An Integrated Model for Effective Localization of Human Resources in the State of Qatar: A Comparative Study of Expatriates and Nationals

A thesis submitted in the fulfilment of requirements for the degree of Doctor of Philosophy at Charles Sturt University

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August 2014
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Statement of Original Authorship

I hereby declare that this submission is my own work and to the best of my knowledge and belief, understand that it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at Charles Sturt University or any other educational institution, except where due acknowledgement is made in the thesis. Any contribution made to the research by colleagues with whom I have worked at Charles Sturt University or elsewhere during my candidature is fully acknowledged. I agree that this thesis be accessible for the purpose of study and research in accordance with normal conditions established by the Executive Director, Library Services, Charles Sturt University or nominee, for the care, loan and reproduction of thesis, subject to confidentiality provisions as approved by the University.

Certificate of Authorship

Name: Justin Williams

Date: July 28, 2014
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Acknowledgements

First and foremost, I have to acknowledge my research supervisor, Dr. Ramudu Bhanugopan. Our professional relationship has spanned half a decade and throughout that time, he has always been insightful, courteous, gracious and provided me with astute guidance through this journey. I was not once left without his feedback and am forever grateful for having been spared the purgatory that affects so many of my fellow PhD students. I would not have completed this work without his guidance. On this note, I would also like to thank Dr. Alan Fish for all of his help with this thesis.

Without doubt, I must thank my wonderful wife, who has stood by me unwaveringly. As I quietly persevered though all stages of this work, I have received nothing but support from her. On my trips to Australia, where I was to leave her in a foreign country with our children, sometimes for weeks at a time, she always supported the work I was doing and never doubted in me. Thank you.

I also cannot exclude my parents who calmly offered support. Thank you for instilling in me the desire to always do the best possible work. Without you, I wouldn’t be at this stage today. For my family and friends who expressed interest in my work, and who supported me in this endeavour, a sincere thank you.

I would also like to thank the two Dean’s who have supported me in this endeavour: Gail Gosse and Dr. Kim Critchley, who have both supported my research, and my education.

Finally, I must acknowledge the profound impact of my inspiration; my children. For almost all of Shale’s life and all four years of Isabella’s, I have been a student. While
I have not missed in their joys and anguishes, and have been able to proudly raise them during my studies, and I have gained a perseverance and strength from knowing that they were there, and that the work I am doing will positively impact them in our lifelong journey together. Thank you both.
4th May 2011

Mr Justin Williams
School of Business
Charles Sturt University
WAGGA WAGGA

Dear Mr Williams

The School of Business Ethics Committee has approved your proposal “Managing the localisation of human resources in Qatar” for a 12 month period from 5th May 2011.

The protocol number issued with respect to this project is 209/2011/04. Please be sure to quote this number when responding to any request made by the Committee.

Please note that the Committee requires that all consent forms and information sheets are to be printed on School of Business letterhead. Students should liaise with their Supervisor to arrange to have these documents printed.

You must notify the Committee immediately should your research differ in any way from that proposed.

You are also required to complete a Progress Report form, which can be downloaded from www.csu.edu.au/research/forms/ehre_annrep.doc, and return it on completion of your research project or by 5th May 2012 if your research has not been completed by that date.

The Committee wishes you well in your research and please do not hesitate to contact Dr Pamela Mathews on extension 32575 or email pmathews@csu.edu.au if you have any enquiries.

Yours sincerely

DR PAMELA MATHEWS
School of Business
Ethics Committee
Direct Telephone: (02) 6933 2575
Email: pmathews@csu.edu.au
# Glossary

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<td>Adjusted Goodness of Fit Index</td>
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<td>Liquid Natural Gas</td>
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<td>Multinational Corporation</td>
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<td>Multivariate Analysis of Variance</td>
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<td>Normed Fit Index</td>
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<td>Organisational Commitment</td>
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<td>Organization of the Petroleum Exporting Countries</td>
<td>OPEC</td>
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<td>Qatar National Bank</td>
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<td>Root Mean Square of Approximation</td>
<td>RMSEA</td>
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<td>Statistical Package for the Social Sciences</td>
<td>SPSS</td>
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<td>Structural Equation Modelling</td>
<td>SEM</td>
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<td>United Arab Emirates</td>
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Refereed Journal publications


Refereed Conference Proceedings

Abstract
Localisation has been called one of the most dire human resources issues for the Middle East region. However, despite the challenge of localisation for domestic and multinational business, and high rates of unemployment and underemployment, particularly for youth, little research has addressed this pressing issue. The purpose of this pioneering, exploratory study was to identify obstacles to localisation, and investigate if a relationship exists between these obstacles, work values and the organisational commitment of the national and expatriate workforce in Qatar.

The participation of nationals is an important part of any nation’s workforce. The Gulf Cooperation Council and in particular, the State of Qatar, has one of the most unbalanced labour participation rates in the world; nationals are minorities both in the workforce and in the overall total population. With the unique and enviable situation of having a job surplus, Qatar depends on the expatriate population to fulfil ambitious development plans. However, an underlying problem exists whereby nationals face significantly less pressure to gainfully commit to the workforce through a generous social contract. The result is unemployment and underemployment, and a domestic workforce that is relatively uncompetitive and valuable only in the context of the local culture.

Against the backdrop of ambitious development plans, a burgeoning infrastructure and the highest per capita income in the world, this thesis proposes and tests a number of theoretical models where the underlying challenge to localisation is expatriate resistance, national work values and an overarching relationship between these variables and organisational commitment. This research uncovers some of the latent factors acting as obstacles to localisation in addition to work values and organisational commitment in the State of Qatar. This study examines the factor
structure of the obstacles to localisation, work values and organisational commitment of nationals and expatriates.

Two hundred nationals and 204 expatriate employees from Qatari organisations completed a survey. Exploratory factor analysis, confirmatory factor analysis using structural equation modelling, and finally regression analysis were used to determine the relationship between the underlying factor structure and demographic and organisational variables.

The results reveal that, although nationals perceived localisation to be effective, expatriates perceived a number of obstacles such as lack of training, succession planning and resistance due to satisfaction in the workplace. The findings from this study contribute to human resource development theories and bear implications for human resource development in the Middle Eastern context. The predictive powers of the organisational and demographic variables provide researchers and practitioners with new perspectives and insights on localisation in Qatar.

This study has some limitations that future research might address. Overall, it focuses on nationals and expatriates in Qatar. The extent to which its findings extend to other Gulf Cooperation Council countries remains to be studied.

In conclusion, this study offers a number of contributions that have important implications for research on localisation and that pave new avenues for research in this area.
Chapter 1 Introduction

Chapter Overview
The main purpose of Chapter 1 is to provide background to this study. The research setting, including discussion about Gulf Cooperation Council (GCC) countries in general and the State of Qatar in particular, is followed by an overview of the research problem, and a justification for the research that illustrates the objectives and provides a general outline for the overall project.

The chapter is organised in eight sections. Section 1.1 briefly introduces the issues of human localisation, which is at the heart of this study. Section 1.2 outlines the research setting. Section 1.3 discusses economic conditions in the Middle East, drawing on official statistics on population and labour force participation. Section 1.4 outlines the research problem, while Section 1.5 provides the objectives of the research and the conceptual model. Section 1.6 introduces the research methodology, instruments, data collection processes and research outcomes. Section 1.7 outlines the organisation of the thesis. Finally, Section 1.8 concludes the chapter.

1.1 Human Resources and Localisation
The increase in the globalisation of business has led to a rise in two somewhat opposing human capital movements. The first is a rising incidence of expatriate workers (Metcalfe, 2006, 2007), and the second is the phenomenon of human resources (HR) localisation (Al-Lamki, 1998; Godwin, 2006; Harry, 2007; Lee, 2005).

*Localisation of HR* can be described as the replacement of expatriates with qualified nationals. According to Bhanugopan and Fish (2007), ‘localization’ is a process in which local officers increase their competencies, and consequently improve their
performance, the main objective being to train and develop locals to enable them to replace expatriates with competency and efficiency” (p. 366). The localisation process then requires competent nationals to replace expatriates.

The localisation of HR has increased over the past 30 years, particularly in the Middle East, (Al-Dosary & Rahman, 2009; Looney, 2004; Rees, Mamman, & Braik, 2007), and has been at the forefront of many business initiatives. It is a significant staffing consideration for transnational businesses entering or operating in this particular region of the world (Al-Dosary & Rahman, 2009; Looney, 2004; Budwar, & Mellahi, 2007; Rees et al., 2007).

Changes to government policy and legislation have further complicated staffing in GCC countries (Budwar, & Mellahi, 2007; Rees et al., 2007). The increasing use of quotas and protection from termination for national staff and other techniques to enhance the participation of nationals in the workforce have changed the HR landscape. In fact, as a result of such changes to legislation, it has become increasingly unlikely for a large organisation to establish itself in the GCC without addressing the localisation of HR.

While anecdotal records and literature on localisation exist in most GCC states—particularly in the Kingdom of Saudi Arabia (KSA), Kuwait, Oman, and the United Arab Emirates (UAE)—it is nevertheless argued by Forstenlechner (2010), Budwar, & Mellahi (2007), (2006, 2007, 2008) and Rees et al. (2007) that there is an under-representation of scholarly literature on localisation programs. The difficulty of finding reliable data and conducting research in the region might contribute to this deficit (Forstenlechner, & Rutledge, 2010). This notion is supported by Harry (2007),
who suggests that those “who try to conduct research in the region have found it very
difficult to gain access to reliable empirical information or statistical data” (p. 134).

While localisation of HR does occur in many overseas locations with varying degrees
of success (Al-Dosary & Rahman, 2009; Al-Lamki, 1998; Bhanugopan, & Fish, 2007;
Godwin, 2006; Harry, 2007; Lee, 2005), the expatriation of HR tends to receive the
most attention from researchers and practitioners due to its stronger prevalence and
importance to parent companies. Factors surrounding expatriation—including the
benefits and challenges of expatriate life, issues around repatriation and the actual
benefits provided to expatriate workers in situ—have been reviewed extensively
(Bhanugopan, & Fish, 2007; Brown, 2008; Haslberger, & Brewster, 2008). Indeed,
expatriates are likely to receive continued attention as the increase in globalisation
and the ensuing demand for expatriate workers continues to rise.

Nevertheless, expatriation alone is not necessarily the most suitable staffing strategy
for a business operating in foreign locations. This is reflected in the career and
adjustment challenges facing many expatriates (Bhanugopan, & Fish, 2007;
Haslberger, & Brewster, 2008), the high costs associated with this phenomenon, and
the call for new staffing strategies (Hawk & Sheridan, 1999; Colakoglu, & Caligiuri,
2008). While these challenges surrounding expatriation are outside the scope of this
study, the importance of the increasing practice of localisation and its impact on GCC
countries—the state of Qatar in particular—is the focus of this research.

Theoretical underpinning

While discussion of localisation theory is sparse in the literature, the main drivers for
localisation are economic, social and political (Forstenlechner, 2010; Rees et al.,
2007). Localisation theory, derived in part from human capital theory (Achouli, 2009),
is driven by the need to increase the skill level and productivity of nationals to ensure that nationals are as competent as expatriates (Selmer, 2004). Further, Selmer postulates that lack of training and support are one of the main impediments to localisation theory becoming embedded in practice.

The conceptual approach to work values used by Matic (2008) identifies a conceptual difference between different groups. This is not surprising based on the earlier work of Hofstede (1993, 2001). The theoretical relationship between work values and localisation has been indirectly referenced (Achoui, 2009; Rees et al., 2007) but not overtly discussed. Further, the link between Meyer, Bobocel and Allen’s (1991) concept of work values on affective commitment and has only loosely been proven to have a significant relationship. However, the link between organizational commitment (OC) and productivity has been established in the literature (Meyer & Allen, 1991; Meyer & Allen, 2001; Meyer, Allen & Smith, 1993; Muthuveloo, & Raduan Che Rose, 2005).

1.2 The Setting: The Gulf Cooperation Council and Qatar
This section provides background information about the setting for this research study.

1.2.1 Gulf Cooperation Council Countries: An overview
The GCC was established in 1981. While relatively small demographically, the six-member nation council has significant strategic importance due to its location in the Middle East, large oil and gas reserves and the large American military presence, particularly in Bahrain and Qatar.

In 1995, approximately 15.8 million migrants were living in the GCC countries. This number increased to over 21 million five years later. It was anticipated at that time
that this number, if unchecked, would grow to almost 26 million by 2010 (United Nations, 2009b). Overall, migrants make up the majority of the population in four out of the six GCC nations (Al-Khouri, 2010). As of 2013, over half of the population of the GCC region is migrant (Georgetown University in Qatar, visited March 2014).

One of the major characteristics of the population of GCC nationals is the inverse pyramid of citizens under the age of 15 (Kapzewski, 2004; Malecki, & Ewers, 2007). In more developed regions, where life expectancy is longer, there is not such a strong inversion (United Nations, 2009a). However, in the Middle East, where life expectancy has increased only in recent decades, the younger population tends to be much larger than the older population. For example, in the Arab region, only four per cent of the population is over 65 compared with 20 per cent in more developed regions (United Nations, 2009b).

Perhaps one of the most striking impacts of such a young population will be on employment. As locals reach employable age and seek to enter the workforce, this group will feel increased pressure and competition (Forstenlechner, & Rutledge, 2010; Harry, 2007). Forstenlechner and Rutledge (2010) note that increasing unemployment in the 18–24-year age group, coupled with an increase in foreign workers, will pose significant challenges in the future as the perception of preferential hiring of expatriates over nationals grows, leading to tensions in the region.

1.2.2 Workforce in Gulf Cooperation Council Countries

For the sake of simplicity, the workforce in the GCC countries can be divided into three distinct groups: nationals, professional expatriates and labourers (Malecki, & Ewers, 2007). Generally, nationals have come to occupy the upper tier positions, mostly in government or in large family enterprises. Professional expatriates are
usually from Western Europe, North America, New Zealand or Australia. They are well educated and occupy positions of necessity in engineering and business. Labourers mostly consist of low-cost immigrant workers from Asia (Malecki, & Ewers, 2007).

The labour market in the GCC countries is truly an anomaly in its dependence on expatriate labour. The proportion of expatriates is as high as 90 per cent of the workforce in Qatar, the UAE and Kuwait (United Nations, 2009b). Although it is lower in other GCC countries, it is still relatively high compared to other regions.

Expatriates in the GCC countries are viewed as transient workers (Al-Waqfi, & Forstenlechner, 2010; Rees et al., 2007) and are rarely granted long-term residency or citizenship. This is recognised as a challenge to the stability of the region (Kapiszewski, 2006; Rees et al., 2007); and according to Mellahi and Al-Hinai (2000) the paradox is that the achievement of political and social stability comes at the expense of economic efficiency that will hamper the future of the GCC’s ability to compete globally.

This reliance on expatriates is due to the resource-rich economy, an expanding infrastructure and a domestic workforce generally not equipped with the skills or education required by industries, or not willing to take positions that are socially undesirable (Achoui, 2009; Harry, 2007; Kapiszewski, 2006).

1.2.3 Localisation of Human Resources in the Gulf Cooperation Council Countries

The dependence on foreign labour and expertise has long been recognised as a problem in the GCC (Al-Lamki, 1998; Kapiszewski, 2005; Looney, 2004; Rees et al., 2007) as it tends to present challenges to the economic, political and social costs that
impact the reliant states in the long term (Al-Lamki, 1998; Looney, 2004). The
governments of the GCC countries have attempted to implement several mechanisms
to increase workforce participation of HCNs. Saudiisation, Emritisation, Kuwaitisation, Bahrainisation, Omanisation and Qatarisation all attempt to address
workforce imbalance (Al-Dosary, Rahman, & Yusef 2006a &b; Forstenlechner, 2008). Localisation initiatives have primarily relied on quotas, thus ensuring priority
for nationals in public sector jobs. For example, most state-owned organisations, such
as Saudi Aramco, have strict employment rules around employing nationals. In
addition, government human resource development (HRD) initiatives have played an
indirect role and there has also been a significant increase in educational institutions
for nationals (Forstenlechner, & Rutledge, 2010; Mellahi, & Al-Hinai, 2000;
Muysken, & Nour, 2006; Randaree, 2009; Rutledge, Al Shamsi, Bassioni, & Al Sheikh, 2011). These efforts combine to provide what would appear to be (but are not) effective localisation policies.

The distribution of oil wealth has traditionally been broader and through different
channels than in most other economic regions. For example, vast oil revenues have
allowed governments to support policies and practices associated with no income tax,
free education and medical care, and a generous social system which has significantly
reduced the pressure on GCC nationals for employment. (Forstenlechner, 2010; Rees
et al., 2007).

Despite improved efforts in many areas to decrease the number of expatriates,
expatriation—as noted earlier—has continued to increase (Forstenlechner, & Rutledge, 2010). In fact, the trend towards international employment has increased
even at the height of localisation efforts (Sadi, Al-Buraey, & Muhammed, 2009;
Kapiszewski, 2006; Lee, 2005).
1.2.4 Qatar: Country Background and Profile

Qatar is a small country on the Arabian Peninsula and is one of the world’s wealthiest nations. With an indigenous population of 300,000 nationals, (Ministry of Development Planning and Statistics, 2012) it boasts the highest per capita income in the world of US$100,000 per annum, which places the nation first among the industrialised nations in terms of income (United Nations, 2009b). The small country also boasts the third largest oil and gas reserves in the world, with 15 per cent of the world’s proven gas reserves. Like the rest of the GCC countries, it is a Muslim nation.

Qatar is a peaceful nation somewhat removed from the sphere of tension, with a homogenous permanent population (although recent immigration has changed this to a certain extent) and the rising wealth of the country has helped contribute to stability.

Qatar is a significant State in the Arab Gulf Region for several reasons. It is, like most of the Gulf governments, a constitutional monarchy with the Emir acting as the head of state. However, the constitution of Qatar has provisions for democracy and has started to implement elections for some government posts. The political structure is oriented around the Emir and the 45-member advisory council. The Emir has the power to ratify laws, while the advisory council is able to draft laws (Qatar Constitution, 2004). According to the constitution, 15 members of the council are to be appointed and the other 30 are to be elected.

In addition, it is a staunch ally of the United States of America (US) and served as a launching point for the second Gulf War. The largest US army base in the Middle East is located in Qatar, less than 20 kilometres from downtown Doha, the capital.


1.2.5 Economic Conditions

Qatar’s economy was originally based on pearl diving until the discovery of oil and exploitation of Liquid Natural Gas (LNG). It was the discovery and exploitation of the North Field and its plentiful natural gas that provided the strongest economic growth. This, coupled with plentiful foreign investment, has enabled Qatar to become the world’s largest producer of LNG.

Qatar has expanded rapidly since the discovery of large deposits of natural gas. Qatar is ranked as one of the world’s fastest growing economies (The Economist Intelligence Unit, 2009). This has allowed Qatar to increase its wealth rapidly in the past decade and a half (Ministry of Development Planning and Statistics, 2010). In 2004, Qatar’s GDP was US$115 million but it had increased by over 100 per cent by 2009 to US$254 million. Rapid leaps in Qatar’s GDP reached peaks in 2007 and 2008 of 26.8 per cent and 25.4 per cent respectively (Ministry of Development Planning and Statistics, 2010). Although growth has now levelled off, Qatar is still growing rapidly at approximately six per cent per annum (Qatar Economic Outlook, 2013–2014).

Much of this rapid growth is due to the massive investments in LNG from outside partners. Qatar has expanded its resource extraction through foreign investment, which is rare in the GCC (Reed, & Tuttle, accessed March 22, 2010). Foreign investments by large oil and gas firms including Exxonmobil, Shell, Gulf and Total among others account for over US$100 billion and are expected to rise by another US$120 billion within the next decade.

The country’s wealth is being channelled into building a strong infrastructure. Major projects include the Qatar Foundation for Education, Science and Community
Development (Qatar Foundation) for education, and large-scale science and technology projects (The Economist Intelligence Unit, 2009). In addition, significant commitments are made to nationals at a micro level.

Qatari nationals are endowed with a generous citizenship package. All education and healthcare is gratis for nationals. In addition Qatari citizens are quarantined from paying for water or utilities in the Qatar Constitution. Nationals are also eligible to receive free land and interest free loans for the construction of a house (up to US$233,000) (Kamrava, 2009). Generous employment packages are also prevalent in the public sector, in line with many other GCC states (Forstenlechner, & Rutledge, 2010; Harry; 2007; Rees et al., 2007).

### 1.2.6 Population

Despite Qatar’s small population of nationals, the official population of the country is over two million (Ministry of Development Planning and Statistics, 2014). It is perhaps one of the most imbalanced populations in the world, certainly within the GCC countries, in terms of the proportion of expatriates to nationals. According to the most recent census, in 2010, nationals only make up 13–15 per cent of the population of Qatar (Ministry of Development Planning and Statistics, 2010).

The population has quadrupled since 1990. According to the 1990 census, the population was 422,834 (Ministry of Development Planning and Statistics, 2010). By 2000, the population had grown to approximately 616,000 (Ministry of Development Planning and Statistics, 2010). However, the population exploded to literally double by 2007 when the population was estimated to be 1.226 million (Ministry of Development Planning and Statistics, 2010) and reached nearly 2.1 million in 2013 (Ministry of Development Planning and Statistics, 2014). The growth has placed a
burden on many facets of Qatari society. The 2010 census illustrates the number of Qatari households versus non-Qatari households by area in Doha in 2010—nearly 90 per cent are non-Qatari.

In addition, there has been a disproportionate growth in the number of males compared to females. In 1990, of the population of 422,834, only 138,000 (or 32 per cent) were female. In 2001, this had increased to 34 per cent or 223,000 females. However, by 2007 this had shifted dramatically. The 2007 census indicated a population of 1.2 million, with only 300,000 females (29 per cent) (Ministry of Development Planning and Statistics, 2010).

As of 2010, (the most recent census data) the population had further increased to 1.6 million, of these 1.27 million were male, 400,000 (25 per cent) were female (Ministry of Development Planning and Statistics, 2010). It would appear that the proportion of women has decreased consistently since 1990 (Ministry of Development Planning and Statistics, 2010). More recent estimates put the population at just over two million (Ministry of Development Planning and Statistics, 2014).

The reason for the increase in the number of nationals is due to the strong birth rate and a declining infant mortality rate (United Nations, 2009b). However, national growth alone does not account for the population boom in Qatar.

The massive increase in the Qatari population is indicative of the country’s reliance on expatriate labour. The large influx of foreign workers entering Qatar has further skewed the gender imbalance and this has also impacted on the age demographic, making the country “younger” than many of its neighbours. Approximately 80 per cent of the population is in the 18–64 age bracket while Saudi Arabia only has 60 per
cent in that age bracket (The Economist Intelligence Unit, 2009). However, it is expected that this rapid population growth will end, remaining stable at 10 per cent (The Economist Intelligence Unit, 2009).

1.2.7 The Labour Force

There are several challenges for Qatar in terms of its labour force. Like much of the GCC, Qatar has a high number of nationals employed in the public sector, leaving the private sector relatively devoid of nationals. An extremely high dependence on expatriate workers and an education system that is not comprehensively in line with labour market needs represent troubling trends. Combined, these issues could present significant challenges to the small nation in the future.

Unlike many other Gulf States, Qatar has an extremely low unemployment rate for nationals. The unemployment rate has decreased dramatically since 2001, when it was approximately four per cent, to 0.3 per cent in 2009 (Ministry of Development Planning and Statistics, 2009). The total number of unemployed nationals in 2009, the time of the last census, was only four thousand (Ministry of Development Planning and Statistics, 2009). This indicates rising employment across all sectors of the labour force, however, it is important to note that according to the Qatar government, Qatari nationals only make up eight per cent of the national workforce and only one per cent of the private sector. This trend of decreasing unemployment is not consistent with the rest of the GCC, where unemployment among young, educated nationals is a growing concern (Forstenlechner, 2010; Harry, 2007).

Although education appears to be a challenge in much of the GCC, it does not appear so in Qatar, at least from the results of the 2009 Labour Force Survey. Seventy-two per cent of unemployed nationals have secondary level education or higher (Ministry
of Development Planning and Statistics, 2009). For the unemployed in Qatar, education does not appear to be a contributing factor to unemployment. Over 64 per cent of the unemployed cite low job opportunities or lack of suitable work as being the main reasons for unemployment (Ministry of Development Planning and Statistics, 2009). However, in line with the work of Forstenlechner and Rutledge (2010), Harry, (2007) and Rees et al. (2007), the type of education may be more important than the level, as would the type of suitable prospects. The challenges in attaining accurate and reliable statistics as indicated earlier by Harry (2007) may also be evident here.

Perhaps more telling is that 96 per cent of Qataris reported that they had not been offered a private sector job (Ministry of Development Planning and Statistics, 2009). However, in a departure from other studies on nationals’ attitudes to private sector employment (Al-Lamki, 1998; Harry, 2007 Rees et al., 2007), almost 50 per cent of Qataris indicated that they would be willing to take a private sector position if offered (Ministry of Development Planning and Statistics, 2009). The other 50 per cent indicated that they would not be willing to take a job in the private sector due to the perception of lower wages and perhaps most interestingly, low “social status” (Ministry of Development Planning and Statistics, 2009). This supports the current literature in much of the Gulf on perceptions of work, status and employment (Achoui, 2009; Forstenlechner, & Rutledge, 2010; Harry, 2007; Shaban, Ragui, & Sulayman, 1995). Essentially, it is preferable to remain unemployed rather than take undesirable employment in the private sector.

Like the rest of the GCC, the cultural distaste for low status jobs is also prevalent in Qatar with rising career aspirations among young Qataris (Stasz, Eide, & Martorell, 2007). As Harry (2007) and Shaham (2009) point out, the rise in the domestic labour
force in low status positions such as maids and drivers, is an increasing trend in the GCC. There is evidence that this may also be the case in Qatar. Between 2008 and 2009, the number of females (non-Qatari) in the workforce who performed domestic positions increased from 58.6 per cent to 60 per cent (Ministry of Development Planning and Statistics, 2009).

One of the largest changes has been in the employment of Qatari women. In 2001, women represented the highest number of unemployed with approximately 22 per cent unemployment (Ministry of Development Planning and Statistics, 2009). Only eight years later, this had declined to 1.9 per cent, with only 2,400 females unemployed in 2009 (Ministry of Development Planning and Statistics, 2009).

This is in direct contrast with the rest of the GCC where one sector of the workforce that is completed underrepresented is that of females (2006, 2007, 2008, 2011). For example, female Emiratis account for less than 12 per cent of the workforce (Ramaree, 2009). Ironically, women generally have higher education attainment than men in the GCC; for example, over two thirds of university graduates in the Emirates are women (Ramaree, 2009).

This may in part be attributed to the “equal pay for equal work” policy indicated in the Qatar Constitution, which was passed by 92 per cent of the public. It is important to note that the unemployment rate for young Qataris (between 20 and 24-years for example) is higher than for more mature Qataris. However, while unemployment rates show the data on those searching for employment, labour force numbers show that the actual numbers and percentages employed in the labour force are perhaps more salient.
The rapid growth of the past decade has, to a significant extent, been reliant on expatriate labour. Highly skilled, Western-trained managers have key positions in the oil and gas sector and education, while low skilled immigrant workers from the Asian sub-continent have taken more menial positions (Berrebi, Martorell, & Tanner, 2009, p. 428). Both have fuelled the rapid growth and now Qatar, much like the rest of the GCC, is in a position where it is becoming increasingly necessary to balance the workforce to avoid the excess reliance on foreign nationals for safety and cultural reasons (Berrebi et al., 2009).

1.2.8 Education

Prior to the discovery of oil and natural gas, Qatar’s education system was not effective. According to the 1970 census, 65 per cent of the population over the age of 15 was illiterate (Berrebi et al., 2009, p. 423). With the dawn of the Organization of the Petroleum Exporting Countries (OPEC) and the beginning of oil and gas exploration in Qatar, the 1970s was an era where there were some attempts to address the low level of educational attainment among nationals. The State made significant attempts in the 1970s and in 1977 Qatar University was opened to provide a national source for post-secondary education (Berrebi et al., 2009). But, due to declining oil revenues, this endeavour suffered from financial setbacks and this likely impacted its success (Berrebi et al., 2009). However, since the rapid increase in wealth due to LNG and oil in the last decade, the country has endeavoured to invest more heavily in education once again.

Like many countries undergoing a nationalisation process, Qatar has identified the need for a strong educational background if it is to ensure nationals’ workforce participation (Al-Dosari et al., 2006; Forstenlechner, & Rutledge, 2011; Stasz et al.,
Education is a key factor in the successful implementation of localisation policies (Al-Dosari et al., 2006), and government expenditure on education, and in particular expenditure in relation to its GDP, reflects the nation’s commitment to education.

Rapid growth is evident in the massive infrastructure projects in Education City, as well as in the investment into the College of the North Atlantic-Qatar, and the University of Calgary-Qatar. However, Qatar’s contribution to education per capita and per student is still relatively low (Berrebi et al., 2009). In fact, countries with similar GDPs invest almost twice as much on average for education as Qatar (Berrebi et al., 2009).

In 1995, the Qatar Foundation was set up by the Emir in order to educate the national population and fix negative social phenomena in the community and help low income families (Kamrava, 2009). The Qatar Foundation is a progressive endeavour, run by the Emir’s wife, Sheikha Moza bint Nasser Al Missned (Kamrava, 2009). In particular, Qatar is in the process of transforming its education system and placing far greater emphasis on English instruction and subjects that have greater applicability in the labour force, in an attempt to raise the level of human capital in the country (Forstenlechner, & Rutledge, 2010).

Qatar Foundation is a key component of this transformation. It provides both education and research, and is home to the Doha Debates. Qatar has leveraged its relations with the US to forge partnerships with six American universities; Virginia Commonwealth University, Weil Cornell Medical College, Texas A & M University, Carnegie Mellon University, Georgetown School of Foreign Service and Northwestern University. Although the precise number of students is difficult to
identify, according to the Qatar Foundation website, 46 per cent of students are nationals. However, the number of nationals attending at that time was not available so it is difficult to determine the number of nationals versus expatriates receiving education at the prestigious institutions. This lack of transparency is in line with the experiences of other researchers in the region, for example, Harry (2007, p. 134), who suggests that “[those] who try to conduct research in the region have found it very difficult to gain access to reliable empirical information or statistical data”.

Despite these expenditures and the high career and pay expectations among nationals, there has not been significant success in attaining the high degree of education needed to accomplish Qatarisation plans. Educational attainment in Qatar is still not as high as it is in some other Gulf States (Karoly, 2010). Participation in post-secondary education in Qatar was estimated at 16 per cent in 2008, compared to 32 per cent in Bahrain (Karoly, 2010).

Perhaps of even more interest is the low participation rate among males in Qatar. Although older Qatari men are more educated than their female counterparts, this is true only for those above the age of 40, and the inverse is true for younger Qataris (Berrebi et al., 2009).

While women have continued to increase their educational attainment past high school, men have not. This is indicated by the 31 per cent of women who have post-secondary schooling compared to 27 per cent of Qatari men (Berrebi et al., 2009). While almost half as many men are enrolled in post-secondary education in Bahrain, women outnumber men in post-secondary education in Qatar by a ratio of three women to every man (Karoly, 2010). This indicates that educational attainment will continue to be driven by Qatari women.
1.2.9 Qatarisation

The Qatarisation program was brought into place in 2000. The Qatarisation program was introduced in much the same manner as the localisation movement in the rest of the GCC; through political, legal and quantitative methods (Forstenlechner, 2010), and a combination of quotas and government incentives (preferential treatment of Qataris). This is stipulated in Qatar’s Labour Law #14, where Qatarisation and the preferential employment of Qataris is a legal requirement for business (Ministry of Interior, 2004).

The Qatarisation program has, since 2000, attempted to meet employment goals of 50 per cent in key positions in the energy and industrial sectors (The Economist Intelligence Unit, 2009). The Qatarisation project for example, combines the quota system with professional training initiatives. Its goal is to achieve 50 per cent local employment in the energy sector (currently at 28 per cent) within five years. It is based on the active participation of leading companies in the energy sector in processes of locating, training and employing Qatari nationals with the support of the government (Ministry of Interior, June 12, 2013).

The Qatarisation program originally proposed a quota of 50 per cent Qataris in key positions in oil and gas industries, and 100 per cent of all non-specialist positions in government to be staffed by nationals (Kamrava, 2009). However, these goals, as in other regions in the GCC, are not being met (Kamrava, 2009). The plan had intended that 20 per cent of private sector jobs were to be Qatarised however, this was not achieved—the goals were determined to be unrealistic and were quietly dropped (Kamrava, 2009).
Many organisations in Qatar are hopeful of progress in Qatarisation (AME Info, April, 15, 2009; Al Bawaba, April 9, 2009). In fact, some claim to have achieved high levels of Qatarisation, up to 85 per cent for senior positions (Zawya, March 3, 2009).

This low attrition rate was attributed to very careful monitoring of Qatars, including career progression, and training and development programs (Al Bawaba Newspaper). The issue of attrition and subsequently organisational commitment (OC) may be an important factor in localisation.

Certainly, a key component of successful localisation is the implementation of effective HR strategies. As Forstenlechner (2010) and Forstenlechner & Mellahi, (2010) points out, the political, legal and quantitative approaches to localisation are only as effective as the implementation. Qatarisation appears to be achieved most effectively through effective training programs, human resource practices (HRP) such as career planning and efficient training development that constantly monitor and provide guidance to nationals, and a high level of job security (Forstenlechner, 2010).

Despite the optimistic outlook, the goals of Qatarisation as originally set out have not been achieved and even Qatar Petroleum, the largest state owned enterprise in the oil and gas industry, has only achieved 28 per cent (The Economist Intelligence Unit, 2009). The plan had intended that 20 per cent of private sector jobs were to be Qatarised; however, this was not achieved as the goals were determined to be unrealistic (Kamrava, 2009). In the fourth quarter of 2009, Qatar was second only to the KSA for job creation for expatriates (Al Bawaba, April 19, 2009).

