive measures were adopted to meet these challenges. For example, new companies were obliged with 20% Bahrainisation quotas in their first year with a 5% annual increase until they reach the target of 50% nationalization (Hertog, 2014). Not least, specific professions were totally reserved for nationals like taxi drivers (Louër, 2015).

Unlike the wealthier states in the GCC region, the top-down initiatives were more strictly enforced in countries like Bahrain and Oman. However, according to Hertog (2014), the first generation of localization policies that were mostly based on direct labour-market interventions, were not successful in increasing nationals' share in the private sector. Further, most of the privately-owned companies did not achieve the required quotas and employers were still able to evade them through backhand dealings.

In 2004, after the establishment of the Economic Development Board (EDB); whose mission is to create sustainable economic growth, build a skilled Bahraini workforce and generate the type of employments that fully utilize their potentials, a comprehensive package of labour market reforms was launched. Of these reforms, levying biannual and monthly taxes on foreign labours to increase their cost relative to their national counterparts and granting the expatriate employees more rights by allowing their mobility in the job market. These reforms drew to a great extent on the recommendations proposed by the McKinsey study, which was commissioned by the Bahraini government in 2002 to analyse the labour market situation and provide recommendations that would help reduce unemployment among Bahraini youth (Hudson & Kirk, 2014). The findings were published in 2004, and a number of recommendations were proposed to address the structural causes of youth

unemployment. The most prominent among them were; levying monthly and biennial fees on expat workers to close the wage gap between nationals and their expat peers, terminating the sponsorship system (Kafala) and phasing out employment quotas (Louer, 2012). The idea underlying these recommendations was to deregulate the labour market and narrow the wage and rights differentials between national and expatriate workers (Louer, 2012). By doing so, the competitiveness of the labour market would increase and the wages will be determined by the economic forces, which would eventually raise the pay level in the private sector.

The official objectives of the labour market reform started in 2007 and were primarily based on McKinsey's recommendations (Hertog, 2014). The implementation of the reforms came into effect on 1 July 2008 (Hudson & Kirk, 2014). A separate labour market observatory, Labour Market Regulatory Authority (LMRA) was created in 2008 to implement these reforms (Hertog, 2014). Accordingly, it started by collecting reliable data on employment, unemployment, and education to provide a rich source of information available for the general public. Further, various electronic services were offered for expatriate employees and their employers alike. It was described as a one-stop shop to manage all labour-related bureaucratic procedures (Hertog, 2014). Another semi-government body Tamkeen was created in 2007 to take an active role in developing the Bahraini workforce and improve their skills and productivity levels. Further, a significant stake of national entrepreneurs benefited from Tamkeen's various programs that ranged from offering financial support to the advisory services (Hudson & Kirk, 2014).

Under the new system, and to address the pay gap between the nationals and expatriate workers, a monthly tax of BD 75 was levied on private-sector employers

for every foreign worker with additional BD 600 paid every two years to renew their work contracts. However, the national business elites campaigned against these charges, so the amount was reduced to BD 10 and BD 200, respectively (Hertog, 2014; Hudson & Kirk, 2014; Louër, 2015). Meanwhile, Bahrainisation quotas were reduced but not abolished as recommended by the Mckinsey Company. As a further step toward deregulating the labour market, the government introduced some amendments to the sponsorship system which was supposed to be terminated. Of these amendments, the LMRA became the legitimate sponsor of the expatriate labours, and the latter were granted permission to change jobs by notifying their existing employers (Hudson & Kirk, 2014).

In July 2017, the LMRA launched a pilot scheme “Flexi permit” which allows expatriates with expired or terminated work permits to legalize their stay in Bahrain and work without the need for a sponsoring employer (LMRA, 2017c). Those who are eligible for the program can work for multiple employers on a full- or part-time basis and can exit and re-enter the country freely (See Appendix C: Flexi Permit). The new program offers two types of permits; Flexi permit and Flexi hospitality permit, both are valid for two renewable years and allow the holder to work in any non-specialized job, but the Flexi permit prevents work in restaurants, salons and hotels. Workers who wish to benefit from the system are required to pay a one-time fee of BD 449 (\$1191) as well as BD 30 (\$79.50) monthly fees (LMRA, 2017c).

The new program received widespread acclaim from academia and human rights organizations (Abdulla, 2018; Guild & Basaran, 2018; TIP, 2018). According to Gidda (2017) from Americans Democracy and Human Rights in Bahrain, the Flexi Permit is ‘a significant deviation from Kafala system’ as it allows workers to be self-

employed and choose the employer they want to work for. It also addresses the exploitative aspects of the sponsorship system by legalizing the residency and work of a large segment of expatriate workers and giving them more rights (Guild & Basaran, 2018). For this reason, the Flexi-permit model was adopted as one of the best international practices in the intergovernmental conference on the global compact for migration 2018 held in Geneva (LMRA, 2017b). Moreover, Bahrain was upgraded to Tier 1 status by the US Department of State to Monitor and Combat Trafficking in Persons to become the first Arab state that fully meets the standards of the Trafficking Victims Protection Act (TIP, 2018).

On the other hand, and as any new system, the flexible permit scheme has been criticized by a number of scholars and market observers. In one of the recently published studies on Gulfization, it has been argued that the new program could worsen the unemployment issue among the national cohort and negatively affect the localization policies in place, as it removes former restrictions that have been devised to curb the influx of migrant workers into the country (Abdulla, 2018). It has further been alleged that the scheme fell short of achieving its intended outcomes, as the cost of obtaining such a permit is relatively high, rendering it inaccessible for many low-skilled and low-wage migrant workers (Guild & Basaran, 2018). Furthermore, Abdulla (2018) claimed that the new system did not altogether abolish the sponsorship role but instead changed the sponsoring body to be the LMRA, and therefore migrants would still need a sponsor to reside and work in the country.

Although the second-generation of policy responses were an extension of the preceding initiatives, they were better planned, more organized and based on market incentives (Forstenlechner & Rutledge, 2010). Moreover, the Bahraini reforms were positively appraised by market observers (Hertog, 2014). From 2008 to 2009 for

instance, the share of Bahraini workers in the private sector increased remarkably compared with the preceding period. The salaries of this sector also increased and represented 16.4% of Bahrain's GDP in 2011, of which locals accounted for 6.8% (Hertog, 2014). The unemployment rate among nationals dropped from 16% in 2002 to 3.7% in 2010, of which unemployed females constituted 2.8% (Toumi & Chief, 2010). However, such figures should be treated with caution (Louër, 2015). Because most of the privately-owned entities are state-backed, thus, they cannot be regarded as fully private companies. Further, part of the sharp drop in the unemployment rate was a result of some changes in the measurement techniques that calculate unemployment (IMF, 2014).

On a more positive note, the second generation of the Bahraini labour-market reforms was in the right path to achieve the desired outcomes. However, the policy responses to the political crisis in 2011 created unintended consequences. To mitigate the impact of the crisis on the private sector, the fees levied on this group for every expatriate they hire were suspended until the summer of 2013 (Hudson & Kirk, 2014). Furthermore, the localization quotas imposed on the private companies were also reduced. Consequently, the private sector remained to a great extent reliant on the cheap and easy to manage foreign workers, while the public sector was saturated with Bahraini citizens.

According to the latest figures, Bahraini nationals represented 84.1% of the public-sector workforce in 2015, while the expatriate dominated the private sector by 83.7% (CIO, 2015). Further, recently published statistics showed that expatriates who work in the information technology sector constitute 3806 workers compared with 1553 Bahrainis. Moreover, around 9498 expatriates work in the accounting and financial industries, whereas 4421 Bahrainis work in the same sectors (Al-Ayam,

2017). This indicates that there is a resistance toward employing nationals even in the high-skilled industries. Therefore, the next section will discuss the underlying reasons for such resistance and the barriers to effective Bahrainisation.

2.3 Barriers to Effective Nationalization

The localization policies in the six GCC countries and their relevant mechanisms which involved both direct and indirect interventions in the human resource practices of the public and private sectors had limited success in terms of providing the young cohorts with productive employment opportunities. Certain barriers continued to impede any effort to address the chronic economic issues in the region such as the growing youth unemployment. From this point, a considerable amount of literature has focused on evaluating the localization policies to determine the barriers that impede their effectiveness.

Various studies aimed at analysing the underlying causes of nationals' preference for state employment. In this regard, Al-Waqfi and Forstenlechner (2012) drew upon the social psychology literature and combined two theoretical lenses, namely; the institutional theory and social cognitive career theory to understand the career choice behaviour of the young Emiratis and explore the factors that stimulate such preference. The findings revealed that none of the factors that stimulate nationals' preference toward the public sector originate from their individual attributes, but the contextual factors. In other words, both the legal framework and the structure of the labour market rendered the private sector an environment that suits the transient foreign workers; as it recruits on a contractual basis and lacks the basic aspects like job security and employee rights. Therefore, such domain will not be appealing for citizens even if they had personal interests toward working there.

Another factor that discourages this cohort from considering the private sector as a viable career choice was found to be their lack of exposure to private sectors' norms and reality which makes it a foreign and unpredictable environment.

Similarly, and to assess the factors that affect the career choice of the young qualified nationals and their willingness to choose the private sector as an alternative career path to the saturated public sector, Forstenlechner, Selim, Baruch, and Madi (2014) built an integrative Career Attitude and Perceptions Model (CAPM) by utilizing the contemporary career concepts. The findings revealed that the effect of self-efficacy and self-perceived employability on national's willingness to work in the private sector was insignificant. Conversely, there was significant evidence that the latter is affected negatively by national's expectations toward state employment and positively by career exploration. On the other hand, the expectations of young citizens toward state employment were positively influenced by self-efficacy, whereas negatively affected by career exploration. The latter had a significant positive effect on each of self-efficacy and self-perceived employability, while a significant and positive relationship was also found between the last two. These results were homogeneous with the previous study and confirmed that certain contextual factors and labour market characteristics play a major role in shaping the career attitude of the young nationals and direct their preference toward state employment.

By utilizing the neo-institutional theory as a theoretical framework, Al-Waqfi and Forstenlechner (2014) sought to understand the interconnection between the regulative normative and cultural-cognitive elements and their influence on localization's performance. The authors argued that the surrounding socio-cultural and institutional environment in which the localization policy is being implemented

has a significant impact on its effectiveness. Of these elements for instance; the labour market dualism and the cultural norms that affect the career decision of locals and discourage them from accepting traditional white-collar jobs. Further, the competencies and work qualities of the local workers that considered inadequate to private-sector employers. Another contextual factor that restrains localization's effectiveness was perceived to be the flaws in policy design and the lack of unified tools and mechanisms. Finally, the uncertainty of the legal framework that governs the labour law was considered an additional barrier as it makes the foreign worker easier to manage than his local counterpart and thus, more attractive to employ.

2.3.1 Employer Resistance to Localisation Policies

On the other hand, Forstenlechner et al. (2012) argued that the passive role of the private sector in the localization process is one of the main hindrances to its effectiveness. Therefore, and based on the barriers addressed in the extant literature, six main factors were identified and utilized as overarching themes to explain why there seems to be some kind of 'internal resistance' from employers' side towards active engagement in the localization process. Six hypotheses were postulated to explore which of the social, cultural, economic, regulatory, educational and motivational factors have a significant impact on employers' willingness to recruit nationals. The findings revealed that the direct salary cost of hiring nationals was not perceived as a hindrance to recruiting them by employers. On the contrary, each of the social, cultural, motivational and regulatory factors had a significant and negative impact on employer's recruitment decision, whereas the educational element had significant positive effect on the latter. Moreover, it was found that the ambiguities over nationals' recruitment and dismissal procedures as well as their lack of

vocational motivation had a substantial bearing on the recruitment decisions of both the national and non-national employers.

This paper is one of the influential publications in the localization literature for many reasons; first it synthesized the literature on localization policy and pulled all the factors that might affect the recruitment decision of private-sector employers under six overarching themes, second, it operationalized each construct based on the extant literature and provided a useful instrument that can be used by future researchers and practitioners (see appendix B: Employer Survey), finally, unlike most of the previous work on localization that was qualitative in nature, this paper provided an empirical evidence of the factors that discourage employers from recruiting citizens in the private sector. Therefore, the current study will be majorly based on Forstenlechner et al. (2012) seminal paper and will utilize the six explanatory variables, namely, the social, cultural, economic, regulatory, educational and motivational factors to explain the reasons behind private sector's resistance to Bahrainisation. The following reviews the relevant work on each factor.

2.3.1.1 The Socio-cultural Factor

Of the social barriers that discourage private-sector employers from recruiting nationals, the unrealistic expectation of the latter with respect to their work positions. Most of the private sector entities offer low-status jobs that require menial workers, and such occupations are not socially valued by the national cohort. However, even if the latter applied for these jobs, albeit unlikely, the social barriers would diminish the probability of employers hiring them. Forstenlechner et al. (2012) found that, although the social factor discourages both; the national and non-national employers

from recruiting citizens, it has more impact on the former. Because they may feel that the position is not socially appropriate to be filled by their national compatriots.

Al-Waqfi and Forstenlechner (2012) argued that the main reason behind citizens' resistance to working in the private sector is rooted in the local socio-cultural and institutional context. It has been found that the majority of young citizens have misconceived ideas about the private sector due to a lack of exposure to private sector realities and norms. Consequently, the experience of this group has been greatly influenced by the negative perceptions and rumours prevalent in the social context, which portray this sector as a foreign and harsh environment for citizens (Al-Waqfi & Forstenlechner, 2012). For this reason, the bulk of young citizens prefer to work in the public sector, where they enjoy favourable pay levels and working conditions.

In one of the quantitative studies that sought the opinions of 2267 Emirati citizens enrolled in six higher education institutions, it has been found that career exploration and locals' expectations toward state employment significantly affect their willingness to work in the private sector (Forstenlechner et al., 2014). Therefore, the early exploration of career opportunities could facilitate the assimilation of nationals in the private sector. However, it has been argued that as long as the social contract as it is currently established remains unchanged, it would be difficult to change nationals' sectoral preferences (Forstenlechner & Rutledge, 2010; Forstenlechner et al., 2014).

According to Mellahi (2007), the discovery of oil in the GCC region has significantly influenced the cultural values and social attitudes of the citizens, to the extent that one's social status became highly reliant on the position s/he occupies, the sector s/he works in and his or her social interactions at work. Therefore, most of

these young nationals have high expectations regarding their work positions even if they lacked the skills and qualifications required for such jobs.

The social factor also involves the issue of utilizing social and family networks (*wasta*) to gain certain advantages such as securing a job or promotion (Hutchings & Weir, 2006). According to Forstenlechner et al. (2012), such interventions dissuade employers from recruiting national applicants as they negatively affect their competitive environment as well as their recruitment and management practices. By conducting survey research with a sample of 200 managers working in different organizations across the middle east, it has been found that although (*wasta*) was considered to be unfair by the majority of respondents, over 80% of them have also acknowledged that it plays an instrumental role in securing job and promotion opportunities for individuals in the Arab world (Tlaiss & Kauser, 2011). It has also been reported that practices of *wasta* are still common across the Arab Middle Eastern countries and are unlikely to be curtailed in the near future (Tlaiss & Kauser, 2011). Moreover, more than 90% of managers perceived *wasta* to be more important than one's qualification and experience (Tlaiss & Kauser, 2011).

Turning to the cultural factor, Al-Waqfi and Forstenlechner (2010) reported that citizens are perceived negatively in terms of their cultural disposition, and their work-related conceptions and norms represent an impediment to their competitiveness in the labour force. For instance, it was argued that nationals have unrealistic expectations with respect to their opportunities for advancements to the extent that, they would quit if they were not promoted regularly and within short periods. Further, employers' fear of unintentionally offending local sensibilities especially those related to gender is another cultural factor that discourages them

from recruiting citizens (Forstenlechner et al., 2012). The reputation of some private industries as a mixed-gender environment that necessitates continuous communication between men and women deter many women from participating in such sectors. For example, some Bahraini families do not perceive nursing as a favourable profession for women, as it is inappropriate for female nurses to take care of male patients (Eman, Cowman, & Edgar, 2012). Also, many locals consider the hospitality industry unattractive as it conflicts with the religious and socio-cultural values, thus, it was found that attracting Bahrainis to this industry is difficult even at the managerial positions (Marinakou & Giousmpasoglou, 2015).

Moreover, Al-Ali (2008) contended that the actual or presumed HRM issues that could arise from expatriates' supervision on nationals constitute additional cultural sensibility that discourages employers from recruiting locals. Based on these findings, the first research hypothesis was developed.

Hypothesis 1: The socio-cultural factor significantly affects employers' willingness to recruit Bahrainis in the private sector.

2.3.1.2 The Economic Factor

According to the extant literature, one of the prominent reasons to the low recruitment of nationals in the private sector is the sizable wage differentials between nationals and expatriate workers (Al-Qudsi, 2006; Al-Waqfi & Forstenlechner, 2014; Fasano & Goyal, 2004; Mellahi, 2007). For example, in one of the studies that utilized a mixed-methods approach and sought the opinions of human resource professionals from various sectors in the UAE, it was found that the high reservation wage of the local workers was the most impeding barrier to localization (Al-Waqfi & Forstenlechner, 2014). However, these findings should be interpreted cautiously due

to the study's small sample size. On the contrary, and based on the perceptions of 247 HRM personnel working in the UAE, Forstenlechner et al. (2012) found that the economic factor was not significantly related to employers' recruitment decision. In other words, there was no significant evidence that the additional cost of hiring a local candidate discourages the private-sector employers from recruiting nationals.

According to Gardner (2003), the private sector in the GCC region prefers rent-seeking over value creation. In other words, private-sector employers have long benefited from easy access to a large pool of semi- and low-skilled foreign labour, which gave them little incentive to develop entrepreneurial businesses that increase their share of the economic pie and add value to society through wealth and job creation at the same time. Therefore, employing nationals, who are perceived to be relatively expensive and not as productive as their expat counterparts, may not seem very appealing to these employers (Forstenlechner et al., 2012). Harry (2007) contended that most employers in the region are engaged in technology- and capital-intensive activities that offer few jobs and require a high level of expertise, which the local workforce is said to be lacking. On the other hand, labour-intensive industries also make up a large share of GCC's private sector, and although they offer abundant jobs, they are low-paying and do not attract citizens.

According to the latest figures, the total employment in the construction sector in Bahrain reached 165,350 in 2017, of them, only 7.3% were Bahrainis (LMRA, 2017a). Further, the average monthly wages of Bahrainis and non-Bahrainis working in this sector were BD 390 and BD 142 respectively, which shows a cost gap of BD 248 between the two groups (LMRA, 2017a). Furthermore, this gap becomes wider (BD 327 equivalent to approximately \$ 867) when other economic sectors are added like trade, hotels and restaurants and small-scale manufacturing

(LMRA, 2017a). This confirms what has been widely acknowledged in the extant literature that foreign labours earn far less than their local peers.

According to Alrabeei and Kasi (2014), the SMEs account for 99% of the total enterprises registered in Bahrain and they represent a promising source for economic growth and job creation. However, in one of the studies that sought to explore the barriers that hinder the growth of SMEs in Bahrain, it was found that one of the main challenges that these industries face was meeting the localization requirements imposed by the LMRA (Alrabeei & Kasi, 2014). Moreover, the Bahraini owners and managers of these enterprises which constituted the sample of the study perceived the high wage discrepancy between locals and expatriates as one of the barriers that discourage them from recruiting Bahrainis and limit their growth potential. Therefore, while it was found that the economic factor has an insignificant effect on Emiratis' employment in the private sector, it might significantly affect the recruitment of locals in this context. Accordingly, the second hypothesis for this research postulated:

Hypothesis 2: The economic factor significantly affects employers' willingness to recruit Bahrainis in the private sector.

2.3.1.3 The Regulatory Factor

Another inhibiting factor to recruiting nationals in the private sector which thereby renders the national labour force less flexible is the regulatory framework that grants national employees more rights than expatriates. Therefore, there is a widespread perception among private-sector employers that the foreign labours are easier to control than their national compatriots and thus, more attractive to employ (Mellahi, 2007). This is because the foreign labours are employed on a temporary

basis to fill a particular profession under the supervision of a specific employer and they are not allowed to change their jobs without the latter's consent (Baldwin-Edwards, 2011).

According to Al-Waqfi and Forstenlechner (2014), the contextual elements which comprise the regulative, normative and cultural-cognitive institutions have a significant impact on the effectiveness of localization policy. In a broad sense, the regulative pillar includes “the capacity to establish rules, surveillance mechanisms and sanctions to influence behaviour” (Scott, 2003). Over the past two decades, Bahrainisation objectives have been pursued using various regulative and legislative tools and mechanisms. Most prominent among them were, imposing localization quotas on various sectors of the economy, levying extra fees on companies wishing to have more work permits for expat workers but have not met the required Bahrainisation percentage and drafting labour regulations that grant citizens more rights to incentivize them to work in the private sector (Forstenlechner & Rutledge, 2010).

According to Forstenlechner and Rutledge (2010), the results of these initiatives have been disappointing, most of which have increased the cost and rights gap between national and expatriate workers. Moreover, in one of the mixed methods studies, it has been found that the legal regulations governing the employment of Emirati citizens in the public and private sectors have been perceived to be ineffective by managers and HR professionals working in various economic industries in the UAE (Al-Waqfi & Forstenlechner, 2014). It has also been pointed out that the lax nature of immigration laws is one of the reasons behind the limited success of localization policies (Al-Waqfi & Forstenlechner, 2014).

In Bahrain, the recruitment of local employees has been perceived to be problematic by private-sector employers because the company cannot dismiss Bahrainis without justifying the reasons of the expulsion to the Ministry of Labour (Alrabeei & Kasi, 2014). Moreover, Harry (2007) contended that the ambiguities over the formal and informal rights of the national workers dissuade employers from recruiting them. According to Forstenlechner et al. (2012), the direct interventions in the private sector that aimed at making this sphere an attractive career choice for citizens by affording them more legal entitlements than expatriates came with counterproductive outcomes. Because there was statistical evidence that private-sector employers favour the expatriate workers over nationals because they are easier to control. Therefore, it has been found that the regulatory factor has a negative effect on employers' willingness to employ nationals. It is therefore hypothesized that:

Hypothesis 3: The regulatory factor significantly affects employers' willingness to recruit Bahrainis in the private sector.

2.3.1.4 The Educational Factor

Numerous studies on this subject pointed to the failure of the educational systems in the Arabian Gulf countries in terms of providing nationals with adequate skills and qualifications for the competitive private sector (Forstenlechner & Rutledge, 2010; Harry, 2007; Muysken & Nour, 2006). According to Karolak (2012), despite the major investments, the educational outcomes are still weak in this region and hamper the participation of nationals in the skilled workforce. Therefore, there is a mismatch in the skills supplied to the labour market and those required by private businesses (Fasano & Goyal, 2004).

For example, in one of the studies that sought to explore the general perceptions about citizens' skills and competencies in the local job market, it was found that nationals were negatively stereotyped in this respect. Further, they were unfavourably viewed in terms of their communication and conflict solving skills (Al-Waqfi & Forstenlechner, 2010). Also, Al-Waqfi and Forstenlechner (2014) found that the inadequate skill and competency levels of locals were perceived as one of the barriers to effective localization. On the contrary, Forstenlechner et al. (2012) found that the educational factor was positively related to employers' willingness to recruit nationals, and the latter were perceived positively in terms of their skill and qualification levels, which indicates that the second generation of the structural reforms (Forstenlechner & Rutledge, 2010; Hertog, 2014) seem to be moving in the right direction.

By utilizing a mix of quantitative and qualitative methods to explore the views of Arab business leaders from 18 countries on the Arab human capital, Lootah and Simon (2009) found that 80% of Gulf CEOs felt that qualified national workers are in short supply. Bahraini and Emirati business leaders were among the least satisfied with the supply of skilled nationals, with only 12% and 14% citing their satisfaction (Lootah & Simon, 2009). For this reason, more than 90% declared that they prefer to recruit expatriates over nationals to fill key positions (Lootah & Simon, 2009). It has further been alleged that nationalization policies which have been adopted and actively pursued by all GCC states for more than two decades fell short of realizing their initial expectations, as citizens have not been equipped with the right type of skills and education which would qualify them to work in the private sector and effectively compete with their expat peers (Lootah & Simon, 2009).

Moreover, the majority of Gulf CEOs expressed reluctance to replace incumbent expatriate employees with nationals who are said to be less skilled and competent.

In general, the incongruity between the supply of and demand for local human resources as well as the education and skills gap were perceived to be the most prominent challenges to sustainable growth and development in the Arab World (Lootah & Simon, 2009). Accordingly, the following hypothesis was formulated:

Hypothesis 4: The educational factor significantly affects employers' willingness to recruit Bahrainis in the private sector.

2.3.1.5 The Motivational Factor

There are many instances in the literature that pointed to nationals' preference for state employment, where they enjoy favourable remuneration packages and comfortable working conditions compared with the private sector (Al-Waqfi & Forstenlechner, 2014; Harry, 2007; Rees et al., 2007). This, according to Al-Ali (2008) gave little incentive for this cohort to consider the private sector as a permanent career choice. By conducting semi-structured interviews with sixty young Emirati citizens, Al-Waqfi and Forstenlechner (2012) asserted that half of the respondents declared a clear preference for public-sector employment. It was also found that the national jobseekers preferred staying unemployed than accepting a private job, or would work temporarily until they secure a government job. Therefore, the impression held by employers about this cohort is that they are hard to motivate, lack vocational motivation and adequate work ethics and attitudes (Al-Waqfi & Forstenlechner, 2010). Moreover, Forstenlechner et al. (2012) found evidence that such impressions have a significant and negative impact on employers' recruitment decision.

It has also been commonly alleged that citizens are less committed to work and are not as hardworking as their expat counterparts (Al-Waqfi & Forstenlechner, 2010; Budhwar & Debrah, 2013; Mellahi, 2003). However, while the extant literature has repeatedly cited citizen's lack of vocational motivation as a hurdle to their employment, Forstenlechner (2009) argued that the top-down approach to nationalization policies have also played a significant role in reinforcing this negative stereotype of citizens. For instance, in one of the qualitative studies which sought the opinions of private sector managers about the emerging legal and regulatory frameworks of the private sector in Saudi Arabia, the majority of respondents declared that the reason why they changed their HRM practices was to conform to the new rules and avoid sanctions and penalties, not because they believed in the necessity to change their managing processes (Mellahi, 2007). This, as Mellahi (2007) confirmed, led some organizations to engage in window-dressing practices such as, recruiting nationals into unfulfilling jobs in order to meet the localization quota. There is no doubt that in such conditions, citizens would have little incentive to stay and productively work in such jobs. Accordingly, this would not only perpetuate the negative stereotypes of citizens as being unmotivated but also would fuel mutual resentment between employers and local employees (Forstenlechner et al., 2012). Therefore, the fifth hypothesis postulated that:

Hypothesis 5: The motivational factor significantly affects employers' willingness to recruit Bahrainis in the private sector.

2.3.1.6 The Political Factor

The political factor in this research refers to the political events of 2011 that harmed Bahrain's economy and thus, Bahrainisation policy. Before discussing the

negative impact of these events, however, it is of importance to review the comprehensive reform program launched by his Majesty, King Hamad bin Isa Al Khalifa after ascending the throne.

On March 6, 1999, the news of the sudden death of Amir Isa bin Salman Al Khalifa was received by the people of Bahrain with deep sorrow. The late Amir was succeeded by his son, King Hamad bin Isa Al Khalifa who brought drastic changes to Bahrain through his reform project. Nevertheless, before examining the main pillars of the reform programme, it is important to point to the most pressing economic and political challenges at the time of King Hamad's succession. First the King inherited a country that has gone through recurrent political unrests in the past decades, which have produced splintered and radicalized groups of opposition (Alhasan, 2012). On the other hand, Bahrain's primary source of income, oil, was in decline, the thing that requires comprehensive economic transformation (Alhasan, 2012).

Whilst the major reforms began in late November 2000, it is important to review a number of royal gestures (Makrama) that have taken place soon after King's succession and that played a significant role in paving the way for achieving the reformist objectives. Stemming from "Al-Shura" principle, an Islamic approach to decision making which means consultation, the king has established a national dialogue with different spectrums of Bahraini society to solicit their concerns and aspirations for the future (Al Qassim, 2007). Out of his keen to enrich the dialogue process and exchange the views with the wider society, the King made the gesture of visiting Shia religious figures in their houses to discuss the reform agenda. A series of consultative meetings have also been held in his palace with former exiles, journalists, religious figures and representatives of civil societies (Al Qassim, 2007).

Royal gestures have also encompassed a series of measures that were geared towards the opposition such as releasing all political prisoners and inviting exiles to return after reinstating their citizenships (Al Qassim, 2007). Nevertheless, the most prominent measure among these was the abolition of the State Security Law that was enacted during the former rule and that gave the government exceptional authorities to preserve national security (Wright, 2006). With King Hamad adopting such initiatives, he had successfully established himself as a progressive reformer who wished to give Bahrain a “fresh start” (Wright, 2006). Nonetheless, further steps have also been taken to address the needs and demands of Bahraini citizens. These included exempting 10,000 low-income households from paying electricity bills, awarding all civil servants a salary bonus, offering financial support for widows, orphans and unemployed, cutting the tuition fees at the University of Bahrain by 80% and reducing customs tariff on all imports to 5% (Al Qassim, 2007).

The King's popularity rose to new heights, thanks to these royal gestures, and he was able to foster strong support throughout the different groups of Bahraini society. By doing so, he has been able to begin his reformist journey through peaceful national consensus (Wright, 2006). On 23rd November 2000, the King launched the constitutional and legislative reforms with the establishment of a Supreme National Committee whose task was to draft a National Action Charter (NAC) for Bahrain (Al Qassim, 2007). The committee comprised forty-six members, among them six women as well as several leading Bahrainis from the public, academic and private sector. The liberal-minded Heir Apparent, Sheikh Salman bin Hamad Al Khalifa was appointed to head the committee and oversee the implementation of the NAC. On 14 and 15 February 2001, the final draft of the new charter was put to a referendum. In a turnout of 90%, 98.4% of the eligible

electorates voted in favour of the National Chart, supporting the proposal of turning Bahrain into a constitutional monarchy (Al Qassim, 2007).

The charter speaks of key principles that the state ensures for all citizens such as justice, liberty, gender equality, respect for human rights and equal opportunity (NAC, 2001). It also describes the legislative power which consists of two houses, an elected chamber which handles the legislative matters (lower house) and an appointed consultative council which fulfils the advisory role (upper house) (NAC, 2001). On 14 February 2002, one year following the adoption of the constitution, the title of state has been officially changed to the Kingdom of Bahrain and therefore the head of state became 'King' instead of 'Amir' (Al Qassim, 2007). A mood of optimism prevailed. Such reforms were described as a comprehensive break from the past and their positive impact were noticeable on all levels of Bahraini society (Wright, 2006). Further, the King described the charter as 'The new breakthrough in the history of Bahrain', seeing that it covers the core political and economic principles that affirm the democratic approach of the country.

Reform project was not only limited to structural achievements, plenty of accomplishments has also been reached at the economic and social level. One of the most prominent achievements has been the establishment of the Supreme Council for Women in 2001 whose purpose is to empower the Bahraini women in all fields and enhance their role in society (Al Qassim, 2007). The council is directly affiliated to His Majesty the King and headed by Her Highness Sheikha Sabeeka bint Ibrahim Al Khalifa, the King's wife. Human rights have also been a cornerstone of the reform agenda. The King granted excessive priority to this aspect to ensure that all citizens have equal rights and live in freedom, security and harmony with each other. New laws and structures have been established to address the contemporary challenges

facing humankind. A number of regional and international human rights treaties and conventions were signed and ratified such as the Convention on the Elimination of all Forms Against Women, the Arab Charter on Human Rights and the International Covenant on Civil and Political Rights (MoFA). The amended charter has also granted all workers, including non-Bahrainis, the right to organize and join labour unions. As a result, around 39 unions were established and had permission to conduct work stoppages (Katzman, 2005). Further, a number of independent establishments have been created to watch over and deal with all issues related to human rights such as the Bahrain Human Rights Society (BHRS) (Al Qassim, 2007).

As a result, Bahrain has earned widespread praise as a regional model for progressive reforms (Katzman, 2005). According to Wright (2006), these developments were not stemmed from any domestic, regional or international pressure, but rather came from the King's genuine desire for reforms. In this case, as Ehteshami (2003) contends, "the leader is himself the revolutionary agent, rather than the protector of the status quo and of so-called 'conservative values'".

On the economic level, a series of initiatives have also been embarked to revive the national economy and improve the living standards of Bahraini citizens. In pursuance of these objectives, new policies permitting foreign investors to buy and sell lands and properties in Bahrain have been adopted to ease the restrictions of residence and ownership and boost foreign investments (Al Qassim, 2007). In addition, the customs duties were reduced to decrease the cost of doing business and offer a supportive investment environment for local and foreign investors and traders (Al Qassim, 2007). In line with these initiatives, the King directed the legislative and the executive branches to give the issues hindering the economic developments a top priority and to exercise their functions and powers to restructure the national

economy (Al Qassim, 2007). Moreover, he called all concerned authorities to actively participate in the development process and draw policies that enhance the principle of free economy and tackle recession and unemployment issues (Al Qassim, 2007).

