

HRM Evolution in Oman: Navigating the Future of Workforce Management in the Sultanate's Changing Business Landscape

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Abstract

This study thoroughly examines the development of human resource management (HRM) in Oman, emphasizing its strategic incorporation into the country's evolving economic environment. This study systematically evaluates secondary data, including academic articles, industry reports, and statistical analysis, to investigate Oman's present Human Resource Management (HRM) condition. It aims to compare HRM practices in Oman with those seen in the Gulf Cooperation Council (GCC) area to identify distinctive patterns and obstacles. The results indicate that the history of Oman's human resource management (HRM) is marked by a notable focus on nationalization, integration of technology, and adherence to global HR norms, all while considering local cultural and economic factors. The HRM policies of the country are intricately linked to its national development objectives, namely the Omanization of the workforce and the improvement of skills. A comparative study shows that Oman's HRM strategy stands apart from GCC rivals due to its emphasis on sustainable development and strategic workforce management. The study's findings indicate that Oman has significantly improved its HRM practices. However, there are still areas that need development, namely in terms of aligning with global HR trends and strengthening the skill set of the local workforce. The study highlights the significance of ongoing investment in human resource development, the use of technology, and policy change to guarantee that the evolution of human resource management in Oman aligns with national goals and international benchmarks. In short, this research enhances the comprehension of the growth of Human Resource Management (HRM) in Oman, offering a theoretical and practical structure for forthcoming investigations and policy formulation in HRM and workforce development.

Keywords: Human Resource Management (HRM), Oman, Workforce Management, Nationalization, GCC (Gulf Cooperation Council), Economic Diversification, Integration

1. Introduction

In recent years, Oman's Human Resource Management (HRM) field has seen substantial changes, which may be attributed to global trends and local cultural and economic factors. This study examines the progression of human resource management (HRM) practices in the Sultanate of Oman, specifically emphasizing their adaptation to the dynamic corporate environment, the influence of technological progress, and the incorporation of global HRM norms within domestic settings. The conversation is based on pertinent scholarly literature, case studies, and the most recent statistical data, thoroughly examining HRM's contribution to Oman's economic progress and operational effectiveness.

Due to its advantageous geographical position at the intersection of Eastern and Western regions, the Sultanate of Oman has traditionally served as a prominent centre for commerce. Nevertheless, within the framework of contemporary HRM practices, Oman has initiated a process of metamorphosis to broaden its economy and diminish its reliance on oil earnings. The Vision 2040 plan places significant emphasis on developing human capital and improving worker efficiency and effectiveness, as outlined in the country's long-term development strategy. As a result of this strategic change, HRM has been elevated to the forefront of corporate and national agendas.

The academic study of Human Resource Management (HRM) in Oman has grown rapidly. The adoption of Western HRM techniques in the Omani setting has been examined by scholars such as Al-Hadrami et al. (2023). Their research has shed light on the difficulties and potential advantages of harmonizing global HRM tactics with local culture and commercial norms. Moreover, a study conducted by Elbanna et al. (2024) in the Omani public sector highlights the crucial

significance of Human Resource Management (HRM) in facilitating organizational transformation and improving the provision of public services.

The Omani labour market has shown intriguing statistical patterns. As to the findings of the National Centre for Statistics and Information (NCSI) in Oman, there has been a noticeable trend towards workforce diversification, characterized by a significant increase in the expatriate population's involvement across many sectors. The Sultanate's Omanization program, which seeks to enhance the employment of Omani nationals, has compelled the implementation of strategic human resource management (HRM) practices. These practices are necessary to effectively manage talent acquisition, development, and retention while also striving to achieve the socio-economic objective of lowering unemployment among Omani residents. Small and medium-sized firms (SMEs) have expanded substantially within the private sector. According to the Ministry of Commerce, Industry, and Investment Promotion, small and medium-sized companies (SMEs) make up more than 90% of Oman's businesses. This emphasizes the need for efficient human resource management (HRM) practices that promote these organizations' growth and long-term viability. The evolution of HRM methods in Omani SMEs has been investigated in studies conducted by scholars such as Umair et al. (2023). These studies have focused explicitly on the strategies related to training and development, performance management, and employee engagement.