There is now increasing evidence that there will be a more aggressive stance by the government to ensure that the Qatarisation goals are met (The Economist Intelligence Unit, 2009). This may be driven by the perception of many nationals that Qatarisation
is not working effectively (New York Times, May 13, 2010). There appears to be increasing animosity between nationals and expatriates, fuelled in part by a perception of inequality by nationals (New York Times, May 13, 2010). Many nationals believe that they are prejudiced against by expatriates, and this is undermining the Qatarisation program. This has further lead to a deep sense of hostility from nationals around their position in society, and their views on expatriates (New York Times, 2010).

Work Values
Since the recognition that work values are an important component of work, researchers have endeavoured to find out the value and depth of the relationship. The need to review the work values’ construct has been limited primarily to Western Europe and North America, leaving the fundamental question of how work values are impacted by culture unanswered.

Hofstede (2001) proposes that work values are important because they are an excellent measure of a national culture. Further, work values are shaped more heavily by culture and society than by individual factors. Of equal importance, is the notion that work values affect a number of work related behaviours (Matic, 2008).

The recognition that work values are important, and a measure of culture, prompted additional research into the effects of culture on the construct. However, the impacts of culture and the research into culture, specifically relating to Hofstede (1980), were virtually non-existent (Robertson, Al-Khatib, & Al-Habib, 2002). The cultural values of the Middle East were grouped into one lump by Hofstede as there was little statistical difference. Based on Hofstede’s dimensions, the Middle East scored high in uncertainty avoidance, masculinity and power distance, and low in individualism.
However, work values in the Middle East have received limited academic attention (Ali & Al-Kazemi, 1985) despite their impact on work practices. The behaviour of nationals at the individual level, and the relationship between their actions and localisation may be related to each other.

Organisational Commitment

OC is the topic of significant research in academic literature. The nature of the relationship between the employee and the employing organisation has fascinated researchers’ since its inception as a field of research. OC has been described as the heart of all research into human resource management (HRM) and as such, is the central point in HRM discussions (Muthveloo, & Raduan Che Rose, 2005).

Although several definitions exist, (Becker, Randall, & Riegel, 1995; Meyer, Herscovitch, & Topolnytsky, 2002; Mowday, Steers & Porter, 1979) the concept of OC can be described as the degree of affinity one has in voluntarily staying with an organisation. One of the most powerful forms is affective organisational commitment (AOC). AOC can be described as the employee’s want and desire to be attached to an organisation and to identify with the organisation (Meyer & Allen, 1990).

The importance of AOC to turnover, productivity, absenteeism and a host of other work related behaviours has been heavily researched (Meyer & Allen, 1991; Meyer & Allen, 2001; Meyer, Allen & Smith, 1993; Muthuveloo, & Raduan Che Rose, 2005). Research has looked at the antecedents of AOC, both in terms of personal characteristics, and organisational statistics (Bernardi, & Guptill, 2008; Naumann, 1993). Further still, some researchers have reviewed the effects of nationality and other factors in determining the effects of cultural values on employee commitment (Suliman, & Al-Junaibi, 2010).
1.3 Statement of the Problem

As pointed out by Forstenlechner (2010), Harry (2007), Godwin (2006), Budwar, & Mellahi (2007) and Rees et al. (2007), localisation in the Middle East is of increasing concern for the region. The demographic shifts including increasing unemployment, rising costs, higher educational attainment and expectations of nationals, coupled with ever-increasing expatriate workers, will lead to significant and ongoing challenges to the area unless effectively addressed. Localisation will need to become more than a numbers game; it will require the genuine effective participation of nationals in both the private and public sectors.

While unemployment in Qatar is much lower than the rest of the GCC, the issue is no less pressing. Evidence of increased frustration among nationals is important and must be recognised. Further research is required into the motivation of nationals and the articulation of HRM practices that support cultural aspirations and counter traditional obstacles to localisation (Forstenlechner, 2010; Harry, 2007; Rees et al., 2007).

Although there are some statistics regarding Qatarisation, they are difficult to obtain and specific numbers may be difficult to verify. There are conflicting perceptions between expatriates and nationals about what Qatarisation is, and how successful it has been to date. Further investigation into the success of Qatarisation is warranted on an industry and business-specific level.

The claims made by nationals that there is no support for localisation requires further investigation (Suliman, & Al-Junaibi, 2010). There is some irony in the fact that in order to perform one’s job, one must train one’s replacement. Conversely, the belief that nationals are not equipped to perform at the same level as expatriates is evident as
a barrier in localisation programs (Rees et al., 2007; Wong, & Law 1999). Indeed, while there may be merit to this view, the responsibility falls on the expatriate to act as mentor and coach to the national in order to bring them up to international standards (Selmer, 2004). However, as has been recognised by Forstenlechner (2008) and others, the differences in localisation between GCC countries and other localisation efforts may have an impact on the effectiveness of organisational actions. The level of motivation and employee commitment may play a pivotal role in GCC localisation efforts (Forstenlechner, 2010). If national employees are not engaged, they will be less responsive to mentoring and coaching.

It is widely recognised that localisation initiatives achieve greater success when expatriates are supportive of the process and willing and able to work with nationals toward the goal of localisation (Selmer 2004; Wong & Law 1995/1999). It is becoming generally recognised in the GCC that leadership, including expatriate leadership, is essential in achieving localisation goals. Likewise, it falls on nationals to perform at an acceptable and competitive level.

However, there have been challenges to localisation initiatives. There is the perception that nationals are not consistently and properly equipped in either experience or skills to effectively replace expatriate management in terms of productivity and performance (Suliman, & Al-Junaibi, 2010). The work values of nationals have been suggested as being less focused on productivity than those of expatriates. Further, AOC, which is identified in the current literature as having a positive relationship with productivity, is related to culture (Froese, & Xiao, 2012).

The link between these three constructs has not been evaluated in this diverse cultural environment.
1.4 Research Objectives and Conceptual Model

The objective of this study was to identify the factors underlying localisation from the perspectives of both nationals and expatriates. Further, the purpose of this study was to test a causal model that explains the relationship between the latent factors of localisation for both nationals and expatriates. Selmer’s (2004) earlier work was focused on two obstacles to localisation: expatriates’ unwillingness to facilitate localisation, and their inability to do so. This study seeks to build on the earlier work and to explore the underlying factors relating to localisation from an expatriate and national perspective. The study also explores the relationship between demographic and organisational variables and localisation.

Work values have been linked to OC. Therefore, one objective of this research is to identify if there is a difference in work values between nationals and expatriates in Qatar. Work values may be linked fundamentally to localisation, as they have been identified as an antecedent to employee commitment, and subsequently motivation (Suliman, & Al-Junaibi, 2010; Froese, & Xiu, 2012).

OC has been linked to organisational performance. The construct in the Middle East is generally considered under-researched (Yousef, 2003; Suliman, & Al-Junaibi 2010; Suliman, & Iles, 2000c). This is likely due to the noted difficulties in gathering quantitative data, and is further exacerbated by the challenges in gathering quantitative data in developing countries (Ahlstrom, & Bruton, 2004). A further purpose of this study was to determine the pattern of OC in Qatar, and to identify the demographic factors that influence expatriates’ and nationals’ attitudes toward OC and localisation.
This study seeks to examine the perspectives of expatriates and nationals toward OC, whether these attitudes and beliefs affect OC and their relationship with demographics. While the body of research on localisation is limited, so is the breadth of research on OC outside of North America and in particular, in the Arab Gulf Region.

Because affective commitment measures an individual’s affinity to an organization, this suggests loyalty and staying power. Meyer, Allen and Smiths’ (1993) affective commitment scale is an established survey that measures the affective commitment of individuals. The choice to stay or go, and the degree to which one is committed to an organisation is in large part, due to the availability of options, a matter of choice for managerial level expatriates. This then sets a baseline for the preferred employment of expatriates and nationals in Qatar.

The specific objectives are:

1. to study the obstacles to localisation in Qatar from both an expatriate and a national perspective
2. to examine the relationship and identify difference perspectives between expatriates and nationals on localisation
3. to examine the work values of expatriates and nationals in relation to localisation
4. to examine the OC of expatriates and nationals in relation to localisation
5. to find if a relationship exists between work values and OC in relation to localisation
6. to examine if a relationship exists between localisation, work values and OC of expatriates and nationals.
1.5 **Methodology**

The following section provides an introduction into the methodology of the study.

1.5.1 **Research Method**

This research was quantitative in nature. Questionnaires were used for the survey for nationals and expatriates. This allowed for uniformity across the two research populations. Using questionnaires removed the potential for interviewer bias and alleviated the potential for the respondents to feel any sort of pressure from the researcher. Finally, because the distribution was anonymous, it added an additional layer of removal from the researcher and facilitated honest answers.

1.5.2 **Study Population**

The main fieldwork in this study was conducted in the State of Qatar in 2011. There were several reasons for choosing Qatar. First, the challenges of localisation in the Arabian Gulf have been well recognised as a major challenge in the region. Second, not only does localisation impact national culture, it is also a major political concern. However, there is a paucity of research in Qatar, despite its significant role in the region both politically and economically.

This study identified two major groups involved in localisation: nationals and expatriates. In order to gain insight into the perspectives of these two groups, a research instrument was developed based on previously published literature and distributed to approximately 200 expatriates and 200 nationals.

1.5.3 **Research Instrument and Measures**

The research instrument was a consolidation of three separate, previously published and validated questionnaires.
**Localisation**

The research instrument for localisation was developed by Selmer (2004). He used the survey in China, where he investigated the perceptions of expatriates and nationals on localisation.

**Work Values**

Jennifer Matic (2008) published this section of the research instrument. The validated, ten-question research instrument was distributed to expatriates and nationals. The questions asked respondents to estimate the importance of 10 work values using a five-point Likert scale.

**Organisational Commitment**

An eight-question research survey from Meyer et al.’s (1991) well recognised and validated affective research instrument was distributed to expatriates and nationals. The questions asked respondents to provide feedback on their level of OC using a five-point Likert scale.

**1.5.4 Data Analysis Procedure**

Using the Statistical Package for the Social Sciences (SPSS) 20.0, a multi-step approach was used in data analysis. The first step was to apply exploratory factor analysis (EFA). The second step was to employ confirmatory factor analysis (CFA), employing structural equation modelling (SEM) using LISREL software. SEM was used because it is a powerful confirmatory technique that creates robust measurement and structural models to identify and establish complex behavioural relationships. Finally, regression analysis was used, to establish relationships between the factors and the demographic variables.
1.5.5 Measurement Model Assessment

The initial stage was to assess the measurement model using EFA. This technique was used to identify overlapping variables and provide a cleaner, more structured factor set. Eigenvalues were used as an identifier for factor loadings with the generally accepted level of 0.5 being considered for cut-off.

1.5.6 Structural Model Assessment

The second stage was to perform CFA using LISREL. The structural model examined the relationship between the latent variables through path analysis. The acceptability of the model depended on the robustness of the model based on generally accepted goodness of fit (GFI) indices (Hair, J. Black, Babin, Anderson, & Tatham, 2006; Miles & Shevlin, 1998). In this stage of the process, SEM provided information about causal parameters within the factors.

1.5.7 Scope and Delimitation

The survey was established based on existing and published questionnaires as outlined above. This statement-based survey was used to capture the perceptions of managers in organisations in Qatar. The sampling framework was random, and was based on the use of local contacts in a variety of different industries.

1.5.8 Research Outcomes and Contributions of the Study

This study examines three paradigms within two distinct groups, expatriates and nationals. The three paradigms are localisation, work values and OC, and the interrelationships between the three. Not only does this provide baseline information about the different perceptions of expatriates and nationals on localisation, it also provides a comparative look at the differences between the two groups on work values and OC in an under-researched area: the Arabian Gulf. Further, the aim of this
work is to establish if a relationship exists between these variables, to provide insight into the phenomenon of localisation, and to determine if there is a causal relationship between localisation, work values and OC. The link between these three constructs has not been overtly identified as a theory; rather, the theoretical link is inferred (Achoui, 2009; Selmer, 2004).

1.6 Organisation of the Thesis:
The thesis is organised as follows in five chapters.

Chapter 1 (Introduction)
This chapter introduces the background of the research, describes the GCC countries in general and the State of Qatar in particular. Further, it identifies the research problem and lists the research objectives that come from the research gaps. A justification for the research follows and an overview of the methodology is provided. Finally, the scope, outcomes for the research and overall contribution are provided. This chapter concludes by providing an overall framework for the thesis.

Chapter 2 (Theoretical Background)
This chapter provides an overview of the current context in which the research has been conducted. Further, the hypotheses related to the constructs are presented and the theoretical model is advanced. Finally, this chapter identifies the theoretical gap in localisation in the Middle East, and the theory regarding work values and OC and their relationship with localisation.

Chapter 3 (Research Methodology and Design)
This chapter serves several purposes. First, it discusses the research methodology and includes a justification for using a quantitative approach to this research problem. It also presents an overview of the participants and sampling design, an overview of the research instruments and also of the sampling design. It provides an overview of the
methods used such as EFA and CFA using SPSS 20.0, and SEM using LISREL 9.1. Finally, ethical considerations are discussed.

Chapter 4 (Analysis, Results and Discussion)

This chapter presents the analysis and results of the research. This includes statistical interpretation, and the results of the multiple research steps, including the EFA, CFA and regression interpretation and results.

Chapter 5 (Theoretical Implications, Limitations and Directions for Further Research and Conclusion)

Chapter 5 provides the highlights of the study, and summarises the major findings in the research. It also provides the major contributions to theory and practice. The limitations of the study and the identification of further areas for research are also presented.

1.7 Conclusion

This chapter laid the groundwork for the research. It initiated the introduction of the research background of the study and the theories surrounding the research project, namely localisation, work values and OC. Further, it introduced the setting of the work. This chapter also identified research problems as well as objectives and outcomes. As well, it justified the body of research and outlined a conceptual model of the theory presented in this work. In addition, it described and justified the methodology. Finally, it provided an overarching framework for the thesis and described potential limitations. The next chapter provides a more detailed review of the current literature identified in this chapter.
Chapter 2 Review of Literature

Chapter Overview
Chapter 1 laid the primary foundation for the research and resulting body of work. The main purpose of the second chapter is to present the theoretical overview of the research on localisation, work values and OC. Where available, work conducted in the Middle East is included. This is followed by the development of the hypotheses, providing a setting for the theoretical model.

2.1 Human Resource Development Theory
The perceived value of human knowledge, skills and abilities at the individual level has evolved over several hundred years. Recognition, and the consequent implications, of the value of individual skills sets and their relationship to subsequent output is relatively recent (Blaug, 1976). Human capital theory, originally used in economics, is now a recognised concept referring to the value of accumulated knowledge, skills and abilities of individuals. Following the same line of thought, education is seen as an investment in human capital, rather than an expense (Becker, 2009).

2.1.1 Human Resource Development
The HRD field is large and multidisciplinary with undefined borders. Contributory fields include systems theory, economics theory, psychological theory, performance improvement, human performance, and philosophical system theory (Weinberger, 1998).

Since its inception in the early 1970s, the field has grown, and the blurred borders have evolved to become somewhat more refined. Predictably, the definition of HRD was relatively unrefined as the field grew from inception to a relatively new but more
developed field of study. As early as 1970, HRD was defined as activity-based with the goal of behavioural change (Nadler, 1970). Earlier definitions of HRD centered around adult learning and focused more on learning in relation to fields such as training and development and career development. It wasn’t until the latter part of the 1980s that performance was directly related to HRD (Gilley, & Eggland, 1989; McLagan, 1989; Smith, R., 1988).

As HRD theory evolved, D. Smith (1990) included a systems theory approach, where organisational and personal goals were realised. This was further expanded to include the concept of a “learning organisation”, a key contribution to HRD theory (Watkins, 1989). As the theory evolved its multidisciplinary nature became increasingly evident, with the recognition that HRD had borrowed from a number of fields including education, management science, anthropology, psychology, economics and behavioural science (Weinberger, 1998). Further, the common thread is both learning and performance management (Weinberger, 1998), and indicates that HRD is one part of a larger system (Swanson, 2008).

This leads to the view that HRD is supported by three fundamental components: systems theory, psychology and economics (Weinberger, 1998). What brings these components together is the focus on performance.

Because performance improvement is important to HRD and successful performance leads to economic benefits, is based on a systems perspective of an organization and is rooted in the psychological/learning domains, it should be viewed as an underlying theory in HRD. (Weinberger, 1998 p. 87)

The performance measure, then, is the underlying tie binding these three components to provide a comprehensive definition of HRD.
2.1.2 **International Human Resource Management**

Increasing globalisation, competition and a host of socio-cultural and socio-economic factors have led to rapid and dramatic transformation in business operations and subsequently their staffing practices (Aycan, Al-Hamadi, Davis, & Budhwar, 2007).

The relevant ease of mobility, the desire to move abroad, and the perceived need for expatriates has led to unprecedented shifts in the geography of employment. In addition, rapidly increasing populations, and significant human capital contributions from labour markets in Eastern Europe, China and India are contributing to a robust increase in international competition and hence the increased appointment of expatriates.

Indeed, in recent years the recognition of the value of human capital as a source of competitive advantage has become more accepted (Lee, 2005). This appreciation is a departure from the earlier view of HR as a readily available resource, and has likely been a driving force behind increasing levels of expatriation. This, coupled with the global nature and strong competition in which businesses operate, has led to new challenges and appreciation for the effective management of human capital (Ali, 1986; Law, Wong, & Wang 2004; Lee, 2005; Mellahi, & Al-Hinai, 2000).

There is an increase in third-country national employees employed with a multinational corporation (MNC) working in a country other than their own, and the involvement of HCNs in international business.

According to Bhanugopan and Fish (2007), expatriation is an effective way to gain greater work experience, career advancement and salary increase. This is echoed in other relevant papers (Benson, & Pattie, 2008; Haslberger, & Brewster, 2008). Part of this motivation can be attributed to better positions in overseas operations, better
salaries and that employees are motivated by the increase in knowledge and perceived value of international experience in their careers (Doherty, & Dickmann, 2009; Fish, & Wood, 1997).

However, one of the challenges in using expatriate human capital is the challenge employers may find in identifying suitable candidates (Brown, 2008). Whilst many employers have challenges identifying candidates who are capable and willing to accept overseas assignments, in 2008 the Graduate Management Admission Council identified that 21 per cent of employers found this to be a significant challenge. While the challenges of expatriate life are well documented and outside the scope of this paper, the use of an expatriate workforce can pose a challenge in terms of finding and retaining expatriates.

Indeed, in this environment of rapid change where innovation, speed and efficiency are integral to success, human capital is increasingly important. With this knowledge comes the recognition that human capital is a competitive advantage.

2.2 Human Resources in the Middle East
HRM as a field of expertise in the Middle East has not yet established a firm foothold in the current literature, with Afiouni, Karam, and El-Hajj (2012) noting that there is limited research on HRM in the AME. Very little research existed prior to 2007, with only 13 articles published between 1993 and 2006. Between 2007 and 2012, 36 articles were published on HRM in the Middle East (Afiouni et al., 2012). The majority use theoretical approaches and are qualitative in nature.

HRM in the GCC is no exception, and consequently there is even less information on HRM in the area. Further, Budhwar and Mellahi (2007) state that there is no comprehensive HR model in the Middle East (Afiouni et al., 2012). However, it
should be noted the Afiouni et al. (2012) have recently developed and HR model for discussion. The study of HRM and the relationship between various factors in the region would contribute greatly to the development of HR theory in general, and a framework for HRM in the Middle East in particular.

The impacts of localisation initiatives in the region have remained fundamentally under researched given their impact on HRM policies and on HRD. This bears significant implications for those attempting to unravel the numerous issues facing HRM, HRD and localisation in the region: “the [HRM] scene … will remain rudimentary at least until such a time as the influence and impact of nationalization strategies are better understood on the international stage” (Rees et al., 2007, p. 36).

Finally, it is of specific note that “current research on nationalization and HRM on the Middle East cannot be expected to include extensive literature-based analyses and is likely to contain methodologies that are untested in the region” (Rees et al., 2007 p. 36).

The multifaceted conundrum of localisation requires additional research in order to contribute to the literature and to further theoretical and practical knowledge.

### 2.2.1 Localisation: An Overview

The rise of globalisation has increased the movement and strategic importance of HR. As mentioned earlier, the management of an expatriate workforce and its many challenges has been well researched. Arguably of equal or greater importance, is the management and localisation of national workforces potentially displaced by expatriate workers (Al-Lamki, 1998; Godwin, 2006; Harry, 2007). *HR localisation* can be described as the replacement of HCNs with qualified locals. According to
Bhanugopan and Fish (2007), localisation requires that nationals replace expatriates with the same degree of competency.

Localisation has occurred internationally in different regions for different reasons. It has traditionally resulted from recognition by indigenous leaders that a reliance on expatriate skills can lead to political and social instability (Forstenlechner, 2008; Rees et al., 2007). Localisation has occurred in Asia, Africa and Melanesia. Leaders have employed a number of different tactics around the replacement of expatriates with nationals (Mellahi, & Al-Hinai, 2000).

Localisation has generally relied on a two-pronged strategy: education and training of the indigenous workforce coupled with government tools of quotas, incentives and partnership programs for private sector organisations. Most localisation programs have occurred in nations that were previously colonised (Morris-Jones, & Georges Fischer, 1980). Localisation programs have logically focused on the public sector first—logical because a nationally controlled and staffed government is necessary for independence. Rees et al. (2007) note that these tactics, usually prompted by a mixture of policy and government quotas, rely to a large extent on HRP for successful implementation. Recruitment, education, career planning and reward systems are fundamental HRP in successful implementation of localisation (Sheehan, 2005). As important as these policies and plans are, instrumental to their success is the motivation of the expatriates implementing them.

Most of the recent literature on localisation revolves around China (Chen, & Wilson, 2003; Wong et al., 2009; Kühlmann, & Hutchings, 2010; Selmer, 2003, 2004). However, the importance of localisation in the Gulf States of Saudi Arabia, Kuwait, Oman, Qatar, Bahrain and the UAE has recently received more attention from
academic scholars (Forstenlechner, 2008, 2010; Harry, 2007; Rees et al., 2007; Williams, Bhanugopan, & Fish, 2011).

The reasons for localisation can generally be categorised as social or economic. Social drivers, as indicated earlier, mainly include threats to political and social stability (Kapiszewski, 2007). Unemployment has clear implications for political stability, most recently and graphically demonstrated by the Arab Spring uprisings in 2011. From an economic perspective, the use of nationals and subsequently localisation provides a number of benefits over expatriate employees. These include lower associated employment costs (Selmer 2004), increased access to the local marketplace, cultural knowledge (such as guanxi in China or was,ta in the Middle East), lower turnover due to expatriate failure (Bhanugopan, & Fish, 2007; Selmer, 2003), and increased legitimacy from the perspective of nationals. Alternatively, the expatriate familiarity with the corporate culture is a benefit often leveraged by multinationals (Bhanugopan, & Fish, 2007; Selmer, 2004), potentially at the expense of nationals.

The role of expatriates in the process of localisation cannot be overstated. The localisation of HR requires at least some degree of participation and cooperation from expatriates (Rees et al., 2007). By its very nature, localisation requires the participation of expatriates in order to train, mentor and develop national talent to aid in the displacement of expatriates in favour of qualified and motivated nationals (Rees et al., 2007; Selmer, 2004). Ironically, this process can often mean displacing one’s own employment with that of a national, making one’s position obsolete (Fryxell, Butler, & Choi, 2004; Rees et al., 2007).
The pivotal role of expatriate employees and managers in successful localisation is widely recognised (Bhanugopan, & Fish, 2007; Rees et al., 2007; Selmer, 2004). Working with localisation initiatives, expatriate managers need to train their replacements to a level of ability where they can take over the expatriate’s position (Bhanugopan, & Fish, 2007; Selmer, 2004; Williams et al., 2011).

Challenges to localisation may also exist in the views held by expatriates. Some expatriates may be comfortable in their roles and be reluctant to leave or train a national, as they enjoy a better position in their expatriate position than they would in their home country (Bhanugopan, & Fish, 2007; Selmer, 2004). As Selmer (2003) points out in his study, *Expatriate’s Hesitation and the Localization of Western Business Operations in China*, there are obstacles to localisation that may emanate from an expatriate’s unwillingness or inability to facilitate the process.

There is some irony in the fact that in order to perform one’s job, one must train one’s replacement. Conversely, the belief that nationals are not equipped to perform at the same level as expatriates is evident as an obstacle in localisation programs (Wong, & Law, 1999; Rees et al., 2007). Indeed, while there may be merit to this view, the responsibility falls on the expatriate to act as mentor and coach to the national in order to bring them up to international standards (Selmer, 2004).

Certainly, there may be many reasons for expatriates to be unsupportive of the localisation process. As identified by Bhanugopan and Fish (2007) and Selmer (2004), these reasons may include a negative view of localisation, loss of employment or career advancement opportunities, and employment uncertainty. Each of these factors contributes in varying degrees to reticence among expatriates. Furthermore, Selmer’s (2004) work in China identified three obstacles to localisation:
unwillingness to leave one’s present position, inability to train nationals due to lack of training or communication skills, and the belief that localisation does not serve the best interests of the company and may result in negative consequences. These factors cause some expatriates to perceive localisation as a negative phenomenon and an unrealistic goal. As identified by Al Waqfi and Forstenlechner (2010), the negative stereotyping of nationals may also play a role in this. However, there are other possibilities as well. Indeed, nationals may lack some of the necessary skills required.

While localisation has been successful in the public sector (Budwar & Mellahi, 2007; Forstenlechner, 2010), the private and semi-private sectors have been less responsive across the GCC (Forstenlechner, 2008; Harry, 2007). As noted by Fryxell et al. (2004, p. 270), the private sector may not be as responsive to government quotas, as market forces dictate organisational performance and responses to localisation. Private sector employees may also respond negatively to localisation by guarding their jobs and information, or only looking at localisation as a form of taxation if there is a belief that localisation may be negative for the organisation (Rees et al., 2007).

Localisation in the Gulf Cooperation Council Countries

Localisation in the Arab world has not received wide academic attention (Forstenlechner, 2008; Harry, 2007). While the circumstances of localisation in the Gulf are somewhat different from other areas, the nature of the issue is no less pressing. Political leaders well recognise that dependence on expatriate skills and expertise poses a potential threat to the political and social fabric of the region (Forstenlechner, 2008; Harry, 2007; Kapiszewski, 2004; Rees et al., 2007). When confronted with the socioeconomic realities of the region, the reasons for this vulnerability become clear: large young populations, often with the majority under the age of 25; rising unemployment among nationals (with the noted exception of Qatar);
and large numbers of expatriate workers, all combine to contribute to the volatility of
the situation. Localisation efforts, which first occurred in Saudi Arabia in the form of
Saudisation, have spread to each of the Gulf States (in the forms of Kuwaitisation,
Qatarisation, Emiratisation, Bahrainisation and Omanisation).

While there has been research into the localisation phenomenon in the GCC (Achoui,
2009; Al Waqfi, & Forstenlechner, 2010; Budhwar, & Mallahi, 2007; Forstenlechner,
2008, 2010; Forstenlechner, Lettice, & Ozbilgin, 2011; Forstenlechner & Mellahi,
2010; Harry, 2007; Rees et al., 2007; Williams et al., 2011), this research has rarely
focused on the perceptions of expatriates, with the noted exceptions of Rees et al.
(2007), and Al Waqfi and Forstenlechner (2010). For example, Harry (2007)
discusses the implications of the localisation challenge, issuing a stern warning to the
region. Furthermore, Achoui (2009) researched HRM practices in Saudi Arabia. Rees
et al.’s (2007) case study was based on Emiritisation efforts in the UAE and discussed
some of the challenges of Emiritisation in practice. Forstenlechner (2008, 2010), one
of the more industrious publishers on localisation in the Middle East in general, and
the UAE in particular, focused on HRM practices, the social contract, and expatriate
stereotypes of Emiratis. More recently, Forstenlechner collaborated with Lettice and
Ozbilgin to review the effectiveness of quotas in the UAE using a relational method
developed by Ozbilgin in 2005 (Forstenlechner et al., 2011). However, a gap exists in
the literature and research: none of the literature to date is quantitative nor does it
focus on the perceptions and attitudes of expatriates and nationals in Qatar.

With the exception of Al-Lamki’s (1998) study in Oman, the obstacles to localisation
in the Arab world have not been the topic of any published quantitative academic
research to date. This is likely due to the noted difficulties of gathering quantitative
data in the Middle East, and further exacerbated by the challenges of gathering
quantitative data in developing countries (Ahlstrom, & Bruton, 2004). The present research seeks to build on Al-Lamki’s earlier work in Oman nearly a decade ago and Selmer’s (2003, 2004) work in China.

Despite the policies, quotas and incentives in place, localisation in the Middle East can largely be considered a failure. Growing national unemployment, especially among youth, in the face of increasing numbers of expatriates indicates that localisation programs are largely ineffective (Achoui, 2009; Al Waqfi, & Forstenlechner, 2010; Budhwar, & Mellahi, 2007; Forstenlechner, 2008, 2010; Forstenlechner, & Rutledge, 2010; Forstenlechner et al., 2011; Harry, 2007; Kapiszewski, 2004; Rees et al., 2007).

Significant obstacles exist to localisation in the region. As has been recognised by Forstenlechner (2008), Forstenlechner and Rutledge (2010) and others, the differences in localisation between GCC countries and localisation efforts in other regions may have an impact on the effectiveness of organisational actions. The level of motivation and of employee commitment may play a pivotal role in GCC localisation efforts. If national employees are not engaged, they will be less responsive to mentoring and coaching.

**Qatarisation**

The Qatarisation program was introduced in much the same manner as other localisation movements in the rest of the GCC, through political, legal and quantitative methods (Forstenlechner, 2010). More specifically, Qatar has implemented a combination of quotas and government incentives (preferential treatment of Qataris), which is stipulated in Qatar’s Labour Law #14, where
Qatarisation and the preferential employment of Qataris is a legal requirement for business (Qatar Constitution, 2004).

Since its inception in 2000, the Qatarisation program has attempted to meet employment targets of 50 per cent in key positions in the energy and industrial sectors (Ministry of Interior, 2012). The Qatarisation project for example, combines the quota system with professional training initiatives. Its goal is to achieve 50 per cent local employment in the energy sector (28 per cent) within five years. This goal requires the participation of companies in the energy sector in the processes of locating, training and employing Qatari nationals with the support of the government (Ministry of Interior, 2012). This program has been extended to include companies in other sectors such as banking.

The situation in Qatar is different from other parts of the GCC: Qataris enjoy one of the highest per capita incomes in the world and consequently have significantly less pressure to work. At 0.04 per cent, unemployment in Qatar is much lower than the rest of the GCC (Ministry of Development Planning and Statistics, 2011); however, the issue of localisation is no less pressing from both a socioeconomic and a cultural perspective. Evidence of increased frustration among nationals is important and must be recognised. Further research is required into the motivation of nationals and the articulation of HRM practices in Qatar that support cultural aspirations and counter the traditional obstacles to localisation.

Although there are some statistics regarding Qatarisation, they are difficult to obtain and specific numbers are difficult to verify. There are conflicting perceptions between expatriates and nationals about what Qatarisation is, and how successful it has been to date. Further investigation into the success of Qatarisation is warranted on an industry
and business specific level. Similar to the work of Bhanugopan and Fish (2007) in Papua New Guinea and Al-Lamki (1998) in Oman, analysis into the obstacles to localisation from a national’s perspective would be useful. Of particular benefit would be quantitative analysis into the obstacles to localisation in Qatar, including the perceptions of both expatriates and nationals, and the demographic factors that influence localisation in Qatar (Qatarisation).

With the exception of Al-Lamki’s (1998) study in Oman, the obstacles to localisation in the Arab world have not been the topic of any published quantitative academic research to date. This is likely due to the noted difficulties in gathering quantitative data in the Middle East, and further exacerbated by the challenges in gathering quantitative data in developing countries (Ahlstrom, & Bruton, 2004). Selmer’s (2003) research results suggest that organisational characteristics and a planned localisation process are key components of localisation. Selmer’s (2004) findings indicate that expatriates were unsupportive of the localisation process, and did not believe it was necessary. Some believed that it was actually negative for MNC performance, a belief that was supported by earlier research (Lam, Tse, & Yim, 2001), who found localisation was positive up to a certain point before it began to negatively affect firm performance.

The multi-faceted issue of localisation in the regions leads to the first hypotheses:

\[ H1E: \text{The nomological networks of latent factors of localisation are interrelated, multidimensional and extrapolative predictors for expatriates.} \]

\[ H1N: \text{The nomological networks of latent factors of localisation are interrelated, multidimensional and extrapolative predictors for nationals.} \]
2.3 Work Values: A Theoretical Perspective

Work values are a subset of general values and have been described in a number of ways (Carlstrom, 2011). Zytowski (1994) acknowledges the theoretical deficit around recognising and explaining these antecedents to work, defining them as a set of concepts which influence an individual’s affective orientations and classes of external objects offering similar satisfactions. The concept of work values has been expanded upon and, as implications for management became apparent, additional definitions appeared:

Work values are conceptualised as desirable and trans-situational goals that act as guiding principles for an individual’s work life. (Wils, Saba, Waxin, & Labelle, 2011)

- A work value can be defined as the importance individuals give to a certain outcome obtained at work context. (Sagie, & Elizur, 1996)

Reconciling how different studies measure work values is challenging, with many measures used from the earlier studies to the present (Gahan, & Abeysekera, 2009; Munson & Posner, 1980). Early studies looked at work values as modes of behaviour (Gahan, & Abeysekera, 2009). However, an increase in the convergence of work values has occurred gradually over time.

