



Munich Personal RePEc Archive

**Demographic profile of Non Resident
Indian professionals in the GCC
countries: A case study.**

Naithani, Pranav

2012

Online at <https://mpra.ub.uni-muenchen.de/68720/>
MPRA Paper No. 68720, posted 08 Jan 2016 20:55 UTC

Demographic profile of Non Resident Indian professionals in the
GCC countries: A case study.

Dr. Pranav Naithani

Business Faculty, Higher Colleges of Technology

Sharjah, U.A.E.

Email:pranavnaithani@gmail.com

Year 2012

Abstract

Transformation in the demographic profile of the global workforce has brought in new challenges, especially with reference to the global expatriate workforce. For regions like Gulf Cooperation Council (GCC) countries, which heavily depend on expatriate workforce in the private sector, further research on demographic factors of expatriates is imperative as these factors significantly influence expatriate adjustment in a foreign location. The beginning segment of this paper presents major factors which have influenced demographic profile of the global workforce, followed by discussion on the growth of the expatriate population in the GCC countries. The paper further presents findings of a survey conducted to explore the demographic profile of a niche expatriate segment of Indian higher education teachers working in GCC countries. The findings of the survey are also compared with other research on the demographic profile of expatriates. This paper concludes with suggestions for further research on the demographic profile of expatriate workers in the GCC countries.

Keywords

Expatriate, demographics, Gulf Cooperation Council countries, NRI, higher education.

1. Introduction

Over the last five decades, demographic profile of the workforce has significantly increased, primarily due to higher participation of women in the workforce. More numbers of families

are now dual earner families in which both the partners work outside the home. With changing social and family structure, population growth declined in advanced nations, thereby increasing dependence on older workers. Parallel to these changes, one more major change has been witnessed in the global workforce in the last five decades, and that is of significant growth in expatriate workforce, especially in GCC countries. Following section of the paper dwells into factors which have influenced demographic profile of global workforce, followed by discussion on growth of expatriate population in GCC countries.

2. Demographic changes in global workforce

Following are the major changes witnessed in the demographic profile of global workforce in the last five decades.

2.1. Increase of women in workforce

Women's participation in the workforce has significantly increased in the recent past. Commencement of the 21st century witnessed over 70 percent women in the age group of 20-54 years as economically active and over 40 percent of the global workforce was women (Wirth 2001). In UK, in 1960 only 33% of the women were female which increased to 45% by 2001 (Marchington and Wilkinson, 2002). In Canada in 1951 only 24% of the workforce was women and by 1999 it increased to 55%. Between 1976 and 1999, the participation rate for women in Canada with children under 16 grew from 39% to 71% (Johnson et al., 2001). Women made up 40% of the work force in Japan by 2003 (Berg et al. 2004) and in Australia in 1980 around 45% of women were in workforce which increased to over 55% of women participating in workforce by 2005 (Abhayaratna and Lattimore 2006). It is evident from above mentioned statistics that increase of women in workforce has been primarily led by advanced nations.

2.2. Increase of dual earner families and changes in family arrangements

Globally, number of dual earner families in which both partners engaged in work outside home has significantly increased (Todd 2004). In addition, the conventional family unit has been altered and family arrangements have developed to be more varied. Larger number of people now postpones marriage; more couples prefer to have fewer children; incidences of

divorce have increased and post divorce a large number of people live through a prolonged phase of being unaccompanied (Evans and Kelley 2004).

2.3. Increase in older workers in global workforce

Men and women who are above the age of 50 and are employed or available for employment fall under the category of older workers and their participation in workforce is increasing (Yeandle 2005). Managing workforce which consists of significant generational diversity has become an important factor in global human resource management in advanced western world (Towers Perrin 2005).

3. Growth of expatriate workforce

In addition to above, one more major change which has been witnessed in the global workforce in the last five decades is that of significant growth in expatriate workforce, especially in GCC countries. Following section dwells into major issues related to growth of global expatriate workforce as well as expatriate workforce in GCC countries.

3.1. Global expatriate workforce and their relocation

Ageing population in the developed world led to global movement of workforce thereby creating a huge pool of expatriate workers (Naithani and Jha 2009 a). Workers whose work tenure in a foreign country is of more than one year fall under the category of expatriates (Richardson & McKenna 2003).