E-HRM, which refers to incorporating technology into HRM operations, is a crucial area of advancement. Human resources information systems (HRIS) and other digital technologies have seen a notable rise in Oman, enabling enhanced efficiency and effectiveness in human resources procedures. According to an Innocent-Nwosu et al. (2024) study, implementing electronic human resource management (e-HRM) inside Omani enterprises has resulted in notable advancements in decision-making processes, communication effectiveness, and aligning HR activities with corporate objectives. In summary, the development of Human Resource Management (HRM) in Oman is a complex phenomenon shaped by factors such as economic diversification, technological progress, and the incorporation of global HRM strategies into local customs and principles. The current body of research and statistical data indicates that the implementation of efficient human resource management (HRM) plays a crucial role in attaining organizational success and national development goals. Consequently, HRM has emerged as a central field of study and application within Oman's ever-changing corporate landscape.

2. Literature Review: HRM Practices in Oman Compared with the GCC

This literature study critically analyzes Oman's Human Resource Management (HRM) practices, drawing comparisons with those seen in other nations within the Gulf Cooperation Council (GCC). The text combines pertinent research, comparative evaluations, and statistical information to comprehend the dynamics of human resource management in the area. It emphasizes the advantages and disadvantages and justifies the observed patterns. The HRM methods in Oman and its GCC equivalents are compared in significant research conducted by Al Saadi and Amuthakkannan (2024). The study examines explicitly recruiting, training, and performance management. The authors believe Oman exhibits similarities with GCC nations, such as a significant dependence on expatriate labor. However, Oman's labor regulations and economic diversification endeavors give rise to diverse strategies for managing indigenous and expatriate talent. In statistics, a comparative analysis of tables reveals significant disparities. Oman has more labor nationalization (Omanization) than some GCC countries (Younis et al., 2024). According to the National Centre for Statistics & Information (NCSI), the private sector in Oman has a 45% Omanization rate. In contrast, countries such as Qatar and the UAE have rates ranging from 20% to 30%. This highlights Oman's proactive strategy in incorporating its citizens into the labor market.

Table comparison shows notable differences.

Country	Omanization Rate	Expatriate Workforce Percentage
Oman	45%	55%
UAE	30%	70%
Qatar	20%	80%

The research conducted by Mahmoud and Othman [7] demonstrates a dedication to enhancing employee capabilities and integrating human resource management (HRM) with the strategic objectives of the public sector in Oman. The GCC area has seen a comparative study conducted by Falcó et al. (2024), which demonstrates that while there is a prevailing inclination towards the modernization of human resource management (HRM) practices, cultural and regulatory variables continue to have a substantial influence on the development and implementation of these practices across the region.

Existing research gives several viewpoints on the influence of HRM practices on the performance of organizations. The justification for HRM strategies in Oman often stems from the need to balance modernity and preserve traditional values. According to Karim et al. (2024), maintaining this equilibrium is essential for the efficiency of HRM in Oman since it involves managing the intricacies of international corporate practices and local cultural norms.

Oman's HRM practices provide many advantages, such as a strong emphasis on nationalization, which results in a rise in job prospects for Omani citizens and a decrease in reliance on foreign workers (Thomas & AlDarwashi., 2023). Nevertheless, a drawback of this situation is the possible disparity in skills, as firms may have difficulties locating local individuals possessing the necessary expertise and experience, resulting in temporary productivity difficulties.

The rationale for Oman's distinctive human resource management (HRM) strategy is rooted in its strategic national goals. The Vision 2040 strategy emphasizes cultivating a proficient Omani labour force to maintain economic expansion and diminish reliance on oil. This strategic vision aligns with the unique human resource management (HRM) methods seen in Oman in contrast to other Gulf Cooperation Council (GCC) nations, which may exhibit divergent economic and social agendas. In summary, the existing body of research suggests that Oman, like its Gulf Cooperation Council (GCC) counterparts, has some attributes of human resource management (HRM). However, it also demonstrates distinct practices due to its national aims and economic diversification plan. The intricacies and dynamics of human resource management (HRM) in the area are underscored by comparative research and statistical analysis. These findings emphasise the need to understand how cultural, economic, and regulatory issues impact HRM practices in Oman and across the Gulf Cooperation Council (GCC).

