

Beyond Quotas: Organisational Support, Leadership Commitment, and Employee Development for Sustainable Workforce Localisation in Oman's Logistics and Shipping Industry

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Abstract: Workforce localisation is a strategic priority for Gulf Cooperation Council economies seeking to reduce reliance on expatriate labour and strengthen national human capital. This study examines how organisational support, leadership commitment, and employee development contribute to sustainable workforce localisation in Oman's logistics and shipping industry. Guided by an interpretivist philosophy, a qualitative multiple-case study design was adopted, drawing on semi-structured interviews with twelve senior professionals from logistics organisations, government agencies, and higher education institutions. Data were analysed using reflexive thematic analysis supported by NVivo. The findings show that sustainable Omanization depends on leadership commitment embedded in performance management, organisational support that promotes employee adjustment and engagement, and continuous development that transforms recruitment into long-term capability. Skills shortages, competency mismatches, and retention pressures further demonstrate the limitations of quota-based compliance. Integrating the Resource-Based View, Social Exchange Theory, Institutional Theory, and Human Capital Theory, the study proposes a capability-based framework that positions workforce localisation as an organisational capability rather than a compliance outcome. The findings highlight the importance of leadership accountability, mentoring, career development, and integrated human resource systems for attracting, developing, and retaining Omani talent.

Keywords: Workforce localisation, Omanization, organisational support, leadership commitment, employee development, sustainable human resource management, logistics and shipping industry

1. Introduction

1.1 Background and Context

Logistics and shipping is important for the integration of global trade; the majority of world merchandise trade is transported by sea (United Nations Conference on Trade and Development [UNCTAD], 2023). The Gulf Cooperation Council (GCC) economies have been pouring in investments to diversify away from hydrocarbon-dependent economies, and to provide sustainable jobs for the citizens, in ports, free zones and multimodal transport. In this context, the Sultanate of Oman has identified Logistics as one of the key pillars of Vision 2040 and aims to



develop it as a world-class logistics hub with its ports of Sohar, Salalah and Duqm as its backbone. However, the government's workforce localisation policy, known as Omanization, was launched to boost Omani nationals' presence in the private sector, which involves setting quotas and implementing regulations across different sectors. Although there has been some success in Omanization in the public sector, the results within the logistics and shipping sectors have been slower and quota-based regulation cannot solve the organisational and institutional challenges associated with this sector (Aycaan et al., 2007).

1.2 Problem Statement

The literature on HRM in recent years suggests that with the global economy and workforce placing greater emphasis on sustainability, an organisation's workforce localisation strategy should shift from compliance-based to strategic human capital development (Cooke et al., 2020). The localisation of logistics organisations has often been a short-term stopgap to meet mandatory Omanisation quotas, and not an institutional human resource initiative to recruit, develop and retain properly qualified nationals in the long term. Macroeconomics policy, labour market statistics and regulatory enforcement are all explored in the existing body of Omanisation research, but with limited delving into the organisational mechanisms – leadership commitment, organisational support, and employee development that will help to determine whether localisation is sustainable (Waxin et al., 2018). This disjointed knowledge hinders logistic companies in implementing the localization policy at the national level to create a sustainable workforce, particularly in an industry that faces harsh working environments, fast-paced technological advancements and fierce competition for skilled national workers.

1.3 Research Objectives

This study addresses the identified gap by pursuing the following objectives:

- To examine how organisational support influences sustainable workforce localisation within Oman's logistics and shipping industry
- To investigate the role of leadership commitment in institutionalising Omanization within organisational strategy and performance management
- To explore how employee development practices convert recruitment into long-term organisational capability
- To identify the organisational barriers that continue to constrain sustainable Omanization
- To propose a capability-based framework explaining how organisational support translates national localisation policy into sustainable organisational outcomes

1.4 Significance of the Study

This study is able to enrich the literature of workforce localisation scholarship because it takes a different view of Omanization that moves away from policy compliance to the concept of Omanization as an organisational capability. The study combines the Resource-Based View, Social Exchange Theory, Institutional Theory and Human Capital Theory to contribute to the multi-faceted view on the sustaining of localisation in a sector of strategic importance to the organisation. From a practical perspective, the results provide insights to logistics managers, human resource practitioners, and policy makers to help harmonise Oman Vision 2040 with talent management strategies. The importance of leadership commitment and employee development to maintain localisation is becoming more critical in the context of digital transformation and competition for qualified national talent in the logistics organisations to ensure organisational resilience and national economic diversification.

