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Workforce nationalisation in Papua New Guinea: Security and logistics in resource organisations

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Chapter 5: Interviews and Survey Development

5.1 Introduction

This chapter builds on the case study, research proposal and literature review to fully develop the final semi-structured interview template that will form the basis of the interviews. This template was approved by the ethics committee from Notre Dame University Freemantle and was used to collect the interview data from the 10 interviews. Following elucidation of the template, I will provide an overview of the interview results and summarise some key responses that helped underpin the development of the survey.

This chapter demonstrates how the data were used to inform and develop the survey instrument to be used as the confirmatory research. The final approved copy of the survey instrument that was used in the research survey is provided at the end of the chapter. This chapter documents and articulates the process outlined in the research methods, which employed the information drawn from the different sources, including the interviews, to develop the final survey instrument. This development concludes the chapter and sets the groundwork for the findings and discussion chapter, which presents the survey and its analysis in full.

Semi-structured Interview Template - Questions
1. Based on your observations, do you think oil and gas organisations build dependence on expatriate staff, if so why?
2. Is it possible to develop an indigenous workforce in the early phase of the project so they are better skilled for start-up; what has led you to have that opinion?
3. If indigenization/nationalisation were to occur earlier, what do you think the cost difference would be between expatriates and nationals?
4. What are the key factors that limit the nationalisation of security and logistical workforces?
5. What factors would enable the early nationalisation of staff?
6. What factors have enabled you to be successful in the past?
7. In your experience, what key activities promote a successful mentoring program in a resource company operating in Papua New Guinea?
8. Do you have any other information or opinions regarding the mentoring or nationalisation in PNG that's not already been discussed?

Figure 5.1: Final Interview Template

5.2 The Interviews

The interviews were conducted according to the proposed structure and research methods, with the majority conducted face-to-face and recorded for later transcription. The researcher was responsible for conducting all 10 interviews. The full results can be found in the appendix. The final three interviews were conducted over the telephone, as it was not possible to meet face-to-face without difficulty. The same process was used for the telephone interviews, including recording the interview and transcribing it in full. All interviews were anonymous. A letter designated each individual participant, and no reference linked the participants to the letters. The statements and answers in response to the above questions are summarised in the figures below.

	Key Points and Themes Question 1 Based on your observations, do you think oil and gas organisations build dependence on expatriate staff, if so why?
A	Yes • Technical expertise of expatriates • Issues with education and training in the national workforce
B	Yes • Technical expertise of expatriates • Use of international assignments to give expat employees experience
C	Yes • Technical expertise of expatriates • Issues with education and training in the national workforce
D	Yes • Limited pool of educated experienced nationals • Poor recruitment structure that limits placing experienced nationals • Technical expertise of expatriates • Issues with education and training in the national workforce • Ability to hire and fire expats quickly (short term contracts no local labour law issues)
E	Yes • Technical expertise of expatriates (immediate capability no training needed) • Issues with education and training in the national workforce • Faster with Expats
F	Yes • Poor recruitment structure that limits placing experienced nationals • Technical expertise of expatriates
G	Yes • Limited pool of educated experienced nationals • Technical expertise of expatriates (immediate capability no training needed)
H	Yes • Limited pool of educated experienced nationals • Expats looking out for own positions (looking out for each other)
I	Yes • Limited pool of educated experienced nationals • Expats empire building
J	Yes • Limited pool of educated experienced nationals • Expats easier to use

Figure 5.2 Question 1

	Key Points and Themes Question 2 Is it possible to develop an indigenous workforce in the early phase of the project so they are better skilled for startup; what has led you to have that opinion?
A	Potentially • Not witnessed it being successful in 2 projects (early phase) • Reliance on Expat and OCNs even with larger National numbers
B	Yes • Selection of the right managers (Expats) to lead is crucial • Cultural understanding by management • Communication and language (expat manager to national) • Long process best started early (nationalisation) • Mentoring important • Skills development
C	Potentially but difficult • Limited pool of educated experienced nationals • Issues with education and training in the national workforce • Technical proficiency needed takes time to develop • Commitment from the company needs to be significant
D	Yes • Realistic in setting goals and roles they start at • Training that is structured and progressive like AQSF level 2 or 3 initially • Merit based Development of staff into Certificate IV and Diploma as they progress • The right staff to lead and train them
E	Yes, but not witnessed it in three projects • Need the right managers with an understanding of PNG and its culture • Shortage of skilled nationals to assist • Cultural shortcomings in big company's impacted nationalisation early • Need solid commitment from company (not ad hock or lip service nationalisation strategies) • Cultural understanding of PNG
F	Possible • Need the right Manager with an understanding of PNG • Need to have the time and resources to achieve objectives • Human Resources you need the right national staff to develop and the right management of these staff
G	Yes • Need to develop staff out of school before they start on the project • Long term view of staff development • Apprenticeships or trainee ships for staff (mix of practical and theory based training)
H	Yes • Strongly believe
I	Yes
J	Yes

Figure 5.3 Question 2

	Key Points and Themes Question 3 If indigenisation/nationalisation were to occur earlier, what do you think the cost difference would be between expatriates and nationals?
A	• Cost saving potential early due to reduced expats but cost increase later due to issues • Without skilled managers and technical experts to drive nationalisation it would not save money longer term
B	• It would be a massive cost saving if you could increase the national workforce earlier • The money would need to be spent on training and development of national staff to be effective
C	• Nationalisation programs should be seen as longer term • If it occurs too early before everyone is ready will be issues
D	• Cost much less • Significant quality and project time issues if done too early • Highly skilled nationals hard to find and expensive now
E	• Unknown
F	• Initial cost benefit to replacing expats early • Project time overruns due to reduced capability being much higher • False economy nationalising to early
G	• Would be a cost benefit but in the longer term • Need to still take a longer-term approach to nationalisation • Dependant on getting the right people in early Managers and National staff
H	Yes • Companies often take short term view only • Notion that if they upskill significantly they will leave
I	Yes
J	Yes • Lower cost