In his speeches, the King expressed his concern over the laws and regulations governing the labour market. Accordingly, in 2002, he commissioned the international management consulting firm McKinsey to evaluate the employment situation and suggest ways to solve the unemployment issue among Bahraini youth (Louer, 2012). In 2004, McKinsey published its conclusions and recommendations that proposed deregulating the labour market to increase its flexibility while tightening immigration policies to curb the flow of expat migratory (McKinsey, 2004). According to De Boer and Turner (2007), this would eventually minimize the right and cost differentials between the national and expatriate labour and would reduce employers' dependence on the foreign labour and encourage them to invest in labour-saving technologies and to create few but value-added jobs that attract nationals. The Bahraini government has taken these recommendations into very serious consideration. In 2006 for instance, it undertook a vast overhaul of the labour market and employment policies (for further details see section 2.2 Policy Responses and Strategies).

These reforms were described as a “unique experiment” by Louer (2012), as they are more systematic and market-oriented, the thing that distinguishes them from the previous employment policies that were carried out in Bahrain and the rest of the Arabian Gulf countries. In 2008, the King launched the 2030 Economic Vision which aims at creating a modern and globally competitive economy and raising the living standard of every Bahraini citizen (Bahrain Government, 2018). The vision

speaks of sustainability, competitiveness and fairness as a three guiding principles for achieving the aspiration of both, government and society (Bahrain Government, 2018).

Since these reforms were launched, Bahrain has recorded very satisfactory figures compared to the preceding period. According to official figures, unemployment was at its lowest (3.6%) in 2010, and the total number of Bahrainis employed in the public and private sector reached 140,640, with around 65% of them working in the private sector (LMRA, 2017a). Such figures indicate that the reformist program was moving in the right direction towards achieving its intended goals. On February 14, 2011, however, mass protests led by predominantly Shiite demonstrators had erupted throughout Bahrain (BICI, 2011). These demonstrators attempted to emulate the popular uprisings that had swept across some of the middle east countries like Tunisia and Egypt. According to Al-Hasan (2015), despite the little support these protests received from the registered political societies at the outset, they gained popularity when clashes between protesters and security forces have escalated. A large number of injuries and deaths have occurred on both sides since the uprisings have begun (BICI, 2011). Consequently, the government took a number of measures to restore order and stability in the Kingdom. On 21st March 2011, life began to return to normal in Bahrain; students went back to their schools and universities, businesses started operating again and usual traffic flows resumed (BICI, 2011).

On 1st July 2011, His Majesty the King issued a Royal Order (No. 28 of 2011) (See Appendix D: Royal Order No. 28 of 2011) with immediate effect, instructing the establishment of Bahrain Independent Commission of Inquiry (BICI) to investigate and report on the incidents that took place in Bahrain in February and

March 2011 (BICI, 2011). The fact-finding commission comprised five prominent and world-renowned members, who have extensive experience in the field. The appointed members were wholly independent of the government of Bahrain and have no affiliations with any other government or international organizations. The commission was required to prepare and submit a report that includes, *inter alia*, a detailed narrative of the events of February and March 2011 (BICI, 2011). It has also been asked to verify if there have been any human rights violations during or after the events. It should then make recommendations as it may deem appropriate. The commissioners had been granted full access to government bodies, officials and records. They also could meet with any person or witness they deem appropriate in secret (BICI, 2011).

Providing a detailed account of these events is beyond the scope of this study, hence, the following will review the findings that the commission has reported regarding the impact of these events on Bahraini businesses in general and their human resource practices in particular. Based on a meeting with representatives of over forty local businesses, the commission found that these businesses were negatively affected by the events to the extent that some employers were unable to offer any hiring opportunities thereafter (BICI, 2011, p. 342). The most negatively affected economic sectors were construction and industry (BICI, 2011). These findings were compatible with what the Bahrain Chamber of Commerce (BCC) has stated in their report which discussed the impact of the events on the economy. In this report, the BCC stated that 835 establishments have sought aid from the chamber due to the deterioration of their financial position after the events (BICI, 2011). Based on a survey conducted by the BCC, it has also been found that 84.6% of companies reported a loss of income during the events (BICI, 2011). Of these

companies, 90% declared receiving support from the government to overcome the hardships they had faced as a result of the events. Further, while 36% of these companies stated that they had overcome the adverse consequences of the events, 21% declared that they were still struggling (BICI, 2011).

Regarding employment, around 46% of businesses maintained the wages of employees at the same rate, whereas 28% of companies decreased their employees' salaries (BICI, 2011). Moreover, around 43% of businesses reported a reduction in the number of employees after the events, whereas 34.6% maintained their workforce at the same size (BICI, 2011). This clearly indicates that the events did not only have a negative impact on the economy but also Bahrainis' employment in the private sector.

2.3.1.7 Gender Issues

Over the past decade, there has been a growing realization in the Gulf states that empowering local women and facilitating their participation in the labour force is key to achieve the desired outcomes of nationalization policies (Rutledge & Shamsi, 2016). This realization was stemmed from the fact that local women outpace their male counterparts not only in educational attainment but also in academic performance. Between 2013 and 2014 for instance, there were 38,113 national students studying in Bahrain's higher education institution, of whom 20,652 (61.7%) were females (MOE). According to the higher education council, the reason behind this gender gap is that male students have higher dropout rates than their female counterparts (HEC, 2012). It has also been found that the number of female students enrolled in the subject areas of health and science exceeded that of males between 2013 and 2014 (MOE). This confirms what has been widely acknowledged in the

extant literature (e.g. Marmenout & Lirio, 2014; Rutledge & Shamsi, 2016; Rutledge, Shamsi, Bassioni, & Sheikh, 2011) that compared with male nationals, females possess more vocationally oriented college degrees.

Moreover, between 2009 and 2012, official figures on educational performance showed a gender gap in students' mean scores, with female pupils outperforming their male counterparts in all subjects (BQA, 2012). According to Oxford Business Group (2017) although this gap did not change much in recent years, females are still outnumbered in many areas of the workplace. Further, while the latest data on Bahrain's Gender Development Index (GDI) shows significant progress in gender equality, particularly in health and education, progress in other dimensions like empowerment and economic activity remain slow (UNDP, 2018). For instance, out of forty parliamentary seats in Bahrain, women occupy only six seats (LLOC, 2018). Also, the participation rate of women in the labour market of Bahrain still falls below 50% compared to 87% for men (UNDP, 2018). Furthermore, local women still earn far less than their male counterparts. According to the latest estimates on female to male GNI per capita, it has been reported that Bahraini men earn USD 55,130 compared to USD 18,774 for women (UNDP, 2018). This is partly due to men's high labour force participation, while the other part is attributed to gender inequality in income distribution (UNDP, 2018).

Nationalization policies which have been in place for more than two decades and actively pursued by all GCC states had limited success in terms of increasing the share of local women in the private sector. In Bahrain for instance, the total employment of Bahrainis in the private sector reached 104,882 in the second quarter of 2018, of whom less than one-third (31.2%) were females (LMRA, 2017a). According to Rutledge and Shamsi (2016), an array of cultural and societal barriers

in the Arab Gulf states continue to hold back local women from full participation in the labour force. Moreover, accounts from regional policymakers indicate that male nationals do not provide adequate support to their female counterparts when it comes to employment and that limits their career pursuits (Rutledge & Shamsi, 2016). It has also been indicated that working local women still suffer from gender inequality in terms of access to training opportunities and promotion in the private sector (Rutledge & Shamsi, 2016). This was attributed to a widespread belief among private-sector employers that national women do not stay in a given job for long compared to their male counterparts (Rutledge & Shamsi, 2016).

In the UAE, a country that has much in common with Bahrain, societal norms continue to act as impediment to women's career pursuits. One of the focus-group studies that was conducted with eighteen Emirati women revealed that society is still ambivalent about females' need to work (Marmenout & Lirio, 2014). In the same study, it has been found that family formation causes a significant strain on women's career progress, especially when the partner is unsupportive (Marmenout & Lirio, 2014). Moreover, Rutledge et al. (2011) argued that the social appropriateness of a job is another socio-cultural barrier that limits the number of career options that local women can pursue as opposed to their male counterparts.

By utilizing a qualitative approach to examine the challenges that constrain the development of hospitality and tourism education in Bahrain, it has been found that, due to a mix of socio-cultural and religious reasons, working in the hospitality industry is perceived negatively by Bahraini society (Marinakou & Giousmpasoglou, 2015). Therefore, while several hotel managers perceived attracting Bahrainis to hospitality establishments to be difficult, it has been stressed that the challenge is compounded when it comes to female nationals (Marinakou & Giousmpasoglou,

2015). Similarly, in a triangulation study that sought the perceptions of Bahraini nursing students about nursing as a profession, it has been found that although nursing is considered a humanitarian job, it is not widely accepted by Bahraini society (Eman et al., 2012). On the one hand, nursing jobs often require working in shifts, and many local females are either unwilling or not permitted to work certain shifts (Eman et al., 2012). On the other hand, taking care of patients of the opposite gender is not considered appropriate from the cultural perspective (Eman et al., 2012). Therefore, attracting and retaining a sufficient supply of qualified Bahraini females in the nursing field remains problematic.

Based on qualitative data obtained from 75 women working in various economic industries in Bahrain, it has been reported that the organizational factors such as; corporate culture, policies and practices, as well as the socio-cultural factors like gender role stereotypes and work/family reconciliation, are the most prominent barriers to women's career progress (Pillai, Prasad, & Thomas, 2011). Moreover, childcare responsibilities, limited training and education opportunities and lack of female role models are said to constitute additional barriers to women's professional advancement in the middle east (Metcalf, 2006). In one of the recently published studies which sought to examine the status of Bahraini women in the financial sector, it has been noted that women were under-represented at the executive positions of banks hierarchies (Al-Alawi, 2016). Data on workforce distribution in the financial and banking sector in Bahrain revealed that although Bahraini women occupied 45% of the senior officer positions in the financial institutions in 2014, they represented only 11.5% of the executive directors and 4.5% of the CEOs (Al-Alawi, 2016).

This indicates that despite corporate assertions of their commitment to providing equal promotion opportunities for both genders, glass-ceilings still hamper

women from climbing the corporate ladder. 'Glass ceiling' is a metaphorical term that has been widely used in social science research over the past two decades. The expression is generally used to refer to a set of invisible but real barriers that block women from further career advancements at some point (Baxter & Wright, 2000). According to Morrison and Von Glinow (1990), Glass ceiling is 'a barrier so subtle that it is transparent, yet so strong that it prevents women and minorities from moving up in the management hierarchy'.

There is a widespread belief among employers that women quit working as soon as they get married and/or have children, which, as Metcalfe (2006) claims, has a significant impact on their willingness to hire women. Because of this belief, employers were said to give female employees fewer training opportunities compared to their male colleagues (Metcalfe, 2006). It has also been argued that, in the Arab Middle Eastern context, the marital and motherhood status (or potential of such) constitutes a barrier to women's employment and career development opportunities (Hutchings, Metcalfe, & Cooper, 2010). Such being the case, it should be noted that married women will face a double disadvantage because of gender and marital status. It is therefore hypothesized that:

Hypothesis 6: Gender issues significantly affects employers' willingness to recruit Bahraini females in the private sector.

To conclude, while most of the previous studies on localisation were qualitative in nature, the seminal research (Forstenlechner et al., 2012) provided empirical evidence of the factors that dissuade employers from recruiting nationals in the private sector. However, this study was carried out in just one GCC state (i.e. the United Arab Emirates) and has not been replicated in other GCC countries which also suffering from similar yet non-homogenous challenges in the labour market.

Further, most of the researches on localization policy were focused on describing the external realities that affect the HR practices and policies in the GCC region. Therefore, it is of prime importance to verify whether the conceptual framework developed by Forstenlechner et al. (2012) would explain the resistance toward recruiting nationals in the private sector in Bahrain. Moreover, further studies are needed to go beyond merely describing the factors that affect the HR practices and suggest ways in which practitioners and policy makers could improve the currently devised HR policies and practices to create value for all concerned stakeholders.

2.4 Theoretical Framework

Since the mid-1990s, there has been a growing interest in exploring the strategic role of HRM in determining the functional processes necessary to achieve the organizational goals. More recently, the focus has shifted from the classical typology of HRM (e.g. staffing, training and development and rewarding) to a more integrated HR paradigm that focuses on placing the best HR functions to produce value-added outcomes for the organization and its internal and external stakeholders (Lawler, Mohrman, Mark, Neilson, & Osganian, 2003; Schuler & Jackson, 2005; Ulrich & Brockbank, 2005). From this point, Ulrich and Brockbank (2005) introduced the HR value proposition model (VPM) which examined the role of HR in delivering value-added outcomes through its five core dimensions, namely, recognizing external business realities, meeting the needs of stakeholders, designing HR practices, building HR resources and ensuring HR professionalism.

Following this surge, there has been a growing amount of literature on HR and the value-added paradigm in Western Europe and North America which has provided a compelling picture of the best HR practices in these countries. However,

research on this topic has remained scarce in the AME region (P. Budhwar & Mellahi, 2007). Moreover, due to the cultural, religious and other contextual differences between the Middle East and Western countries, Murphy (2002) emphasized the careful adaptation of the US- and Western-based HRM practices.

Therefore, by adopting the value proposition model as a conceptual framework, Afiouni et al. (2013) sought to explore whether there is a specific HR model to the AME region with unique Middle Eastern attributes. Through a critical review of HRM literature in the AME and by empirically investigating the perceptions of HR managers working in the banking sector across 13 Middle Eastern countries, the findings revealed the contours of an AME HR model. Further, it was found that most of the HR research efforts in the AME are focused on HR practices related to managing people flow, whereas those focusing on the performance and work flow were limited. These practices were found to be highly influenced by the region's external realities such as the socio-cultural, Islamic and regulatory factors. In addition, the organizational structures in these countries and the prevalent perceptions about the role of HR have shaped the HR practices in this region.

In a special issue that sought to provide a greater understanding of HRM research in the Middle East, Afiouni, Ruël, and Schuler (2014) asserted that the breadth and volume of the relevant publications have increased since 2007. A significant improvement was witnessed in terms of manuscripts' quality, theoretical depth and methodological rigor (Afiouni et al., 2014). In this regard, the authors referred to the central position that the countries of the Arabian Gulf and the United Arab Emirates (UAE) in particular have occupied in the research on HRM in the Middle East. However, further research is still required to provide a strong body of knowledge on the optimum HR practices in the region.

Although there has been a growing body of knowledge on HRM across the Arab countries in the Middle East, the AME HR model remains in its infancy and further studies are still required to provide a compelling picture about the best HR practices that would lead toward a value-added paradigm (Afiouni et al., 2013). Therefore, by adopting the AME HR model identified by Afiouni et al. (2013) as a theoretical framework, this study aims to contribute to the evolving literature on HRM in the AME region. It would do so first by exploring the external realities and other factors (specific to Bahrain) that affect the hiring decision of private-sector employers in Bahrain from employers' perspective and second by proposing policy recommendations that serve the interests of all stakeholders, namely, the government, private sector and citizens.

Chapter 3: Methodology

This chapter discusses the research methodology. It will first review the philosophical perspective through which the research problem was approached. It will then look at the methodological choice that will be used to answer the research questions. Following on from that, the chapter will explain the methods intended to be utilized to analyse the primary data. Finally, the last two sections will discuss access to data and ethical considerations.

3.1 Research Paradigm

A research paradigm is a holistic framework that delineates the philosophical grounds on which the research is based and guides the research process. The word paradigm comes from the Greek term (paradeigma) that means pattern. The term was first introduced to the scientific field by Thomas Kuhn in 1962 and was defined as “the set of common beliefs and agreements shared between scientists about how problems should be understood and addressed” (Kuhn, 1970). According to Blaikie (2007), there are two key factors that form and characterize the research paradigm, the ontological and epistemological assumptions. In philosophy, Ontology means the study of being and it is concerned with the nature of existence (Crotty, 1998). Epistemology, on the other hand, deals with ‘the nature of knowledge, its possibility, scope and general basis’ (Honderich, 2005).

Through an extensive review of the theoretical perspectives and philosophical assumptions, and in line with the purpose of this study, the Pragmatic approach was identified as an overarching research paradigm. This paradigm rejects the traditional dichotomy between positivism and subjectivism and advocates that there are both a single as well as multiple realities that are open to objective and subjective inquiry

(Creswell & Clark, 2017). In this paradigm, “Knowledge is viewed as being both constructed and based on the reality of the world we experience and live in” (Johnson & Onwuegbuzie, 2004). In that sense, Pragmatism allows the use of mixed methodologies and methods to come up with the optimum solution to a practical problem (Creswell & Tashakkori, 2007).

Despite the philosophical differences between quantitative and qualitative research, Johnson and Onwuegbuzie (2004) argued that there are a number of commonalities between them. For instance, both approaches attempt to draw inferences about a specific social phenomenon and describe the behaviour of human beings. Further, the two sets of research utilize empirical observations to address a certain problem and realize a number of research objectives (Johnson & Onwuegbuzie, 2004). Furthermore, the process of describing the collected data and building explanatory arguments from them is another common aspect between the two methodologies (Sechrest & Sidani, 1995). Therefore, since “the objectives, scope, and nature of inquiry are consistent across methods and across paradigms” (Dzurec & Abraham, 1993, p. 75), this study will be based on the tenets of pragmatism and utilize mixed methods to qualitatively explore the elements that discourage employers from recruiting nationals in the context of Bahrain and to provide an empirical evidence of the factors that affect employers’ recruitment decision.

3.2 Research Methodology

The research methodology is a general strategy of how research should proceed (Harding, 1987). According to Kaplan (2017) methodology is “the study—the description, the explanation, and the justification—of methods, and not the

methods themselves”. Therefore, it suggests the manner in which knowledge about a certain social phenomenon is acquired and provides the logic behind the method’s selection. The ontological and epistemological grounds of the research paradigm guide the methodological choice, thus, the latter shapes the process of social inquiry and dictates the methods and tools required for data collection accordingly (Carter & Little, 2007). In line with the Pragmatic research paradigm and its underpinning epistemological assumptions, a mixed-method design was employed to achieve the research objectives.

According to Tashakkori and Creswell (2007), “Mixed methods research is a research in which the investigator collects and analyzes data, integrates the findings, and draws inferences using both qualitative and quantitative approaches or methods in a single study or a program of inquiry”. It is used when the phenomenon under study is too complex or the research questions cannot be addressed using a single method (Morse, 2016). Further, the objective of mixed methods design is not to substitute the quantitative or qualitative approaches but rather to bridge the gap between them and draw on their different yet complementary advantages (Johnson & Onwuegbuzie, 2004). Furthermore, taking a non-purist position allows researchers to address their research questions by using the best match of the various methodological approaches and techniques (Johnson & Onwuegbuzie, 2004).

Given that this research falls under the pragmatic school of research theory which enables triangulation; a top-down deductive research strategy was employed to achieve the research objectives. This strategy is also known as hypothetico-deductive method, or the method of speculation and falsification (Blaikie, 2007). Karl Popper is one of its pioneers and believes that the core of science lies in using a deductive logic of inquiry (Honderich, 2005).

According to (Blaikie, 2007), this strategy starts with a pre-established theory to find a possible explanation for a certain pattern that has been already discovered but needs further illustration. In this study for example, the conceptual framework has been drawn from seminal work of (Forstenlechner et al., 2012) and utilized as a theoretical lens to explain the factors that discourage private-sector employers from recruiting Bahrainis. The second phase of the deductive strategy moves then to hypotheses development. These hypotheses are deduced from the general theory and form a partial articulation of it (Corbetta, 2003). After that, the strategy narrows to the third phase which involves testing these hypotheses by collecting appropriate data to draw inferences and derive a general conclusion (Corbetta, 2003).

In this research, five hypotheses were devised from the conceptual framework derived from the seminal work Forstenlechner et al. (2012) to explain the reasons behind the internal resistance toward recruiting Bahrainis in the private sector. To test these hypotheses and collect appropriate data, a mix of quantitative and qualitative techniques was employed. Although the extant literature on localization policy provided both anecdotal (Forstenlechner & Rutledge, 2010; Harry, 2007; Mellahi, 2007) and empirical evidence (Al-Waqfi & Forstenlechner, 2010, 2014; Forstenlechner et al., 2012) of the factors that affect nationals' employability in the private sector in most of the GCC states, former studies have not investigated this issue in the context of Bahrain. Furthermore, to our knowledge, a very limited number of studies used a mixed-method approach to examine the factors that act to reduce the willingness of employers to hire nationals in the private sector.

Therefore, the choice of using mixed methods was driven by the lack of relevant literature on Bahrainisation. The second reason behind using triangulation in

this research is to bridge the methodological gap existent in localization literature and draw on the advantages of using both the qualitative and quantitative methods.

In this regard, Onwuegbuzie and Teddlie (2003) noted that there is a tendency among some researchers who are engaged in mixed-methods studies to confuse the logic of reasoning, which is an important aspect of epistemology, with the research methods and that both are treated as being synonymous. Therefore, Johnson and Onwuegbuzie (2004) asserted that “this is far from being the case because the logic of justification... does not dictate what specific data collection and data analytical methods re-searchers must use”.

3.3 Methods

As alluded to earlier, this study adopts a mixed-method approach; it utilizes a mix of quantitative and qualitative techniques to answer the research questions. This research undertook both semi-structured interviews with employers and an employer survey using a pretested survey instrument.

Due to the paucity of relevant literature on Bahrainisation, prior to administering the survey semi-structured interviews were conducted first with a representative segment of private-sector employers, executives and HR managers who are based in Bahrain to gather additional insights into the factors that might discourage them from recruiting nationals in this sector and that are unique to the research context. According to Dunne, Pryor, and Yates (2005), the interview in its generic form is a very adaptable and useful method in a wide range of research projects, as it is not confined to a specific research area or paradigm. Selecting the appropriate type of interview, however, is dependent on the theoretical framework of the research, its focus, purpose and empirical context (Dunne et al., 2005). Semi-

structured interview lies in the middle of the continuum that ranges from extremely structured to extremely unstructured interviews, and it can be used as a ‘stand-alone method’, as a complementary tool to other methods or as an instrument for triangulation purposes (Clifford, Cope, Gillespie, & French, 2016). The choice of the semi-structured form in this study was to preserve consistency while at the same time allow a higher degree of data flow (Robson & McCartan, 2016).

The following provides a representative selection of the questions that were covered in the semi-structured interviews:

1. What is your perception of Bahraini jobseekers?
2. Do you feel that Bahrainis have unrealistic expectations with respect to their work position?
3. Do you feel that Bahrainis have unrealistic expectations with respect to their salary?
4. Do you feel that the Bahraini society/culture classifies certain professions as inappropriate for Bahraini citizens?
5. Do you think there any societal norms that hinder the recruitment of Bahrainis in the private sector?
6. What is your perception of the educational attainment of Bahraini employees?
7. What is your perception of the soft skills of Bahraini employees? (E.g. communication skills, IT skills)
8. Does the legal/regulatory system affect your willingness to employ Bahrainis? If so how?
9. Do you feel that expatriate workers are easier to manage than Bahrainis?
10. What is your perception of the commitment to work of Bahraini employees?

11. Do you feel that the political events of 2011 affect your willingness to recruit Bahrainis? If so in what way?
12. Are there other factors that influence your willingness to recruit Bahrainis?
13. Is there anything else you would like to add regarding the topics discussed?

A thematic analysis was used to analyse qualitative data. According to Boyatzis (1998), “thematic analysis is a process for encoding qualitative information”. This process requires grouping and classifying the narrative data into a list of explicit themes which might be identified inductively from the raw data or generated deductively from theory and previous studies (Boyatzis, 1998). In line with our deductive approach, the categorization process in this research took a deductive form. After that, the outputs of the qualitative method were used for two purposes, first to refine the scales derived from the seminal paper (Forstenlechner et al., 2012) and adapt them to the research context, second to propose policy recommendations that may improve Bahrainis’ share in the private sector.

Now turning to the survey instrument to be utilized, the constructs of interest involve six independent variables namely, the socio-cultural, economic, regulatory, educational, motivational and gender factors and a dependent variable which is employers’ willingness to recruit citizens in the private sector. In their seminal paper Forstenlechner et al. (2012), developed these constructs and operationalized them by using a set of measuring items that were identified through an extensive review of the extant body of knowledge on localization policy in the GCC states. Further, a five-point ordinal scale that ranged from ‘strongly agree’ to ‘strongly disagree’ was used to measure the majority of these items. Therefore, for the purpose of this study this instrument was contextually adapted to quantitatively assess the effect of the six

explanatory variables on employers' recruitment decisions in the case of Bahrain (see appendix B: Employer Survey).

Prior to analysing the quantitative data, all measuring items were classified into positive and negative statements. The negative scales (32 items) were then reverse scored. Following on from that, a set of preliminary statistical techniques such as, factor analysis (FA) were conducted to assess the robustness of the utilized instrument. According to Glynn, Brickman, Armstrong, and Taasoobshirazi (2011), validity is one of the fundamental aspects of developing, assessing and adapting a questionnaire.

Therefore, as a first step, the content validity of the constructs was assessed to ensure that the assigned items truly measure each construct (Lawshe, 1975). Next, the convergent validity was evaluated to demonstrate the extent to which multiple measures of a construct are related (Campbell & Fiske, 1959). Further, the discriminant validity of the scale was verified to exhibit that the constituent indicators measure only one construct (Bagozzi, Yi, & Phillips, 1991). Finally, Cronbach's alpha was used to analyse the reliability of the measurement and the degree of its consistency and stability (Price, 1997).

After verifying the validity and reliability of the survey instrument, research hypotheses were tested using Multiple Regression Analysis. Multiple Linear Regression (MLR) is a method of analysis used for predicting the value of one variable (dependent variable) based on a set of explanatory variables or examining the relationship between the dependent variable and other variables (Landau & Everitt, 2003). It is one of the most popular and widely used techniques among researchers in different academic disciplines. According to Mason and Perreault (1991), due to its widespread availability, robustness and ease of interpretation, the

multiple regression analysis is one of the most extensively used statistical procedures for scholarly and applied market research.

The underlying logic behind our choice of using the multiple regression analysis is to test hypotheses postulated by Forstenlechner et al. (2012) about the effect of the socio-cultural, economic, regulatory, educational and motivational factors on the willingness of employers to hire nationals in the context of Bahrain. Drawing conclusions from the regression analysis, we provide useful insights into the factors that reduce Bahrainis' employability in the private sector.

In the seminal work of Forstenlechner et al. (2012), a number of tests such as correlation analyses, linear regression analyses and binary logistic regression analyses were employed to test the hypothesized relationships. Therefore, it is our intention to use the same statistical techniques to determine the relationship between the constructs of interest.

3.4 Sample Design

The process of sampling is one of the principal areas that distinguish qualitative research from the hypothetic-deductive approach (Marshall, 1996). Unlike quantitative research, the goal of qualitative studies is not focused on collecting data from a large sample size, but on providing in-depth understanding. Therefore, in order to gain insights into the factors affecting the recruitment decision of private-sector employers in the Bahraini context, a total of thirty-one semi-structured interviews were conducted with national as well as non-national employers, executives and HR managers working in the private sector. A purposive sampling strategy was employed as a tool for informants' selection. Purposive sampling is a non-random technique that depends on the deliberate choice of a

number of key subjects who are reflective of the target population and are able and willing to provide the required information (Tongco, 2007). In this study, the recruitment of key informants accounted for the gender and nationality balance as well as the size and type of the industry to avoid any biases in the results and cover a wide range of perspectives. The snowball sampling was used as a second sampling method to reach the research subjects. This technique allows researchers to reach the target sample through referrals (Biernacki & Waldorf, 1981). Snowball or chain referral sampling is one of the useful and widely used techniques in exploratory, qualitative and descriptive research. It is used when the target sample is few in number or hard to reach and/or involve. It is also useful to employ the snowball sampling method when the required information is difficult to obtain due to its sensitivity or privacy (Biernacki & Waldorf, 1981). In this research, we decided to use the snowball sampling method because it is difficult to obtain private information (e.g. the number of Bahraini employees in the company) from employers without using connections.

To collect the quantitative data, a representative sample of executives and human resource managers and personnel working in the private sector was selected to represent the target population. Nevertheless, it is likely to be the case that there are a very large number of small businesses operating in Bahrain, where they may not have a recruitment manager. Therefore, we also targeted employers across all industrial sectors of the economy to ensure that our sample is representative. In order to decide the sample size, a list of the private enterprises operating in Bahrain and obliged with Bahrainisation requirement (i.e. companies who hire ten or more expatriate employees (MoIC, 2017) was compiled from the LMRA. An online survey was created and administered to a randomly selected sample of employers and HR

managers working in the private sector. Further, social network groups were used to distribute the online survey.

The following questions were adapted from Forstenlechner et al. (2012) to operationalize and capture the research constructs (Table 3.1).

Table 3.1: Questions used to Operationalize the Research Constructs

Latent Variables	Forstenlechner et al. (2012) Scale
Employers' willingness to recruit Bahrainis	<ul style="list-style-type: none"> • It makes business sense to employ Bahrainis • We have openings that provide productive job opportunities for Bahrainis • Bahrainisation is back-door taxation • We employ Bahrainis because of quotas not because we want to • We face internal resistance towards Bahrainisation
Socio-cultural	<ul style="list-style-type: none"> • Bahraini society considers certain jobs as inappropriate/unsuitable for nationals • Bahrainis have unrealistic expectations with respect to their work position • Bahrainis are good in service work such as customer service or generally anything to do with people • Even if nationals apply for lower-level positions or manual labour/low-level service work we do not follow up on such applications • National employees are fully capable of taking responsibility
Economic	<ul style="list-style-type: none"> • The relationship between the cost of employing a national and the benefits to the organization creates a disincentive for employing nationals • I would prefer to hire a Bahraini over an expat if his or her wages were subsidized by the government
Regulatory	<ul style="list-style-type: none"> • I understand the relevant legal framework of Bahrainisation • Once you hire a national, you cannot possibly fire him/her again • Bahrainis are easier to dismiss than are expats • Setting employment quotas in the private sector is an efficient solution
Educational	<ul style="list-style-type: none"> • Bahraini graduates need additional training before they are ready to work • Bahrainis do not have a sufficient command of English for the job • Qualified national applicants are in short supply
Motivational	<ul style="list-style-type: none"> • We face issues with national graduates not showing up for work at all • Nationals are easier to manage than expatriates • We employ expats because they work harder • National graduates are hard to motivate
Gender Issues	<ul style="list-style-type: none"> • Female national applicants are more difficult to employ due to cultural restrictions

The sample size in the seminal paper (Forstenlechner et al., 2012) was 247, therefore, it was used as a rough guide in this research. Given that Bahrain is a much smaller business community than the UAE, the actual sample size was expected to be somewhat smaller, yet, we were able to collect a total of 261 responses using the online survey.

3.5 Field Access

As mentioned previously, this study utilized both a survey questionnaire and semi-structured interview as a means for data collection. Both techniques targeted private-sector employers, executives and HR managers and personnel. However, the access required to the research field varied according to each method. For the qualitative data for instance, access was required to conduct direct interviews with HR personnel and managers who work in different private industries to shed light on the factors that might affect their recruitment decision toward national candidates. In this regard, the researcher has arranged with a number of her contacts who own or work in different private enterprises such as, real estate, construction, office supply, financial and service industries. Further, access to additional participants from the target sample was facilitated through these contacts. In line with the sampling strategy adopted in this study, access to survey respondents was secured through the Labour Market Regulatory Authority (LMRA). A list of a thousand private companies operating in Bahrain and obliged with Bahrainisation requirement was compiled from the LMRA. The contact details of the selected participants were also included in the list. Therefore, the survey instrument was administered to the target sample online using social network groups.

3.6 Ethical Considerations

Ethical considerations vary across different research disciplines and approaches. Survey researchers for instance, have less ethical considerations than qualitative researchers because the quantitative questions are planned in advance and clearly delineate the boundaries of the research. On the contrary, qualitative studies are less structured and often lead to unpredicted but fruitful directions (Silverman, 2013). However, ethical issues that might arise from collecting the data qualitatively are more than those in the quantitative studies.

Given the fact that qualitative studies entail direct contact with respondents, this might give rise to a number of ethical dilemmas. Therefore, there are general codes of research ethics that protect the subjects from any potential abuses and are recognized by all academic disciplines. Most prominent among these are; obtaining informed consent from the potential participants, maintaining anonymity and confidentiality and avoiding any harm. In this study, the researcher has clearly explained the purpose of the study to the research subjects and what their possible involvement entails.

Further, the researcher emphasized the voluntary nature of participation and the subjects were fully informed about their rights to withdraw from the research at any time. Generally, confidentiality refers to privacy (Oliver, 2010). If promises of confidentiality have been made, it is necessary to outline the steps that will be taken to ensure this. Due to the sensitivity of this topic, information on who will have access to the data collected and how it will be reported was clearly explained to the respondents. Further, to avoid the issue of data ownership highlighted by Wiles, Charles, Crow, and Heath (2006), the respondents gave respondents the opportunity

to view their responses after being transcribed to review their answers and make any amendments.

