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

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Chapter 7: Conclusion

7.1 Introduction of Chapter

This final chapter will provide an overview of the work undertaken in this study, followed by presenting the conclusion to this research. This conclusion will include a consideration of the limitations of the research, the major findings and the potential influence of these discoveries. Additionally, it will demonstrate this study's substantial and original contribution to knowledge in the field of workforce nationalisation, and outline areas of potential future research. The summary of findings from the preceding chapter will be outlined and summarised with the final research outcome model.

7.2 Overview of Thesis

This thesis has followed the progress of the research, from the original design and proposal through to the presentation of the final survey data in the preceding chapter. The use of a case study, a literature review and 10 interviews to gather qualitative data to inform and develop the survey instrument was found to be an effective method for the research. The journey was clearly mapped out and documented, with each chapter demonstrating how this research was achieved and what was accomplished. The findings chapter reported on the results of the survey in detail and analysed how the data affected the research questions.

7.3 Limitations of the Research

While the research was able to address almost all of the questions asked in the proposal and gain an in-depth understanding of the workforce nationalisation process, it did have some limitations. Although it was not originally designed to extend beyond the research questions, the research survey collected valuable data that could be used for additional future research in this area. As a result of the difficulty in undertaking interviews and completing a survey with such a large number of industry professionals in this field, combined with the researcher's position, the decision was made to gain as much relevant data as possible. While all the data were used and analysed to draw key findings in relation to the original research questions, much more could be done using these raw data. Thus, this is a limitation of this research and an avenue for further

research. Another limitation is the narrow scope of the research, which focused specifically on security and logistical staff in the resource industry. This scope could be developed further in the future to include a more a country-based focus. Other limitations include the availability of sensitive industry data, which could exist in this field, but are deemed confidential by commercial companies. Finally, further research conducted using these findings in conjunction with a mature PNG-based operator may generate stronger results or confirm this study's findings.

7.4 Major Research Findings

This research set out to discover the most effective way for an organisation's logistical and security operations to undertake workforce nationalisation in the resource industry in PNG. To this end, a series of minor research questions were developed to support the primary research question. Through a review of the literature and semi-structured interviews, these initial research questions were developed further into the survey questions. The participants of the survey were drawn from a purposive sample selection consisting of current and former staff—predominantly managers and leaders—involved in projects with security and logistical organisations in the PNG resource industry. Although this purposive sample was demographically anomalous in comparison with a comparable sample in society, middle-aged men traditionally dominate this industry; thus, the sample offered an appropriate representation in this instance. Indeed, over 90% of responses were from male participants, which reflects the demographics found in the perpositive population and was not cause for further analysis. In terms of the nationalities surveyed, 27% identified as PNG nationals and 73% identified as non-PNG nationals or expatriates; this also aligns with the data from the case study and employment figures.

Additionally, over 67% of respondents had a tertiary education and 11% reported having an unfinished tertiary education. A further 12% had vocational education up to and including advanced diplomas and diplomas, while the remainder (around 7%) had finished high school. These were interesting demographic data that, while not part of the primary research, were still valuable for determining differences in perceptions across a variety of factors.

The survey of these 102 industry professionals, predominantly from key roles, provided unique insights into what they had experienced first-hand, as well as what they had witnessed over decades of working in PNG. Based on the findings from the literature review, this study is the first of its kind to conduct research in this subject area in PNG. As will be discussed in more detail during the section on further research opportunities, the uniqueness of the study subject renders the collected raw data very valuable for future research.

To summarise the demographic information, after comparing cross tabs and the average weights for each of the key responses, while there were minor differences (which were discussed in detail in Chapter 6), they did not affect the rankings of the key responses. It was found that level of experience had more of an effect than age or nationality in terms of influencing differing responses. However, none of the demographic distinctions produced sufficiently different findings to alter the results or the analysis of the findings. Therefore, the weighted average of each response was used. With the demographic findings and their effect on the research findings clearly established, the major research findings can be presented. The most effective way to present these major research findings is to return to the questions posed in the original proposal that drove this research project.

