Talent Management: Managerial Sense Making in the Wake of Omanisation

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Abstract

We examine how managers in Oman make sense of localization policies (Omanisation) through their use of talent management. Through an institutional logics lens it is possible to examine how organizations confront institutional complexity and understand the interplay between state, market and societal logics. The paper analyses twenty-six interviews with managers in the Petroleum and Banking sector and is the first to examine talent management within the context of Omanisation using a layered, institutional logics perspective. The paper finds that punitive state logics encourage organizations to focus on the societal wellbeing of their TM measures and inspires a sense of corporate social responsibility. Yet, the market logic dictates a stratified and differentiated approach that manages impressions of inclusivity while safeguarding organizational interests.

Key words: Localisation, Talent Management, Institutional Logics, Sense Making, Oman.

Introduction

Oman embarked upon the process of labour localization (Omanisation) in 1995, focusing on the recruitment and development of local citizens in order to reduce dependence upon expatriate workers (Waxin and Bateman, 2016). Such policies are mirrored across the Gulf Cooperation Council (GCC) who have struggled with the consequences of an over-reliance on foreign labour. Workplaces in Oman are required to achieve a 90 per cent Omanisation target, directly replacing the same proportion of expatriates. The subsequent exchange of workers causes considerable issues for organizations including a shortage of skills and a loss of corporate memory, suggesting a fundamental role for human resource managers and talent management (TM) initiatives (Scott-Jackson et al. 2014; Al Amri et al., 2016). TM involves the identification and development of those positions that "differentially contribute to the organization's sustainable competitive advantage" (Collings and Mellahi 2009:35) and has been a response to the continual shortage of managerial talent available to organizations (Tarique and Schuler 2010; Khilji et al. 2015). Yet, research on TM in the Middle East is still underdeveloped (Forstenlechner and Mellahi 2011; Sidani and Al Ariss 2014; Waxin and Bateman, 2016) and the literature on TM has been silent on its governmental and non-governmental influences (Khilji et al. 2015). This paper seeks to address this gap. The implementation of localization programmes suggest that talent remains a challenge for GCC nations, yet such policies within these economies often fail to achieve their objectives. (Alsheikh, 2015; Ryan, 2016; Scott-Jackson et al., 2013). There is thus a need to examine how Omanisation influences managers to rationalize TM and to understand the extent to which the competing market, societal and state logics shape the conceptualization and subsequent implementation of TM as these logics simultaneously constrain and enable agency (Friedland and Alford, 1991).

The paper is structured as follows: First, definitions of TM are presented and combined highlighting assumptions of its strategic nature. Managerial sensemaking and institutional logics are then introduced in order to explain how managers rationalize their TM approaches and the role of competing logics. The context of Oman is then introduced with a discussion of its localization policy and resulting impacts. The extant, contextual HRM literature is also presented and examines the difficulties that Omani organizations have experienced in creating indigenous HRM approaches. This is followed by the research methods and the findings from the semi-structured interviews. A discussion is then offered, along with a series of implications for practice, limitations and key areas for further research.

Talent Management

Talent management (TM) has been defined in many ways and encompasses "knowledge, skills and abilities" (Schiemann, 2014:282), the "systematic identification of key positions…the development of a talent pool of high potential and high performing incumbents…and the development of a differentiated HR architecture" (Collings & Mellahi, 2009:304). These extracts align to the four key themes in the TM literature identified by Sparrow et al (2014) building on the work of Lewis and Heckman (2006) – the focus on practice, people, pools and positions. Keller and Cappelli (2014:117) view TM as "the process through which employers anticipate and meet their need for human capital. It is about getting the right people, with the right skills into the right jobs at the right time". Further, Keller and Cappelli (2014) explain the resonance of TM on individuals, organizations, the economy and society – their definition assumes that TM is a competitive, planned and strategic activity generated by the organization (Farndale et al., 2010; Vaiman et al., 2012). These definitions become problematic when the pressure for TM is driven by context and coercive exogenous forces and within emerging market economies where skills are limited or where economic growth has outstripped