Figure 5.4 Question 3

	Key Points and Themes Question 4 What are the key factors that limit the nationalisation of security and logistical workforces?
A	• Demographical issues • Cultural issues
B	• Experience of managers (cultural understanding, suitability to PNG) • Not having the right people in roles both national and expats
C	• Culture • Time frame
D	• Lack of experienced staff • Lack of formal qualifications even in semi-skilled • Different starting standard than western country's • Wantok issues • Cultural issues • Motivation and cultural expectations of national staff • Cultural alignment between company and local staff
E	• Skills, knowledge and experience of national staff • Motivation and cultural expectations of national staff • Cultural alignment between company and local staff • Wantok issues
F	• Wantok issues • Cultural issues • Motivation and cultural expectations of national staff • Cultural alignment between company and Melanesian culture • Family responsibilities impacting work (priorities for many national staff are family first)
G	• Lack of training and development • Minimum wage mentality of company's dealing with security • Low motivation and engaugment of workers
H	• Reluctance to over invest in training and development staff • Time frame
I	• Cultural issues • Reluctance to invest in staff • Fear of staff changing companies once trained
J	• Qualified national staff • Training capability of the organisation • Recruiting Uni grads

Figure 5.5 Question 4

	Key Points and Themes Question 5 What factors would enable the early nationalisation of staff?
A	• Language and communications • Cultural understanding
B	• Mentoring • Language and communications • Cultural understanding • Training that needs to be nationally recognised and ongoing • Career progression and oportunitys (through recognised training)
C	• Identifying key Nationals early for supervisory or management positions • Sending national staff overseas to other projects for experience • Cultural alignment between the company and PNG • Company having a deep understanding of PNG culture • Training for staff, structured and ongoing
D	• Very good HR Department as critical • PNG national content plan needs to be developed and in place before boots on ground • Commitment from senior management • Cultural alignment between the company and PNG • Identifying key Nationals early for supervisory or management positions
E	• Commitment by Government • Commitment by the companys and management • Mentoring (as a credible program) • Community engaugment
F	• Mentoring programs • Selection of the right staff (Expat managers) • Selection of the right staff (National workers) • Management expertise in leadership, mentoring, PNG culture • Ownership of the process by management • Engagement with nationals • Critical managers lead by example, empathy and strong leadership
G	• Early start out of school into programs • Apprenticeships or traineeships pre-company job • Longer term industry focus rather than immediate nationalisation focus • Professional development
H	• Improving compensation and longer-term staff benefits • Early start out of school into programs • Apprenticeships or traineeships pre-company job • Professional development
I	• Improving compensation and longer-term staff benefits • Professional development • Graduate programs • Long term view
J	• Mentoring programs well structured • HR Process quality of staff • Graduate programs

Figure 5.6 Question 5

	Key Points and Themes Question 6 What factors have enabled you to be successful in the past?
A	• Language and cultural understanding • Incremental responsibility to build capability • Enable staff to problem solve and make decisions independently • One on one approach with staff feedback • Mentoring
B	• Cultural knowledge • Language and communications • Mentoring • Building relationships with staff based on mutual respect • Military background and country experience
C	• Recruitment of the right people • Cultural understanding • Training ongoing and proportionate • Engagement with staff • Selection of the right expat staff to mentor • Long term focus
D	• Cultural knowledge • Language and communications • Mentoring • Building relationships with staff based on mutual respect • Country experience • Training and development of staff
E	• Empowering the National staff • Cultural knowledge • Language and communications • Mentoring • Building relationships with staff based on mutual respect • Country experience • Training and development of staff
F	• Selection of staff • Training • Cultural understanding • Mentoring • Engagement of the national staff
G	• Cultural understanding • Mentoring • Engagement of the national staff
H	• Cultural understanding • Mentoring • Language skills • Effective communication
I	• Cultural understanding • Mentoring • Language skills
J	• Quality of Staff • Cultural understanding • Mentoring • Good HR

Figure 5.7 Question 6

	Key Points and Themes Question 7 In your experience, what key activities promote a successful mentoring program in a resource company operating in Papua New Guinea?
A	• Empower them to make small mistakes and learn from them • Build trust in the team • Engagement with staff
B	• Understanding the culture and country • Understanding the complexity of the people and living conditions • A deep understanding of what impacts the national staff allows a greater understanding of what motivates staff
C	• Engagement with staff • Training and selection of expats to mentor nationals is critical • Cultural understanding and experience for managers • Long term focus
D	• Mentoring programs require full commitment by the company and management • Strong HR team to support • Ongoing commitment by managers to develop national staff • Documented, audited and supported programs • Identify strengths and weaknesses with staff and develop plans to close out • Written, agreed on plans are most effective • Ongoing development and training opportunities for staff • Clearly defined HR policies for staff • Use of reward development opportunities for staff to receive training overseas • Graduate programs to assist promising staff educational opportunity • Use of the Australian AQF vocational qualification courses in training • Ongoing progressive opportunities for staff in training and development
E	• Formalised mentoring programs • Flexibility around family commitments (comes back to cultural understanding) • Longer term Session planning (staff can see the potential opportunities)
F	• Selection process for managers needs to incorporate additional skills • Support to managers by specialists in mentoring, training and PNG • Training and support to the National staff • Ongoing support and guidance to keep them at standard • Lead by example the national staff will look to the manager
G	• Selection of the Expat manager critical • Buy in from all the stakeholders • Remuneration is sufficient
H	• Understanding the culture and country • Understanding the complexity of the people and living conditions • Not trying to enforce western values on things
I	• Selection of Staff • Cultural understanding
J	• Quality of Mentors • Structured programs • Sufficient time allowed • Subject expert often not an effective mentor

