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Voluntary turnover in the Omani public sector: an Islamic values perspective

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Voluntary turnover in the Omani public sector: an Islamic values perspective

Abstract

Following four decades of economic growth the public sector in Oman is experiencing an emerging problem of labour turnover to the private sector. We examine this phenomenon through semi-structured interviews with 26 current and former public employees. The rate of turnover is low but this masks the impact of losses to key technical and management roles. The main reasons for turnover are dissatisfaction with management style, reward practices and promotion opportunities. Findings are interpreted in the context of Islamic work values and implications for public management reform in Oman are given.

INTRODUCTION

Although religious beliefs shape the lives of billions of people, religion is usually absent from explanations of organizational behaviour and the shape of human resource management practices. Individual adherence to Christian teachings, for instance, rarely features in the proliferation of studies of workplace behaviour emanating from the USA and the UK. This is despite the increasingly diverse nature of labour markets reflected in the protection given to employees through legislation. The European Union's Equal Treatment Framework Directive, for example, required member states to implement legislation to outlaw discrimination at work based on a person's religious beliefs. Furthermore, the typically 'atheistic' Western approaches to management research continue to be replicated elsewhere. Quantitative studies, for instance, commonly apply Western operationalizations of constructs like leadership and organizational commitment to countries with very different value systems such as the Middle East and the Asia-Pacific region. Religion, however, influences how people see reality, how they see their role in life, their own power to change events and the ways that others should be treated (Bouma, Haidar, Nyland and Smith 2003). The nature and extent of religious beliefs are likely to shape how external events are interpreted and how organizations should respond to them, for example, attitudes to structuring organizations, leadership, job design and individual motivation. As such, there are good grounds for thinking that adherence to religious values must have some explanatory power particularly in contexts where religious observance is high.

While scholars have begun to understand the different value systems held by different religions (Parboteeah, Paik and Cullen 2009), attempts to apply these frameworks to explain workplace behaviour remain the exception. Islam (literally, submission to the will of God) is the world's second largest religion after Christianity. It teaches that involvement in work is a life obligation and that the pursuit of profit is legitimate so long as Islamic ethics are not violated (Parboteeah et al. 2009). The pursuit of interesting work that is valued by society and through which employees experience self-development is to be expected and is one of the explanations for voluntary employee turnover which can be defined as the 'voluntary cessation of membership of an organization by an employee of that organization' (Morrell, Loan-Clarke and Wilkinson, 2001, p.220). Most turnover research has been carried out in North America and is predominantly quantitative theory testing using cross-sectional correlational designs that place turnover as a dependent variable and explore its antecedents in private sector contexts. There is relatively little work on turnover in the public sector even in the West (Meier and Hicklin, 2007) and very little understanding of turnover in the Gulf region where there are big social, cultural and labour market differences. Although expatriate turnover has been a focus of interest, a search of electronic databases for papers on local employee turnover in the Gulf States revealed only three studies all of which used a classical correlational design (Al-Refaie and Omran, 1992; Ben-Bakr et al, 1994; Mosadeghrad et al 2008). None of these examined turnover in Oman.

While our understanding of the reasons for voluntary turnover have grown in sophistication (Lee and Mitchell, 1994; Meier and Hicklin, 2007) we could not find any attempts to apply religious values to explain why the organizational conditions that stimulate voluntary turnover exist. Through the authors' involvement in Omani public administration and in running management development seminars in Oman it became clear that voluntary employee turnover has become an issue facing public organizations in the Sultanate. As the Gulf economy grows there is strong competition for skilled employees (*Al Bawaba*, 2009, *Gulftalent*, 2010) and as the Omani economy continues to expand skilled public employees see attractions in the private sector. As such, this paper responds to reports of localised public sector skills and talent shortages caused by voluntary turnover. The setting provided an opportunity to explore an important organizational phenomenon, one which could compromise standards of service, and the paper responds to recent calls for more studies that link religion and organizational behaviour (Dean, Fornaciari and McGee 2003; Parboteeah et al, 2009).

The paper opens with a review of employment conditions in the two sectors which reveals some substantial differences. Second, using qualitative data we explore the reasons behind

individual decisions to quit and the attitudes of present and former public managers towards their work environments. Third, we situate turnover in an Islamic values context. In studying this phenomenon we present the first study of voluntary employee turnover in Oman with a specific focus on understanding the public sector. The paper contributes towards a more advanced understanding of public management in the Gulf by examining the factors behind turnover in Omani public administration and then interpreting those factors via Islamic values.