workforce development (Doh et al., 2014; Doh, et al., 2011; Vaiman et al., 2012). While companies in countries such as China lower their expectations of managerial talent and supplement their need with imported foreign talent (Lane and Pollner, 2008)– approaches within Oman (and the GCC) are far more protectionist in favour of Omani workers (Sidani and Al Ariss, 2014). Thus, institutional diktat and historical legacy shape business systems and managerial understanding of TM (Festing et al., 2013; Preece et al., 2011; Tatoglu et al., 2016). Country-specific variables also shape expectations of TM practice and the success of TM depends on the extent to which TM is culturally aligned (Ewerlin, 2013; Furusawa & Brewster, 2015; Latukha, 2015; Zheng, 2009). Skuza et al.'s (2013) study of Poland highlighted a continued reliance on personal networks, a lack of acceptance of personal success and a mistrust of high-potential candidates. Such institutional 'stickiness' is similarly evidenced in Holden and Vaiman's (2013) study of Russian organizations where a history of tight, autocratic control coupled with institutional voids shaped managerial sensemaking and created a mistrust of talent and TM.

Managerial Sense Making and Institutional Logics

Managerial sensemaking in TM tends to be governed by market logics i.e. the needs of the business in response to the external environment including shifting demographics, international mobility, skill shortages, the intensification of competition, the shortage of capable leadership, the globalization of professional labour markets (Collings, Scullion, & Morley, 2007; Doh et al., 2014; Sparrow, Scullion, & Tarique, 2014). Even the definitions of TM align to the market logic with an emphasis on sustainable competitive advantage and the people and positions that add the most value. Yet because of a lack of time, poor structures, a lack of stakeholder involvement and poor HR competencies (Schuler, Jackson, & Tarique, 2011) many suggest that these decisions tend to be boundedly rational, reactive, biased and bereft of suitable

frameworks (Collings & Mellahi, 2009; Keller & Cappelli, 2014; Vaiman et al., 2012). Instead, Boudreau (2003), Schiemann (2009), Keller and Cappelli (2014) and Thunnissen et al., (2013) each highlight that TM should be aligned to a societal logic and contribute to employee and societal wellbeing, and therefore afforded a moral legitimacy (Delbridge & Edwards, 2008). A few attempts have been made to link TM with corporate social responsibility (CSR) and developing a company reputation that takes a socially responsible approach to the attraction, development and retention of talent (Bhattacharya, Sen, & Korschun, 2008; Doh et al., 2011; Vaiman et al., 2012). TM is therefore subject to a range of competing institutional logics.

Institutional logics (IL) provide the heterogeneous constellation of norms, values and beliefs that guide social action, whether competing or complementary (Durand et al., 2013; Zhao et al., 2017). They are social prescriptions and organizing principles that enable actors to make sense of situations and are manifested in organizational forms and managerial practices (Greenwood et al., 2010; Lounsbury, 2002). These institutional orders or logics include the market, the corporation, the professions, the family, religions and the state, and each can *constrain* and *enable* agency (Friedland and Alford, 1991, Thornton et al; 2012). Logics have been linked to a range of organizational phenomena including career progression and executive pay (Stovel & Savage, 2006; Thornton & Ocasio, 1999), mergers and acquisitions (Greve & Man Zhang, 2017); corporate sustainability and professional values (Corbett, Webster, & Jenkin, 2018; Dahlmann & Grosvold, 2017), social responsibility and professionalization (Lounsbury, 2002; 2007), downsizing and autonomy (Greenwood et al., 2010; Martin et al., 2017). The interaction or conflict between these logics is evidenced in how actors engage with their environments and change occurs because institutions are contestable and codified rules are open to interpretation and debate (Delbridge and Edwards, 2008; Thornton et al; 2012; Mahoney and Thelen, 2010). The "multiple forms of rationality" (Lounsbury, 2007:289) create the space for creativity and agency and impact the allocation of resources and the nature

of outcomes (Sheingate, 2010). Rules can be broken, obeyed, combined, applied to diverse contexts, and actors can exploit any contradiction between sets of rules (Sheingate 2010, Hall, 2010, Seo and Creed, 2002). However, where there is an incongruence between institutional reform and actor identity, normative sanctions/regulation and the threat of punitive measures encourage approval-seeking, thus the aversion of punishment is also central to social identity (Mahoney and Thelen, 2010).