The researcher realizes that the topic is delicate and that the process of in-depth interviewing might expose sensitive information that would put the participating subjects in risk. Therefore, the anonymity of the interviewees was preserved by concealing their identities. Moreover, to protect the respondents from being recognized, information on their workplace was disguised and categorized according to the economic industry. For the survey respondents, their general rights such as the voluntary participation, the option to withdraw from the study or refuse to answer any question were clearly outlined in the consent form so that they can make an informed decision on their possible participation. Further, information about the research and its purpose was also provided so that respondents understand the purpose of the research. In terms of data analysis, the quantitative and qualitative data were accurately reported to reflect the information provided by participants. Finally, to ensure that the research complies with the ethical, academic and practical standards of the UAE University in particular, the researcher approached the UAEU Social Science Research Ethics Committee and obtained their approval on the utilized instruments.

Chapter 4: The Qualitative Results

This chapter presents the qualitative findings of the research. It reports the qualitative results collected using semi-structured interviews with employers and HR managers in the private sector. The qualitative results will be structured as follows. First, the demographic characteristics of the interviewees will be described. Second, a summary of employers' responses to each open-ended question will be presented.

4.1 Qualitative Results

Section 1 of the employer interview asked employers for demographic and organizational information, whereas section 2 involved thirteen open-ended questions. The following sub-sections present a summary of respondents' demographic and organizational information and key findings of the interviews.

4.1.1 The Demographic Characteristics

As shown in Table 4.1, the total number of respondents interviewed was thirty-one, 25 were males and 6 were female respondents. This, to some extent, confirms what has been discussed earlier regarding the difficulties that local females face in terms of participating in the workforce and advancing their careers. However, it is difficult to make any inferences at this stage. The majority of respondents (90.3%) were Bahrainis except for three, who were expats. This ratio bodes well for localization future in the private sector, as it shows an increasing number of Bahrainis are assimilating into the private sector and occupying key positions. While 39% of respondents were HR managers, around 19% held executive positions, 16% were employers and 7% were either chairmen or board members. The remainders (19%) held a range of senior-level positions and were deeply involved in the hiring

process. In terms of educational attainment, around 90% of respondents had college degrees except for three, two of them had diploma certificates and one did not finish school. The majority of respondents (42%) declared having more than 76% of their workforce localized, whereas 22.5% of them have not reached 25% Bahrainisation. Moreover, more than two-thirds of the companies in the sample were purely private, while 29% of them were quasi-private. It should be noted that quasi-private companies are more localization-friendly than those purely private.

Table 4.1: Employer Interview, Sample Demographics

Gender	Number	Per cent
Male	25	80.6%
Female	6	19.4%
Nationality		
Bahraini	28	90.3%
Arab	1	3.2%
Asian	1	3.2%
Other	1	3.2%
Current educational status		
Below secondary school	1	3.2%
Diploma	2	6.5%
Bachelor's degree	15	48.4%
Master's degree	12	38.7%
Doctorate degree	1	3.2%
Occupational position		
Chairman – Board Member	2	6.5%
Executive	6	19.4%
HR Manager	12	38.7%
Owner	5	16%
Other	6	19.4%
Business type		
Agriculture, Fishing & Forestry	3	9.7%
Manufacturing	7	22.5%
Mining, Quarrying & Fuel	1	3.2%
Building & Construction	1	3.2%
Trade	4	12.9%
Hotels & Restaurants	3	9.7%
Financial Services	6	19.4%
Real Estate & Business Services	1	3.2%
Health & Social Work	2	6.5%
Others	3	9.7%
Number of Employees in the Company		
Between 11 to 50 employees (Small Enterprise)	5	16.1%
Between 51 to 250 employees (Medium Enterprise)	12	38.7%
More than 250 employees (Large Enterprise)	14	45.2%
Bahrainisation Percentage		
1% - 25%	7	22.5%
26% - 50%	6	19.4%
51% - 75%	5	16.1%
76% - 100%	13	41.9%
Private/public Ownership		
Private Sector	22	71%
Quasi-Private Sector	9	29%

Table 4.2 examines the distribution of employers interviewed stratified based on business size and type. While more than one-fifth of the respondents interviewed were from the manufacturing sector, around 19% and 13% were from the financial and trade sectors respectively. Other business industries like hospitality, agriculture, and health and social work were also fairly represented in the sample. Almost half of the respondents were from large enterprises, this, to some extent, explains the high percentage of Bahrainisation recorded above, as Bahrainis are said to prefer work in the large companies (See Table 4.3). On the other hand, interviewed respondents from small and medium enterprises accounted for around 16% and 39% respectively.

Table 4.2: The Distribution of Respondents Based on Business Type and Size

	Agriculture, Fishing & Forestry	Manufacturing	Mining, Quarrying & Fuel	Building & Construction	Trade	Hotels & Restaurants	Financial Services	Real Estate & Business Services	Health & Social work	Others	Total
Small Enterprises				1	1		1	1		1	5
Medium Enterprises	3	1			3		3		2		12
Large Enterprises		6	1			3	2			2	14
Total	3	7	1	1	4	3	6	1	2	3	31

4.1.2 Interviews Findings

Section 2 of the employer interview involved thirteen open-ended questions. Out of thirty-one interviews, twenty-nine were audio recorded. All interviews were transcribed and twenty-four transcripts were translated from Arabic to English. A large amount of qualitative information was analysed using NVivo 10. A thematic

approach was utilized to analyse the transcripts. The following presents an extended summary of the key findings.

4.1.2.1 General Perception of Bahraini jobseekers

Based on perceptions of 31 employers, executives and HR managers across different business industries in the private sector, it was found that Bahraini job seekers were viewed favourably by almost half of the respondents interviewed. As shown in Table 4.3, around 20% of respondents perceived Bahraini job seekers to be adequately qualified to secure a job in the private sector and compete with their expat counterparts. Many respondents have also declared that Bahrainis have proved themselves successful in various fields. Moreover, around 16% of respondents considered Bahrainis as a preferred choice for recruitment, while others perceived Bahrainis to be ambitious and accepting to work in various jobs and positions, even if they were overqualified for the available vacancy. Several respondents have also believed that Bahrainis have a deep desire and willingness to work. For instance, one of the executives who work in a purely private company where Bahrainis comprise the majority of its workforce said:

“We have a successful experience with Bahrainis . . . I think Bahrainis, whether workers, technicians or employees, are serious at work if the appropriate environment was provided for them. Our company is one of the successful businesses in the field, and the vast majority of our workforce is made up of Bahrainis, so, this is a proof that Bahrainis are able to work and succeed in various fields” (Interviewee 19).

Several executives and HR manager have concurred that their perception of Bahraini candidates today is different from what it used to be 10 to 20 years ago. Positive changes have been noticed in Bahrainis’ mentality, expectations and willingness to work in the private sector. Many respondents have also praised the

young generation of Bahrainis for having the entrepreneurial spirit and courage to start up their own business. Some executives attributed this change to the new economic conditions and the lack of employment, whereas others argued that Bahrainis themselves worked on narrowing the gap between their assets and job market requirements. While another group asserted that the government-backed programs such as Tamkeen and UNIDO, which provide a variety of support to Bahraini job seekers and entrepreneurs, had a key role in this positive change. One of the Bahraini CEOs who has been working in the financial industry for more than twenty years commented:

“Overall, my impression of Bahraini candidates is positive. This was not the case 10 to 15 years ago, to be honest; our impression was very negative, but things have changed . . . the mentality of Bahraini youth has changed . . . they felt that there is a gap between their assets and qualities and the expectations of their superiors, whether Bahrainis or expats. So, they started working on these issues and narrowing this gap. Ten years ago, you would never find a Bahraini as a head of risk, because it is a very sensitive position that requires highly experienced and specialized people . . . However, very recently, we were looking for a head of risk . . . out of 10 candidates who were shortlisted and interviewed for the position, 8 were Bahrainis, and maybe 2 out of 5 Bahrainis were even better than the expat candidates” (Interviewee 1).

On the other hand, those who held negative impressions of Bahraini jobseekers accounted for 36%. The most frequently cited negative perceptions by employers involved; Bahrainis lack preparation for job interviews and Bahrainis prefer to work in the public sector or large private companies, both accounted for around 13%. In this regard, one of the chief executives of a mid-sized company expressed his resentment by saying:

“The new generation is very timid and not prepared for any type of interviews ... they come to the interview without having any idea about the company or the person they will meet. They lack the basic principles

of job interviews like how to dress up and speak properly and how to use the right body language” (Interviewee 11).

The same sentiment was expressed by a female respondent who was an HR manager in a quasi-private company:

“Most young Bahrainis lack the basic principles of job interviews; some of them show up wearing shorts and slippers. They come to the interview without adequate preparation, do not read about the company and often forget some or all of the required documents. The first thing they ask about is always how much is the salary” (Interviewee 23).

Aspects like; Bahrainis’ sense of entitlement, lack of commitment, lack of motivation, high turnover and preference to work part-time in split-shifts jobs were the second most frequently cited negative perceptions. An expat female interviewee argued:

“I think Bahrainis need a lot of training and a lot of information to be given before starting to work. They are educated but they don’t use their skills . . . the problem is with their work ethics . . . they think that since they are Bahrainis, they have their own facilities from the government and they are already above the non-Bahraini employees, so, they take it for granted, I’ve come across a lot of employees like this” (Interviewee 28).

Finally, around 16% of respondents had neutral perceptions (Table 4.3), in other words, they did not state an absolute positive or negative general perception of Bahraini job seekers.

Table 4.3: General Perceptions of Bahraini Jobseekers

Q1: What is your perception of Bahraini jobseekers?		
	Frequency	Percentage
Positive Responses	15	48.4%
<ul style="list-style-type: none"> • Bahraini jobseekers possess adequate qualifications to secure a job in the private sector and to compete with their expat counterparts • Bahrainis have proved themselves successful in various fields • Bahrainis are our preferred choice for recruitment • Bahrainis accept to work in various jobs and positions, even if they were overqualified for the available vacancy • Bahrainis are ambitious • Bahrainis have a deep desire and willingness to work 	6 6 5 3 3 3	19.4% 19.4% 16.1% 9.7% 9.7% 9.7%
Negative Responses	11	35.5%
<ul style="list-style-type: none"> • Bahrainis prefer to work in the public sector or in large private companies • Bahrainis lack proper interview preparation • Bahrainis prefer to work part-time in split-shifts jobs • Bahrainis lack motivation • Bahrainis are not disciplined and lack commitment • Bahrainis do not stay in a job for long • Bahrainis have a sense of entitlement • Bahrainis lack adequate skills for work • Bahrainis lack patience • Bahrainis who graduate from high school are not qualified for the job market • Bahrainis avoid responsibility 	4 4 3 3 3 3 3 2 2 2 2	12.9% 12.9% 9.7% 9.7% 9.7% 9.7% 9.7% 6.5% 6.5% 6.5% 6.5%
Neutral or Indefinite Responses	5	16.1%

4.1.2.2 The career expectations of young Bahrainis

When asked about Bahrainis' expectations with regard to their work position, around 58% of respondents agreed that Bahrainis have unrealistic expectations in this regard (Table 4.4). About 39% of those who agreed indicated that the career expectations of young Bahrainis are not aligned with their qualifications and experience level and that Bahraini employees expect raises and promotions to come early and often. Some of them have gone as far as to say that Bahrainis will quit if not promoted fast and frequently, whereas others argued that fresh graduates represent the predominant group of Bahrainis with unrealistic expectations. For instance, when asked if Bahrainis have unrealistic expectations with respect to their work positions, one of the interviewees responded:

“Absolutely, I won't say every case, but in most of the cases, they start expecting a lot of things, especially when they are new graduates and they get their first job . . . they think that ok, if this job is not available, let it go, we'll go somewhere else and find a job that suits us in timing and everything” (Interviewee 28).

Another respondent have also stated:

“A lot of Bahrainis think they should become managers just because they have college degrees. Education is important to occupy higher positions, but work experience is equally important . . . we always try to convince them to stay and prove themselves to get promoted, but they do not wait, they quit as soon as they get a better opportunity” (Interviewee 20).

Almost 45% of respondents who agreed that Bahrainis have unrealistic expectations regarding their work position at first then qualified their responses with certain conditions. The majority pointed out that it depends on the calibre and experience level, for instance, many respondents declared that Bahrainis with work experience tend to be more realistic than fresh graduates. Several respondents have

also indicated that school graduates are more demanding in financial terms, whereas college graduates are position-oriented:

“It depends on the calibre; the less unfortunate in terms of background and educational opportunity will be more demanding in financial terms . . . The more educated ones will be more towards the positions; within a two or three years’ time, they will be expecting a higher position” (Interviewee 8).

While some respondents felt that the number of Bahrainis with unrealistic expectations has shrunk remarkably compared with 10 to 20 years ago, others considered these expectations to be normal for a young and highly driven generation, and that such ambitions could serve great purposes for improvements if directed and channelled to the right way:

“I wouldn’t say unrealistic expectations; I would call it high ambitions . . . Everybody wants to develop, get promoted, learn more, have more responsibility and even get more money” (Interviewee 5).

Some respondents cited the social environment as a critical determinant of Bahrainis’ expectations; claiming that Bahrainis from small villages are more receptive to work in any position compared to those who live in the cities. It has further been alleged that this issue is more evident in the small and medium enterprises because they have no clear path for development, and that Bahrainis in these companies tend to be more demanding because they lack a clear vision of what they will become in the future.

“I think it is normal to feel that you deserve better, but I noticed that Bahrainis from small villages accept to work in any position compared to those who live in the cities. I think the social environment plays a significant role in this regard” (Interviewee 11).

In contrast to this, 32% of respondents had an opposing opinion, arguing that expats, especially with high qualifications and experience level, tend to have higher expectations for their work position compared to Bahrainis (Table 4.4). Around 40% of those who perceived Bahrainis' expectations to be realistic qualified their response with exceptions. A number of respondents for instance, excluded those who use their connections to realize their career aspirations, whereas others mentioned that they did not face such issues from candidates but from actual employees.

“The Bahraini candidates that I have interviewed so far want to work in any job and their expectations are realistic. I think expats have more terms when it comes to work positions. For example, yesterday I had a meeting with an expat candidate and he asked for things that we do not provide to our senior engineers . . . aside from the regular requirements that all expats demand (e.g. accommodation, car, etc), he required to become a partner in our projects” (Interviewee 14).

Table 4.4: The Career Expectations of Young Bahrainis

Q2: Do you feel that Bahrainis have unrealistic expectations with respect to their work position?		
Yes	18	58%
<ul style="list-style-type: none"> • Bahrainis' expectations with respect to their work position are not aligned with their qualifications and experience level 	7	22.6%
<ul style="list-style-type: none"> • Bahrainis employees expect raises and promotions to come early and often 	7	19.4%
<ul style="list-style-type: none"> • Fresh graduates represent the predominant group of Bahrainis with unrealistic expectations for work position 	4	12.9%
<ul style="list-style-type: none"> • Bahraini graduates will quit if not promoted early and frequently 	2	6.5%
'Yes' response qualified	8	25.8%
<ul style="list-style-type: none"> • The expectations of experienced Bahrainis with regard to their position are more realistic compared to those of fresh graduates 	3	9.7%
<ul style="list-style-type: none"> • School graduates have more realistic expectations with regard to their position than college graduates 	3	9.7%
<ul style="list-style-type: none"> • The proportion of Bahrainis with unrealistic expectations has decreased significantly compared with 10 to 20 years ago 	2	6.5%
<ul style="list-style-type: none"> • It is normal for a young and highly driven generation to have such expectations 	2	6.5%
<ul style="list-style-type: none"> • The social environment plays a significant role in determining Bahrainis' expectations with regard to work position 	1	3.2%
<ul style="list-style-type: none"> • This issue is more evident in small and midsize companies 	1	3.2%
No	10	32.3%
'No' response qualified	4	12.9%
<ul style="list-style-type: none"> • Some candidates use their connections to realize their career aspirations 	1	3.2%
Ambivalent or Indefinite Responses	3	9.7%

4.1.2.3 The Salary Expectations of Young Bahrainis

Regarding salary expectations, 45% of respondents felt that Bahrainis' expectations are realistic and normal compared to the average wage rates in the private sector. Of these respondents, some stated that they did not face any issues in this regard because they offer good remuneration packages and their pay scales are already above the market rate. Further, some respondents asserted that the minimum wage policy has helped to resolve the expectations issue, as the Bahraini candidates now, have an upfront idea of what salary they can get in accordance to their qualifications:

“It is not a big deal anymore, after stipulating the minimum wage levels for Bahrainis; I think this matter has almost been resolved. In the past, the wage rates in the private sector were way lower than the public sector, hence, Bahrainis used to have higher expectations, but now, they are aware of the minimum wage they can get based on their qualifications, therefore, during the past period, we encountered very few cases of Bahrainis with unrealistic expectations” (Interviewee 21).

On the other hand, around 36% of respondents perceived Bahrainis' expectations with respect to their salary to be unrealistic. As shown in Table 4.5, those who claimed that college graduates are the most demanding group in this regard accounted for around 26%. Several respondents have also indicated that although some Bahrainis still have exaggerated salary expectations, they only constitute a small segment compared with 10 to 20 years ago:

“I think that career expectations go together with salary expectations; if they have high expectations toward the title and position, they will have high expectations toward the salary as well . . . and when I said that 3 out of 10 Bahrainis still come with these kinds of issues [expectations above their entitlement] it goes without saying that it applies to both; the position and salary” (Interviewee 1).

While the majority of respondents classified Bahrainis' expectations into realistic and unrealistic, 20% did not provide a definite or clear answer. Additionally, 61% of respondents discussed the cost of hiring Bahrainis compared to that of expats, and while 36% pointed out that expats are more expensive than Bahrainis, the majority of them still showed a preference towards recruiting foreigners claiming that they would get a higher productivity and a better work quality from expats than from Bahrainis. While 29% of respondents perceived Bahrainis to be more expensive than their expat counterparts, it was argued that the cost of Bahrainis tends to be higher than expats in blue-collar jobs, whereas vice versa in white-collar positions:

“It is cheaper to hire a Bahraini, there will be no LMRA fees, medical insurance, accommodation, indemnity or travelling tickets for Bahrainis, but the only thing is that we will not get the required work quality from them. Therefore, we prefer expats even though they are more expensive than Bahrainis” (Interviewee 28).

Another HR manager argued:

“In the low job categories or let's say blue-collar jobs, expats are more preferred because they are less expensive and easier to manage. However, the opposite is true in white-collar jobs; Bahrainis are less expensive than expats” (Interviewee 18).

Table 4.5: The Salary Expectations of Young Bahrainis

Q3: Do you feel that Bahrainis have unrealistic expectations with respect to their salary?		
Yes		11 35.5%
	<ul style="list-style-type: none"> • The cost of hiring Bahrainis is higher than the cost of hiring expats 	9 29%
	<ul style="list-style-type: none"> • College graduates are the predominant group of Bahrainis with unrealistic salary expectations 	8 25.8%
	<ul style="list-style-type: none"> • Bahrainis expect promotions and salary increments to come early and often 	3 9.7%
No		14 45.2%
	<ul style="list-style-type: none"> • The cost of hiring expats is higher than the cost of hiring Bahrainis 	11 35.5%
Ambivalent or Indefinite Responses		6 19.4%
	<ul style="list-style-type: none"> • At the same salary, I would get a higher productivity from an expat than from a Bahraini 	4 12.9%
	<ul style="list-style-type: none"> • Regardless of the pay level, Bahrainis would always prefer to work in the public sector or large companies 	3 9.7%

4.1.2.4 The Socio-cultural Factor

As shown in Table 4.6, the vast majority of respondents (74%) noted that Bahraini society classifies a great many positions as inappropriate for citizens to undertake, whilst 26% felt that the social and cultural factors do not represent a hindrance to Bahrainis' employment in the private sector. Moreover, around 10% of respondents indicated that such factors still affect the employment of Bahrainis, but to a lesser extent, as the lack of job opportunities forced Bahrainis to be more receptive towards working in the lower-level positions.

“These classifications and preferences still exist but not as common as before. The conditions have changed, employment opportunities have decreased in this sector, and Bahrainis are forced to consider other options, not because they want to, but because they have to” (Interviewee 19).

From a gender perspective, several cultural and societal restrictions which were thought to act as deterrents to the recruitment of local women in the private sector were reported. First, many respondents indicated that unlike expat females, local women are less likely to work in shifts or at night. Second, due to cultural reasons, many Bahraini women do not prefer to wear company uniforms; however, it was argued that this issue is more evident in the small and midsize companies. Third, while several respondents concurred that blue collar jobs may not be very appealing to Bahrainis in general; many respondents argued that local females are more resistant to these kinds of positions than their male counterparts and that women who already occupy such positions prefer to work in back of house or back office jobs to preserve their dignity:

“Some of the Bahraini females who work in our sales department refuse to wear the company uniform, but they would’ve definitely worn it if they worked in one of the hypermarkets . . . is it because the regulations are more rigid in the large companies . . . or because the salary is higher?? I don’t know, but so far, I was not lucky with any of the Bahraini female employees” (Interviewee 11).

A Bahraini female who is an HR manager in one of the food and beverage companies commented:

“Bahraini men are more willing to work as waiters than Bahraini women. We had a number of Bahraini females who worked as waitresses in our restaurants, but soon asked to be transferred to the back of house, so we transferred them to the central preparation area, where they prepare food for cooking” (Interviewee 13).

Another female who is an expat HR manager in the same industry said:

“We had some cases with Bahraini ladies who refused to move to one of our branches because they did not want their relatives who live in that area to see them working in such positions. They shy to get exposed to when they occupy these kinds of positions, so they would not prefer and even us, we would not prefer to put them in such situations, it will not be comfortable for us or them” (Interviewee 28).

The most frequently cited comments that were mentioned by those who agreed that Bahraini society or culture classifies many job categories as inappropriate for citizens involved; certain professions will not attract Bahraini applicants. Next, even if Bahrainis applied for lower level positions, recruiters do not follow up on such applications because they would not get a lot of options. While many blue-collar jobs are not considered appealing by a large segment of Bahraini citizens, they would still be more willing to occupy these positions in the public sector and large companies than in small and midsize enterprises:

“If I want to hire a cleaner, first, I will not get a CV for a Bahraini, secondly, even if I get it, I will not choose a Bahraini, because again, it comes to so many things like, the nationals will not feel dignified to go for a position like that. So, you would not get a lot of options in that scenario” (Interviewee 28).

Other important, but less frequently cited comment was; Bahrainis avoid employment in certain economic sectors like hospitality due to a mix of cultural and religious reasons. Respondents have also reported that they face HRM issues arising from Bahrainis managed by expat superiors. Some respondents argued that Bahrainis refuse to work in lower level positions even if they lack adequate qualification and skills because they do not want to be compared with the low-skilled expats who dominate these positions. Further, several respondents perceived Bahrainis to be

lacking sufficient work ethics and professionalism when compared to their expat counterparts. Consequently, many respondents declared their preference of expats in certain positions like personal assistant and secretary, claiming that they are more professional when dealing with confidential and personal information:

“You would not see a lot of Bahrainis working in the tourism and hospitality sector, because there are many cultural and religious restrictions associated with working in hotels, bars and night clubs” (Interviewee 24).

“Unlike Bahrainis, the social circle of the expat employees is quite small. Therefore, some employers prefer their secretary or personal assistant to be an expat to keep the sensitive information and personal matters private” (Interviewee 24).

Conversely, the opposing views reported that Bahrainis became more receptive towards working in the lower level positions and the different economic sectors compared with 10 to 20 years ago. In addition, it was argued that Bahrainis would rather work in such positions than to remain unemployed. However, the frequency of such perceptions accounted for only 16% and 6.5%, respectively (Table 4.6):

“A lot of Bahrainis work as cashiers, waiters and security guards, and that makes me proud. I worked as a security guard when I was a student in the university to have my pocket money. In our company, we have Bahrainis who work as waiters, cooks and cashiers” (Interviewee 26).

Table 4.6: The Socio-Cultural Factor

Q4: Do you feel that the Bahraini society/culture classifies certain professions as inappropriate for Bahraini citizens?		
Yes	23	74.2%
<ul style="list-style-type: none"> • Certain professions do not attract Bahraini applicants • Gender-related restrictions • Blue-collar jobs are not considered appealing to Bahraini citizens • Unlike the case in small and medium enterprises, Bahrainis accept working in low positions in the public sector and large companies • We face HRM issues arising from Bahrainis managed by expat superiors • even if Bahrainis lacked adequate qualifications and skills, they would not accept to work in lower level positions • Bahrainis lack sufficient work ethics and professionalism • Even if Bahrainis applied for lower level positions, we do not follow up on such applications • Due to a mix of cultural and religious reasons, Bahrainis avoid employment in certain economic sectors • In Bahraini society, one's social status is determined by the position s/he occupies 	10 6 4 4 3 3 3 2 1 1	32.3% 19.4% 12.9% 12.9% 9.7% 9.7% 9.7% 6.5% 3.2% 3.2%
' Yes' response qualified	3	9.7%
<ul style="list-style-type: none"> • The cultural and social restrictions to Bahrainis' employment have decreased when compared to the past 	3	9.7%
No	8	25.8%
<ul style="list-style-type: none"> • Bahrainis became more receptive to work in the various positions and economic sectors compared with 10 to 20 years ago • I don't feel that the Bahraini society or culture represents a hindrance to Bahraini's employment • Our lower positions are open for Bahrainis, and there are Bahrainis who apply and work in these positions • Bahrainis would rather work in lower level positions than to remain unemployed 	5 3 3 2	16.1% 9.7% 9.7% 6.5%

4.1.2.5 Societal Norms

The vast majority of employers and hiring managers (71%) believed that there are societal norms acting as impediments to Bahrainis' recruitment in the private sector. For instance, most of them claimed that expats, especially from Western countries, are more preferred for leadership positions. Different reasons were cited for such preference; some respondents attributed it to a social phenomenon called "uqdat Al Khawaja" or (The master's complex), which resembles an inferiority complex and indiscriminate over-valuation of Western people (Abdulkadir, 2014; Suleiman, 2016). The word *Khawaja* is an honorific title used across various Middle Eastern and Asian countries. In some countries like Egypt and Sudan, the word is used to refer to Western foreigners (Sonbol & Fernea, 2000). It has also been added that three decades ago at least, there was not enough expertise in the Arab world; hence, Arabs were fascinated by those coming from the West offering their knowledge and experience in the various fields. In addition, several respondents declared that having foreigners on board enhances the organizational image and attracts customers. However, some hiring managers argued that the reason behind such preference is to adopt the best practices of the West; hence, it is the knowledge and experience that differentiate these people from Bahrainis and make them more preferable for the managerial positions, not the societal norms:

"We have this complex in the Arab world, which is called "Alkhawaja complex". Maybe at the time, because we are talking about 30+ years ago, we did not have enough expertise, so, when someone comes from the Western world offering a range of experience, we respected that. But I think across the decades we have had enough educated and experienced people in the Arab world in general and GCC in particular to take over any job. However, some residue of alKhawaja complex still exists. . . I

mean, habits die hard, so yes. . . When a high-level position is vacant, some would not feel comfortable giving it to a local” (Interviewee 5).

HR managers have also declared that Bahraini society has a major role in rendering a great many positions as inappropriate for citizens. The stigma attached to working in certain business industries like hospitality, was perceived to be another social barrier to Bahrainis’ recruitment in the private sector:

“Let’s say in the aviation and hotel, banking as well, if you are a religious person, you may not want to work in these places unless if you are in banking it is an Islamic bank. The hotel industry in itself is very looked down upon as a profession for Bahrainis, purely for cultural and societal reasons” (Interviewee 29).

Moreover, one third of respondents mentioned several socio-cultural factors which are thought to constitute impediments to local female employment. For instance, the maternity entitlements and the associated flexible work arrangements were perceived to be additional costs for employers and hence, discourage them to hire women. Other persuading factors involved the socio-cultural sensibilities that might arise from recruiting local women, restrictions related to women's employment in high physically demanding occupations and the social reservations that limit the career options for Bahraini women:

“I don't feel encouraged to recruit local women, because other than their maternity rights, they take more sick leaves than men. In the end, I have certain goals and targets and I need a certain level of performance from each employee” (Interviewee 16).

A female respondent commented:

“When it comes to women, there are more restrictions in terms of working hours, in terms of working closely with men or frequent travel, the restrictions are more severe” (Interviewee 29).

It has further been alleged that expat employers and HR managers prefer to recruit from their own nationalities to avoid any socio-cultural issues that might unintentionally arise from recruiting locals. Other less frequently cited reasons for avoiding the recruitment of nationals were, fear of potential competition, fear of confidentiality breaches and the widely spread negative stereotyping of Bahrainis' work ethics and attitudes. In this regard, one of the expat recruiters said:

“There is a wide-spread perception that Bahrainis don't work . . . and their work ethics are not that great . . . this thing has become in our mentality about Bahrainis. This is not applied to Bahrainis only, but to Arabs in general” (Interviewee 28).

Societal norms were not seen as a deterrent to Bahrainis' recruitment by around 26% of the hiring managers (Table 4.7). These respondents claimed that the preference of expats over Bahrainis in the private sector is driven by other factors like the availability, cost and competencies. However, around half of those who denied any impact of the societal norms on Bahrainis' recruitment initially then conditioned that with opposite perspectives.

Table 4.7: Societal Norms

Q5: Do you think there any societal norms that hinder the recruitment of Bahrainis in the private sector?		
Yes		22 70.9%
	• Expats, especially from Western countries, are more preferred for leadership positions	11 35.5%
	• The Bahraini society classifies a great many professions as inappropriate for citizens	10 32.3%
	• Gender-related restrictions	9 29%
	• Stigma attached to working in certain business industries (e.g. hospitality)	2 6.5%
	• Expat employers or HR managers prefer to recruit from their own nationalities	2 6.5%
	• Fear of confidentiality and privacy breaches	2 6.5%
	• Fear of potential competition	1 3.2%
	• Negative stereotypes of Bahrainis' work ethics and attitudes	1 3.2%
No		8 25.8%
Ambivalent or Indefinite Responses		1 3.2%

4.1.2.6 The Educational Attainment of Bahraini Jobseekers

When asked about their perceptions of Bahrainis' educational attainment, more than half of the employers and hiring managers (58%) had positive views. Around 67% of these respondents said that Bahrainis have adequate levels of educational achievements. Further, the quality of Bahrainis' educational attainment was perceived to be satisfactory by 23% respondents. It has also been asserted that the local market is producing work-ready and qualified candidates:

“I think Bahrainis have gone a long way, I graduated from X university [a public university], so, I have an appreciation for people who graduate from X university, but also, we are always impressed by people studying abroad in reputable universities. I think Bahrainis have done well for themselves lately. Aside from educational attainment, they have also contrary to my generation or the generations before me, people are now getting into the job market way earlier than we did. They take on summer jobs and volunteer work and they attend conferences and all that. So, I think that Bahrainis generally been doing a good job in putting themselves out there and gaining as much experience as possible” (Interviewee 29).

However, 72% of respondents that responded positively initially then conditioned that with negative sentiments. For instance, all of them perceived the quality of education in the private universities to be poor; hence, the majority declared that public-universities' graduates are more preferred for recruitment than private-universities' graduates. It has also been noted that the quality of schooling in the intermediary and primary levels is underperforming. Other important, but less frequently mentioned sentiments were the lack of English proficiency among local candidates (10%), and the academic disciplines chosen by the Bahraini students are not matching the labour market needs (3%):

“Unfortunately, when it comes to the low-scale roles and the Bahrainis who are graduating with basic secondary school certificate, their qualification is very limited and that hinders their growth in any work environment. However, if you are to move into middle level management, you will find Bahrainis who are qualified” (Interviewee 8).

As shown in Table 4.8, the educational achievements of local candidates were perceived negatively by 32%. These respondents believed that Bahrainis do not have adequate basic skills like (reading, writing and basic computer skills). It has further been alleged by half of these respondents that expats outperform their Bahraini counterparts in terms of educational achievement and quality. Many respondents

blamed the education system for such deficits in the basic knowledge and skills among Bahraini candidates. Several respondents have also agreed that the education outcomes are at the opposite end of the spectrum in relation to labour market requirements. Further, a number of employers and HR managers reported difficulties in attracting qualified Bahrainis to work in small and medium enterprises, whereas others argued that there is a lack of qualified Bahrainis in certain academic disciplines like aviation, agriculture and telecommunication:

“There is a mismatch between Bahrainis' qualifications and the labour market requirements. This could be partly attributed to our educational system which is not supplying Bahrainis with the required knowledge and skills for the job market, thereby limiting their opportunities for employment against their expat counterparts. . . . just recently, for example, we were looking for an ultrasound technician . . . we got twenty applications from expat candidates and most of them were excellent and fit to the job, whereas we didn't receive any applications from Bahrainis because this specialization is not available in Bahrain” (Interviewee 11).