OMAN

In the early 1970s, Oman's economic targets focused on creating an infrastructure to aid the launch of major projects and Oman has developed rapidly since. The country has transformed from a harshly ruled, isolationist Sultanate into an economically liberalized monarchy seeking to integrate the country into the global economy (Aycan *et al,* 2007). In 2008, the total population was 2.867 million made up of 1.967 million Omanis and 900,000 expatriate workers. Trade balances are in healthy surplus and Gross Domestic Product per capita was $19,000 in 2008; consistently ahead of other Arab countries. There is a minimum wage of RO 260 per month and no income tax.

In 1996, the decision to seek greater economic integration was incorporated into a long-term strategy named "Oman 2020". Several developmental dimensions were put forward with the aim of moving the economy into a new phase by reshaping the role of the government in the economy and broadening private sector participation, initiating human resource development strategies and upgrading the skills of the Omani workforce. The vision was to create employment opportunities for Omanis in the public and private sectors in addition to equipping them with training and qualifications to cope with labour market requirements (Omanization). Four strategic initiatives were identified. First, minimise unemployment, create employment opportunities for Omanis and provide them with the training and qualifications needed by the labour market. Second, develop human resources through better education systems, the promotion of educational and vocational training, increasing the participation of women in the labour market and the development of labour market mechanisms aimed at increasing the level of workforce participation in the economy. Third, substitute expatriates with qualified Omanis as part of an upward shift to a high value added economy (Omanization). Fourth, increase the efficiency of the Omani labour market by narrowing differentials between the public and private sectors (Ministry of National Economy, 2007).

Although Omanization has encountered various cultural obstacles such as negative perceptions of the jobs normally performed by expatriates and the refusal of some nationals

to work far from home (Oman Human Development Report, 2003) government strategy is working as Oman was ranked 33rd for labour market efficiency (*Global Competitiveness Report 2009-2010*). Nevertheless, the same report identified restrictive labour regulations, an inadequately educated workforce and a poor work ethic in the national labour force as the main barriers to business development. Low skills and high costs in the indigenous labour force have been noted previously (Mellahi and Al-Hinai, 2000).

The private sector
High oil revenues in the 1970s and 1980s played a major role in economic development although high barriers and legal restrictions hindered the attraction of foreign direct investment until the 1990s when economic strategy changed and allowed greater openings for FDI (GOIC, 2001). This was stimulated by continuing population growth which confronted the Omani government with a proliferation of job seekers leaving schools and universities. By 2008, the private sector employed about 942,000 people of which 15.6% were Omani and 11% were women. The main sectors by employment size are construction, wholesale and retail, domestic service and manufacturing (Ministry of National Economy, 2010).

However, in preparing for further FDI, the government had to reduce Oman's dependence on expatriates by developing its citizens (Budhwar *et al,* 2002). In 1997, for instance, there were nearly 500,000 foreign workers in the private sector compared to 34,000 Omanis. The policy of boosting domestic and foreign investment reinforced the national economy and created an attractive investment climate on one hand while increasing government spending on the other. However, considering the projected growth of the population to five million by 2020 (Oman Human Development Report, 2003), the government realised that over-reliance on oil revenues for development activities is a troubling feature of its economy and initiated a process of diversification (Al Hamadi et al, 2007) led by the industrial sector (Ministry of Information, 2007).

The significant contribution of FDI to the economy was evident in that investments stimulated growth and created employment opportunities for young Omanis (Ministry of National Economy, 2008). Consequently, the wages and salaries offered have increased steadily year by year. Annual increases to basic salaries for professional employees in the private sector ranged from 5.6% to 12.1% in the five years to 2009. Salaries rose to match double-digit inflation which resulted in particular from rising property and rental prices although inflation dropped to about 5% in 2009 (*Gulftalent*, 2010). Mild recession in the Gulf region led to increased redundancies in 2008 and 2009 although there were still talent shortages and high performers were still mobile. Recession coincided with some pressure from government on

the private sector to release expatriates rather than nationals which led to greater caution and selectivity when hiring nationals (*Gulftalent*, 2010).

