SHIFTING PARADIGMS

Preparing skilled and trained human cadres in line with the future requirements of various economic sectors as well as the general directions of Vision 2040, is a collective responsibility of the government, education institutions, the private sector companies and other key stakeholders. Muhammed Nafie reports
All of us know that the calibre of talent distinguishes great from good, winners from losers and adaptation from extinction. Having the right team playing on the field is the fundamental difference between victory and defeat.” Indra Nooyi, chairwoman and former CEO of PepsiCo.

It’s been nearly two decades since Steven Hankin of McKinsey Group coined the term ‘war on talent’ to highlight the need for HR practitioners to identify, protect, nourish and develop key staff in order to safeguard future competitiveness and prosperity in organisations. Talent is not a soft skill anymore: it has a positive and quantifiable connection to a company’s financial performance, an economy’s sustainable growth and a nation’s socioeconomic development as well.

No plan for future can be complete without meticulous strategies to build the human resources that are going to be the movers and shakers of tomorrow. And no country can restructure its economy and chart out its future course of action without reconstructing its talent management models. If talent is instrumental in igniting growth and driving innovation, its scarcity constitutes the single biggest obstacle to achieving those goals. Therefore, the disparity between what a nation requires from its people and the skills as well as capabilities that its potential workforces are equipped with, should be the last thing it could tolerate.

An economy in the process of shifting its growth paradigm, a nation in the cusp of change by diversifying its economy from conventional resources with an ambitious strategy, the Sultanate of Oman cannot afford to ignore the essential task of nurturing and developing its human capital to meet the changing requirements.

**Bridging the skill gap**

HR specialists and industry experts OER spoke to for this report are of the opinion that with economic diversification aimed at reducing the dependence on hydrocarbon resources high on agenda, the Sultanate requires highly talented and extremely competent national workforces catering to the requirements of the emerging industries. They observe that at this crucial juncture when the government has identified certain key sectors such as manufacturing, logistics, tourism, fisheries and mining to diversify the economy away from oil and gas, one of the key challenges facing Oman is the lack of skills to propel these industries and make them up and running.

Mohammed Masaud Al Kharusi, chairman of Intersearch ME, Oman and an industry veteran, stresses the importance of better planning to ensure that Oman produces the right cadre of people with requisite skills to meet the country’s vision being developed. He hits the nail on the head saying, “There is a mismatch of skills of Omani entering the job market and the requirement of the businesses, coupled with a reluctance of organisations to further invest in the development of new skills because of cost pressures. There are insufficient apprenticeship schemes to address the large absence of Omani technicians or so-called blue-collar workers for medium-sized companies.”

Outlining some practical measures to address these concerns, Al Kharusi explains it’s essential to define the key areas required for people development in Oman. “A national manpower plan is required to determine the type of skills to be developed to address the gaps, to determine the new skills required to meet our longer term needs and to gear up our educational system, vocational training and apprenticeships schemes to produce the skills required. To this end, we need integrated planning and robust data on our Omani cadre so as to determine the skill gaps, and plan our future requirements accordingly. This will need to be coordinated and managed by the government at a very senior level.”

Mohammed Al Esry, general manager-operations at National Training Institute, corroborates saying, “Omani economy requires diversification of skilled and talented workforce to cope with the Vision 2040. Many key roles such as leadership and management continue
strategies require creativity and innovation to ensure strong educational foundation, training and skills building capabilities which will help develop competent workforce for the industries.”

He adds, “The replacement of an expatriate with an Omani will only provide temporary solution, unless nationals are equipped with sufficient management knowledge and strategic capabilities to overcome challenges of the market demands and the dynamics of the industry environment. Creating and fostering conducive workplace environments to develop Omanis must be the priority of all stakeholders. While providing effective training to build competence, we are working very closely with employers to ensure smooth transition and further development take place on the job.”

Venkatesh PV, principal consultant & business head, RAB, chimes in commenting, “The challenge of skill gap is further accentuated with our goals of creating jobs for the nationals and developing and empowering the national talent pool. In a traditional economy, you can address the skill gap over a period of time, by using foreign experts and expat workforce, till we develop skilled and trained national workforce. But today we don’t have that luxury. It has to be done through a big bang approach. The industries have developed in much faster pace, whether it be the different tourism projects and hotels, manufacturing plants, airports, seaports, free zones etc. And there is a huge demand for skilled workers. But we cannot change overnight the entire syllabus and curricula of the universities and colleges in the country to ensure that all of them suit these industries. Universities are making their courses job-oriented and industry focused; but it’s a long-term process.”