Table 4.8: The Educational Attainment of Bahraini Jobseekers

Q6: What is your perception of the educational attainment of Bahraini employees?		
Positive perception	18	58%
<ul style="list-style-type: none"> • Bahrainis have adequate levels of educational attainment • The local market is producing work-ready and qualified candidates • The quality of the educational outcomes is satisfactory • Bahrainis have sufficient work experience 	12	38.7%
	7	22.6%
	7	22.6%
	1	3.2%
Positive perception qualified by a problem	13	41.9%
<ul style="list-style-type: none"> • The quality of private-universities' graduates in Bahrain is not satisfactory • The quality of education in both, the intermediary and primary levels is underperforming • Bahrainis lack English proficiency • The academic disciplines chosen by the Bahraini students are not matching labour market requirements 	13	41.9%
	11	35.5%
	3	9.7%
	1	3.2%
Negative perception	10	32.3%
<ul style="list-style-type: none"> • Bahrainis do not have adequate basic skills (e.g. reading, writing and basic computer skills) • Expats outperform their Bahraini counterparts in terms of educational achievement and quality • The education system is responsible for the deficits in the basic knowledge and skills among Bahraini candidates • There is a mismatch between the labour market requirements and the educational outputs • The local market is not producing work-ready and qualified candidates • There is a lack of qualified Bahrainis in certain academic disciplines • Small and Medium enterprises do not attract qualified locals 	5	16.1%
	5	16.1%
	5	16.1%
	4	12.9%
	2	6.5%
	2	6.5%
	1	3.2%
Ambivalent or Indefinite Responses	3	9.7%

4.1.2.7 The Soft Skills of Bahraini Jobseekers

The majority of respondents (55%) believed that Bahrainis lack crucial soft skills. Around 29% reported that the educational system is not supplying students with the soft skills required by the private sector, and that most local graduates require further training before they are ready for work. However, other respondents argued that the socio-cultural environment plays a significant role in this regard, as it shapes Bahrainis' attitude and affects their willingness to acquire new skills and develop themselves. Also, seven respondents believed that Bahrainis have poorer and fewer soft skills compared to their expat counterparts. The most frequently cited soft skills that were perceived to be lacking among the Bahraini candidates were; communication skills and work ethics. Several respondents have also perceived Bahrainis to be lacking; English proficiency, self-confidence, negotiation and organizational skills:

“Back to the communication part, employers have different criteria for employing people, but for me I always find that if you cannot hold up your confidence when having a conversation with me, then I don't know what kind of future you could have within an organization that is highly competitive where being assertive and well spoken is something that is going to differentiate you from everyone else. So, I do notice that there is an issue in that area and I blame the Bahrainis for that, because there are so many tools now and so many organizations and forums where you can actually build up these skills, but you just need to make that effort. I don't know whether it is a character flaw or is it... some people maybe just unable to do it, but there are so many ways that you can enhance that skill or any soft skills that you need. Tamkeen offers all these programs where you can go and take for free, yet, some people just don't take advantage of it. I mean to me, I agree that education degree from great university is not going to sustain you for a long time in your job; it is what you do with it and how much you capitalize on different skills that will help you grow in your job. So, I think the soft part is kind of missing there” (Interviewee 29).

On the contrary, around 26% of the recruiting managers perceived the soft skills of the local candidates positively (see Table 4.9). Respondents explained that fresh graduates are not expected to have a full array of soft skills, and that such skills are built up through work experience. Several respondents have also noted that the young generation is more computer literate than their older peers. Finally, around 20% of respondents indicated that the skills of Bahraini candidates are not homogenous; hence, they could not generalize or provide a definite answer:

“They are good in this regard; we do not expect fresh graduates to be fully skilled and ready for work. As employers, we have to provide them with vocational training to enhance their skills, because universities focus on the theoretical part” (Interviewee 16).

Another respondent said:

“Most of them are quite qualified, I would say, thanks to today’s technology, everyone is having access to all forms of new technology. English language has developed among Bahrainis in a better way recently. Attention to timing has also improved . . . their time management improved, they are more punctual comparing to a generation earlier” (Interviewee 8).

Table 4.9: The Soft Skills of Bahraini Jobseekers

Q7: What is your perception of the soft skills of Bahraini employees (E.g. communication skills, IT skills)?		
Positive perception	8	25.8%
<ul style="list-style-type: none"> Bahrainis are skilled in using computer and related technology 	5	16.1%
<ul style="list-style-type: none"> Bahrainis who participate in government-organized youth activities have better soft skills than those who don't 	1	3.2%
Positive perception qualified by a problem	2	6.5%
<ul style="list-style-type: none"> Expats have better soft skills than Bahrainis. 	2	6.5%
Negative perception	17	54.8%
<ul style="list-style-type: none"> The educational system is not equipping Bahrainis with the soft skills required by the private sector 	9	29%
<ul style="list-style-type: none"> Bahraini graduates need pre-work training to be ready for work 	9	29%
<ul style="list-style-type: none"> Bahrainis have poor soft skills compared to their expat counterparts 	7	22.6%
<ul style="list-style-type: none"> Bahrainis lack communication skills 	7	22.6%
<ul style="list-style-type: none"> Bahrainis lack appropriate work ethics 	5	16.1%
<ul style="list-style-type: none"> Bahrainis do not focus on developing their soft skills 	2	6.5%
<ul style="list-style-type: none"> Bahrainis have poor organizational skills 	2	6.5%
<ul style="list-style-type: none"> Bahrainis lack fluency in English 	2	6.5%
<ul style="list-style-type: none"> Bahrainis lack negotiation skills 	2	6.5%
<ul style="list-style-type: none"> Bahrainis lack self-confidence 	2	6.5%
<ul style="list-style-type: none"> Bahrainis lack managerial skills 	1	3.2%
Ambivalent or Indefinite Responses	6	19.4%

4.1.2.8 The Regulatory System

In general, almost two-thirds of the recruiting managers did not feel that the regulatory or legal system represent a deterrent to Bahrainis' employment (See Table 4.10). In fact, for many respondents, the regulatory framework appeared to encourage recruiting Bahrainis not the opposite. Several interviewees, for instance, valued government's endeavours to make Bahraini candidates an appealing choice for recruitment by subsidizing their wages for a period that may extend to three years. Others have acknowledged that reaching the required target of Bahrainisation has many advantages, among them is obtaining a certificate that qualifies its holder for lucrative government bids. It was also declared that reaching localization quotas is no longer mandatory; companies that fail to reach the required percentage of Bahrainis can simply pay extra fees to have more work permits. When asked if the regulatory system affects her willingness to recruit Bahrainis, interviewee 29 responded:

“No, I think it is the contrary, it supports it and even somehow pays for it . . . we benefit from it in terms of cost saving, when it comes to, you know, wage support and free development, so, it is definitely in our benefit to recruit Bahrainis”.

Another respondent said:

“Personally, I think that some rules and regulations encourage us to recruit Bahrainis. Imposing extra fees and taxes on expat workers makes Bahrainis less expensive and more attractive to recruit. Also, if we meet the required Bahrainisation quota, we get a Bahrainisation certificate which qualifies us to win government contracts” (Interviewee 21).

Regarding the legal system, almost half of the respondents did not perceive any differences between the labour law of Bahrainis and that of expats; claiming that

both may be hired on contractual basis and both may be discharged after following certain procedures. However, more than half of the respondents (54%) who did not perceive any influence of the regulatory or legal system on their employment decision at the beginning then qualified that with a contradicting sentiment. The majority for instance, stated that this factor may have a significant effect on the HR practices in the small and midsize companies. Further, a number of respondents perceived the Bahrainisation quotas as an unavoidable obligation that must be fulfilled in order to be eligible for applying for work permits. It has also been revealed that some private businesses use loopholes to evade this obligation:

“Some would say that dismissing a Bahraini is harder than dismissing an expat, but I don’t think so; you can easily dismiss the Bahraini employee now . . . if things turn to his side, the maximum benefit he can get according to the labour law is receiving a six-month compensation” (Interviewee 10).

Another respondent argued:

“Regarding Bahrainisation, it doesn't represent an issue for us . . . we are required to reach 25% Bahrainisation and we are already above 80%. It may be an issue for the small and medium enterprises . . . even restaurants and constructions face problems in this regard because they rely heavily on expats and do not find Bahrainis who are willing to work in such industries” (Interviewee 24).

The regulations and laws that grant Bahrainis certain privileges compared to expats were perceived to have a negative effect on employers’ hiring decision by around 36% of respondents (Table 4.10). It has been claimed that Bahrainis enjoy a higher degree of protection under the legal and regulatory system compared to their expat counterparts, and that represent a disincentive for employers to hire them. Several interviewees have also declared that there is considerable uncertainty

regarding the dismissal procedures of Bahrainis and that expats are easier to dismiss than locals. It has further been alleged that the formal and informal rights of nationals constitute another inhibiting factor to locals' employment. Moreover, many employers considered the current rules and regulations as a barrier to their business growth. Others, however, claimed that such rules have a negative impact on the economy as a whole, as they might restrict the direct foreign investments. The following is an extract from one of the interviews:

Interviewee 8: "Terminating a Bahraini employee is more complicated than his expatriate counterpart . . . nothing against the Bahraini, but the legal system demands that if an employee fails, you have to prove that with three warning letters indicating that he failed in a specific case time after time within a year. So, if for example I have an employee who was late in one day and he is not fulfilling his daily roles in another day and he forged a paper in the third incident, I cannot take him off because they are three different mistakes".

Interviewer: Does that affect your willingness to recruit Bahrainis?

Interviewee 8: "At times, yes, it might discourage me because I feel it is more challenging. As private businesses, we should be having flexibility of working around how we employ and how we terminate and how we promote our employees, and I think governmental bodies should not be intervening".

Table 4.10: The Regulatory System

Q8: Does the legal/ regulatory system affect your willingness to employ Bahrainis? If so how?		
Yes	11	35.5%
<ul style="list-style-type: none"> • The formal and informal rights of nationals constitute an inhibiting factor to locals' employment 	8	25.8%
<ul style="list-style-type: none"> • Expats are easier to dismiss than Bahrainis 	5	16.1%
<ul style="list-style-type: none"> • The current legal and regulatory system constitutes a barrier to our growth 	4	12.9%
<ul style="list-style-type: none"> • There is considerable uncertainty regarding the dismissal procedures of Bahrainis 	2	6.5%
<ul style="list-style-type: none"> • The current regulatory and legal system restricts the direct foreign investments 	1	3.2%
No	20	64.5%
<ul style="list-style-type: none"> • There are no differences between the labour law of Bahrainis and that of expats 	14	45.2%
<ul style="list-style-type: none"> • The regulatory and legal system encourages us to recruit Bahrainis 	5	16.1%
<ul style="list-style-type: none"> • The regulatory and legal system is more flexible compared with the past 	5	16.1%
<ul style="list-style-type: none"> • Imposing localization quotas on the private sector is an efficient solution to decrease unemployment among Bahraini citizens 	2	6.5%
'No' response qualified	7	22.6%
<ul style="list-style-type: none"> • The regulatory and legal system has a greater impact on the hiring decisions of employers in small and midsize companies than large enterprises 	4	12.9%
<ul style="list-style-type: none"> • The Bahrainisation policy is considered as a burden 	2	6.5%
<ul style="list-style-type: none"> • Many private employers use loopholes to get around Bahrainisation 	1	3.2%
<ul style="list-style-type: none"> • There is an ambiguity in the labour law of expats 	1	3.2%
<ul style="list-style-type: none"> • We are obliged to recruit Bahrainis 	1	3.2%

4.1.2.9 Managing Bahraini Employees

As shown in Table 4.11, the majority of respondents (74%) perceived expats to be easier to manage than locals. It has been alleged that expat employees are more compliant to orders and willing to work overtime and take on additional tasks than Bahrainis. This has been justified for several reasons. From a psychological perspective, around 32% of respondents indicated that the constant feeling of job insecurity drives expats to be more compliant and easier to manage. Because unlike Bahrainis, they live in a foreign country and work on a temporary basis, hence, they are in continuous fear of losing their jobs and being deported in case they break any rules. Nonetheless, several respondents pointed out that expats are more dedicated to work because the surrounding circumstances work to their benefit; they come on a contract for a certain period and in some cases, their families are not with them, hence, they would have fewer responsibilities and social commitments compared to their local counterparts. When asked whether expatriates are easier to manage than Bahrainis, one of the respondents said:

“Yes, this is true, and some companies prefer expats for this reason. I’ll give you an example, when you tell an expat to do tasks A, B and C, they will follow the order and do them immediately, whereas Bahrainis may do task A . . . and B if God will, and then skip the rest . . . [Laughs] . . . but of course . . . this is not applied to all” (Interviewee 27).

Another respondent explained:

“Expats come here to work for a specific period of time; they stay in a foreign country which has different rules and regulations, hence, they would not feel as comfortable as in their home countries. Therefore, they will be more disciplined and compliant to orders than Bahrainis because of fear of being fired from work” (Interviewee 13).

From a cultural perspective, it was argued that foreign workers from certain nationalities would not speak up even if they have not been treated well. Local employees however, would not remain quiet and would complain if they have been mistreated or there was an issue. Therefore, where there is a case of injustice, some respondents declared that they find themselves having to justify things more often to the Bahraini employee than to the expat. Moreover, some respondents claimed that they are driven by emotions when dealing with Bahraini employees and hence, that might act as a deterrent to hiring them. In case of misconduct for instance, it was declared that the disciplinary procedures would proceed smoothly with the expat employees, whereas Bahrainis would take it personally and try to use their connections to interfere on their behalf. However, several respondents indicated that such issues are less likely to be encountered with Bahrainis occupying senior positions and that there is no difference between managing Bahrainis and expats in this level:

“As employers, we are driven by emotions when we deal with Bahrainis. For example, I would consider a lot of things when taking corrective action against a Bahraini employee; I might know his family or he might be my neighbour . . . I will put a lot of things into account” (Interviewee 18).

Another respondent asserted:

“If you talk about for example, your disciplinary process, if there is a misconduct by an expat, you know, you go through the process smooth, here is your warning, thank you very much, I won't do it again, and it's over, whereas Bahrainis [laughs] . . . Bahraini will try to fight it, I don't know sometimes it is an ego issue, why are you giving me a warning, it is taken personally, you get people talking to you outside the company to tell you please take care of my son, don't give him that warning, so they use their connections again . . . using connections act as a deterrent more than an attracter for the hiring of Bahrainis” (Interviewee 29).

On the other hand, only 19% of respondents felt that there is no difference between managing both, expats and Bahrainis, and that good leaders should not have any difficulties in managing a multi-cultural and diverse workforce (Table 4.11). On the contrary, one of the respondents perceived Bahrainis to be easier to manage because of the common language and culture that facilitates the communication process between them. It has further been claimed that being easier to manage does not necessarily make any group better than the other or more preferable for recruitment:

“Some employers might find Bahrainis harder to manage than expats, but for me, it depends on the person himself, regardless of his nationality. So far, and as per my experience with Bahrainis, I have not faced any difficulties in managing them. One of the biggest mistakes that managers do is judging certain nationalities and generalizing negative perceptions based on individual behaviours” (Interviewee 26).

Table 4.11: Managing Bahraini Employees

Q9: Do you feel that expatriate workers are easier to manage than Bahrainis?		
Yes	23	74.2%
<ul style="list-style-type: none"> • Job insecurity and fear factor • Expats are more obedient to orders than Bahrainis • Expats are more willing to stay for additional hours and do extra work than Bahrainis • Expat's short-term commitment • Cultural reasons • Bahrainis are more willing to complain of their employers to the Ministry of labour • Bahrainis occupying senior level positions are easier to manage than those occupying junior level positions • Bahrainis are more resistant to change than their expat counterparts • Expats are easier to manage than Bahrainis in lower level positions 	<ul style="list-style-type: none"> 10 8 8 4 3 2 2 1 1 	<ul style="list-style-type: none"> 32.3% 25.8% 25.8% 12.9% 9.7% 6.5% 6.5% 3.2% 3.2%
No	6	19.4%
<ul style="list-style-type: none"> • There is no difference between managing expats and Bahrainis • Bahrainis are easier to manage than expats • Being easier to manage does not necessarily make any group more preferable for recruitment 	<ul style="list-style-type: none"> 3 1 1 	<ul style="list-style-type: none"> 9.7% 3.2% 3.2%
Ambivalent or Indefinite Answers	2	6.5%

4.1.2.10 Bahrainis' Commitment to Work

Bahraini's commitment to work was perceived positively by 42% respondents, five of them had an absolute positive view of Bahraini's commitment to

work, whereas the rest had a positive response initially and then qualified that with certain conditions. Several respondents for instance, indicated that the Bahraini employees are committed as long as the work falls within the boundaries of their comfort zone and preferred working hours, however, when it comes to extra work and additional hours, a lot more commitment and effort were given by expats. This was justified for two reasons. First, because unlike Bahrainis, expats are not permanent residents; they come on a contract to work for a certain period of time and go back to their home countries; hence, they tend to prioritize their job over their personal and social life, whereas Bahrainis have to create a work-life balance. Second, some respondents pointed out that, expat's fear of losing their jobs makes them work harder and for longer hours to satisfy and impress their employers, whereas Bahrainis feel more comfortable because they are in their home countries and psychologically, that would reduce their commitment one notch below somebody who does not have this level of comfort:

“We don't have issues with our employees' commitment. Our plant operates 24/7; any delay or lateness by any employee can have a negative effect on our production, so, the attendance report is strictly monitored. But if we are to compare Bahrainis with expats in terms of commitment to work, I think expats are more committed and there is a reason for that; the risk that expats would lose their jobs is higher when compared to Bahrainis, hence, they would not take that risk by coming late or being absent” (Interviewee 24).

Conversely, 42% of respondents held negative perceptions of Bahrainis' commitment to work, of which 61% qualified their response with certain conditions. These participants criticized Bahraini's commitment in terms of time attendance, absenteeism and hard work. Also, it was acknowledged by many executives that some Bahrainis take full advantage of the sick days mentioned in the labour law.

However, many respondents argued that Bahrainis occupying higher positions are more educated and intellectually mature; hence, they are more committed to work. Further, several respondents pointed out that Bahraini's level of commitment depends on company's size; for instance, in large companies, where attendance policies are strict and rigid, Bahrainis tend to be more disciplined than in small and medium enterprises, where there is more flexibility. However, it was observed that Bahrainis' level of commitment improves when wages are linked to performance and monetary rewards are used as a stimulus. When asked about his perception of Bahrainis' commitment to work, one of the executives in the health sector said:

“We suffer from Bahrainis' lack of commitment; we cannot find them when we need them. This is a hospital, we need people we can count on, who are present when patients need them and we cannot risk our patients' health. So, not recruiting Bahrainis is for the benefit of everyone” (Interviewee 31).

Another respondent argued:

“It depends on the job position, often there is a lack of commitment among Bahrainis in the lower positions, while in senior positions; Bahrainis are more loyal, disciplined and committed to work than expats” (Interviewee 17).

Finally, 58% of respondents have elected to compare between Bahrainis and expats in terms of their commitment to work, around 72% perceived expats to be more committed than Bahrainis (irrespective of whether or not they justified their response), whereas 22% perceived both to be committed (Table 4.12):

“I don't like to admit that, but you get a lot more commitment and effort put in the job from expats. Maybe it is not efficient or effective, but you know that you can rely on them to give you the output. I've never had an expat, for example, telling me it's my weekend and I can't come to the office or not even answering their phones or whatever . . . or even asking for overtime for staying after the working hours to finish their own work, but we do face it more with Bahrainis” (Interviewee 29).

Table 4.12: Bahrainis' Commitment to Work

Q10: What is your perception of the commitment to work of Bahraini employees?		
Positive perception	13	41.9%
<ul style="list-style-type: none"> Bahrainis are committed to work than expats 	5	16.1%
Positive perception qualified by a problem	8	25.8%
<ul style="list-style-type: none"> Expats are more committed to work than Bahrainis Expats are more willing to stay additional hours and do extra work than Bahrainis 	13	41.9%
	1	3.2%
Negative perception	13	41.9%
<ul style="list-style-type: none"> The commitment to work of Bahrainis is not satisfactory whether in terms of tardiness, absenteeism or hard work Bahrainis take full advantage of the sick days 	4	12.9%
	2	6.5%
Negative perception qualified by a problem	8	25.8%
<ul style="list-style-type: none"> Bahrainis occupying higher positions are more committed to work than Bahrainis occupying lower level positions Bahrainis tend to be more disciplined in the large companies than in small and midsize enterprises 	5	16.1%
	4	12.9%
Bahrainis' commitment compared to their expat counterparts	18	58%
<ul style="list-style-type: none"> Expats are more committed to work than Bahrainis There is no difference between the commitment to work of Bahrainis and expats 	13	41.9%
	4	12.9%
Ambivalent or Indefinite Answers	5	16.1%

4.1.2.11 The Political Factor

The majority of the employers interviewed (58%) did not provide any information on whether the political events of 2011 have had any negative impact on their human resource practices in general and hiring decisions in particular. It was nonetheless acknowledged by a number of them that such events may have affected the country's economy and job creation during that period but did not have any impact on their hiring decisions.

On the other hand, around 39% of respondents did not feel that the events of 2011 have any impact on their willingness to recruit Bahrainis; claiming that these events may have affected the HR policies and practices in other companies, but had no impact on their practices.

4.1.2.12 Other Factors Affecting Bahrainis' Employability

When employers and hiring managers were asked if there are other factors that may act as deterrents to Bahrainis' employment, the majority stressed the significance of having strong work ethics and positive attitude among candidates. The educational, socio-cultural and legal factors were among the most frequently cited reasons that cause employers and HR managers to avoid hiring Bahrainis:

“It is just the privileges that they expect, that is the most and mainly concern. Also, I think their attitude is among the most factors that discourage us as HR managers to recruit Bahrainis. It depends on their willingness, and this is one of the reasons that we give a three months probation . . . before any confirmation or contract is done, we make sure that we would love to hire a Bahraini . . . because it is less expensive than hiring an expat if you get the same efficiency and work quality and collaboration with the company's rules and regulations” (Interviewee 28).

Other important, but less frequently cited reasons were the economic and political aspects. Moreover, respondents have also mentioned five additional factors that might affect their willingness to hire Bahraini candidates, namely, the ethnic factor, the psychological factor, family stereotypes, fear of information leaks and considerations of the organizational performance and competitiveness. Regarding the ethnic factor, many respondents declared the influence of candidates' racial or national origin in employment decisions, for instance, it has been argued:

“One of the reasons of having a large share of expats in the private sector is that most HR managers and managing directors in this sector are expats; they prefer to recruit from their own nationalities” (Interviewee 27).

Respondents have also stressed the importance of the psychological factor and its effect on their business growth. It has been claimed that the lack of coordination between the official bodies and the random decisions that are being issued and cancelled within a short period of time has a negative impact on traders and investors and render them hesitant to invest, start a new business or even expand an existing one. Consequently, new employments are not being created for Bahraini citizens. It has also been alleged that there is a bias in the hiring practise in some private businesses based on the family name. Some families for example, are well known for their wealth and power in Bahrain, and job seekers from such families are not considered appealing for recruitment, as employers will question their intentions and the reason for not using their connections to hold a senior position in the public sector or the large companies:

“Certain families in Bahrain are well known and have strong connections; most of them occupy high and important positions, so, if a member of these families applies for a job in our company, I will be hesitant as to recruit him or not, because I will be asking myself why

didn't he use his connections to get a prestigious job in one of the ministries or large companies" (Interviewee 14).

A number of participants revealed that expatriates are more preferred than Bahrainis in certain positions, as locals have wide social networks and that raises privacy concerns for local and family businesses. Finally, it has been pointed out that serving the national interest by hiring Bahrainis is a great thing on one side, but on the other side, it raises concerns towards the performance and competitiveness of the company:

"You want to make a decision based on this . . . would I be hiring a Bahraini serving the national interest by giving an employment opportunity to a local citizen, which is great on one side, but on the other side of the spectrum or the scale, am I jeopardizing the company? . . . So, this is more or less how we weigh things" (Interviewee 5).

The last question asked interviewees if there is anything they would like to add, several respondents emphasized the key role of education in developing the sort of knowledge and skills required by the job market and shaping Bahrainis' mind set, work ethics and cultural disposition. Further, one of the respondents expressed her admiration of the Bahraini youth of this generation for having the courage and ambitions to start up their own businesses and become entrepreneurs. It has further been indicated that Bahrainis have done extremely well for themselves academically, socially and professionally. However, it was claimed that Bahrainis lack industry-specific experience, and that separates them from their expat counterparts. Therefore, it has been indicated by one of the respondents that the cost of training a Bahraini candidate represents one of the disincentives to hire them:

"Most private companies prefer expats over Bahrainis because they are ready for work and don't need further training. Business industries that are highly dependent on expats like construction avoid recruiting

nationals because they need training and that would cost them a lot. In the end, these are commercial establishments; they work on a pure profit and loss basis, so, every extra one dinar makes a difference for them” (Interviewee 23).

Regarding the regulatory factor, it has been argued that the laws and regulations that grant Bahrainis more privileges and rights over their expat counterparts have a negative impact on Bahrainis, as they enhance the culture of entitlement rather than merit. From a gender perspective, it has further been confirmed that the marital status and maternity entitlements affect the willingness of employers and hiring managers to recruit local women. In this regard, one of the female HR managers said:

“We do have Bahraini ladies who work in our company . . . however, there is always this reluctance because at some point they will get married and we’ve had cases where they get married and the husband decide, you know, you cannot work in this field anymore, or they come in because it is the first or the only opportunity they can find, and then they start looking for another job” (Interviewee 29).

While one of the respondents perceived Bahrainisation to be effective and successful, others found that it has fallen short of achieving the intended outcomes, and that a significant improvement was not observed; neither in candidates’ quality nor in Bahrainis’ percentage in the private sector. Further, it has been argued by one of the respondents that the educational reforms are restricted to increasing the levels of educational attainment, and that could create serious economic, social and security issues:

“I think the policy, in general, has not succeeded in achieving its intended outcomes. Many initiatives have been taken by the government since 2002 . . . one of them is imposing certain fees on the private companies to support the training and development programs of Bahraini candidates to make them more qualified for the private sector; however,

we cannot see a big difference or major improvement in the quality of Bahraini jobseekers” (Interviewee 11).

Finally, there were a number of proposed recommendations and measures that involved; establishing programs aiming at training and preparing Bahraini graduates for the labour market in the transitional phase between graduation and work, second, reserving the HR positions for locals to avoid any potential biases in the HRM practices that result from hiring expats, third, promoting apprenticeships among local students, and forth, encouraging the recruitment of people with disabilities in the private sector.

Chapter 5: The Quantitative Results

5.1 Introduction

This chapter discusses the research context, preliminary data screening, cleaning and preparation that guaranteed the quality of the responses and their further use in the statistical analysis. This included the checking of missing values, data normality evaluation, the distribution assumptions verification, detection of outliers accompanied by common method bias (CMB) analysis to guarantee that the data were accurate, complete and suitable for multivariate statistical analysis. Second, Cronbach's alpha of the scale measurement has been utilized to examine the reliability of the research constructs (Hair, Hult, Ringle, & Sarstedt, 2016). Third, the validity of the constructs of interest has been assessed by utilizing the exploratory factor analysis (Hair et al., 2016). Finally, the regression analysis has been used to examine the research hypotheses and the findings have been explained in the context of research aims.

5.2 Descriptive Analysis

This part provides background information about participants. The aim is to present a brief account of the profile of the research sample. Frequency analysis has been utilized to distribute the respondents based on the following attributes:

- Gender
- Nationality
- Education
- Occupation
- Business sector
- Company Size
- Private-Public Ownership
- Bahrainisation

5.2.1 Gender

The first descriptive analysis begins with the gender of respondents. Table 5.1 shows that the majority of respondents (77.4%) were males and 22.6% were females. This indicates that there was no balance between the males and females within the sample, however, part of this could be attributed to the low workforce participation of the local females in the GCC region in general and Bahrain in particular.

Table 5.1: Gender of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	202	77.4	77.4	77.4
	Female	59	22.6	22.6	100.0
	Total	261	100.0	100.0	

5.2.2 Nationality of Respondents

As shown in Table 5.2, the vast majority of respondents (82.4%) were Bahraini, whereas expats accounted for only 17.6%. This could be due to the Bahrainisation initiatives that have been adopted and actively pursued by the Bahraini government for more than two decades.

Table 5.2: Respondents by Nationality

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bahraini	215	82.4	82.4	82.4
	Arab	10	3.8	3.8	86.2
	Asian	34	13.0	13.0	99.2
	Other	2	.8	.8	100.0
	Total	261	100.0	100.0	

5.2.3 Education

Table 5.3 shows that more than one-third of the survey respondents (39.5%) held bachelor's degrees and 28.4% of them had master's degrees. Approximately 30% of respondents have earned diploma, secondary school or below secondary education. Finally, only few participants received Doctorate degrees (3.1%).

Table 5.3: Respondents by Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below Secondary School	2	.8	.8	.8
	Secondary School	27	10.3	10.3	11.1
	Diploma	47	18.0	18.0	29.1
	Bachelor's Degree	103	39.5	39.5	68.6
	Master's Degree	74	28.4	28.4	96.9
	Doctorate Degree	8	3.1	3.1	100.0
	Total	261	100.0	100.0	

5.2.4 Occupation

In terms of occupation, the majority of respondents (34.1%) were executives. Human resources managers accounted for around 17% and 44 respondents (16.9%) were business owners. Human resources personnel were 36 respondents (13.8%) and only 6 respondents were either chairmen or board members (2.3%). This job distribution reflects both the organizational hierarchy and the respective populations in the researched companies (Table 5.4).

Table 5.4: Respondents by Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Chairman - Board member	6	2.3	2.4	2.4
	Executive	89	34.1	35.2	37.5
	Human Resources Manager	44	16.9	17.4	54.9
	HR Personnel	36	13.8	14.2	69.2
	Business Owner	44	16.9	17.4	86.6
	Other	34	13.0	13.4	100.0
	Total	253	96.9	100.0	
Missing	System	8	3.1		
Total		261	100.0		

5.2.5 Business Sector

As Table 5.5 shows, various business industries were fairly represented in this research. For instance, 18% of respondents were working in the building and construction. Respondents working in the trade and financial services sectors accounted for around 17% and 15%, respectively. Those who worked in the manufacturing industry accounted for 13.4%, whereas 7.3% of respondents were from the hospitality sector. Finally, only five respondents were working in the electricity, water and gas sector and three were in the mining, quarrying and fuel industry.

Table 5.5: Business Sector

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Manufacturing	35	13.4	13.6	13.6
	Mining, Quarrying & Fuel	3	1.1	1.2	14.7
	Building & Construction	47	18.0	18.2	32.9
	Electricity, Water & Gas	5	1.9	1.9	34.9
	Trade	44	16.9	17.1	51.9
	Hotels & Restaurants	19	7.3	7.4	59.3
	Financial Services	40	15.3	15.5	74.8
	Real Estate & Business services	25	9.6	9.7	84.5
	Health & Social work	3	1.1	1.2	85.7
	Other	37	14.2	14.3	100.0
	Total	258	98.9	100.0	
Missing	System	3	1.1		
Total		261	100.0		

5.2.6 Company Size

The sample was representative in terms of the company size. As Table 5.6 shows, the ratio of respondents among the three company size groups is approximately equal. For instance, around 37% of respondents reported that they were working in large companies (i.e. with more than 250 employees). Those who owned or worked in small businesses accounted for 33% (86 respondents). Finally, around 30% of the respondents were working in medium enterprises.

Table 5.6: Company Size

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Between 11 to 50 employees (Small Enterprise)	86	33.0	33.0	33.0
	Between 51 to 250 employees (Medium Enterprise)	79	30.3	30.3	63.2
	More than 250 employees (Large Enterprise)	96	36.8	36.8	100.0
	Total	261	100.0	100.0	

5.2.7 The Private-Public Ownership

Table 5.7: The Private-Public Ownership

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Purely Private	208	79.7	79.7	79.7
	Quasi-private	53	20.3	20.3	100.0
	Total	261	100.0	100.0	

In terms of the private-public ownership of the companies (Table 5.7), the majority of respondents (79.7%) were working in purely private companies. On the other hand, those who worked in the quasi-private sector accounted for only 20.3%.

5.2.8 Bahrainisation Percentage

Finally, with respect to the Bahrainisation level (Table 5.8), almost two-thirds of respondents (62.1%) were working in companies with a Bahrainisation level below 50%. On the other hand, those who worked in companies with above 50% Bahrainisation accounted for 35.7%. Table 5.9 summarize the demographic characteristics of the sample.