Gahan and Abeysekera (2009) note that the more enduring characteristics referred to in the literature are the extrinsic and intrinsic nature of work values. Extrinsic values include factors such as pay, promotion and a comfortable work environment, whereas intrinsic values include benefits that are not tangible, coming from the nature of the work itself and the higher order constructs such as self-actualisation, competence and mastery. Warr (2008) for example, found that the higher the educational attainment, the more likely individuals were to continue working without financial need.
Conversely, the psychology approach posits that self-concept or self-construal play a major role in determining work values. For example, Warr (2008) studied work values across different cultures from the cultural and individual level. He found that both self-construct and the cultural context impacted work values. Essentially, work values can be seen as a combination of social values and individual values, the combination of which culminates in work values.

Whatever the terminology, all definitions share a common theme of recognising the relationship between the employee and their work (Gahan, & Abeysekera, 2009).

In part, the study of work values has been perpetuated due to the recognition that human capital is becoming increasingly important and the study of work values and their relationship to organisational study has increased (Sagie, & Elizur, 1996). Work values are important because they play a fundamental role in work-related behaviours. Individual performance, attitudes towards intrinsic or extrinsic rewards, ambition, and career mobility and organisational performance are all influenced by individual work values (Abboushi, 1990). Furthermore, the identification of individual work values plays into management decisions around a number of HRPs including performance management, employee counselling, and career planning.

Further, Kidron (1978) and Putti, Aryee, & Ling (1989) identify the link between work values and OC. Both studies found that intrinsic factors played a more instrumental role than extrinsic factors in relation to OC (Elizur, 1996). Consequently, job satisfaction is essential in attracting and retaining qualified employees (Al-Zu’bi, 2010) and enabling organisational performance.

Of note is that the basic premise includes both personal values and social values. The latter was recognised by the seminal work of Hofstede (1984) and formed the basis of
his later revised work (1993, 2001). The impact on culture, and more importantly, the differences between cultures and their subsequently different work values is an ever-pressing question in management literature.

2.4 Work Values Review of Literature
At the outset, it is necessary to recognise that the vast majority of early studies on work values focused on North America (Hofstede, 1980, 1984), conducted in general in a Western environment. As Ali (1988) points out, the vast majority of these studies focused on the western work ethic. While studies based in this context offer a great deal of insight into work values, they may require adjustment or revision when introduced into an international cultural context (Gahan, & Abeysekera, 2009; Hofstede, 1993, 2001; Matic, 2008). It is generally recognised that the influence of cultural factors is an important component of both satisfaction and values in a professional environment.

The cultural impact on international management practices and measures has been widely researched and debated. International research has reviewed a variety of differing HR facets. While work values and their implications for management are widely accepted around the world, the majority of research has been conducted in the West and consequently, reflects the values and implications arising directly from this cultural context (Adler, 1997; Hofstede, 1980, Warr, 2008).

For this reason, the theoretical background is presented in two categories. The first summarises the vast body of knowledge around work values in the Western context and the second reviews the limited literature on work values in the Middle-Eastern context. This work then provides the foundation for the current research into work values.
2.4.1 Work Values Studies: A Global Scenario

That work values are influenced by cultural factors is widely recognised (Cherrington, 1980; Fish & Bhanugopan, 2008; Fish & Wood, 1997; Gahan, & Abeysekera, 2009; Hofstede, 1993, 2001; Hoppe, 1990; Matic, 2008; Sagie, & Elizur, 1996). Hofstede (2001) describes culture as programming of the mind, finding that culture plays a significant role in the work values of different cultural groups. Indeed, Gahan and Abeysekera (2009) note that the majority of international studies of work values provide cross-cultural explanations, citing a number of relevant studies (Bu, & McKeen, 2000, 2001; Pelled, & Hill, 1997).

Work values are an important part of international business then, and have received the attention of a number of studies (Ben-Shem & Avi-Itzhak, 1991; Latifi, 2006; Moshe Sharabi, Itzhak Harpaz, 2013; Nord, Brief, Atieh, & Doherty, 1988, 1990; Sharabi, 2010). But how does national culture shape work values? Elizur and Borg (1991) found that while the underlying values around work remained the same, the rank order of the values in terms of importance gave evidence of differences between cultures. For example, job security was very important in South Korea but was only marginally important in Israel and China. In addition, while job interest was the most important value for individuals from the US, Holland and Germany, it was ranked far lower in Hungary and China.

Interestingly, it was also determined by Selmer and De Leon (1996) that work values contain a degree of flexibility; depending not only on the subject’s nationality and culture, but also on the culture of the firm in which they were employed. They found that Chinese workers in Swedish firms adopted the host company’s values to a certain extent, contradicting their traditional Chinese values. Selmer and Littrell (2010) also
found that economic conditions play a part in the work values of Chinese employees and that work values may change depending on economic conditions.

White (2005) also focused on China, where he sought to understand the relationship between individual work values and cultural work values in the hospitality industry. His comparative study found that Chinese and European students scored higher on individualism than expected. This contrasts the work of Hofstede (1980), who classified Chinese employees as highly collectivist.

### 2.4.2 Work Values Studies in Middle Eastern Countries

Unfortunately, there has been limited research into work values in the Middle East, despite the recognition that culture and subsequently work values play an essential role not just in HRP, but in a number of areas including health, politics and leadership. (Hoppe, 2004; Robertson et al., 2002). A number of researchers recognise this paucity, citing cultural limitations, research costs and data gathering problems as the main reasons limiting research in the area (Robertson, Al-Khatib, Al-Habib, & Lanoue, 2001).

Some of the earlier studies conducted by Abboushi (1990), Ali (1986, 1987, 1988, 1989, 1990, 2001), Ali & Al-Kazemi (2005), Ali & Amirshahi, M., (2002), Askun, Oz & Askun (2010) Rice, (2006), Yasin and Stahl (1990) and Yousef, (1998) formed the foundation of work values’ studies in the region. Ali in particular has contributed greatly to the work in this area, researching the work values of Arabian and Iranians where he found that organisational variables have minimal effect on work values, and that the collectivist orientation was reinforced in both cultures. In his 2001 study, Ali surmised that the individual work ethic and the relatively high scores among nationals
was positively related towards society, and the individual obligations towards one’s company or place of employment.

Sidani and Gardner (2000) studied the work values of Lebanese workers, finding that religious values and organisational policies needed to be aligned to avoid clashes in work and organisational values. Wils et al. (2011) conducted a study on the differences between work values, and generational and different cultures. This innovative study identified a cross-generational population in Canada and in the UAE. They found that work values in Quebec did not vary across generations, while in the UAE there were variations among participants. Interestingly, however, they found that cultural origin did not have a significant impact on the average scores.

The role of work values and OC has been posited in many different environments. However, with profound challenges in workforce management, employee commitment in the GCC is a major concern. Interestingly, Ali and Al-Kazemi’s study of Kuwaiti managers reviewed the managers’ work values and found that demographic variables played an important role in commitment and loyalty. In particular, expatriate managers and females demonstrated a higher commitment to work values and loyalty (Ali, & Al-Kazemi, 2005). This is consistent with other research that has demonstrated a relationship between work values and OC such as Fabian & Shufeng (2012) in China.

Although work values have been studied in a variety of different contexts, Sharabi (2009), while recognising the international literature on work values, also points out the lack of literature on the study of cultures within nations. One of his contributions is a comparative study between the work values of Israelis and Arabs within the state of Israel. Sharabi (2009) identified a gap in the literature at the time—studies as of
2009 had only studied work values across nations, not across cultures. This was a departure from earlier studies in that both ethnic groups were coexisting in the same country. Would the dominant culture dictate work values or would religious and ethnic differences influence Hofstede’s (1980, 1984, 1991, 1993, 2001) programming of the mind? Unlike Selmer and De Leon’s (1996) research, the dominant culture did not appear to heavily influence Arab values. Sharabi found that Jewish and Arab work values were markedly different in a number of ways. Arabs placed more emphasis on work, while Jews placed more emphasis on family. Jewish participants indicated a higher rating of individual values, similar to American values, while Arab responses were more collectivist.

A number of factors have been used to assess work values, such as importance of life and preferred work goals (Sharabi, 2009), and the values for working questionnaire that focused on work related attitudes and beliefs (Ali, 2001 Ali, & Amirshahi, 2002). However, the differences between different regions and countries within the Arab world, and the antecedents of work values are well recognised (Sidani, & Thornberry, 2010). These antecedents include endurance, submission and shrewdness (Sidani, & Thornberry, 2010), which have led to a fear of change, hesitancy and ambivalence. This is supported by a strong respect for discipline, and high uncertainty avoidance (Hofstede, 2001; Sidani, & Thornberry, 2010). This is reinforced in the social contract that can be characterised by highly autocratic governments and a paternalistic approach to wealth distribution (Forstenlechner, 2008, 2010). As demonstrated by Matic, 2008, the work values of western cultures are more likely linked to higher motivation and work ethic and autonomy and less concerned with job security. For nationals in the GCC region, where there is a high degree of uncertainty avoidance, power distance and concern for status, the work values are more closely aligned
public sector employment and values where there is less risk. The collectivist culture and predisposition of the culture to autocratic rule and the ‘benevolent’ leader suggests an affinity to a compassionate work value where all employees are treated gently. This is further supported by Forstenlechner’s 2010 work in the GCC.

For expatriates in the GCC region, who are predominantly from the West, the Protestant work ethic is a major factor in their work values. The value of a high degree of autonomy is intrinsic in these perceived work values, as pointed out by Sharabi (2009) who notes that Jewish work values are similar to American values. High task concern, and autonomy coupled with a degree of teamwork in this environment are indicative of expatriate work values.

Thus the following hypotheses are posed:

\[ \text{H2E: A nomological network and causal relationship of dimensions, namely harmony and autonomy, are optimal predictors of work values for expatriates.} \]

\[ \text{H2N: A nomological network and causal relationship of dimensions, namely compassion, public sector values and job concern are optimal predictors of work values for nationals.} \]

2.5 Organisational Commitment: A Theoretical Perspective

The basic feelings one has towards one’s employer bears a fundamental impact on overall work performance and OC. OC has been linked to the intention to leave one’s organisation and other negative employee behaviour (Meyer et al., 1993). Predictably, O’Fallon and Rutherford (2009) found that OC is related to employees’ intention to quit. Meyer et al. (1991) state that OC is a psychological state that influences the relationship an individual has with their company. Much research has focused on OC since the concept was first proposed in management research over half a century ago. However, there lacked a comprehensive framework for OC.
Since its conceptualisation and rapid acceptance as an area of academic attention, OC has been heavily researched. This research has evolved from at least two theoretical paradigms: the first where commitment is perceived as a sense of genuine attachment to the organisation. This affinity then leads to specific and desired job related behaviours. The second approach relates to the implications of behaviour on attitude (Muthuveloo, & Raduan Che Rose, 2005), Suliman and Iles (2000a) suggest that the attitudinal, the behavioural, and the normative were the first theoretical approaches to OC.

The attitudinal approach was initiated by Porter et al. (1974) and was the most well-known approach for conceptualising OC. The behavioural approach was based on the idea that the investments an individual made in an organisation are key factors that made them stay with an organisation. Further, the investments indicate a sunk “cost” if an individual leaves the organisation. In addition, it was recognised that the more invested one was when entering an organisation through time and connections, the more committed one was. The normative approach viewed the alignment of organisational and individual goals as a key component or element in OC (Suliman, & Iles, 2000b).

The multidimensional approach was developed later and assumes, as the name would suggest, an approach based on the interplay between several dimensions. Meyer and Allen’s (1987) three-component model (later revised in 1991) was a significant contribution to the body of research on OC. The model sought to bring together the various perspectives on commitment and proposed that there were three related commitment factors: affective, continuance and normative. The model proposed that OC was made up of these three components not in isolation, but in relation to each other.
Meyer and Allen (1984) propose that affective commitment is a genuine affinity for a company. This type of commitment explains why employees remain with a company simply because they like the company. Employees with high levels of affective commitment are more likely to stay with an organisation because they can identify with it, and feel genuine affinity for the organisation. A significant amount of research has been focused on AOC due to the recognition that employee commitment and productivity are linked (Chen, Z., & Francesco, 2003; Meyer et al., 2002).

A second type of commitment proposed by Meyer, Irving, and Allen (1998) is continuance commitment, where employees stay because they feel the switching costs, or costs associated with leaving, are too high. If the perceived cost of leaving an organisation is lower than the benefits associated with staying, then employees are more likely to leave the organisation (Choong, Wong, & Law, 2012). Continuance is not closely linked with productivity or performance. It has been suggested that this is not a desired form of OC from an organisational perspective (Suliman, & Iles, 2000).

Finally, normative commitment is measured by employees’ feelings of obligation towards the company, and that staying is the “right” thing to do. Employees with high levels of normative commitment are more likely to stay with the organisation, even when there is pressure to leave. Normative continuance is based on a notion of loyalty or a “code” of obligation towards the company.

Due to the recognised value of high OC, and in particular high affective commitment, much research has been conducted in order to determine the antecedents of AOC (Meyer et al., 2002; Netemeyer, Boles, McKee, & McMurrian, 1997). However, it is recognised that the vast majority of this research was conducted in a Western environment. With the expansion of international business, and the recognition of the
high value of HR (Chew, & Chan, 2007), it was realised that the research needed to be expanded to include non-Western regions.

2.6 Organisational Commitment Review of Literature

This section provides an overview of the OC construct.

2.6.1 Studies in the Non-Western Context

For the most part, studies on OC have been conducted in Western contexts. Yousef (2003) argues that the concept of OC is Western, and cannot be reasonably applied to other countries with non-Western cultures without further study. This is echoed by others (Bernardi, & Guptill, 2008; Chew, & Chan, 2007; Froese, & Xiao, 2012, Huei-Fang, & Yung-Ho, 2009; Moynihan, Boswell, & Boudreau, 2000).

More recently, a number of international studies have been conducted in recognition that the OC construct is influenced by culture. Some of this work has focused on performance in relation to employee intention to quit and turnover (Aladwan, Bhanugopan, & Fish, 2012; Chen, & Francesco, 2003; Naumann, 1993; Suliman, & Iles, 2000) as well as performance and links to productivity and the validation of Meyer et al.’s (1998) model.

Much of this work has been done recently in China. Chen and Francesco (2000) found that culture did indeed influence Chinese employees’ OC. Further, Chen and Francesco (2003) investigated the link between OC and performance. More recently, Froese and Xiao (2012) confirmed many of the findings of Meyer et al. (1991), that culture plays a role in job satisfaction, including factors such as risk taking and individualism. The study also confirmed that job satisfaction plays a strong role in OC in the Chinese cultural context.
Haar and Spell (2004) studied OC and work family practices in New Zealand. They found that affective and normative commitment were highly correlated. Their study revealed a large difference in scores for the perceived value of work–family benefits, with flexitime the most highly valued and childcare subsidy the least valued, thus contributing less to OC.

Bernardi and Guptill (2008), intent on finding the effects of culture and gender factors on OC, studied students from seven countries to determine if social desirability response bias and gender affected OC. Further, Suliman and Al-Junaibi (2010) found that there was no difference between expatriates and nationals’ perceptions of OC. However, they did find that education level was significantly related to commitment.

### 2.6.2 Organisational Commitment in the Middle East

Predictably, there has not been as much research into OC in the Middle East as there has been elsewhere. While there is admittedly a limited amount of research in the Middle East relative to North America and Western Europe, some valuable insight into OC in the region has been achieved.

Awamleh (1996) suggests that most of the work on OC in the region is anecdotal in nature, and that studies are in their infancy with no viable culture-specific construct. Al-Qattan (1987) focused on Saudi Arabia and the impacts of OC on employee performance. Alnajjar, (1999) performed some relatively early work on OC in the UAE. Later, Suliman and Iles (2000) focused on Jordan, and the OC levels of employees in three industrial companies. This quantitative study found that there was a positive relationship between OC and organisational performance, thus supporting earlier work in other regional contexts (Chen, & Francesco, 2003; Meyer et al., 2002).
In 2002, Suliman again focused on OC in a Middle-Eastern construct to determine its mediating effects.

Later, Suliman and Al-Junaibi’s (2010) quantitative study in the UAE confirmed the multidimensionality of commitment in the region. Further, a significant negative relationship existed between OC and intention to quit, this was later supported by Aladwan et al. (2012) in Jordan. Interestingly, Suliman and Al-Junaibi also found that age and nationality showed no significant relationships to commitment. However, gender showed a positive relationship with affective commitment.

Bhuian, Al-Shammari and Jeffri (1996) found that expatriates in Saudi Arabia had a largely indifferent perception of OC. Further, their results supported strong linkages between satisfaction and commitment, and the influence of job factors on satisfaction. An overall indifference to OC in an expatriate environment was supported later by Suliman and Al-Junaibi (2010).

Zeffane, Ibrahim and Al Mehairi (2008) studied the effect of job satisfaction on employee behaviour and absenteeism in the UAE. They found that gender was a significant determinant in differences between levels of job satisfaction and performance, which was weakly supported by Suliman and Al-Junaibi (2010), who found a positive yet weak relationship between gender and OC.

Still in the Middle East, Aladwan et al. (2012) studied the intention to quit in Jordanian organisations. Their quantitative study found that three factors influenced OC and the employees’ intention to quit: work opportunities, personal needs and personal responsibilities. They found that intention to quit was most influenced by available work opportunities, and least affected by personal responsibilities. This confirmed the relationship proposed in other studies on the relationship between OC
and intention to quit. Further, it contributed to the literature by demonstrating that the linkage between OC and intention to quit was consistent in a Jordanian context.

The level of job satisfaction between expatriates and nationals (Elamin, 2011) is one of the few comparative studies in the GCC. The article compares two groups, Emiratis and expatriate bank managers, and reviews their levels of satisfaction with pay, promotion, and job characteristics. Interestingly, it appears that in the banking industry there is a higher level of job satisfaction in the UAE among nationals than expatriates. Further, the levels of job satisfaction are related to levels of OC.

The issue of the relationship between work values and OC is covered in the following section. However, it is important to note that there exists some research regarding the interrelationship between the two constructs. For example, in Malaysia, Yunus, Mazlan, Rahim and Shabudin (2012) found that Islamic work values were moderately related to OC. Further, and in contradiction to Suliman and Al-Junnaibi (2010), the study found that work values were not influenced by gender. What is clear from the literature is the multidimensional aspect of OC. What is evident in the literature is the importance of belonging and a sense of ownership and control over one’s destiny for expatriates. This is in contrast with nationals, who desire a more familial relationship with their employers, much like they have with the paternalistic method of governance. This is reflected in the desire for long term employment, again in contrast to expatriates who generally have 2-3 year contracts.

The conflicting research indicates that there are a number of different variables that require investigation in relation to OC:
**H3E: A nomological network and causal relationship of dimensions, namely belonging, ownership, familial and affective factors, are optimal predictors of organisational commitment for expatriates.**

**H3N: A nomological network and causal relationship of dimensions, namely emotional attachment and longevity, are optimal predictors of organisational commitment for nationals.**

### 2.7 Relationship between the Three Constructs

This section reviews the linkages between localisation and work values, localisation and OC, and work values and OC.

#### 2.7.1 The Relationship Between Localisation and Work Values

Localisation in the GCC region is a major concern for leaders in the area. With high unemployment in some countries, and a burgeoning population of youth about to enter the workforce, the issue will only become more pressing. Despite this demographic bubble, nationals are still poorly represented in the workforce in the GCC. While the research into work values is substantial (Matic, 2008; Rokeach, 1973; Sharabi, 2009), research into the work values in the GCC region is less abundant and the link (if any) between work values and localisation, while alluded to (Forstenlechner, 2010; Harry, 2007), has not been directly addressed in the research on localisation.

Research indicates that despite quotas and other incentives for hiring nationals and implementing localisation policies, companies prefer to hire expatriates who are seen to be more competent, experienced and productive (Sadi, & Henderson, 2005). Indeed, the human capital value of the nationals targeted in localisation strategies is in question (Rutledge et al., 2011). Reese et al. (2007) indirectly question the level of work ethic of nationals and point out that organisations in the Gulf prefer not to hire
nationals. This is because expatriates are both more experienced and more competent than their local counterparts (Atiyyah, 1996; Lumsden, 1993). Further, there have been concerns that implementation of localisation policies and the subsequent gains in employment will be offset by lower productivity and global competitiveness (Sadi et al., 2009). For this reason, it is hypothesised that:

\[ H_{4E}: \text{The work values exhibited by expatriates will have a significant negative influence on localisation.} \]

\[ H_{4N}: \text{The work values exhibited by nationals will have a significant negative influence on localisation} \]

Henderson and Thompson (2003) argue that in order for an organisation to perform well, and be successful, the work values of the individual and the values of an organisation need to be congruent. However, while organisational and personal work values should be aligned as closely as possible, the difficulties are exacerbated in an international context where cultural work values may be shaped by national values. Much research has confirmed that values are shaped, at least in part, by the culture in which one lives (Erez, & Early, 1993; Sharabi, & Harpaz, 2007). Matic (2008) states that differences in work values can be used to explain differences between different groups in employee performance, and further, work values can provide insight into different employee motivations.

Al-Waqfi and Forstenlechner (2010) identify that nationals are perceived as having lower work values. Forstenlechner (2010) later notes that the social contract may lend itself to different work values by expatriates, as the prevalence of public sector employment in which nationals can enjoy shorter working hours and generous pay sets nationals’ aspirations. As such, work values may be linked fundamentally to localisation as an antecedent to commitment.
2.7.2 The Relationship between Localisation and Organisational Commitment

As mentioned earlier, localisation is the process of replacing expatriates with competent, local talent (Bhanugopan, & Fish, 2007). Successful localisation does not impact organisational efficiency nor overall productivity, because the productivity levels of the national replacements are similar to those expatriates being replaced. OC is important because it enhances citizenship behaviour (Ucanok, & Karabati, 2013). Further, OC, in particular AOC, is the strongest predictor of employee turnover, and equally as importantly, AOC has the strongest impact on performance (Froese, & Xiao, 2012) While the research into OC is significant, the link between OC and localisation in the GCC remains unresearched.

For many years, the attributes and effects of OC have been studied in organisational psychology. The research has been prolific because OC, whether affective, normative or continuance (Mathieu, & Zajac, 1990; Meyer et al., 1998; Meyer, Becker, & Vandenberghe, 2004) has a strong impact on employee behaviour. Studies indicate that OC plays a significant role in determining a positive work environment for employee performance, job satisfaction, absenteeism and employee turnover (Su, Baird, & Blair, 2010). The importance of OC has been termed as the main force behind an organisation’s performance (Suliman, & Iles, 1999).

The value of OC has been widely recognised, leading to a number of studies on OC in the Middle East region (Bhuain et al., 1996; Elamin, 2011; Suliman, & Al-Junaibi, 2010; Suliman, & Iles, 1999; Zeffane et al., 2008). However, none focused on the GCC and the relationship between OC and localisation in this geographic region. A number of factors already lend themselves to low OC in the region—a work environment pervaded by expatriate workers on short-term employment contracts, a
highly competitive talent environment for nationals where high talent nationals can “name their price”, a work environment where expatriate workers are viewed as “expendable”, the generous social contract (Forstenlechner, 2010) and the work values of nationals all bear implications for OC and subsequently, localisation. Therefore the following hypotheses are proposed:

\[ H5N: \text{The organisational commitment exhibited by expatriates will have a significant negative influence on localisation.} \]

\[ H5N: \text{The organisational commitment exhibited by nationals will have a significant negative influence on localisation.} \]

2.7.3 The Relationship between Work Values and Organisational Commitment

The popularity of OC as a field of research has been met with equal vigour by researchers investigating work values. The relationship between the two constructs represents a robust and growing area. Indeed, the relationship between work values and OC and the interactions between the two has received significant attention (Froese, & Xiao, 2012 Meyer et al., 1998; Siu, 2003; Ucanok, & Karabati, 2013). The relationship between the two constructs has followed three distinct paths (Aladwan, 2012). The initial path is the investigation of the relationship between the individual’s work values and level of OC. The second is examining how an employee’s work values mediate between organisational or individual characteristics and employee commitment, and the third is the relationship between co-workers and supervisors’ work values and the employee’s.

How strongly work values impact OC has been the topic of much debate. Meyer et al. (1998) point out that the meta-analyses carried out by Cohen (1992) and Mathieu and Zajac (1990) indicate that situational characteristics such as job characteristics,
leadership and roles are stronger antecedents of OC than personal antecedents (work values for example). However, they also note that this does not mean that they do not influence OC. In fact, the results from their research indicate that work values do influence OC (Meyer et al., 1998). This supports the earlier work of Palich, Horn and Griffeth (1995), who found that values were linked to satisfaction and OC. This was also supported by later research (Fischer, & Mansell, 2009).

Siu (2003) also found that work values had a moderating effect on job stress and subsequently OC in China. Of note was that this study examined the effect of Chinese work values on OC and job stress—because work values are influenced by culture, the relationship between the two constructs would be influenced by culture as well. Ucanok and Karabati (2013) also note in their study of Turkish small to medium enterprises and the relationship between work values, OC and organisational citizenship, that affective commitment is essential in citizenship behaviour. Finally, Yunus and Mazlan (2010) found that work values were moderately related to OC. Thus:

\[H6E: \text{The work values exhibited by expatriates will have a significant positive influence on organisational commitment}\]

\[H6N: \text{The work values exhibited by nationals will have a significant negative influence on organisational commitment}\]

2.7.4 The Overall Theoretical Relationship on National Human Resource Development

Due to the demographic nature of the Gulf in general (small national workforce) and Qatar in particular, the localisation initiatives and subsequent quotas have placed a high value on the hiring of nationals (Rees et al., 2007). Wong and Law (1999) and Potter (1989) suggest that localisation is only successful if nationals perform at the
same level of competence as expatriates. Further, Wong and Law (1999) suggest that the same evaluation tools are used for both expatriates and nationals. Performance then, is fundamental to successful localisation. However, (Harry, 2007) it appears that expatriates continue to outperform nationals.

The effect of work values, and OC on performance has been well researched (Porter, & Steers, 1973; Porter et al., 1974; Putti et al., 1989; Riketta, & Landerer, 2002; Robertson et al., 2002). The effects of personal factors, such as work values, have been linked to OC, and further linked to performance and intention to quit. In particular, AOC has been linked positively to employee and organisational performance. Further, the issues of performance and the ability of nationals to compete competitively with expatriates has been raised in HRD and localisation literature (Harry, 2007; Forstenlechner, Madi, Selim, & Rutledge, 2012; Rees et al., 2007). This bears implications for localisation if we are to adopt the description of localisation whereby nationals must perform at the same level as expatriates.

The overarching goal of this research is to investigate the link between work values, OC and localisation. This will establish a baseline into the relationship between these three constructs and contribute to the HRD theory in the region.

\textit{H7E: There is a significant positive relationship between localisation, work values and organisational commitment for expatriates.}

\textit{H7N: There is a significant negative relationship between localisation, work values and organisational commitment for nationals}

Based on these hypotheses, the following theoretical model is proposed.

2.8 Overall Theoretical Model

Figure 1 illustrates the relationships between the hypotheses presented in this chapter.
Figure 1: Proposed Theoretical Model
2.9 Conclusion

This chapter reviewed the literature on the localisation, OC and work values. Further, it provided a review of the literature where these constructs overlap. The nature of these constructs were reviewed and discussed in terms of the international context, and international research. The link between work values and OC was reviewed, and the relationship these two constructs would have on localisation was posited. The next chapter addresses the methodology of the research.
Chapter 3 Methodology

Chapter Overview
Chapter 2 provided a review of the current literature and set out the hypotheses and theoretical model for the research. This chapter describes the research design and purpose of the research, and provides an overview of the research paradigm and overall approach. It then outlines the quantitative method as used in this research, followed by the data collection procedures and measurement instruments. The data analysis plan follows, providing the measurement and other details of the structural model assessment for the SEM model. The final section of this chapter reviews ethical considerations.

3.1 Research Design
This section provides an overview of the research design used for this project, including the research problem, hypotheses and research questions, as well as the overall methodology.

3.1.1 Statement of the Problem
Political leaders have recognised the challenges of localisation in the GCC region for some time (Harry, 2007). Evidence of a skills deficit coupled with burgeoning infrastructure plans has left the region’s leaders with a significant hurdle. This obstacle has been recognised by scholars as being potentially one of the most pressing and urgent issues for the region (Harry, 2007).

An emerging theme is the differences in work values and OC between expatriates and nationals (Rees et al., 2007). The twin issues of workforce readiness and overarching development plans seem to be misaligned. Further, if localisation is to be effective, a
degree of competence and experience of nationals along with support from expatriate incumbents is essential (Selmer, 2004).

It is generally recognised that localisation in the form of quotas, while ensuring employment for nationals, is not true localisation. As Selmer (2004) points out, localisation requires nationals to produce at an equal level to expatriates. However, this is not the case (Forstenlechner, & Maellahi, 2010; Harry, 2007). Further investigation is required to determine what factors may impact localisation and employee productivity. The link between underlying values, and their relationship with localisation forms part of this research. Further, while the link between AOC and productivity has been established (Chen, Z., & Francesco, 2003; Meyer et al., 2002), the link between work values and OC remains weak. Finally, the relationship between localisation, work values and OC in this unique Middle Eastern context remains unexplored.

To date, no quantitative research into the localisation of HR in Qatar exists in peer-reviewed journals, despite the prominent role the State plays in the region. A primo search displayed only one result when doing a search using the keywords “localisation” and “Qatar”. The single result was an article found during the literature review for this current project (Williams et al., 2011).

3.1.2 Research Objectives

The primary objective of this study is to identify if a relationship exists between work values, OC and localisation in Qatar. Further, the differences between the work values and OC of expatriates and nationals will be investigated in an effort to uncover if there is a relationship between these constructs and localisation.
Specific Objectives

1 To study the obstacles to localisation in Qatar from both an expatriate and a national perspective.

2 To investigate if demographic factors have a relationship with perceptions of localisation for expatriates or nationals.

3 To examine the relationship and identify differences between expatriate and national perspectives on localisation.

4 To examine the work values of expatriates and nationals in relation to localisation.

5 To examine the OC of expatriates and nationals in relation to localisation.

6 To find if a relationship exists between work values and OC in relation to localisation.

7 To examine if a relationship exists between localisation, work values and OC of expatriates and nationals.

Based on the literature review and research objectives presented in the preceding chapter, the following hypotheses are proposed:

Hypotheses

\( H_{1E} \): The nomological networks of latent factors of localisation are interrelated, multi-dimensional and extrapolative predictors for expatriates.

\( H_{1N} \): The nomological networks of latent factors of localisation are interrelated, multi-dimensional and extrapolative predictors for nationals.

\( H_{2E} \): A nomological network and causal relationship of dimensions, namely harmony and autonomy, are optimal predictors of work values for expatriates.
H2N: A nomological network and causal relationship of dimensions, namely compassion, public sector values and job concern, are optimal predictors of work values for nationals.

H3E: A nomological network and causal relationship of dimensions, namely belonging, ownership, familial and affective factors, are optimal predictors of organisational commitment for expatriates.

H3N: A nomological network and causal relationship of dimensions, namely emotional attachment and longevity, are optimal predictors of organisational commitment for nationals.

H4E: The work values exhibited by expatriates will have a significant negative influence on localisation.

H4N: The work values exhibited by nationals will have a significant negative influence on localisation.

H5E: The organisational commitment exhibited by expatriates will have a significant negative influence on localisation.

H5N: The organisational commitment exhibited by nationals will have a significant negative influence on localisation.

H6E: The work values exhibited by expatriates will have a significant negative influence on localisation.

H6N: The work values exhibited by nationals will have a significant negative influence on localisation.

H7E: There is a significant positive relationship between localization, work values and organisational commitment for expatriates.

H7N: There is a significant negative relationship between localization, work values and organisational commitment for nationals
3.1.3 Research Paradigm

A paradigm is a general philosophical approach to the study of the world around us. In research, a paradigm prescribes the methods, approach and ways in which the initial question will be answered. Creswell, Plano Clark, Gutman and Hanson (2003) state that researchers make claims about ontology (what is knowledge), epistemology (how we know it), axiology (what values go into it), and rhetoric (how we write about it). Research usually follows a basic path, where the researcher formulates questions and a plan to answer them. The questions are built around the relevant contemporary research, and the work ultimately adds to the body of research in that particular area (Donley, 2012).

The collection of beliefs the researcher brings to the research, and develops during the process, is combined to create a research paradigm. The goal of this research project is to establish if a relationship exists between localisation, and two other HRM factors: work values and OC. The postpositivist paradigm looks at the causes of effects. By reducing factors or causes of effects, it seeks to explain behaviour (Creswell et al., 2003). Postpositivism breaks down multiple causes to explain behaviour, and then tests the possible causes independently. Measurement of the cause is essential and this approach identifies specific units of measurement. The researcher begins with a theory, then collects data in order to dispute or support the theory (Cresswell et al., 2003).

3.1.4 Research Approach

The selection of a research approach is fundamental in shaping the research and must be considered carefully. Because there is literature on localisation, work values and
OC that touches on research into the interrelationship between work values and OC, but not localisation, a formal deductive approach was used.

Generally, a deductive approach takes a top down approach, formulating hypotheses in reference to a theory of social activity (Hammond, & Wellington, 2013). There are several steps to deductive research (Robson, 2007). Although different approaches certainly exist, the approach outlined by Crowther and Lancaster (2012) presents a neat four-step approach.

By its nature as a theory testing approach, the first step in Crowther and Lancaster’s (2012) deductive research approach is the development of specific the hypothesis or hypotheses that will be tested. Theory generation can come from a number of different sources. Theory can be based on empirical or anecdotal information, or on previous research. It can also be based on a particular problem. Theory development leads to the hypothesis; the specific statement of the question and intent of the researcher.

The second step is the establishment of the units of measurement. These measures assess the validity of the hypothesis.

The third step selects the sampling plan and methods for analysing the empirical observations, and develops an effective research plan (Crowther, & Lancaster, 2012).