Oman and Punitive State Logics

Punitive state logics are integral to Oman's localization policies and over the years, Omanisation targets have increased and international organisations have struggled to conform. Positions including HR managers, security officers, secretarial staff positions and public relations officers are reserved for Omani personnel and firms are expected to achieve a 90 per cent Omanisation target. This has resulted in a reduction of expatriate workers who were blamed for alienating and restricting local workforce entry into the labour market (Al-Waqfi and Forstenlechner, 2014), limiting workforce integration (Budhwar and Mellahi, 2007) and for perpetuating poor working conditions and management practices that were considered unacceptable to Omani nationals (Al-Lamki, 1998, Al-Waqfi and Forstenlechner, 2014). The Supreme Court of Oman ruled that the replacement of an expatriate employee, if replaced by an Omani national, is considered a fair dismissal and the employment protections afforded to the latter make subsequent dismissal difficult (State Department's Office of Investment Affairs, 2015).

Historically Omanis have been attracted to public sector employment, but a growing population of new job seekers, estimated to be 50,000 per year, and the highest rates of unemployment for those between 15-24 years old (Lanvin and Evans 2015), presents the prospect of a loose labour

market and more pressure on the private sector to offer attractive employment opportunities. Yet choice is restricted by a failure of the country's education system to meet the current market skill requirements (Ismail and Al Shanfari 2014) and Omanisation has therefore prompted a greater focus on the development of workforce training programmes (Al-Jahwari and Budhwar, 2016). Despite this, Oman ranked 84 out of 119 countries in its ability to grow talent due mainly to its poor pool of global skills (Lanvin & Evans, 2018). Oman's position in the Global Competitiveness Index (2106/2017) dropped from 62 to 66 of 138 countries, with its higher education ranked at 85 and the skills of its current workforce ranked 82 of 138 countries (Schwab, 2017).

While Sidani and Al Ariss (2014) found that responses to Omanisation across the GCC countries resulted in different TM policies and development initiatives for expatriate and local workers, TM is still under-researched in the Middle East region and in the Gulf area (Zahra 2011; Al-Fiouni et al. 2014; Sidani and Al Ariss 2014). Instead research interest has focused on the differences in HR practices across GCC countries and attributed to cultural factors (Aycan et al., 2007, Katou et al., 2010, Leat and El-Kot, 2007), the Islamic religion (Budhwar et al. 2010), employment policies and their impact on the dual labour market (Bashir, 2012, Forstenlechner et al., 2011, Forstenlechner et al., 2012). Some Omani organisations have shown strong interest in developing strategic HR responses, but they struggle to define a suitable indigenous approach and struggle to align these with the influences of Islam, civil service laws, social elites and the expatriate workforce (Al-Hamadi et al., 2007; Khan, 2011). This is further complicated by in-group collectivism and sheikhocracy, the prevalence of *wasta or nepotism* in selection and promotion systems (Common, 2011, Sidani and Thornberry, 2013), although the private sector is making some progress in challenging the use of *wasta* through its HRM policies and additional decision-making structures (Al-Jahwari and Budhwar,

2016). However, in the main the adoption of western-based models and practices are constrained by the idiosyncrasies of local culture, Islam and national employment regulations exacerbated by Arab resentment towards non-indigenous change (Al-Fiouni et al. 2013; Sidani and Thornberry, 2013). There is thus a need to examine how Omanisation influences managers to rationalize TM and to understand the extent to which the competing market, societal and state logics shape the conceptualization and subsequent implementation of TM.

Methodology

A policy of Omanisation is translated via different institutional logics that impact sense making which in turn shape action. Omanisation may produce a range of consequences, intended or otherwise, and it will depend upon the strength, variety and interplay of multiple constituents, multifarious institutional logics and their subsequent positioned practices (i.e. those practices associated with a diversity of social roles) (Fleetwood, 2004, Sayer, 2004). The aim of the study is not to generalize its findings to a broader population, rather to theorize and understand the ways in which managerial sense making and action can be explained. This study adopts a realist ontology and examines how managers make sense of their institutional realities.