Figure 5.8 Question 7

	Key Points and Themes Question 8 Do you have any other information or opinions regarding the mentoring or nationalisation in PNG that's not already been discussed?
A	• Culture • Mentoring • Selection of expat managers to mentor staff • Environmentally aware
B	• Leadership of the process (the company needs to drive nationalisation) • Cultural understanding from management • Most managers in PNG are not suitable mentors (lack skills in the area or knowledge) • Reluctance to nationalise or mentor by many managers (Once complete they are out of a job) • Lack or teaching and training skills with many expat managers (experts in their technical area only) • Lack of cultural buy in or knowledge by expats • Ex military expats possess the mentoring skills and cultural awareness as it's a taught skill in Army and used in skill transfer predominantly • Ex Army/Police expats are more dynamic and apt to adapt to local cultures more readily than traditional resource company staff
C	• Setting realistic expectations • Be community focused not just on internal company goals • Assist in Nation building
D	• Developing the new younger well educated class • Balancing the educated from the city with the support and development of locally employed (indigenous) regional staff from project area
E	• Lack of government support financially to support onus falls to the company in regional areas
F	• Mentoring has to be consistent • Training has to be supported and ongoing • Ongoing support to national staff and positive performance management • Achievable goals for staff •
G	• Understanding PNG culture • Wantok influence on company culture • Fair and transparent dealing with staff
H	• Nothing aditional
I	• No
J	• Cultural understanding • Suitability of Mentors • Mentor Skill Sets • Importance of mentors soft skills • Most Mentors ex Mil

Figure 5.9 Question 8

5.3 Key Issues and Discussion

The common theme throughout the interviews was the importance of mentoring in any workforce nationalisation program. This was also supported through the literature and, to a lesser extent, the case study. A sample of the comments from the interviews is provided below to support the themes; however, these comments are not exhaustive. As

aforementioned, the full interviews are contained in the appendix. The interviews were mostly supportive of the view that resource organisations in PNG indicate a dependence on expatriate staff. They also supported the possibility of early nationalisation in resource projects, given the right conditions; however, they were inconclusive in determining what, if any, dollar amount would be involved if this were to occur. As revealed in the quotations below, there was strong support for the need for mentors to be carefully selected and have both technical and soft skills to be successful as mentors in PNG. Significant cultural understanding and communication skills were also strongly supported, including understanding the local language. All the themes and statements were coded and summarised in the above tables for use in weighting the survey responses. The following quotations are presented to further the discussion of key themes.

5.3.1 Dependence on Expatriates

The first series of quotations discusses the dependence on expatriates, and why the interviewees thought this dependence exists:

> Within the oil and gas industry, external to Western countries, I believe there is a dependency built on expats, particularly through the start-up to project phase, and even into operations. I think this comes from a combination of issues, specifically within the PNG context. The low level of education and governance within PNG society means that, although you would have the number of people that you require to undertake any operation, it would take a lot of work by the company to build them up to the correct level … The dependency on expats is two-fold. One, it's start-up, and probably, two, it's to educate the workforce. (Interview C)

> Yes, I do, particularly in a third-world country, my experience is that there is a limited pool of national staff with the experience and the education that's required, coupled with, from what I can see, a very poor recruitment structure, so the recruitment companies that I dealt with in PNG have never given me good service or good-quality candidates. So to identify the local national staff is very difficult. Also, typically, the lead time can be a challenge for companies unless they do have some sort of plan from very early days. It's very difficult to employ staff, even if they come forward and experienced, and to teach them the company way and the company safety and security expectations. (Interview D)

> Because it's easier to bring in people from their own organisation, rather than to train up local staff. (Interview J)

The majority of interviewees held a similar view regarding companies' dependence on expatriates. This was supported by the literature and was confirmed as being worthy of inclusion in the survey for additional respondents to comment on.

5.3.2 Early Nationalisation

The questions regarding early nationalisation were twofold. First, they asked whether early nationalisation is possible to achieve. Second, they asked whether there would there be a cost saving from nationalisation. The quotations below support the findings identified in the literature and the summaries above. Almost all interviewees believed that it is possible to nationalise early and that it would potentially save costs. Some interviewees, such as Interviewee B, stated that nationalisation would enable massive cost savings, while other interviewees stated it would produce savings up front, but the cost would potentially equal out later. Overall, the majority supported both statements, but did not wish to suggest dollar values of the costs saved. For example:

> There's always going to be a number of willing, and probably intellectually capable, local nationals who could undertake early phase project start-up, but, having said that, all oil and particularly gas programs or projects are very heavily technologically based. If you don't have that base level of technological understanding—and I'm talking base-level computer skills, you know, even use of mobile phones, that sort of stuff—within the local community indigenous to the area you're starting up in, it will be very difficult to train a start-up workforce for early stage, and it would take a significant commitment from the company to do that … Early nationalisation of staff could be theoretically achieved by identifying key performers early and getting them involved in other projects that the company has involved globally. Again, I'm talking for larger companies that have global projects, so potentially moving them to other roles within the company in a third country, whereby they would get to understand the company, get a little bit of loyalty towards the company as well. That would also have to be tempered with the fact that the company would need to understand the culture and the tribal interactions between those people that they are bringing on board. (Interview C)