The fourth and final step is the “falsification” of the theory through the rejection of the hypothesis, where the researcher attempts to disprove the original hypothesis. According to Crowther and Lancaster (2012), this is based on Popper’s 1967 theory that the best the researcher can do is prove a theory incorrect. The researcher cannot
prove a theory, but it is possible to refute a theory. Although counterintuitive to a degree, the logic of this approach holds.

3.2 Quantitative Methodology

This section outlines the justification for using quantitative methodology and presents a sample of the survey statements.

3.2.1 Justification for the Quantitative Methodology

The three generally accepted methodologies for research are quantitative, qualitative and mixed methods. (Creswell et al., 2003; Donley, 2012).

While qualitative methodology is based on the perceptions and observations of the participants, quantitative methodology seeks a scientific measurement of events and perceptions. In keeping with the deductive approach, quantitative methodology was determined to be the most effective way to determine the hypothesised relationship between the three constructs used in this study. Quantitative methodology is generally used with this type of research (Hammond, & Wellington, 2013).

Qualitative research is often used as a means of theory generation, as the researcher gains a deeper understanding of a phenomenon through intensive data gathering. Although qualitative investigation is effective in gaining explicit knowledge from a research subject, the nature of inquiry demands significant time resources. This generally limits the size of the study and the number of research participants, consequently affecting generalisability. Quantitative methods are able to draw on a larger sample, thereby improving generalisability of the results.

For the current research, the use of quantitative data measured at the individual level required the systematic measurement of the work values variables and their
relationship with OC, and subsequently with localisation. It is generally accepted that the quantitative research method is used to provide “generalities” and a degree of measurement for a concept. Because the author found no quantitative research on this topic, the purpose of this study is exploratory, and thus to make generalisations that would contribute to the theory. As the primary aim of this study is to test if there is a relationship between work values, OC and localisation, a quantitative method was determined to be the most effective. This approach facilitated hypothesis testing and allowed presentation of general results.

3.2.2 Quantitative Survey Questionnaires

The use of survey questionnaires is a common method for gaining quantitative data. Creswell et al. (2003) note that there are four types of data collection: structured record reviews, observations, interviews and the self-administered questionnaire (survey). This study utilised the survey method. The survey is used to gain a sample of data from a relatively large population. The use of a survey made up of a formulated set of statements allows participants to respond with minimal intervention by the researcher.

Questionnaires can take at least two forms. Written surveys can be mailed to potential survey participants with a request for them to be returned. Likewise, online questionnaires can be distributed electronically. For the purposes of this study, electronic distribution was the preferred distribution method.

Quantitative survey questionnaires are effective in obtaining reliable and valid data. However, they must offer established reliability and validity. A reliable survey offers relatively consistent results over time. For example, a test done in one instance will provide consistent responses in other situations.
Survey validity indicates the degree to which one can draw useful conclusions from the results. Essentially, how well did the survey accurately measure what it was intended to measure? There are three forms of validity: content validity, construct validity and predictive validity (Creswell et al., 2003). To have content validity, the instrument must measure what it intended to. To have construct validity, the instrument must measure the theory or hypothetical constructs. Finally, to have predictive validity, the scores must predict a measurement (Creswell et al., 2003).

3.3 Data Collection Procedure
This section provides details about the research participants, and the procedures used for data collection.

3.3.1 Population
This cross-sectional study was conducted in the State of Qatar in 2011. Qatar was chosen for several reasons. First, the challenges of localisation in the Arabian Gulf have been well recognised as a major challenge in the region. Second, not only does localisation impact national culture, it is also a major political concern. However, there is a paucity of such research in Qatar, despite its significant role in the region both politically and economically.

There are two general groups involved in the localisation process: expatriates and nationals. In order to gain insight into the perspectives of these two groups, a research instrument was developed based on previously published literature.

One of the major challenges with research in the region is the lack of participation from potential participants, nationals in particular. An emphasis was therefore placed on distribution of the research instrument through local connections both for expatriates and nationals. Wasta, or the use of connections, was used particularly for
nationals. The heads of HR, deans, and other senior management business contacts from institutions in the private and public sectors were contacted. All participants were assured of confidentiality.

**Units of Analysis**

A relatively broad cross section of expatriate managers and Qatari nationals were the units of analysis for this study.

**Sampling Strategy**

A sampling strategy is an important component of any quantitative study. In relation to other studies on localisation, this study sought to avoid common method bias by establishing as broad a sample of respondents as possible. Thus, a broad cross section of organisations in Qatar was contacted for data collection.

**Sampling Method**

There are two types of sampling type: probability and non-probability sampling.

In the former, random selection is of the utmost importance. This means that different segments within the larger sample have equal opportunity of being selected. In non-probability sampling, the survey is sampled using techniques such as convenience sampling or snowball sampling. This study used convenience sampling.

**Characteristics of the Sample**

The organisations selected in this survey were a broad cross section of the organisations in Qatar, including Hamad Hospital, Qatar Petroleum, Rasgas, Qatar Gas, Shell Oil, Total, Al Jaidah group, Carnegie Mellon University, Weil Cornell Medical College, Al Muftah, Northwestern University, University of Calgary and Qatar University.
3.3.2 Pilot Study

Two pilot studies determined whether there were any issues with the survey language. One included 20 expatriates and the other consisted of 18 nationals. The nationals were satisfied; however, the expatriates suggested two minor changes to the survey language—from British English to American English. For example, a suggested and approved change was exchanging the word “brief” for “stay”. In context, the statement, “My brief here includes training a national as my replacement” was changed to, “My stay here includes training a national as my replacement”.

3.3.3 Survey Language

Although an Arabic country, the most common language spoken in Qatar is English, and was the language selected for the survey for both expatriates and nationals. Because of the international nature of the population, with expatriates from many Western nations, English is the lingua franca of the region. Further, because the survey targets individuals in professional or administrative positions, English is the most likely common language. The use of English also avoided inadvertent Arabic translation errors, which would have added risk to the research.

Survey Distribution—Expatriates

The questionnaire was distributed to approximately 200 expatriates in Qatar via email. The 200 email addresses were from a number of different industry sources including education (specifically College of the North Atlantic-Qatar, University of Calgary-Qatar, Weill-Cornell in Qatar, Northwestern University in Qatar, Carnegie Mellon in Qatar and Georgetown University in Qatar) as well as a number of contacts in other industries such as oil and gas (Shell, Total, Qatargas, Rasgas and Qatar Petroleum). The email was also sent to a number of contacts in organisations such as local newspapers, banks, and consulting companies.
The email was distributed with a request to forward the link to electronically distribute the questionnaire to five expatriate contacts. The email included a link to a Vovici software site that housed the online survey.

**Survey Distribution—Nationals**

The data collection process for nationals was slightly different from the method used for expatriates. A number of techniques were used including social media, email and personal connections. In total, approximately 100 emails were sent with the link to Vovici software requesting the link to be forwarded to colleagues. Again, these contacts were in similar sectors to the expatriates such as education, oil and gas, and banking and private sector organisations.

### 3.3.4 Response Rate

**Expatriates**

Although it is not possible to determine the actual response rate due to the anonymity of the procedure, the number of completed expatriate surveys was 51 per cent. This means that 49 per cent of accessed surveys were abandoned. Due to concerns about confidentiality and job security, the pilot study respondents requested that nationality not be included in the full survey.

**Nationals**

The email distribution revealed 230 responses. However, there were 50 incomplete responses, which were rejected, and another invitation was sent. In total, 200 responses were received. Alumni organisations in educational institutions (specifically College of the North Atlantic-Qatar, University of Calgary-Qatar, Weill-Cornell in Qatar, Northwestern University in Qatar, Carnegie Mellon in Qatar and Georgetown University in Qatar) were contacted with a request to distribute the
survey through email and social media. This resulted in an additional 20 responses that were useable and complete.

3.3.5 Research Instrument and Measures

The research instrument used was a consolidation of three separate, previously published and validated questionnaires. The details of these three questionnaires are outlined in detail below.

Research Instrument for Localisation

The research instrument for localisation was based on Selmer’s (2004) pioneering work in China explained in Section 3.3.2. Expatriates are predominantly the messengers of localisation at the front line. The generic nature of the study (looking at the unwillingness or inability of expatriates to support localisation efforts) identified two necessary components of successful localisation—willingness and ability to facilitate localisation. Therefore, the survey instrument was deemed to have measures that were generic enough to be relatively void of cultural bias. Selmer reported Cronbach Alpha levels between .71 and .84.

Expatriates

The participants were asked to rate how much they agreed or disagreed with the survey statements using a five-point Likert scale. For example, 1 strongly disagree, 5 strongly agree.

In total, 18 statements were common to both expatriates and nationals. This section asked for general viewpoints on localisation, and the degree of company support.

Sample statements included:

1. My company has concrete plans how to implement localisation.
2 In my company, localisation is only an ideal as there are no implementation plans.

3 My company lacks the necessary information to make any plans for localisation.

4 My company has stated the time required to replace the expected number of expatriates by local managers.

Section 4 of the survey (45 statements) specifically related to expatriates and was based on two dimensions:

1 expatriate *unwillingness* to train or support national replacements

2 expatriate *inability* to localise due to the belief that nationals lack the necessary communication or training skills, or expatriates work in an environment unsupportive of localisation and are faced with such deadlines and workload that they are unable to mentor and train their replacements.

Samples statements from Dimension 1 (unwillingness) included:

1 Localisation is a recipe for disaster.

2 It is not good for our company to localise completely.

3 After the expatriates leave, performance will deteriorate.

4 I like my job here and want to keep it.

Samples statements from Dimension 2 (inability) included:

1 I have a job to do and I have little time to train a local successor.

2 My efforts to localise are part of my performance assessment.

3 A bonus is payable after the localisation of my position has been completed.

4 My time as an expatriate here includes designing a plan for having a potential successor ready to take over my job.
Nationals

This research instrument consisted of three sections: Section 1 (seven questions) requested socio-biographical information; Section 2 (three questions) requested information on the characteristics of the employees’ organisations; Section 3 (12 statements) asked for general viewpoints on localisation. The format for this survey was also based on a five-point Likert scale. For example, nationals were asked to rate how much they agreed with the following statement: “the number of expatriates is being reduced” with \(1 = \text{strongly disagree}, 5 = \text{strongly agree}\).

Research Instrument for Work Values

The concept of work values was evaluated using a measurement scale developed by Matic (2008). The instrument was originally used to compare the work values of American and Croatian undergraduate students. The theoretical underpinning of the survey was based on Hofstede’s (1980) IBM survey. The scale was selected because it has been used previously in an international context to explore the differences between the work values of different nationalities.

The validated research instrument asked expatriates and nationals to estimate the importance of 10 work values using a five-point Likert scale. For example, respondents were asked to rate the importance of having little stress on the job, with \(1 = \text{not important at all}, 5 = \text{very important}\).

Sample statements included:

1. I know my job is secure.
2. I have interesting work to do, from which I get a personal sense of accomplishment.
3. I am working for a company that cares about its employees.
4 I have little stress on the job.

**Research Instrument for Affective Organisational Commitment**

Meyer and Allen’s OC scale is one of the pre-eminent models of the construct. AOC, the desire to remain with a company due to a genuine caring for the organisation, is considered to be one of the most significant predictors of productivity. Internal consistency (alpha co-efficient) of this model has been well documented (Meyer, & Allen, 1991; Meyer & Herscovitch, 2001; Meyer, Allen & Smith, 1993) and demonstrates internal reliability with Cronbach alpha scores of .75 to .89.

The statements asked expatriates and nationals to provide feedback on their level of AOC using a five-point Likert scale, with 1 = *strongly disagree*, 5 = *strongly agree*.

Sample statements included:

1 I feel “emotionally attached” to this organisation.
2 I respect my organisation’s vision.
3 I really feel as if this organisation’s problems are my own.
4 I would be very happy to spend the rest of my career with this organisation.

**Demographic Variables**

A number of demographic variables were collected in the survey:

- gender
- age
- educational background
- position level
- years in Qatar (expatriates only).
Organisational Variables

In addition to demographic variables, a number of organisational variables were also collected:

- number of employees
- industry
- business type (multinational/joint-venture/government etc).

3.4 Data Analysis and Interpretation

This section provides details about the process of preparing the data, and subsequent analysis and interpretation.

3.4.1 Data Preparation

Prior to data analysis, the researcher undertook data coding, entry and cleaning.

Data Coding and Entry

The data were collected using the online survey tool Vovici. Respondents completed questionnaires and saved the information that was housed and stored online. The data set was then downloaded into Microsoft excel for data cleaning.

Data Cleaning

Data were compiled into one file in excel. A robust quality control effort was used in order to ensure the accuracy of the data. Every cell was reviewed by the researcher to ensure that there was no missing data. This process was repeated by a third party to ensure the integrity of the data. Further, each cell was checked for accuracy.

The data were then reviewed for inconsistencies. According to Rahm and Do (2000), errors that need to be removed in order to improve the quality of data include misspellings, missing information, or entry in fields that are outside the field of the survey. Errors in spelling were not possible as the data collected were numerical.
However, data were reviewed for missing values. Further, data were reviewed for numerical outliers (such as responses that were above 5 and below 1 on the five-point Likert scale).

The data were then migrated into SPSS 20.0. Once in SPSS, a number of tests were conducted to ensure the integrity of the data. Descriptive statistics were used to determine if there were any data errors.

### 3.4.2 Statistical Analysis

While it was noted earlier that the deductive approach follows a series of steps, this is mirrored, or rather demonstrated, in the data analytic plan. A multi-step approach was used in data analysis as recommended by Anderson and Gerbing (1988). The purpose of using a multi-step approach was to test the fit between the theoretical model and the empirical findings emerging from the research. The data analysis plan was based on a multi-step approach incorporating tests of reliability, factor analysis and regression techniques. Statistical analysis was performed using the SPSS software package and LISREL for the SEM component.

There are several challenges to the research in quantitative analysis. Threats to internal and external validity must be addressed (Creswell et al., 2003). The first step in the process was to determine validity using a variety of standard techniques including Pearson’s r, and Chronbach’s alpha. Once data had been determined, acceptable data analysis was employed.

The second step was to employ EFA using SPSS 20.0. The purpose of using EFA was to determine if an underlying factor structure existed among the variables. This grouped questions based on their degree of correlation. Each construct—work value, OC or localisation—was examined individually.
The third stage was to identify and group questions based on their correlations. This step employed CFA to confirm the relationships, followed by SEM using LISREL software (Jöreskog, & Sörbom, 1996).

Finally, regression analysis was applied again, using SPSS 20.0, to identify the demographic and organisational variables factors affecting localisation, as the factors were measured in relation to the demographic variables. Regression analysis was used to interpret the relationships between the demographic and organisational variables and the latent variables established in the EFA and CFA.

### 3.4.3 Exploratory Factor Analysis

EFA is a multivariate technique used to determine if there is an underlying factor structure among variables. The purpose of using EFA is to explore the data and find out which variables are best suited to represent the entire data based on eigenvalues (Hair, J. et al., 2006). Eigenvalues used were greater than 0.05. In EFA, all variables are measured in relation to every other factor in relation to a factor-loading estimate. The higher the relationship or factor loading, the more representative the factor is of the data.

Using EFA, the researcher does not estimate the number of factors prior to the analysis. As the name denotes, it is exploratory and therefore not driven by theory. J. Hair et al. (2006) state, “the distinctive feature of EFA is that the factors were derived from statistical results, not from theory, and so they can only be named after the factor analysis is performed” (p. 773).

### 3.4.4 Confirmatory Factor Analysis

The main difference between CFA and EFA is that in CFA the researcher is obliged to specify the number of factors. The process is used to test the theoretical fit of the
data. As such, CFA then is used to confirm theory, rather than develop it, “thus, instead of allowing the statistical method to determine the number of factors and loadings as in EFA, CFA statistics tell us how well our specification of the factors match reality (the actual data)” (J. Hair et al., 2006, p. 773).

### 3.4.5 Structural Equation Modelling

SEM has become one of the most valued techniques for statistical analysis (Hooper, Coughlan, & Mullen, 2008). While multivariate techniques such as factor analysis, multivariate analysis of variance (MANOVA), and other multivariate techniques are powerful tools for researchers, they have the limitation of being able to only examine one relationship at a time. Thus, they do not capture the interrelationships between all of the variables examined (Hair, J., et al., 2006). With one dependent and independent variable, one set of information is being gathered (the relationship between the independent and dependent variable).

SEM is a confirmatory technique that is capable of measuring a series of dependence relationships simultaneously (Tabachnick, & Fidell, 2001). SEM can be described as a group of statistical models that seek to explain the relationships among the variables (Hair, J., et al., 2006). The equations developed depict the interrelationships among all of the different variables in a structural model. These are often represented as a path diagram; a visual representation of the statistical model.

While EFA is used to develop theory, CFA and SEM are used jointly to confirm the theory. The convergence of a structural model, within the confines of theory, indicate that there is a valid SEM model. According to J. Hair et al. (2006) “a model should not be developed without some underlying theory” (p. 714).
Although SEM has gained in popularity in recent years, the measurement of the model and assessment of the GFI have not been consistently agreed on by researchers. Traditionally, the chi-squared test was popular; however, there are severe limitations with using this as a fit statistic as it assumes multivariate normality, and deviations from this may cause a false rejection of the model (Hooper et al., 2008). For this reason, a number of other measurement statistics have been proposed—the root mean square of approximation (RMSEA), the GFI and the adjusted goodness of fit index (AGFI), the normed fit index (NFI) and the comparative fit index (CFI). The overarching rule of any of the fit indices is the cutoff point: 0.90 (Hair, J. et al., 2006). This cutoff point represents the difference between an acceptable versus unacceptable model fit.

The RMSEA is perhaps one of the more widely used GFI statistics used. It is recognised by some researchers as one of the best-fit indices (Hooper et al., 2008). The RMSEA, unlike the chi-square, does not reject a model with high variance or sample size because it explicitly compensates for both sample size and variance in its computation (Hair, J. et al., 2006). Although there is some degree of discussion around the optimal acceptable score for the RMSEA (lower scores indicate a better fit), values below 0.10 are acceptable for most models (Hair, J. et al., 2006), and scores below 0.08 represent a good fit (MacCallum, Browne, & Sugawara, 1996).

The GFI was developed as an alternative to the chi-square. It calculates the variance accounted for by the estimated covariance (Hooper et al., 2008). As mentioned earlier, the cutoff for the GFI is proposed at 0.90. However, when factor loadings are low and sample size limited, a cutoff of 0.095 is recommended (Hooper et al., 2008). The AGFI is similar to the GFI, but increases with sample size. Further, the AGFI,
like the GFI, is sensitive to sample size making it useful to use these two related fit indexes in the context of other methods.

The NFI is calculated by comparing the chi-square of the model and the chi-square of the null model. As with other indices, the suggested cutoff for this model is 0.90, although some suggest 0.095 (Hooper et al., 2008). The major drawback to the NFI is that it is dependent on sample size. According to Hooper et al. (2008), the model can underestimate fit in sample sizes of less than 200. Thus, researchers with smaller sample sizes should be wary of relying solely on this index.

The CFI is based on the NFI, but has been refined in order to alleviate dependence on sample size. It assumes that latent variables are uncorrelated (the null model), and estimates the covariance matrix with the null model (Hu, & Bentler, 1999). This measure is used in most SEM models because it is unaffected by sample size.

### 3.4.6 Regression Analysis

Regression analysis is one of the most widely used dependent statistical techniques due to its wide applicability. Regression analysis can take one of two forms—simple or multiple. In either case, the technique uses both an independent variable and a dependent (measured) variable. The main difference between the two techniques is that in multiple regression, a number of independent variables are applied to determine the effects on the independent variable or variables. These independent variables form the regression variate (Hair, J. et al., 2006).

Regression analysis is useful for identifying the relationship between variables, normally called a correlation (Hair, J. et al., 2006). Because it can provide evidence of these relationships, it has powerful predictive power. These relationships are typically
measured by regression coefficients. The coefficients are the measure of each independent variable that provide the explained variance of the dependent variable.

3.5 Ethical Considerations
The challenge of ethical considerations in management research is significant, particularly in areas bound by ethical norms that may be different to those of the researcher. Creswell et al. (2003) point out a number of ethical considerations for inclusion in consent forms, including:

- the right to participate voluntarily
- the right to withdraw at any time
- awareness of the study
- the procedures of the study
- the right to ask questions
- the benefits of the study will accrue to the individual.

This study was anonymous with participant entry not released to the researcher. Further, the risk of coercion was eliminated, as participation was voluntary through an online anonymous poll.

Finally, this research underwent a thorough ethical review by Charles Sturt University.

3.6 Conclusion
This chapter provided an overview of the methodology used in this research. A number of areas were discussed including quantitative and qualitative approaches, the use of the deductive approach and subsequent justification for using the quantitative method. In addition, this chapter reviewed the pilot study, the research
instrument and its content, the research measures and the method of data collection. The chapter also provided a clear overview of the method of analysis including the analytical procedure and justification for a multi-step approach. It also reviewed data entry and data cleaning, and provided the background and justification for the use of multivariate statistics such as EFA and SEM. Finally, ethical considerations were reviewed. The next chapter presents and the results and analysis of the research.
Chapter 4 Analysis, Results and Discussion

Overview
Chapter 3 presented the data collection process, including methodology, procedures for analysis and the overall SEM process used in assessing the model. This chapter presents the analysis of the information collected. Section 4.1 presents the demographic profile of the respondents. Sections 4.2 and 4.3 present localisation construct for expatriates and nationals respectively. Sections 4.4 and 4.5 present the work values construct for expatriates and nationals. Section 4.6 presents the OC construct for expatriates and nationals. Sections 4.7 and 4.8 presents the CFA results and tests the relationship between the factors for expatriates and nationals using SEM. Finally, Section 4.9 concludes the chapter.

4.1 Demographic and Organisational Profile of Respondents
This section provides an overview of the survey respondents, and the different demographic and organisational factors.

4.1.1 Expatriates
The demographic factors collected from the 204 expatriate respondents are listed below.

- gender: 87 (42.6%) female and 117 (57.4%) male
- age: 20–30 years (28.9%), 31–40 years (32.7%), 41–50 years (22.9%), 51 years or over (15.5%)
- education: high school (7.3%), technical college (17%), university/college diploma (8.8%), bachelor’s degree (33.7%), master’s degree (26%), doctoral degree (6.3%)
• position: entry level (8.8%), professional or technical (37%), middle manager or supervisor (28.8%), senior manager (21%)

• length of stay in Qatar: less than a year (1.5%), one–three years (27.8%), four–five years (28.3%), over five years (42.4%).

The organisational factors collected are listed below.

• organisation size: 10 or fewer employees (1.4%), 11–50 employees (9.7%), 51–100 employees (9.9%), 101–250 employees (11%), 251–1000 employees (44%), 1001–5000 employees (18%), more than 5000 employees (6%)

• industry type: health care (15.7%), services (14.6%), education and training (45.9%), information media (0.5%), oil and gas (19.9%), telecommunications (3.4%)

• business type: MNC (14%), Qatar owned/government organisation (44%), joint venture (18%), and private company (24%).

Due to confidentiality and job security concerns, the pilot study respondents requested that nationality not be included in the questions. However, it was ascertained that the majority of expatriates surveyed were from North America, Western Europe or Australia.

4.1.2 Nationals

The demographic factors collected from 200 Qatari national respondents are listed below.

• gender: female (56%), male (44%)

• age: 20–30 years (63.5%), 31–40 years (21%), 41–50 years (11%), and 51 years or over (4.5%)
• education: high school (7%), technical college (16.5%), university/college diploma (22%), bachelor’s degree (47%), master’s degree (7%), doctoral degree (0.5%)

• position: ‘other’ (21%), entry level (2.5%), professional or technical (22.5%), middle manager or supervisor (26%), senior manager (28%).

The organisational factors collected are listed below.

• organisation size: 10 or fewer employees (7.5%), 11–50 employees (2.5%), 51–100 employees (4%), 101–250 employees (8.5%), 251–1000 employees (22%), 1001–5000 employees (22%), more than 5000 employees (33.5%)

• industry type: health care (17.5%), services (14%), education and training (14%), information media (1.5%), oil and gas (44%), telecommunications (5%) and ‘other’ (4%)

• business type: MNC (9%), Qatar owned/government organisation (56%), joint venture (18%), non-profit (3%) and private company (14%).

4.2 Localisation—Expatriates
This section provides an overview of the localisation construct for expatriates.

4.2.1 Factor Analysis
The initial step in data analysis was to determine the factors underlying localisation. EFA was employed to determine the obstacles to localisation and the subgroupings of the factors. In the course of analysis, the following hypothesis was tested:

H1E: The nomological networks of latent factors of localisation are interrelated, multidimensional and extrapolative predictors for expatriates.
The purpose in using EFA was to identify any overlapping variables in the study and subsequently group them into latent variables. Factors were determined using latent root orientation (eigenvalue), total variance and varimax (orthogonal). The rotated component matrix was determined using SPSS 20.0. In order to group variables into similar factors and avoid overlap, factor analysis was employed and five factors were determined. Cronbach alpha coefficients were used to identify how reliable the research tool was (Cronbach, 1951). Factor loadings of 0.50 are considered acceptable and practically significant (Hair, J. et al., 2006).

Table 4:1 provides the results of the factor analysis. The five-factor solution demonstrates the underlying factor structure including eigenvalues, Cronbach’s alpha and variance. The five significant latent factors (obstacles) were: (supportive) work environment, workplace (satisfaction), unwillingness, succession planning and lack of training. Of these five, the highest factor loadings were in work environment. Workplace satisfaction had the second highest factor loading. Unwillingness to train nationals had the third highest factor loading. The analysis grouped expatriate beliefs around localisation as having negative implications for the company and generally being unrealistic. Cronbach’s alpha was used for measuring the reliability coefficient of the variables (Cronbach, 1951). Acceptable threshold levels for the measure are usually above 0.60 or 0.70 depending on the sample size. According to J. Hair et al. (2006), one issue in using this measure is its positive association with the number of measures on a scale: the larger the number of items on the scale, the higher the reliability value. As is evident from the table, all values were above 0.60. This is considered an acceptable level of reliability.
4.2.2 Defining Latent Variables

This section defines the latent variables identified for expatriates using EFA (see Table 4.1).

**Factor 1: Work Environment**

An example of a work environment statement is “my time as an expatriate here includes designing a plan for having a potential successor ready to take over my job” ($\alpha = 0.679$). Work environment had the highest overall factor loading, indicating that this factor had the highest explanatory power. This finding indicates a strong relationship between work environment and localisation; therefore, if the organisation is supportive and sets goals for localisation, it is viewed as a priority by managers and employees.

**Factor 2: Workplace Satisfaction**

An example of a workplace satisfaction statement is “I like this place and want to stay” ($\alpha = 0.684$). A high factor rating in workplace satisfaction indicates that expatriates are happy in their current position. Satisfaction with current postings indicate that expatriates would be less likely to see localisation as positive or necessary. This latent factor had the second highest factor loading after work environment, and presented an obstacle to localisation.

**Factor 3: Unwillingness**

An example of an unwillingness statement is “I have a job to do and little time to train a local successor” ($\alpha = 0.687$), with a factor rating of 0.815, which was related to negative perceptions on localisation. Factor 3 indicates that expatriates saw localisation as potentially harmful and having a negative organisational impact.
<table>
<thead>
<tr>
<th>Subscale</th>
<th>Item</th>
<th>Factor loading</th>
<th>Cronbach’s alpha</th>
<th>Eigenvalue</th>
<th>Variance</th>
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</thead>
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<td>2.130</td>
</tr>
<tr>
<td>Bad for company</td>
<td>12</td>
<td>0.803</td>
<td>0.674</td>
<td>0.620</td>
<td>2.000</td>
</tr>
<tr>
<td>Expats necessary</td>
<td>13</td>
<td>0.739</td>
<td>0.663</td>
<td>0.606</td>
<td>1.955</td>
</tr>
<tr>
<td>Unrealistic</td>
<td>14</td>
<td>0.708</td>
<td>0.698</td>
<td>0.562</td>
<td>1.812</td>
</tr>
<tr>
<td><strong>4 Succession planning</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff development</td>
<td>15</td>
<td>0.617</td>
<td>0.711</td>
<td>0.504</td>
<td>1.627</td>
</tr>
<tr>
<td>Clear intention to localise</td>
<td>16</td>
<td>0.576</td>
<td>0.694</td>
<td>0.483</td>
<td>1.559</td>
</tr>
<tr>
<td>Eliminating position</td>
<td>17</td>
<td>0.664</td>
<td>0.765</td>
<td>0.458</td>
<td>1.477</td>
</tr>
<tr>
<td>Localisation goal</td>
<td>18</td>
<td>0.600</td>
<td>0.697</td>
<td>0.421</td>
<td>1.359</td>
</tr>
<tr>
<td><strong>5 Lack of training</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No training skills</td>
<td>19</td>
<td>0.750</td>
<td>0.689</td>
<td>0.383</td>
<td>1.235</td>
</tr>
<tr>
<td>No teaching skills</td>
<td>20</td>
<td>0.866</td>
<td>0.679</td>
<td>0.365</td>
<td>1.178</td>
</tr>
<tr>
<td>No communication skills</td>
<td>21</td>
<td>0.751</td>
<td>0.676</td>
<td>0.319</td>
<td>1.029</td>
</tr>
</tbody>
</table>

*Note: N = 204*

Extraction method: principle component analysis
Rotation method: varimax -Meyer-Olkin = 0.825
Chi-square = 3737.153
Factor 4: Succession Planning

An example of a succession planning statement is “my company has an expatriate-local successor plan” ($\alpha = 0.711$), with a factor loading of 0.617. With the second highest explanatory power, Factor 4 indicates that succession planning is positively related to localisation. This factor loading grouped attitudes regarding training successors and implementing localisation.

Factor 5: Lack of Training

An example of a lack of training statement is “I haven’t been trained on how to train locals” ($\alpha = 0.689$) had a factor loading of 0.750. Lack of training indicates expatriates were not equipped and had not received training on localisation, and on how to train their replacements.

4.2.3 Confirmatory Factor Analysis

The value of SEM using CFA is its ability to perform multivariate data analysis that takes into account the interrelationships between variables in a way that other multivariate methods cannot. J. Hair et al. (2006) note that when there are multiple constructs, SEM is most appropriate.

After four variations, it was determined using CFA that a five-factor solution was the best fit for SEM. The next stage in the data analysis plan. From the original 63 items, 31 items were extracted into a five-factor solution. This was further reduced to 21 items and, after assessment of model fit, was determined acceptable. Further review of the factors indicated that the theoretical foundation of the research was supported by the analysis. This is a key point, as indicated by Hooper et al. (2008). Fit indices are necessary, but should always be considered within the confines of theory.
Absolute fit indices determine how well the model fits the sample data and which one represents the best fit (Hooper et al., 2008). The final acceptable model used was selected based on the GFI statistics. This model yielded high values for many of the indices considered indicative of a good fit. According to Marsh, Hau, and Grayson (2005), the CFI (0.88), the NFI (0.81), the non-normed fit index (NNFI) (0.86) and the incremental fit index (IFI) (0.81) were all within acceptable ranges and determined the GFI.

The RMSEA is considered to be one of the best indictors of model fit. According to Hooper et al. (2008) and Hu and Bentler (1999), RMSEA points below 0.05 indicate a perfect fit and an acceptable range is between 0.05 and 0.10. The best fit indicated an RMSEA of 0.71. Table 4.2 below indicates the best possible model fit while Figure 7 illustrates the structural model.
Table 4.2 Confirmatory Factor Analysis—Goodness of fit Indices (Expatriates)

<table>
<thead>
<tr>
<th>Goodness of fit</th>
<th>ECVI</th>
<th>NFI</th>
<th>NNFI</th>
<th>CFI</th>
<th>IFI</th>
<th>GFI</th>
<th>RMR</th>
<th>SRMR</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4.88</td>
<td>0.81</td>
<td>0.86</td>
<td>0.88</td>
<td>0.88</td>
<td>0.71</td>
<td>0.092</td>
<td>0.089</td>
<td>0.71</td>
</tr>
</tbody>
</table>

Note: Chi-square $\chi^2 = 364.69$

$p < 0.05$

ECVI = expected cross validation index; NFI = normed fit index; NNFI = non-normed fit index; CFI = comparative fit index; IFI = incremental fit index; RMR = root mean squared residual; SRMR = standardised root mean squared residual; RMSEA = root mean square of approximation
Figure 2: Structural Model (M1) for Obstacles to Localisation (Expatriates)

Note: Chi-Square = 364.69
df = 179
F value = 3.0000
Root mean square of approximation = 0.071
WE = Work Environment; SP = Workplace Satisfaction; LOT = Length of Time; UWG = Unwilling; WPS = Workplace Satisfaction
4.2.4 Regression Analysis

Regression analysis is a useful dependence technique frequently used in many areas of business (Hair, J. et al., 2006). Regression models have a strong explanatory power of the predictor variables selected. Linear regression was used to investigate the value of dependent variables based on the linear relationship with one or more predictors (Hair, F., Anderson, Tatham, & Black, 1998). One of the insightful uses of regression is to determine the relationship between independent and dependent variables and demographic information. In order to examine the relationship between demographic and organisational factors and obstacles to localisation for expatriates, a standard regression factor was used. Regression analysis was performed between the latent factors and the independent variables (organisational and demographic variables). Demographic variables included age, gender, education level and position level. Organisation variables included industry type, organisation type, and size of the organisation.

The results of the regression analysis revealed some interesting results. These are displayed in Table 4.3. The results show that age had the strongest predictive ability regarding the latent factor work environment \((t = -1.46, \beta = -0.11)\) with the adjusted \(R^2\) of 0.113. This was followed by gender, \((t = -1.22, \beta = -0.09)\). This in turn was followed by the length of stay, which had moderately less predictive ability \((t = 1.01, \beta = 0.07)\). Other factors demonstrated weaker predictive ability, such as position level and number of employees. The demographic variable of age then, was the best negative predictor for work environment as a barrier to localisation.