The public sector
Development of the public sector was inseparable from national development as the need for services expanded and led to an increase in the recruitment of Omani nationals in various government departments. In 2007, Oman achieved the highest rate of employment of national manpower in public service in the GCC at 85.5% and the Sultanate is on course to achieve 95% by 2020 (Ministry of National Economy, 2007). The Ministry of Civil Services was formed in 1988 to oversee modernisation and development in public management. In 2008, employment in the Civil Service Ministries (in which education and health services are the major employers) totalled almost 119,000 of which 87% were Omani. In addition, the Diwan of Royal Court and the Royal Court of Affairs which serve His Majesty employed almost 26,000 people of whom 76% were Omani. Other public corporations such as in the supply of utilities and State universities employed 8778 people of whom 77% were Omani (Ministry of National Economy, 2010).

The historic preference of Omanis to work in the public sector is related to perceived prestige, high salaries, limited working hours, longer annual leave, high job security and other privileges. Inflationary pressures in the economy have triggered substantial pay rises in recent years; public sector pay rose by 15% in 2007 (*Gulftalent,* 2010). However, although wages are perceived as being relatively higher than the wages offered by the private sector (Mellahi and Budhwar, 2006) this applies only to unskilled employees; the wages of skilled and well-educated employees are not higher. New graduates starting in the private sector can earn substantially more than their public sector equivalents. In the past, the public sector faced little competition for labour but since privatization in 1995 when the economy opened to other national and international enterprises it has faced stiff competition. Indeed, the turnover 'problem' is an inevitable result of progress towards Omanization. However, pay is not the only 'touchstone' between the two sectors; career prospects, satisfying work, job autonomy, morale and motivation and a healthy working environment have become important.

The working environment for public employees in the Middle East is characterized as bureaucratic and the conservative style of management emphasizes routine rather than change (Jreisat, 1997, Kalantari, 2005)**.** Management attitudes incline towards holding on to power and hence towards dictating orders rather than participation in decision making. Promotion in the public sector is not based on performance but on seniority; as a general

rule, everyone gets upgraded to the next grade every four or five years. Moreover, promotions to new posts are based more on personal connections than merit or qualifications. Promotion and compensation in Arab countries are influenced by nepotism and connections (Mellahi and Budhwar, 2006) bound together in *wasta* - a dominant and prevailing social force in the region ("Vitamin W" in the words of a former Civil Service Minister that we spoke to). The principal differences between the two sectors are summarized in Appendix 1.

In sum, in a context of rapid economic development we investigate the voluntary turnover of public employees into the private sector. The question being addressed by this paper is; how do public and former public employees explain the causes and consequences of voluntary turnover? Findings are related to wider human resource management practices and Islamic values as a contribution to understanding public sector development in Oman.

RESEARCH APPROACH

National statistics were used to ascertain levels of turnover and a 'snowball' sampling strategy (Biernacki and Waldorf, 1981) was used to identify informants who could elaborate on conditions in public service and on their turnover cognitions. Snowball, or referral, sampling taps into 'the dynamics of natural and organic social networks' (Noy, 2008, p.329). Participants are identified by other participants and the snowball metaphor captures the accumulative nature of the sampling process. It is particularly useful to identify people who are 'hidden' in a social setting and who cannot be identified easily, if at all, by conventional sampling methods and who may share some common characteristic. Organizational research is relatively uncommon in Oman and employees may be reluctant to speak about their workplace. In this study we needed to identify people who had moved from public to private sectors and snowballing was an effective method for locating public servants and former public employees who were willing to discuss this phenomenon.

The data presented below were taken from semi-structured interviews held in 2010 with 15 employees working in six public organizations and 11 who had transferred from the public sector to the private sector (five organizations). Of the leavers, most had left information technology or engineering departments to join firms in oil and gas, construction or manufacturing. Twenty one men and five women participated in the study aged 30 to 45 years. All were Omani nationals and all were educated to first degree level. Interviews were held individually in private and were conducted in Arabic. Using a series of open-ended

questions focussed the conversations but gave participants the freedom to discuss issues as they see them. The questions were designed to stimulate discussion of current and previous work contexts to illuminate how people perceive their work and the individual decision processes that lead to quitting.

Interview transcripts were read and re-read in order to develop the main themes running through the data connected to the turnover phenomenon. Provisional coding was continually revised as new material was generated. The approach was to let the factors emerge from the data rather than impose an analytical framework at the outset (Miles and Huberman, 1984). Themes are presented below with illustrative translations of interview extracts. We do not attempt to present a definitive, generalisable analysis of turnover. Rather, we acknowledge that the account presented is a co-production which is inevitably shaped by participants' views but also by our choice of interview questions and our interpretation of responses (Cunliffe, 2003, Orr and Bennett, 2009).