2. Literature Review and Conceptual Framework

2.1 Workforce Localisation Beyond Quotas

Nationalisation policies, such as Omanization, Saudization, and Emiratization in the Gulf Cooperation Council (GCC), have the same goal of promoting the participation of citizens in the private sector through human capital development and regulatory quotas. (Aycan et al., 2007). While these initiatives have seen a positive impact on the public sector, growing evidence indicates that being compliant with regulations is not enough to ensure sustainable localisation in strategic private sectors (Waxin et al., 2018). In contemporary research, the notion of localisation is therefore refocused as a strategic organisational capacity, involving the design of organisational systems to attract, support and retain local talent, rather than to meet a numerical target and/or policy requirement.

2.2 Organisational Support and Leadership Commitment

According to organisational support theory, workers develop beliefs about the value of their contributions and their well-being in their organisation, and their beliefs affect their commitment, engagement, and turnover intentions (Eisenberger et al., 1986; Rhoades & Eisenberger, 2002). In the context of workforce localisation, organisational support is an important issue as the new local workers need to have a certain level of support to adapt to the technically challenging environments. This support becomes a reality through leadership commitment, which is when localisation is integrated into performance management systems and the accountability systems of departments. In this regard, the psychological contract refers to the employees' beliefs of mutual obligations between them and the employer; when employees feel that their employer's side of the contract is being fulfilled, their commitment to the organization increases; and when they feel the employer has violated the contract, their level of commitment decreases (Rousseau, 1995).

2.3 Employee Development and Human Capital

Sustainable human resource management builds upon traditional HRM, which adds employee development, organisational resilience and employability to the people management practice (Kramar, 2022). Training in techniques, mentoring, and preparation of leadership boosts employees' skills and improves the performance of the organisation, and the need to rely on the expertise of expatriates is reduced (Becker, 1993). In the logistics and shipping sector, digitalisation and automation are constantly evolving competency needs and therefore continuous learning has to become a key competency of the organization (Christopher, 2022). When systems are in place and all human resource practices are interconnected, they are more likely to produce sustainable outcomes than stand-alone practices (Delery & Roumpi, 2017).

2.4 Theoretical Framework and Conceptual Model

This study is based on four theories that are complementary. According to the Resource-Based View, skilled Omani workers are considered to be a strategic resource that is valuable, rare and hard to imitate (Barney, 1991). Social Exchange Theory can be used to better understand how employees respond to the organisation's investment, leading them to be committed and stay in the organisation. Institutional Theory provides an understanding of the coercive, normative and mimetic pressures impacting organisational response to the Omanization policy (DiMaggio & Powell, 1983; Scott, 2014). Human Capital Theory sees the investment in employees as the return for them and the organisation, over the long haul (Becker, 1993). Table 1 shows the conceptual model of the study with the different theories on how they relate to the leadership commitment and the organisational support that are the two mechanisms linking institutional policy and sustainable outcomes of localisation.

Table 1. Theoretical Foundations Underpinning the Study

Theory	Key Source(s)	Core Proposition Applied to Workforce Localisation
Resource-Based View (RBV)	Barney (1991)	Skilled Omani employees represent valuable, rare, and difficult-to-imitate strategic resources capable of generating sustainable competitive advantage.
Social Exchange Theory (SET)	Cropanzano et al. (2017); Rousseau (1995)	Employees reciprocate perceived organisational support through commitment, engagement, and long-term retention.
Institutional Theory (IT)	DiMaggio & Powell (1983); Scott (2014)	Coercive, normative, and mimetic pressures shape how organisations respond to Omanization policy, producing variable localisation outcomes.
Human Capital Theory (HCT)	Becker (1993)	Investment in employee training and development generates long-term productivity and organisational returns.

Table 1 illustrates that there is no single theory that explains sustainable localisation; rather, it is the combination of the theories which explains the transformation of Omanization into durable organisational capability due to institutional pressures, organisational resources, employee reciprocity and human capital investment.