Various contacts were made including personal visits, phone calls and emails, with a description of the intended study. TM resonated with managers in the private sector and initial access was gained with ease. A pilot study was conducted comprising five face-to-face informal interviews with two HR managers, one TM advisor and two strategic directors in one banking and one petroleum organization. The pilot study sought to understand some of the key issues managers experienced because of Omanisation and how this shaped their TM initiatives. These interviews formed the basis of the interview schedules developed for the main study.

Subsequently twenty-six semi-structured interviews from two banking organizations and two petroleum organizations were conducted (See Table 1). Interviewees were all fluent in English, so all interviews were conducted in English. There were two different sets of open-ended questions allocated for two different groups of participants. The first interview set included 19 questions and targeted one Strategic Director, one HR manager and two talent advisers from each case organization in the banking and petroleum industries through face-to-face interviews and the interviews focused on specific themes for each group. In total, 17 face-to-face interviews were conducted across the four cases. The second set of questions included 17 questions and targeted line managers. A total of 9 interviews were conducted for the second group across the four cases and therefore 26 interviews were applied for the two groups: the management (strategic directors, HR managers and TM advisers), line managers across the four organizations with 36 questions were asked for the two different groups. Questions for the former included (amongst others): How do you define talent in your organization? How does this meet your corporate objectives? What are the reasons for implementing a TM policy? Which approaches are used to manage talent and why? Questions for the latter were similar and line managers were asked of their definitions of TM and what they thought of the approach pursued by their organizations and what they would do differently. They were asked to comment on the external influences that shape TM approaches in their organization.

These four cases created opportunities to triangulate information, augment external validity and help guard against observer bias (Eisenhardt, 1989; Miles and Huberman, 1994). The organizations were purposively selected because they are private sector organizations, with economic centrality, each required to respond to Omanisation targets but struggling to compete against a more developed public sector.

INSERT TABLE 1 HERE

A semi-structured interview protocol was followed, since the definition of TM was not given to the participants, the interviews began with general questions about how TM is defined in these four case studies organizations. The researchers then focused on the drivers and shapers of TM, how managers rationalize their efforts, and the predominant TM approaches adopted. Extensive notes were taken during these interviews, recorded verbatim, and then transcribed (Miles and Huberman, 1994). A checking exercise was conducted, sharing initial findings with informants and requesting their feedback (Lee, 1999). These interactions helped to further refine understanding of the data. Codes that were similar were grouped to form first order categories and to achieve theoretical saturation interviews were coded until no further patterns could be discerned (Glaser, 2004). Further themes were then identified and linked to their corresponding IL. Two initial themes were examined. The first included the external and internal factors shaping TM – these were then coded as Omanisation, the pressure for succession planning, tight labour markets, issues with higher education and business model change. These nodes were then abstracted and related to their corresponding IL – market, state and society. The second included the understanding of the talent concept, then coded as overarching approach, Omani focused, differentiated and CSR. These were then connected to their overarching IL – society, family and culture.

INSERT TABLE 2 HERE

Findings

How Omanisation influences the rationalization of TM?

Organizational responses to Omanisation both in Banking and Petroleum focused on the rhetoric of talent and talent development. There was a sense of coercion amongst managers and

the need to respond in some way to fulfil stringent Omanisation targets. The managerial prerogative of automatic expatriate workforce replacement provides an operational imperative for a focus on 'talent development'.

> *"...if the government wants to give us thousand graduates we actually need programs for these people, they cannot just come in, we actually need (a) structured mechanism for developing them"* (TM1, PB).

> *"The idea to develop Omani people...is very difficult because we have difficulty in the market getting people. So, the idea of talent management is not only developing the people but accelerating the development"* (TM1 PA).