3. Research Methodology

This study aims to thoroughly examine current academic conversations to identify and promote techniques that would enhance the development of Human Resource Management (HRM) in Oman, specifically within the framework of "Navigating the Future of Workforce Management in the Sultanate's Changing Business Landscape." The primary objective of this endeavour is to provide a complete and resilient theoretical framework that integrates the findings from prior research, facilitating future academic inquiries (Balushi et al., 2022). Through a comprehensive examination of relevant scholarly sources, the present study aims to discover innovative research directions, enhancing the existing academic knowledge. Literature evaluations are crucial for laying a solid groundwork for future academic investigations, especially when incorporating sustainable practices into industrial frameworks (Milhem et al., 2023). This research seeks to provide the foundation and stimulate further academic endeavours in the field of HRM development in Oman, with a specific emphasis on the strategic management of the workforce within the changing business environment of the Sultanate. The foundation of this study is rooted in secondary data and review articles to consolidate and expand upon the current corpus of literature on the topic (Ateeq et al., 2023).

4. Discussion

The investigation of the development of Human Resource Management (HRM) in Oman, as it adapts to the dynamic business environment, offers a distinctive perspective in the broader framework of HRM strategies in the Gulf Cooperation Council (GCC) area. Research undertaken by Elbanna (2023) offers a comparative examination of human resource management (HRM) practices in the Gulf Cooperation Council (GCC) region. Their study sheds light on the unique characteristics of Oman's approach, specifically about workforce nationalization and the use of technology in HR procedures. The HRM development in Oman is characterized by a deliberate focus on Omanization, with the objective of enhancing the representation of Omani citizens across diverse industries. This approach sets Oman apart from its Gulf Cooperation Council (GCC) neighbours, which, while also advocating for nationalization policies, exhibit varying degrees of execution and rates of success. In his research on Omanization, Lagger [30] highlights that Oman has implemented rigorous quotas and policies to successfully integrate Omani citizens into the labour market, namely within the private sector, distinguishing it from other Gulf Cooperation Council (GCC) countries.

The significance of these HRM practices is shown by statistical research. For example, the National Centre for Statistics and Information (NCSI) has shown a progressive rise in the proportion of Omani citizens engaged in private sector employment, escalating from 15% in the year 2000 to over 45% recently (Klenk, 2021). The development in question may be ascribed to implementing vital human resource management (HRM) strategies. These strategies aim not only to increase the number of employees but also to improve the skill sets of the Omani workforce. These efforts align with the national goal of economic diversification and sustainability. There are many reasons for Oman's HRM strategy's implementation of an assertive nationalisation policy (Hashmi, 2019). From an economic standpoint, reducing dependence on foreign labour leads to the retention of capital inside the nation, thereby enhancing the balance of payments. From a social perspective, it offers job prospects for the expanding Omani populace, promoting social cohesion and a sense of nationalistic pride (Najaf et al., 2023); strategically, it is following Oman's Vision 2040, which emphasizes sustainable growth, economic diversification, and the development of human resources.

This research has made several contributions. Firstly, this study offers a comprehensive analysis of the intricate and ever-changing nature of Oman's human resource management (HRM) practices while also providing a comparative viewpoint with other Gulf Cooperation Council (GCC) nations. Comprehending the distinctive difficulties and possibilities within Oman's HRM ecosystem is of utmost importance for policymakers, HR practitioners, and researchers. Additionally, the research emphasizes the strategic ramifications of Oman's strategy of nationalization, providing a model for other countries that share comparable economic and demographic characteristics. The effective amalgamation of nationalization tactics with wider human resource management (HRM) practices in Oman exemplifies a paradigm for harmonizing economic progress with societal and national goals. Furthermore, this study adds to the scholarly conversation on the development of Human Resource Management (HRM) in developing countries, namely in the Middle East. By combining statistical analysis with theoretical frameworks, it offers a comprehensive perspective on the variables that influence HRM practices in the area, enhancing the current knowledge base with additional depth and context (Thomas and R. J. AlDarwashi, 2023).

This study contributes to the existing body of HRM literature by integrating many research approaches, including as comparative studies, statistical analysis, and argumentative debates, to enhance our understanding of HRM policies and practices. This study connects theoretical knowledge with actual application, providing a thorough examination that may contribute to future research and policy development. The results of this research have significant value for human resources professionals in Oman and the broader Gulf Cooperation Council (GCC) area. These insights provide valuable perspectives on HRM techniques that may be used to effectively address the complexities of personnel management within a dynamic company landscape. The report places significant importance on sustainable practices and nationalization, providing valuable guidance for firms seeking to connect their human resource management (HRM) strategies with national development objectives.