7.4.1 Minor Research Questions

Why do resource organisations build dependence on expatriate staff?

Multiple questions were required to address this question fully, as the fact of dependence on expatriate staff had to be established before the reasons for this dependence could be established. The fact of dependence on expatriate staff was demonstrated conclusively, as 86 of 102 respondents either strongly agreed or agreed with this statement. With a weighted average of 1.88 in response to the statement that resource organisations in PNG do build dependence on expatriate staff, the survey demonstrated clear support for this statement.

After determining this fact, the next step was to question why this dependence exists. The top response in answer to this question was issues with a lack of education and training in the national workforce, which had a weighted average of 1.39. The analysis of the semi-structured interviews and relevant literature on the subject also supported

this being one of the top reasons. Specifically, issues with education include availability, lack of transparency, and authenticity of educational documents. Additionally, low levels of education and a lack of available training positions significantly affect the skills and training qualifications of the national workforce. The second response, with a weighted factor of 1.47, was the technical expertise of expatriates. The discussion based on the literature and interviews also suggested that companies prefer being able to hire technical experts from overseas, and then release these employees as soon as they are no longer required.

This is especially prevalent in the resource industry during the project and construction phase, as was demonstrated further through the responses to the survey. The final three factors from the top five responses to this question were a limited pool of educated experience nationals, which was closely related to the first response; expatriates being easier; and a recruitment structure that limits placing nationals. These results were fairly conclusive in demonstrating that the three main factors that cause resource organisations to depend on expatriates are the speed and ease of use provided by expatriates, issues with finding and recruiting the right national staff, and the perceived and real issues surrounding the education and training required to produce an experienced pool of national staff.

How does the role of expatriate staff affect national staff?

Based on the responses to multiple questions in the survey, as well as the literature review and interviews, there was overwhelming support to suggest that the suitability of managers and the ways they mentor national staff are critical ways in which expatriate staff affect national staff. The need for ongoing support for national staff through positive performance management received a weighted average of 1.27. The consistency of mentors and quality of mentors both had very high responses, with weighted averages of 1.21 and 1.40, respectively, while fair and transparent dealing with staff had a weighted average of 1.25, staff engagement was weighted at 1.27, one-on-one feedback with staff was weighted 1.48, and staff engagement was weighted 1.27. When considering how all these responses factored into answering this question, it was noteworthy that the predominant responses all related to mentoring and how mentors interact with national staff. One example of this was 'selection of mentors', which was a response from Question 14 that received a weighted average of 1.25. This was followed

closely by mentoring and the ways mentors train development staff, which had a weighted average of 1.30. While other factors could be considered important, such as understanding the culture, the variety of responses across multiple questions all supported the idea that being transparent when dealing with staff and improving staff engagement are the most influential issues.

If nationalisation were to occur earlier through advanced activity in each of the cases studied, what would be the approximate difference from a cost perspective between the use of expatriate and national staff?

While this minor research question was designed to identify an approximate delta (difference in numerical figures) regarding what would happen if nationalisation were to occur earlier, it could not be estimated with any real degree of accuracy. Nevertheless, 33.33% of the respondents strongly agreed that there would be a positive cost benefit, while an additional 34.31% agreed there would be a positive cost benefit. However, 15.69% of the respondents remained neutral, 14.71% disagreed and 1.96 strongly disagreed that there would be a positive cost benefit to the company. This produced a weighted average of 2.18 in support of the potential for cost benefits to companies undertaking early workforce nationalisation. This indicated that the majority of respondents agreed that there would be positive cost benefits; however, any dollar amount would be proportionate to the rate of nationalisation and the size and complexity of the project.

This provides evidence of a positive cost benefit to workforce nationalisation, and, the earlier the process is started, the greater the potential cost savings. This proves that early workforce nationalisation and any money spent on the early training and development of national staff is a business enabler and provides the potential for cost reduction over time. This information will allow companies to make financial decisions in a more holistic manner when preparing budgets for projects that integrate local content and workforce development. Spending in this area should be viewed as an early investment with a tangible return in the medium to long term, and not a required cost to be borne out of social or governmental requirements. This research has also proven that the greatest return on investment derives from a well-developed and supported workforce nationalisation plan that uses the mentoring model developed from the research. The use of sporadic, ad hoc attempts at mentoring or workforce nationalisation in an

organisation will not only be less cost effective, but will also produce significantly worse results.