> *"...our Omanisation target now is 90% and above... We have around 8% of expats in the bank which may be about 100 staff. So, in order for these 100 people to be replaced by Omanis, it is necessary that we have some development plan for the local people. Talent development is addressing (the) Omanisation process..."* (HR, BB)

> *"...the Central Bank requirements and other government authorities which require organizations to hire local people with over 90 per cent... restricts the sources of talent, so, the focus of talent and development will be on Omanis* (TM1, BA)

TM1 (PB) stressed the need for structured processes, implying, although not directly, a cultural shift away from informal *wasta* oriented practices to a more managed and coherent approach. Managers appear to have no choice and need to make do. It is important to note that the Petroleum industry in Oman was, at the time undergoing profound change and diversification and as a result had experienced a shortage of critical skills, further exacerbated by a tightening of Omanisation targets which were considered by HR (PA) to be "*quite hard to achieve*". In adopting a market approach to Omanisation, TM1 (BA) emphasizes the need to develop Omanis but laments the inability of the organization to 'cast' its nets further and recruit talent from elsewhere.

TM appears as a discourse emanating from the implementation of Omanisation, a reaction to the automatic replacement of skilled expatriates. It is used to manage the impression of an employer of choice, a symbolic gesture, a distinctive employer offering that promises better opportunities and a long-term career. In focusing on these attributes, managers in Banking make cultural assumptions about what it is new entrants in the labour market are seeking and these assumptions are used to formulate a specific offering:

> *"There is clear lack of quality of graduates in the market because there is a lot of competition between different organizations to get the best talents...the labor market conditions are really very tight...the ones in the private sectors must come up with attractive propositions, HR propositions to attract the talents like talent management*

which includes development opportunities. So, people know when they join the bank they will be having long-term career to attract them" (TM2, BA).

"*…there are good Omanis who have sense of responsibility, have wanted to work smartly but when it comes to the experience level there is an issue…I have to steal from other banks and pay a lot of money!* (SD, BB).

Omanisation is translated by SD (BB) as a race to recruit or poach "good Omanis" – emphasizing the shortage of talent but also the precarious nature of investing efforts in expensive TM programmes. Managers also commented on the struggle to attract talent with the right skills and so programmes of TM were considered a sectoral imperative not an agenda forced by Omanisation.

"…mainly the reason that we thought of talent management was because of the business requirement of our blocks…because the (oil production) is ageing…and to maximise production you need new skills, new technology …innovation. …It was necessary to start over not just (the) requisition of talent…we need to develop our own talent also… (SD, PA)

The changing nature of the petroleum industry suggests that these firms are better placed to develop TM responses and shape their environments to cater for their needs. The IL that guide managerial sense making are firmly market oriented and such orientation fuels the need to invest in high skill development and influence education establishments:

"…the local labour market does not provide the oil sector (with) the required skills and talents for this stage and this because(s) of the higher Education system in Oman does not provide our needs … So we have to change something in our strategy in attracting this particular talent (TM2, PB)

"…we are trying to establish the curriculum of the education system in Oman…to minimize the time of training you see. Usually if we recruit somebody from the higher college of technology, we will spend another three years of training. [The]curriculum does not meet the requirement of our petroleum and gas industry" (SD, PA).

Omanisation targets have driven managers to pursue alternative means of developing a talent pipeline and have, to some extent, created a shared responsibility for skills education in Oman. Yet, the decision to engage in TM is not rationalized through the coercive nature of state diktat, nor does there appear any resentment towards such policy that amplifies competition and places undue resource burdens on their organizations.

Competing logics shaping the conceptualization and implementation of TM

State logics seem to have forced a focus on TM but in two organizations TM measures were viewed as part of a larger focus on corporate social responsibility (CSR), thus aligning to a societal logic focused on social wellbeing:

> *"Our company believes in the importance of investing in young Omani people as (an) essential part of our CSR policy; thus talent management has been introduced to be part of our CSR that focuses on Omani people in order to develop and groom them and then create a good job for them ..."* (TM3, PB)

> *"...in order for us to attract people one needs to communicate our benefits outside the bank, one should promote the bank in terms of CSR...In this way you can attract talent by explaining the benefits because the market in Oman is small and whatever one does is being known."* (SD, BB)