Table 5.8: Respondents by Bahrainisation Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 25%	100	38.3	39.2	39.2
	25% to 50%	62	23.8	24.3	63.5
	51% to 75%	26	10.0	10.2	73.7
	Above 75%	67	25.7	26.3	100.0
	Total	255	97.7	100.0	
Missing	System	6	2.3		
Total		261	100.0		

Table 5.9: Sample Characteristics

Item	Description	Frequency	Per cent
Gender	Male	202	77.4
	Female	59	22.6
Nationality	Bahraini	215	82.4
	Arab	10	3.8
	Asian	34	13.0
Education	Below Secondary School	2	0.8
	Secondary School	27	10.3
	Diploma	47	18.0
	Bachelor's Degree	103	39.5
	Master's Degree	74	28.4
	Doctorate Degree	8	3.1
Occupation	Chairman - Board member	6	2.3
	Executive	89	34.1
	Human Resources Manager	44	16.9
	HR Personnel	36	13.8
	Business Owner	44	16.9
Business Sector	Manufacturing	35	13.4
	Mining, Quarrying & Fuel	3	1.1
	Building & Construction	47	18.0
	Electricity, Water & Gas	5	1.9
	Trade	44	16.9
	Hotels & Restaurants	19	7.3
	Financial Services	40	15.3
	Real Estate & Business services	25	9.6
	Health & Social work	3	1.1
Company Size	Between 11 to 50 employees (Small Enterprise)	86	33.0
	Between 51 to 250 employees (Medium Enterprise)	79	30.3
	More than 250 employees (Large Enterprise)	96	36.8
Private-Public Ownership	Purely Private	208	79.7
	Quasi-private	53	20.3
Bahrainisation	Less Than 25%	100	38.3
	25%- Less Than 50%	62	23.8
	50%- Less Than 75%	26	10.0
	More than 75%	67	25.7

5.3 Data Screening

The stage of filtering the raw data after they have been obtained is a crucial stage to be considered before starting the analysis (Tabachnick & Fidell, 2013). First, the raw data were checked for any mistakes and omissions, to assure that it obtains the requested quality standards. Next, the research variables were coded into a format appropriate for the statistical Package for the Social Sciences (SPSS), version 25. Every variable was given a distinguished symbol. This procedure helped in preparing the computer software for the data analysis.

5.3.1 Missing Data

According to Enders (2010), missing data is a common problem in the data analysis. The effect of the missing data depends on their pattern, size (the amount that is missing) and the underlying reason why they may be missing (Tabachnick & Fidell, 2013). Obviously, the quality of the statistical analysis can be extremely affected by the effect of a large number of missing values, and therefore can lead to unreliable and biased results (Hair et al., 2016; Tabachnick & Fidell, 2013). The literature reported different techniques that could be utilized to deal with the missing data. First, no action needs to be taken and this solution is used if the missing cases are very few and non-random. Second, the missing data might be compensated by the average of the utilized scale. Third, it might be decided to remove the whole reply or the affected variables. The latter solution is recommended if the sample size is large or when the replies have decided not to answer all the questions in the questionnaire. Moreover, this solution is recommended if the variables that are having missing data are not critical to the study (Tabachnick & Fidell, 2013).

5.3.3 Outliers

Tabachnick and Fidell (2013) defined outliers as survey replies that have odd high or low readings that make these cases significantly different from other replies for the same construct (univariate outliers). As outliers can misrepresent the outputs of a statistical analysis by heightening error variance, reducing the power of statistical analyses and biasing estimates of substantive interest (Osborne & Overbay, 2004), outliers should be defined and dealt with (Tabachnick & Fidell, 2013). Survey replies that are having unusual high or low readings that are classified as significantly different from the other normal replies for the same questions are classified as outliers (Tabachnick & Fidell, 2013).

According to Tabachnick and Fidell (2013), there are two types of outliers that are known as "univariate" and "multivariate" outliers. The first reflects the responses that give unusual and extreme value in one question. The latter reflects to replies with odd mixtures of replies to two or more questions (Tabachnick & Fidell, 2013).

To assess the presence of univariate outliers in the collected data, all constructs were first converted to standardized z-scores in the SPSS. Tabachnick and Fidell (2013) define potential univariate outliers for large datasets ($N > 80$) as those readings with absolute z-score values more than 3.29. Using this rule, the standardized variables were checked and it was found that no variable is having univariate outliers. Table 5.11 shows a partial selection from the univariate analysis (Hair et al., 2016).

Table 5.11: Partial Display of Univariate Outlier Test

Z-WILL	Z-SOCIO	Z-ECON	Z-REG	Z-EDUC	Z-MOT	Z-GENDER
-.53355	.12941	2.13099	.74567	-1.01400	.87211	.68263
-.53355	.43833	2.13099	.74567	-1.01400	.87211	.68263
-.14402	.85023	2.13099	.33194	1.28901	1.73366	.85956
-1.50736	.12941	2.13099	.74567	2.44051	1.56135	1.56727
-1.50736	.23238	2.13099	.74567	.13750	.01056	-.20201
-.92307	.43833	2.13099	.74567	-1.01400	.01056	1.56727
-.53355	.23238	1.19029	1.57313	-2.16551	.87211	.68263
-1.50736	-.59141	1.42547	.74567	-2.16551	.87211	.68263
.44027	-2.13602	.24959	-1.73672	1.28901	-1.71253	.68263
-1.50736	-.28249	2.13099	1.57313	-2.16551	.87211	.68263
-.53355	.95320	1.19029	.74567	.90517	.87211	.68263
-.53355	.85023	2.13099	.74567	-1.01400	.01056	.68263
-.53355	.23238	2.13099	.74567	1.28901	1.73366	.68263
-.53355	.02643	1.19029	.74567	1.09709	.87211	1.21342
-.33878	.54130	2.13099	.91116	-.63017	.87211	.68263
-1.50736	-.38546	2.13099	.74567	-1.20592	.87211	1.56727
.44027	-.17951	-.69111	.74567	-1.20592	-1.71253	.68263
-.53355	.74725	2.13099	.74567	-.05441	.87211	1.56727
-1.50736	.64428	.24959	-.08180	-1.01400	.87211	-.20201
-.53355	.33536	2.13099	1.15940	-1.01400	.87211	.68263

To evaluate the presence of multivariate outliers, the analysis of Mahalanobis distance has been calculated to find out any multivariate outliers within the data. Mahalanobis' distance is a mean for defining how far each response is from the middle of all the variables' distributions (i.e. the centroid in multivariate space) (Mahalanobis, 1927). The Mahalanobis distance test has not reported any cases as outliers (Table 5.12).

Table 5.12: Partial Display of Mahalanobis Distance Test

Observation number	Mahalanobis d-squared	p1
9	20.314	.005
113	20.311	.005
25	18.909	.008
102	17.884	.013
65	17.266	.016
75	16.817	.019
163	16.590	.020
4	16.244	.023
213	15.602	.029
248	15.520	.030
180	15.395	.031
112	15.313	.032
26	14.861	.038
78	14.627	.041
95	14.528	.043
10	14.239	.047
125	14.208	.048
121	14.071	.050
123	13.518	.060
32	13.507	.061
161	13.436	.062
8	13.417	.063
27	13.060	.071
115	13.055	.071
85	12.949	.073
90	12.946	.073
116	12.877	.075
89	12.821	.077

For traditional univariate statistics, it is common to calculate the number of standard deviations an observation is from the middle of a dataset and use this value to find out various statistics about it. Extending to multivariate situation, Mahalanobis proposed a distance deviation from the center of the data (Breton, 2015).

To assess the multivariate outliers, Mahalanobis Distance was compared with Chi-Square distribution with degrees of freedom equal to the number of the independent variables at a significance level of $p < 0.001$.

5.4 Normality

Normality is a symmetric "bell-shape" curve determined by mean (average) and variance (variability). Previous literature suggests that testing for normality is crucial in most multivariate analysis (Tabachnick & Fidell, 2013). However, other literature suggests that real normality is rare since much authentic data is not normal (Blanca, Arnau, López-Montiel, Bono, & Bendayan, 2013; Micceri, 1989). However, normality of the data was investigated by conducting tests of normality, namely skewness and kurtosis (Bagozzi & Yi, 1988). These indicated no departure from normality with any variable. Similarly, the examination of the residual plots assists in the assessment that the results meet the assumptions of normality, linearity, and homoscedasticity between predicted DV scores and errors of prediction.

Table 5.13: Normality Test Results for all Constructs

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
						Statistic	Std. Error	Statistic	Std. Error
Willingness	261	1.00	5.00	2.5479	1.02689	.514	.151	-.487	.300
Socio-cultural	261	1.00	5.00	3.2743	.97112	-.306	.151	-1.081	.300
Economic	261	1.00	5.00	2.7347	1.06304	.473	.151	-.463	.300
Regulatory	261	1.00	5.00	3.0989	1.20851	-.097	.151	-.945	.300
Educational	261	1.00	5.00	2.8806	.86843	-.035	.151	-.283	.300
Motivational	261	1.00	5.00	2.9877	1.16070	-.060	.151	-1.071	.300
Gender Issues	261	1.00	5.00	3.2284	1.13040	-.437	.151	-.550	.300
Valid N (listwise)	261								

Furthermore, Kolmogorov-Smirnov and Shapiro-Wilk's tests of normality have been used to check for the existence of the univariate outliers in the data set and to evaluate the normality of the data. The results of the Kolmogorov-Smirnov test

(see Table 5.14) showed that our data significantly differed from the normal distribution (low significance value of the test was below .05).

Table 5.14: Kolmogorov-Smirnov and Shapiro-Wilk Test

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Willingness	.135	261	.000	.943	261	.000
Socio-cultural	.154	261	.000	.942	261	.000
Economic	.177	261	.000	.933	261	.000
Regulatory	.148	261	.000	.939	261	.000
Educational	.058	261	.034	.985	261	.008
Motivational	.172	261	.000	.931	261	.000
Gender Issues	.136	261	.000	.936	261	.000

a. Lilliefors Significance Correction

However, for all the constructs, tests of normality, i.e. skewness and kurtosis (Bagozzi & Yi, 1988), were conducted. Table 5.13 indicates no departure from normality, since most of the results are close to +1.5 to -1.5 (Bagozzi & Yi, 1988). Therefore, normality was confirmed for all the constructs. On the other hand, the Shapiro-Wilk Test results were statistically significant indicating that the distribution of every indicator deviates from normal. However, it has been reported that for large samples normality tests may yield significant results even in cases of a small deviation from normality (Field, 2013; Öztuna, Elhan, & Tüccar, 2006).

5.5 Linearity Test

The multivariate analysis assumes also that there are linear relationships among constructs. To test this assumption, a regression analysis of the research variables against a dummy variable has been carried out. Next, the relationship between the standardized residuals of the regression against the predicted values was examined. No signal for the Non-linearity has been reported as Figure 5.1 shows that

the distribution of the residuals is unequally distributed around the zero line (Tabachnick & Fidell, 2013). The distribution of points around the mid-point line approves the existence of a linear relationship between the study variables.

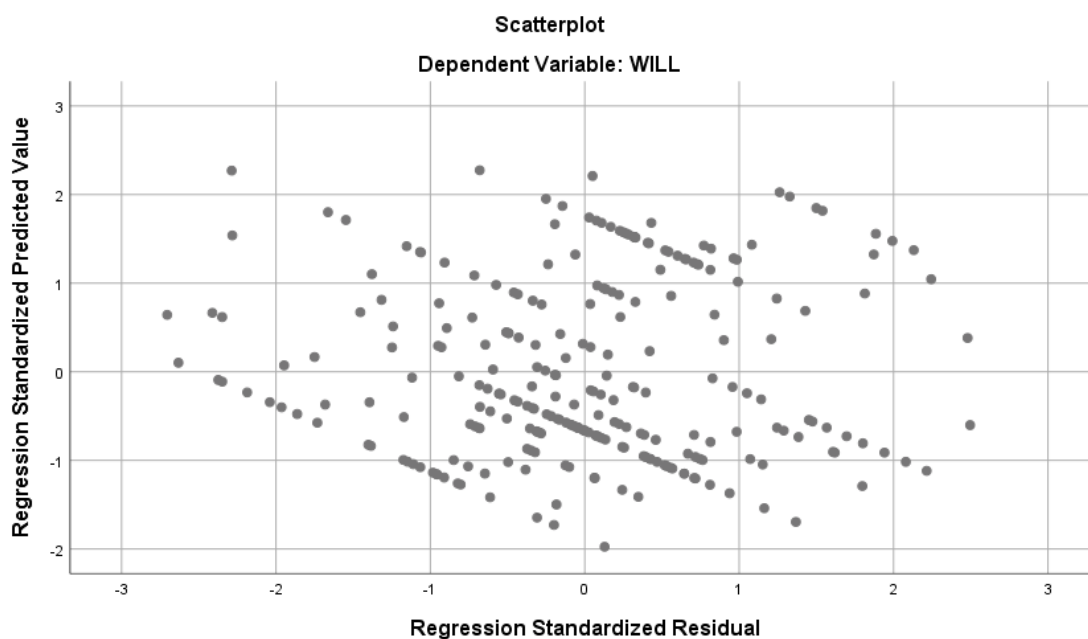


Figure 5.1: Standardized Residual Plot

5.6 Homoscedasticity Test

The homoscedasticity assumption must be examined as it is related to the multivariate normality (Tabachnick & Fidell, 2013). The homoscedasticity assumption means that the dependent variable is having an equal variance when it is related to the different independent variables in the research. According to Hair et al. (2016), the homoscedasticity assumption could be checked for through the analysis of residuals of the multiple regression model. If the residuals are regularly distributed and are close to the zero line for the whole length of the scatter plot (Kline, 2005). As shown in Figure 5.1 the residuals are distributed mainly between -2 and $+2$ on both axes with the exemption of very few reading (three cases) which are displayed outside because of their non-normality.

5.7 Multicollinearity

Multicollinearity relates to a situation where correlations between multiple independent variables are so strong that some constructs become redundant as they include almost the same information (Hair et al., 2016). Two indicators were utilized to examine the level of collinearity among constructs: Tolerance and the Variance Inflation Factor (VIF). Tolerance is the amount of variance in a construct that is not shared with other constructs, whereas VIF is the reciprocal of Tolerance. Typically, a tolerance value that is less than 0.2 (equivalent to a VIF value of 5.0) indicates the existence of multicollinearity among independent variables. In the current research (see Table 5.15) the minimum value of Tolerance is .691 and the maximum value of the VIF is 1.448, which supports that the survey replies are free from significant multicollinearity problems and that it was acceptable to continue with the model analysis.

Table 5.15: Collinearity Statistics

		Tolerance	VIF
1	(Constant)		
	Socio-cultural	.793	1.261
	Economic	.822	1.217
	Regulatory	.777	1.288
	Educational	.921	1.086
	Motivational	.691	1.448
	Gender Issues	.719	1.391

5.8 Common Method Bias (CMB)

The common method bias exists if the relationships among the model variables are not clarifying the obtained variance of the endogenous variable. In this situation, the later variance is influenced by the utilized measurement method

(MacKenzie & Podsakoff, 2012). This might take place because of many reasons. First, the participants might give replies that are socially desirable reflections of themselves. Second, it could take place because of the instant collection of the research data that covers both the independent and the dependent constructs or due to the ambiguity of the survey questions (MacKenzie & Podsakoff, 2012; Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Finally, the common method bias could take place because of some participants who have rejected to participate in the study may have different values or opinions that are different from those who have participated in the field work (Rogelberg & Stanton, 2007).

The amount of common method variance varies depending on the field of the study and the nature of variables that are investigated (Cote & Buckley, 1987). According to Cote and Buckley (1987) in the field of education, the amount should be 30.5% and in attitude assessments, the amount should be 40.7%. Accordingly, the current study has investigated this issue before analysis began. Moreover, it is advised that this bias is higher when online surveys such as "Survey Monkey" are used (Eichhorn, 2014).

Harmon's Single-Factor Test has been used to examine the existence of the common method variance. Harmon's Single-Factor has been done by involving all items (measuring latent variables) into one common factor. If the total variance for a single factor is less than 50%, it suggests that common method bias does not affect the research data. The results shown in Table 5.16 show that a single factor could only account for 27.78% of the variance, which is far less than the cutoff point of 50% (Malhotra, Kim, & Patil, 2006). The results justify that the collected replies are not having any significant common method bias and therefore it was decided to carry on the model analysis.

Table 5.16: Results of Harmon's Single-Factor Test for Common Method Bias

Component	Total Variance Explained					
	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	11.113	27.782	27.782	11.113	27.782	27.782
2	8.613	21.531	49.314			
3	3.599	8.999	58.312			
4	2.349	5.873	64.185			
5	2.208	5.520	69.705			
6	1.870	4.676	74.381			
7	1.263	3.157	77.539			
8	.835	2.088	79.626			
9	.721	1.803	81.430			
10	.622	1.555	82.985			
11	.573	1.432	84.417			
12	.526	1.316	85.733			
13	.497	1.242	86.975			
14	.423	1.057	88.032			
15	.404	1.011	89.043			
16	.378	.946	89.989			
17	.342	.854	90.843			
18	.323	.808	91.652			
19	.292	.731	92.383			
20	.287	.717	93.100			
21	.263	.657	93.756			
22	.239	.598	94.354			

Extraction Method: Principal Component Analysis.

5.9 Reliability Analysis

Reliability refers to the quality of a measurement procedures (Hair et al., 2016). In other words, reliability is the extent to which a test gives similar results under constant conditions in all situations (Hair et al., 2016). It is a means of being unbiased for each step taken or drawn toward a conclusion.

Variable reliability reflects the extent to which a set of measurement indicators are internally consistent in assessing the concept that is supposed to be measured (Hair et al., 2016). After completing the entry and recording processes, all

constructs were filtered to assess their reliability and validity. Reliability and validity are important indicators for quality in quantitative research because a reliable and valid construct enhances the methodological accuracy of the research. Further, it allows a co-operative research effort and gives justification for the triangulation of outputs. Finally, it gives a substantial discussion of the issue that is being examined (Hair et al., 2016).

In this study, the validity and reliability measurement is conducted using the item-to-total correlation. The aim was to eliminate items if they have a low correlation unless they represent an additional domain of interest. The purpose of item-to-total correlation measure is to determine the relationship of a particular item to the rest of the items in that dimension. The process helps to guarantee the items making up that construct share a common core (May, 1997). In this purification process, the items should have an item-to-total correlation score of 0.30 and above to be kept for further analysis because they are considered to have high reliability (Cooper & Emory, 1995).

The following part presents the results of the reliability analysis that has been calculated for all the research variables in the survey, namely: willingness to recruit Bahrainis, the socio-cultural factor, the economic factor, the regulatory factor, the educational factor, the motivational factor and gender issues. Calculating the item-to-total correlation and examining the coefficient alpha gives the base for analyzing reliability. Item-to-total correlation and the Cronbach's Alpha coefficient are seen very common in the area of social science research (Nunnally, 1978).

This study dropped items with low item-to-total correlation from subsequent analysis. The item-total correlation analysis for the socio-cultural factor scale indicated that three items should be excluded from further analysis which are "There

are cultural sensibilities arising from Bahrainis managed by expat superiors”, “We face issues with family members of employees intervening on their behalf” and “Wasta in HR matters represents a problem for our organization”. For the economic factor, both “the cost of hiring expats is higher than that of Bahrainis” and “At the same salary, I would prefer to hire a national” components have been dropped from further analysis. “Many private employers use loopholes to get around Bahrainisation” have also been removed from the regulatory factor. Additional item (Nationals who have completed internship programs are more employable as a result) from the educational construct has also been excluded due to a low item-to-total correlation.

The results show that all constructs’ remaining items were having a high item-to-total correlation, higher than the cut-off point of 0.30. As shown in the last column of Table 5.17, the reliability coefficients ranged from 0.874 to 0.971 which were significantly greater than the cut-off point of 0.60 (Nunnally, 1978). These results approve that reliable scales have been used in this study. This study calculates the reliability for every single construct. Table 5.17 provides the reliability coefficient and item-total correlations for all the research constructs.

Table 5.17: Reliability Analysis for the Research Variables

Code	Item	Item-total correlation	Cronbach's Alpha
	Willingness to Recruit Bahrainis		0.971
1	It makes business sense to employ Bahrainis	.899	
2	We have openings that provide productive job opportunities for Bahrainis	.911	
3	Bahrainisation is back-door taxation	.912	
4	We employ Bahrainis because of quotas not because we want to	.942	
5	We face internal resistance towards Bahrainisation	.910	
	The Socio-cultural Factor		0.968
6	Bahrainis have unrealistic expectations with respect to their work position	.840	
7	Bahrainis prefer to work in the public sector and large companies	.906	
8	Expat hiring managers prefer to hire from their own nationalities	.894	
9	Hiring Western expats in leadership positions enhances the organizational image and attracts customers	.878	
10	Bahraini society considers certain jobs as inappropriate/unsuitable for nationals	.904	
11	Bahrainis are good in service work such as customer service or generally anything to do with people	.884	
12	Even if nationals apply for lower level positions or manual labour/low-level service work we do not follow up on such applications	.894	
13	Blue-collar jobs are considered appealing to Bahraini citizens	.904	
14	Bahrainis avoid employment in certain economic industries (e.g. hospitality) due to cultural and religious reasons	.693	
15	National employees are fully capable of taking responsibility	.710	
	The Economic Factor		0.887
16	Bahrainis have realistic expectations with respect to their salary	.805	
17	I would prefer to hire a Bahraini over an expat if his or her wages were subsidized by the government	.733	
18	Hiring Bahrainis can negatively affect the performance and competitiveness of the company	.628	
19	The relationship between the cost of employing a national and the benefits to the organization creates a disincentive for employing nationals	.849	

Table 5.17: Reliability Analysis for the Research Variables (Continued)

Code	Item	Item-total correlation	Cronbach's Alpha
The Regulatory Factor			0.893
20	The current legal and regulatory system encourages us to recruit Bahrainis	.805	
21	I understand the relevant legal framework of Bahrainisation	.733	
22	Once you hire a national, you cannot possibly fire him/her	.628	
23	Bahrainis are easier to dismiss than are expats	.849	
24	Setting employment quotas in the private sector is an efficient policy	.805	
The Educational Factor			0.971
25	Bahraini candidates do not have sufficient basic skills (e.g. reading, writing, math, basic computer skills, etc.)	.883	
26	We employ Bahraini workers because they have better soft skills than expats (communication, problem-solving, interpersonal skills, teamwork, leadership, etc.)	.918	
27	Bahraini graduates need additional training before they are ready to work	.939	
28	Bahrainis do not have a sufficient command of English for the job	.920	
29	Qualified national applicants are in short supply	.923	
The Motivational Factor			0.874
30	Bahrainis lack strong work ethics	.572	
31	Bahrainis do not stay in a job for long	.763	
32	We employ expats because they work harder	.755	
33	We face issues with national graduates not showing up for work at all	.737	
34	Nationals are easier to manage than expatriates	.567	
35	National graduates are hard to motivate	.677	
Gender Issues			0.904
36	Certain positions are not suitable for local women	.686	
37	The maternity rights of local women are a disincentive to hiring them	.811	
38	Maternity rights are a financial burden to our business	.782	
39	Local women have rigid shift preferences and refuse to work certain shifts	.756	
40	Female national applicants are more difficult to employ due to cultural restrictions	.759	

5.10 Validity Analysis

This section covers the test of measure validity and construct development for constructs included in this research. A group of ordered procedures have been implemented through the construct development process. It involves the use of exploratory factor analysis. This type of procedures was followed to guarantee the validity of the data.

Certain requirements need to be met before factor analysis can be successfully employed. One of the crucial requirements is to measure the constructs by using interval scales. Using a 5-point Likert scale in the survey questionnaire fulfilled this requirement. A number of reasons account for this use of Likert scales. Firstly, they communicate interval properties to the respondent, and therefore produce data that can be assumed intervally-scaled (Hair et al., 2016). Secondly, in the Human Resources literature, Likert scales are almost always treated as interval scales.

Another important requirement is that the sample size should be more than 100 since the researcher generally cannot use factor analysis with fewer than 50 observations (Hair et al., 2016). However, this requirement has been fulfilled because there were 261 respondents in this research. The results of the tests are briefly discussed below:

5.10.1 Bartlett's Test of Sphericity

The 40 items representing the seven constructs of the study model have been submitted to the factor analysis. The results of Exploratory Factor Analysis (EFA) yielded a seven-factor solution that accounted for 77.53% of the variance extracted. The result for Bartlett's Test of Sphericity (BTS) was large at 10724.191, and the

associated significance value was very small ($p=0.00$). This shows that the data were appropriate for factor analysis (Snedecor & Cochran, 1989).

5.10.2 Kaiser-Meyer-Olkin Measure of Sampling Adequacy

The Kaiser-Meyer-Olkin (KMO) for measurement of sample adequacy (MSA) gives the computed KMO as .907, which is adequate, and above acceptable level (Snedecor & Cochran, 1989) (see Table 5.18).

Table 5.18: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.907
Bartlett's Test of Sphericity	Approx. Chi-Square	10724.191
	Df	780
	Sig.	.000

As the above requirements were met, the researcher concluded that factor analysis was appropriate for this data set so that the procedures for factor analysis could be performed.

5.10.3 Results of Principal Component Analysis Extraction Process

Factor extraction results using Principal Component Analysis (PCA) are given in Table 5.19. It should be noted that an eigenvalue of 1.0 is used as the benchmark in deciding the number of factors (Hair et al., 2016).

Table 5.19: Principal Component Analysis Extraction Results

Component	Total Variance Explained								
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	11.113	27.782	27.782	11.113	27.782	27.782	9.826	24.565	24.565
2	8.613	21.531	49.314	8.613	21.531	49.314	4.587	11.467	36.033
3	3.599	8.999	58.312	3.599	8.999	58.312	3.833	9.583	45.616
4	2.349	5.873	64.185	2.349	5.873	64.185	3.716	9.289	54.905
5	2.208	5.520	69.705	2.208	5.520	69.705	3.632	9.080	63.985
6	1.870	4.676	74.381	1.870	4.676	74.381	3.003	7.507	71.492
7	1.263	3.157	77.539	1.263	3.157	77.539	2.419	6.047	77.539

Extraction Method: Principal Component Analysis.

5.10.4 Extraction Method: Principal Component Analysis

An initial (un-rotated) solution identified 40 items and seven factors with eigenvalues of more than one, accounting for 77.539% of the variance (see Table 5.19). As Table 5.20 shows, all 40 items score commonalities that range from 0.480 to 0.926. Therefore, it could be concluded that a degree of confidence in the factor solution has been achieved.

Table 5.20: Commonalities

	Commonalities	
	Initial	Extraction
Willingness1	1.000	.889
Willingness2	1.000	.895
Willingness3	1.000	.889
Willingness4	1.000	.926
Willingness5	1.000	.902
Socio-cultural1	1.000	.765
Socio-cultural2	1.000	.859
Socio-cultural3	1.000	.848
Socio-cultural4	1.000	.822
Socio-cultural5	1.000	.865
Socio-cultural6	1.000	.833
Socio-cultural7	1.000	.852
Socio-cultural8	1.000	.864
Socio-cultural10	1.000	.600
Socio-cultural12	1.000	.605
Economic1	1.000	.809
Economic3	1.000	.767
Economic4	1.000	.628
Economic6	1.000	.868
Regulatory1	1.000	.709
Regulatory2	1.000	.710
Regulatory3	1.000	.716
Regulatory4	1.000	.719
Regulatory5	1.000	.694
Educational1	1.000	.866
Educational2	1.000	.897
Educational3	1.000	.920
Educational4	1.000	.902
Educational5	1.000	.900
Motivational1	1.000	.480
Motivational2	1.000	.723
Motivational3	1.000	.732
Motivational4	1.000	.715
Motivational5	1.000	.561
Motivational6	1.000	.623
Gender-Issues1	1.000	.643
Gender-Issues2	1.000	.807
Gender-Issues3	1.000	.770
Gender-Issues4	1.000	.722
Gender-Issues5	1.000	.720

Extraction Method: Principal Component Analysis.

5.10.5 Factor Rotation and Factor Loading

On being satisfied with the nine chosen factors, a loading of all the items within the seven factors was examined. The Varimax technique for rotated component analysis was used with a cut-off point for the interpretation of the factors at 0.50 or greater (Snedecor & Cochran, 1989). The results are summarized in Table 5.21.

Table 5.21: Rotated Component Matrix^a

	Component						
	1	2	3	4	5	6	7
Willingness1							.716
Willingness2							.709
Willingness3							.682
Willingness4							.681
Willingness5							.550
Socio-cultural1	.866						
Socio-cultural2	.917						
Socio-cultural3	.905						
Socio-cultural4	.897						
Socio-cultural5	.916						
Socio-cultural6	.902						
Socio-cultural7	.914						
Socio-cultural8	.920						
Socio-cultural10	.747						
Socio-cultural12	.767						
Economic1						.844	
Economic3						.859	
Economic4						.680	
Economic6						.908	
Regulatory1					.826		
Regulatory2					.818		
Regulatory3					.829		
Regulatory4					.835		
Regulatory5					.822		
Educational1		.898					
Educational2		.879					
Educational3		.904					
Educational4		.905					
Educational5		.883					

Table 5.21: Rotated Component Matrix^a (Continued)

	Component						
	1	2	3	4	5	6	7
Motivational1			.573				
Motivational2			.748				
Motivational3			.819				
Motivational4			.791				
Motivational5			.709				
Motivational6			.725				
Gender-Issues1				.771			
Gender-Issues2				.862			
Gender-Issues3				.828			
Gender-Issues4				.776			
Gender-Issues5				.786			

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.^a

a. Rotation converged in 6 iterations.

All items were loaded acceptably into the expected constructs for which they were allocated. Factor loadings were all higher than 0.50 so that each item loaded higher on its associated construct than on any other construct. As suggested by Hair et al. (2016), a factor loading higher than 0.35 is considered statistically significant at an alpha level of 0.05. This is supported by the discriminant validity of the measurement.

5.10.6 Factor Naming and Interpretation Process

The interpretation of the seven-factor solution was accomplished by relating them to the theoretical concepts of human resources. The seven factors can be discussed as follows:

Factor 1 consists of ten items and fits very well with the ‘The Socio-cultural Factor’. This factor comprises the following items (1) Bahrainis have unrealistic

expectations with respect to their work position, (2) Bahrainis prefer to work in the public sector and large companies, (3) Expat hiring managers prefer to hire from their own nationalities, (4) Hiring Western expats in leadership positions enhances the organizational image and attracts customers, (5) Bahraini society considers certain jobs as inappropriate/unsuitable for nationals, (6) Bahrainis are good in service work such as customer service or generally anything to do with people, (7) Even if nationals apply for lower level positions or manual labour/low-level service work we do not follow up on such applications, (8) Blue-collar jobs are considered appealing to Bahraini citizens, (9) Bahrainis avoid employment in certain economic industries (e.g. hospitality) due to cultural and religious reasons and (10) National employees are fully capable of taking responsibility. The values are closely grouped with the highest loading being ‘Blue-collar jobs are considered appealing to Bahraini citizens’ (.920) and the lowest loading “Bahrainis avoid employment in certain economic industries (e.g. hospitality) due to cultural and religious reasons” (0.747).

The second factor consists of five items. This factor represents the respondents’ opinions regarding ‘The Educational Factor’. It covers the following items (1) Bahraini candidates do not have sufficient basic skills (e.g. reading, writing, math, basic computer skills, etc.), (2) We employ Bahraini workers because they have better soft skills than expats (communication, problem-solving, interpersonal skills, teamwork, leadership, etc.), (3) Bahraini graduates need additional training before they are ready to work, (4) Bahrainis do not have a sufficient command of English for the job and (5) Qualified national applicants are in short supply. The values are closely grouped with the highest loading being “Bahrainis do not have a sufficient command of English for the job” (0.905) and the lowest loading “We employ Bahraini workers because they have better soft skills

than expats (communication, problem-solving, interpersonal skills, teamwork, leadership, etc.)” (0.879).

The third factor consists of six items. This factor represents the respondents’ opinions regarding ‘The Motivational Factor’. It covers the following items (1) Bahrainis lack strong work ethics, (2) Bahrainis do not stay in a job for long, (3) We employ expats because they work harder, (4) We face issues with national graduates not showing up for work at all, (5) Nationals are easier to manage than expatriates and (6) National graduates are hard to motivate. The values are closely grouped with the highest loading being “We employ expats because they work harder” (0.819) and the lowest loading being “Bahrainis lack strong work ethics” (0.573).

The fourth factor consists of five items. This factor represents the respondents’ opinions regarding ‘Gender Issues’. It covers the following items (1) Certain positions are not suitable for local women, (2) The maternity rights of local women are a disincentive to hiring them, (3) Maternity rights are a financial burden to our business, (4) Local women have rigid shift preferences and refuse to work certain shifts and (5) Female national applicants are more difficult to employ due to cultural restrictions. The values are closely grouped with the highest loading being “The maternity rights of local women are a disincentive to hiring them” (0.862) and the lowest loading being “Certain positions are not suitable for local women” (0.771).

The fifth factor consists of five items. This factor represents the respondents’ opinions regarding “The Regulatory Factor”. It covers the following variables (1) The current legal and regulatory system encourages us to recruit Bahrainis, (2) I understand the relevant legal framework of Bahrainisation, (3) Once you hire a national, you cannot possibly fire him/her, (4) Bahrainis are easier to dismiss than are

expats and (5) Setting employment quotas in the private sector is an efficient policy. The values are closely grouped with the highest loading being “Bahrainis are easier to dismiss than are expats” (0.835) and the lowest loading being “I understand the relevant legal framework of Bahrainisation” (0.818).

The sixth factor consists of four items. This factor represents the respondents’ opinions regarding ‘The Economic Factor’. It covers the following variables (1) Bahrainis have realistic expectations with respect to their salary, (2) I would prefer to hire a Bahraini over an expat if his or her wages were subsidized by the government, (3) Hiring Bahrainis can negatively affect the performance and competitiveness of the company and (4) The relationship between the cost of employing a national and the benefits to the organization creates a disincentive for employing nationals. The values are closely grouped with the highest loading being “The relationship between the cost of employing a national and the benefits to the organization creates a disincentive for employing nationals” (0.908) and the lowest loading being “Hiring Bahrainis can negatively affect the performance and competitiveness of the company” (0.680).