> Yeah, I think there would be a cost benefit in the long term. I mean, maybe initially, in mainstream or P2P cost would be prohibited because it will take even longer. I think the capacity of the PNG workforce is not as great as they expect. It's cultivating the right people, then identifying and matching those right people to skills and building on those, that may take a little bit more time in comparison to an expat. But in the long term, the cost would extrapolate out to probably be cheaper than maintaining an extra workforce. (Interview G)

> You know, there's going to be a cost benefit there. There's multiple sides to that too—it's not just a dollar benefit, as you said, and it may not be a dollar benefit, because if you get good-quality nationals, you've got to look after them because if you've got good-quality nationals in your team, in some of the countries I've operated in, they pay almost as much as expatriates, and if you're looking after them and their families with health and medical, those costs do add up. So, dollar aside, the benefits are, you know, there's a morale level on site, you got good senior nationals in your teams and operating it, it breaks down those potential communications issues, potential social issues. It also adds pressure on those issues as well because the local community pressures on those people—their own cultural pressures—can take its toll. But there's going to be a value there—that's a positive to have your own people in-country running your business. (Interview H)

> Yes, it definitely is [possible to nationalise early]. My previous company had some success previously that has led to nationals in key jobs, so they just need to expand on that. (Interview J)

> I think there would be a significant cost differential and that nationals would cost significantly less, but I think it will be very difficult to quantify unless you got a specific time or project. There are some PNG local national staff who are on significantly higher salaries than the rest of the workforce, almost approaching those of expats. One of the reasons for that is some of those people are getting housing or housing allowance as well, and that's one of the biggest expenses in that country, and it also obviously depends on how much project work is on in the region of the time, so that's kind of impacted directly on your expat rates. So, for instance, today, the rates are probably two-thirds what they were six years ago, which means you can get an expat for probably, $150 K salary with housing, etc. (Interview D)

These statements all support the possibility of nationalising the resource industry's security and logistical workforce early, and the potential for significant cost savings for

the organisation. This information now needed to be validated by the survey, and for the quantitative measurement to indicate whether this information was supported and by what percentage of respondents.

5.3.3 Human Relations

The literature is very clear regarding the importance of a strong HR team in an organisation to support the workforce nationalisation process. The challenges facing PNG in this area are well documented and discussed in many articles and books, and include certificate fraud, lack of transparency in some governmental and educational establishments, and the inability in many cases to accurately check background information. These HR challenges must be addressed effectively to have any chance of success in harnessing the local workforce. This is discussed in the following quotation:

> I think what we need internally is an excellent HR department. You need to have developed a very comprehensive and robust national content plan, so this needs to be identified well before any boots hit the ground, and commitment from senior management needs to be made, then to be managed and show that it's rolled out. So you need to get the people in early, and you need to get the plan in place and the people starting coming early to just understand the culture of the company. Typically the nationals in PNG are very, I guess, immature compared to Western cultures, like in the subject pretty jealousy and all sorts of office politics, so you need to then identify key positions in the national workforce and make sure that you put people in those key positions that will be able to drive the company culture and the management of people underneath them and keep them working as a team and, I guess, keep those cultural issues away from the productivity of the workforce. (Interview D)

The need for HR to be involved throughout the process and be a key stakeholder has been made clear. It is not only about hiring and firing—it is the ongoing support of national staff through strong HR leadership that supports success, as discussed further below:

> Have a dedicated HR training and mentoring program and a consistent, meaningful personal development system. So once most companies have all that stuff, they are not really going to use it. So if you do a PDA, personal development plan, it's normally tick the box, tick the box, it's all electronic. You need to read it to the local

> nationals, you need to be working with them always, weekly, to identify what their strengths and weaknesses are and help mentor them into the roles, but you want to help mentoring to be successful on the roles, you need to consistently document, and again I am told this specifically by PNG nationals. When something is through to HR, then you need to go through the HR process, correctly and in detail—that means writing a letter and having the letter given to the person. (Interview D)

> With my national staff, it's been the quality of staff we have employed, really smart and proactive; they listen and take on the training. If we have the right people in place to mentor, they really take on board what's being told to them. (Interview J)

According to other responses, hiring the right people, both expatriates and nationals, is central to having a strong workforce that can support mentoring and, with it, the nationalisation process:

> You need the right people to do that because a lot of the times they bring in supervisors, managers that don't have an understanding of the goings-on within the country. They don't have the skillset or the language sets to bridge the barriers between that, and then it's just really considered an expense to go through and work with the skillset of the people to bring them along and it is. It's a long journey. It's not something that can be done overnight, and it needs to be done right at the front end of the project and then having the staff that are mentoring them and working with them knowing what final outcome is required. (Interview A)

> The mentors themselves, not everyone can be a teacher or mentor. You may know your job really well, but may not be good at transferring that knowledge across to the staff. The role of mentors is above what an average or normal person is able or willing to do in many cases. So definitely good mentors are the key, as well as the time to train up people to do the job they need to do. (Interview J)

These points, which were coded and summarised in the 8 Figure above, were used in the survey. The respondents were asked to weight each point or theme to confirm the importance of each and how they affect workforce nationalisation.