Managers in both Banking and Petroleum believe that it is their social responsibility to develop Omanis and while this highlights the influence of a societal logic, SD (BB) suggests that by connecting TM with CSR it is possible to manage the brand image of the firm and attract the best talent – thus a societal logic is underpinned by a more pragmatic market logic in order to respond to a more competitive labour market environment, the distinct shortage of skills within the labour market and manage appropriate impressions and employee value propositions. State logics are juxtaposed with market and societal logics and this combination forced similar responses to the development and implementation of TM in both sectors. Both sectors created dual programmes that appeared inclusive in nature. A TM process that segments would causes difficulty and expectations of progression increase the more the workforce is localized. Therefore TM, while driven by Omanisation seeks to cater for Omani employee expectations of "what is in it for me…will I move to other positions?" (TM3, PB). This has forced the appearance of an inclusive approach to TM (SD, PB) as those involved in TM programmes are viewed with suspicion by those who are not: "*(TM) creates sensitivity and you do not want to do that, so for this we have an inclusive approach in the early stage…"* (TM1, PB). Yet managers suggested that Omanis get more than they give and highlight the organizational imperative for differentiation, firms implemented stratified TM systems with a series of competitive elements:

> *"We do segment our talent in [PB], we have several bands in [PB] where we segment and differentiate the top, the top level, middle level and lower level… it is a little bit more inclusive definition and it is broader definition to include all members of staff to*

ensure we get business continuity, that we have healthy talent pipeline, the right capable individuals who can succeed in leadership positions…" (TM2, PB)

Managers offered each employee a fair chance of being considered in the talent pool – an exclusive approach aligning to the needs of the localization policy but at the middle and senior levels TM boundaries needed to be put in place. This was echoed in the banking sector where TM processes were focused on the development of high potentials to occupy critical positions:

"…we identify people who are going to develop into critical positions…there is one population who will be fast track, who are the high potential population, there is another population who will get a lot of training opportunities but not fast track and they will also be part of the talent management system. So, these two put together comprise the talent management system" (TM1, BA)

In one bank, TM was focused purely on a range of segmented employee development initiatives and concentrated on the younger generation, in another, the development of a range of inclusive and exclusive silver, gold and platinum layers. Silver and gold were exclusive in nature and targeted at junior and middle ranking levels. These were designed to increase competition at an early stage and to identify poor performers and to differentiate TM programmes from ordinary training courses:

"…The top part is for everyone, on the second level we are going to filter this and then you will cut of course to 25 to 30 people and here you will know your talent, where do they stand, there will be certain criteria a process of psychometric tests…group discussions and presentations…"(SD, BB)

TM was focused on taking care of those staff who were deemed worthier and who could achieve higher performance. TM approaches appeared inclusive, aligned both the state and societal logics, but market logics forced a differentiation – emphasizing the role of competition, the impact of scarcity, the need to develop employee value propositions and the need to differentially reward 'A' players in the organization and leverage the retention advantages of their TM programmes.

Discussion and Conclusion

This paper examined how firms rationalize the impact of Omanisation through TM and it contributes to an understanding of how the diverse logics of the state, market and society impact TM conceptualization and implementation. It responds to a need in the literature to examine

the governmental and non-governmental influences on TM and to develop further understanding of TM within a middle eastern context (Forstenlechner and Mellahi 2011; Sidani and Al Ariss 2014; Waxin and Bateman, 2016; Khilji et al. 2015). Through interviews with 26 managers in two key sectors in Oman it was possible to examine how managers confront institutional complexity and how competing logics create the subtle differences between these organizations' TM approaches but more importantly explain the similarities of their responses.

TM is a response to state logics but one that is deliberately stratified in order to cope with the influx of individuals with a high variability of skills. Consistent with Hall (2010), managers make sense of contentious policy and justify their actions through a belief of their role in the enrichment of Omani lives. Banking and Petroleum companies rationalized their engagement with TM through its representation of a broader CSR approach aligning with an overarching societal logic – giving something back to the community and supporting the economic development of the country (Keller & Cappelli, 2014; Thunnissen et al., 2013). Contrary to Al Hamadi et al., (2007) and Khan (2011), these values help create an indigenous approach to TM that corresponds with the collectivism of the region, the Islamic religion and its emphasis on family and society. Yet, it is also impossible to ignore the increasing propensity towards a protectionist policy at a time where talent markets are globalizing. The acute awareness of firms of their economic and societal imperative is contrasted with more ingrained market-oriented logics and the need to select and attract the best talent, creating a better skill development infrastructure both inside and outside the organization and carefully designed career structures that are increasingly competitive in nature, consistent with Al Jahwari and Budhwar (2016). Thus, state logics have generated societal impacts which might not have otherwise materialized had firms been left to their own devices.