The seventh factor consists of five items. This factor represents the respondents’ opinions regarding ‘Willingness to Recruit Bahrainis’. It covers the following variables (1) It makes business sense to employ Bahrainis, (2) We have openings that provide productive job opportunities for Bahrainis, (3) Bahrainisation is back-door taxation, (4) We employ Bahrainis because of quotas not because we want to and (5) We face internal resistance towards Bahrainisation. The values are closely grouped with the highest loading being “It makes business sense to employ Bahrainis” (0.716) and the lowest loading being “We face internal resistance towards Bahrainisation” (0.550).

5.11 Descriptive Statistics and Correlations

The previous sections presented the EFA process and discussed the measurement process of all the variables that are used in this research. Next, the mean, standard deviations, and correlations between all the research constructs have been calculated, which are offered in Table 5.22. Table 5.22 also shows the significance level of the correlations between the research constructs.

Table 5.22: Descriptive Statistics & Correlation

	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Gender	1.23	.419														
2. National	1.32	.726	-.11													
3. Education	3.93	1.03	-.02	.17**												
4. Occup	3.49	1.50	.06	-.02	-.2**											
5. Sector	6.48	2.85	.01	-.3**	.03	-.1										
6. Size	2.04	.836	.13*	.28**	.14*	-.1*	-.2**									
7. Ownership	1.20	.403	.02	.01	.15*	.08	.055	.24*								
8. Bahrain	2.23	1.22	-.06	-.03	.2**	-.2*	.2**	.19*	.39*							
9. SOCIOC	3.27	.971	-.06	.14*	.07	-.09	-.11	.09	-.01	.04						
10. ECON	2.73	1.06	-.08	.05	.1**	-.1	-.04	.00	.12*	.25*	.08					
11. REGU	3.09	1.20	-.03	-.09	.07	-.01	-.04	-.001	.08	.15*	.3**	.3**				
12. EDUC	2.88	.860	-.11	.10	.08	.02	.07	-.18*	-.06	-.12*	.00	.11	-.02			
13. MOTIV	2.98	1.16	-.12*	.01	.15*	-.07	-.02	-.04	-.05	.07	.2**	.3**	.3**	.2**		
14. GEND	3.22	1.13	-.09	-.01	.1**	.01	.01	-.00	.10	.10	.39*	.2**	.3**	.1*	.4*	
15. WILL	2.54	1.02	.07	-.15*	-.1*	.09	.13*	-.16*	-.03	-.15*	-.74*	-.14*	-.38*	.1**	-.3*	-.4**

N = 261; * = $p < .05$; ** = $p < .01$.

5.12 Hypotheses Testing

Hypotheses testing provide the mathematical underpinning for inferential statistics employed in this study. The following steps are generally used in hypotheses testing (Sekaran, 1984).

1. Identify what the appropriate test statistic is
2. Determine and set up the rejection region by looking up the critical value in the appropriate table
3. Calculate the test statistic
4. Draw the conclusion: reject or fail to reject
5. Interpret the results

The most important part of this procedure is to decide which test to use in which situation. However, for this part of the study, multiple regression analysis was seen as the most appropriate since the hypotheses involved the relationships between one dependent variable (DV) and more than one independent variable (IV_s).

5.12.1 Multiple Regression Analysis

Multiple regression analysis was used to test the research hypotheses. It is a statistical technique that can be used to analyze the relationship between a single dependent variable and several independent variables (Hair et al., 2016). Multiple regression is an extension of bivariate regression in which several IVs are combined to predict the DV. Therefore, the objective is to use the independent variables whose values are known to predict the single dependent variable (Hair et al., 2016).

In its basic form, the multivariate regression equation is of the form:

$$y = b_0 + b_1x_1 + b_2x_2 + \dots + b_kx_k + \varepsilon$$

Where:

y = the predicted value on the DV,

b_0 = the y intercept, the value of y when all $X_s = 0$,

X = the various IV_s,

$B_{1..k}$ = the various coefficient assigned to the IVs during the regression.

ε = standard error of estimates.

The goal of the regression is to derive the B values known as regression coefficients, or beta coefficient. The beta coefficients allow the calculation of reasonable Y values with the regression equation. The correlation between the obtained and predicted values for Y indicates the strength of the relationship between the DV and IVs.

To examine the significance of the overall regression model, the results of the Analysis of Variance (ANOVA) were used. In multiple regression analysis this is used to test the null hypothesis that there is no linear relationship between the dependent variable and independent variables. The statistic used to test this hypothesis is F ratio. The F test is used to test the significance of R, which is the same as testing the significance of R^2 , and indicates the significance of the regression model as a whole. As with other significance tests, the usual social science cut-off is that the model should be significant at the 0.05 level or better.

Next is the partial regression coefficient B. The B coefficient is the unstandardized simple regression coefficient for the case of one independent variable. When there are two or more independents, the B coefficient is a partial regression coefficient. The beta weights are the regression B coefficients for standardized data. Therefore, Beta (B) is the average amount the dependent variable increases when the independent variable increases by one standard deviation and the other independent variables are held constant. A positive coefficient shows that the predicted value of the dependent variable increases when the value of the independent variable increases and vice versa.

It is also important to examine the relationship between independent variables in a regression model for undesired effects of multicollinearity and singularity. Multicollinearity exists when variables are highly correlated (0.90 and above), and

singularity exists when the variables are perfectly correlated. Multicollinearity and singularity indicate a high degree of redundancy of variables, and hence the need to remove them from the analysis.

In SPSS, the classical measures for assessing both pairwise (i.e. two collinearity) and multiple variable collinearity are:

- The tolerance value, and
- Its inverse inflation factor (VIF)

Tolerance refers to the amount of variability of the specified independent variables not explained by the other variables. Therefore, very small tolerance values (and large VIF values) indicate a high level of collinearity, since it means that it is highly predicted (collinear) with other predictor variables (Hair et al., 2016). The cut-off threshold is a tolerance of 0.10, which corresponds to VIF values above 10. VIF refers to the effect that the other predictors of variables have on the variance of a regression coefficient, directly related to the tolerance value ($VIF_i = 1/R^2$). Examining both the tolerance value and the Inverse Inflation Factor (VIF) has shown that the survey replies are free from significant multicollinearity problems and that it was acceptable to continue with the model analysis (Section 5.7).

Furthermore, data should be screened before it is processed and input to a multiple regression model. A frequency analysis was performed to detect univariate and multivariate outliers. Normality of the data was investigated by conducting tests of normality (Section 5.4), namely skewness and kurtosis (Bagozzi & Yi, 1988). These indicated no departure from normality with any variable. Similarly, the examination of the residual plots assists in the assessment that the results meet the assumptions of normality, linearity, and homoscedasticity between predicted DV scores and errors of prediction (See section 5.6).

Finally, there are a number of different approaches for selecting and testing predictors: Enter selection, Forward selection, Backward elimination and Stepwise selection. Enter selection includes all variables in the regression model estimation. The regression model in this selection is very straightforward, making it the easiest method to understand and interpret. Forward selection starts with the model that contains only a constant term, then at each step a variable that results in the largest increase in multiple R^2 will be added, provided the change in R^2 is large enough to reject the null hypothesis. Backward elimination starts with a regression model that contains all of the independent variables, then at each step a variable that changes R^2 least is removed, provided that the change is small enough so that the null hypothesis cannot be rejected. Finally, Stepwise selection is one of the most popular sequential approaches to variable selection (Hair et al., 2016). This approach allows the researcher to examine the contribution of each predictor variable to the regression model. It resembles forward selection except that after entering a variable into the model, the researcher removes any variables already in the model that are no longer significant predictors. Thus, the stepwise selection is a combination of forward selection and backward elimination.

5.12.2 Results of Hypotheses Testing

This section presents the results of all research hypotheses. As mentioned earlier, multiple regression analysis was used to test these hypotheses (Table 5.23).

Table 5.23: Research Hypotheses

Hypothesis	Independent Variable	Dependent Variable
H1	The socio-cultural factor →	Willingness to recruit Bahrainis
H2	The economic factor →	Willingness to recruit Bahrainis
H3	The regulatory factor →	Willingness to recruit Bahrainis
H4	The educational factor →	Willingness to recruit Bahrainis
H5	The motivational factor →	Willingness to recruit Bahrainis
H6	Gender issues →	Willingness to recruit Bahrainis

These hypotheses can be expressed in a multiple linear regression equation as:

Willingness to recruit Bahrainis in the private sector = Constant + B₁ The socio-cultural factor + B₂ The economic factor + B₃ The regulatory factor + B₄ The educational factor + B₅ The motivational factor + B₆ Gender issues + ϵ

To investigate these hypotheses, all variables were entered in a single block. It has been found that the proposed model explains a significant percentage of variance in the willingness of employers to recruit Bahrainis. Table 5.24 shows that 64.4% of the observed variability in the willingness to recruit Bahrainis in the private sector is explained by the six independent variables ($R^2 = 0.664$, Adjusted $R^2 = 0.635$).

Table 5.24: Model Summary^a

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.802 ^a	.644	.635	.62013	1.865

a. Predictors: (Constant), B₁ The socio-cultural factor, B₂ The economic factor, B₃ The regulatory factor, B₄ The educational factor, B₅ The motivational factor, B₆ Gender issues, ϵ

To test the equivalent null hypothesis that there is no linear relationship in the population between the dependent variable and the independent variables, the ANOVA in Table 5.25 is used.

Table 5.25: Summary of ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	176.493	6	29.415	76.491	.000 ^b
	Residual	97.679	254	.385		
	Total	274.171	260			

a. Dependent Variable: Willingness to recruit Bahrainis

b. Predictors: (Constant), Gender, Educational, Economic, Socio-cultural, Regulatory, Motivational

Results from Table 5.25 shows that the ratio of the two mean squares (F) was 76.491 (F-value=76.491, $P < 0.01$). Since the observed significance level was less than 0.01, the six variables influence the willingness to recruit Bahrainis in the private sector.

To test the null hypothesis that the population partial regression coefficient for a variable is 0, t-statistic and its observed significance level were used. The results are shown in Table 5.26.

Table 5.26: Results of Regression Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	Collinearity Statistics	
		B	Std. Error				Tolerance	VIF
1	(Constant)	5.003	.207		24.163	.000		
	Sociocultural	-.660	.044	-.624	-14.840	.000	.793	1.261
	Economic	-.016	.040	-.017	-.413	.680	.822	1.217
	Regulatory	-.076	.036	-.089	-2.093	.037	.777	1.288
	Educational	.252	.046	.214	5.471	.000	.921	1.086
	Motivational	-.089	.040	-.101	-2.241	.026	.691	1.448
	Gender	-.147	.040	-.162	-3.665	.000	.719	1.391

a. Dependent Variable: Willingness to recruit Bahrainis

As mentioned before, multicollinearity between the independent variables was minimal, as shown by the values of Tolerance that average between 0.691 to 0.921 and VIF that average between 1.448 and 1.068, indicating that the results were reliable.

Results from Table 5.26 indicate that this study can safely reject the null hypotheses that the coefficients for the socio-cultural factor ($B=-0.624$, $t=-14.84$, $p<0.01$), the regulatory factor ($B=-0.089$, $t=-2.093$, $p<0.05$), the educational factor ($B=0.214$, $t=5.471$, $p<0.01$), the motivational factor ($B=-0.101$, $t=-2.241$, $p<0.05$) and the gender issues ($B=-0.162$, $t=-3.665$, $p<0.01$) are 0. However, we have to accept the null hypothesis for the economic factor, since the partial coefficient does not contribute significantly to the model ($B=-0.017$, $t=-.413$, $p>0.05$). The beta weights show that the socio-cultural factor ($B=-0.624$) is relatively stronger than the educational factor ($B=0.214$), the gender issues ($B=-0.162$), the motivational factor ($B=-0.101$) and the regulatory factor ($B=-0.089$) in explaining changes in the willingness to recruit Bahrainis in the private sector.

Entering all variables in a single block and eliminating poor predictors, the following results have been obtained in Table 5.27 as a result of the stepwise multiple regression.

Table 5.27: Model Summary of the Stepwise Multiple Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.745 ^a	.554	.553	.68674
2	.765 ^b	.586	.583	.66336
3	.790 ^c	.624	.620	.63340
4	.798 ^d	.637	.631	.62380
5	.802 ^e	.643	.637	.61912

a. Predictors: (Constant), Socio-cultural

b. Predictors: (Constant), Socio-cultural, Gender

c. Predictors: (Constant), Socio-cultural, Gender, Educational

d. Predictors: (Constant), Socio-cultural, Gender, Educational, Motivational

e. Predictors: (Constant), Socio-cultural, Gender, Educational, Motivational, Regulatory

f. Dependent Variable: Willingness to recruit Bahrainis in the private sector

Table 5.28 shows that five out of six variables have a significant influence on the willingness to recruit Bahrainis in the private sector. The socio-cultural factor has the strongest effect then the gender factor, the educational factor, the motivational factor and the regulatory factor respectively. Based on the above the results are summarized Table 5.28.

Table 5.28: Hypotheses Testing Results

Hypothesis	Independent Variable		Dependent Variable	Result
H1	The socio-cultural factor	→	Willingness to recruit Bahrainis	Accepted
H2	The economic factor	→	Willingness to recruit Bahrainis	Rejected
H3	The regulatory factor	→	Willingness to recruit Bahrainis	Accepted
H4	The educational factor	→	Willingness to recruit Bahrainis	Accepted
H5	The motivational factor	→	Willingness to recruit Bahrainis	Accepted
H6	Gender issues	→	Willingness to recruit Bahrainis	Accepted

5.13 Post Hoc Analysis

The last stage of the analysis is to conduct a post hoc analysis that includes ANOVA and T-testing (wherever applicable) to find out the effect of the different demographic factors on the study variables. It involves testing the research data for patterns that have not been determined in advance. This type of analysis relies on P-values to interpreting the results.

5.13.1 Gender

When the sample was delineated along male/female lines, the results of the T-Test indicated that there is a significant difference between the perceptions of males and female with regard to the motivational factor ($P= 0.038$, Table 5.29). In other words, there is enough evidence to infer that the perception of male respondents on the vocational motivation of Bahrainis is different from the perception of their female counterparts. According to Table 5.30, the mean of males' responses (Mean=3.06) is greater than that of females (Mean=2.71), which means that the vocational motivation of Bahrainis is perceived more negatively by the male respondents.

Table 5.29: T Test Results for the Motivational Factor by Gender

		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	T	df	Sig. (2- tailed)	Mean Difference	Std. Error Difference
Motivational	Equal variances assumed	4.34	.038	2.03	259	.043	.3476	.1707
	Equal variances not assumed			2.22	109.25	.028	.3476	.1562

Table 5.30: Mean Average of the Motivational Factor across Genders

		Group Statistics			
	Gender	N	Mean	Std. Deviation	Std. Error Mean
Motivational	Male	202	3.06	1.191	.083
	Female	59	2.71	1.012	.131

5.13.2 Nationality

The current research used four different nationalities: Bahraini, Arab, Asian and other. Consequently, “One-way ANOVA” has been conducted and showed that there is significant difference in the values of educational factor among the four groups (P-Value= 0.047, Table 5.31). Therefore, there is sufficient statistical evidence to infer that employers’ perceptions of the educational attainment of Bahraini candidates varies according to their nationalities.

Table 5.31: ANOVA Results of Nationalities

		Sum of Squares	df	Mean Square	F	Sig.
Educational	Between Groups	5.960	3	1.98	2.68	.047
	Within Groups	190.12	257	.740		
	Total	196.08	260			

Using Tukey’s Multiple Comparison method to determine which population means among the four nationality groups differ (see Table 5.32). It has been discovered that the perceptions of Arab respondents do not differ significantly from the other nationalities. However, the perceptions of the national respondents on Bahrainis’ educational attainment differ significantly from the Asians. The Asian

respondents have a higher mean value (mean = 3.22) than the Bahraini respondents (mean=2.84) (Table 5.33).

Table 5.32: Post Hoc Analysis for Education by Nationality

Dependent Variable	(I) Nationality	(J) Nationality	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Educational Tukey HSD	Bahraini	Arab	.21085	.27824	.873	-.5087	.9304
		Asian	-.38130	.15874	.079	-.7918	.0292
		Other	.67752	.61101	.684	-.9025	2.2575
	Arab	Bahraini	-.21085	.27824	.873	-.9304	.5087
		Asian	-.59216	.30941	.225	-1.3923	.2080
		Other	.46667	.66623	.897	-1.2562	2.1895
	Asian	Bahraini	.38130	.15874	.079	-.0292	.7918
		Arab	.59216	.30941	.225	-.2080	1.3923
		Other	1.05882	.62582	.330	-.5595	2.6771
	Other	Bahraini	-.67752	.61101	.684	-2.2575	.9025

Table 5.33: Mean of Education by Nationality

		N	Mean	Std. Deviation	Std. Error	Minimum	Maximum
Educational	Bahraini	215	2.844	.880	.060	1.00	5.00
	Arab	10	2.633	1.023	.323	1.00	4.17
	Asian	34	3.225	.667	.114	1.83	4.83
	Other	2	2.166	.235	.166	2.00	2.33
	Total	261	2.880	.868	.053	1.00	5.00

5.13.3 Company Size

Three different company sizes have been used in this study: Between 11 to 50 employees (Small Enterprise), Between 51 to 250 employees (Medium Enterprise) and More than 250 employees (Large Enterprise) as discussed in the descriptive analysis section. A “One-way ANOVA” has been performed which showed that there is a significant difference in the values of willingness to recruit Bahrainis and the educational factor among the three different company sizes (Table 5.34).

Table 5.34: ANOVA Results of Company Sizes

		Sum of Squares	df	Mean Square	F	Sig.
Willingness	Between Groups	7.846	2	3.923	3.800	.024
	Within Groups	266.325	258	1.032		
	Total	274.171	260			
Educational	Between Groups	7.135	2	3.567	4.871	.008
	Within Groups	188.949	258	.732		
	Total	196.084	260			

The Significance level values of 0.024 and 0.008 indicate that significant difference existed at 95% confidence level. To know which company size was different Tukey post hoc analysis in ANOVA has been conducted (Table 5.35). The results of the test revealed that large companies significantly differ from the medium and small companies in terms of their willingness to recruit Bahrainis. Small Companies are having higher mean value (mean= 2.73) than medium size companies (mean= 2.60) and large companies (mean=2.33) in terms of the willingness to recruit Bahrainis (Tables 5.35 & 5.36). This indicates that large companies are more willing to recruit Bahrainis compared to small and medium enterprises, given that the minimum value (1) refers to strongly agree and the maximum value (5) refers to strongly disagree.

Table 5.35: Post Hoc Analysis for Willingness and Education by Company Size

Dependent Variable	(I) Company Size	(J) Company Size	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval		
						Lower Bound	Upper Bound	
Willingness	Tukey HSD	Small	Medium	.13215	.15833	.682	-.2411	.5054
			Large	.40596*	.15085	.021	.0504	.7616
	Medium	Small	-.13215	.15833	.682	-.5054	.2411	
		Large	.27381	.15434	.180	-.0900	.6376	
	Large	Small	-.40596*	.15085	.021	-.7616	-.0504	
		Medium	-.27381	.15434	.180	-.6376	.0900	
Educational	Tukey HSD	Small	Medium	.31898*	.13336	.046	.0046	.6334
			Large	.37302*	.12706	.010	.0735	.6725
	Medium	Small	-.31898*	.13336	.046	-.6334	-.0046	
		Large	.05404	.13000	.909	-.2524	.3605	
	Large	Small	-.37302*	.12706	.010	-.6725	-.0735	
		Medium	-.05404	.13000	.909	-.3605	.2524	

* The mean difference is significant at the 0.05 level.

Similarly, the results of the test showed that small companies significantly differ from the medium and large companies in terms of the educational factor. Small Companies are having higher mean value (mean= 3.11) than medium size companies (mean=2.79) and large companies (mean=2.74) in terms of the educational factor (Tables 5.35 & 5.36).

Table 5.36: Mean of Willingness to Recruit Bahrainis and Educational Factor

		N	Mean	Std. Deviation	Std. Error	Minimum	Maximum
Willingness	Small Enterprise	86	2.737	1.005	.1083	1.00	5.00
	Medium Enterprise	79	2.605	1.066	.1199	1.00	5.00
	Large Enterprise	96	2.331	.983	.100	1.00	5.00
	Total	261	2.547	1.026	.0635	1.00	5.00
Educational	Small Enterprise	86	3.114	.819	.0883	1.17	4.83
	Medium Enterprise	79	2.795	.918	.1033	1.00	5.00
	Large Enterprise	96	2.741	.834	.0851	1.00	5.00
	Total	261	2.880	.868	.0537	1.00	5.00

5.13.4 The Private-Public Ownership of the company

The results of the T-Test for the private-public ownership of the company reflected that there are significant differences between the purely private and quasi-private companies ($P= 0.038$, Table 5.37). Therefore, there is enough statistical evidence to infer that the perception of respondents working in the private sector on the vocational motivation of nationals differs from the perception of those working in the quasi-private sector.

Table 5.37: T-Test Results for the Motivational Factor by Gender

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval	
									Lower	Upper
Motivational	Equal variances assumed	4.340	.038	2.036	259	.043	.34769	.170	.011	.683
	Equal variances not assumed			2.226	109.25	.028	.34769	.156	.038	.657

According to Table 5.38, respondents from purely private companies have higher mean values (Mean=3.02) than respondents from quasi-private companies (Mean=2.85). This indicates that the vocational motivation of nationals is perceived more favorably by respondents working in the quasi-private sector.

Table 5.38: Mean Average of the Motivational Factor across Genders

	Ownership of the company	N	Mean	Std. Deviation	Std. Error Mean
Motivational	Purely Private	208	3.022	1.134	.078
	Quasi-private	53	2.852	1.261	.173

5.14 Chapter Summary

This chapter reports on inferential statistics that help the researcher to arrive to conclusions that go beyond the immediate data. This involves first, encoding, editing and entering the data into SPSS. Next, descriptive analysis has been conducted to describe the research sample. The reliability and validity analysis has then been reported to examine the quality of the measurements that have been used in this research. All used variables have a good reliability value that ranged from 0.874 to 0.971, which was crucially higher than the cut-off point of 0.60 (Nunnally, 1978) and therefore, ready for the next stage of the data analysis.

Factor analysis for the different research constructs was conducted mainly to first, validate the constructs, second to minimize the specific items examined to a more general classification to enhance theory development of Bahrainization, and finally, to create a set of constructs to be treated as uncorrelated variables as an approach to handling multicollinearity. Finally, the research hypotheses have been examined.

Six direct hypotheses were presented on the basis of the literature review, aimed at examining the relationship between the different factors and the willingness to recruit Bahrainis. Regression analysis via SPSS has been used to test the relationship hypotheses and approved that, apart from the economic factor, all the identified variables are significant (P values less than 0.05), which supports the identified hypothesis except for the economic factor.

Finally, the analysis has been ended by conducting some post hoc analysis including ANOVA and t-test (wherever applicable) in order to discover the effect of the different demographic variables on the different study constructs. It involves investigating the study data for patterns that have not been identified in advance; this

type of analysis is carried out through the interpretation of p-values. The results have been reported. The interpretation and discussion of the previous results in the context of the previous research will be explained in the next chapter.

Chapter 6: Discussion and Conclusion

Over the past decade, there has been a growing realisation within the region that public-sector bureaucracies can no longer absorb the new national graduates and that the responsibility of job creation should rest with the private sector. The Nationalization policy aiming at providing nationals with productive employment opportunities in the private sector fell short of achieving the intended outcomes. Different reasons have been cited for this. For instance, there is widespread agreement that private-sector employers prefer expatriates over nationals in recruitment. In fact, this has been highlighted as one of the main challenges facing the Bahraini economy in the economic vision of 2030. Therefore, it was at the heart of this research to address this problem and explore the factors that may act to reduce the willingness of employers to recruit nationals.

This chapter discusses the main findings of the research presented in Chapters four and five. It will begin by addressing the six hypotheses (Section 6.1). It will then address the two overarching research questions (Section 6.2). Following on from that, the chapter will discuss the theoretical and practical implications and describe the significance of the findings in light of what has already been investigated in the extant literature.

6.1 Addressing the Research Hypotheses

This section will revisit and address the six research hypotheses set out in Chapter one. It will provide a brief account of the findings and each hypothesis will be proved or disproved accordingly.

6.1.1 The Socio-cultural Factor

The first hypothesis implied that “the socio-cultural factor significantly affects the willingness of employers to recruit Bahrainis in the private sector”. As expected, this can be stated as being true; our findings support that the socio-cultural factor has a statistically significant and negative relationship with employers’ willingness to recruit Bahrainis. In other words, the socio-cultural issues associated with recruiting the Bahraini candidates serve to reduce employers’ willingness to recruit from this cohort. In fact, among the other explanatory variables, it was found that the socio-cultural factor has the most bearing on the recruitment decisions of private-sector employers.

This is understandable; the way in which the social contract was established has rendered a wide range of job categories in the ‘real’ private sector unattractive to citizens (Forstenlechner & Rutledge, 2010). Nationals, who enjoy favourable working conditions and generous remunerations in the public sector, are said to have little incentive to seek employment in the private sector. Such being the case, it then naturally follows that private-sector employers would similarly have little motive to recruit from this cohort.

Our qualitative results have also shown that Bahraini society considers blue-collar jobs as inappropriate for nationals to undertake. Therefore, many respondents argued that even if Bahrainis apply for such positions, they are not likely to follow up on such applications because they would not get a lot of options. Similar findings were also observed by Mellahi (2007), who noted that the sector of employment, work position and social relations at work determine the social acceptance of the person within Saudi Arabia. Therefore, it has been argued that even Saudi youngsters

who drop out of school are not likely to work in the lower level positions (Mellahi, 2007).

Another strand of the socio-cultural dimension lies in the actual or assumed cultural sensibilities that arise from recruiting nationals. Many employers in our sample believed that expat hiring managers prefer to hire from their own nationalities. This was consistent with the previous studies on localization. For instance, Al-Ali (2008) contended that the authoritarian manner that the expat managers prefer in leadership represents a barrier to nationals' employment in the private sector. Furthermore, Forstenlechner et al. (2012) argued that the HRM issues arising from nationals managed by expat superiors represent another disincentive to hiring them. Therefore, many employers may perceive expat candidates as less problematic from the socio-cultural perspective.

Extant literature has also referred to the issue of *wasta* as being one of the socio-cultural hindrances to nationals' employment in the private sector. However, questions discussing this issue did not have a satisfactory level of reliability, hence; they were excluded from further analysis.

Data from interviews also revealed that expats, especially from Western countries, are more preferred for leadership positions. Many respondents referred to the so-called 'Uqdat Al-khawaja' or (The master's complex) as being a reason behind such preference. Indeed, more than three decades ago, there was not enough local expertise, hence, Arabs were impressed by the advanced knowledge and experience offered by those coming from the West. Over the years and so far, this has become firmly rooted in the Arab society to the point of believing that hiring Western expats in the higher positions enhances the organizational image and attracts more customers.

6.1.2 The Economic Factor

The association between the economic factor and the recruitment decision of employers was examined in the second hypothesis which stated that “the economic factor significantly affects the willingness of employers to recruit Bahrainis in the private sector”. Our results have shown that the economic factor has no bearing on recruitment decisions. Hypothesis two, therefore, is not valid; there is not enough statistical evidence to infer that the direct cost of a Bahraini compared to that of an expat candidate discourage employers from recruiting the former. This is consistent with our qualitative results; which revealed that most employers perceive the expectations of Bahrainis with regard to their salary to be realistic. According to our sample of experts, the minimum wage policy has helped to narrow the cost gap between nationals and expatriates. Moreover, increasing the costs associated with the employment of foreign workers was also effectual in closing the wage discrepancies, which may partly explain the rejection of the second hypothesis.

Similar findings were also reported by Forstenlechner et al. (2012) who did not find a significant relationship between the economic factor and employers’ willingness to recruit nationals in the private sector in the UAE. Further, Forstenlechner et al. (2012) explained that in a context where SMEs can generate relatively large profits, the ‘direct cost’ of hiring a given candidate may not have a strong bearing on recruitment decisions as long as s/he is vocationally motivated and possesses the required skills. However, previous research on localization has not yielded decisive results for the economic factor. For instance, Alrabeei and Kasi (2014) noted that the high wage demands of Bahrainis relative to expats are among the key reasons why it is difficult for owners of SMEs in Bahrain to hire citizens. Further, others like Al-Waqfi and Forstenlechner (2014) argued that the high

reservation wage of nationals compared to non-nationals constitute one of the key hindrances to effective Emiratization.

6.1.3 The Regulatory Factor

In terms of the regulatory factor, the third hypothesis stated that ‘the regulatory factor significantly affects the willingness of employers to recruit Bahrainis in the private sector’. Our quantitative results have shown that the regulatory factor has a significant and negative relationship with employers’ hiring decisions. Therefore, according to our sample, hypothesis three is true. The formal and informal rights of a national vis-à-vis non-national were found to reduce the willingness of employers to hire from this cohort. However, findings have also revealed that among the other explanatory variables, the regulatory aspect has the least bearing on recruitment decisions.

These findings are consistent with previous studies that have examined the effect of the contextual environment on localization effectiveness. According to Forstenlechner et al. (2012), one of the prominent reasons why employers prefer expats over nationals in employment is the legal system which grants the latter greater employment security to make the private sector more attractive to them. Indeed, the formal or informal ‘rights’ of the national candidates make them comparably more expensive and difficult to dismiss than their expat counterparts. It is for these reasons, Harry (2007) contended, employers, avoid recruiting them. Moreover, the few legal obligations employers have toward foreign workers is another of the regulatory factors that make the alternative candidates easier to control (i.e. hire, manage and dismiss) (Mellahi, 2007). According to Alrabeei and Kasi (2014), there are considerable uncertainties when it comes to the dismissal

procedures of nationals. For instance, there is a widespread perception that once a citizen is hired, employers cannot possibly fire him/her. It has further been argued that employers may get blacklisted by the Ministry of Labour if they fail to provide acceptable reasons for termination (Alrabeei & Kasi, 2014). Therefore, many business owners may end up using loopholes (e.g. ghost employment) to get around localization.

However, our qualitative data were inconsistent with these findings, as most of the employers interviewed declared that the current regulatory system encourages them to recruit Bahrainis not the opposite. The government endeavour to make the Bahraini candidates more attractive for employment seems to be bearing fruit. For example, our sample of experts reported that the wage support and free development offered by the government for Bahraini employees have been very beneficial in terms of lowering the costs. However, these results should be interpreted with caution, as the initial purpose of the interviews was not to issue generalizations, but rather to gain valuable insights into the factors affecting the employment decisions in the private sector in Bahrain.

6.1.4 The Educational Factor

The forth hypothesis examined the association between the educational factor and hiring decisions. It postulated that ‘the educational factor significantly affects the willingness of employers to recruit Bahrainis in the private sector’. Based on our findings, we can safely reject the null hypothesis. Put differently, there is sufficient evidence of a positive linear relationship between employers’ willingness to hire nationals and the educational factor. Further, our findings suggest that employers of different nationalities have different views on the educational attainment of nationals.

This indicates that the nationality of employers may also have a significant impact on hiring decisions. Data analysis has also revealed that the opinions on citizens' educational attainment vary across different company size. The impression of small companies on the educational attainment of citizens significantly differs from that of medium and large enterprises. The educational attainment levels of nationals are perceived more negatively by owners of small companies. This is understandable; as candidates with high potentials often prefer to work in large corporations.

Similar results were also noted by Forstenlechner et al. (2012), who found that the educational factor serves to increase the willingness of private-sector employers to recruit nationals in the UAE. Previous studies that discussed the educational factor have yielded contradictory results. According to Lootah and Simon (2009) for instance, Gulf CEOs are among the least satisfied with the skills available in the local market. Therefore, dependence on expatriates who are said to surpass the national workforce both in terms of quality and productivity is at its highest in this region. Further, Al-Waqfi and Forstenlechner (2010) noted that many regional employers have negative perceptions about Emiratis' skills and competencies. Despite the substantial amounts allocated for the education sector, it has not developed to be able to produce the skills required by modern economies (Harry, 2007). Forstenlechner and Rutledge (2010) have also shared the same views in what they called the 'first generation' of educational reforms. However, the authors argued that the 'second generation' of policy initiatives are more systematic and better thought out, as a greater focus has been placed on improving curriculum content.

In-depth interviews revealed that most executives and hiring managers perceive Bahrainis to have adequate educational attainment. However, many of them

expressed their preference for the Bahraini candidates graduating from public universities. On the other hand, almost one-third of respondents perceived Bahrainis to be lacking sufficient skills and qualifications compared to their expat counterparts. These respondents claimed that the education outcomes are at the opposite end of the spectrum in relation to labour market requirements.