Interestingly, the length of stay demonstrated the best predictive ability with the latent factors succession planning \((t = 2.13, \beta = 0.15)\) with the adjusted \(R^2\) of 0.265. This was followed by the organisational characteristic of organisation size (number of
employees) which had a negative relationship with the latent variable. This organisational factor had a negative but significant relationship with succession planning ($t = -1.77, \beta = -0.13$). The results indicate that succession planning is positively related to the length of stay of expatriates and therefore a good predictor with a significant influence on succession planning.

The latent factor lack of training showed minimal influence from organisational or demographic characteristics. Industry type ($t = -1.82, \beta = -0.13$) showed the strongest predictive power. This was followed by length of stay ($t = 0.66, \beta = -0.05$) and number of employees ($t=0.64, \beta= 0.05$).

Further, the latent factor unwillingness had a statistically significant positive relationship with two demographic variables, length of stay ($t = 1.16, \beta = -0.01$) and age ($t = -0.90, \beta = -0.08$).

Age had the largest influence (albeit negative) on workplace satisfaction ($t = -1.46, \beta = -0.11$) with the adjusted $R^2$ of 0.221. Gender also had a statistically significant relationship ($t = 1.22, \beta = -0.85$) indicating mild predictive power over the latent variable. Finally, length of stay demonstrated a statistically significant relationship with the latent variable ($t = 1.01, \beta = -0.62$) although not as strong as gender and age.

In general, Table 4.3 indicates significant and positive linear relationship correlations between the five factors yielded from the structural model (work environment, succession planning, lack of training, workplace satisfaction and unwillingness). This in part explains why the control variables (demographic and organisational) reflect and facilitate the strength of the linear relationship, and demonstrates the predictive power between the five domains within the structural model.
| Table 4.3 Regression Results for Expatriates' Perspectives on Obstacles to Localisation |
|-----------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Work Environment                           | Succession Plan   | Lack of Training | Unwillingness   | Work Satisfaction |
| Gender                                      | Beta  | Sig  | t    | Beta  | Sig  | t    | Beta  | Sig  | t    | Beta  | Sig  | t    | Beta  | Sig  | t    | Beta  | Sig  | t    | Beta  | Sig  | t    | Beta  | Sig  | t    | Beta  | Sig  | t    | Beta  | Sig  | t    |
| Gender                                      | 0.09  | 0.04 | 1.22* | 0.02  | 0.00 | 0.28 | 0.08  | 0.40 | 0.00 | 0.10 | 0.10 | 0.95 | 0.28 | 0.09 | 0.34 | 1.22* |
| Age                                         | 0.11  | 0.94 | -1.46* | -0.06 | 0.70 | -0.78* | -0.04 | 0.30 | 0.00 | 0.53 | 0.08 | 0.62 | -0.90* | -0.11 | 0.01 | -1.46* |
| Educational Level                           | 0.03  | 0.18 | -0.46 | -0.27 | 0.22 | -0.27 | -0.04 | 0.28 | 0.00 | -0.51 | 0.09 | 0.08 | -0.32 | -0.03 | 0.92 | 0.46 |
| Position Level                              | 0.06  | 0.40 | -0.85* | -0.03 | 0.37 | 0.00 | -0.01 | 0.43 | 0.00 | -0.19 | 0.02 | 0.59 | 0.23 | 0.85 | 0.43 | 0.40 |
| Number of Employees                         | 0.05  | 0.21 | -0.62* | -0.13 | 0.10 | -1.77* | 0.05 | 0.35 | 0.64* | 0.09 | 0.41 | -0.12 | -0.62 | 0.55 | 0.54 |
| Business Type                               | 0.07  | 0.81 | 0.28 | 0.04  | 0.38 | 0.22 | 0.17  | 0.22 | 0.43 | 0.20  | 0.56 | 0.10 | 0.03  | 0.78 | 0.29 |
| Industry Type                               | 0.03  | 0.41 | 0.36 | 0.01  | 0.33 | 0.16 | -0.13 | 0.23 | -1.82* | 0.30  | 0.46 | 0.12 | 0.03  | 0.99 | 0.36 |
| Length of Stay                              | 0.07  | 0.00 | 1.01* | 0.15  | 0.29 | 2.13* | 0.05  | 0.17 | 0.66* | -0.01 | 0.52 | 1.16* | 0.07  | 0.00 | 1.01* |

Note: Adjusted R Squared for Factor 1 = 0.113, Adjusted R Squared for Factor 2 = 0.265; Adjusted R Squared for Factor 3 = 0.285, Adjusted R Squared for Factor 4 = 0.167, Adjusted R-0.03 Squared for Factor 5 = 0.221
*p < 0.05; **p < 0.01
This provides evidence that supports Hypothesis 1E:

\[ H1E: \text{From the expatriate perspective, the nomological networks of latent factors of localisation are interrelated, multi-dimensional and extrapolative predictors} \]

Overall, the results support Hypothesis 1E, which postulated that the latent factors of localisation were inter-related.

Lack of training was perceived as a major obstacle for localisation among expatriates. This supports the work of Selmer (2004) in China, who found that poor training systems did not support localisation. The results also demonstrate a positive relationship between localisation for expatriates and several organisational and demographic factors. There was a positive relationship between localisation of HR (expatriates) and demographic and organisational factors such as organisational support, gender, the size of the organisation and the length of stay of expatriates.

Interestingly, length of stay seems to be the most common predictive demographic variable, influencing four of the five latent factors. Most significantly, length of stay displays strongest predictive power with succession planning and unwillingness. This has not been widely recognised as a predictive variable in the literature in the region on localisation.

Gender, age and position level all demonstrated predictive power over the perceptions of expatriates on localisation initiatives. Further, organization size and industry also demonstrated statistically significant relationships with the obstacles to localisation. It was postulated that there was evidence that specific demographic variables among
expatriates were statistically significant in relation to localisation. In addition, it was also postulated that a number of organisational variables were related to localisation. Based on the results of the analysis, this hypothesis is supported by the findings. Overall, there is evidence that expatriates’ perceptions of localisation were correlated with demographic and some organisational variables.

4.2.5 Discussion: Localisation of Expatriates

This study sought to identify the latent factors underlying localisation from both the national and expatriate perspective and test a causal model that would explain the relationships between those factors. SEM results provided evidence of the nomological network of latent variables of localisation. Using accepted GFI indices, one model was proposed for expatriates, with an additional model based on the same fit indices for nationals. The expatriate model revealed a five-factor solution (work environment, workplace satisfaction, lack of training, unwillingness, and succession planning). The results in the current study show that the five factors were correlated.

Hypothesis 1E was tested to determine the interrelationships between the factors. The results provided convergent evidence in support of some of the hypothesis; however, linkages were weaker than anticipated in many respects.

This research uncovered important factors in the attitudes of expatriates towards localisation. Selmer (2004), Harry (2007) and Forstenlechner (2010) all identified a strong relationship between the success of localisation efforts and expatriate support. This study found that expatriates demonstrated unwillingness to support localisation due to
satisfaction in their current positions, which was also reflected in the length of stay variable. Further, expatriates did not feel as if they were properly equipped to train nationals. As Selmer (2004) notes, it is not surprising that this is the case. This research built on Selmer’s study to determine that unwillingness did not have a positive significant relationship with any demographic variables except the length of stay. Further, the length of stay also had a positive relationship with unwillingness.

The latent value of work environment had a significant relationship with gender. This has not been recognised in earlier research. Not surprisingly, length of stay also influenced expatriates attitudes towards a comfortable work environment. This is logical and supports the hypothesis that the more comfortable the work environment, the less likely expatriates would be to consider training their replacements.

The current study also demonstrated that expatriate employees were supportive of localisation if the work environment provided the tools and mechanisms for support. These findings support Selmer’s (2004) work that established the obstacles to localisation in China, and also support the empirical work of Rees et al. (2007) and Harry (2007) who postulate that management support is essential in localisation. It also underpins the notion that localisation needs strong HR infrastructure if it is to be effective, which has been postulated by others (Forstenlechner, 2010). Further, this exploratory study builds on the current literature on international localisation, such as Al-Lamki (1998), Gong and Law (1999), Bhanugopan and Fish (2007), and Gong, Law, Chang and Xin (2009), by establishing clear positive relationships between organisational and demographic variables and localisation.
Succession planning, specifically the lack of clear and comprehensive succession planning, was identified as an obstacle by Forstenlechner (2010). This study supported these findings and contributed to furthering the research on succession planning in the GCC by providing evidence of a significant statistical relationship between demographic variables and succession planning. Inadequate succession planning may have a negative effect on retention of nationals and subsequently localisation.

4.3 Localisation—Nationals

This section explains the results from the EFA. In the course of analysis, the following hypotheses are tested:

\[H1N: \text{The nomological networks of latent factors of localisation are interrelated, multidimensional and extrapolative predictors for nationals.}\]

\[H2N: \text{A nomological network and causal relationships of dimensions namely compassion, public sector values and job concern are optimal predictors of work values for nationals.}\]

4.3.1 Factor Analysis

The survey of nationals was slightly truncated due to the nature of the questions and the purpose of the study. For example, a number of statements that pertained specifically to expatriates (eg, #27: “A specific goal of my job here in Qatar is to train my replacement”) were clearly directed at expatriates and were omitted from the nationals’ survey.

After using EFA, a two-factor solution emerged. Factor 1, company support, revealed high eigenvalues, particularly for Items 6–11. This indicates that there is evidence from nationals that companies openly provide support for localisation.
Factor 2, evidence of localisation, indicates that nationals perceive that nationalisation is happening and that there are clear signs of localisation.

4.3.2 Defining Latent Variables

This section provides a description of the latent variables for nationals.

Factor 1: Company Support
An example of a company support statement is “localisation is a stated goal of my company” ($\alpha = 0.824$), with a factor loading of 0.735. Factor 1 had the highest predictive power, with all factor loadings over 0.8. This latent variable indicates a high degree of company support for localisation.

Factor 2: Evidence of Localisation
An example of an evidence of localisation statement is “the number of expatriates is being reduced” ($\alpha = 0.846$), with a factor loading of 0.766. This latent factor indicates that nationals witnessed evidence of localisation.

The results from the factor analysis reveal two factors around nationals’ perception of localisation in Qatar. The results from this analysis are displayed in table 4.4.
Table 4.4 Factor Analysis of Localisation (Nationals)

<table>
<thead>
<tr>
<th>Subscale</th>
<th>Item</th>
<th>Factor loading</th>
<th>Cronbach’s alpha</th>
<th>Eigenvalue</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 Work Environment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policy on locals</td>
<td>6</td>
<td>0.603</td>
<td>0.824</td>
<td>0.997</td>
<td>5.860</td>
</tr>
<tr>
<td>Clear objectives</td>
<td>7</td>
<td>0.610</td>
<td>0.824</td>
<td>0.797</td>
<td>4.688</td>
</tr>
<tr>
<td>Corporate goal</td>
<td>9</td>
<td>0.735</td>
<td>0.825</td>
<td>0.665</td>
<td>3.909</td>
</tr>
<tr>
<td>Time required</td>
<td>10</td>
<td>0.514</td>
<td>0.825</td>
<td>0.589</td>
<td>3.518</td>
</tr>
<tr>
<td>Annual quotas</td>
<td>11</td>
<td>0.657</td>
<td>0.812</td>
<td>0.547</td>
<td>3.216</td>
</tr>
<tr>
<td>Positions selected</td>
<td>12</td>
<td>0.727</td>
<td>0.824</td>
<td>0.476</td>
<td>2.799</td>
</tr>
<tr>
<td>Lower ratio</td>
<td>13</td>
<td>0.711</td>
<td>0.816</td>
<td>0.429</td>
<td>2.522</td>
</tr>
<tr>
<td>Concrete plans</td>
<td>14</td>
<td>0.725</td>
<td>0.818</td>
<td>0.410</td>
<td>2.412</td>
</tr>
<tr>
<td>Succession plans</td>
<td>15</td>
<td>0.702</td>
<td>0.819</td>
<td>0.369</td>
<td>2.170</td>
</tr>
<tr>
<td><strong>2 Evidence</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fewer expats</td>
<td>1</td>
<td>0.766</td>
<td>0.846</td>
<td>4.922</td>
<td>28.95</td>
</tr>
<tr>
<td>Evidence</td>
<td>2</td>
<td>0.675</td>
<td>0.831</td>
<td>1.668</td>
<td>9.813</td>
</tr>
<tr>
<td>More national jobs</td>
<td>4</td>
<td>0.657</td>
<td>0.841</td>
<td>1.108</td>
<td>6.842</td>
</tr>
</tbody>
</table>

*Note: N = 200*

Extraction method: principle component analysis
Rotation method: varimax
Kaiser-Meyer-Olkin = 0.808
Chi-square = 998.670
4.3.3 Confirmatory Factor Analysis

The value of SEM using CFA is its ability to perform multivariate data analysis that takes into account the interrelationships between variables in a way that other multivariate methods cannot. SEM is able to identify relationships between a number of variables. J. Hair et al. (2006) note that when there are multiple constructs, SEM is most appropriate.

A number of variations were used for assessing the best solution for national responses. However, M1 (see Table 4.5 and Figure 3) was the only model that fell within acceptable standards. The model yielded high and acceptable values for many of the fit indices that are considered indicative of a good fit. The CFI (0.94), the NFI (0.82) the NNFI (0.93) and the IFI (0.94) were all within acceptable ranges and determined the GFI.

The final acceptable model used was selected based on the GFI statistics (see Table 4:5). The best fit indicated a RMSEA of 0.084. Due to the prevalence of the RMSEA as a GFI statistic, this was interpreted as the most indicative and reliable of the indices. A RMSEA of below 0.10 is considered acceptable (Hair, J., et al., 2006).
<table>
<thead>
<tr>
<th>Goodness of fit</th>
<th>ECVI</th>
<th>NFI</th>
<th>NNFI</th>
<th>CFI</th>
<th>IFI</th>
<th>GFI</th>
<th>RMR</th>
<th>SRMR</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.890</td>
<td>0.820</td>
<td>0.930</td>
<td>0.940</td>
<td>0.940</td>
<td>0.90</td>
<td>0.068</td>
<td>0.089</td>
<td>0.084</td>
</tr>
</tbody>
</table>

Note: Chi-square $\chi^2 = 1522.67$
p < 0.000

ECVI = expected cross validation index; NFI = normed fit index; NNFI = non-normed fit index; CFI = comparative fit index; IFI = incremental fit index; RMR = root mean squared residual; SRMR = standardised root mean squared residual; RMSEA = root mean square of approximation
Figure 3: Structural Model (M₁) for Obstacles to Localisation (Nationals)

Note: Chi-square = 1522.67 df = 179
p-value = 0.0000.
Root mean square of approximation = 0.084


4.3.4 Regression Analysis

The regression analysis of the demographic and organisational factors of nationals and the latent factors uncovered in the EFA and subsequently in the CFA revealed some interesting results, as shown in Table 4:6.

Based on the results of the regression analysis, the variable with the most predictive power was education level ($t = 1.863$, $\alpha = 0.139$). This was followed by the number of employees ($t = 3.327$, $\alpha = 0.247$). The adjusted R squared was 0.580. Education and age then, were the only two significant demographic variables with statistical relationships with the latent variable. The organisational size demonstrated the best predictive power.

For latent Factor 1, company support, the most significant statistical relationship was with business type ($t = 1.827$, $\alpha = 0.135$). This indicates that the type of business is the best predictor for company support among nationals. Further, a negative relationship existed between industry type and company support ($t = -1.693$, $\alpha = -1.694$). This indicates that industry type is a fairly good negative predictor for company support. The only demographic variable to have a statistically significant predictive relationship was age, ($t = 1.225$, $\alpha = 0.092$). Finally, the adjusted R squared for company support was 0.425.

These results indicate that there were some positive significant relationships between demographic variables and the latent factors. The results and implications for these relationships are discussed in the following section.
<table>
<thead>
<tr>
<th></th>
<th>Evidence of localisation</th>
<th>Company support</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beta</td>
<td>Sig</td>
</tr>
<tr>
<td>Gender</td>
<td>0.005</td>
<td>0.161</td>
</tr>
<tr>
<td>Age</td>
<td>-0.151</td>
<td>0.040</td>
</tr>
<tr>
<td>Education level</td>
<td>0.139</td>
<td>0.298</td>
</tr>
<tr>
<td>Position level</td>
<td>0.002</td>
<td>0.002</td>
</tr>
<tr>
<td>Number of employees</td>
<td>0.247</td>
<td>0.004</td>
</tr>
<tr>
<td>Industry type</td>
<td>0.082</td>
<td>0.220</td>
</tr>
<tr>
<td>Business type</td>
<td>-0.130</td>
<td>0.004</td>
</tr>
</tbody>
</table>

Note: Adjusted R Squared for Factor 1 was 0.580, Adjusted R Squared for Factor 2 was 0.425
Kaiser-Mayer-Olkin = 0.762
Chi-square = 2760.237
*p < 0.05; **p < 0.01
4.3.5 Discussion: Localisation of Nationals

The purpose of this section of the study was to test a causal model that explained the relationships between the latent factors of localisation. Hypothesis 1N was supported by the analysis, with organisational and demographic factors being positively related to localisation. There were statistically significant levels for responses from nationals. In particular, evidence of localisation was statistically related with age, education, the number of employees in an organisation, and the business type. Of these variables, organisational size (number of employees) had the most significance. This is not entirely surprising, as larger organisations face more government quotas, and are largely targeted to ensure that localisation initiatives are followed. Implications of the quota-driven initiatives have been discussed earlier in Chapter 2 and will be further discussed in Chapter 5.

Perhaps more interesting, however, is the evident relationship between education level and the latent variable, evidence of localisation (Factor 2). This would appear to support human capital theory and HRD theory, in that investment in education leads to better positions. However, the most interesting finding from this analysis is the negative relationship between age and latent Factor 2, which appears negative. It would seem to demonstrate that younger nationals are more positive around localisation, and may perceive initiatives as positive and encouraging. However, this is not the case when compared to latent Factor 1, company support, to be discussed next. These results are not intuitive and require further investigation.

Company support showed a significant positive relationship with the number of employees in an organisation, followed by industry type (negative) and finally age.
Interestingly, the relationship with the size of the organisation may be because larger organisations, particularly in the oil and gas sector where the majority of expatriates are employed, have enjoyed a longer history of Qatarisation programs than in many other sectors. Industry type demonstrated a statistically negative relationship with this construct. Given the variation among different organisations in Qatar, this is not entirely surprising. As has been recognised in other literature, the localisation initiatives in the private sector and certain industries, such as construction, have been minimal. It is likely that this is one reason for the negative relationship.

One interesting result from the study was that nationals perceived a high degree of support for localisation. This result is somewhat surprising, and speaks to the complexity in nationals’ perceptions on localisation. However, the research supported Hypothesis1N, and demographic factors had a positive relationship with localisation. The CFA uncovered two latent factors relating to nationals’ perspectives on localisation—first that there is evidence of localisation and second, that there is company support of localisation. A significant and important finding from the current study is that the national employees demonstrated satisfaction with localisation efforts and were positive. Furthermore, the demographic variables of age and education level, and organisational variables of company size and type were all significantly positively related to the latent variable indicating evidence of localisation. This is a departure from the work of Harry (2007) and Rees et al. (2007) in the UAE, whose case study provides evidence of pessimism. However, they were studying non-government organisations, and this study comprised 50 per cent government organisations. A further factor that may explain this variance, is the
population imbalance in Qatar that places such emphasis on the hiring of nationals, and an extremely low unemployment rate among nationals.

4.4 Work Values—Expatriates
The conundrum of localisation in the GCC countries has haunted the best efforts of governments, despite rapid advancements made in other areas. Although numerous issues have been brought to light, such as stereotypes, work ethic of nationals, education, expectations and the social contract, localisation continues at a plodding pace.

Amidst this backdrop of booming wealth and robust infrastructure plans, localisation continues to challenge governments. Although success in the public sector has been recognised, the private sector employment of Gulf nationals is still very low. One of the overarching themes in the literature on localisation remains the motivation, and subsequently, the work values, of nationals.

Work values can be described as an individual’s attitudes towards work in general. Conversely, while job satisfaction is specifically related to a particular job, work values are related to a feeling towards work in general across a variety of different facets. These can include attitudes towards money, workplace involvement, decision-making and career advancement. Matic (2008) states that “work values can be defined as those qualities that people desire from their work which reflect a correspondence between a need and a satisfaction” (p. 95).

Work values can be reflected in both intrinsic and extrinsic needs and subsequent values that, according to Gahan and Abeysekera (2009) are representative of higher level constructs. Carlstrom states that “values are cognitive-effective lenses through which
people rank order events, outcomes, actions, and social interactions based on the extent to which they will help fulfil their needs and wants—that is, achieve their conception of ‘best possible living’—or the good life” (2011, p. 33). Subsequently, work values can be viewed as possible antecedents to job satisfaction.

According to Matic (2008), the significance of work values can be seen as twofold; first they are an excellent measure of culture (or cultures) as they are prescribed by sociological and cultural factors and second, work values will affect an organisation in a variety of different ways from change management, communication and motivation. Work values are attitudes about work, based on personal and social values (Gahan, & Abeysekera, 2009).

This part of the study seeks to identify the differences between the work values of expatriates and nationals in Qatar. Second, the study seeks to identify the underlying differences, if any, and review a variety of factors such as age, gender, educational level and position level and seek to understand if there is a relationship between demographic factors and work values and second, if there is indeed a relationship, how demographic values shape work values between the two groups. Based on the previous literature, the following hypotheses are proposed:

\[ H_{2E} \]: A nomological network and causal relationships of dimensions namely harmony, autonomy, are optimal predictors of work values for expatriates.

\[ H_{2N} \]: A nomological network and causal relationships of dimensions namely compassion, public sector values and job concern are optimal predictors of work values for nationals.
This section provides an explanation of the factor analysis of work values for expatriates. In the course of analysis, H\textsubscript{2E} is tested:

4.4.1 *Factor Analysis*

The initial step in data analysis was to determine the factors underlying work values. In order to determine the work values of expatriates, and subgroupings of factors, EFA was employed. The purpose in using EFA was to identify any overlapping variables in the study and subsequently group them. Factors were determined using latent root orientation (eigenvalue), total variance and varimax (orthogonal). The rotated component matrix was determined using SPSS 20.0. In order to group variables into similar factors and avoid overlap, factor analysis was employed and two factors were determined. Cronbach’s alpha coefficients were used to identify how reliable the research tool is (Cronbach, 1951). Factor loadings of 0.50 are considered acceptable and practically significant (Hair, J. et al., 2006).

Table 4.7 provides the results of the factor analysis. The two-factor solution demonstrates the underlying factor structure including eigenvalues, Cronbach’s alpha and variance. The two significant latent factors (values) are harmony and autonomy. Of these two factors, the highest factor loadings were in autonomy. Cronbach’s alpha (Cronbach, 1951), the reliability coefficient of the variables, was used to test reliability of the individual subscales. Acceptable threshold levels for the measure are usually above 0.60 or 0.70 depending on the sample size. As is evident from Table 4.7, all alpha measures are above 0.60. This is considered an acceptable level of reliability.
Table 4.7 Work Values (Expatriates)

<table>
<thead>
<tr>
<th>Subscale</th>
<th>Item</th>
<th>Factor loading</th>
<th>Cronbach’s alpha</th>
<th>Eigenvalue</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 Harmony</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accomplishment</td>
<td>1</td>
<td>0.603</td>
<td>0.824</td>
<td>0.997</td>
<td>5.860</td>
</tr>
<tr>
<td>Cooperation</td>
<td>6</td>
<td>0.610</td>
<td>0.824</td>
<td>0.797</td>
<td>4.688</td>
</tr>
<tr>
<td>Opportunities</td>
<td>8</td>
<td>0.735</td>
<td>0.825</td>
<td>0.665</td>
<td>3.909</td>
</tr>
<tr>
<td>Caring</td>
<td>9</td>
<td>0.514</td>
<td>0.825</td>
<td>0.589</td>
<td>3.518</td>
</tr>
<tr>
<td>Good relationships</td>
<td>10</td>
<td>0.657</td>
<td>0.812</td>
<td>0.547</td>
<td>3.216</td>
</tr>
<tr>
<td><strong>2 Autonomy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Own approach</td>
<td>2</td>
<td>0.766</td>
<td>0.846</td>
<td>4.922</td>
<td>28.95</td>
</tr>
<tr>
<td>Rewards</td>
<td>3</td>
<td>0.675</td>
<td>0.831</td>
<td>1.668</td>
<td>9.813</td>
</tr>
<tr>
<td>Low stress</td>
<td>4</td>
<td>0.457</td>
<td>0.841</td>
<td>1.108</td>
<td>6.842</td>
</tr>
</tbody>
</table>
4.4.1 Defining the Latent Variables

This section provides a description of the latent variables for expatriates.

Factor 1: Harmony

An example of a harmony statement is “having good relationships with your co-workers”. With a factor loading of 0.657 ($\alpha = 0.812$), harmony as a work value suggests that respondents value a harmonious work environment and rank attributes in relation to this quality very highly.

Factor 2: Autonomy

Examples of autonomy statements include “being free to implement one’s own approach to the job” (factor loading 0.766 and $\alpha = 0.846$) and “having little stress on the job”. Autonomy indicates a high degree of self-efficacy and competence and a desire to work independently.

4.4.2 Confirmatory Factor Analysis

The value of SEM using CFA is its ability to perform multivariate data analysis that takes into account the interrelationships between variables in a way that other multivariate methods cannot. SEM is able to identify relationships between a number of variables. J. Hair et al. (2006) note that when there are multiple constructs, SEM is most appropriate.

After four variations, it was determined using EFA that a three-factor solution was the best fit for SEM, the next stage in the data analysis plan. The original 10 items were extracted into a three-factor solution. However, this model did not converge within
acceptable parameters in LISREL. After assessment of model fit, it was determined unacceptable.

A second, two-factor solution was developed, and this model converged within the acceptable GFI indices (Table 4.9). Further review of the factors indicated that the theoretical foundation of the research was supported by the analysis. This is a key point, as indicated by Hooper et al. (2008). Although fit indices are necessary, they should be accepted or rejected based on the theory proposed.

Absolute fit indices determine how well the model fits the sample data and which one represents the best fit (Hooper et al., 2008). The final acceptable model used was selected based on the GFI statistics. This model yielded high values for many of the indices that are considered indicative of a good fit. According to Hooper et al., (2008), the CFI (0.95), the NFI (0.92) the NNFI (0.93) and the IFI (0.95) were all within acceptable ranges and determined the GFI.

The RMSEA is considered to be one of the best indictors of model fit. According to Hooper et al. (2008) and Hu and Bentler (1999), RMSEA points below 0.05 indicate a perfect fit and an acceptable range is between 0.05 and 0.10. The best fit indicated an RMSEA of 0.080. Table 4.8 indicates the two models, M₁ being the unacceptable model, and M₂ being the acceptable model that represents the best possible model fit.
### Table 4.8 Confirmatory Factor Analysis—Goodness of fit Indices Work Values (Expatriates)

<table>
<thead>
<tr>
<th>Goodness of fit</th>
<th>Absolute fit indices</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ECVI</td>
<td>NFI</td>
<td>NNFI</td>
<td>CFI</td>
<td>IFI</td>
<td>GFI</td>
<td>RMR</td>
<td>SRMR</td>
</tr>
<tr>
<td>M₁</td>
<td>0.727</td>
<td>0.880</td>
<td>0.886</td>
<td>0.914</td>
<td>0.915</td>
<td>0.909</td>
<td>0.913</td>
<td>0.077</td>
</tr>
<tr>
<td>M₂</td>
<td>0.381</td>
<td>0.924</td>
<td>0.934</td>
<td>0.955</td>
<td>0.956</td>
<td>0.949</td>
<td>0.994</td>
<td>0.059</td>
</tr>
</tbody>
</table>

*Note:* Chi-square $\chi^2 = 0$

$p < 0.000$

ECVI = expected cross validation index; NFI = normed fit index; NNFI = non-normed fit index; CFI = comparative fit index; IFI = incremental fit index; RMR = root mean squared residual; SRMR = standardised root mean squared residual; RMSEA = root mean square of approximation
Figure 4: Structural Model (M2) for Work Values (Expatriates)

Note: N = 204
Extraction method: principle component analysis
Rotation method: varimax  Chi-square = 43.82 df = 19, P – Value = 0.00100,
RMSEA = 0.080
4.4.3 Regression Analysis Work Values

Regression analysis is a useful dependence technique frequently used in research and business (Hair, J. et al., 2006). Regression models have a strong explanatory power of the predictor variables selected. Linear regression was used to investigate the value of dependent variables based on the linear relationship with one or more predictors (Hair, F. et al., 1998). One of the insightful uses of regression is to determine the relationship between independent and dependent variables and demographic information. In order to examine the relationship between demographic and organisational factors and obstacles to localisation, standard regression factor was used. Regression analysis was performed between the latent factors and the independent variables (organisational and demographic variables). Demographic variables include age, gender, education level, position level and length of stay. Organisation variables included industry type, organisation type, and size of the organisation. The results from the regression are interesting in terms of their predictive power and relationship to certain demographic and organisational variables. Chronbach alpha coefficients were used to determine reliability, and the results can be seen in Table 4.9.

The results from the analysis on the latent Factor 1, harmony, indicate that the best predictor was the industry type ($t = 1.828, \beta = 0.069$), showing that harmony has a statistically significant negative relationship with gender. This indicates that gender has high predictive power for the latent variable and the greatest impact. Further, harmony shared a statistically significant positive relationship with industry type ($\beta = 0.069$).

For latent Factor 2, autonomy, there was a significantly negative statistical relationship between the latent factor and position level ($\beta = -0.178$). In terms of positive predictive
Table 4.9 Regression Analysis of Work Values (Expatriates)

<table>
<thead>
<tr>
<th></th>
<th>Harmony</th>
<th>Autonomy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beta</td>
<td>Sig</td>
</tr>
<tr>
<td>Gender</td>
<td>–0.209</td>
<td>0.040</td>
</tr>
<tr>
<td>Age</td>
<td>–0.014</td>
<td>0.838</td>
</tr>
<tr>
<td>Education level</td>
<td>0.007</td>
<td>0.921</td>
</tr>
<tr>
<td>Position level</td>
<td>–0.020</td>
<td>0.776</td>
</tr>
<tr>
<td>Length of stay</td>
<td>–0.051</td>
<td>0.477</td>
</tr>
<tr>
<td>Number of employees</td>
<td>0.019</td>
<td>0.803</td>
</tr>
<tr>
<td>Industry type</td>
<td>0.133</td>
<td>0.069</td>
</tr>
<tr>
<td>Business type</td>
<td>0.032</td>
<td>0.650</td>
</tr>
</tbody>
</table>

*Note: Adjusted R-Square Factor 1 was 0.016
Adjusted R-Squared for factor 2 was 0.028
*p < 0.05; **p < 0.01
power, length of stay (β = 0.187) had the highest predictive ability with autonomy. This was followed by the independent demographic variable of gender (t = 1.218, β = -0.209). The rest of the independent variables did not influence latent Factor 1, harmony. The adjusted R squared for harmony was 0.193, and for autonomy, 0.205.

For latent Factor 2, autonomy, uncovered in the EFA and subsequent CFA analysis, there were a number of independent variables with predictive ability. The most significant of these was the demographic variable of position level (t = 2.634, β = 0.178). This was followed closely by length of stay (t = 2.314, β = 0.187), education level (t = 1.244, β = 0.064) and industry type (t = 1.190, β = 0.053). The adjusted R squared for autonomy, was 0.205.

In general, Table 4.9 indicates positive and significant linear relationship correlations between the two factors yielded from the structural model (harmony and autonomy), which explains why the control variables (demographic and organisational) reflect and facilitate the strength of the linear relationship, and demonstrates the predictive power between the two domains within the structural model. There is a relationship between the work values (expatriates) and some demographic and organisational factors; most strongly with gender and industry type. While it was initially postulated that there was a nomological network and that this was the best predictor for work values, the results support this hypothesis.

*H2E: A nomological network and causal relationships of dimensions namely harmony, autonomy, are optimal predictors of work values for expatriates.*
The research provides evidence that specific demographic variables among expatriates were statistically significant in relation to work values. This has been confirmed in that three demographic control variables (industry type) had a positive statistical relationship with both latent variables. In particular, a number of demographic and organisational variables influenced the latent factor autonomy, including position level, education level, length of stay, as well as the common organisational independent variable of industry type. Based on the results of the analysis, this hypothesis is supported by the findings. Overall, there is evidence that expatriates’ work values are correlated with demographic and organisational variables.
4.5 Work Values—Nationals

This section provides an explanation of the factor analysis of work values for nationals. In the course of analysis, the following hypothesis is tested:

\[ H2N: A \text{ nomological network and causal relationships of dimensions namely compassion, public sector values and job concern are optimal predictors of work values for nationals.} \]

4.5.1 Factor Analysis

The first stage in data analysis for the project was to determine the underlying factors for work values. In order to determine the work values of nationals, and subgroupings of factors, EFA was employed. Factors were determined using latent root orientation (eigenvalue), total variance and varimax (orthogonal). Again, the rotated component matrix was determined using SPSS 20.0. In order to group variables into similar factors and avoid overlap, factor analysis was employed and three factors were determined. Cronbach alpha coefficients were used to identify how reliable the research tool is (Cronbach, 1951). Factor loadings of 0.50 are considered acceptable and practically significant (Hair, J. et al., 2006).

Table 4.10 provides the results of the factor analysis. The three-factor solution demonstrates the underlying factor structure including eigen values, Cronbach’s alpha and variance. The significant latent factors (values) are: compassion, public sector values and job concern. Of these two factors, the highest factor loadings were in compassion.