3. Research Methodology

3.1 Research Design and Philosophy

A qualitative multiple-case study approach was used in this study, which was based on an interpretivist research philosophy that is suitable for investigating socially constructed realities in organisations like workforce localisation phenomenon (Yin, 2018). The study was not about testing predetermined hypotheses, but rather it was an inductive study that allowed themes to emerge from the participants' experiences of Omanization in the logistics and shipping organisations. The multiple-case design provided the benefit of organisational comparisons to support the analytical robustness of the design and also to reveal a sector-wide pattern of organisational support, leadership commitment and employee development.

3.2 Participants and Sampling

Twelve senior actors in the study were selected to represent the actors involved in workforce planning, HRM, logistic operations and higher education, and this was done purposively. The composition of the sample of participants is shown in Table 2.

Table 2. Profile of Study Participants (N = 12)

Professional Role	Sector / Affiliation	n
Human Resource Directors	Logistics organisations	2
Human Resource Managers	Logistics organisations	2
Logistics Operations Managers	Logistics organisations	2
Occupational Safety Specialists	Logistics organisations	1
Senior Government Officials	Government agencies	2
University Academics	Higher education institutions	1
Workforce Planning Specialists	Government/logistics organisations	1
Organisational Leaders	Logistics organisations	1
Total	—	12

As shown in Table 2, the sample included a variety of institutional voices (organisational, operational, governmental and academic) to capture a range of institutional perspectives on sustainable workforce localisation, not just one organisation's voice.

3.3 Data Collection and Analysis

The data were gathered using semi-structured interviews, focusing on the organisational support mechanisms, leadership commitment, employee development and institutional influences on Omanisation as primary data. We used reflexive thematic analysis to analyse the interviews, following the process of familiarisation, coding, development of themes and interpretation (Braun & Clarke, 2022). NVivo was used to systemically code the data and retrieve them; however, in the analytic process, the data still needed to be interpreted by the researcher.

3.4 Ethical Considerations

Before data collection, ethical approval was granted, and informed consent was obtained from all participants. To ensure confidentiality and anonymity, all the data was securely stored with a password, and any identifying details were redacted from the transcripts to adhere to ethical guidelines of voluntary participation and proper data handling.

4. Findings

4.1 Overview of Findings

Thematic analysis generated three interrelated themes explaining how organisational support, leadership commitment, and employee development sustain workforce localisation:

- Leadership commitment as the foundation of organisational support
- Employee development as the mechanism converting recruitment into capability
- Persistent organisational barriers constraining sustainability

Table 3 provides a summary of the three main themes that emerged from the reflexive thematic analysis, their key subthemes, and illustrative participant evidence, which was used to interpret the themes.

Table 3. Themes, Subthemes, Illustrative Evidence, and Theoretical Interpretation

Main Theme	Subtheme	Illustrative Evidence	Theoretical Link
Leadership commitment and organisational support	Leadership accountability	Omanization is incorporated into KPIs and reviewed regularly	Institutional Theory / RBV
	Strategic prioritisation of Omani talent	Preference for Omani recruitment and progression into supervisory roles	RBV
Employee development and human capital investment	Training and mentoring	Long-term effectiveness depends on training and mentoring	HCT / SET
	Career progression	Advancement opportunities strengthen retention and capability	SET / HCT
Organisational barriers	Skills mismatch	Difficulty locating candidates with specialised logistics competencies	HCT
	Retention pressure	Competition for experienced national employees	SET / RBV
	Technological change	Changing competency requirements create continuing development needs	HCT

Sustainable workforce localisation, as illustrated in Table 3, is built on the foundations of leadership commitment, organisation support and employee development and can be undermined by a continued challenge to skills and retention. The themes also illustrate the complementary explanations of the four theoretical perspectives used in this study, on the organisational mechanisms of sustainable Omanization.

Figure 1 illustrates the relationships among these themes and their contribution to sustainable Omanization.