Which key factors limit early nationalisation of security and logistical workforces?

The skills and experience of staff, or lack thereof, was the highest rated factor offered in response to this question on the survey, while not having the right people (both nationals and expatriates) in roles, and the experience and suitability of managers received similarly strong responses. Both the reviewed literature and the interviews confirmed that these factors were the largest limitations. When staff lack skills, knowledge and experience, this directly relates to the second problem of not having the right people (both nationals and expatriates) in roles.

When taken in context with response three—the experience and suitability of managers—these factors are all similar and/or affect each other, as the wrong people in certain roles are unable to support other potential mismatched personnel. It was discussed that an inexperienced manager with little knowledge or interest in mentoring, leading staff with minimal training and experience, significantly affects the workforce. The ways in which staff are led and treated, and the support they receive from managers and supervisors are all key factors that limit nationalisation programs if they are not handled effectively.

Which factors would enable the early nationalisation of staff?

The top survey response to this question was the selection of national staff, with a weighted average of 1.30. This was closely followed by mentoring programs, with a weighted average of 1.32. Identifying key national staff early for supervisory and management positions also scored highly, with a weighted average of 1.37. Selection of expatriate staff and apprenticeships or traineeships came in fourth and fifth place, with weighted averages of 1.42 and 1.43, respectively.

These results support the anecdotal evidence from the literature review and interviews that it is critical to select the correct staff—both expatriates and nationals—early in the process, with a focus on finding national staff suitable for supervisory and management positions, who can be mentored and developed at the beginning of the process. With mentoring programs in second place, and critically related to the first, third and fourth

responses, the quantitative data support the idea that mentoring is a critical answer to this minor research question. Selecting the right staff to be mentored, coupled with having the right mentors and managers, has been shown throughout the research to be critical to the workforce nationalisation process.

With the minor research questions addressed and all the findings from the different stages of research brought together, the final major question can now be addressed.

7.4.2 Major Research Question

Which key activities promote a successful program to enable early nationalisation of logistics and security workforces in a resource company operating in PNG?

It has been well demonstrated throughout the survey results, case study, literature review and interviews that mentoring is a key factor to support workforce nationalisation. It was further shown above that, in addition to only implementing mentoring or a mentoring program, there needs to be full commitment from management and a well-designed and well-operated program. This needs to be driven by the right people, as indicated by the importance granted to the selection of managers and mentors. Without trained and experienced mentors, the program will have a reduced chance of success. When viewed holistically with the four supporting factors, this comes together into a single model to demonstrate the optimum workforce nationalisation model, as discussed below.

7.5 Implications of the Findings

The implications of the findings are critical to the way PNG national staff and their future development is viewed in the resource industry. Given that this research proves that resource companies have built dependence on expatriate staff and that it is possible to transfer skills and nationalise earlier, companies and key managers must revisit their workforce nationalisation programs. Expatriate managers and mentors must be held accountable for the provisions in their work permits regarding the development of national staff. With clear evidence that early workforce nationalisation programs will have a positive effect on both the reputation and finances of businesses, companies can now develop more aggressive workforce nationalisation targets. This research has demonstrated that acting morally will also provide financial benefits. One of the more

pertinent implications from the findings is that mentoring is the single most important driving force in the workforce nationalisation process. A strong mentoring program that is well supported and developed and that employs the spectrum of supporting elements will enable the organisation to nationalise its workforce more effectively.

7.6 Theoretical and Practical Outcomes

This research developed the following theoretical model for workforce nationalisation built around mentoring.



Figure 7.1 Final Mentoring Model

This theoretical model is based on the results from the research and underpinned by strong statistical support in each area. The evidence in the findings strongly supports that mentoring should be used as the primary function to progress a workforce nationalisation program. The support of the four enabling factors—engagement, cultural understanding, training and development, and HR—underpins the success of the mentoring program. This is the way forwards to pursue a nationalised workforce in the resource industry in PNG. This can be implemented practically through a well-defined mentoring program that is supported by senior management and that incorporates all of the supporting four factors and the building blocks found within each group, as detailed in the findings.