Factor 1: Compassion

An example of a compassion statement is “having a good relationship with your manager”. With the highest factor loading of 0.864 (\( \alpha = 0.792 \)), compassion suggests that respondents value a positive work environment with co-workers above all else.
<table>
<thead>
<tr>
<th>Subscale</th>
<th>Item</th>
<th>Factor loading</th>
<th>Cronbach’s alpha</th>
<th>Eigenvalue</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6</td>
<td>0.770</td>
<td>0.786</td>
<td>0.559</td>
<td>5.586</td>
</tr>
<tr>
<td>Compassion</td>
<td>7</td>
<td>0.589</td>
<td>0.808</td>
<td>0.484</td>
<td>4.839</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>0.792</td>
<td>0.778</td>
<td>0.423</td>
<td>4.230</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>0.785</td>
<td>0.786</td>
<td>0.290</td>
<td>2.901</td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>0.864</td>
<td>0.792</td>
<td>0.267</td>
<td>2.673</td>
</tr>
<tr>
<td>2  Public Sector</td>
<td>2</td>
<td>0.577</td>
<td>0.882</td>
<td>1.047</td>
<td>10.460</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>0.668</td>
<td>0.809</td>
<td>0.821</td>
<td>8.211</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>0.726</td>
<td>0.844</td>
<td>1.335</td>
<td>13.340</td>
</tr>
<tr>
<td>3  Job Concern</td>
<td>1</td>
<td>0.696</td>
<td>0.815</td>
<td>4.001</td>
<td>40.010</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>0.719</td>
<td>0.806</td>
<td>0.774</td>
<td>7.737</td>
</tr>
</tbody>
</table>

*Note: N = 200
Extraction method: principle component analysis
Rotation method: Varimax
Kaiser-Meyer-Olkin = 0.896
Chi-square = 226.190*
Factor 2: Public Sector Values
An example of a public sector values statement is “having little stress on the job”. With a factor loading of 0.668 (α = 0.809) public sector values reflect those values most similar to the public sector in the GCC. This includes high job security, high salaries and relaxed working hours.

Factor 3: Job Concern
An example of a job concern statement is “I value interesting work to do” with a factor loading of 0.719 (α = 0.806). Two measures made up this factor, and both were oriented around the nature of work and the intrinsic value of the work. Job concern accounted for 40 per cent of the variance. With a lower factor loading, job concern had a factor loading of 0.696.

4.5.2 Confirmatory Factor Analysis
The value of SEM using CFA is its ability to perform multivariate data analysis that takes into account the interrelationships between variables in a way that other multivariate methods cannot. SEM is able to identify relationships between a number of variables. J. Hair et al. (2006) note that when there are multiple constructs, SEM is most appropriate.

After four variations, it was determined using EFA that a three-factor solution was the best fit for SEM, the next stage in the data analysis plan and the original 10 items were extracted into a three-factor solution. After assessment of model fit, it was determined acceptable. Further review of the factors indicated that the theoretical foundation of the research was supported by the analysis. This is a key point, as indicated by Hooper et al. (2008). Fit indices are necessary, but should always be considered within the confines of theory.
Absolute fit indices determine how well the model fits the sample data and which one represents the best fit (Hooper et al., 2008). The final acceptable model used was selected based on the GFI statistics. This model yielded high values for many of the indices that are considered indicative of a good fit. According to both Kline (2005) and Marsh, Hau and Grayson (2005), the CFI (0.96), the NFI (0.93) the NNFI (0.94) and the IFI (0.96) were all within acceptable ranges and determined the GFI.

The RMSEA is considered to be one of the best indicators of model fit. According to Hooper et al. (2008) and Hu and Bentler (1999), RMSEA points below 0.05 indicate a perfect fit and an acceptable range is between 0.05 and 0.10. The best fit indicated an RMSEA of 0.085. Table 4.11 indicates the best possible model fit.
Table 411 Confirmatory Factor Analysis—Goodness of fit Indices (Nationals)

<table>
<thead>
<tr>
<th>Absolute fit indices</th>
<th>ECVI</th>
<th>NFI</th>
<th>NNFI</th>
<th>CFI</th>
<th>IFI</th>
<th>GFI</th>
<th>RMR</th>
<th>SRMR</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>M₁</td>
<td>0.62</td>
<td>0.93</td>
<td>0.94</td>
<td>0.96</td>
<td>0.96</td>
<td>0.93</td>
<td>0.0022</td>
<td>0.061</td>
<td>0.085</td>
</tr>
</tbody>
</table>

*Note:* Chi-square $\chi^2 = 0$
p < 0.000

ECU1 = GS; ECVI = expected cross validation index; NFI = normed fit index; NNFI = non-normed fit index; CFI = comparative fit index; IFI = incremental fit index; RMR = root mean squared residual; SRMR = standardised root mean squared residual; RMSEA = root mean square of approximation
Figure 5: Structural Model (M1) for Work Values (Nationals)

Note: N = 200
Extraction method: principle component analysis
Rotation method: varimax, Chi-square = 77.74
df=32, P-value=0.0000, RMSEA=0.085
4.5.3 Regression Analysis

The regression analysis introduced in this section analyses the demographic and organisational characteristics of respondents with the three latent factors uncovered in the earlier sections. The introduction of the independent variables of gender, age, education level, position level, number of employees, industry type and business type are analysed to identify any relationship with the latent variables. Table 4.12 provides an overview of the statistical results.

EFA and CFA analysis uncovered three latent factors of work values; compassion, public sector values and job concern. Factor 1, compassion, was influenced by several of the independent variables. The organisation size (number of employees) had the strongest statistical relationship with this latent factor \( t = -1.60, \beta = -0.125 \). Another independent variable that had an effect was industry type \( t = -1.07, \beta = -0.081 \) followed by age, \( t = -0.85, \beta = -0.064 \) and business type \( t = -0.85, \beta = -0.063 \) that showed limited predictive value.

Latent Factor 2, public sector values, was also tested against the independent variables. The variables with predictive values were the business type \( t = 0.948, \beta = 0.071 \), age \( t = 0.900, \beta = 0.079 \) and finally the number of employees \( t = -0.866, \beta = -0.070 \).

Latent Factor 3, job concern, was introduced with the independent variables with several interesting results. The strongest independent predictor was business type \( t = 1.955, \beta = 0.144 \). While education level and age followed closely (albeit with polarised results) they both demonstrated predictive ability \( t = -1.436, \beta = -0.112 \) for education level and \( t = 1.361, \beta = 0.102 \) for age). Both showed reasonable predictive power.
Table 4.12 Regression Analysis of Work Values (Nationals)

<table>
<thead>
<tr>
<th></th>
<th>Compassion</th>
<th></th>
<th>Public sector values</th>
<th></th>
<th>Job concern</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beta</td>
<td>Sig</td>
<td>t</td>
<td>Beta</td>
<td>Sig</td>
<td>t</td>
</tr>
<tr>
<td>Gender</td>
<td>–0.023</td>
<td>0.758</td>
<td>–0.302</td>
<td>0.300</td>
<td>0.841</td>
<td>0.201</td>
</tr>
<tr>
<td>Age</td>
<td>–0.064</td>
<td>0.396</td>
<td>–0.851*</td>
<td>0.079</td>
<td>0.369</td>
<td>0.900*</td>
</tr>
<tr>
<td>Education level</td>
<td>0.038</td>
<td>0.626</td>
<td>0.484</td>
<td>–0.011</td>
<td>0.883</td>
<td>–0.012</td>
</tr>
<tr>
<td>Position level</td>
<td>–0.026</td>
<td>0.751</td>
<td>–0.312</td>
<td>0.019</td>
<td>0.787</td>
<td>0.022</td>
</tr>
<tr>
<td>Number of employees</td>
<td>–0.125</td>
<td>0.110</td>
<td>–1.606*</td>
<td>–0.070</td>
<td>0.377</td>
<td>–0.866*</td>
</tr>
<tr>
<td>Industry type</td>
<td>–0.081</td>
<td>0.283</td>
<td>–1.072*</td>
<td>0.010</td>
<td>0.892</td>
<td>0.135</td>
</tr>
<tr>
<td>Business type</td>
<td>–0.063</td>
<td>0.396</td>
<td>–0.852*</td>
<td>0.071</td>
<td>0.014</td>
<td>0.948*</td>
</tr>
</tbody>
</table>

Note: Adjusted R Squared Factor 1 was 0.580
Adjusted R squared for Factor 2 was .425
Adjusted R squared for Factor 3 was 0.325
*p < 0.05, **p < 0.01
In general, Table 4.12 indicates three positive and significant linear relationship correlations between the three factors yielded from the structural model (compassion, public sector values and job concern) and demographic and organizational variables. All of these factors share a statistically significant relationship with age, business type and the organizational size. The adjusted R squared for low conflict was 0.036, for job concern 0.043, and 0.055 for public sector values.

### 4.5.4 Discussion on Work Values (Nationals and Expatriates)

The present study establishes baseline data on the work values of both nationals and expatriates in the State of Qatar. Further, this study identified a difference between the work values of nationals and expatriates and provides a causal model of the demographic and organisational variables factors that were related statistically significantly to differences in work values. This provided evidence in support of Hypothesis 2E, that the underlying factor structure of harmony and autonomy were optimal predictors of work values for expatriates. Further, it provided support for Hypothesis 2N, indicating evidence that there is a nomological network between compassion, public sector values and job concern and demographic and organisational variables.

SEM results provided evidence of the nomological network of latent variables of work values. Using accepted GFI indices, one model was proposed for expatriates and a second for nationals. The expatriate model revealed a two-factor solution for expatriates (harmony and autonomy), while the national model revealed a three-factor solution (compassion, public sector values and job concern). Furthermore, this study demonstrates that the three factors for nationals are also correlated. Both SEM models present evidence
and confirmation for the original factor analysis regarding work values for both nationals and expatriates.

The data on nationals reveals that the three factors were highly correlated in regard to work values (low conflict, public sector values and job concern). The findings from the current study indicate that low conflict had the highest factor loading for nationals. This was followed by public sector values and finally job concern, which had the lowest factor loadings. This supports Hypothesis 2N, and demonstrates evidence in support of the underlying structure of nationals’ work values. Of interest was the link between public sector values and business type which indicates the close linkage between these values and public sector organisations. Although job concern was the weakest of the three factors for nationals, education and age were determined to have the highest predictive power for this factor.

All factors were submitted to SEM using maximum likelihood extraction. These findings were supported in the SEM and the empirical observations. Traditional fit indices were employed such as the Tucker-Lewis fit index or NNFI, which is relatively sample size independent, and other fit indices as recommended by Hooper et al. (2008).

The current study indicates that nationals prefer work that is low conflict, congruent with empirical findings (Forstenlechner, 2010; Harry, 2007; Rees et al., 2007). Wils et al. conducted a study in 2011 on the differences between work values and generational and different cultures. The innovative study identified a cross generational population in Canada and in the UAE. They found that work values in Quebec did not vary across generations, while in the UAE there were variations among participants. However,
interestingly, and in contrast to this study, they found that cultural origin did not have a significant impact on the average scores (Wils et al., 2011). This study’s findings were contrary to this and provide evidence of differences between nationals and expatriates in work values.

Job concern was ranked the lowest of the three factors for nationals. Elizur (1996) found that while job interest was the most important value for individuals from the US, Holland and Germany, it was ranked far lower in Hungary and China. In this respect, and based on the results of this factor analysis, it appears then that the Qatari nationals’ work values are more inclined towards those of nationals of Hungary and China than those of the US, Holland and Germany.

While Ali and Al-Kazemi’s (2005) study of Kuwaiti managers reviewed the managers’ work values and found that demographic variables played an important role in commitment and loyalty, this study found evidence that Qatari employees’ demographic variables also play a strong role. Age, and education both indicated a strong influence on work values thus supporting the work of Ali and Al-Kazemi. Interestingly, organizational size and business type also demonstrated predictive value.

Expatriate results demonstrated several significant relationships with demographic and organisational variables. Interestingly, and perhaps somewhat intuitively, position level and length of stay revealed strong predictive ability. It is likely that the more responsibility in a position, the higher the degree of autonomy, and subsequently a stronger more centred locus of control. The second demographic factor, education, clearly relates with the position level, and provides support of the hypothesis in relation
to the nomological network. Interestingly, age did not show statistical significance or predictive ability. This is congruent with Wils, et al. (2011), who found that work values did not vary across generations, as age was not statistically significant.

Interestingly, but somewhat predictably, this research supports the premise that work values are influenced by cultural factors (Gahan, & Abeysekera, 2009; Hofstede, 1993, 2001; Matic, 2008; Sagie, & Elizur, 1996). There were clear differences between expatriates and nationals in Qatar. This is in line with the research done in other areas and supports the notion that culture plays a fundamental role in work values, therefore supporting the work of Nord et al. (1990), Hofstede (1993, 2001) and supports the notion that work values then have to be defined within the cultural context.

4.6 Organisational Commitment

OC remains a widely researched topic and one of the more heavily researched in organisational development (Addae, & Parboteeah, 2008). Researchers and practitioners alike have recognised the implications for OC ever since it was first introduced in the 1960s (Suliman, & Al-Junaibi, 2010). OC remains popular as an area of research due to the consequences the phenomenon has on organisational performance, turnover in cases of low OC, productivity and a myriad of other factors impacting organisations (Addae, & Parboteeah, 2008; Chew, & Chan, 2007).

For this study, a major component is the link between OC and the differences in attitudes between expatriates and nationals in the Arab Gulf Region. If there are differences between expatriates and nationals, how can these differences be leveraged in order to facilitate localisation? The implications for low OC, by either nationals or expatriates,
bears resounding implications for HR and ultimately the performance of governments, practitioners and organisations in the Gulf.

As mentioned previously, a number of factors already lend themselves to low OC in the region. A work environment pervaded by expatriate workers on short-term employment contracts, a highly competitive talent environment for nationals where high talent nationals can name their price, a work environment where expatriate workers are viewed as expendable, the generous social contract (Forstenlechner, 2010) and the work values of nationals all bear implications for OC and subsequently, localisation.

The purpose of this research is to extend our understanding of OC, and ultimately localisation, in the region by identifying the nature of OC in Qatar. More specifically, to determine if differences exist between expatriates and nationals in terms of OC, and if so, what specifically these differences are, particularly in relation to demographic variables and ultimately localisation. Based on the literature, and the hypothetical model, the following hypotheses are proposed:

\[ H_{3E}: \text{A nomological network and causal relationships of dimensions namely belonging, ownership, familial and affective factors are optimal predictors of organisational commitment for expatriates.} \]

\[ H_{3N}: \text{A nomological network and causal relationships of dimensions namely emotional attachment and longevity are optimal predictors of organisational commitment for nationals.} \]
4.7 Organisational Commitment—Expatriates

Factor analysis

The initial step in data analysis was to determine the factors underlying localisation. In order to determine the OC of expatriates, and subgroupings of factors, EFA was employed. The purpose in using EFA was to identify any overlapping variables in the study and subsequently group them. Factors were determined using latent root orientation (eigenvalue), total variance and varimax (orthogonal). The rotated component matrix was determined using SPSS 20.0. In order to group variables into similar factors and avoid overlap, factor analysis was employed and two factors were determined. Cronbach alpha coefficients were used to identify how reliable the research tool is (Cronbach, 1951).

Table 4.13 provides the results of the factor analysis for expatriates. The two-factor solution demonstrates the underlying factor structure including eigenvalues, Cronbach’s alpha and variance. The two significant latent factors (values) are: ownership and belonging. Of these two factors, the highest factor loadings were in belonging.

Factor 1: Belonging

An example of a belonging statement is “I feel like part of the family with this organisation” ($\alpha = .931$), with a factor loading of 0.686. This latent variable indicates that there is a high degree of belonging and camaraderie commitment felt towards the organisation.

Factor 2: Ownership

An example of an ownership statement is “I feel as if this company’s problems are my own” ($\alpha = 0.941$), with a factor loading of 0.626. This latent factor indicates that expatriates feel a strong sense of ownership of the company’s problems.
Table 4.13 Factor Structure and Reliability Analysis of Organisational Commitment (Expatriates)

<table>
<thead>
<tr>
<th>Subscale</th>
<th>Item</th>
<th>Factor loading</th>
<th>Cronbach’s alpha</th>
<th>Eigenvalue</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Belonging</td>
<td>Attached</td>
<td>0.848</td>
<td>0.930</td>
<td>5.786</td>
<td>72.321</td>
</tr>
<tr>
<td></td>
<td>Meaning</td>
<td>0.799</td>
<td>0.932</td>
<td>0.596</td>
<td>7.440</td>
</tr>
<tr>
<td></td>
<td>Family</td>
<td>0.686</td>
<td>0.931</td>
<td>0.461</td>
<td>5.760</td>
</tr>
<tr>
<td></td>
<td>Home</td>
<td>0.675</td>
<td>0.933</td>
<td>0.430</td>
<td>5.370</td>
</tr>
<tr>
<td>2 Ownership</td>
<td>Vision</td>
<td>0.639</td>
<td>0.946</td>
<td>0.244</td>
<td>3.040</td>
</tr>
<tr>
<td></td>
<td>Belonging</td>
<td>0.777</td>
<td>0.930</td>
<td>0.203</td>
<td>2.540</td>
</tr>
<tr>
<td></td>
<td>Problems</td>
<td>0.626</td>
<td>0.941</td>
<td>0.167</td>
<td>2.080</td>
</tr>
<tr>
<td></td>
<td>Lifetime</td>
<td>0.553</td>
<td>0.943</td>
<td>0.114</td>
<td>1.420</td>
</tr>
</tbody>
</table>

Note: N = 200
Extraction method: principle component analysis
Rotation method: varimax
Kaiser-Meyer-Olkin = 0.865
Chi-square = 15.542
Confirmatory Factor Analysis

The value of SEM using CFA is its ability to perform multivariate data analysis that takes into account the interrelationships between variables in a way that other multivariate methods cannot. SEM is able to identify relationships between a number of variables. J. Hair et al. (2006) note that when there are multiple constructs, SEM is most appropriate.

After three variations, it was determined using EFA that a two-factor solution was the best fit for SEM. All eight items, were extracted into a two-factor solution and, after assessment of model fit, it was determined acceptable. However, this model was not within the parameters of a good model fit. One item (#2) was removed, and this resulted in a near perfect model. Further review of the factors indicated that the theoretical foundation of the research was supported by the analysis. This is important, as the underlying theory should be supported by the model, as indicated by Hooper et al. (2008).

Absolute fit indices determine how well the model fits the sample data and which one represents the best fit (Hooper et al., 2008). The final acceptable model used was selected based on the GFI statistics (Table 4.14). This model yielded high values for many of the indices that are considered indicative of a good fit. According to both Kline (2005) and Marsh et al. (1996), the CFI (0.99), the NFI (0.99), the NNFI (0.99) and the IFI (0.99) were all within acceptable ranges and determined the GFI.

According to Hooper et al. (2008) and Hu and Bentler (1999), RMSEA points below 0.05 indicate a perfect fit and an acceptable range is between 0.05 and 0.10. The best fit indicated an RMSEA of 0.044 indicating a perfect fit. Table 4.14 indicates the best possible model fit. The SEM model is below (see Figure 6).
Table 4.14 Confirmatory Factor Analysis—Goodness of fit Indices (Expatriates)

<table>
<thead>
<tr>
<th>Structural Model</th>
<th>Absolute fit indices</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ECVI</td>
</tr>
<tr>
<td>M1</td>
<td>0.35</td>
</tr>
<tr>
<td>M2</td>
<td>0.27</td>
</tr>
</tbody>
</table>

*Note: Chi-square $\chi^2 = 364.69$
p < 0.000

ECVI = expected cross validation index; NFI = normed fit index; NNFI = non-normed fit index; CFI = comparative fit index; IFI = incremental fit index; RMR = root mean squared residual; SRMR = standardised root mean squared residual; RMSEA = root mean square of approximation
Figure 6: Structural Model (M2) for Organisational Commitment (Expatriates)

Note: N = 204  
Extraction method: principle component analysis  
Rotation method: varimax. Chi-square = 364.69, df = 13,  
P – Value = 0.00205, RMSEA = 0.044
Regression Analysis

Regression analysis is one of the most widely used statistical methods in business and research. Regression is a particularly useful tool as it analyses the relationship between a single dependent variable and several independent variables (Hair, J. et al., 2006). It has predictive power and also provides a means of objectively assessing the strength of a relationship between variables (Hair, J. et al., 2006).

Linear regression was used to investigate the value of dependent variables based on the linear relationship with one or more predictors (Hair, J. et al., 1998). One of the insightful uses of regression is to determine the relationship between independent and dependent variables and demographic information. In order to examine the relationship between demographic and organisational factors and obstacles to OC, a standard regression factor was used. Regression analysis was performed between the latent factors and the independent variables (organisational and demographic variables). Demographic variables included age, gender, education level and position level, and for expatriates, length of stay. Organisation variables included industry type, organisation type, and size of the organisation.

\( H3E: \text{A nomological network and causal relationships of dimensions namely belonging, ownership, familial and affective factors are optimal predictors of organisational commitment for expatriates.} \)

The cumulative results for the analysis are provided in Table 4.15. As discussed in the previous section, the EFA and CFA revealed two underlying factors derived with respect to expatriate’s OC; belonging and ownership. Table 4.15 shows that four demographic and organisational variables had predictive power over the latent variable. In terms of
Table 4.15 Regression Analysis of Organisational Commitment (Expatriates)

<table>
<thead>
<tr>
<th></th>
<th>Belonging</th>
<th></th>
<th></th>
<th>Ownership</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beta</td>
<td>Sig</td>
<td>t</td>
<td>Beta</td>
<td>Sig</td>
<td>t</td>
</tr>
<tr>
<td>Gender</td>
<td>0.550</td>
<td>−0.856</td>
<td>0.777*</td>
<td>0.099</td>
<td>0.969</td>
<td>1.279*</td>
</tr>
<tr>
<td>Age</td>
<td>−0.030</td>
<td>−0.399</td>
<td>−0.416</td>
<td>0.071</td>
<td>0.166</td>
<td>−1.041*</td>
</tr>
<tr>
<td>Education level</td>
<td>0.009</td>
<td>0.117</td>
<td>−0.003</td>
<td>−0.061</td>
<td>0.328</td>
<td>−0.916*</td>
</tr>
<tr>
<td>Position level</td>
<td>−0.021</td>
<td>−0.285</td>
<td>−0.032</td>
<td>0.096</td>
<td>0.393</td>
<td>1.223*</td>
</tr>
<tr>
<td>Number of</td>
<td>0.086</td>
<td>1.184</td>
<td>0.071</td>
<td>0.182</td>
<td>0.178</td>
<td>−0.131</td>
</tr>
<tr>
<td>employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry type</td>
<td>0.044</td>
<td>0.302</td>
<td>0.536*</td>
<td>0.009</td>
<td>0.011</td>
<td>0.696*</td>
</tr>
<tr>
<td>Business type</td>
<td>0.050</td>
<td>0.594</td>
<td>0.679*</td>
<td>1.691</td>
<td>0.620</td>
<td>−1.727*</td>
</tr>
<tr>
<td>Length of stay</td>
<td>0.086</td>
<td>0.702</td>
<td>1.371*</td>
<td>0.497</td>
<td>0.093</td>
<td>2.569*</td>
</tr>
</tbody>
</table>

*Note: Adjusted R Squared Factor 1 was −0.106  
Adjusted R squared for Factor 2 was 0.028  
*p < 0.05; **p < 0.01
demographic variables, the length of stay showed the strongest predictive power \((t = 1.371, \beta = 0.086)\). The second variable evident was gender, \((t = 0.777, \beta = 0.550)\). However, several organisational variables were good indicators of predictive value as well. The strongest of these was business type \((t = 0.679, \beta = 0.050)\) followed by industry type \((t = 0.536, \beta = 0.044)\).

In terms of OC latent Factor 2, ownership, several variables provided evidence of predictive power. The strongest demographic variable was the length of stay, \((t = 2.569, \beta = 0.497)\) followed by gender \((t = 1.279, \beta = 0.099)\) followed by position level \((t = 1.223, \beta = 0.096)\) then by age \((t = -1.041, \beta = 0.071)\) and finally by education level \((t = -0.916, \beta = -0.061)\).

Interestingly, two of three organisational variables had predictive ability on the OC of expatriates: business type \((t=-1.727, \beta =1.691)\) and industry type \((t=0.696, \beta =0.009)\). This provides evidence supporting the original Hypothesis 3E.
4.8 Organisational Commitment—Nationals

Factor analysis

As with the expatriates, EFA was employed. The purpose in using EFA was to identify any overlapping variables in the study and subsequently group them. Factors were determined using eigenvalue, total variance and varimax (orthogonal). The rotated component matrix was determined using SPSS 20.0. In order to group variables into similar factors and avoid overlap, factor analysis was employed and two factors were determined. Cronbach alpha coefficients were used to identify how reliable the research tool is (Cronbach, 1951). Factor loadings of 0.50 are considered acceptable and practically significant (Hair, J. et al., 2006). Chronbach’s alpha are used to assess reliability. Acceptable threshold levels for the measure of Chronbach’s alpha are usually above 0.60 or 0.70, depending on the sample size. As is evident from Table 4.16, all measures are above 0.90.

Table 4.16 provides the results of the factor analysis. The two-factor solution demonstrates the underlying factor structure including eigenvalues, Cronbach’s alpha and variance. The two significant latent factors (values) are: emotional attachment and longevity. Of these, the highest factor loadings were in emotional attachment.

Factor 1: Emotional Attachment

An example of an emotional attachment statement is “I feel like part of the family with this organisation” ($\alpha = 0.933$), with a factor loading of 0.839. This latent variable indicates that there is a high degree of commitment felt towards the organisation.
Table 4.16 Factor Structure and Reliability Analysis of Organisational Commitment (Nationals)

<table>
<thead>
<tr>
<th>Subscale</th>
<th>Item</th>
<th>Factor loading</th>
<th>Cronbach’s alpha</th>
<th>Eigenvalue</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Emotional attachment</td>
<td>Attached 1</td>
<td>0.768</td>
<td>0.932</td>
<td>5.528</td>
<td>5.586</td>
</tr>
<tr>
<td></td>
<td>Meaning 2</td>
<td>0.750</td>
<td>0.930</td>
<td>0.670</td>
<td>0.596</td>
</tr>
<tr>
<td></td>
<td>Family 3</td>
<td>0.839</td>
<td>0.933</td>
<td>0.494</td>
<td>0.461</td>
</tr>
<tr>
<td></td>
<td>Home 8</td>
<td>0.897</td>
<td>0.931</td>
<td>0.389</td>
<td>0.430</td>
</tr>
<tr>
<td></td>
<td>Vision 4</td>
<td>0.689</td>
<td>0.946</td>
<td>0.264</td>
<td>0.244</td>
</tr>
<tr>
<td>2 Longevity</td>
<td>Belonging 6</td>
<td>0.640</td>
<td>0.930</td>
<td>0.253</td>
<td>0.203</td>
</tr>
<tr>
<td></td>
<td>Problems 7</td>
<td>0.793</td>
<td>0.941</td>
<td>0.212</td>
<td>0.167</td>
</tr>
<tr>
<td></td>
<td>Life 8</td>
<td>0.871</td>
<td>0.943</td>
<td>0.190</td>
<td>0.114</td>
</tr>
</tbody>
</table>

*Note:* N = 200
Extraction method: principle component analysis
Rotation method: varimax
Kaiser-Meyer-Olkin = 0.930
Chi-square = 1223
**Factor 2: Longevity**

An example of a longevity statement is “I would be happy to spend the rest of my life with this organisation” ($\alpha = 0.943$), with a factor loading of 0.871. This latent factor indicates that expatriates feel a strong sense of staying with the company for a long time.

**Confirmatory Factor analysis**

After four variations, it was determined using EFA that a two-factor solution was the best fit for SEM. All eight items were extracted into a two-factor solution and this was determined acceptable. As with the expatriates, further review of the factors indicated that the theoretical foundation of the research was supported by the analysis.

Several variations of CFA were used within SEM. Of these, three final models were yielded within acceptable parameters. However, the best possible model fit was established after one item (measure #5) was removed from the model. This yielded an RSMEA of 0.058. The final model used was selected based on the GFI statistics and within the confines of theory. This model yielded high values for many of the indices that are considered indicative of a near perfect fit. The CFI (0.99), the NFI (0.99), the NNFI (0.99) and the IFI (0.99) were all well within acceptable ranges and determined the GFI (Table 4.17).

RMSEA points below 0.05 indicates a perfect fit and an acceptable range is between 0.05 and 0.10. The best fit indicated an RMSEA of 0.58 indicating a near perfect fit. After review of the empirical findings and theory, this was determined acceptable and Table 4.17 indicates the best possible model fit.
### Table 4.17 Confirmatory Factor Analysis—Goodness of fit Indices (Nationals)

<table>
<thead>
<tr>
<th>Structural Model</th>
<th>ECVI</th>
<th>NFI</th>
<th>NNFI</th>
<th>CFI</th>
<th>IFI</th>
<th>GFI</th>
<th>RMR</th>
<th>SRMR</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>M1</td>
<td>0.37</td>
<td>0.98</td>
<td>0.97</td>
<td>0.98</td>
<td>0.98</td>
<td>0.91</td>
<td>0.03</td>
<td>0.03</td>
<td>0.09</td>
</tr>
<tr>
<td>M2</td>
<td>0.35</td>
<td>0.98</td>
<td>0.98</td>
<td>0.99</td>
<td>0.99</td>
<td>0.95</td>
<td>0.02</td>
<td>0.02</td>
<td>0.07</td>
</tr>
<tr>
<td>M3</td>
<td>0.27</td>
<td>0.99</td>
<td>0.99</td>
<td>0.99</td>
<td>0.99</td>
<td>0.99</td>
<td>0.01</td>
<td>0.01</td>
<td>0.05</td>
</tr>
</tbody>
</table>

**Note:** Chi-square $\chi^2 = 44.13$

$p < 0.000$

ECVI = expected cross validation Index; NFI = normed fit index; NNFI= non-normed fit index; CFI = comparative fit index; IFI = incremental fit index; RMR = root mean squared residual; SRMR = standardised root mean squared residual; RMSEA= root mean square of approximation
Figure 7: Structural Model (M₃) for Organisational Commitment (Nationals)

*Note:* N = 200
Extraction method: principle component analysis
Rotation method: varimax
Chi – Square = 44.13 df = 13,
P – Value = 0.00036, RMSEA = 0.058
Regression Analysis

As with the expatriate data, linear regression was used to investigate the value of the two dependent variables of emotional attachment and longevity based on the linear relationship with the predictor variables (demographic and organisational). As with the expatriate respondents, demographic variables included age, gender, education level and position level but with the omission of length of stay in the host country. Organisation variables included industry type, organisation type, and size of the organisation.

The regression study resulting from this analysis reveal rich results which are displayed in Table 4.18. For latent Factor 1, emotional attachment, all but one of the demographic factors demonstrated predictive value over the latent variable. The strongest positive predictive power was from age ($t = 1.146, \beta = 0.101$) followed by education, which was negative ($t = -1.059, \beta = -0.079$) and gender ($t = 0.642, \beta = 0.097$). Interestingly, position level demonstrated only mild statistical effects on OC. Organisational variables also yielded significant results. While industry type ($t = 0.860, \beta = 0.036$) yielded strong positive results, the other two organisational variables, number of employees and business type ($t = -1.151$ and $-0.051$ and $t = -0.948, \beta = -0.061$ respectively), yielded negative results.

Latent Factor 2, longevity, demonstrated statistical relationships between the control variables of age ($t = 0.579, \beta = -0.044$), education ($t = -0.962, \beta = -0.076$), position level ($t = -0.768, \beta = -0.062$) as well as with all of the organisational variables, such as number of employees ($t = -0.945, \beta = -0.074$) and business type ($t = -1.101, \beta = -0.082$) which demonstrated a negative relationship. The predictive relationship between industry type and longevity was positive, ($t = 1.034, \beta = -0.078$).
Table 4.18 Regression Analysis of Organisational Commitment (Nationals)

<table>
<thead>
<tr>
<th>Model</th>
<th>Emotional attachment</th>
<th></th>
<th></th>
<th>Longevity</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beta</td>
<td>Sig</td>
<td>t</td>
<td>Beta</td>
<td>Sig</td>
<td>t</td>
</tr>
<tr>
<td>Gender</td>
<td>0.097</td>
<td>0.521</td>
<td>0.642*</td>
<td>0.027</td>
<td>0.763</td>
<td>0.358</td>
</tr>
<tr>
<td>Age</td>
<td>0.101</td>
<td>0.253</td>
<td>1.146*</td>
<td>0.044</td>
<td>0.721</td>
<td>0.579*</td>
</tr>
<tr>
<td>Education level</td>
<td>–0.079</td>
<td>0.291</td>
<td>–1.059*</td>
<td>–0.076</td>
<td>0.563</td>
<td>–0.962*</td>
</tr>
<tr>
<td>Position level</td>
<td>0.015</td>
<td>0.823</td>
<td>0.224</td>
<td>0.062</td>
<td>0.337</td>
<td>0.768*</td>
</tr>
<tr>
<td>Number of employees</td>
<td>–0.051</td>
<td>0.251</td>
<td>–1.151*</td>
<td>–0.074</td>
<td>0.443</td>
<td>–0.945*</td>
</tr>
<tr>
<td>Industry type</td>
<td>0.036</td>
<td>0.391</td>
<td>0.860*</td>
<td>0.078</td>
<td>0.346</td>
<td>1.034*</td>
</tr>
<tr>
<td>Business type</td>
<td>–0.061</td>
<td>0.344</td>
<td>–0.948*</td>
<td>–0.082</td>
<td>0.272</td>
<td>–1.101*</td>
</tr>
</tbody>
</table>

Note: Adjusted R Squared Factor 1 was –0.004
Adjusted R squared for Factor 2 was –0.021
*p < 0.05, **p < 0.01
The predictive value demonstrated by both organizational and demographic variables indicate a nomological relationship between variables. These results provide support for the original hypothesis:

\[ H_{N3}: \text{A nomological network and causal relationships of dimensions namely emotional attachment and longevity are optimal predictors of organisational commitment for nationals.} \]

4.8.1 Discussion on Organisational Commitment (Nationals and Expatriates)

This study provides exploratory research and establishes baseline data into the OC construct. It adds to a relatively small body of research in OC in the Arab Gulf Region by assessing the perspectives of 204 expatriates and 200 nationals in the State of Qatar. Further, analysis into the differing perspectives between nationals and expatriates has received limited academic research in the region, and in particular in Qatar. One of the main findings of the research is the establishment that while there are differences in the perspectives on OC, there are also similarities between expatriates and nationals.