Venkatesh suggests that the easier and faster approach to address the challenges of skill gap is to offer skill-based short term courses, just like a three-month training programme focused on teaching specific skills required for a particular job. “These programmes can certify that an employee is competent, after subjecting him/her to an assessment. For example, in the hospitality industry, one does not require a hotel management degree to work as a front-office person. One only needs to know how to use the hotel software and have good communication skills. These are the things which can be obtained through a short-term course. The government, training institutes and private sector companies should encourage these kind of short-term, job-oriented courses or educational programmes. It can be done as an industry-wide initiative, adhering to the standards and qualifications of respective industries, rather than pushing it through individual companies. Universities, training institutions and industry associations have a bigger role in implementing them,” he says.

Prof Yusra Mouzughi, vice-chancellor of Muscat University, substantiates this saying that there is wider recognition that successful human capital development requires ever-deepening partnership between government, education and business. The provision of internationally-excellent education is essential in Oman, but not enough on its own. It needs to be coupled with direct industry experience. She continues, “Muscat University’s mission responds directly to the Sultanate’s strategy to build a highly capable workforce, strongly aligned to economic sectors with evidenced potential for growth. Our own analysis identified logistics and the supply chain, business, finance and entrepreneurship and chemical engineering as sectors in which Oman possesses very significant advantages and the real opportunity to compete at regional and global scale. These sectors, and their strategic importance to the national economy, directly influenced the portfolio of programmes we assembled and now provide.”

Adil bin Ali Al Rahbi, HR Head at Oman Arab Bank, agrees to this observing that proper coordination between private sector entities and government regulations will streamline the direction to be occupied by non-Omanis as many organisations consider these positions to be very strategic for the growth and success of the business. Omanisation
and help achieve strategic collaboration. He also stresses the importance of linking the curriculum of the ministries of education and higher education to meet actual demands of the Omani market.

“The synergy in managing the employment sector in Oman is more essential than ever before, to ensure full alignment when it comes to developing futuristic talented workforces starting from early education stages”, observes Al Rahbi. “This synergy will also be needed in building a strong entrepreneurial platform in the Sultanate, which definitely needs to be taken care of; from building capacities to easing the process of investment in this market segment. Such synergy should help make all business sectors think globally, so as to bring prosperity to the national economy and to keep the workforce at the cutting edge.”

Venkatesh further builds on this suggestion saying that encouraging entrepreneurship and creating a vibrant start-up culture in the country will help bridge the skill gap significantly. “So even the students passing out the universities will have an eco-system to start something on their own. There should be more incubation centres. We have existing ones, but I think they are not still reachable to many college students. Our educational institutions should have their own entrepreneurial or star-up hubs which will encourage students to start ventures on their own. There are a lot of start-up initiatives which students and youngsters can start on their own, especially in industries like tourism,” he adds.

**Demand for experts, international exposure**

The increasing demand for training and skill development in several new industries and professions necessitates the availability of experts and skilled trainers to exchange knowledge and provide training. But as Al Kharusi observes the labour regulations do not always allow bringing in foreign experts to, say, help a new start-up to establish itself quickly as well as to develop Omanis in the requisite skills.

“There is a challenge in the form of restrictions in getting government permissions to recruit such skilled workforces”, explains Venkatesh. “This amounts to some sort of tightrope walking. In order to clear this bottleneck, we should be open to the idea of offering short-terms visas for the experts and skilled trainers from abroad. They will stay in Oman for a short term and will leave after transferring knowledge and developing the talent in their respective areas. Some kind of special consideration should be given, in order to get experts specifically for developing the talent in the new industries and professions that are coming up.”

As Mouzuzgi observes Oman’s human capital development strategies have taken careful account of global competition, and so there is now stronger recognition of the need to support a workforce and society that is outward-facing, internationally engaged, and comfortable in an array of business and cultural contexts. She says Muscat University is making particular efforts to ensure that students feel part of a global community. “The community on our campus is a diverse international mix, which increases intercultural awareness, provides a global social network and the opportunity to interact professionally with people from all over the world,” she adds.

**Omanisation: Beyond the obvious**

There is no dearth of success stories and workable models when it comes to developing Omanis and offering them rewarding careers in various sectors. Al Kharusi himself is an example of an Omani mathematics graduate who started at the bottom of the ladder in IT and scaled new heights through hard work as well as appropriate professional development and training to become the first Omani to run an IT organisation in Petroleum Development Oman. Later on in his career, he changed his discipline to HR and ultimately progressed to become an HR director after having received the relevant exposure from Oman and abroad.