7.7 Original Contribution to the Body of Knowledge

This study has made the following original contributions to knowledge in the field of resource industry security and logistics nationalisation theory:

- It has proven that there is a reliance on expatriate staff in the resource industry in PNG, and demonstrated why this practice is so prevalent.
- It has discovered and presented the most statistically effective methods for the early nationalisation of workforces in a resource industry environment in PNG.
- While an exact dollar amount could not be determined with any accuracy, the research demonstrated that there would be a positive cost difference to companies that undertake early nationalisation programs.
- Finally, and most importantly, this research developed a theoretical roadmap to achieve early nationalisation in this field that can be used by industry to change current nationalisation practices and theory.

Using this research, it can be demonstrated that the early nationalisation of the security and logistical workforce in PNG is very possible, is highly cost effective in both the short and long term, and will have reputational benefits for the company that far exceed any tangible benefit. It proves that central to this process is mentoring programs that are supported by management and underpinned with strong HR support, cultural understanding, training and ongoing development and (most importantly) engagement. This has all been proven throughout this research and supported by the data. This presents an original contribution to knowledge in this field and will provide a base upon which ongoing work can be undertaken.

7.8 Future Research

There has been a previous lack of research in the area of workforce nationalisation theory in PNG generally, and specifically in the security and logistical fields. Areas of potential research that would continue to move the developed body of knowledge forwards should include more specific research into mentoring programs in resource organisations in PNG. This would be valuable and is currently receiving a great deal of interest from government and academic actors in PNG. Research into the ways that this new mentoring-based nationalisation model could be adapted and used in an

organisation could be compared with previous methods in a case study, which would also be of merit. This research could also be compared with existing work being undertaken by Aboriginal scholars in Australia to determine whether it has merit in that context. Any research that furthers the body of knowledge on workforce nationalisation in PNG and supports the transition of local staff into management has great merit and should be supported.

7.9 Conclusion

This research has been able to confirm with a high degree of accuracy that resource organisations do build dependence on expatriate staff in PNG. It has shown that many companies, while aiming to nationalise their logistical and security workforces, have had mixed results, despite substantial spending. It has proven that these mixed results are predominantly caused by multiple issues, such as incompatible or misaligned HR practices, poorly designed or supported mentoring programs, and a lack of cultural understanding used in the process. More importantly, this research found that if companies pursue early workforce nationalisation, they will attain cost benefits. This research has also demonstrated that substantial reputational benefits would be achieved by the organisation, which could flow onto public perceptions and community engagement. This is extremely valuable to organisations that are reliant on landowner interaction and ongoing support for their projects. However, the most important conclusion derived from this research is determining which factors a workforce nationalisation program needs to succeed, and how that final model should appear.

The findings from this research, which culminated in the final confirmatory survey of 102 industry professionals, have proven that mentoring is the fundamental key to successful workforce nationalisation in the resource industry in PNG. It has proven that, for mentoring to be successful, the mentoring program must be well resourced, well designed and strongly supported by the organisation's most senior managers. Moreover, it has found that, for the mentoring program to be as effective as possible, it must be underpinned by strong HR support, training and development, engagement with staff, and cultural understanding.

All the findings clearly demonstrate which factors are most important to the process, and how they are interdependent with each other and with mentoring, as demonstrated

in the model. These conclusions are unequivocal in indicating the importance of mentoring for the success of the workforce nationalisation process for the resource industry's logistical and security teams. Additionally, this research has proven that early workforce nationalisation in PNG is a sound investment by companies because it generates positive financial benefits and significant reputational benefits.

Overall, this research has achieved its aim, which was to prove that companies can nationalise their workforce in PNG earlier, and that this early nationalisation would be of great advantage to them. If even a single company in PNG decides to use this new workforce nationalisation model to improve the effectiveness of their nationalisation program to increase local employment, this research has been worthwhile.