A multi-step data plan explored the relationship between the latent factors of expatriates (belonging and ownership) and nationals (emotional attachment and longevity) and demographic factors. Further, the relationship was tested to develop a theoretical model that supported the empirical findings around OC. Multivariate techniques such as factor analysis and EFA were employed to identify and verify any variables that had high correlations.

An integrated model based on the theoretical background was established to examine the perspectives on OC from both expatriates and nationals. Factor analysis using varimax rotation revealed a two factor model for expatriates and nationals. These
models were then submitted to CFA using maximum likelihood extraction. Based on GFI statistics, two path diagrams were selected: one for nationals and one for expatriates. Finally, demographic variables were introduced and a regression was performed to determine the relationship between the latent factors and organisational and demographic information of respondents.

For the first factor, belonging, gender, industry type and business type demonstrated evidence of predictive ability. For expatriates, a number of areas were statistically significant for the latent factor of ownership. Gender, education, position level and business and industry type were positively related to this factor, indicating strong predictive ability. However, age was negatively related. Most profound though, was the strong impact of the length of stay for both factors in predicting AOC. Interestingly, while Suliman and Al-Junaibi (2010) found that age and nationality showed no significant relationships to commitment, this study provided different results and showed that gender, age, educational level and position level all played a role in predicting OC. Perhaps most interesting, is the prominent role that the length of stay variable played in predicting OC for the expatriate population.

Although an overall indifference to OC in an expatriate environment was supported by Suliman and Al-Junaibi (2010), this study didn’t indicate indifference in OC among expatriates. On the contrary, expatriates appeared overall to be satisfied with their positions. Further, the length of stay appeared to have the strongest predictive power of the OC construct. Overall, the results from this study provide evidence in support of the original hypothesis:

\[
H_{3E}: \text{A nomological network and causal relationships of dimensions namely belonging, ownership, familial and affective factors are optimal predictors of organisational commitment for expatriates.}
\]
For nationals, there is evidence of demographic and organisational variables as predictors of OC. The current study indicates that age, gender, position level and educational level had predictive ability with AOC. Further, organisational factors such as the number of employees (negative), industry type and business type (negative) all demonstrated predictive ability. Interestingly, education level appears to be the strongest predictor of AOC for nationals. This supports the work of Zeffane et al. (2008) who studied the effect of job satisfaction on employee behaviour and absenteeism in the UAE. While they found that gender was a significant determinant in differences between levels of job satisfaction and performance, this study supports these findings, but the level of support is mild—and other factors are stronger predictors. Several possible explanations exist for this; one being that the demographics in Qatar are significantly different in terms of gender balance. As well, women enjoy a high degree of empowerment and efficacy in relation to other Middle-Eastern nations, and there is high female participation in the labour force, relatively speaking. Finally, their study was based on one (utility) company. These factors may help to explain the difference in results, although further research would help. This provides support for Hypothesis N3:

\[ H_{N3}: \text{A nomological network and causal relationships of dimensions namely emotional attachment and longevity are optimal predictors of organisational commitment for nationals.} \]

4.9 The Final Model Showing the Relationship between Localisation, Work Values and Organisational Commitment—Expatriates

Localisation is a pressing problem in the GCC, one that can potentially lead to significant economic and social instability (Harry, 2007). The aim of the current study was to investigate and test the relationship between the three constructs of localisation, work values and OC. The relationship represented in the structural model
between the three constructs represents a new contribution to the literature around localisation. While the relationship between the two constructs of work values and OC has been demonstrated in other environments, no relationship is evident in the current literature on the relationship between localisation, work values and OC.

It was originally hypothesised that:

\( H_{4E} \): The work values exhibited by expatriates will have a significant negative influence on localisation.

\( H_{5E} \): The organisational commitment exhibited by expatriates will have a significant negative influence on localisation.

\( H_{6E} \): The work values exhibited by expatriates will have a significant positive influence on organisational commitment.

\( H_{6N} \): The work values exhibited by nationals will have a significant negative influence on organisational commitment.

\( H_{7E} \): There is a significant positive relationship between localisation, Work Values and organisational commitment for expatriates.

In order to test the hypotheses, CFA was used to test the relationships. This was done using SEM and LISREL 8.80 software. The model consisted of 21 items to measure localisation (LOCE1, LOCE2, LOCE4, LOCE6, LOCE7, LOCE9, LOCE10, LOCE11, LOCE12, LOCE13, LOCE14 and LOCE15, LOCE16, LOCE18, LOCE19, LOCE21, LOCE22, LOCE23, LOCE24, LOCE26, LOCE27) and eight items to measure work values (WV2, WV3, WV4, WV5, WV6, WV7, WV9, WV10), and seven items to measure OC (OCN1, OCN3, OCN4, OCN5, OCN6, OCN7 and OCN8).
Absolute fit indices determine how well the model fits the sample data and which one represents the best fit (Hooper et al., 2008). Although there is some debate as to what acceptable fit levels are, estimates range from 0.80 to 0.90 (Hu, & Bentler, 1999). According to Marsh et al. (2005), the CFI (0.71), the NFI (0.69), the NNFI (0.69) and the IFI (0.71) were not within acceptable ranges and determined the GFI. In addition, the chi-square was 2766.25. Further, the RMSEA was 0.135, well above the acceptable range of 0.05 to 0.10 (with levels below 0.05 representing a perfect fit).

Several items were dropped from the scale in order to ensure model fit. The final model consisted of eight items to measure localisation (LOCE2, LOCE3, LOCE7, LOCE8, LOCE9, LOCE10, LOCE22, LOCE23) and eight items to measure work values (WV2, WV3, WV4, WV5, WV6, WV7, WV9, WV10), and seven items to measure OC (OCN1, OCN3, OCN4, OCN5, OCN6, OCN7 and OCN8).

The final acceptable model used was selected based on the GFI statistics. This model yielded high values for many of the indices that are considered indicative of a good fit. The NFI was 0.87, the NNFI was 0.92, the CFI was 0.93 and the IFI was 0.93. These were all within acceptable limits.

The RMSEA is considered to be one of the best indicators of model fit. According to Hooper et al. (2008) and Hu and Bentler (1999), RMSEA points below 0.05 indicates a perfect fit and an acceptable range is between 0.05 and 0.10. The best fit indicated an RMSEA of 0.73. Using standard GFI measures to evaluate the model, it converged on the second attempt.

The results of the structural model are presented in Figure 8. The final structural model provides evidence that the path estimate between obstacles to localisation and work values is neither positive nor significant. However, the path estimate between
Figure 8: The Final Model Showing the Relationship between Localisation, Work Values and Organisational Commitment (Expatriates)
work values and OC is positive and mildly significant. Further, the path estimate between OC and obstacles to localisation is also positive and but insignificant.

The conundrum of localisation in the GCC raises many questions. Namely, that despite significant investment in time and money, the number of expatriates keeps increasing while unemployment and underemployment remains high among nationals in most of the GCC. While it is recognised that localisation must take place in the context of other considerations such as globalisation, social environment and competitiveness (Rees et al., 2007), the increase in expatriates despite incentives to the contrary required investigation. The resulting SEM model for the obstacles to localisation for expatriates demonstrates that there is a positive relationship between OC and a reluctance to facilitate localisation. Further, that there is a positive relationship between work values and AOC. However, there is a negative relationship between work values and the obstacles to localisation. These relationships will be discussed below.

Work values generally indicate what values and expectations an individual has about their work. It was originally postulated that:

\[ H_{4E}: \text{The work values exhibited by expatriates will have a significant negative influence on localisation.} \]

In this study, the work values that were selected as most desirable for expatriates were those of harmony and autonomy: harmony meaning a workplace where there was minimal unhealthy conflict; and autonomy meaning that employees could perform at a high level on their own with minimal supervision.
The expatriate respondents’ work values had a negative relationship with the obstacles to localisation. Because the localisation statements focused on obstacles (negative), this is a positive result. To put it differently, expatriates with the work values of harmony and autonomy support localisation policies and initiatives if they are the objectives of the organization. Work values then are negatively related to the obstacles to localisation.

The positive association between work values and the importance of engaging expatriates in localisation efforts is congruent with the qualitative research of Rees et al. (2007). Employees with high work values would be more inclined to support localisation policies if these were performance goals. This is reflected in Selmer’s (2004) research, who notes that performance and incentives related to localisation are important to its success. When expatriate employees are communicated the importance of localisation, and localisation goals were set up early in the expatriate’s employment as organisational goals, then the employees with high work values were more inclined to support localisation.

The postulated relationship between work values as an antecedent to OC has found support in the literature that there is a significant and direct relationship between values and OC (Fischer, & Mansell, 2009; Froese, & Xiao, 2012). However, few studies of the relationship between the two constructs have been conducted in an expatriate environment.

It was anticipated that a negative relationship would exist for expatriates:

\[ H_{3E}: \text{The organisational commitment exhibited by expatriates will have a significant negative influence on localisation.} \]
And

*H₃ₙ: The organisational commitment exhibited by nationals will have a significant negative influence on localisation.*

Results from this study found that confirmation was weak for expatriates and nationals. The literature indicates a relationship between the two constructs (Fischer, & Mansell, 2009; Putti et al., 1989); however, it is also recognised that these relationships are weak. This also supports the work of Yunus et al. (2012) in the Middle East, who found that work values were moderately related to OC. This study supports the earlier works and confirms that while there is a positive relationship for expatriates, it is mild and statistically insignificant.

The relationship between OC and obstacles to localisation is also positive, as originally postulated, however it is statistically insignificant. Although no research has been forthcoming on the relationship between AOC and localisation, it is not surprising that the higher the AOC, the less likely a job incumbent would be willing to relinquish their position. What is also interesting is the nature of the questions in the resulting SEM model. Several of the questions from the obstacles to localisation construct are affective in nature, for example, “I like my job and want to keep it”, clearly relates to AOC; however, several others are more closely related to continuance commitment (“if I lose my job I have nowhere to go”). This is also reflected in findings by Rees et al. (2007), who uncovered a reluctance to support localisation among expatriates in the UAE.

Suliman and Al-Juanaibi (2010) studied the relationship between intention to quit and OC. They found that there is a significant negative relationship between the two constructs. It would logically follow that a high degree of affective commitment
would hinder governmental and organisational attempts at localisation, as it would mean ultimately severing the employee/organisational relationship. While most companies attempt to create a positive work environment with high levels of OC, this may in fact hinder localisation if not implemented with AOC in mind.

Expatriates with high degrees of AOC are generally more productive and engaged. Previous research suggests that while these are the type of employees who foster productivity and organisational performance, as discussed earlier, they may also be the same employees who resist localisation. There may be a number of factors for this including a perception that nationals are low performers and unable to perform to the same degree of expatriates. Also, in a region with high pay, low tax and other extrinsic benefits, it is not surprising that employees, and in particular expatriate employees, value their jobs. The overall model follows in Figure 8.
4.10 The Final Model Showing the Relationship between Localisation, Work Values and Organisational Commitment (Nationals)

The relationship represented in the structural model between the three constructs (Figure 9) represents a new contribution to the literature around localisation from a national perspective. While the relationship between the two constructs of work values and OC has been demonstrated in other environments, no relationship is evident in the current literature on the relationship between localisation, work values and OC. Initially, it was proposed that:

\[ H_{4N}: \text{The work values exhibited by nationals will have a significant negative influence on localisation.} \]

\[ H_{5N}: \text{The organisational commitment exhibited by nationals will have a significant negative influence on localisation.} \]

\[ H_{7N}: \text{There is a significant negative relationship between localisation, Work Values and organisational commitment for nationals.} \]

In order to test the hypotheses, CFA was used to test the relationships. This was done using SEM and LISREL 8.80 software. The model consisted of 16 items to measure localisation (LOCE1, LOCE2, LOCE4, LOCE6, LOCE7, LOCE9, LOCE10, LOCE11, LOCE12, LOCE13, LOCE14 and LOCE15), 10 items to measure work values (WV1, WV2, WV3, WV4, WV5, WV6, WV7, WV9, WV9, WV10), and seven items to measure OC (OCN1, OCN2, OCN3, OCN4, OCN6, OCN7 and OCN8).

Absolute fit indices were again used to assess the model. According to Marsh et al. (2005), the CFI (0.93), the NFI (0.86), the NNFI (0.92) and the IFI (0.93) were within acceptable ranges and determined the GFI. In addition, the chi-square was 5153.15.
Figure 9: The Final Model Showing the Relationship between Localisation, Work Values and Organisational Commitment (Nationals)
Further, the RMSEA was 0.074, well within the acceptable range of 0.05 to 0.10 (with levels below 0.05 representing a perfect fit).

The results of the structural model are presented in Figure 9. The final structural model provides evidence that the path estimate between obstacles to localisation and work values is neither positive nor significant, and therefore this hypothesis is rejected. Further, the path estimate between work values and OC is also negative and insignificant. The results will be discussed in the next section.

Interestingly, the majority of studies on localisation in the region have focused on the perceptions of expatriates rather than nationals (Forstenlechner, 2010; Harry; 2007; Selmer, 2004). This research was intended to review the perceptions of nationals on localisation (as well as those of expatriates) and the relationship between the three constructs.

The path estimates between localisation and work values show a negative relationship of 0.08. While not statistically significant, it indicates that nationals’ work values aren’t positively related to localisation. Although this has been indicated in the research (Forstenlehner, 2010; Forstenlehner, & Rutledge, 2010; Rees et al., 2007), there has been no quantitative evidence to date. In the particular context of Qatar, where jobs outnumber nationals and the competition to hire nationals in order to fill quotas is fierce, the results are not unpredictable. The current workforce of Qatari is estimated to be 100,000 (Ministry of Development Planning and Statistics, 2012), while the expatriate workforce is approximately 1.4 million. This indicates that a large number of positions dedicated to nationals in order to fill quotas remain unfilled.
Work values, then, do not play a significant role in the localisation, nor in the selection of nationals.

This quota approach is in part, the major challenge with localisation in the region. The use of quotas has not had a positive effect on localisation policies where it is very difficult to remove problematic or low performing national employees (Rees et al., 2007). This has in fact had an adverse effect where true localisation (competent nationals) is not being realised.

Further, the high wages, low productivity and generous pensions and holidays of the public sector have played an instrumental role in setting the work values and expectations of nationals (Forstenlechner, 2010; Harry, 2007). This has in fact, done a disservice and impeded true localisation where nationals replace expatriates with competency.

The second relationship, between OC and work values, was also slightly negative (–0.02). This is in contrast to some of the work on OC and work values done in other areas. As mentioned earlier, there is some evidence that work values do influence OC (Fischer, & Mansell, 2009; Meyer et al. 1998). This is supported the work of Palich et al. (1995) who found that values were linked to satisfaction and OC. However, it is recognised that these relationships are generally weak with low predictive power (Froese, & Xiou, 2012).

The slightly negative relationship should be interpreted in the unusual context of Qatar. Unlike in other areas such as China or Africa, where localisation programs promote the employment of nationals who face strong incentives to work and are encouraged by opportunities to gain knowledge and enhance their human capital, nationals in the GCC in general, and Qatar in particular, enjoy a much higher level of
autonomy to choose their employment (Forstenlechner, 2010; Harry 2007). The generous social contract and distribution of wealth does not place the same economic pressure on nationals in the GCC and Qatar in particular, as it might in other areas where localisation has taken place. Further, the human capital and subsequent work values of nationals are not consistently in line with the marketplace, primarily in the private sector (Forstenlechner, & Rutledge, 2010; Harry, 2007; Rees et al., 2007). As Harry (2007) points out, prestige is of primary importance and it is not unusual to remain unemployed rather than take a job not befitting the social status of the family.

Localisation also shared a negative, yet statistically insignificant relationship (–0.02) with OC. This is consistent with the empirical findings of others who have investigated localisation in the Gulf Region (Rees et al., 2007; Forstenlechner, 2010). The reasons seem to be consistent across the region, and this research in Qatar supports this. AOC has been linked to performance and productivity (Chen, & Francesco, 2003; Meyer et al. 2002; Suliman, & Iles, 2000). This remains a challenge in Qatar as incentives to invest in human capital are often placed as secondary importance to status (Harry, 2007).
Table 4.19 Summary of Results for Hypotheses Tested

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>$H_{1E}$: The nomological networks of latent factors of localisation are interrelated, multi-dimensional and extrapolative predictors for expatriates</td>
<td>True</td>
</tr>
<tr>
<td>$H_{1N}$: The nomological networks of latent factors of localisation are interrelated, multi-dimensional and extrapolative predictors for nationals</td>
<td>True</td>
</tr>
<tr>
<td>$H_{2E}$: A nomological network and causal relationships of dimensions namely harmony, autonomy, are optimal predictors of work values for expatriates.</td>
<td>True</td>
</tr>
<tr>
<td>$H_{2N}$: A nomological network and causal relationships of dimensions namely compassion, public sector values and job concern are optimal predictors of work values for nationals.</td>
<td>True</td>
</tr>
<tr>
<td>$H_{3E}$: A nomological network and causal relationships of dimensions namely belonging, ownership, familial and affective factors are optimal predictors of organizational commitment for expatriates.</td>
<td>True</td>
</tr>
<tr>
<td>$H_{3N}$: A nomological network and causal relationships of dimensions namely emotional attachment and longevity are optimal predictors of organizational commitment for nationals.</td>
<td>True</td>
</tr>
<tr>
<td>$H_{4E}$: The work values exhibited by expatriates will have a significant negative influence on localization.</td>
<td>Rejected</td>
</tr>
<tr>
<td>$H_{4N}$: The work values exhibited by nationals will have a significant negative influence on localization.</td>
<td>Rejected</td>
</tr>
<tr>
<td>$H_{5E}$: The organizational commitment exhibited by expatriates will have a significant negative influence on localization.</td>
<td>Rejected</td>
</tr>
<tr>
<td>$H_{5N}$: The organizational commitment exhibited by nationals will have a significant negative influence on localization.</td>
<td>Rejected</td>
</tr>
<tr>
<td>$H_{6E}$: The work values exhibited by expatriates will have a significant positive influence on organizational commitment.</td>
<td>Rejected</td>
</tr>
<tr>
<td>$H_{6N}$: The work values exhibited by nationals will have a significant negative influence on organizational commitment.</td>
<td>Rejected</td>
</tr>
<tr>
<td>$H_{7E}$: There is a significant positive relationship between localization, Work Values and Organisational Commitment for expatriates.</td>
<td>Rejected</td>
</tr>
<tr>
<td>$H_{7N}$: There is a significant negative relationship between localization, Work Values and Organisational Commitment for nationals.</td>
<td>Rejected</td>
</tr>
</tbody>
</table>
4.11 Conclusion
This chapter examined each of the constructs in order to determine the factors’ structure. As noted, the reliability, based on Chronbach’s alpha, was reviewed and determined to demonstrate a high level of reliability. CFA was used to confirm the factor structure and finally, the relationships between all of the variables were examined using SEM. The results were analysed and discussed in relation to the current literature around localisation. The next chapter will discuss the theoretical contributions, the practical applications and contributions to practice, as well as the limitations and directions for future research.
Chapter 5 Contributions to Theory and Practice, Limitations, Directions for Further Research and Conclusion

Chapter Overview
Chapter 4 analysed the data and discussed the results that emerged from the current research. This fifth and final chapter reviews the theoretical and practical contributions to the field in relation to localisation, work values and OC, first for expatriates and then for nationals, and the relationship between these constructs. The chapter also presents the inevitable limitations of the study and a number of possible directions for further research.

5.1 Contribution to Theory and Practice
This section outlines the contributions of this study in terms of its theoretical contributions and practical applications.

5.1.1 Human Resources Development Theory
Afiouni et al. (2012) observe that there is limited research on HRP in the Middle East and no HRM model for the region. Further, as a subset of HRM theory, the field of HRD also faces a paucity of research. As Al-Dosary et al. (2006) point out, one of the most fundamental indicators of a nation’s economic progress is the level of its human capital. Earlier it was noted that the field of HRD is both multi-disciplinary and constantly evolving. This is particularly true in the AME, and, the rapidly changing landscape compounds the challenges in conducting insightful research in the region.

Fundamental to HRD theory is the underlying premise of performance improvement. The vast majority of HRD literature has focused on performance improvement in the Western context, and has only rarely focused on the Middle East. Further, there are
few comparative studies between different groups in the area. This research contributes to both of these gaps in a number of significant ways; first by supplying rich baseline data into the antecedents of performance such as work values and AOC, and further by investigating the relationship between these two constructs and the underlying implications for performance and localisation. Finally, the comparative nature of this study provides data on the fundamental differences between nationals and expatriates in terms of work values and OC.

As a starting point, this study establishes a launching point into three constructs related to organisational development and performance; localisation, work values and OC, in an under-researched region. The establishment of comparative data on these three constructs between expatriates and nationals is a significant contribution to HRD in the Middle East in general and the GCC area in particular. As well as providing a starting point for additional research, it provides insight into the perspectives of these two groups for practitioners. While it was originally postulated that the two were positively linked with localisation, the results from this research provide only mild evidence to support this.

In terms of international HRM and in particular, expatriate management, this thesis provides a unique contribution into the insights of expatriates in the GCC context, particularly Qatar. It provides baseline data into this group’s perceptions, work values and AOC. The management implications will be discussed in a later section.

5.1.2 Contributions to Theory from the Expatriate’s Perspective

Localisation
The results from this study contribute significantly to theory towards understanding the dynamics and attitudes towards localisation in Qatar. At the outset, it was posited
that the GCC, and Qatar in particular, represent a departure from the traditional demographic environments for localisation such as Asia, Africa or Oceania, and as such, traditional localisation approaches will face challenges (Rees et al., 2007; Selmer, 2004). For this reason, it is important to contribute to the development of localisation theory in Qatar. As well, the impacts of localisation initiatives in the region have remained fundamentally under researched given their impact on HRM policies and on HRD. This bears significant implications for those attempting to unravel the numerous issues facing HRM, HRD and localisation in the region for both practitioners and scholars.

It has been suggested that expatriates are impediments to localisation (Rees et al., 2007; Selmer, 2004). Naturally, in the successful implementation of localisation the expatriate risks training their replacement. Given that expatriates are usually on the front line of localisation, it is imperative to gain their perspective (Selmer, 2004). Further, this generates information that can be used for developing theories on expatriate management.

Selmer’s 2004 study found that work in China identified three obstacles to localisation: unwillingness to leave one’s present position, inability to train nationals due to lack of training or communication skills, and the belief that localisation does not serve the best interests of the company and may result in negative consequences. This study found that indeed, some of these same obstacles are relevant in Qatar. Rees et al. (2007) note that expatriates perceive nationals as unskilled or valuable only within their cultural context. This study largely supports these findings and found that there was evidence that lack of training and succession planning were obstacles to localisation. Interestingly, and perhaps somewhat profoundly, satisfaction with the current workplace was also an obstacle to localisation. This is echoed in the
demographic results where length of stay was clearly associated with four of the five obstacles.

A better understanding of the different perceptions of expatriates, and the factors that contribute to this difference was a natural starting point. Very little exists in the literature around the different stakeholders involved in localisation in Qatar (Williams et al., 2011). Thus, the establishment of a relationship between demographic variables and perceptions on localisation is a valuable contribution both to the literature, and for practitioners. The structural model measuring both national and expatriate employees’ attitudes towards localisation, is a valuable tool for localisation initiatives (Forstenlechner, 2008, 2010; Harry, 2007; Rees et al., 2007). The findings of this study provide scholars with crucial knowledge about the mechanisms through which the localisation construct can be shown to be relevant and employed within a different cultural context: the Qatari context. Further, implications from this theory development context can be applied elsewhere in the GCC in order to contribute to the development of an expatriate localisation theory in the region.

Building on the work of earlier qualitative studies in the GCC, (Forstenlechner, 2008, 2010; Rees et al., 2007), this was a pioneering study as no comparative studies on localisation in Qatar have been published in peer-reviewed journals, to the best of the author’s knowledge. This study built upon these original works and identified five latent factors that influenced obstacles to localisation for expatriates. Further, it identified demographic factors that influence a lack of support among expatriates, such as age, gender, education, and length of stay in the host country. This adds substantially to the theory development on localisation in the Gulf region put forward by Forstenlechner (2008, 2010), but has larger cross-border applications.
Further, the organisational characteristics influencing localisation were identified. This provides strong baseline data from which to expand this research and test the theories emerging from this study.

In terms of localisation studies in the Middle East, this study added to the notable work of Al-Lamki (1998) and Rees et al. (2007), and provided a quantitative sampling that supported Rees et al.’s (2007) case study. It also supported Achoui’s (2009) anecdotal work on HRD in the Gulf countries and Forstenlechner’s (2008, 2010) significant qualitative contributions on localisation and HR. It has also provided a quantitative model for future reference, development and exploration.

**Work Values**

The area of work values has received increasing attention in recent years. However, the overwhelming majority of studies have focused on enhancing employee performance within the North American or Western European context. For scholars conducting research outside of this area, the challenge has been identifying the effect of culture on work values. Intrinsic to this research is the connection between work values and employee engagement, and subsequently to productivity (Matic, 2008).

This research has provided new data on the work values of the expatriates who contribute so significantly to the labour force in the GCC region. The findings from this study contribute to the body of knowledge around work values internationally, and more specifically in the Middle Eastern region of the GCC by identifying key organisational and demographic factors that are predictive of the work values of expatriates.

The contributions vary from other works in that no SEM quantitative studies have been conducted in Qatar on work values. In addition, this research provides
information on both expatriate management, and on management within the GCC and Qatar.

Another interesting contribution around theory is the establishment of baseline data on work values in Qatar. There is minimal work values data in the literature on the region, with the noted exceptions of Ali (1986, 1987, 1988, 1989, 2001) Ali and Amirshahi (2002), Ali and Al-Kazemi (2005) and Sharabi, (2009). This information can be used to enhance knowledge and understanding in the region in general, and Qatar in particular.

Sharabi (2009) identifies a gap in the current literature in that the studies as of 2009 had only studied work values across nations, not across cultures. This current study represents a departure from earlier studies in that both ethnic groups coexisted in the same country. Unlike Selmer and De Leon’s (1996) research, the dominant culture did not appear to heavily influence Arab values for expatriates, and clear differences between expatriate and national work values were established. Likewise, this research provided evidence that the dominant Arabic work environment did not impact expatriate work values, and that there were significant differences between national and expatriate work values, including a higher desire for autonomy for expatriates.

It should be noted that the two important domains of work values for expatriates—harmony and autonomy—derived from SEM, are important exploratory variables of expatriate work values, and have different implications for theory and practices. This research indicates that the position level and length of stay of expatriates were strong positive predictors for expatriate work values, which in turn affect organisational performance (Connor, & Becker, 1975). Further, the study also provides evidence of the cultural impacts of the construct and supports the research of Matic (2008). The
effects of latent factors on expatriate work values reflect their importance on practices, such as how these factors contribute to the measurement of work values among expatriate employees.

**Organisational Commitment**

Despite the significant scholarly contributions to the area of OC, relatively little exists on the construct in the Middle-East, particularly in the Gulf region. The findings of this preliminary research indicate that there exists a different environment for OC in Qatar. Therefore, the OC of expatriates in the state may differ from other regions.

More specifically, the results of the study provide information about the level of AOC among expatriate employees in Qatar, derived from SEM. This research uncovered key points of interest and implications for organisational and demographic variables, and their significance to AOC.

One of the interesting findings in this study was that expatriates demonstrated relatively high levels of OC. This is in contrast to the findings of researchers of other areas, for example Bhuian et al. (1996) and Suliman and AL-Junaibi (2010) in Saudi Arabia, and Elamin (2011) in the UAE. The industry type and length of stay were factors that influenced AOC for expatriates. Specific theoretical implications can be drawn from this information, such as the degree of cultural attachment, and how that influences OC. For example, Ali and Al-Kazemi’s study of Kuwaiti managers reviewed managers’ work values and found that demographic variables played an important role in commitment and loyalty. In particular, expatriate managers and females demonstrated higher level of work values and commitment (Ali, & Al-Kazemi, 2005). This is consistent with other research that demonstrates a relationship between work values and OC.
Another interesting finding from this study is the influence of demographic variables on AOC for expatriates. Gender, age, education and position level were all significant predictors of OC. Interestingly, the most significant predictive variable for OC for expatriates was length of stay. These findings largely support the findings of Zeffane et al., (2008), and they provide a baseline for further research.

Perhaps one of the most significant contributions of this study is the identification of different latent variables for expatriates and nationals. EFA identified, and CFA confirmed, that the latent variables in AOC were different between expatriates and nationals. The EFA identified that the latent variables for expatriates were belonging and ownership. This was confirmed by CFA in later analysis.

The identification of certain latent factors of OC for both demographic groups offers a new area for development and further research. Theoretically, these factors contribute to a body of research that has been focused on North America and Europe, thus expanding the pool of literature.

5.1.3 Managerial Implications from the Expatriate’s Perspective

Localisation

The current study has several implications for HR managers, employees and organisations implementing localisation in the GCC in general, and in Qatar in particular. The obstacles to localisation in the GCC have been under researched, especially in Qatar (Williams et al., 2011).

From a managerial perspective then, several opportunities arise from this study. In order to enhance localisation efforts, emphasis on training and succession planning is preferable. This is true for nationals as well as expatriates. Further, the nature of hesitancy on the part of expatriates, whether from the belief that localisation is
unnecessary, or that the work environment is comfortable, present opportunities for refining HRD practices.

One of the interesting findings of this study was that the five important domains of localisation—lack of succession planning, lack of training, unwillingness, work environment and workplace satisfaction, were obstacles to localisation from an expatriate perspective, and have different implications for practices. The effects of these factors on localisation reflect their importance on HRM and HRD practices.

This study provides a clear linkage between a number of areas on localisation bearing implications for HRM practices. The identification of the five latent factors for expatriates have bearing on how practitioners approach localisation, and where they focus their efforts in improving localisation in the State. Lack of training was identified as a barrier, emphasising the need to train expatriates on how to train their national counterparts. Clear monitoring and development planning for expatriates, and tracking their ability and success in training nationals would help eliminate this obstacle.

Lack of succession planning was another obstacle identified in this research. From a managerial perspective, increased development of succession planning and increased promotion and communication are required in order to enhance localisation. Unwillingness to promote localisation was another barrier that requires managerial attention, specifically in relation to the demographic and organisational factors such as length of stay for expatriates. Increased communication and training would likely contribute to aiding localisation, although this requires further exploration. Further, the link between specific demographic variables and reluctance to localise is an important contribution.
Finally, satisfaction with the current workplace was also identified as a barrier to localisation among expatriates. The more satisfied expatriates were with their current work environment, the more reluctant they were to voluntarily leave or train a national replacement. The conundrum here is self-evident: the happier employees are in their present working conditions, the less likely they will be to promote and aid localisation efforts. These five factors, then, complicate expatriate localisation efforts.

Ultimately, by understanding the distinctive variables that contribute to localisation, the results from this study could be used to help HR managers make more well-informed decisions regarding staffing and development, and HRP. Public and private sector organisations may use this information to develop more comprehensive plans on localisation. Further, governments may use the information provided here to aid in the development of systems that assist public and private sector organisations in facilitating localisation. Further, the identification of these factors and their practical implications such as how these factors contribute to the measurement and implementation of localisation among front-line employees, is a significant contribution to the development of an overall Middle Eastern HR model.

**Work Values**

This study has several implications for managers, practitioners and employees working the Arabic Gulf region. Further, it adds to the increasing body of literature on management on work values and in particular, proposes a comparative look at work values comparing nationals and expatriates in the region. The results help us understand how the factors of work values are related to employees’ demographic and
organisational factors. This information can help in understanding the impact these variables bear on recruitment, selection and performance management in the region.

Most managers would agree that employees are the most significant asset in an organisation. However, managers and supervisors do not spend sufficient time understanding the work values of employees, or learning more about employees’ behaviour and how attitudes potentially influence job and organisation performance.

Interestingly, this research revealed that a number of demographic and organisational factors had predictive ability with the control variables. This study found that several demographic variables, such as position level and length of stay, were significant predictors of work variables.

Thus a significant contribution has been made to the application and understanding of work values in an international, non-Western context.

Work values may be antecedents to OC and subsequently organisational performance (Porter, & Steers, 1973; Porter et al., 1974; Putti et al. 1989; Riketta, & Landerer, 2002; Robertson et al., 2002). This study provided some evidence to support this, although the linkages were admittedly weak. Little time, however, is spent investigating the work values of expatriate or national employees. Ensuring that work values are congruent with the organisational goals and values would provide a baseline for recruitment and in particular, selection. Whilst little theoretical or empirical attention has been concerned with work value issues across different cultural contexts, or in cross-border management, the findings from this study, with its coverage of different and broad sectors, will assist managers in the GCC and Qatar in particular, in understanding motivational factors at work. In general, this study also contributes to the knowledge within the area of work values, as the findings could be
applied to other countries in the GCC, or further in the Middle East with similar economic and political settings.

**Organisational Commitment**

This research has several implications for HR managers, employees and organisations in the Middle East in general, and in Qatar in particular. Studies on OC in the region have remained small in number, the contributions of Suliman & Illes (1999, 2000, 2002) notwithstanding. In particular, work on OC in the GCC have been admittedly under researched, especially in Qatar (Williams et al., 2011).