“Omanisation should be redefined...
as competence development and acquisition of new knowledge and experience,” he avers. “If you invest in Omani who are competent with the right attitude and behavior, they will succeed and can then develop other Omanis in turn in a sustainable manner. If we encourage new players to enter the market, then we can increase employment and training opportunities for Omani. However, we need to give these foreign entities longevity to operate so that they can reinvest and employ our cadre. One of the most important factors which can make Omanisation sustainable is to empower organisations to fire non-performing Omanis so that they can recruit and replace them with Omani with the right skills, attitude and work ethic.”

Any nationalisation effort is successful when a nation has the right talent available to do a particular job in the best possible manner, opines Venkatesh. “Organisations should take a lot of responsibilities to develop and nurture their talent. When somebody comes in an organisation, they are skilled to do a particular job only. But the responsibility to ensure that this employee learn new things and scale new heights up the career ladder lies with the organisation. I have worked with a lot of small companies who say they don’t have the time, money or luxury to train people. That is an absolute farce. You don’t need a lot of money to train people. But you need the will. Organisations will have to play a very important role in further developing the talent of their own employees.”

But he says many people opt for the shortcut of poaching talent from other companies by offering an additional say ROSO, instead of looking at how they can develop their own existing people in the long run. Another shortcut is relying on expats, without investing enough in developing their own Omani staff. Many companies practice the method of plucking talented Omani from other companies, without contributing to develop new talents and improving the skills of their existing talents.

He adds, “Omanisation is not just increasing the number of Omani employees but it is developing new talents and creating skilled national workforce. How long will we fish in the same pond again and again? The pond is not getting bigger and the fish is only getting depleted.”

He puts the blame on the companies who are not making the effort to increase the size of the talent pool. “We need to increase the size of the talent pool, to make nationalisation work well. An internal development framework is absolutely necessary to ensure that our Omanisation is successful.”

Al Kharusi equates this trend to the movement of millennial-job hopping from one organisation to the next and as a result gaining higher salaries like 20 per cent – a trend which the US has followed for many years. However, he says such people plateau around this level and do not offer much in terms of driving the business forward.

Al Rabhi maintains that organisations need to adopt experiential learning methods, including job rotation and cross function career moves, to gain different exposures and take up higher responsibilities in the future. He calls for organising several personalised training interventions to meet the need of millennials and generation Z. “They will soon become the driving force behind change in the workplace at all organisations, be it in the public or private sector. It is crucial to pay attention to this fact because continuing the traditional approach of designing career development programmes for young Omani is not going to work in the long run. Furthermore, to make Omanisation sustainable, it needs to develop dynamic and innovative leaders, who are able to spot talents and be capable of developing future leaders and successors.”

Career awareness, guidance
Al Esry elaborates on this saying that finding the right people for the right roles is a huge challenge because at present there are no established vehicles to provide effective career awareness and guidance at any levels.
of education or employment seeking process. “Establishing a career guidance cell which would provide some sort of a basic aptitude testing and career orientation is a dire need. This would then create a national database of jobseekers sorted out into various skill categories. Potential employers would be able to access this database to ensure they get the right candidates for the right jobs. Therefore, in order to make Omanisation sustainable and effective in the long run, employers should select the candidates from the database, put them through a relevant training programme to develop basic skills and then progress them through a well-structured on-the-job training phase.”

He adds, “Organisations need to build an attractive environment to allow new generations to adapt to modern technologies and methods and at the same time allow them to be creative, innovative, self-valued, confident, and be inspired to become a productive employee. The government should enforce regulations to develop nationals through intensive apprenticeship programmes as part of ICV commitment to develop competent human capital.”

**HR as a partner of business**

Learning and development have gone through dramatic changes over the past few years. In the last seven to eight years, the way HR departments function across the Sultanate has gone through a big change. In addition, keeping pace with global HR practices, the concept of HR business partnering has come of age in Oman in a big way.

Says Venkatesh, “HR has come out of its shell, and is emerging as a partner playing an active role in the running of businesses. In several large companies, HR directors sit on the board, indicating the growing role and strategic importance of human resources in business operations. In Oman, the nationalisation of workforces has also given a further impetus to this. Implementing an effective business partnering and centers of expertise model is accelerating the evolution of HR function.”

The entire way HR is organised has also changed, he adds. “In some larger organisations, employees have a dedicated HR person who manages all their HR-related needs. Since all their requirements converge in one resource, employees do not require to go to different people for different things. And this person is able to build trust and create a rapport with all employees.”

However, he says HR is still restricted in its role of hiring and firing, owing to the challenging economic situation. He says, “When it comes to expats, it’s all about getting the best out of what you have. Hiring new expats has become very difficult, as it involves getting clearance for them as well as finding people who are willing to relocate and work abroad. Therefore, working with employees, developing them and ensuring that they are happy have become very important, even in the case of expats.”