FINDINGS: INVESTIGATING TURNOVER

Turnover level

Civil Service statistics show that 8400 new appointments were made in 2008, of which just over half were women, and 4180 people left the Service (Ministry of National Economy, 2010). In relation to the total workforce, the total turnover of both expatriates and nationals was around 3.5% of which about 1.5% came from voluntary resignations. However, the number of Omanis resigning in 2008 was up 54% on the previous year. After resignations, the other substantial causes of turnover among nationals were retirement and transfer of employees to posts outside the Civil Service. Given that employees can retire after 20 years' service, some retirements are taken in order to switch to private sector work although the proportion that does this is unknown. The majority of those who left the Civil Service were on or around Grade 6 which has a salary equivalent of about RO 500 per month. Official figures, therefore, portray a relatively low level of turnover which is centred around middle level posts.

Perceptions of turnover

We began by asking public sector managers how they perceived the public/private turnover phenomenon. A senior official remarked,

> *"In my personal opinion, yes, there is a problem but it is still unrecognized or ignored and no solution has been put forward to limit or reduce it."*

This response reveals that turnover is seen as a problem but also as one that the organization has not yet formally recognized. It also suggests that identifying some sort of solution and acting on the 'problem' is the responsibility of someone else – by implication, of higher managers. However, the 'problem' is arguably not turnover itself but the effects that it has on the delivery of public services. Another senior official observed,

> *"Eight engineers have resigned in only one month from one of the public organizations which provide services to the private sector because they had job opportunities in the private sector. Only one engineer was left, and to replace them the processes of selection and recruitment take approximately six to eight months. Therefore, how could we expect the speed and the quality of the services that should be provided by this organization to the public sector?"*

This official casts doubt on the organization's ability to replace leavers quickly implying that six to eight months to fill vacancies is unhelpfully long. Again, there is an allusion to a problem going unrecognized by higher management such that organizational responses to skills shortages are not fast enough in a time of need. Although the rate of turnover is relatively low the turnover is occurring in key or pivotal roles that are crucial to organizations. The problem was expressed largely in terms of 'competent' employees as a Secretary in a Minister's Office observed,

> *"The Minister is signing dozens of resignations of competent employees, so if this phenomenon is going to continue then the Ministry will have to contract a company in the future to undertake its technical processes"*

Again, this comment implies that the most senior manager in the organization is aware of the extent of the problem yet there was no feeling that top management was treating it as a strategic issue. However, another Secretary confirmed that the Minister was very conscious of staff turnover and had asked for an evidence-based report on its scale and effects. 'Competent' in this context is interpreted as meaning skilled, qualified employees and, given the similar high educational background of the participants, may be reflecting participants' perceptions of their own importance in discussing the turnover problem.

Overall, it was generally perceived that public organizations are suffering from the negative impact of losing skilled and educated employees. Having set out how turnover is seen we

now examine the views of current and former public employees to gain a deeper understanding of the thought processes behind decisions to quit. Interviews with public employees are analysed first and three main themes were identified; reward, working environment, and development and promotion.

Reward

The attraction of higher monetary rewards in the private sector featured in the conversations. This fits with psychological explanations of turnover and March and Simon's (1958) idea of individual utility functions such that when pay or some other aspect of work fails to reach the employee's expectations they begin to think about quitting. This is captured in the following comment from a public employee who saw financial gain as the reason behind the departure of his colleagues.

> "One employee who acquired a PhD was in a government Ministry where he was earning RO 1500. When he found an opportunity in a private university he applied for retirement. He only gets a RO 500 pension, but he gets a wage of RO 2500 from the new post in the private sector, which is five times his pension"

We are given the impression here that the decision to leave was straightforward; the employee could take one-third of their salary as pension and move to a new post with a salary two-thirds higher. The respondent appears to show a little envy of their colleague and their comment ignores the possibility that the colleague who achieved a doctorate may have planned all along to use it to leverage their departure for a higher salary. Compounding the attraction of higher salaries available outside, the increments to basic salary given for grade promotion were said to be small in absolute terms. A public employee explained,

> "As a university graduate, I was appointed in the public sector at a starting salary of only 560 Omani Riyals per month. Now, after six years I have been promoted to grade five and my salary is now RO 750. After approximately five years I'll get a promotion to grade four where my salary will only increase by RO 70. At this stage, I will only get the same as new graduates who just joined the private sector in terms of salary, although I have had 11 years of suffering. So, please tell me, at the age of 31, how can I afford to get married, build a house and buy a car with this salary? Therefore, the private sector is a lifeline for me." (Public employee)

This comment points to feelings of slow salary growth in the past (recently about 5.6% each year) and the likelihood of slower growth ahead which combined to become a source of pay

dissatisfaction. He relates to outside comparators as 'a lifeline' if he is to achieve his aspirations. Compounding the feelings of inequity that stem from comparisons with the private sector, we also heard of expatriates in the public sector receiving higher salaries than Omani nationals possessing the same qualifications and appointed to the same grade.