6.1.5 The Motivational Factor

The fifth hypothesis was ‘the motivational factor significantly affects the willingness of employers to recruit Bahrainis in the private sector’. Based on our findings, it can be stated that this hypothesis is true. Survey results revealed that a significant and negative relationship exists between the motivational factor and hiring decisions. Hence, the negative stereotype of Bahrainis’ vocational motivation does serve to reduce employers’ willingness to hire from this cohort. Further, when the sample was delineated along male/female lines, this aspect was found to have a more negative impact on male respondents. A significant difference has also been found between the perceptions of private and semi-private companies on the motivational factor, as the vocational motivation of nationals was perceived more favourably by respondents working in the quasi-private sector. This is understandable, as the latter combines the best features of the public and private sectors. Among them is that semi-private institutions are government-backed but privately run, and thus not only provide decent work for citizens but offer good salaries as well. Therefore, pursuing a career in such industries is likely to be considered by the national cohort.

In their seminal work, Forstenlechner et al. (2012) noted that the motivational factor has the largest bearing on hiring decisions in the UAE. The authors argued that

the negative perceptions of Emiratis' aptitude to work serve to reduce the willingness of employers in the UAE to hire them. As alluded to earlier, the social contract has a strong bearing on nationals' willingness to seek employment in the private sector (Forstenlechner & Rutledge, 2010). Nationals have long benefited from well-remunerated and undemanding government jobs, which gave them little incentive to work hard and/or take business risks. According to Forstenlechner et al. (2012), nationals have become wholly accustomed to such benefits to the extent that many of them opt to remain unemployed waiting for a government job than to work in one of the many vacancies available in the private sector. Another study showed that nationals' motivation level and commitment to work are perceived favourably by regional employers in the UAE (Al-Waqfi & Forstenlechner, 2012). However, a significant difference has been found between the perceptions of national and non-national respondents. In other words, while citizens' work ethics were perceived positively by the national employers, expatriates had an opposing view in this regard.

When asked about Bahrainis' commitment to work, only 42% of the executives interviewed had positive perceptions in this regard. Equally, more than 40% had negative views of Bahrainis' commitment to work. Further, almost two-thirds of respondents have elected to compare between nationals and expatriates in terms of attendance and hard work. The majority of them argued that, when it comes to extra work and additional working hours, a lot more commitment and effort were found to be given by expats. However, it has been noted that Bahrainis' commitment to work improves as they move up the corporate ladder. Others have argued that using the financial incentives and linking pay to performance were instrumental in boosting Bahrainis' level of commitment.

6.1.6 Gender Issues

The sixth and final hypothesis looked at the relationship between the gender factor and hiring decisions. It stated that ‘the gender factor significantly affects the willingness of employers to recruit Bahrainis in the private sector’. Based on our findings, it can be stated that this hypothesis is true. Gender issues associated with the hiring of national females serve to reduce the willingness of employers to hire them. Put differently, a significant and negative relationship was found between gender issues and employers’ willingness to hire Bahraini females. This may explain the low participation rate of Bahraini females in the workforce (See Section 2.3.1.7).

While the vast majority of the executives interviewed (74%) believed that the socio-cultural restrictions act as a disincentive to hiring Bahrainis in general, many of them felt that the issue is more acute for the female cohort. For instance, several interviewees indicated that certain occupational roles are not considered appropriate for local females from the physical and socio-cultural perspective. This has also been confirmed by Marinakou and Giousmpasoglou (2015) who found that the hospitality industry is very looked down upon by Bahraini society because of the reputation of hotel bars, mixed-gender environment and other aspects. Therefore, in the eyes of society, this industry is considered to be an inappropriate place for Bahraini females to pursue a career. According to Eman et al. (2012), due to a mix of social and cultural reasons, Bahraini females are not encouraged to work as nurses. Culturally speaking, it is not appropriate for local females to take care of male patients. Further, shift work is considered another issue, given their social responsibilities as wives and mothers.

It has also been revealed that even if local females were insufficiently qualified, the cultural restrictions would act to diminish the likelihood of them occupying a blue-collar job. Moreover, it has been declared that those who already occupy such positions prefer to work behind the scenes to avoid any interactions with people. Indeed, in a context in which a person's social status is determined by the position s/he occupies and sector of employment, working in such jobs would be undoubtedly demeaning (Mellahi, 2007). With respect to dress-code-related issues, many interviewees expressed their resentment toward the refusal of some female employees to wear company uniforms. However, some of them have argued that this problem is more common in small and mid-sized companies where rules and regulations are less rigid than those in large companies.

Our sample of experts has also indicated that local females have rigid shift preferences as opposed to their expat counterparts. According to Al Gharaibeh (2011), the number and range of jobs females in the Gulf region can take up are restricted by the times of the day they are allowed to work. The author has further argued that not allowing women to work double shifts or at night reduce their labour force participation in the private sector. This point has been reiterated by Kelly (2009), who confirmed that labour laws in all GCC countries prohibit women from working at night, except those employed in certain fields like medicine. However, it has been pointed out that such rules do not affect a great number of women, since most of them opt to work in the public sector where they enjoy favourable work conditions and remuneration.

Many interviewees cited the maternity leave and childcare entitlement as a financial burden that discourage them from employing national females. While all women enjoy similar entitlements, local females appear to be the only ones affected

negatively. These findings concur with previous research on national females' labour force participation, which cited the maternity entitlement and flexible working hours as barriers for their employment (Rutledge et al., 2011). However, others like Metcalfe (2006) and Pillai et al. (2011) have argued that maternity leave and related flexible work arrangements are of the main barriers to women's career advancement in Bahrain.

Finally, the marital status of women was found to affect their employment in the private sector. Many of the hiring managers interviewed expressed reluctance to hire Bahraini females as most of them opt to quit work or change their job when they marry. In this instance, Metcalfe (2007) reported that Bahraini females are expected to give up their jobs when they marry unless the husband decides otherwise. Therefore, private-sector employers in the Gulf countries are said to have little incentive to hire from the female cohort because of the widespread belief that they do not stay in a given job for long (Rutledge & Shamsi, 2016).

6.2 Addressing the Research Questions

6.2.1 The First Research Question

With regard to our first research question which was "What are the perceptions of employers toward the Bahraini candidates? And how do socio-cultural, economic, regulatory, educational and motivational factors influence these perceptions and affect their hiring decisions?", it was found that the majority of the executives interviewed had positive views of Bahraini candidates. Almost half of the interviewees believed that Bahraini candidates are sufficiently qualified, motivated and ambitious. Positive changes were noticed in Bahrainis' skills and work attitude; therefore, some of them declared that Bahraini candidates are their first and preferred

choice for recruitment. These positive views bode well for the future of Bahrainisation in the private sector and indicate that government efforts geared toward improving the quality of Bahraini candidates have not gone in vain. Indeed, Tamkeen has played an instrumental role in developing the Bahraini nationals and helping them to grow. Ever since its establishment, it has launched over 330 different initiatives to enhance the capabilities of Bahraini youth and empower them to reach their full potentials (Tamkeen, 2019a). Through its programs, which include but are not limited to the provision of training, financial and advisory support, it has served over 170,000 Bahraini individuals and enterprises to date (Tamkeen, 2019a).

In contrast, more than one-third of interviewees had negative views of Bahraini candidates. Many of them perceived Bahrainis to be lacking the basic skills for doing an interview. Several interviewees also felt that Bahrainis prefer to work in the public sector or large companies. For this reason, it was claimed that employers of small and mid-sized companies have little incentive to hire from this cohort. A smaller number of employers have also criticized the motivation level and work ethics of Bahraini candidates. An empirical study conducted in the UAE has also revealed that Emirati candidates are negatively stereotyped in terms of their work ethics, skills and competencies and cultural disposition. In the same study, the work ethic was conceptualized as the motivation level of Emirati candidates and their commitment to work. Similarly, due to a widespread perception that nationals lack dedication to the job and strong work ethics, private-sector employers in Kuwait are said to be reluctant to hire them (Salih, 2010).

It is natural for various sides to have different views on this subject. Our sample of experts involved employers and hiring managers of different demographic and organizational backgrounds, which may explain this difference.

In terms of how the socio-cultural issues may affect the hiring decision of employers in Bahrain, like the rest of the GCC countries, Bahraini society classifies a wide range of job categories as inappropriate for citizens to occupy. For instance, blue-collar jobs are not considered appealing for a large segment of Bahraini youngsters, even if they lacked sufficient qualifications to secure a high-skilled position. On the other side of the spectrum, employers have historically been reliant on the easy-to-access and relatively inexpensive expatriate workforce, and the prevalence of such negative stereotypes of citizens did not help to reduce this reliance. Therefore, even if a small fraction of Bahrainis is willing to work in these jobs, employers would not consider hiring them because of the limited options.

Many Bahrainis avoid employment in certain economic sectors due to cultural and religious reasons. The hospitality industry, for instance, is considered one of the major sectors for employment creation, yet it continues to struggle in maintaining and growing its Bahrainisation rate. According to the latest figures estimated by the LMRA, the total employment in the hospitality sector stood at 55,734 by the second quarter of 2018, 91.5% of them (equivalent to 50,973 workers) were expats. Marinakou and Giousmpasoglou (2015) argued that attracting Bahraini staff to this industry remains problematic because of the reputation of the work environment which conflicts with the religious and socio-cultural values of the Bahraini as well as Islamic society in general.

Employers also believe that Bahrainis have unrealistic expectations regarding their work positions. According to Al-Waqfi and Forstenlechner (2010), citizens have long benefited from easy access to government jobs that provide wages at levels far above the market value of their human capital. This, as suggested by Al-Waqfi and Forstenlechner (2010), has influenced their expectations and attitudes and

reinforced a sense of entitlement to such privileges, to the extent that many of them prefer to remain unemployed instead of working in the private sector. Consequently, many employers do not look favourably on this, as work positions in this sector are determined based on purely economic considerations.

Another strand of the socio-cultural dimension lies in the actual or assumed cultural sensibilities arising between expatriates and their national counterparts. For instance, many of the executives interviewed felt that expat hiring managers prefer to hire from their own nationalities. This point has also been raised by Al-Ali (2008) who noted trust issues between the expatriate managers and their national subordinates. The author justified Emirati's reluctance to work in the private sector by the little regard expatriate management has for nationals' technical skills.

Our findings also revealed that Western expats are more preferred for leadership positions than the national cohort. More than three decades ago, the Gulf countries relied largely on Western professionals and experts to develop their countries. The objective was to adopt the best practices of the West and transfer knowledge to the indigenous workforce. However, this has inadvertently entrenched discriminatory societal norms against the local workforce, in the sense that everything or everybody Western, regardless of its real value, is perceived more developed and reliable. Therefore, when it comes to executive management and board positions, there may be some reluctance by decision-makers to appoint local candidates. Further, many of the executives interviewed declared that having foreigners on board enhances the organizational image and attracts customers.

With respect to the economic factor, a significant relationship was not found between the willingness of a given employer to hire a Bahraini candidate and the economic factor. Put differently, the additional cost of hiring a Bahraini vis-à-vis

expat candidate has no bearing on hiring decisions. As alluded to earlier, the government has taken concrete steps to narrow the wage gap between the national and expatriate workforce. Among them is providing wage subsidies for the Bahraini employees working in the private sector for a period that may extend to three years and levying extra fees on expat workers to increase their cost relatively to nationals. Previous studies have repeatedly described citizens' expectations regarding their salary as unrealistically high. When asked about their opinion in this regard, the majority of the executive interviewed disagreed. Further, interviewees have asserted that the minimum wage policy has considerably helped to resolve the expectations issue, as it has become a benchmark for the salary range Bahrainis can get based on their qualifications. Nonetheless, Bahrainis' expectations regarding their salary were not perceived as an issue by executives in large and quasi-private establishments because the pay rates in these enterprises are already above the average.

In terms of how the regulatory factor per se reduces the willingness of a given employer to hire a national candidate, the findings of this research suggest that the formal or informal rights of nationals vis-à-vis non-nationals represent a disincentive to hiring them. There is a certain amount of ambiguity when it comes to the recruitment and dismissal procedures of nationals. For instance, many of the executives interviewed felt that Bahraini employees are more difficult to dismiss compared to their foreign counterparts. Indeed, the contractual relationship between private-sector employers and expatriate workers renders the latter less expensive and easier to manage in terms of hiring and firing. In this regard, Al-Waqfi and Forstenlechner (2014) argued that the sponsorship system gives employers more power over the expat worker than over the national, which tips the balance against the latter, who is not tied in this way. From the regulatory aspect, several

interviewees expressed resentment over Bahrainisation quotas, which were described as an unavoidable commitment that must be achieved to obtain more work permits for foreign workers. It is for this reason some employers are said to use loopholes to evade such commitment.

However, on a more positive note, several signs of improvement have been noted in this regard. For instance, many interviewees valued the incentive-based measures designed to encourage private-sector employers to hire citizens. It has been further acknowledged that reaching the required target of Bahrainisation yields many advantages, among them is earning a Bahrainisation certificate that qualifies its holder for lucrative government bids. Further, Bahrainisation targets were not considered mandatory by many interviewees. As per the Parallel Bahrainisation System launched in 2017, companies that fail to reach the prescribed percentage of Bahrainisation are allowed to hire non-Bahraini workers for extra fees on each new permit.

The educational factor was found to increase the willingness of a given employer to hire nationals. All other things being equal, the average skill and educational attainment levels of a national were found to favour him/her over a similarly experienced and qualified expat. Overall, Bahrainis were perceived to be adequately qualified and work-ready. Several interviewees believed that there is a sufficient supply of qualified Bahraini candidates in the labour market. The basic skills of Bahraini candidates were perceived to be satisfactory in general. Nonetheless, there were conflicting views regarding the soft skills of Bahraini candidates. The majority of the executives interviewed believed that there is an issue in this regard. Many of them cited that Bahrainis lack communication skills, self-confidence and proficiency in the English language.

On the other hand, a few of the executives interviewed perceived Bahrainis to have a sufficient level of soft skills. These interviewees argued that fresh graduates are not expected to have a full array of soft skills and that such skills are built up through vocational training and work experience. It appears that the second generation of educational reforms is heading in the right direction, however, there still exist areas for further improvements.

For the motivational factor, our findings suggest that the general belief that nationals lack vocationally oriented motivation have a strong bearing on employers' hiring decisions in Bahrain. The negative stereotype of Bahrainis as being unmotivated to work in the private sector gives employers little incentive to consider them as a viable option for recruitment. In the eyes of employers, Bahrainis do not stay in a job for long because the public sector would always remain their first and favourable choice for employment. Therefore, attempts to train and develop this cohort would not yield any benefits for private-sector employers who make decisions on a pure profit and loss ground. Besides, expats are perceived to be more productive and committed to work than their national counterparts. Underlying reasons for this include the fact that expats work on a contract for a definite period and have fewer responsibilities and social commitments than nationals who have to create a work-life balance. Therefore, it is the short-term commitment that makes the foreign worker more dedicated, productive and disciplined at work.

Regarding employee management, expats were perceived to be easier to manage and more compliant to orders than nationals. It has nonetheless been acknowledged that expatriates are in a constant sense of job insecurity, and that affects their behaviour and makes them more obedient.

Gender issues were also found to reduce the willingness of employers to hire Bahraini females. Many of the executives interviewed felt that the career options of Bahraini females are limited to a small number of socially accepted occupations, and that creates a disincentive to hire them. Although blue-collar jobs are not considered appealing for a large segment of Bahraini nationals for a combination of social and cultural restrictions, these restrictions are said to have a stronger bearing on the willingness of local females to work in such positions. Therefore, many employers felt that national females are more difficult to employ due to these restrictions. The generous maternity entitlements granted by law to women were found to be another of the gender issues that discourage employers from hiring Bahraini females. While such entitlements affect the hiring of all women, they were found to place local females at a double disadvantage. Further, many interviewees felt that maternity and childcare rights constitute a financial burden on their businesses. Therefore, some interviewees argued that if local females were to be employed, unmarried females would represent a better option.

Local females were also perceived to have a comparably higher turnover rate as opposed to their male counterparts. There is a wide-spread perception among employers that local women would quit their job when they marry. Further, many interviewees felt that local females have rigid shift preferences and refuse to work certain shifts, which was considered another of the socio-cultural issues that limit the career options they can occupy in the private sector.

6.2.2 The Second Research Question

In addressing the second research question, it is clear that there are certain barriers to effective Bahrainisation in the private sector. Gender issues together with

the socio-cultural, motivational and regulatory factors were found to reduce the willingness of a given employer to hire Bahraini nationals. The educational factor was found to have a positive relationship with employers' hiring decisions. In other words, the educational attainment levels of Bahraini candidates were found to encourage private-sector employers and hiring managers to hire from this cohort. Nonetheless, our findings have not shown a significant relationship between the willingness of employers to hire Bahrainis and the economic factor. In light of these findings, we will suggest a series of policy recommendations that seek to facilitate a greater number of Bahraini nationals in the private sector.

Our findings revealed that the socio-cultural factor has the strongest bearing on recruitment decisions. There is no doubt that Bahrainis' reluctance to work in a wide range of job categories on the pretext of 'inappropriateness' or 'lack of prestige' is in part attributable to the social contract's primary transmission mechanism. Nonetheless, much of the problem also lies in the region's cultural fabric. In a society that relates the social status of an individual to his or her work position and sector of employment, accepting a low-paying job would not seem a desirable career option. Bringing about a cultural change to society is not an easy task, yet adopting a comprehensive government approach may yield fruitful results. Changing the culture of entitlement demands a fresh outlook concerning self-employment and work in the private sector as well as a mix of educational, training and awareness-raising programmes that start at an early stage. Introducing internship programmes for high school students to instil the work values required by the high-skilled and competitive private sector is but one avenue. Launching business incubators aimed at helping high school students to start up and grow their own business would also have many benefits among them is increasing citizens' exposure to business realities and private

sector norms and promoting the entrepreneurial spirit among the young cohort at an early stage.

Another promising approach lies in the establishment of professional standards for blue-collar work. These standards would give a wide range of manual jobs a professional status, thereby enhancing the prestige of such professions. This process would increase the quality of the services provided, which adhere to high professional standards. It will also help to normalize the role of nationals occupying such professions. Within a relatively short time frame, this would also lead to an increase in the average salary paid for these jobs and improve working conditions. Therefore, adopting labour-market policies directed towards professionalization and skill development is likely to enhance the international standing of the country. However, this approach must be accompanied by tighter immigration policies to prevent unskilled labour from offering the same services at a lower price. Providing nationals with the necessary vocational training and short-term diploma programs is another important avenue for this process to be effective.

As long as the door is open to government jobs, nationals' expectations regarding work position and salary will remain unrealistically high compared to their foreign counterparts. A temporary freeze of employment in the public sector is but one solution to address the expectations issue. If this is applied to all government bureaucracies, the young cohort will receive a clear message that employment opportunities in the period ahead lie only in the private sector.

It is worth pointing out here that the government has taken commendable initiatives in recent years to achieve fiscal balance and strengthen the role of the private sector as the main driver of economic growth and employment. In October 2018, for instance, Bahrain launched a voluntary retirement scheme for state

employees to encourage their participation in the country's economic growth through entrepreneurship or work in the private sector. The scheme is part of a comprehensive fiscal plan named “the Fiscal Balance Program” which aims at increasing government revenues while decreasing the annual government expenditures by 800 million Bahraini dinars. The main pillars of the program include; reducing government operational expenditure, introducing a voluntary retirement scheme for public-sector employees, adjusting electricity and water tariffs, streamlining the distribution of cash subsidies, improving the efficiency of government expenditures and simplifying government process and increasing non-oil revenues.

The program has been widely praised by outside observers. Unlike the majority of austerity policies that end up with disappointing results, several indicators suggest otherwise in the context of Bahrain, said Al-Ubaydli (2019). Implementing the value-added tax on schedule in spite of widespread handwringing among parliamentarians and on social media is but one indicator of Bahrain's seriousness toward fiscal reforms, he added. Bahrain was also commended by the Executive Board of the International Monetary Fund for its efforts in addressing fiscal and external challenges. Nevertheless, the directors stressed the importance of strengthening the kingdom's economy by taking further structural reforms. To achieve fiscal consolidation, the lender saw merit in additional economic measures, “including introducing direct taxes, reducing VAT exemptions, and phasing out untargeted subsidies, while protecting the vulnerable” (IMF, 2019).

Turning to the voluntary retirement program, nine thousand Bahrainis are expected to leave the public sector by the end of 2019, which will lead to significant savings in the budget on the one hand. But on the other hand, there will also be nine

thousand retirees who are looking for employment in the private sector or intending to start up an entrepreneurial project. Therefore, exploring avenues for facilitating the integration of these retirees into the business realm in the period ahead would be of paramount importance. In this regard, the Chief Executive Officer of NGN Training Centre Mr. Yaqoob Al-Awadhi stressed the importance of providing accurate and up-to-date information on retirees' age, experience and sectors they worked for in order to successfully integrate them in the private sector. Al-Awadhi has also called for a summit between key stakeholders (i.e. government officials, private-sector representatives and other concerned parties such as Tamkeen and the EDB) to develop an integrated plan to enhance cooperation and synergy among relevant actors and ensure that retirees' energies and experiences are well-invested in the economic development process (Awadhi, 2018). An additional yet important avenue to effectively integrate early retirees into the private sector is providing them with necessary guidance, training and financial support to help them fit in.

Increasing Bahrainis' share in the hospitality sector has been of the primary goals for the Ministry of Culture (MoC) in recent years. As a result, there have been several initiatives geared toward achieving this goal. Among them is the ministry's collaboration with Bahrain Polytechnic University and the private sector to open new academic programs in tourism. Further, Bahrain has recently attracted one of the leading French universities (Vatel Hospitality and Tourism Business School) to establish its satellite campus in the Kingdom's capital, Manama. It worth noting that Vatel has won the "Best Hotel Management School" against 42 other competing schools in the field. The school provide various academic programs which combine theoretical knowledge and practical training. Through these programs, nationals will gain the type of knowledge and skills required by the labour market. These

collaborations are expected to contribute positively to the hospitality and tourism sector, hence, the national economy. However, more can be achieved through awareness-raising campaigns to educate students about the career opportunities available in this sector. Developing mentor programs that expose students to positive role models of nationals working in the field would also yield beneficial outcomes.

Gender issues were found to have the second-largest bearing on recruitment decisions in this research. While many authors pointed out that national females outperform their male counterparts in educational attainment and have a relatively more market-oriented qualification, this was not found to increase their labour force participation. Despite government efforts to empower local females in the various fields and give them full rights to actively participate in the economic cycle, women remain underrepresented in the skilled private sector. Therefore, it is necessary to factor the gender considerations into recruitment policies to increase their participation in this sector.

The Supreme Council for Women (SWE) may have a significant role to play in this matter. As a matter of encouragement, the council may adopt incentive-based measures by awarding companies with a high rate of national female employees with certificates that qualify them to win attractive government bids. The same approach can be applied to companies adopting female-friendly policies under which female employees are provided with a more supportive work environment. As a result, not only will this approach increase the share of national females in the private sector, but will encourage employers to improve working conditions for female employees as well. Another promising approach to increase females' participation in the private sector lies in promoting the flexible work concept among the private sector community. To achieve this, the government could provide tax incentives and rebates

to enterprises adopting flexible work arrangements for working mothers. Moreover, promoting private entities to provide on-site childcare is another workable solution to facilitate the integration of local females in the private sector. Conducting campaigns and programs to raise awareness of women's rights among the private sector community offers another viable route. Giving up the traditional view of working in an office and allowing working mothers to work part-time or remotely from home will help them to reconcile work and family life. It follows then that, after adopting such initiatives, an increased number of national females are likely to seek employment in this sector. Consequently, this will contribute to reducing the negative stereotype of national females that served to discourage employers from hiring them.

Our findings suggest that the educational attainment levels of Bahrainis are perceived positively by private-sector employers, which is a good indicator of the effectiveness of educational reforms. Indeed, the government has taken concrete steps to develop this sector. Private tertiary education, in particular, has witnessed a remarkable expansion over the past two decades. Around twelve new private universities have been opened in the country offering a wide range of disciplines and academic degrees. Most recently, Bahrain has established two collaborations with leading British and American universities. The British University of Bahrain (BUB) has newly opened its doors in September 2018. The university comprises three colleges offering nine industry-relevant programs identical to those offered at the University of Salford (partner university). The other is the American University of Bahrain (AUOB), which is scheduled to officially open officially in September 2019. The university strives to enrich the country's academic quality by adopting a unique and technology-based approach to program delivery.

While such initiatives are commendable and are likely to yield fruitful results in the period ahead, further efforts to develop the teaching methods and education curricula at schools are still required. A more student-focused educational approach should be adopted to promote innovation, critical thinking and analytical skills required by the modern economy. According to Forstenlechner and Rutledge (2010), despite educational reforms, progress remains slow in terms of shifting from rote learning to modern teaching methods. One way to depart from the traditional approach is to integrate Information and Communication Technology (ICT) in education; making use of ICT in education has proven to be useful in improving both teaching methods and students learning.

The widespread perception of Bahrainis as being less vocationally motivated than their expat counterpart was found to reduce the willingness of employers to hire them. One way to address this is by exposing Bahrainis to private sector's realities at an early age. For instance, the Ministry of Education could add a mandatory subject to the secondary level curriculum that offers both a theoretical and non-theoretical route that lets students work summer jobs in lieu of taking the class. On the other hand, private sector entities that provide summer jobs to students can be awarded by fast-tracking their government transactions. Establishing synergy between business and academia through cooperative education programs is another effective way to address the motivational issue. Cooperative education is a structured educational strategy that combines academic studies with work experience (Haddara & Skanes, 2007). The strategy has been reported to have numerous operational benefits for students and employers. For instance, students were found to benefit in terms of having increased access to employment and better jobs and remunerations, whereas

employers benefit from the ease of recruitment process (Coll, Taylor, & Nathan, 2003).

Our findings revealed that the regulatory factor serves to reduce the willingness of employers to hire Bahrainis, yet it has less of bearing on recruitment decisions than the socio-cultural, gender, educational and motivational factors. This is understandable given the valuable measures taken by the Government to bridge the wage and rights gap between citizens and non-national workers. However, further steps are required to reduce the ambiguities over the varying national/non-national employment laws and regulations. A possible solution would be to grant expatriate workers more rights to render them less attractive to employ for private-sector employers. Setting a minimum wage for expatriate workers is but one example. Another workable solution lies in standardizing the working hours among nationals and expatriates.

6.3 Theoretical implications

This research utilized the conceptual framework of Forstenlechner et al. (2012) to explain the reasons behind the limited success of Bahrainisation policy in the private sector. To identify the idiosyncratic factors that affect hiring decisions in the context of Bahrain, semi-structured interviews were conducted with a selected sample of employers, executives and hiring managers. Using insights from the interviews, the survey questionnaire developed by Forstenlechner et al. (2012) was adapted and used as a second mean for data collection.

Our research contributes to the conceptual framework proposed by Forstenlechner et al. (2012) by verifying whether the proposed claims of the theory employed would explain similar patterns in a different context. In particular, we

extend our understanding of the factors that may act to reduce employers' willingness to hire Bahrainis in the private sector. We do so by first adding context-relevant items to the survey constructs, second by adding a new variable to the original model and third by verifying the reliability and generalizability of the relationships hypothesized in the seminal paper. Table 6.1 illustrates the new elements that emerged from the interviews and were used with indicators from the seminal work to measure the constructs of interest.

This research utilized a dependent variable (employers' willingness to recruit Bahrainis) and five explanatory variables (the socio-cultural, economic, regulatory, educational and motivational factors) from the key study. A total of forty indicators were used to measure all latent variables, sixteen of which were fed into the survey instrument using interviews results. This research introduced the gender factor as a new explanatory variable that is likely to have a negative relationship with employers' willingness to hire Bahrainis. Five measuring items were used to operationalize this construct, four of which were derived from the qualitative results (see Table 6.2). The study offers statistically significant evidence of the negative relationship between gender issues and employers' willingness to hire Bahrainis. Further, our proposed model was found to explain a significant percentage of variance in employers' willingness to hire Bahraini candidates. Therefore, there is significant evidence to infer that the conceptual framework proposed by Forstenlechner et al. (2012) is reliable and generalizable. Our results indicate that gender issues together with socio-cultural, motivational and regulatory factors serve to reduce the willingness of a given employer to hire nationals in the context of Bahrain. In addition, the educational factor was found to have a positive effect on hiring decisions. However, the additional cost of recruiting a national vis-à-vis non-

national candidate was not found to have a significant bearing on the willingness of employers to hire Bahrainis.

Table 6.1: Measuring Items of the Dependent Variable

Latent Variables	Forstenlechner et al. (2012) Scale	New Items
Dependant Variable		
Employers' willingness to recruit Bahrainis	<ul style="list-style-type: none"> • It makes business sense to employ Bahrainis • We have openings that provide productive job opportunities for Bahrainis • Bahrainisation is back-door taxation • We employ Bahrainis because of quotas not because we want to • We face internal resistance towards Bahrainisation 	<ul style="list-style-type: none"> • No new items were added to this construct

Table 6.2: Measuring Items of the Explanatory Variables

Latent Variables	Forstenlechner et al. (2012) Scale	New Items
Explanatory Variables		
Socio-cultural	<ul style="list-style-type: none"> • Bahraini society considers certain jobs as inappropriate/unsuitable for nationals • Bahrainis have unrealistic expectations with respect to their work position • Bahrainis are good in service work such as customer service or generally anything to do with people • Even if nationals apply for lower level positions or manual labour/low-level service work we do not follow up on such applications • National employees are fully capable of taking responsibility 	<ul style="list-style-type: none"> • Bahrainis prefer to work in the public sector and large companies • Expat hiring managers prefer to hire from their own nationalities • Hiring Western expats in leadership positions enhances the organizational image and attracts customers • Blue-collar jobs are considered appealing to Bahraini citizens • Bahrainis avoid employment in certain economic industries (e.g. hospitality) due to cultural and religious reasons
Economic	<ul style="list-style-type: none"> • The relationship between the cost of employing a national and the benefits to the organization creates a disincentive for employing nationals • I would prefer to hire a Bahraini over an expat if his or her wages were subsidized by the government 	<ul style="list-style-type: none"> • Bahrainis have realistic expectations with respect to their salary • Hiring Bahrainis can negatively affect the performance and competitiveness of the company

Table 6.2: Measuring Items of the Explanatory Variables (Continued)

Latent Variables	Forstenlechner et al. (2012) Scale	New Items
Explanatory Variables		
Regulatory	<ul style="list-style-type: none"> • I understand the relevant legal framework of Bahrainisation • Once you hire a national, you cannot possibly fire him/her again • Bahrainis are easier to dismiss than are expats • Setting employment quotas in the private sector is an efficient solution 	<ul style="list-style-type: none"> • The current legal and regulatory system encourages us to recruit Bahrainis
Educational	<ul style="list-style-type: none"> • Bahraini graduates need additional training before they are ready to work • Bahrainis do not have a sufficient command of English for the job • Qualified national applicants are in short supply 	<ul style="list-style-type: none"> • Bahraini candidates do not have sufficient basic skills (e.g. reading, writing, math, basic computer skills, etc.) • We employ Bahraini workers because they have better soft skills than expats (communication, problem-solving, interpersonal skills, teamwork, leadership, etc.)
Motivational	<ul style="list-style-type: none"> • We face issues with national graduates not showing up for work at all • Nationals are easier to manage than expatriates • We employ expats because they work harder • National graduates are hard to motivate 	<ul style="list-style-type: none"> • Bahrainis lack strong work ethics • Bahrainis do not stay in a job for long
Gender Issues	<ul style="list-style-type: none"> • Female national applicants are more difficult to employ due to cultural restrictions 	<ul style="list-style-type: none"> • Certain positions are not suitable for local women • The maternity rights of local women are a disincentive to hiring them • Maternity rights are a financial burden to our business • Local women have rigid shift preferences and refuse to work certain shifts

Our research also contributes to a growing body of knowledge on human resource management in the Arab Middle Eastern region. In their study, Afiouni et al. (2013) identified emerging contours of an HR model that depicts the local idiosyncrasies unique to AME context. However, the authors argued that the model

is still in its infancy, and stressed the importance of having a clear vision of the best HR practices to be adopted in the region. Therefore, our research fills this void and contributes to the development of the AME HR model by examining the external business realities that influence HRM practices in Bahrain. Our findings pinpoint the barriers to effective Bahrainisation in the private sector. The socio-cultural, gender, motivational and regulatory factors were found to have a significant and negative impact on hiring decisions in the private sector in Bahrain. Nonetheless, the educational attainment levels of Bahrainis were found to favour them over their expat counterparts in recruitment. Our research also responded to Afiouni's call to go beyond merely describing potential factors most likely to affect HR functions in the Middle East and suggest ways in which HR practitioners and policymakers could craft adequate HR policies that respond and adapt to such challenges. Earlier in our discussion section, several recommendations have been proposed to address each of the five factors that have a significant influence on hiring decisions. Most prominent among them is adopting incentive-based measures to facilitate greater integration of Bahraini nationals in the private sector. In order for the Arab Middle Eastern countries to shift toward a value-added HR paradigm, it is of prime importance to understand external business realities affecting HR practices and constituting a barrier to effective implementation of HR policies. Besides, broadening our understanding of external business realities affecting HRM practices in Bahrain serves a useful purpose in designing a more thought out and systematic HR policies that address these challenges.