5.3.4 Training and Workforce Development

One of the recurring themes was the training and ongoing workforce development of the national workforce. The literature articulates the importance of ongoing training and

development in developing nations, not just in PNG. The relationship to the workforce nationalisation process and to mentoring is well supported by the literature, and was further supported by the interview responses:

> My experience has been, we in my company actually, brought in a trainer from Australia from a TAFE college or a similar standard of educational providers and ran Certificate 3, 4 and diploma courses, and the development courses for local staff that we have employed, and used as a reward-based system for those who were good workers and also gave them a qualification. We did see significant results in productivity, specifically around logistics operators, and that was in the warehousing. The guys really reacted well and seemed to get a better grasp of things too. (Interview D)

The use of educational programs and traineeships was also covered by many of the interviews and is supported through the literature. The use of internationally recognised training or Australian Qualifications Framework training (which closely aligns with international standards) is important, as discussed below. Education and training before employees start work or early into an employee's new role are important enablers, as supported by many of the interviews:

> The ultimate activity that you can use would have to be the graduate program. This sees them taken through universities, but obviously it's going to be a long-term program, so getting that in place in a project environment, it's difficult. We found that the Australian Cert. III and Cert. IV-associated level of education was something that could be taught readily, practically and that they could grasp quite quickly to almost independently of what level of formal education they have had and that really gave them some direction. (Interview D)

> Okay, the perfect world. I think you got to grab them at the start. You got to get them coming out of school, with some education. And that's going to continue on through in the workplace, through your traineeships and employee professional development. That would see them flowing into industry, not just security that have cross-boarded all the resourcing sector. Then you would get a much more substantial national workforce, as opposed to domination by an expatriate workforce. (Interview G)

5.3.5 Culture and Communication

Being able to communicate is central to any relationship being formed, and mentoring is a relationship-based pursuit. The ability to develop a strong working relationship that promotes skill exchange and trust is another central element to mentoring and the workforce nationalisation process. Being able to exchange even basic pleasantries in the local language, as discussed below, demonstrates a level of interest and cultural understanding that helps engage the local workforce:

> Well, first of all, the language issue. I mean, PNG is easy. I mean because the PNG language is easy to learn. I think that being successful is that I've learnt the language, and I speak it relatively fluid. It opens up massive doors, huge doors. I think that a number of the expatriate staff there, that's where they struggled not learning. They could be in the country, they could be a long-term expat, but if I can't speak the language, the nationals know that. And the respect that you get for speaking the language far outweighs, in my opinion, any amount of time that you continue to go back to PNG. That said, definitely the language—that's the key, I think, to being successful there. (Interview A)

> It's a tough one because I have had some success and some failures where I thought I was successful; however, I found that learning a local language as much as you can has been a real boon for me, particularly in PNG. It allowed me to build personal relationships with the national workers. It sometimes can become an 'us and them' situation in countries, particularly with a language barrier, so I think that having some empathy to also workers, but really trying to develop them and prove to them that you are trying to upskill them and give them ongoing qualifications, etc. to move forward once the project is finished. (Interview D)

The ability to communicate and establish rapport with staff will greatly enhance a mentor's acceptance and assist in building trust in his or her team. Clear communication and honesty are discussed as being some of the most important factors in teaching and mentoring in PNG. These issues were covered in some detail in the survey to fully understand the importance of each and how they are weighted in importance.

5.3.6 Mentoring

The importance of mentoring in the promotion of workforce nationalisation in PNG was made very clear through the literature and interviews. While a great deal of work has

been done on mentoring in general and on mentoring in the context of indigenous personnel in other countries, little has been completed in the PNG resource industry. The work that has been completed in this field has involved predominantly internal company-specific studies that were not published. Anecdotal evidence from these sources suggests that mentoring is the single most important part of this process. This is also supported in the following quotations from the interviews and is summarised in the above table:

> The key thing to promote a successful mentoring program is being able to understand the country and the culture, the people, the diversity of the people, their living standards, and their conditions. Until you understand that and their challenges, you won't bridge that gap between the individuals, and then it's just knowing how to work and the different mind sets between their cultures and who you are dealing with. (Interview A)

> You will find that a lot of the guys that have come in to do the mentoring have a reluctance to be mentors, purely because they see that they are doing themselves out of a job, or, at the end of the day, the guys don't have the skill to teach or train because they don't have the understanding. Even if they are on the same level, they are not geared around it. They might know their trade, they know their craft, but they are not an instructor or a trainer *per se*, so then when you throw this dynamics from a different culture or Papua New Guinean culture, they don't understand it. They don't have or don't want or have the will to grasp that culture and their understanding of training. So you will get guys that will do stupid things that will derail the whole process and put it back, and then it's a decision that someone needs to make on whether they are going to remove that individual. Then they need to take that seriously because it's generally an expat and then they need to go and find the individual that can pick up and then plug them back in, and that's very limiting and challenging. Then you then have to rebuild that rapport with the whole national team to then try and backtrack and recover that training, and then, at that point, they are going to be guarded anyhow, so the next person is going to come in, there is a whole lot of groundwork that's going to derail the whole process that he's got to go through and fix. So it's very important to get your baseline right at the beginning and PNG people, the people having an understanding of what they need to achieve and what the end state is going to be. (Interview B)

The right level of engagement. When we are talking about mentoring, we are probably talking again about an expat mentoring program. So that links back to having the people with the right cultural experience, knowledge, not necessarily qualifications—just because you're a qualified anthropologist doesn't mean you're going to understand how people interact in Papua New Guinea.

The knowledge and experience of Papua New Guinea culture, gained over probably a number of different job groups. The fact that you've worked not only in the oil and gas industry, but if you'd worked, say, in logistics or security, or government or other programs having a mentor program run by and organised by people who understand the culture and who have worked in Papua New Guinea with Papua New Guineans, in parts of the country over a period of time. So, again, it's a long-term prospect—it's not something that you would be able to say, 'a person has done a year or two there, maybe they understand the culture'. (Interview C)

You need a proper mentoring program. You need one that's set up. It allows for people to move and to be successful in it within that department. You've got to show that there is promotion, there is progression, that's the government will support those processes because that's part of their policies. The other aspect to that is also that it's not just that you've got to make sure that, when you're doing a mentoring program, that there is major factors within PNG society, family interactions that impact on that progress, and therefore you'd need to give support to that particular person to achieve those areas that require more pressure and understand there might be decisions that—because it comes back to this PNG national perspective: 'What's in it for me? What's in it for my family?'. (Interview E)