> "At one of the government's colleges, an expatriate with a Bachelor degree is offered accommodation and other benefits, such as transportation allowances, as well as a salary of more than a thousand RO (per month). On the other hand, the salary of a national employee (in the same grade and with the same qualification) does not exceed RO 700, and there is no accommodation provided. Furthermore, if an expatriate works overtime, he/she will get a financial allowance, which nationals do not get. Therefore, some staff have resigned."

Attitudes to reward ran deep and drew attention to negative feelings stemming from higher salaries available elsewhere, slow salary growth and inequity in the rewards given to others, including privileges and 'perks' given to employees simply by virtue of their nationality. Feelings of differential treatment were a powerful explanation for turnover,

Organization Culture

Conversations identified a range of concerns that we group here under the broad heading of organization culture. Participants revealed concerns about the lack of praise or recognition received in return for what they deemed to be a good effort. In contrast, we heard of domineering managers who expect employees to obey orders with no room for discussion or suggestions.

> "My manager is good at dictating orders as if I am a machine and not a human being. I told him several times that I could not handle the work load, which should really be distributed among several employees, but he kept repeating it was not his business to recruit more employees. You know, if I get any chance to leave I will leave without hesitating."

In this extract the employee appeals to be seen as a person with feelings and sensitivities and yet he sees his manager as unfeeling and uncaring about a heavy workload. The employee also externalizes the root of the problem by emphasizing that his manager is unwilling to make a case for extra staff. A top-down, directive culture in the public sector was identified such that employees felt they are only expected to receive orders and implement

decisions. Accusing employees of laziness is a common fallback of the dominant manager without considering that there may be defects in the ways jobs are designed, how work is allocated and how far employees are empowered to make decisions. For example,

> *"Our general manager behaves like a spy. He normally sends office boys to watch us and then inform him of what time we arrive at the office and where we go or what we do. I presume that he has no work to do except chasing us. So do you think we can stand this kind of behavior for long?"*

The second cultural strand relates to the rule bound nature of public work. The slow process of government decision-making was seen as constraining the implementation of new systems and delaying the process of development. In contrast, the climate of the private sector was seen as more creative and faster moving as judged through the use of phrases like *"creative environment"* with a *"faster decision-making process"* and *"faster adoption of technology"*. Regulations governing working in the Civil Service were also cast as problematic,

> *"Civil service law should be flexible in order to retain competent employees, promote them based on their performance, praise them for acquiring new skills and should treat nationals and expatriates equally" (*Public sector employee).

The reference here to 'law' means the rules and regulations prevailing in the civil service and specifically that the problem of adherence to government rules is that they are not flexible, for instance in terms of employees doing work at home if this is feasible and convenient. Instead, the rules require conventional attendance at the workplace (7.30 am to 2.30 pm) whereas the private sector was seen to encourage flexible working.

> *"The environment in the private sector is much more flexible as it depends on the completion of the tasks assigned to employees. This is different from the working hours that public servants spend in their offices without any noticeable outcome. This means that private sector employees do not necessarily have to attend at certain times and can instead spend some hours working at home or in a café to carry out their assignments." (*Ministerial Secretary).

This remark from a senior official clearly acknowledges that the public culture is as least as much about attendance as it is about performance. There is an intriguing allusion to unproductive public employees being at work but not delivering 'any noticeable outcomes'.

This comment is quite an admission and reveals that top management is aware of weaknesses in the public sector culture which, if they are being addressed, are being addressed discretely not overtly. The prevailing attitude seems to be that the public good is better served with some rigidities in the system and that more flexibility in working hours could undermine service delivery.

Development and promotion

Participants pointed to public sector training and development as having little connection with clear determinants such as performance review. Interviewees felt that there are more training and development opportunities in the private sector and that they are much more strongly job-related.