Another significant contribution lies in our research design. According to Afiouni et al. (2013), most previous studies on localization relied on secondary data sources, whereas those using primary sources were either qualitative or quantitative.

A small number of studies have used a mixed-methods design (one article) (Afiouni et al., 2013). The authors have further argued that studies discussing HRM in the AME are not representative of all countries in the region. For instance, most of the studies relevant to this topic were focused on the UAE, Palestine, Lebanon, Oman and Kuwait, whereas countries like Egypt, Qatar and Bahrain were less represented. Therefore, we have intended to bridge this theoretical gap by first using a mixed-method design to grasp the socio-cultural idiosyncrasies unique to Bahraini context and feed them into the survey instrument, and second by providing empirical evidence of the factors discouraging employers from recruiting Bahrainis and constitute a challenge to effective Bahrainisation.

6.4 Practical Implications

Our research contributes to the practical sphere by offering the official bodies in charge of Bahrainisation and policymakers a deeper understanding of the factors that affect Bahrainis' employability and reduce employers' willingness to hiring them. Based on our findings, we can propose policy recommendations that are likely to facilitate greater integration of Bahraini nationals into the private sector. Although it is difficult to comprehensively address the socio-cultural issues in the short or even medium-term, yet adopting a mix of educational, training and awareness-raising programs to promote self-employment and work in the private sector among the young generation may yield fruitful results in the long run. This suggests a synergy between the education sector, business community and entities in charge of Bahrainisation to design a holistic approach that defines business and employment opportunities in the private sector, market directions, stakeholders' needs and strategies that need to be implemented to instil the socio-cultural peculiarities and

work values required to perform effectively in a highly competitive work setting and that are likely to change Bahrainis' perception about work in the 'real' private sector.

Our results have shown that there is a tendency among the private-sector community to favour the Western expats over nationals for leadership positions. Such findings provide useful insights for policymakers to develop strategies that can help reduce the over-evaluation of Western experts and promote the local candidates as an efficient and competent alternative. Although the economic situation and scarcity of job opportunities necessitate citizens to accept low-skilled positions, especially if they lack sufficient qualifications to fill high-skilled ones, the socio-cultural issues were found to reduce the likelihood of this. One way to address this, as Forstenlechner and Rutledge (2011) suggested, is by adopting policies tailored towards the professionalization and skill development of the Bahrainis workforce.

In terms of addressing gender issues, employers must adopt more flexible work arrangements for national females to increase their participation in the private sector. Increasing the participation of Bahraini females in the private sector will primarily benefit employers, given their market-oriented qualification and higher educational attainment compared to their male counterparts. Nonetheless, to encourage employers to adopt such work arrangements, the Ministry of Work together with the Supreme Council for Women could design an incentive-based scheme that awards companies adopting female-friendly policies and have a high rate of national female employees with lucrative incentives. Gender considerations should also be factored into the design of Bahrainisation policy. While the National Action Charter has been a positive step towards empowering the Bahraini women in the various fields and has guaranteed them equal rights with men, further efforts are required to ensure that gender-equality laws are adequately enforced, especially those

concerning the employment of national females in the private sector. Furthermore, the effectiveness of Bahrainisation should be evaluated not only by quotas but by the impact of such policy on females' participation in the private sector as well.

In addressing Bahrainis' lack of motivation to work outside the classic public sector, exposing nationals to private sector realities at an early age is highly recommended. The Ministry of Education, in cooperation with the private sector, could develop a cooperative education program that integrates practical courses into school curricula, which will effectively contribute to promoting the culture of summer jobs among students and instil the work values required by the competitive private sector.

Despite the government effort to bridge the rights gap between nationals and non-nationals, our findings revealed that the regulatory factor still serves as a disincentive to hiring Bahrainis. As long as the balance of employment security is tipping in favour of the national candidates, they will remain a less favourable choice for employment. Therefore, this suggests that policymakers should consider granting foreign workers more rights to reduce this gap. In this regard, setting a minimum wage for expat workers and consolidating working hours between nationals and non-nationals may yield positive results.

Although the findings of this research have shown that Bahraini candidates are perceived positively regarding their educational attainment levels, this should not stop or slow down the wheel of educational reform. The education system must continuously develop and adapt to keep abreast with rapid technological and scientific change. The quality of the education system is based primarily on the quality of teachers and, therefore, setting clear and high standards for selecting, preparing and supporting high-quality educators constitutes the first step toward

achieving this goal. What students should learn is another critical aspect of the education system. Therefore, it is equally important to revisit and review the curriculum contents periodically to adapt them to market needs.

By acknowledging the factors that render the expat workforce a preferable choice for recruitment, policymakers could formulate and implement effective measures to counter the internal resistance toward recruiting Bahrainis in the private sector. We conclude that in order for Bahrainisation to be more effective, the policy needs to be reviewed periodically to introduce any required improvements and address any emerging challenges.

6.5 Limitation and Future Directions

The main limitation of this study is that it fell short of examining the impact of the political events that engulfed some of the Middle Eastern countries in 2011, including Bahrain, on human resource management practices. Given the sensitivity of this topic, the researcher could not obtain information from the subjects interviewed in this study regarding the effect of the political events of 2011 on HR practices in the private sector. Second, this paper examined the challenges to localization policy as perceived by only one stakeholder group (i.e. employers). Therefore, we acknowledge the importance of considering the views and needs of other stakeholders such as the official bodies in charge of Bahrainisation and Bahraini candidates.

Although there are many commonalities among the GCC countries, there are many individual characteristics that are unique to each country as well. Our research has focused on identifying the factors that reduce nationals' employability and hence, negatively affect localization policy in one GCC country only, Bahrain. Therefore,

the findings and conclusions drawn from this study should be applied cautiously in other GCC states, given the uniqueness of each country's labour market situation.

In addition, this research looked at the impact of socio-cultural and other economic and structural influences on one of the HR practices only, namely, hiring decisions. Therefore, it is important to explore the effect of these realities on other HR practices like training and development, employees' retention and performance management. Moreover, while our research has provided useful insights into the external business realities affecting HRM practices in Bahrain, further research is still needed to provide a comprehensive picture of the AME HR model identified by Afiouni et al. (2013).

This research used a cross-sectional design, in which all data were collected at a given point in time. The most important disadvantage of cross-sectional studies is that they do not differentiate cause and effect from simple associations. Consequently, it is difficult to draw inferences about causal relationships. Another limitation of this research is that it relied solely on the subjective views of employers on Bahraini candidates; therefore, the responses may be subject to other influences such as the individual characteristics of respondents (e.g. attitude, cognitive process and personality). Consequently, the validity of our findings is reduced by this shortcoming. Further research may adopt a longitudinal design to allow for more confident conclusions regarding the factors that influence the hiring decisions of employers in the private sector.

Some of the research variables are broad concepts that can be further disaggregated. For instance, the socio-cultural dimension considered several issues such as the impact of the social contract and cultural sensibilities on hiring decisions. Each of these predictors has a significant body of research which may benefit from a

more detailed examination. Therefore, scholars may look at the conceptualizations of the research constructs to capture the multidimensionality of these concepts.

This research utilized the Multiple Regression method to analyse the quantitative data. Therefore, another promising avenue for future research may be using other analytical approaches such as Structural Equation Modelling (SEM) to verify the hypothesized relationships between latent variables.

A final limitation of this research concerns the research sample. Despite the intention of reflecting the different characteristics of the target population as fairly and accurately as possible, not all groups were represented fairly in this research. For instance, female and expat respondents were underrepresented. As a result, the generalizability of our findings becomes weakened due to this shortcoming.

Possible directions for future research lie in considering the views of external and internal stakeholders to design a holistic approach that addresses the needs of and challenges faced by all concerned segments and groups. Another area for future studies lies in examining the potential impact of the so-called "Arab Spring" on human resources policies and practices in the countries affected by these events. Most of the previous studies that have discussed localization policy in the GCC have focused on a single country; therefore, future research should go beyond that and capture the heterogeneity across multi-country contexts. Finally, further conceptual and empirical studies are still required on Bahrainisation to identify the contemporary challenges limiting the effectiveness of the policy and hindering government efforts.

6.6 Conclusion

The exploration of oil has undoubtedly contributed to the prosperity and development of the GCC states. It has transformed these countries from tribal societies into modern states and has significantly raised living standards. However, due to the lack of local workforce in terms of quantity and quality, the Gulf States have relied heavily on the high- and low-skilled expatriates. Since then, unemployment among local youth has become one of the region's chronic problems. In response, various policies have been introduced to address unemployment and improve the quality of local human capital, yet, most adopted policies have fallen short of the desired outcomes.

Like the rest of its neighbouring Gulf states, Bahrain has embraced the localization policy aiming at reducing dependence on foreign labour and providing productive employment opportunities for citizens. While the policy has yielded satisfactory results in the public sector, it continues to face difficulties with increasing Bahrainis' share in the private sector. Barriers to effective localization in the private sector have been discussed from different perspectives in all GCC countries, however, similar attention was not paid to this topic in Bahrain. Therefore, the purpose of this research was to fill this void and provide empirical evidence of the factors that discourage employers from recruiting Bahrainis in the private sector. In achieving this aim, a mixed-method design was utilized to collect the primary data. Semi-structured interviews with a selected sample of employers, executives and HR managers were conducted to provide an account of the factors that reduce the employability of nationals in Bahrain. Using insights from the interviews, the survey instrument was then developed and adapted to the research context.

An employer survey was administered to the target sample to examine the relationship between six explanatory variables (the socio-cultural, economic, regulatory, educational, motivational and gender factors) and the willingness of employers to recruit Bahrainis (dependent variable). Our findings suggest that the socio-cultural, gender, motivational and regulatory factors have a negative relationship with employers' willingness to hire Bahrainis. The educational factor, however, was found to have a positive relationship with employers' hiring decision. Moreover, no significant relationship was found between the willingness of a given employer to hire Bahrainis and the economic factor.

Table 5.26 in chapter five shows that the socio-cultural dimension has the largest bearing on reducing employers' willingness to hire Bahrainis. Gender issues related to the employment of Bahraini females in the private sector were found to have the second most negative impact on hiring decisions. While our findings suggest that a negative relationship does exist between the willingness of a given employer to hire Bahrainis and each of the motivational and regulatory factors, yet, they have less of a bearing on recruitment decisions compared to the socio-cultural and gender dimensions. The educational attainment levels of Bahrainis were found to favour them over their expat counterparts in employment.

Additionally, further statistical analyses were conducted to explore the effect of the different demographic characteristics on latent variables. The results revealed that hiring decisions vary significantly between companies of different sizes; hiring managers and executives in large corporations were found to be more willing to hire Bahrainis than those working in small and medium enterprises. Company size was also found to have a significant effect on employers' perceptions about the skills and educational attainment of Bahraini candidates. Employers' perceptions of Bahrainis'

educational attainment were also found to differ based on their nationalities. Finally, the private-public ownership of the company has been shown to have a significant impact on respondents' perceptions of Bahrainis' vocational motivation, with the views of executives in large corporations being more positive than their counterparts in SMEs.

Our findings suggest the need to focus on two priority areas, namely, the socio-cultural and gender issues. Despite Bahrain's rich cultural diversity, the traditional societal and cultural norms continue to be a constraint to greater integration of Bahrainis in the private sector. In addressing this, the adoption of a mix of educational, training and awareness-raising programs that start at an early age may yield fruitful results in the long run. These programs should focus on changing the preference of national youth for public-sector jobs and direct it toward the career opportunities available in the competitive private sector. A temporary employment freeze in the public sector should also be considered to convey a clear message to this cohort that future job opportunities lie solely in the private sector. Professionalizing certain occupations is another promising approach to address the socio-cultural constraints limiting the career options for Bahraini nationals.

In our view, facilitating a greater integration of Bahraini females into the private sector is key to Bahrainisation success. Therefore, in the coming period, gender considerations must be factored into the policies adopted. One practical solution is to adopt positive discrimination policies to encourage private companies to hire more national females. Promoting private entities to provide alternative work arrangements for working mothers would also be very beneficial.

As we attempt to address the Barriers to effective Bahrainisation in the private sector, we should not neglect the motivational and regulatory factors. As long

as the rights gap between nationals and non-nationals remain unaddressed, employers will continue to prefer expats in employment. Giving expatriate workers more rights to bridge the regulatory gap between them and their national counterparts is considered an effective step in this regard. Finally, although exposing nationals to private sector realities at an early age would not address the lack of vocational motivational among this cohort comprehensively, yet it would help to develop the type of skills and work attitudes required by this sector.

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Appendices

Appendix A: Employer Interview

Participant information and consent form

DBA Research Title: Bahrainisation: Factors Discouraging Employers from Recruiting Nationals in the Private Sector.

Researcher: Mariam Abdulla Janahi, DBA Programme, UAEU, Al Ain.

Contact Details: ☎ +973 39933163 - ✉ 201590087@uaeu.ac.ae

You are being invited to take part in a research study that I am conducting as part of my doctoral studies. Before you decide if you would like to take part or not, it is important that you understand why the research is being done and what it involves. Please take time to read the following information. If anything in this document is unclear, please let me know and I would be happy to provide further clarification. I will not seek to arrange an interview with you prior to you having at least two working days post receiving this information and consent form, to decide if you want to participate.

1. About the Doctoral research being conducted

The purpose of this research—which the open-ended interviews contribute to—is to investigate the factors that may act to discourage employers from recruiting Bahrainis in the private sector. It will seek to determine the effect of the social, cultural, economic, regulatory, educational and motivational factors on employers' willingness to recruit citizens in the private sector. By exploring the idiosyncratic factors that affect the recruitment decision of private-sector employers, this study aims at drawing policy recommendations to better inform policy makers on the factors that reduce Bahrainis employability in the private sector and hinder the Bahrainisation efforts.

2. Your participation, ethical rights and informed consent

In terms of this research study's ethics, the researcher would like to make the following points:

- 1) Should you decide to participate it is envisaged that it will take a maximum of 1 hour of your time;
- 2) The information you provide will contribute to the researcher's doctoral thesis as set out in Section 1 above;

- 3) As the research is part of the researcher's Doctoral research its findings will be published in some form in the future, but the contribution you make will be anonymous.

There is no risk or danger of your responses being linked to you in the public domain.

What you will be asked to do: As a participant you will be asked to take part in an interview. Open ended questions will be asked by the researcher on the subject of this study. The interview will be recorded and the researcher will then transcribe the interview (upon completion of this process, the audio files will be deleted). It is expected that this interview will approximately take between 45-60 minutes.

Risks and benefits: There are no anticipated risks to you from your participation in this study, beyond those encountered in everyday life. Also, you may or may not perceive benefit from being in this research. However, your participation may help us to understand the factors that deter employers from recruiting Bahrainis in the private sector and provide policy recommendations that should improve the efficacy of currently devised HR policies and practices in Bahrain.

Your answers will be confidential: The records of this study will be kept private and will be saved in the Personal Computer (PC) of the above named researcher. All audio files will be destroyed (securely deleted from the researcher's PC) after transcription has been completed. You will be sent the transcript and given the opportunity to review your answers and make any amendments. Any report of this research that is made available to the public will not include your name or any other individual information by which you could be identified. Information will not be used for any other purposes than that is explained above.

* You will be given a copy of this form to keep for your records.

3. Participant consent form

1. I agree to take part in the research outlined above, affirm that I am 18 years or age or older, and am consenting to be interviewed as part of the above mentioned research study.
2. I confirm that I have read and understand the information above and have had the opportunity to consider the information, ask questions and have had these answered satisfactorily.
3. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving a reason and that this will not affect my relationship with the authorities in charge of Bahrainisation in anyway.
4. I understand that any personal information collected during the interview will be anonymised and remain confidential.
5. I understand that the interview will be audio recorded and upon transcription the audio files will be destroyed but the transcriptions will be retained by the researcher and stored securely on his own PC, I am happy to consent to this as my personal details will not be linked to my answers.
6. I understand that parts of the conversation may be used verbatim (word for word) in the researcher's Doctoral submission and future publications or presentations but that such quotes will be anonymised (i.e. although my words may be used, they will not be attributable to me).

Check each of the **six** boxes above

Participant's name

Date

Participant's signature

---/---/---

Employer Interview

DBA Research Title: Bahrainisation: Factors Discouraging Employers from Recruiting Nationals in the Private Sector.

Researcher: Mariam Janahi, DBA Programme, UAEU, Al Ain •

Contact Details: ☎ +973 39933163 - ✉ 201590087@uaeu.ac.ae

INFORMED CONSENT

0.1 By signing and dating this form I am acknowledging that I have been provided with, read and understand (a) the purpose of the research (b) my role in the research (as set out in the participant information document) and (c) that I am freely consenting to take part in this research.

Interviewee's signature:
.....

0.2 **Today's date:**
.....

DEMOGRAPHIC DETAILS

1.1 Gender

Male | Female

1.2 Nationality (please specify country)

Bahraini

Arab

Asian

Other

1.3 Current educational status

Below secondary School

Secondary school

Diploma

Bachelor's Degree

Master's Degree

Doctorate Degree

1.4 Occupational Position:

1.5 Business type:

Agriculture, Fishing & Forestry

Manufacturing

Mining, Quarrying & Fuel

Building & Construction

Electricity, Water & Gas

Trade

Hotels & Restaurants

Financial Services

Real Estate & Business services

Health & Social work

Others (Please specify):

1.6 Number of Employees in the Company:

Between 11 to 50 employees (Small Enterprise)

Between 51 to 250 employees (Medium Enterprise)

More than 250 employees (Large Enterprise)

1.7 Number of Bahraini employees compared to their expatriate counterparts:

.....

OPEN-ENDED QUESTIONS

2.1 What is your perception of Bahraini jobseekers?

2.2 Do you feel that Bahrainis have unrealistic expectations with respect to their work position?

2.3 Do you feel that Bahrainis have unrealistic expectations with respect to their salary?

2.4 Do you feel that the Bahraini society/culture classifies certain professions as inappropriate for Bahraini citizens?

-
- 2.5 Do you think there any societal norms that hinder the recruitment of Bahrainis in the private sector?
-
- 2.6 What is your perception of the educational attainment of Bahraini employees?
-
- 2.7 What is your perception of the soft skills of Bahraini employees? (E.g. communication skills, IT skills)
-
- 2.8 Does the legal/regulatory system affect your willingness to employ Bahrainis? If so how?
-
- 2.9 Do you feel that expatriate workers are easier to manage than Bahrainis?
-
- 2.10 What is your perception of the commitment to work of Bahraini employees?
-
- 2.11 Do you feel that the political events of 2011 affect your willingness to recruit Bahrainis? If so in what way?
-
- 2.12 Are there other factors that influence your willingness to recruit Bahrainis?
-
- 2.13 Is there anything else you would like to add regarding the topics discussed?
-

Appendix B: Employer Survey

Participant information form

DBA Research Title: Bahrainisation: Factors Discouraging Employers from Recruiting Nationals in the Private Sector.

Researcher: Mariam Abdulla Janahi, DBA Programme, UAEU, Al Ain • +973 39933163

You are invited to participate in a survey, entitled “Employer Survey”. The study is being conducted by Mariam Abdulla Janahi, a doctorate student at the United Arab Emirates University, College of Business and Economics. Prior to your participation, it is important that you understand the purpose of this research and why it is being conducted. Please take time to read the following information. If you require any clarification or have any questions, do not hesitate to contact me at +973 39933163 or at 201590087@uaeu.ac.ae and I would be pleased to provide you with further information.

1. About the Doctoral research being conducted

The purpose of this research—which the survey contributes to—is to investigate the factors that may act to discourage employers from recruiting Bahrainis in the private sector. It will seek to determine the effect of the social, cultural, economic, regulatory, educational, motivational and political factors on employers’ willingness to recruit citizens in the private sector. By exploring the idiosyncratic factors that affect the recruitment decision of private-sector employers, this study aims at drawing policy recommendations to better inform policy makers on the factors that reduce Bahrainis employability in the private sector and hinder the Bahrainisation efforts.

2. Your participation, ethical rights and informed consent

In terms of this research study’s ethics, the researcher would like to make the following points:

- 4) Should you decide to participate it is envisaged that it will take a maximum of 30 minutes;
- 5) The information you provide will contribute to the researcher’s doctoral thesis as set out in Section 1 above;

- 6) As the research is part of the researcher's Doctoral research its findings will be published in some form in the future, but your survey responses will in no way be linkable to you.

There is no risk or danger of your responses being linked to you in the public domain.

What you will be asked to do: As a participant you will be asked to complete a survey (questionnaire).

Risks and benefits: There are no anticipated risks to you from your participation in this study, beyond those encountered in everyday life.

Your responses will be confidential: The records of this study will be kept private and will be saved in the Personal Computer (PC) of the above named researcher.

3. Participant consent form

-
-
1. I agree to take part in the research outlined above, affirm that I am 18 years or age or older, and am consenting to answer the questionnaire as part of the above mentioned research study.
2. I confirm that I have read and understand the information above and have had the opportunity to consider the information, ask questions and have had these answered satisfactorily.
-
3. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving a reason and that this will not affect my relationship with the United Arab Emirates University in any way.
4. I understand that any personal information collected during the survey will be anonymized and remain confidential.

Check each of the **four** boxes above

Participant's name

Date

Participant's signature

----/----/----

Employer Survey

DBA Research Title: Bahrainisation: Factors Discouraging Employers from Recruiting Nationals in the Private Sector.

Researcher: Mariam Janahi, DBA Programme, UAEU, Al Ain.

Contact Details: ☎ +973 39933163

✉ 201590087@uaeu.ac.ae

INFORMED CONSENT

- By checking the box (to the left) and dating this form I am acknowledging that I have been provided with, read and understand the purpose of the research and also, my role in the research (as set out in the informed consent sheet) and also that, I am freely consenting to take part in this research.

Today's date:

1. DEMOGRAPHIC DETAILS

1.1 Gender

- Male
 Female

1.2 Nationality (please specify country)

- Bahraini
 Arab
- Asian
- Other

1.3 Current educational status

- Below secondary School
 Secondary school
 Diploma
 Bachelor's Degree
 Master's Degree
 Doctorate Degree

1.4 **Occupational Position:**

1.5 **Business sector**

- Agriculture, Fishing & Forestry
 - Manufacturing
 - Mining, Quarrying & Fuel
 - Building & Construction
 - Electricity, Water & Gas
 - Trade
 - Hotels & Restaurants
 - Financial Services
 - Real Estate & Business services
 - Health & Social work
 - Others (Please specify):
-

1.6 **Number of Employees in the Company**

- Between 11 to 50 employees (Small Enterprise)
 - Between 51 to 250 employees (Medium Enterprise)
 - More than 250 employees (Large Enterprise)
-

1.7 **The private-public ownership of the company**

- Purely private
 - Quasi-private
-

1.8 **Bahrainisation's Percentage:**

2. EMPLOYER SURVEY

PLEASE CIRCLE THE ONE NUMBER FOR EACH QUESTION THAT COMES CLOSEST TO REFLECTING YOUR OPINION ABOUT IT		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	It makes business sense to employ Bahrainis	1	2	3	4	5
2	We have openings that provide productive job opportunities for Bahrainis	1	2	3	4	5
3	Bahrainisation is back-door taxation	1	2	3	4	5
4	We employ Bahrainis because of quotas not because we want to	1	2	3	4	5
5	We face internal resistance towards Bahrainisation	1	2	3	4	5
6	Bahrainis have unrealistic expectations with respect to their work position	1	2	3	4	5
7	Bahrainis prefer to work in the public sector and large companies	1	2	3	4	5
8	Expat hiring managers prefer to hire from their own nationalities	1	2	3	4	5
9	Hiring Western expats in leadership positions enhances the organizational image and attracts customers	1	2	3	4	5
10	Bahraini society considers certain jobs as inappropriate/unsuitable for nationals	1	2	3	4	5
11	Bahrainis are good in service work such as customer service or generally anything to do with people	1	2	3	4	5
12	Even if nationals apply for lower level positions or manual labour/low-level service work we do not follow up on such applications	1	2	3	4	5
13	Blue-collar jobs are considered appealing to Bahraini citizens	1	2	3	4	5
14	Bahrainis avoid employment in certain economic industries (e.g. hospitality) due to cultural and religious reasons	1	2	3	4	5
15	There are cultural sensibilities arising from Bahrainis managed by expat superiors	1	2	3	4	5
16	We face issues with family members of employees intervening on their behalf	1	2	3	4	5
17	National employees are fully capable of taking responsibility	1	2	3	4	5
18	'Wasta' in HR matters represents a problem for our organisation	1	2	3	4	5
19	Bahrainis have realistic expectations with respect to their salary	1	2	3	4	5
20	The cost of hiring expats is higher than that of Bahrainis	1	2	3	4	5
21	I would prefer to hire a Bahraini over an expat if his or her wages were subsidized by the government	1	2	3	4	5
22	Hiring Bahrainis can negatively affect the performance and competitiveness of the company	1	2	3	4	5
23	At the same salary, I would prefer to hire a national	1	2	3	4	5
24	The relationship between the cost of employing a national and the benefits to the organization creates a disincentive for employing nationals	1	2	3	4	5
25	The current legal and regulatory system encourages us to recruit Bahrainis	1	2	3	4	5
26	I understand the relevant legal framework of Bahrainisation	1	2	3	4	5
27	Once you hire a national, you cannot possibly fire him/her	1	2	3	4	5
28	Bahrainis are easier to dismiss than are expats	1	2	3	4	5

29	Setting employment quotas in the private sector is an efficient policy	1	2	3	4	5
30	Many private employers use loopholes to get around Bahrainisation	1	2	3	4	5
31	Bahraini candidates do not have sufficient basic skills (e.g. reading, writing, math, basic computer skills, etc.)	1	2	3	4	5
32	We employ Bahraini workers because they have better soft skills than expats (communication, problem-solving, interpersonal skills, teamwork, leadership, etc.)	1	2	3	4	5
33	Bahraini graduates need additional training before they are ready to work	1	2	3	4	5
34	Bahrainis do not have a sufficient command of English for the job	1	2	3	4	5
35	Qualified national applicants are in short supply	1	2	3	4	5
36	Nationals who have completed internship programs are more employable as a result	1	2	3	4	5
37	Bahrainis lack strong work ethics	1	2	3	4	5
38	Bahrainis do not stay in a job for long	1	2	3	4	5
39	We employ expats because they work harder	1	2	3	4	5
40	We face issues with national graduates not showing up for work at all	1	2	3	4	5
41	Nationals are easier to manage than expatriates	1	2	3	4	5
42	National graduates are hard to motivate	1	2	3	4	5
43	Certain positions are not suitable for local women	1	2	3	4	5
44	The maternity rights of local women are a disincentive to hiring them	1	2	3	4	5
45	Maternity rights are a financial burden to our business	1	2	3	4	5
46	Local women have rigid shift preferences and refuse to work certain shifts	1	2	3	4	5
47	Female national applicants are more difficult to employ due to cultural restrictions	1	2	3	4	5

Appendix C: Flexi Permit

What is the Flexi permit?

The Flexi Permit is a renewable **2 year permit** which allows the eligible person to work and live in the Kingdom of Bahrain without an employer (Sponsor) where he can work in any job with any number of employers on full or part-time basis.

What are the Flexi Permit types?

1. Flexi Permit – This permit enables the holder to work in any non-specialized jobs and is not allowed to work in Restaurants, Saloons and Hotels.

2. Flexi Hospitality Permit – This permit enables the holder to work in any non-specialized jobs and is allowed to work in Restaurants, Saloons and Hotels.

What are the Rules and Regulations of the Flexi Permit?

1. You should pay your monthly fees to avoid your permit being cancelled.
2. You should have your valid blue card in your possession always and renew it every 6 months.
3. You should not violate the Law and Regulations of the Kingdom of Bahrain.
4. Do not work in (Restaurants, Hotels, and Saloons) unless you are Hospitality Flexi permit holder.

What are the advantages of a Flexi Permit?

1. You will be legal.
2. There is no Employer, you can work alone on contract basis with anyone you want based on your occupation.
3. You may travel and come back - you will have a renewable 2 year residency, and re-entry visa.

Who is eligible for Flexi Permit?

1. Expatriates with Terminated work permits.
2. Expatriates work permit expired and not renewed by their employer.

What is the Flexi permit Fees, and how and when will I Pay?

1. A total amount of **BD 449.000** will be paid to LMRA for a 2 year Flexi Permit once you complete your flexi permit application at the LMRA Expat Service Centre in Sitra industrial area.

Flexi Permit Fees Every 2 years	Health Care Fees Every 2 years	Residence Extension* One Time	Return Ticket Refundable Deposit	Total Fees
200 BD	144 BD	15 BD	90 BD	449 BD

* One time Fee.

** One time Refundable Deposit.

2. A monthly fees of **BD 30 / month**.

Source: Labour Market Regulatory Authority – Kingdom of Bahrain

Appendix D: Royal Order No. 28 of 2011**Royal Order No.28 of 2011**

The Bahrain Independent Commission for Investigation (BICI) was established through Royal Decree No. 28 of 2011

“Royal Order No. 28 of 2011”:

Establishing an Independent Commission to Investigate and Report on the Events Which Occurred in Bahrain in February/March 2011

We, Hamad Bin Isa Al Khalifa, King of Bahrain, having reviewed the Constitution, have ordered the following:

Article One.

An independent Commission of Inquiry is hereby established to investigate and report on the events occurring in Bahrain in February/March 2011, and any subsequent consequences arising out of the aforementioned events, and to make such recommendations as it may deem appropriate.

Article Two.

The Commission consists of five eminent and internationally renowned members, whose experience and reputation worldwide is well established. They are:

- Professor Mahmoud Cherif Bassiouni (Chair);
- Judge Phillipe Kirsch (member);
- Sir Nigel Rodley (member); - Dr. Mahnoush Arsanjani (member); - Dr. Badria Al-Awadhi (member).

Article Three.

The Commission is wholly independent of the Government of Bahrain or of any other government, and the members of the Commission are acting in their personal capacity and do not represent any government, international organization, public official or any economic or political interest.

Article Four.

The Commission's mandate is to engage in fact finding and it has access to all concerned government agencies, government officials, government files and records. It is also free to meet with any person it deems appropriate, including but not limited to, representatives of civil society, human rights organizations, political groups, labor unions, and alleged victims and witnesses of alleged violations of internationally protected human rights. All relevant governmental departments shall put at the disposal of the Commission the results of their own inquiries into the above matters.

Article Five.

In connection with its work, which the Commission will determine on its own and without any interference by the government, the Commission will be able to meet with alleged victims and witnesses of alleged violations in secrecy and in accordance with measures that it shall develop to protect the privacy and security of individuals it meets with, in line with international human rights norms.

Article Six.

The government shall not interfere in any way with the work of the Commission nor shall it prevent access to it by anyone seeking to make contact with the Commission or its staff. Moreover the government shall facilitate the Commission's and its staff's access to such places and people as the Commission deems appropriate.

Article Seven.

The Commission shall have the authority to decide on all matters concerning the scope of its work and its methods of operation. The government shall ensure that no person or member of that person's family who has made contact with the Commission or cooperated with the Commission shall in any way be penalized, negatively affected or in any way harassed or embarrassed by any public official or representative of the government.

Article Eight.

The work of the Commission shall be independent of any national or judicial processes even if it concerns the same subject matter. No administrative or judicial body shall have the authority of stopping, curtailing, preventing or influencing the Commission's work and its results.

The Commission's work does not involve political issues or negotiations.

Article Nine.

The Commission's final report, to be submitted to His Majesty no later than 30 October 2011, shall be made public in its entirety.

The Commission's report shall contain, inter alia, the following:

- 1) A complete narrative of the events that occurred during February and March, 2011.
- 2) The context for these events.
- 3) Whether during these events there have been violations of international human rights norms by any participants during the events or in the interaction between the public and the government.
- 4) A description of any acts of violence that have occurred including the nature of the acts, how they occurred, who the actors were and what consequences derived therefrom, in particular at the Salmaniya Hospital and the GCC Roundabout.
- 5) Instances of alleged police brutality and alleged violence by protestors and/or demonstrators against police and others, including foreigners.
- 6) The circumstances and appropriateness of arrests and detentions.
- 7) Examination of allegations of disappearances or torture.
- 8) Ascertain whether there was any media harassment, whether audiovisual or written, against participants in demonstrations and public protests.
- 9) Examination of alleged unlawful demolition of religious structures.
- 10) Ascertain any involvement of foreign forces and foreign actors in the events.

Article Ten.

The Commission is free to make any recommendations, in particular recommendations for further official investigation or prosecution of any person, including public officials or employees, recommendations for reconsideration of administrative and legal actions, and recommendations concerning the institutionalization of mechanisms designed to prevent the recurrence of similar events, and how to address them.

Article Eleven.

The Commission may utilize such staff as it deems necessary to complete its work, and may determine the locations and facilities in which it will operate, which shall be under its full control. The Commission's Chair will propose the budget necessary for the Commission to fulfill its mandate, which budget shall be provided from the funds of the Royal Court. The expenses and compensation of the Commissioners shall be in accordance with

United Nations standards and shall be disclosed in the final report.

Article Twelve.

This Order shall come into force on the date of issue and publication in the Official Gazette.

Hamad bin Isa Al-Khalifa

King of the King of Bahrain

Issued at Rifa' Palace, 29 June 2011.