For the mentoring and PNG people, again, that has to be constant—you just can't give somebody some bit of training or bit of knowledge and then just leave them loose and then expect them to work at what they are doing. The big thing for PNG citizens is performance management; there is this performance management, so we are always having to pull them up and say good job because they like to hear that, this is lot of things no one wants to hear that and growled at that time, but continuous positive reinforcement, positive management and giving them accurate, achievable goals, change their workplace, this is what I meant to do, and leave them to it. (Interview F)

It's interesting that there's a perception of some expatriates that, well, the local won't be as good as the expatriate, but there are local professionals in those fields that are

> very capable, very skilled, given the right support and mentor. Identifying the right people in the right roles. Proper job descriptions, proper roles and responsibilities outlined, appropriate mentoring and appropriate check and balances on the guys. (Interview H)

It is evident that mentoring, mentoring programs, the mentors themselves and the skillsets possessed by the mentors all heavily influence the success of workforce nationalisation in PNG. The survey covered all these aspects in detail. Moreover, in addition to asking the extent to which mentoring and its components are required, it sought to discover how they work together.

5.3.7 Engagement

The ways in which managers and leaders expect mentors to engage with the national staff they are leading is critical to the success of any team. The evidence from the literature pointed towards this being an important part of the process, and this importance was also supported through the interviews:

> We need expats actually interested in the local culture, interested in the local people and standing by them and show them by example and leading by example. This is what has to be done and there is no 'I tried my best'. This is the standard; you need the standard and we continue from this. That's the sort person you need, and I guess this is why the leading by example needs the people with the right integrity that stand by and say, 'this is exactly what I am doing and this is how it is supposed to be done', and you don't falter. You have to have a standard that you stick to and you have to be able to imitate somebody in a position that they may have done. (Interview F)

> I think you got to understand the culture, for sure. And you got to embrace it. You got to understand they got their own way of doing things and you can't come in and label the side you're in, detail why you have highlighted it in which to pick a fight with a lot of them, and not take an attitude of being autocratic in your room. You got to give in to the talent, the ownership of what they're doing, of why, and that will take a lot more interest and pride and being an asset to the company, rather than just a bum on their seats. It's huge. That flexibility, the can-do attitude, I think has saved me doing well in making business, recognising their weaknesses and their strengths. Building a way to assist, but also using their strengths and not only right in today, but also being better as well. (Interview G)

> I think definitely I have a better understanding of the culture, a good understanding of the culture, and making efforts to understand the culture makes a huge difference. You do get a lot of foreign experts who come in and not make any efforts whatsoever, and they'll just fail miserably. Language skills is definitely another one. (Interview I)

As indicated by the interview responses, the ways in which expatriate staff engage and develop trust and teamwork is a central element of workforce nationalisation. While closely related to communication and cultural understanding, these issues were developed further in the survey to enable a clearer picture to be established.

Ongoing support for national staff is also part of this dynamic and was considered in the interviews. The interviewees suggested that the performance of staff needs to be managed in a consistent, fair and transparent manner, with ongoing one-on-one feedback. Development of work plans that address shortcomings, while promoting strengths, are integral to the success of local staffs' development. This is clearly articulated in the interview quotations below:

> So once you have given them the training, the constant supervision, constant mentoring, and again just showing them what the standard is, bringing them up to the standard and trying to teach them to maintain that standard is actually the hardest part. (Interview F)

> Training and mentoring is a big thing, and gradual increments, with the right job description and the right skillsets required in place and the right exposures, elevating the guys into the role, but having that check and balance for them, so they've got someone they can rely on to go back to and be held accountable, but also to sound out if they're on the right track. (Interview H)

> Making sure you have people who can actually mentor well in these positions in leadership. Mostly ex-military are currently successful mentoring, but it's more about the individual characteristics of the person—being patience, knowledge of the subject and a willingness to work with someone, and cultural understanding of the people you're working with, as PNG has differences that many other countries may not have. Having worked previously in PNG would greatly benefit the mentors as well. (Interview J)

This concludes the discussion of the key themes identified through the interviews and summarised in the table above for use in the survey development.

5.4 Developing the Survey

After reviewing the literature, extracting the relevant information from the interviews, and summarising those findings, the two sources of data had to be compared to develop the survey. The use of mentoring in support of workforce nationalisation was common to both the literature and interviews, as was the importance of communication and cultural understanding.

All the interviews supported what was discussed in the literature—that there appears to be a dependence on expatriate staff in resource organisations in PNG. Additionally, the interviewees agreed that it was possible to nationalise the workforce much earlier. The majority of interviewees also supported the claim that companies would enjoy a cost benefit and definitely a reputational benefit from earlier nationalisation of their workforces. All these findings were used to develop the questions and statements for the survey. Any statement or view supported by at least two interviewees was included.

In consultation with quantitative research specialists, it was decided that, because the sample group comprised individuals with strong professional experience, any responses that were shared by more than one participant should be included in the survey. The interview responses were used as a benchmark to develop the survey, with a Likert scale used to assign a weight to each item.

Additionally, the first draft of the survey was revised to include demographic information and the use of the Likert scale, as detailed above. Given that this was one of the first surveys conducted on this subject in PNG, as well as the difficulties in obtaining over 100 respondents from this field, it was determined that this additional demographic information should be included for future use. These details also provided more depth to the initial data being sought, and enabled comparisons of the responses across the different demographic groups.

5.5 The Complete Study Survey

Copy of Survey

Workforce Nationalisation in Papua New Guinea: Security and Logistics in Resource Organisations

Dear Participant

You are invited to participate in this anonymous survey in support of a research project described below and on clicking next below will be agreeing to participate.