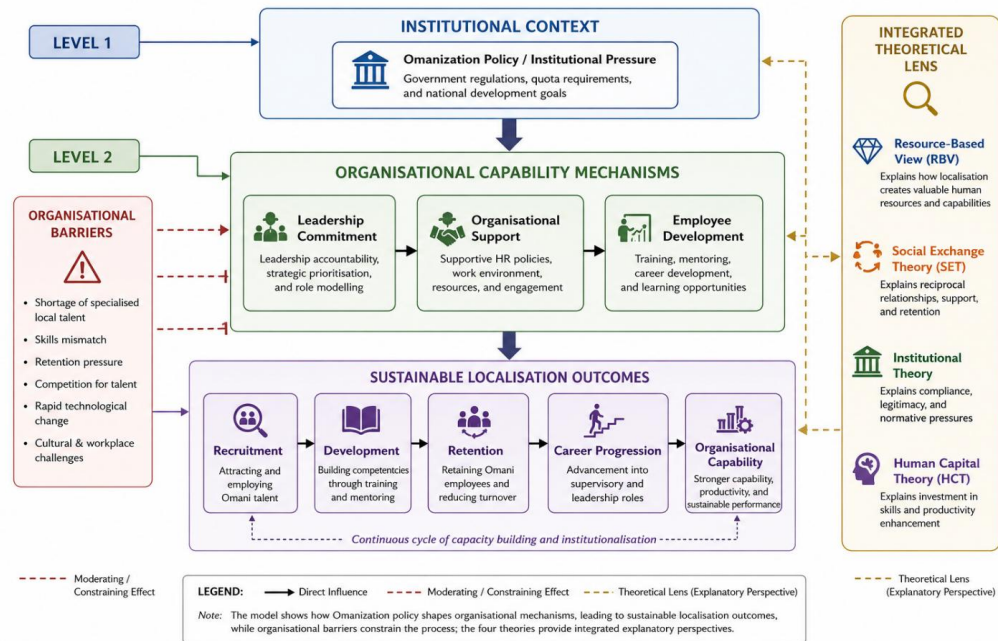


Figure 1. Conceptual Model of Organisational Support and Sustainable Workforce Localisation

The organisational support is the mechanism by which the institutional Omanization requirements can be translated to leadership accountability and employee development and then to sustainable outcomes of localisation, as illustrated in Figure 1, in line with the integrated theoretical framework proposed in Section 2.4.

4.2 Leadership Commitment and Organisational Support

In all organisations engaged, the participants unanimously stated the localization is effective when it is part of the organisation strategy and not related to complying with government quotas. Senior leadership proved to be a key factor, with measures to achieve localisation objectives introduced in performance management. One of the participants said, “Omanization is part of the KPIs that are discussed every month” (Participant 12), and another participant said: “Omanization targets are clearly set by top management, and Omanis are prioritized in hiring and promoted to supervisory and managerial positions” (Participant 3). These accounts suggest that leadership commitment is not just symbolic; it is also about governance practices that embed localisation into the organisation through its various functions, enabling the implementation of the Resource-Based View's argument that organisations that invest in national staff members develop unique and hard-to-imitate capability, instead of simply replacing labour.

4.3 Employee Development and Human Capital Investment

The participants were able to differentiate between recruitment success (filling vacancies and/or meeting quotas) and recruitment effectiveness (the organisation's ability to develop, retain and promote Omani employees over time). One participant said: “It is important to train, mentor and provide career progression not only recruitment... to have long-term effectiveness” (Participant 2). This discovery exemplifies Social Exchange Theory (SET) and how return on investment for mentoring and career development in the workplace results in increased commitment and decreased turnover intentions. It also supports Human Capital Theory by showing that recruitment alone, without any efforts for capability building, is not sufficient to achieve sustainable localisation, as the competitiveness of organisations relies on the capacity of Omani professionals to take on specialised and leadership positions within the organisation, not just on the number of recruits.

4.4 Barriers to Sustainable Localisation

Although there was a lot of positivity about the progress, participants recognized that there are still challenges, most importantly, the lack of qualified Omani candidates with specialised logistics skills. The most common theme expressed by the participants was related to “competence and availability of the right candidates” (Participant 7). Other hurdles were that graduates' competencies did not match the needs of the industry, the dynamism of technology, and the competition with experienced expatriates for talent. These challenges were not seen by the participants as an example of a lack of Omanization, but as a sign that there is a need to further integrate organisational human resource systems with human capital systems to achieve successful outcomes at the organizational level, as suggested by Institutional Theory, where institutional pressures alone are not enough to ensure success without the necessary internal capabilities.