> *"Our ministry and other government agencies are only concerned with training courses that are held in a five star hotel offering food and drink, but with no relation to the organizational needs."*

In this regard, public employees pointed to little linkage between training and organizational strategies, lack of clarity regarding the process of assigning training, absence of follow-up processes, lack of training evaluation and lack of continuity. These defects indicate that public managers' appreciations of the benefits of human resource development are weak. Collectivist promotion policies also signal a distinctive approach to human resource development. A group of employees, for example, those appointed in a particular year, are promoted as a batch. Most interviewees saw this as unfair as it makes no distinction between the talented and less talented or between levels of contribution. In contrast, promotion in the private sector is more closely linked to performance; a situation accepted by aspiring employees. The contrasting situation in the public sector benefits average and below average employees who can be confident that they are going to be promoted to the next grade with others after a certain time. One public manager argued that, "*work equality is a crucial factor in increasing job satisfaction, which in turn reduces job turnover"*. 'Equality in this case means different treatment for different levels of performance.

Public servants displayed little sense of expectation as to when they would be upgraded to higher positions (post promotion). The absence of clear career paths has given rise to employees having a vague and ambiguous view of their future, and hence some feel a lack of security and belonging. Interviewees emphasized a lack of differentiation between employees and one illustration of this is that the criteria for promotion to higher grades do

not recognize differential contributions. In addition, the preferences given to some employees at the expense of others by virtue of personal relationships have a negative impact on impressions of equality. Performance appraisal based on a fair assessment of performance and rewards based on merit are absent in the public sector. In contrast, the private sector is seen as more advanced with regard to achieving equality for employees in terms of linking rewards with performance and development opportunities are offered to people who want to acquire new knowledge, skills and competencies.

Views from the private sector

Views from the private sector map closely onto the three themes elaborated above. There was, however, a stronger sense of feeling that the connection between rewards and performance in the public sector is weak and that the private sector is much more wedded to the principles and practices of performance-related pay. The lack of contingent pay in the public sector is considered to be an unfair practice and this rigidity in the public reward system lies behind decisions to switch.

> *"The money factor was the main reason behind my resignation from the public sector, because the inducements provided by the private sector are incomparable both in terms of salaries and financial incentives"*

Pay systems in the private sector have adapted to changes in the labour market in order to compete in terms of attracting talented staff. Over and above performance-related pay, a range of benefits can be offered including bonuses, allowances, health insurance, flexible hours, cars and housing among others.

A desire for autonomy and freedom at work also came out of discussions with former public employees as an important factor shaping turnover cognitions.

> *"The leadership and managerial style of my managers is one of the major reasons for my resignation from the Ministry because they were interfering in my job and, did not trust me. I was not delegated to when my manager was absent; on the contrary, he delegated to another manager from a different department. This kind of obstructive style does not encourage employees to stay and work."* (Private sector manager)

This comment draws attention to the respondent's feelings that his superiors had little confidence in him and that the recognition and autonomy that he was seeking were absent. However, we do not know what his superiors' responses to his comment might be and there are of course multiple explanations possible; perhaps they did not think he was such a

reliable performer as he implies or perhaps a colleague had outwitted him for their attention and favour. Frustration arising from a lack of managerial support is also revealed in the following extract which is coupled with frustrations about reward, in particular with lack of adherence to the principles of performance-related pay.

> *"Job stress can be avoided if there is a supportive management which recognizes employees' efforts and allocates duties and responsibilities based on experience. Rewarding employees for overtime is another way to avoid it. Unfortunately, neither of these factors exists, neither supportive management nor reward. My manager was exerting pressure on me, with no more pay in return. That is why I finally left.*" (Private sector manager).

Both public and private employees pointed to management style as a factor contributing to the development of turnover cognitions and one former public employee gave an insight into explanations of this type of managerial behavior

> *"Managers are mostly old employees that were promoted to the position because of the number of years in service or influence with their bosses. They also lack the competencies, appropriate experience and qualifications of managers" (*Private sector manager)

This comment connects strongly to the earlier comments about collective promotion strategies. It sees the criteria for promotion up the management ladder being based on time served or patronage rather than on managerial skills or ability and uses this to explain a general lack of people management skills among the managerial cadres. This concern is linked to grade promotion (ie, to a higher grade while keeping the same job) which is not related to performance but instead is based on a system of collective promotion every four or five years. A former Civil Service manager commented,

> *"No recognition; people are not recognized for their hard work but are promoted based on their years in the job and not on their output"*

Frustration with bureaucracy was again highlighted and government bureaucracy was criticised as constraining creativity; adhering to routine, public organizations were seen as slow to change.