What the project is about

The aim in the research is to examine how resource companies operating in Papua New Guinea manage and develop their national logistic and security workforce and how nationalisation or workforce indigenisation occurs in this context. The intention is to contribute original knowledge to the field of industry security and logistics nationalisation theory by identifying the reasons that a reliance on expatriate staff is prevalent in the industry and exploring and documenting the most effective methods for early nationalisation of workforces. Moreover, by developing a theoretical roadmap relative to achievement of early indigenisation in the field, the industry will be empowered to transform current practices and theory.

Who is undertaking the project

This project is being conducted by Warren Doudle and will form the basis for the degree of PhD at The University of Notre Dame Australia, under the supervision of Professor Leland Entrekin and Professor Peter Gall.

What will I be asked to do and are there any risks associated with participating in this project?

Answer the anonymous survey and there is no foreseeable risk in you participating in this research project.

What are the benefits of the research project?

One of the more significant outcomes is the establishment of a theoretical Research Outcome Model (ROM); a body of knowledge created with the potential for a reduction in expatriate costs from early nationalization. Other benefits of early nationalization could include: reduced localized unemployment, reduction in petty crime, and reduction in potential radicalization of unemployed youth and reduction in travel costs. Local employees would work for longer terms due to their residential status, positively impacting on workforce retention. Employing locals also instills a greater community ownership of the project, injects more money into the local economy at a grassroots level and creates training and support infrastructure which would be transferable to future projects in the country.

Will I be able to find out the results of the project?

Once the study is complete the results will be published and made available through Notre Dame.

What if I have a concern or complaint?

The study has been approved by the Human Research Ethics Committee at The University of Notre Dame Australia (approval number 017081F). If you have a concern or complaint regarding the ethical conduct of this research project and would like to speak to an independent person, please contact Notre Dame's Ethics Officer at (+61 8) 9433 0943 or research@nd.edu.au. Any complaint or concern will be treated in confidence and fully investigated. You will be informed of the outcome.

How do I participate?

If you are happy to participate, please click on the link taking you to the survey.

Yours sincerely,
Warren Doudle

Copy of Survey

* 1. Which of the following describes you?

- PNG National
- Non-PNG National

* 2. Do you identify as

- Male
- Female
- Don't wish to Identify

* 3. Which describes your age group

- Less than 29
- 30 to 39
- 40 to 49
- 50 plus

* 4. Which describes your highest education attained including any current study

- High School
- Vocational
- Undergrad Incomplete
- Undergrad
- Post Grad

* 5. Would you consider your experience working on resource projects in PNG as

- None
- 2 years or less
- 2 to 5 years
- 6 to 10 years
- Over 11 years

* 6. Based on your observations, do you think resource organisations build dependence on expatriate staff

1. Strongly Agree	2. Agree	3. Neutral	4. Disagree	5. Strongly Disagree
○	○	○	○	○

* 7. Rate the following factors and their impact on building dependence on expatriate staff in resource organisation's

	Very Important	Important	Neither	Unimportant	Very Unimportant
Ability to hire and fire expats quickly (short term contracts no local labor law issues)	○	○	○	○	○
Expats looking out for own positions (looking out for each other)	○	○	○	○	○
Issues with education and training in the national workforce	○	○	○	○	○
Poor recruitment structure that limits placing experienced nationals	○	○	○	○	○
Use of international assignments to give expat employees experience	○	○	○	○	○
Faster with Expats	○	○	○	○	○
Limited pool of educated experienced nationals	○	○	○	○	○
Technical expertise of expatriates	○	○	○	○	○
Expats easier to use	○	○	○	○	○

Please rate your response to the following statement's

* 8. It is possible to develop a national workforce in the early phase of the project so they are better skilled for startup

1. Strongly Agree	2. Agree	3. Neutral	4. Disagree	5. Strongly Disagree
○	○	○	○	○

* 9. If workforce nationalisation was to occur earlier in projects their would be cost benefits to the company

1. Strongly Agree	2. Agree	3. Neutral	4. Disagree	5. Strongly Disagree
○	○	○	○	○

* 10. If workforce nationalisation were to occur earlier in a project there would be a positive time difference to the project delivery

1. Strongly Agree	2. Agree	3. Neutral	4. Disagree	5. Strongly Disagree
○	○	○	○	○

* 11. If workforce nationalisation were to occur earlier there would be significant reputational benefits to the company

1. Strongly Agree	2. Agree	3. Neutral	4. Disagree	5. Strongly Disagree
○	○	○	○	○

* 12. What are the key factors that limit the workforce nationalisation of security and logistical workforces in your experience?

	Very Important	Important	Neither	Unimportant	Very Unimportant
Cultural issues	○	○	○	○	○
Experience and suitability of managers	○	○	○	○	○
Not having the right people in roles both national and expat	○	○	○	○	○
Lack of qualifications even in semi-skilled	○	○	○	○	○
Wantok issues	○	○	○	○	○
Motivation and cultural expectations of staff	○	○	○	○	○
Skills, knowledge and experience of staff	○	○	○	○	○
Lack of training and development	○	○	○	○	○
Minimum wage mentality of companies	○	○	○	○	○
Low motivation and engagement of staff	○	○	○	○	○

* 13. What factors would enable the early nationalisation of staff please rate the impact of the following

	Very Important	Important	Neither	Unimportant	Very Unimportant
Mentoring programs	○	○	○	○	○
Communication (Expats learning language)	○	○	○	○	○
Training needs to be nationally recognised and ongoing	○	○	○	○	○
Identifying key national staff early for supervisory and managment	○	○	○	○	○
Selection of staff (Expat)	○	○	○	○	○
Selection of staff (National)	○	○	○	○	○
Longer term industry focus rather than immediate focus	○	○	○	○	○
Apprenticeships or traineeships pre-company employment	○	○	○	○	○