5. Discussion

5.1 Organisational Support as a Translating Mechanism

The results reinforce the main premise of the study that workforce localisation for sustainability is not solely about compliance with the regulations. The leadership commitment, organisational support and employee development are the mechanisms that work together and reinforce each other and help translate institutional Omanization needs into a sustainable organisational practice. This finding builds on previous localisation research, which has largely focused on Omanization from a macro-economic and policy perspective (Aycaan et al., 2007; Waxin et al., 2018), and provides evidence that the processes that an organisation implements at the micro level can influence whether the policy has a sustainable impact on employment. In line with the literature on strategic human resource management, the results show that competitive advantage and sustainable performance are achieved through coherent and integrated systems of HR practices or interventions, and not through individual practices (Delery & Roumpi, 2017). As noted by Institutional Theory (DiMaggio & Powell, 1983), organisations do not simply react to institutional pressures, but interpret and internalize them in various ways, such as through the inclusion of Omanization goals in the key performance indicators of departments, signifying that it is no longer passive.

5.2 Theoretical Implications

The results augment the Resource-Based View in that Omani employees are seen as a strategic asset, in that their accumulated knowledge and understanding within the context will create organisational capability and not just a replacement for expatriate labour (Barney, 1991). Similarly, they extend Social Exchange Theory by demonstrating that mentoring, career development and leadership support enhance the psychological contract between employees and organisations, and thus, foster a reciprocal relationship and mitigate turnover intentions (Cropanzano et al., 2017; Rousseau, 1995). Another indicator of the relevance of Human Capital Theory is the ongoing skills gaps and retention issues, which confirm that recruitment is not enough to achieve localised competency development without investing in competency development on an ongoing basis (Becker, 1993). All these theories taken together provide a more complete explanation of sustainable localisation than any one theory alone can provide, and are more grounded in theory and organisation than the calls for such explanations in the literature (Cooke et al., 2020; Kramar, 2022).

5.3 Practical and Policy Implications

The results indicate that implementing workforce localisation in the company should not be the responsibility of the HR department alone, but should be part of the corporate strategy and be part of corporate performance management. To address the needs of the logistics sector, which is undergoing significant technological change (Christopher, 2022), it is recommended that structured mentoring, career pathways and continuous professional development should all be strengthened to turn recruitment into an organisational capability. From a policy perspective, the results suggest moving from the numerical employment target of Omanization policy towards a capability-based policy, which encourage organizational investment for the development of employees and transfer of knowledge. The consistent skills gaps also indicate that higher education institutions' curricula should be better

aligned with industry competency requirements and that there is a need for more work-integrated learning experiences. These implications collectively support the study's main argument that achieving sustainable Omanization in the logistics and shipping industry requires an integrated system within the organisation that can help to transform the institutional policy into leadership commitment, organisational support and ongoing employee development.

6. Conclusion

This study aimed to understand the role of organisational support, leadership commitment and employee development in supporting organisations to pursue sustainable workforce Omanisation in Oman's logistics and shipping industry, where previous studies have focused on the regulatory and policy paradigm. The findings based on qualitative evidence from 12 senior professionals show that sustainable localisation is not just about meeting the government employment targets, but will rely on the organisational leadership, human resource management and a commitment to ongoing investment in human capital. Leadership commitment embeds localisation in organisational strategy and performance management; organisational support helps employees adapt and commit, and employee development makes recruitment a sustainable organisational capacity. However, ongoing challenges such as the lack of the necessary local talent and skills gaps, as well as retention issues, suggest that regulatory compliance may not be enough to ensure long-term success unless there is an organisational investment. The study combines Resource-Based View, Social Exchange Theory, Institutional Theory and Human Capital Theory to develop a capability-based approach to workforce localisation, which moves beyond compliance as a result of an organisational process. The results provide insights for logistics executives and policymakers to ensure that Oman Vision 2040 is supported by strategic talent management efforts, highlighting the need for leadership accountability, mentorship with a clear structure, and enhanced industry–education collaboration. Continuing the momentum of workforce localisation in Oman's logistics industry will require organisations to leap to a more capability-driven human resource system that can attract, develop and retain local talent in the long term in the context of Vision 2040.

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