Overall, this research makes a substantial contribution to the comprehension of the development of Human Resource Management (HRM) in Oman. It provides a comprehensive analysis that integrates previous research outcomes with contemporary practices. This study contributes to the existing body of academic research and offers practical recommendations for human resource management (HRM) professionals. It aligns with Oman's strategic goals and addresses the many problems and possibilities presented by the dynamic business environment in the Gulf Cooperation Council (GCC).

5. Limitations and Future Research

Although this research provides a thorough overview of the development of Human Resource Management (HRM) in Oman, it is important to acknowledge its shortcomings. A significant limitation is the dependence on secondary sources and pre-existing literature, which may not include the latest developments or real-world conditions. Considering the fast transformation rate in the commercial and economic landscape in the GCC area, doing primary research that gathers up-to-date data would provide a more detailed and current viewpoint. A further constraint is the overwhelming emphasis on Oman and its juxtaposition within the GCC framework, perhaps neglecting the global impacts and trends that impact human resource management (HRM) practices. Examining the relationship between global human resource management (HRM) methods and their local implementation in Oman can provide valuable insights into the difficulties and advantages encountered by the HRM industry in adjusting to international norms while safeguarding local cultural and economic intricacies. To overcome these constraints, future studies should focus on integrating primary data-gathering methods, such as surveys, interviews, and case studies, to comprehensively comprehend the existing HRM practices and their efficacy in Oman. Conducting longitudinal studies would be advantageous in examining the progression of HRM in Oman over time, enabling the evaluation of the enduring effects of existing policies and practices. Furthermore, broadening the study scope to include a more comprehensive comparison with nations outside the Gulf Cooperation Council (GCC), particularly those exhibiting comparable economic and cultural dynamics, will enhance the comprehension of global human resource management (HRM) trends and their relevance at the local level. Conducting an inquiry into the effects of new

technologies and digital transformation on human resource management (HRM) practices in Oman would provide significant findings on the prospective trajectory of HRM in the area, by worldwide patterns and advancements.

6. Conclusion

In short, developing Human Resource Management (HRM) in Oman demonstrates a complex interaction between the country's strategic goals and international HRM methodologies. The present research has shed light on the intricate strategy used by Oman in the growth of Human Resource Management (HRM), distinguished by its endeavours towards nationalization and the incorporation of contemporary HR practices within its own cultural and economic context. Although there are some limits, this study offers a fundamental comprehension of the dynamics of Human Resource Management (HRM) in Oman. It gives valuable insights for future studies and practical consequences for professionals in the field of HR. Future study should expand its range and approach to include the dynamic characteristics of HRM in Oman and its synchronization with worldwide patterns, guaranteeing the ongoing expansion and durability of the Omani workforce in the context of economic change.

7. Recommendations

Based on the results obtained from this research about the development of Human Resource Management (HRM) in Oman, a number of suggestions arise for policymakers, HR professionals, and academics. The following recommendations aim to improve the strategic advancement of human resource management (HRM) practices in Oman, with a focus on ensuring their effectiveness, sustainability, and alignment with both domestic and international trends.

- To support nationalization endeavours, it is imperative to further fortify Omanization policies by prioritizing skill enhancement and training initiatives. This will ensure that Omani citizens possess the necessary competencies to address the requirements of the contemporary labour market effectively.
- It is recommended that HR technology be invested in and digital transformation in HR processes adopted to enhance efficiency and effectiveness. This entails using HR analytics and data-driven decision-making techniques.
- This proposal advocates for the promotion of HR research and education by urging academic institutions and organizations to engage in studies pertaining to HRM practices. It suggests providing scholarships and funds to support research endeavours that explore local HR concerns.
- Foster Global Human Resources Partnerships: Foster alliances with worldwide human resources organizations and institutions to facilitate the sharing of information, best practices, and to remain updated on global human resource management trends.
- Establishing a culture of continual learning and development inside enterprises is essential to maintaining the workforce's competitiveness and adaptability to evolving industry needs.
- Promote workforce diversity by implementing policies that foster inclusivity and diversity in the workplace, acknowledging the significance of varied viewpoints and backgrounds in stimulating creativity and achieving corporate prosperity.
- Enhance HR Policy Frameworks: Conduct periodic evaluations and revisions of HR policies and regulations to guarantee their alignment with prevailing economic circumstances, labour market dynamics, and global benchmarks.
- The purpose of these suggestions is to provide guidance for the strategic direction of Human Resource Management (HRM) in Oman, with the aim of facilitating its development and adaptability within a dynamic global corporate landscape.

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