* 14. What factors have you seen being successful in the past please rate the following

	Very Important	Important	Neither	Unimportant	Very Unimportant
Selection of expat managers to mentor local staff	○	○	○	○	○
Language and cultural understanding	○	○	○	○	○
Incremental responsibility to build capacity	○	○	○	○	○
One on one approach with feedback for staff	○	○	○	○	○
Mentoring	○	○	○	○	○
Building relationships with staff based on mutual respect	○	○	○	○	○
Paramilitary background and in country experience	○	○	○	○	○
Training and development of staff	○	○	○	○	○
Selection of mentors	○	○	○	○	○

* 15. In your experience, what key activities promote a successful mentoring program in a resource company operating in Papua New Guinea?

	Very Important	Important	Neither	Unimportant	Very Unimportant
Build trust in the team	○	○	○	○	○
Engagement with staff	○	○	○	○	○
Understanding the culture and country	○	○	○	○	○
Long term focus	○	○	○	○	○
Mentoring programs need full commitment by management and the company	○	○	○	○	○
Identifying strengths and weaknesses with staff and implement personal development plans	○	○	○	○	○
Educational opportunities such as graduate programs to assist promising staff develop	○	○	○	○	○
Long term session planning (staff can see where the future opportunities are)	○	○	○	○	○
Quality of mentors and managers	○	○	○	○	○

* 16. What in your opinion makes a good mentor in PNG?

	Very Important	Important	Neither	Unimportant	Very Unimportant
Not trying to enforce western values on everything	○	○	○	○	○
Staff engagement	○	○	○	○	○
Understanding the country and culture	○	○	○	○	○
Communications skills (speaks Tok Pison)	○	○	○	○	○
Builds trust in the team	○	○	○	○	○
Has training and teaching skills	○	○	○	○	○
Fair and transparent dealing with staff	○	○	○	○	○
Ongoing support to national staff and positive performance management	○	○	○	○	○
Ex-Military or Police background	○	○	○	○	○

* 17. What other factors do you think impact workforce nationalisation in a resource company operating in Papua New Guinea?

	Very Important	Important	Neither	Unimportant	Very Unimportant
Selection of expat managers to mentor staff					
Leadership of the process					
Reluctance to mentor by managers					
Setting realistic expectations					
Consistency of mentoring					
Ongoing and supported training					
Ongoing support to national staff and positive performance management					
Understanding of PNG culture					
Fair and transparent dealing with staff					

5.6 Conclusion

The final survey instrument was approved by the ethics committee from the University of Notre Dame Fremantle on 1 November 2017, and went online on 16 November 2017, when the link was emailed to the participants. The first responses arrived on 20 November 2017 (see the response graph detailing the volume and dates of responses in Figure 5.10 below).

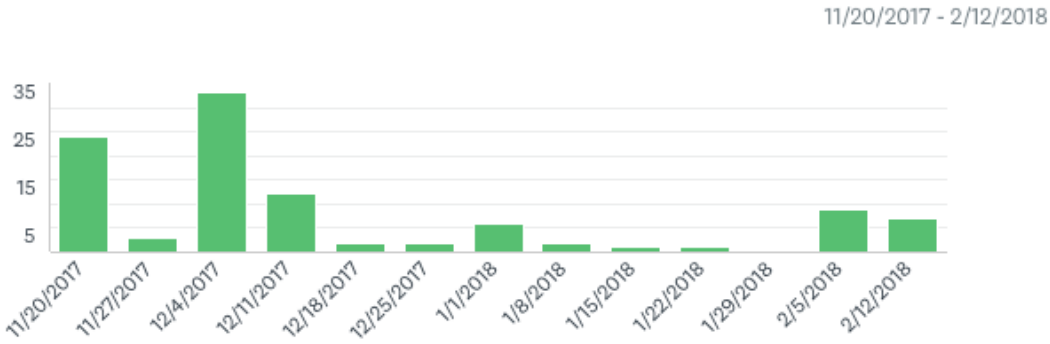

Figure 5.10: Responses to the Survey by Date

Three hundred possible participants were contacted over a period of three months, most in the first weeks. The best-case scenario target of over 100 responses was achieved on the cusp of the three-month mark. The survey was closed for responses on 12 February 2018, with 102 responses received. The following chapter will present the findings, and discuss and analyse the data.

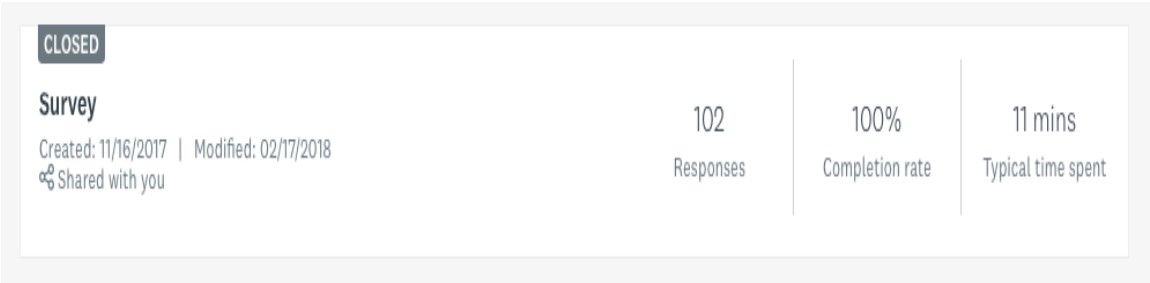

Figure 5.11: Survey Creation and Response Record