It should be noted that four important domains of AOC—belonging, ownership (expatriates), emotional attachment and longevity (nationals)—were derived from this study. These four latent factors were derived from both the national and expatriate perspective, thus covering a broad spectrum of HR. Combined, they form several different implications for practices, such as how these factors contribute to the measurement and implementation of commitment among employees, both national and expatriate.

This study provides a clear linkage between a number of areas in localisation and bears implications for HRM practices. The relationship between demographic and organisational variables is also important for practitioners. By aligning organisational goals with recruitment and selection activities, the HRM process can support the organisation. The length of stay was the best predictor for expatriates’ OC, followed by position level. However, organisational factors were also significant. Interestingly, the size of the organisation had no significant effect on OC. What appeared to be more important was the business and industry type.
Ultimately, by understanding the distinctive variables that contribute to OC, the results from this study could be used to help HR managers make more well-informed decisions regarding staffing and development, and HRD. Public and private sector organisations may use this information to develop more comprehensive plans on OC and methods to increase levels of OC for both expatriates and nationals. Further, governments may use the information provided here to aid in the development of systems that assist public and private sector organisations in facilitating higher OC.

5.1.4 Contributions to Theory from the Nationals’ Perspective

Localisation
This research contributes to the theory on localisation for nationals in a number of areas. While several studies by Forstenlechner (2008) Forstenlechner and Rutledge (2010) and Randaree (2009) approach the issue of localisation in the UAE, the development of a construct into nationals’ perceptions on localisation in the GCC has not been specifically addressed by a quantitative study since Al-Lamki’s (1998) study in Oman.

This study contributed to the body of research on localisation in the region by conducting an exploratory study in the region and identifying two latent factors in localisation. These perceptions provide insight into the perceptions of nationals, and provide positive attitudes towards localisation for nationals. In terms of theory, the perceptions of nationals is a relatively new contribution, as most literature has focused on expatriate and managerial perceptions. Further, the advancement of theory rests at least in part on the perceptions of nationals.

Perhaps even more interesting, is the relationship between the latent variables and demographic and organisational variables that provide a foundation of knowledge into
expatriates’ perspectives on localisation in Qatar. The identification of the latent variables in this study is a significant contribution to localisation theory in the region and adds to the work of Achoui (2009), Al Waqfi and Forstenlechner (2010), Budhwar and Mellahi (2007); Forstenlechner (2008), Forstenelchner and Rutledge (2010), Harry (2007), Randaree, (2009), and Rees et al. (2007) Rutledge, Al Shamsi, Bassioni, & Al Sheikh (2011). Further, the relationship between demographic variables and perspectives on localisation has not been specifically addressed in the GCC thus this research adds an additional layer of practical knowledge. Finally, the relationship between organisational characteristics such as size, industry type and business type is a unique contribution to the literature, as no quantitative studies have been found linking organisational characteristics and localisation, specifically in Qatar. This provides strong implications in terms of developing and testing localisation theory in the region.

Work Values

At the onset, it was recognised that the vast majority of literature on work values are in the North American or Western European context. This study has provided a contribution to the theory on work values of nationals in the Middle East in general, the GCC in particular and Qatar, specifically, where no scholarly literature existed to the best of the author’s knowledge.

In relation to work values in the Middle East in general, this study adds to the pioneers of Ali, (1987) Ali & Azim (1994) Ali, Azim & Krishnan (1995), Abboushi (1990) Rice, (2006) and Yasin and Stahl (1990) who formed the foundation of work values’ studies in the region. This study has provided unique insight in work values in Qatar. Specifically, the provision of a model that indicated nationals preferred a low
conflict work environment, and public sector values in their positions such as security (indicating risk avoidance) and lower concern for the actual task or job.


Further, the information gained from work values leads to additional material for knowledge development, not just around work values as a whole, but how work values in the State of Qatar differ from other inter-Gulf regions and the Middle East. The HRM implications will be discussed later in this chapter.

Organisational commitment
The findings from this study contribute to the current literature on OC in general but in particular, to the Middle East, and Qatar specifically. In particular, the establishment of a baseline on the OC of nationals in the state of Qatar, and the implications of a number of demographic and organisational factors provide practitioners and scholars with crucial knowledge about the construct.

The findings from this study revealed several interesting findings in relation to the OC of nationals. The identification of three latent variables is a valuable contribution, and builds upon the work of notable scholars in the area such as Al-Qattan (1987),

It should also be noted that the latent variables uncovered in this research, emotional attachment and longevity, derived from SEM, are important explanatory variables of OC and have different applications for both practice and theory. These constructs serve to measure OC among the national population in Qatar. The implications of high levels of OC have been well documented and have linkages with workforce productivity. The levels of OC identified in this research also appear to have connections with demographic and organisational variables. Age, education level, and position level all had predictive power over the domain of longevity. Further, gender, age and education have predictive ability over the emotional attachment of respondents which provides support for Zeffane et al. (2008) and Suliman and Al-Junaibi (2010) who found a relationship between gender and OC.

The findings in this section provide a solid baseline from which to conduct other research. These findings indicate that there exists a relationship between organisational variables and OC. While the organisation size had an overall negative predictive implication for OC, other variables such as industry and organisation type were positive predictors.

Overall, understanding the OC of nationals is an important step in understanding the nature of OC in a non-Western context. The commitment and affinity towards an organisation is a key piece in organisational productivity and competitiveness. This research provides contributions towards the study of OC in the Middle Eastern context, and provides insight into various factors that contribute to OC in Qatar.
5.1.5 Managerial Implications from the Nationals’ Perspective

Localisation

This study presents valuable baseline data for practitioners on the perceptions of nationals around localisation. As was recognised earlier, the perceptions of nationals are important to localisation and may offer insight into the initiative. Recognition of this, coupled with clear data that identifies the perceptions of localisation presents possible areas in HRD that require further refinement. The study, while identifying the limitations of HRD, also identifies the areas that are working well.

This study presents a practical tool for managers who desire to strengthen or develop a framework that encompasses the HRD of nationals. For practitioners, the development of strategies that marry the development of nationals with the limitations expressed by expatriates will benefit continued localisation initiatives. This information will direct practitioners to areas of HRM that can be further refined.

What was perhaps the most significant contribution to theory around localisation, was the finding that nationals were not as critical of localisation as was found in other studies (Rees et al., 2007). From a management perspective, this provides positive feedback on localisation efforts.

Interestingly, and contrary to perceptions in other areas such as Saudi Arabia and the UAE, nationals in Qatar viewed localisation as positive and readily occurring in the region. Unlike the work on localisation by other scholars such as Rees (2007), Harry (2007), Forstenlechner, (2008) Forstenlechner and Rutledge (2010) and others, the results from this research painted a more positive view on localisation. For managers, this provides support for current practices, particularly in larger organisations.
Interestingly, the data in the current study supported the perception that localisation initiatives were largely successful, and contrary to anecdotal observations (New York Times, 2010). The positive results from this survey combined with both demographic and organisational data provide information that can be used to identify areas for improvement, but also areas of strength.

**Work Values**

Understanding and motivating employees is one of the primary, if not the main reason for having management. Work values are an important antecedent of an individual’s motivation and subsequent productivity.

The findings from this study have interesting managerial implications. As identified in the research, nationals have a greater affinity to low conflict, high security and demonstrated and less task concern than expatriates. Ensuring that the organisation has these values in mind when designing HRM and HRD systems will aid in meeting the values of nationals. While the identification of public sector values has been recognised before (Harry, 2007) and Rees et al. (2007), this research supports earlier studies in the UAE. Strong career planning, lowering uncertainty through promotion, and clear career paths may contribute to more confidence in industry from a national perspective. As well, ensuring that a positive work environment is available is also in line with traditional values. While this may seem obvious, from a national context, conflict will be dealt with much differently in a Qatari culture than a Western culture. Further investigation into managerial implications for conflict management is required.

Further, the predictive nature of demographic values and organisational factors sheds new light onto the impact of these variables on work values. The implications for
education, gender, age and position level on work values provide new insight in the phenomenon. Managers in this context may alter their HRD strategies to reflect the influence of these demographic variables on work values.

Organisational Commitment

For managers and practitioners in the state of Qatar, the OC of nationals, and more specifically, the AOC of nationals, bears significant impacts on the organisation. Earlier it was noted that despite the significant impact of HRM on employee OC and productivity (Suliman, & Iles (2000/2002), there did not exist any clear HRM or HRD model for the region (Afiouni et al., 2012). The influence of practices on AOC has not yet been clearly researched in this region however, the findings from this study do have implications for practitioners.

A significant finding from this study was the identification of AOC levels among nationals, and also the demographic and organisational variables influencing them. This allows practitioners to alter organisational variables in order to enhance AOC. In relation to HRM and HRD practices, factors such as age, gender and education level require attention in identifying areas where AOC may be low or where improvement in practices is necessary. This will likely influence the approach practitioners take in leveraging AOC through traditional HRD such as training, rewards and career planning.

In terms of practice, the identification of influencing organisational factors is an important preliminary step. The factors emerging from this research, such as industry type, organisation size and business type all shared predictive power in relation to OC. For managers, this provides valuable baseline data in understanding AOC in this unique, non-Western context.
5.1.6 The Overall Relationship Model: Theoretical and Managerial Implications

The overarching objective of this research was to provide a relationship model for localisation, work values and OC. The gap between the quota system and localisation was recognised at the onset of this research, as was the premise proposed that work values were intrinsically tied to localisation via AOC, as the best predictor for employee productivity (Matic, 2008) and localisation. The final results of this research provided interesting data on the linkage between work values and OC for both expatriates and nationals, and the relationship between these constructs and localisation for both the expatriate demographic group as well as nationals.

In relation to the development of theory around work values and OC, Kidron (1978) and Putti et al. (1989) in identifying a link between work values and OC studies, found that intrinsic factors played a more instrumental role than extrinsic factors (Elizur, 1996). Consequently, job satisfaction is essential in retaining qualified employees (Al-Zu’bi, 2010) and enabling organisational performance (Chen, & Francesco, 2003; Meyer et al., 2002). The results from this study revealed only a weak link between work values and localisation for nationals, this was somewhat contrary to Palich et al. (1995), who found that values were linked to satisfaction and OC.

Harry (2007) notes that nationals were only valuable in the current workplace context due to their nationality while Forstenlechner and Rutledge noted that the current social contract provided a disincentive for them to work (2010). Originally, it was postulated that the work values and AOC of nationals would have a negative effect on localisation. For expatriates, a weak but positive relationship was found between work values and OC and a weak but positive relationship between localisation and OC. In
terms of theory, these findings add to the small body of work on localisation in the region, and the greater body of work on OC and work values internationally.

In terms of practice, the implications of this combined research are significant. From an expatriate perspective, increased training, enhanced career planning and a recruitment and selection process that emphasises localisation are important components.

Work values did not appear to be statistically significant or have a strong influence on OC or localisation for either expatriates or for nationals. While a weak influence was noted for expatriates, no significant influence was noted for nationals. Further, the link between OC and localisation was also very weak. Originally, it was proposed that the work values of nationals were influencing the localisation process. Based on the results of this research, this does not appear to be the case.

5.2 Limitations

As with any research, there were several limitations evident in this study. These limitations will be addressed in the following paragraphs.

5.2.1 Population

The first limitation was sample size. While a larger sample size would have been preferable, the challenges in gaining a large sample size in this socioeconomic environment were many. A transient population of expatriates, a culture that promotes privacy, and language issues were all impediments to research. Nonetheless, a larger sample size would strengthen the statistical results.
5.2.2 Location

A second limitation was the fact that the research was conducted only in Qatar. The sample was limited to expatriates in only one country, and did not include expatriates in the greater Arab Gulf region, or further abroad. A broader study including Bahrain, Saudi Arabia and other Gulf States in the GCC or further in the Middle East or Middle East North Africa (MENA) region would have helped to limit the risk of homogeneity.

5.2.3 Common Method Bias

Another limitation was common method bias. Common method bias is a common method of error in research and much attention has been focused on limiting it (Sanchez, Spector, & Cooper, 2006). Common method variance may come from a number of different errors and can lead to misleading conclusions. As with others, this study was at risk of common method bias. However, steps were taken to mitigate such bias as much as possible. First, questionnaires were distributed online, thus minimising influences such as social desirability, leniency effects, halo effects, acquiescence, etc. This also allowed respondents to answer questions anonymously, which further limited the many types of biases at risk in qualitative research. In addition, as identified by Wong et al. (1999), common method bias was a major risk for other studies on localisation, including Law et al. (2004) and Selmer (2004), as these researchers collected data from a single source. This study endeavoured to ensure that the sample was as broad as possible and that a number of organisations were represented. It is difficult to limit all potential biases, but further efforts were made to reduce ambiguity and bias through a pilot study.
5.3 Directions for Further Research

As acknowledged under the limitations section, this research has a number of limitations, suggesting areas for further research. This section provides an overview of the directions for further research arising from this body of knowledge.

5.3.1 Localisation

This research has provided a starting point for further research into localisation in the State and further for localisation efforts in the region. Content analysis is proposed to support the theoretical distinctiveness of localisation in this cross-cultural context. Furthermore, a longitudinal study is required to further explore the temporal dynamics of the localisation models and the validity of the nomological network of the latent variables. Collectively, this study was intended to stimulate the need for research in localisation in the GCC, and to demonstrate empirically, while drawing scholarly attention to, the obstacles to localisation among employees in the Middle East, particularly in Qatari organisations. Also, the results of this study identify opportunities for more comprehensive future research in light of the new models tested in this study.

It would be useful to determine if the factors for the five latent dimensions would be applicable for expatriates in other parts of the Gulf, for example, testing perceptions on localisation in Saudi Arabia or the UAE using the same scales for each construct. This would help to determine the differences between the countries but perhaps more importantly, highlight overlapping contributions to theory.

Further, a study using the same scales, but also including nationality in the variables would be valuable. In identifying another dimension of demographic variables such as nationality, further data would be added to the current research.
In addition, a more comprehensive, expanded study providing a view of localisation across the GCC would be of value. As mentioned earlier, the scholars contributing to the literature generally focus on one region, such as Forstenelchner (2008, 2010) who focuses on the UAE, specifically, identifying organisations where localisation is effectively managed and identifying specific success factors for this success. Thus far, few studies have focused on more than one country. Perhaps one approach would be a large-scale project that investigates localisation across the GCC.

Thinking larger, a study testing the latent factors of localisation uncovered from this research, from an expatriate perspective, as well as a nationals’ perspective, would be useful. The former would help in uncovering any obstacles to localisation in the GCC. The willful and supportive participation of expatriates is essential in supporting and implementing localisation. The development of specific expatriate management policies that are supportive of localisation and recognise the value of expatriate support would be useful and in fact, are essential in implementing localisation in this context.

A study involving a number of countries would provide valuable information in both evaluating and developing localisation tools. For nationals, a study garnering additional insight into their perspective would provide managers and scholars with more information into the motivation and beliefs of nationals, and may also help to identify organisations and industries that are particularly successful in localisation.

One of the most important areas for further exploration would be the research and development of a tool that measures localisation. Localisation thus far has, for the most part, focused on the quantitative approach, rather than an approach that measures employee performance with linkages to organisational performance. A more
meaningful approach would be the measurement of localisation using metrics that are performance related, and evaluate nationalisation from a performance based approach as suggested by Harry, (2007) and Forstenlechner (2008).

Finally, one of the areas that requires attention is the refinement of HRM and HRD techniques that attract and retain nationals. Based on a larger study, as discussed earlier, a review of nationalisation HRD techniques could create and enhance a performance based localisation environment.

5.3.2 Work Values
The concept of employee work values continues to provide opportunities for further research. Arguably, nowhere is this truer than internationally, in a non-Western context. An interesting opportunity for further research arising from this study would be the testing of these work value models in other regions.

A natural starting point for this research would be other regions in the GCC. Application of the same research tool in this region would provide further evidence about work values in the region. Naturally, expansion into other areas in the Middle East and further abroad would build on this literature.

As with the other constructs, a longitudinal study on work values in the region would be interesting and provide long-term results. Further, it would be beneficial to the field of work values to uncover differences between the different expatriate nationalities evident in the region. As well, the addition of other demographic information such as marital status and nationality would add to the existing body of knowledge.
It would also be interesting to expand and further research if a relationship exists between work values and AOC. By applying the same measures and models for other areas, a more comprehensive set of data would help to provide evidence regarding the relationship.

5.3.3 Organisational Commitment

At the onset it was recognised that OC receives significant attention in the current literature. The implications for OC, and in particular for AOC, are significant for organisations. The results of this study have significant implications for managing HR and localisation in Qatari organisations.

The results of this study provide scholars with a critical baseline for further research in the area and further abroad. These key differences offer crucial information on the differences between the two control groups and identify a base from which new research can be explored. Further, application of the factors uncovered in this research and tested in other regions in the GCC, and further abroad would provide interesting data into the construct in a non-Western environment. A review of the OC of nationals over time would have the potential to provide rich data and test the current research.

Finally, a study that was able to identify the similarities and differences between the different expatriate groups would greatly add to the body of literature. A review of the AOC among expatriate groups in this cultural context would provide interesting data to the field of OC.

5.4 Conclusion

Despite the implications of youth unemployment and underemployment, the issue has received limited attention in the literature. Further, localisation has been called one of
the most dire HR issues in the GCC. This pioneering study was to identify obstacles to localisation, and determine if a relationship exists between the obstacles to localisation, work values and the OC of the national and expatriate workforce using multivariate techniques.

The State of Qatar has one of the most unbalanced labour participation rates in the world. Facing a wave of immigration, nationals in Qatar are minorities in both the workforce (making up just 10 per cent) and in total population. Qatar depends highly on the expatriate population to fulfil ambitious development plans. However, an underlying problem exists whereby nationals face significantly less pressure to join the workforce through a generous social contract.

This paper proposed and tested a theoretical model where the underlying challenge to localisation is expatriate resistance, national work values and an overarching relationship between these variables and OC. This research uncovered some of the latent factors acting as obstacles to localisation, work values and OC in the state. Further, the study evaluated the factor structure of the obstacles to localisation, work values and OC of nationals and expatriates.

Two hundred nationals and 204 expatriate employees from Qatari organisations completed a survey. EFA, CFA using SEM, and finally regression analysis were used to determine the relationship between the underlying factor structure and demographic and organisational variables. Finally, these were compared using regression analysis thereby uncovering nomological relationships and providing insight into the predictive nature of organisational and demographic variables.

The results of this study revealed that, although nationals perceived localisation to be effective, expatriates perceived a number of obstacles such as lack of training,
succession planning and resistance due to satisfaction in the workplace. The length of stay had strong predictive value in relation to expatriate resistance to localisation.

The findings from this study offer new perspectives on the workforce profile in Qatar, on the differing work values, and AOC of both expatriates and nationals. Although the overall relationship model uncovered using SEM reveals statistically insignificant findings, the results suggest that relationships indeed exist between the different variables and that a nomological relationship exists thus offering a unique and valuable contribution to the literature on all three constructs.

Finally, this study provided valuable baseline data for HRD in Qatar by drawing on participants from a broad range of industries and demographic backgrounds. The predictive power of these organisational and demographic variables provide scholars and practitioners with new perspectives and data that bear implications for HRD in this unique context.

This chapter provided the theoretical and managerial implications for the current study. A review of the unique contributions to theory in the three constructs of localisation, work values and OC was provided. Further, a review of the managerial implications was also delivered. This chapter concludes this thesis.
References


doi:http://dx.doi.org/10.1108/13527600911000366


Swanson, R. (2008). *Brief on the foundations of human resource development.* Colloquium Presentation at the University of Texas at Tyler.


United Nations, Department of Economic and Social Affairs, 2009a.


Appendix A- Questionnaire for Expatriates

INFORMATION LETTER FOR RESEARCH PARTICIPANTS

Dear Sir/Madam

This letter is an invitation to consider participating in a study which I conduct as a requirement for the PhD program at the School of Business in Charles Sturt University, Australia. I would like to provide you with more information about this study and what your involvement would entail if you decide to take part. The topic of the research is:

“An Integrated Model for Effective Localization of Human Resources in the State of Qatar: A Comparative Study of Expatriates and Nationals”

The aim of this study is to examine the barriers to localization in Qatar from the perspective of the expatriate, and the perspective of the national. In addition, the study aims to identify the work values of nationals in order to provide insight into successful localization programs and enhance localization efforts (Qatarization).

Participation in this study is voluntary. It will involve filling out the anonymous online questionnaire and would take 10-15 minutes to complete. You may decline to answer any of the questions if you so wish. Further, you may decide to withdraw from this study at any time without any negative consequences. All information you provide is considered completely confidential. Your name will not appear in any report resulting from this study and the researchers will have no way to identify you. Data collected during this study will be retained for five year on a password protected private hard drive. Only researchers associated with this project will have access.

There are no known or anticipated risks to you as a participant in this study.
If you have any questions regarding this study, or would like additional information to assist you in reaching a decision about participation, please contact me at (+974-6605-6213) or by email at juwilliams@csu.edu.au.

Charles Sturt University’s SB Ethics in Human Research Committee has approved this project (Protocol # ). If you have any complaints or reservations about the ethical conduct of this project, you may contact the Committee through the Executive Officer

**Ethics in Human Research Committee**

**Academic Secretariat**

**Charles Sturt University**

**Private Mail Bag 29**

**Bathurst NSW 2795**

**Australia**

Phone: (02) 6338 4628     Fax:(02) 6338 4194
Email: ethics@csu.edu.au

Any issues you raise will be treated in confidence and investigated fully and you will be informed of the outcome. I hope that the results of my study will be of benefit to those organizations directly involved in the study, as well as to the broader research community.

Thank you in advance for your assistance in this project.

Yours Sincerely

Justin Williams
Part A This part of the survey looks at respondents’ socio-biographical and organizational characteristics.

Section 1 Socio-biographical Characteristics

Please tick the right block to answer following questions according to your actual situations.

1) Gender

Male ☐ Female ☐

2) Age

20--30 ☐ 31--40 ☐ 41--50 ☐ 51+ ☐

3) Education Background (please indicate your final education level)

Secondary School ☐ Technical College ☐ University diploma ☐

Bachelor’s degree ☐ Master’s degree ☐ Doctorate/PhD ☐

Other (please specify) _______________

4) Position Level

Senior ☐ Middle ☐ Lower ☐ Professional/Technical ☐

Section 2 Organizational Characteristics

Please answer following questions about your organization.

1. How many employees in your organization?

0-10 ☐ 11-50 ☐ 51-100 ☐ 101-250 ☐

250-1000 ☐ 1001-5000 ☐ 5001+ ☐

2. Which industry sector does your organization belong to?

Manufacturing ☐ Services ☐ Agriculture ☐

Oil and Gas ☐ Administrative Support ☐

Education and Training ☐ Health Care ☐ Information Media ☐
3. Which type business sector does your organization belong to?

- Multinational Corporation
- Joint-Venture
- Non-profit Organization
- Qatari National Owned Corporation/Government
- Private Corporation

**PART II LOCALIZATION**

Please indicate the level to which you agree or disagree on the scale below:

<table>
<thead>
<tr>
<th>Item</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall, the number of expatriates is being reduced.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>It is clear that many expatriate positions are being localized in my company.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>The percentage of expatriates is increasing, not decreasing in my company.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>We have cut out several expatriate positions.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>We are not localizing any time soon.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>My company has an officially stated policy to localize management.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>A stated purpose of my company is to develop local managers to take over expatriate positions.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>My company has no intention to localize the management of the Qatari operations.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Localization is a corporate business goal in my company.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Statement</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>It has been made very clear to me; my job includes localizing my position.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>My company has stated the time required to replace the expected number of expatriates by local managers.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>My company has an annual target quota of expatriates that should be replaced by local managers.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>We have identified which type of positions to localize.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>We have determined the ratio of expatriates to local managers to be achieved according to our schedule.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>My company has concrete plans how to implement localization.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>My company has an expatriate-local successor plan.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>In my company, localization is only an ideal as there are no implementation plans.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>My company lacks the necessary information to make any plans for localization.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
**PART III Obstacles TO LOCALIZATION**

For the following statements, please indicate the level to which you agree or disagree with them on the 5 point scale below.

<table>
<thead>
<tr>
<th>Item</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>My time as an expatriate here includes designing a plan for having a potential successor ready to take over my job.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I am very pleased with my repatriation arrangements.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I have been kept in the dark about my repatriation.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>My company is not exactly famous for taking good care of repatriates.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I am afraid that when I leave here, I will be made redundant.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>There is nowhere else to go if I successfully localize my position.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>My success in achieving localization targets determines my monetary bonus.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I receive a bonus incentive to work towards localization.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>My pay depends on how many local managers I have developed.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>My pay is not related to localization.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>A bonus is payable after the localization.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
of my position has been completed.
The assessment of my performance includes achieved targets for localization.
I am assessed to what extent I have trained subordinates to take over my job.
My efforts to localize are part of my performance assessment.
The assessment of my performance has little to do with localization.
Successful localization of my position is a performance goal in my contract.
I have received training to become a good teacher to my local subordinates in Qatar.
There was no training on how to coach my Qatari staff.
I have been trained how to mentor my closest local subordinates in Qatar.
I was trained how to train local staff members in Qatar.
I underwent training how to develop my local staff in Qatar.
I have a job to do and I have little time to train a local successor.
It is said that expatriates are sent to Qatar as trainers, but in reality they are sent to do a job.
I see my job as a mentor of my designated local

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>of my position has been completed.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The assessment of my performance includes achieved targets for localization.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I am assessed to what extent I have trained subordinates to take over my job.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>My efforts to localize are part of my performance assessment.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The assessment of my performance has little to do with localization.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Successful localization of my position is a performance goal in my contract.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I have received training to become a good teacher to my local subordinates in Qatar</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There was no training on how to coach my Qatari staff.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I have been trained how to mentor my closest local subordinates in Qatar</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I was trained how to train local staff members in Qatar</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I underwent training how to develop my local staff in Qatar</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I have a job to do and I have little time to train a local successor.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>It is said that expatriates are sent to Qatar as trainers, but in reality they are sent to do a job.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I see my job as a mentor of my designated local</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
successor.

| My job is to produce results, not to train locals. | 1 | 2 | 3 | 4 | 5 |
| My mission is to get the job done, not to enable the locals to get the job done. | 1 | 2 | 3 | 4 | 5 |
| I don’t know much about how to train others to become managers. | 1 | 2 | 3 | 4 | 5 |
| I don’t have the teaching skills required to train locals. | 1 | 2 | 3 | 4 | 5 |
| I don’t have the communication skills required to train locals. | 1 | 2 | 3 | 4 | 5 |
| I am well equipped to coach local staff members. | 1 | 2 | 3 | 4 | 5 |
| I have the heart and patience of an educator. | 1 | 2 | 3 | 4 | 5 |
| I am a manager, not a teacher. | 1 | 2 | 3 | 4 | 5 |
| Localization is a recipe for disaster. | 1 | 2 | 3 | 4 | 5 |
| It is unrealistic to think that we can localize our business here any time soon. | 1 | 2 | 3 | 4 | 5 |
| It is not good for our company to localize completely. | 1 | 2 | 3 | 4 | 5 |
| Localization is necessary to enhance competitiveness. | 1 | 2 | 3 | 4 | 5 |
| Localization will facilitate attracting and retaining local talent. | 1 | 2 | 3 | 4 | 5 |
| After the expatriates leave, performance will deteriorate. | 1 | 2 | 3 | 4 | 5 |
| Even the locals themselves don’t like the idea of total | 1 | 2 | 3 | 4 | 5 |
I like this place and want to stay. | 1 | 2 | 3 | 4 | 5
---|---|---|---|---|---
I like my job here and want to keep it. | 1 | 2 | 3 | 4 | 5
I want to stay here as long as possible. | 1 | 2 | 3 | 4 | 5
If I could leave tomorrow, I’ll be gone for sure. | 1 | 2 | 3 | 4 | 5
This is a very comfortable place to live in. | 1 | 2 | 3 | 4 | 5
I have put down long-term roots here. | 1 | 2 | 3 | 4 | 5
PART IV WORK VALUES

To what extent do you disagree/agree with the following statements about work value?

<table>
<thead>
<tr>
<th></th>
<th>Un-important</th>
<th>Less Important</th>
<th>Moderately Important</th>
<th>Important</th>
<th>Very Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Having interesting work to do, from which one can get a personal sense of accomplishment</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Knowing that one's job is secure</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Having an opportunity to earn a lot of money</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Having little stress on the job</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Being free to implement one's own approach to the job</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Working with people that cooperate well with each other</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Being included in the company’s decision-making</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Having an opportunity for advancement to higher level jobs.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Working for a company which cares about its employees</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Having a good working relationship with your manager</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
PART V ORGANIZATIONAL COMMITMENT

To what extent do you disagree/agree with the following statements about organizational commitment?

<table>
<thead>
<tr>
<th>Item</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I feel “emotionally attached” to this organization</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>This organization has a great personal meaning for me</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I feel like “part of the family” at my organization</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>This organization is like my second home</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I respect my organization’s vision</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I feel a strong sense of belonging to my organization</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I really feel as if this organization’s problems are my own</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I would be very happy to spend the rest of my career with this organization</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

Thank you!!
Appendix B- Questionnaire for Nationals

INFORMATION LETTER FOR RESEARCH PARTICIPANTS

Dear Sir/Madam

This letter is an invitation to consider participating in a study which I conduct as a requirement for the PhD program at the School of Business in Charles Sturt University, Australia. I would like to provide you with more information about this study and what your involvement would entail if you decide to take part. The topic of the research is:

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Participation in this study is voluntary. It will involve filling out the anonymous online questionnaire and would take 10-15 minutes to complete. You may decline to answer any of the questions if you so wish. Further, you may decide to withdraw from this study at any time without any negative consequences. All information you provide is considered completely confidential. Your name will not appear in any report resulting from this study and the researchers will have no way to identify you. Data collected during this study will be retained for five year on a password protected private hard drive. Only researchers associated with this project will have access.
There are no known or anticipated risks to you as a participant in this study.

If you have any questions regarding this study, or would like additional information to assist you in reaching a decision about participation, please contact me at (+974-6605-6213) or by email at juwilliams@csu.edu.au.

Charles Sturt University’s SB Ethics in Human Research Committee has approved this project (Protocol # ). If you have any complaints or reservations about the ethical conduct of this project, you may contact the Committee through the Executive Officer

   Ethics in Human Research Committee
   Academic Secretariat
   Charles Sturt University
   Private Mail Bag 29
   Bathurst NSW 2795
   Australia
   Phone: (02) 6338 4628         Fax:(02) 6338 4194
   Email: ethics@csu.edu.au

Any issues you raise will be treated in confidence and investigated fully and you will be informed of the outcome. I hope that the results of my study will be of benefit to those organizations directly involved in the study, as well as to the broader research community.

Thank you in advance for your assistance in this project.

Yours Sincerely

Justin Williams
Part A This part of the survey looks at respondents’ socio-biographical and organizational characteristics.

Section 1 Socio-biographical Characteristics

Please tick the right block to answer following questions according to your actual situations.

5) Gender
   Male □ Female □

6) Age
   20--30 □ 31--40 □ 41--50 □ 51+ □

7) Education Background (please indicate your final education level)
   Secondary School □ Technical College □ University diploma □
   Bachelor’s degree □ Master’s degree □ Doctorate/PhD □
   Other (please specify) __________________________

8) Position Level
   Senior □ Middle □ Lower □ Professional/Technical □

Section 2 Organizational Characteristics

Please answer following questions about your organization.

2. How many employees in your organization?
   0-10 □ 11-50 □ 51-100 □ 101-250 □
   250-1000 □ 1001-5000 □ 5001+ □

3. Which industry sector does your organization belong to?
   Manufacturing □ Services □ Agriculture □
   Oil and Gas □ Administrative Support □
4. Which type business sector does your organization belong to?

Multinational Corporation □  Joint-Venture □  Non-profit Organization □  
Qatari National Owned Corporation/Government □  Private Corporation □

**PART II  LOCALIZATION**

Please indicate the level to which you agree or disagree on the scale below:

<table>
<thead>
<tr>
<th>Item</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall, the number of expatriates is being reduced.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>It is clear that many expatriate positions are being localized in my company.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>The percentage of expatriates is increasing, not decreasing in my company.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>We have cut out several expatriate positions.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>We are not localizing any time soon.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>My company has an officially stated policy to localize management.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>A stated purpose of my company is to develop local managers to take over expatriate positions.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>My company has no intention to localize the management of the Qatari operations.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Localization is a</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Corporate Business Goal</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------------------</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>It has been made very clear to me; my job includes localizing my position.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>My company has stated the time required to replace the expected number of expatriates by local managers.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>My company has an annual target quota of expatriates that should be replaced by local managers.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>We have identified which type of positions to localize.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>We have determined the ratio of expatriates to local managers to be achieved according to our schedule.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>My company has concrete plans how to implement localization.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>My company has an expatriate-local successor plan.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>In my company, localization is only an ideal as there are no implementation plans.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>My company lacks the necessary information to make any plans for localization.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
PART III WORK VALUES

To what extent do you disagree/agree with the following statements about work value?

<table>
<thead>
<tr>
<th></th>
<th>Un-important</th>
<th>Less Important</th>
<th>Moderately Important</th>
<th>Important</th>
<th>Very Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Having interesting work to do, from which one can get a personal sense of accomplishment</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Knowing that one's job is secure</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Having an opportunity to earn a lot of money</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Having little stress on the job</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Being free to implement one's own approach to the job</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Working with people that cooperate well with each other</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Being included in the company’s decision-making</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Having an opportunity for advancement to higher level jobs.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Working for a company which cares about its employees</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Having a good working relationship with your manager</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
To what extent do you disagree/agree with the following statements about organizational commitment?

<table>
<thead>
<tr>
<th>Item</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I feel “emotionally attached” to this organization</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>This organization has a great personal meaning for me</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I feel like “part of the family” at my organization</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>This organization is like my second home</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I respect my organization’s vision</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I feel a strong sense of belonging to my organization</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I really feel as if this organization’s problems are my own</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I would be very happy to spend the rest of my career with this organization</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

Thank you!!