However, TM initiatives were not purely altruistic in nature – they were used to structure the protection of the organization from the requirement to hire unskilled groups. TM helps to signal

a positive image, attract and retain the best people (Martin & Cerdin, 2014). It is interesting to note that none of these firms mentioned overhauling their HRM practice, perhaps because TM facilitates a more differentiated approach to people management and provides an excuse to do so.

The Omani system is more advanced in the extent to which it considers societal wellbeing and there is much to be said for the role of punitive state logics which might offer a more coordinated approach to skill development and career path construction. The study shows that institutional logics are fundamental to the study of TM because it shifts the governing logic and motives of TM away from those of the market – although market logics remain the *sine qua non* of TM. An analysis of diverse logics enables a layered approach to analysis and the logics of the market, state and society that might usually be at odds, are viewed as complementary. The broader societal benefits of TM might otherwise be viewed as an incidental, albeit, positive business externality. The study shows that organizations that are embedded within an institutional environment and that need to confront restrictive state policies can turn these into opportunities to improve their processes and help to combat negative cultural stereotypes e.g. the role of *wasta*. Coercive state logics have forced the creation of semi-inclusive TM systems that have greater transparency and structure. While these are a necessity in coping with a greater variability of available skills in the labour force, they help to shift the overall complexion of people management from a closed and nepotistic process to one that is more transparent and less ethically ambiguous.

Implications for Policy and Practice

Localization policies emphasize human resource development but such policies have ripple-effects throughout an entire institution. As such, policy makers need to consider the eco-system within which organizations reside and observe holistic approaches that combine the activities

of a range of support institutions to focus on strategic economic goals. Within organizations, managers need to be aware of the need to balance their own social and religious values with the needs of the organization and those in more powerful sectors will look for ways to influence other major institutions in search for complementarities and risk reduction. Localization initiatives and targeted TM interventions risk the development of a two-tier workforce and possible hostilities between locals and expatriates. The skills of expatriates are still required and while they may be considered disposable in the immediate term, their exclusion from TM programmes will reinforce divisions. As such, development programmes should continue to include expatriate workers.

Limitations and Further Research

The paper makes a key contribution to the TM literature, but it is not without its limitations which provide opportunities for further study. The focus on the banking and petroleum sector provide insights into the development of the private sector and the findings may be generalized to the same sectors across the GCC. However, it might not be generalizable across different sectors. Oman is seeking to develop its manufacturing sector as a key pillar of the economy, the country also has a strong retail sector. Further studies should examine the diverse impacts of Omanisation within these areas and compare whether these diverse sectors have developed similar TM initiatives. A focus on institutional logics is valuable as it helps to separate competing layers, but further work could be done on understanding the interplay between the Islamic religion and corporate social responsibility endeavours. Better understanding is needed of the reaction of talent to TM initiatives and whether TM is viewed as a 'pull' factor because of its association with CSR. Further, the participants in this study were limited to the managers of talent programmes, HR and general business – as such the findings are managerially biased. More needs to be done to understand the experience of TM within this context, especially as the education systems are struggling to develop appropriate talent pipelines. Further work

should also examine the expectations of up and coming talent and the impacts of workforce differentiation on workforce norms and behaviours.

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Table 1 Interviews by Level and Organization

Level	BA (Banking)	BB (Banking)	PA (Petroleum)	PB (Petroleum)	Overall
Strategic Directors (SD)	1	1	1	1	**4**
HR managers (HR)	1	1	1	1	**4**
TM advisors (TM)	3	1	2	3	**9**
Line Managers (LM)	2	1	4	2	**9**
Total	7	4	8	7	**26**

Table 2: Results of Thematic Analysis

Initial Themes	Developed Nodes from Data Analysis	Key Lenses for IL (Norms and Values)
External and internal factors shaping TM	Omanisation Succession plan Labour market Higher education/Skills Business model change	State Market Society

Understanding of talent and TM	Inclusive vs. Exclusive Omani focused Differentiated CSR	Society Family Culture