> *"The working environment did not support any creative or innovative efforts. Instead, rules and regulations which were not carefully thought out limited development and encouraged routine".*

Conversations with private sector employees substantially supported the conclusions of public sector employees and managers in relation to the reasons for voluntary turnover. The paper now turns to a discussion of turnover in relation to public sector performance and the religious-cultural context in which work is performed.

DISCUSSION

This paper explored the extent and causes of turnover among public employees in Oman. Turnover among qualified employees is seen as problem and, although the level of turnover is relatively low, there is evidence of disruption to services caused by people leaving key or pivotal roles. A talented employee leaving a small department can have a big influence on service delivery and the low turnover rate is deceptive.

Discussions around the reasons for turnover were critical of management and organizations yet they do not seem specific to Oman or public management as employee dissatisfaction with pay levels, management style and career opportunities must surely be among the generic hazards of organizing. The discourse encountered was substantially one of frustration with management practice and reasons for leaving fit with classical explanations of turnover that see it as a consequence of negative job attitudes, for example, towards pay, relationships or promotion (March and Simon, 1958). However, the public loss is the private sector's gain; employing talented nationals brings in good performers and savings on the additional costs of employing expatriates. It is also a reflection of successful economic development and contributes towards Omanization targets.

The public sector has not changed its pay policies in response to external changes. Indeed, the pay gap appears to have increased despite the loss of some talented employees. Nor has management style changed as there is little support for strategic training and development and there is evidence of a lack of trust, delegation, recognition, intrinsic rewards along with feelings of inequity. In addition, jobs have not been re-engineered to be more challenging and career paths remain grounded in a relational model; slow promotion in return for loyalty (Rousseau and Parks, 1992). The private sector, on the other hand, is seen as offering better reward packages and management systems where promotion and rewards are more closely related to performance. Relatively good 'perks' and privileges are offered and, comparing the two scenarios, it is unsurprising that ambitious and talented public employees create narratives around leaving the sector.

These findings are consistent with previous research on public management in the Middle East (Jreisat, 1997; Kalantari, 2005) which portrays public organizations as characterized by

a preoccupation with the preservation of power and hierarchies that exist to serve ruling elites rather than the public. Findings identify a divergence between the Omani government's recognition of the importance of modernizing public management (to keep pace with population growth and rising service expectations) and management practice. Our evidence points to frustrations among the professional class at least among those anxious to progress and develop their careers. It is difficult to escape the conclusion that further efforts to modernize are needed but in saying that we do not mean to romanticize the private sector by implying that is somehow better than or more advanced than the public sector.

It would be tempting to put forward normative, managerialist recommendations aimed at retaining talented employees in key roles such as increasing basic salaries, introducing contingent pay, linking promotion to performance and improving management capability. Objective and neutral suggestions of this kind, however, ignore the way in which dominant discourses in organizations filter information (Orr, 2005). They are unlikely to have any impact unless accompanied by a deeper understanding of the power and interests at play in the Ministries and elsewhere. Badly implemented human resource management practices can do more harm than not having the practices at all and pushing unaltered western management practices into the Omani public sector carries a danger of doing more harm than good.

Changing public management in developing countries has proved slow and challenging and is inextricably linked to national cultures and institutional systems (Samaratunge and Wijewardena, 2009). Despite a general improvement in living conditions in Arab countries 'the availability of public finance appears not to have translated into improvements in human capital' (Jreisat, 2009, p.43). Our findings fit with previous calls for management and leadership development to build institutional capacity focusing on commitment to effectiveness, transparency, performance management and ethics (Jreisat, 2009). There should be no illusions, however, about the scale and complexity of the challenge involved in bringing about such changes. Unlike western democracies where regular changes of government lie behind attempts to introduce new cultures (eg, Thatcher, Blair in the UK), political change is slow and the concentration of power around the Sultan insulates public management from change (Common, 2008). Inefficiencies rooted in nepotism and patronage which are so deeply entrenched in the region are near immutable forces in anything but the long term (Jabbra and Jabbra, 2005).