**Promising initiatives**

Public and private sector companies have long since realised that they need high-quality managerial and executive talent to succeed in the new markets that are so critical to the future growth of businesses everywhere. Al Kharusi says there has been a major drive in terms of developing leadership capabilities of the Omani cadre both in private and government entities. The larger organisations have leadership development programmes and succession planning for some time so as to develop competent Omanis to fill their talent pipeline and leadership positions. He observes that there is a large requirement for Omani leaders with proven track records to lead senior positions or head a number of new companies being established especially in the public sector.

Al Kharusi also notes that a number of holding companies and investment companies have been set up, creating an increasing requirement for investment skills, ICT skills and leadership skills which are not always available. These companies are now investing in developing such skills in their own employees or recruit them from other companies.
Companies such as Petroleum Development Oman (PDO) are addressing the large skill gap at the technician level by utilising the National Training Fund. Once qualified, these technicians are placed at contracting companies where currently there are a substantial number of expatriates. The In-Country Value (ICV) initiative is addressing the skills gap by instituting practical training and apprenticeship schemes for various skills to produce competent Omani technicians, he adds.

“Unfortunately, we still see a mismatch of skills between what is produced by our educational institutions and the requirement of our companies and organisations. We have seen a trend in terms of addressing this issue via Tanfeeh and other ministerial bodies; however, more work needs to be done,” Al Kharusi says.

Muscat University is the first university in Oman to offer year-long industry placements, whereby undergraduate students will spend the third year of their degree in industry, applying the knowledge they have learnt in years one and two. After graduating, they will have already gained a year’s experience increasing the chances of securing a job in their chosen fields.

Mouzughii explains how Muscat University strives to be innovative and entrepreneurial, enjoying strong connections to the business communities of Oman such as PDO, Oman Data Park etc. “Our programmes are combining academic rigour with direct relevance to the world of work, and they require an immersion in industry plus familiarity with the latest learning and information systems. Our academic staff adopt newly devised pedagogical approaches, and our virtual learning platforms ensure that students not only have ready access to materials and key content, but are also adept at using advanced technologies. We need learners who are confident with change, adaptable and resilient.”

A promising initiative in the banking sector is OAB’s employee’s development programme called, ‘LEAD’ which aims to prepare future leaders for the bank across different functions. Learning is made available for everyone at OAB from the service level to top executives, says Al Rahbi. “Moreover, OAB makes sure that the executives are equipped with necessary leadership competencies. OAB executives attended and will continue to attend highly ranked executive programmes in top institutions across the world. This includes MIT, Columbia, Harvard, Wharton School of Business, INSEAD and IMD, just to name a few. Coaching skills are an important competency that OAB executives have and is in the progress of being certified.”

In insurance sector, National Life and General Insurance Co. (NLGIC), Oman’s largest player in this vital segment, has taken various initiatives to identify and develop national talent. The company has conducted various learning and development programmes at regular intervals, internally as well as led by external experts. The company accords top priority to employee engagement activities and provides express growth track with well-formulated succession planning.

**Unleashing innovation, creativity**

As global economy is going through an unprecedented technological churn, a lot of jobs are at high risk of vanishing due to automation. Changing demographics are also likely to cause substantial shifts in the size and age of workforces around the world. Oman is not immune to these tectonic shifts, as the twin forces of technology and globalisation have made economies across the world more entwined. Employers need to take account of these shifts when they draw up their plans for sourcing talented workers, as well as how they manage their existing pool of talented employees. It will be too early to predict exactly where the next generation of jobs will pop up and what they’re going to look like. Due to the inherently disruptive and fast-evolving nature of these jobs, companies as well as education institutions need to adapt and keep up with the pace of change.

Although Oman has made progress in terms of innovation and technology, the Sultanate is still in a catch-up mode, says Venkatesh. “We are still catching up with what is happening in the rest of the world. There are a couple of reasons for that. One is, we need to create an environment conducive to innovation and creativity. Innovation and creativity are not something you can teach in class rooms. They should be inculcated naturally because it’s the ethos and environment that nurtures and fosters them. This environment should be created in schools, colleges, universities and everywhere.”

Today worldwide innovation and creativity are the most important competencies that will make employees and organisation successful, he says. They are instrumental in making employees tide over the various challenges and help take their companies to a different level of growth. That competency needs to be developed from a very young age, with plentiful opportunities given to people to think out of box and do things which are innovative and creative.

Venkatesh adds, “Schools and education institutions should function as the hub of creativity. But unfortunately in our schools children are made to do only primarily structured activities which are bound by rules and regulations. This thwarts their ability to be creative and go out of the box. We should give children ample opportunities to do and act out of the box. There could be mistakes and pitfalls. But that is part of the game.”