An aim of the paper was to look more closely at religion as an explanatory variable in relation to turnover and we now turn to examine the conversational themes via an Islamic values perspective (Ali 2010; Kalantari, 1998, 2005). Reward and punishment are as central to

Islam as to other societies but there is a strong emphasis on mercy and this influences judgments of performance. While employees should do their best, Islam discourages unfettered pursuit of individual goals and disregard for others as this is deemed not to be best for the individual or for society. Morality is highly prized and must not be compromised for material reasons. This explains the conservative nature of approaches to performance management grounded more in collectivism and inclusion than individual differentiation. Nevertheless, Islam gives clear guidance that reward should be linked to performance and that non-financial rewards such as recognition and appreciation should also be shown to encourage those who have done well as well as to inspire others (Ali, 2005). Likewise, assessing the performance of subordinates is accepted since it is a way of ensuring that the employment contract is being upheld. Employees, however, are also expected to be aware of their own performance as each person will be presented with an account of their achievements in the hereafter. Self-development is important since Islam sees an individual as faced with infinite choices (towards good or towards lowliness) and the pursuit of personal betterment is a desirable state.

The Quran sets-out guidance for relationships among people that are compassionate and respectful. It is poignant that Quranic teachings laid down so long ago capture much of the socially responsible approach to human resource management that is now being advocated in Western settings. Equality of man is the most sacred value. Justice and kindness go together and this explains phenomena such as group promotion. Islam puts a high emphasis on a person's intentions rather than their results and achievements in relation to the way their work is evaluated. If people have performed to the best of their abilities, even if they have not performed relatively well, they will not be excluded. This is entirely consistent with the value of *ehsan* which teaches that 'goodness and generosity' should be present in human interactions (Ali, 2010).

For leaders in the Islamic workplace there is a strong emphasis on consultation with delegated officials and the idea that a manager is responsible for errors made by his/her delegates. Decision making needs to be open, although not totally, because decisions are made in the service of God and need to be to His satisfaction. Indeed, God will be relied upon to help make decisions. Control mechanisms are shaped by two values; the importance of self-control since God is omnipresent and the importance of structures to ensure proper supervision and conduct. The higher a person is in a bureaucracy, the greater the responsibility upon them for demonstrating competence as judged by others and by God. This shapes attitudes to decision making and levels of risk and explains the culture of close supervision that was described to us.

Islamic teaching recognizes that the appointment of people to posts should be based on merit otherwise injustice and unfairness prevail. This value, however, appears to be perhaps the most conspicuous contradiction as, in practice, dominant personal connections win out. Fealty to social networks seems to outweigh merit. This is aggravated by the absence of clear and accepted criteria such as comprehensive job descriptions. Without criteria that force greater attention to merit, *wasta* fills the vacuum left behind.

In conclusion, the reasons given for voluntary turnover were generally grounded in frustration with management. Management actions, however, can be interpreted though Islamic values to identify both consistencies and contradictions which have been noted before in Ali's (2010) 'unity of contradictions' idea. While the current organizational culture can be explained in terms of Islamic values it is also the case that heightened emphasis on performance-related pay and contribution-based promotion, which could address some of the roots of frustration, would not be inconsistent with religious values.

What do our findings mean for public service delivery in Oman? Strategic public management can be modeled using Moore's public value framework (Moore, 1994). A public organization needs to be focused on creating something valuable (public value). Two things influence the level of value delivered. First, an authorizing environment which gives legitimacy, support and resources and, second, operational capabilities that are needed to deliver the value. An organization's capabilities are the outcome of interactions between its culture, human capital, partnerships and legal powers (see Samaratunge and Wijewardena, 2009). Here, then, we see how human resource practices impact on the levels of public value delivered. In Arab cultures the relative stability of societal values and expectations gives legitimacy to actual levels of service and so legitimizes the prevailing cultures and state of the human capital. Coupled with the strong influence of Islamic values the rate of change to human resource management practices in the Omani public sector looks set to be slow.

In closing, we note some limitations and areas for further research. Snowball sampling has the disadvantage of potential bias from possible oversampling of people with good networks and under-sampling of those who are more isolated. Nevertheless, Welch (1975) compared snowballing and conventional sampling methods on the same topic and found very similar results. As such it is suitable for exploratory studies where the aim is to generate understanding of a phenomenon rather than generalisable knowledge. The informants who had switched sectors were relatively young and career-minded and their views may not be shared by others in public service. While there has been considerable research on the interactions between religious beliefs and economic development (Weber's Protestant Work

Ethic link to capitalism being the best known), research on the impact of development on adherence to Islamic values would be timely. Second, research could examine why some apparent contradictions between Islamic teaching and management practice exist. Historical influences of former colonial rule and the institutional systems created would be a starting point.

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