College courses and university curricula should be developed keeping in mind the global knowledge economy, says Venkatesh. “Today, it’s not important where you have got the knowledge from, if you have the right knowledge and the competence to exhibit them. But unfortunately, we are still obsessed with the name of the university or college where one studied, the certifications and courses one obtained, irrespective of the qualification, skills, competencies one is equipped with. Why are we so hell
bent on papers? With so much of open source learning available, today one can sit at home and learn so many new things. The focus should be on whether you are able to demonstrate and exhibit the knowledge/skill, rather than where and how one got the knowledge from. Employees should be allowed to get education and knowledge from anywhere they wanted. Don’t restrict them, let them go anywhere-online, offline, blogs, social media anything they want. That will go a big way in unleashing innovation and creativity.”

Many organisations in Oman are slowly moving to e-learning and mobile based training. “Today, the so-called internet generation, is coming to the workforce in a big way. Their learning pattern is very different. They are no longer interested in sitting in a class room and going through a teacher-led learning programme. They are very good at quick learning. You may not get them sit for a two-hour session. But if you give them a five-minute snippet to learn, they will be happy to go through it and learn. They will also learn something on their own, without a teacher to instruct or guide them. They learn new thing through watching and listening or thorough social collaboration. Byte sized learning will be a way forward in Learning and Development in the near future,” says Venkatesh.

According to Al Kharusi, the advent of cloud services, digitalisation, Internet of Things, cyber security and risk management and compliance requires us to develop such knowhow in our educational institutions so as to produce the ICT skills required by such industries and other organisations. Concentrated focus is required in producing such skills.

He adds, “If we are to compete regionally or globally, we need to project what are the skills required to address our long term needs to meet our vision as a nation. Increased effort is required by organisations to benchmark their processes in terms of efficiency, people productivity, reducing transaction times or use of technology and artificial intelligence to optimise their workforce if we are to compete with peer organisations globally.”

Al Esry has no doubt that the future belongs to technology-driven companies and technologically competent job seekers. “While a number of initiatives have been introduced to usher technology into Oman, we are still a long way to go. The preferred route to learning is still face-to-face. Commitment and dedication to self-learning using technology does not seem to be appealing as of now for the masses. However, we are gradually bringing in technology into our training methods. Oman is taking the necessary steps to be in pace with the growing technological changes.”

Al Kharusi agrees saying that the Sultanate is making significant progress in this direction. The most visible example is the e-government project which has made an enormous impact on simplification of government processes to the delight of its citizens, he says.

A number of initiatives have also been introduced to enable us to catch up with the global pace of development; however, more needs to be done to accelerate it in an integrated manner. Creativity and innovation and the acquisition of new knowledge are key and are to be stimulated if we are to become competitive.

Al Kharusi adds one of the new trends is the move towards flatter and leaner organisational structures and outsourcing of non-core processes all in the interest of reducing cost and, indirectly, manpower. Mergers and acquisitions of companies of interest continue and this will lead to higher competition locally and some cases regionally.

**Automation of HR**

Venkatesh vouches for that saying that there is an appetite for innovation in HR as Oman has quickly embraced a lot cost-effective technologies including those introduced by his organisation. Technology is a major leveraging factor in terms of transforming HR and improving the efficiency and the effectiveness of people, he adds. Most of the medium to large companies have adopted automation of HR activities, according to Venkatesh. Initially it was HRIS, an intersection of human resources and information technology that has brought about these changes, allowing HR activities and processes to occur electronically.

Today, several routine, non-value added activities are handled by HR systems. And a lot of systems have become intelligent, being able to take decisions on their own. HR solutions and ERP solutions are offering very intelligent technology. A lot of companies have started adopting that for managing their day-to-day work. Employee services is one of the areas which have gone through a great amount of automation. More and more companies are moving towards technology-based dip stick and instant engagement surveys which instantly gives them the climate mood and pulse of an organisation instantly.

Al Rahbi also believes in the power of digital and data analytics to enhance the efficiency of HR functions, especially in decision-making and in managing human capital, both proactively and productively.

In short, for a forward-looking company or a future-driven economy, technology and innovation cannot be of lesser importance in managing and developing human resources than they are in solving a business challenge or tackling a socioeconomic issue.

It’s essential to rethink the current education as well as hiring models and create a new paradigm that will give us the much coveted edge in the knowledge-economy. Only through concerted, multi-stakeholder, systematic cooperation and dialogue among policy makers, relevant educational institutions, government and the private sector can this be achieved.