Professionally qualified expatriates prefer to relocate from country of origin along with their spouse and children. While 60 to 80 percent of expatriates relocate to a foreign country along with their spouse, only 30 percent remain dual earner family as not many spouses are able to find a suitable job in a new location due to reduced job opportunities (Haslberger & Brewster, 2008).

3.2. Growth of expatriate population in GCC countries

In Gulf Cooperation Council countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and UAE) a large section of workforce, especially in the private sector, is of expatriate workers

(Forstenlechner 2008). In 1990 there were 9 million expatriate workers in GCC countries and this number increased to 13 million in 2005 (Dito 2008).

	<i>Country</i>	<i>Percentage</i>
1	UAE	80%
2	Qatar	80%
3	Kuwait	65%
4	Bahrain	40%
5	Saudi Arabia	30%
6	Oman	26%
	GCC Total	38%

Table 1: Expatriate population in GCC countries – As percentage of total population

Source: Kapiszewski 2004

Expatriates have become a major part of the total population in GCC countries. In UAE and Qatar this percentage is as high as 80 percent. Though GCC governments have attempted to promote more nationals in workforce through their nationalisation programmes, yet success for their attempts have been limited to governments sector employment only and till date private sector is primarily dominated by expatriate workers in GCC countries.

3.3. Male domination in expatriate workforce in GCC countries

Unlike global trends, in which female workers represent a higher percentage of workforce, only 29 percent of expatriate workers in GCC countries are female which is the lowest percentage of female migrants in the world (Dito 2008) and a majority of them is involved in low paying and non technical jobs such as that of a domestic help (Malecki & Ewers 2007).

3.4. Duration of expatriate assignments in GCC and influence of inflation and salary bias

For a large section of expatriate workers it not easy to get citizenship in GCC countries (Shah 2004) and work visa is issued only for workers below the age of 60 (Al-Ali 2008).

GCC countries have witnessed high rate of inflation in the recent past, from an average of 6 percent in 2007 to double digit inflation in 2008 (Saif 2008). According to Gulf Talent (2008) research findings 25 percent to 35 percent of expatriate salary was spent on house rents alone. Due to inflationary trends in the recent past, which have not been fully compensated by lower

increase in salaries, the net disposable income of expatriates has reduced (Gulf Talent 2008). Indian expatriates account for the largest expatriate segment in GCC countries (Kapiszewski 2004), but their salaries in comparison to counterpart expatriates from western advanced nations working in GCC is less than half (Sambidge 2009).

4. Expatriates in higher education in GCC countries

Last two decades have witnessed major growth in higher education infrastructure in GCC countries. This has been primarily through the participation of private and foreign higher education institutes.

4.1. Growth of higher education institutes and dependence on expatriate teachers

Private higher education institutes in GCC countries rely on expatriate academicians for specialized and professional courses (Mukerji and Jammel 2008). Total number of universities in GCC countries increased from less than 40 in 2002 to more than 60 in 2007 (Tripathi and Mukerji 2008). During the last decade, governments in GCC countries have implemented various policies for growth of higher education especially through privatisation of higher education institutes and participation of foreign universities (Mukerji and Jammel 2008). Majority of accredited private institutes providing higher education in GCC employ a large number of expatriate academicians.

4.2. Limited research on expatriates and higher education

Global research on expatriate academicians is limited (Richardson and McKenna 2003) and research on private colleges and universities in GCC countries has been insignificant (Al-Lamki 2006). Though number of private and foreign universities and colleges in GCC countries has significantly increased in the last two decades, yet not much of research has been conducted in this field.

5. Demographic factors and expatriate adjustment

Individual demographic factors for instance gender, ethnicity, life cycle stage, and time-span of overseas stay influence expatriate adjustment in a foreign location. For example in global expatriate research it has been established that female expatriate workers are more vulnerable

to pressure and anxiety related to foreign assignment. It has also been established that an expatriate who stays in a foreign location for a longer duration develops an ability to adjust better in overseas assignment and his chances of failure in foreign assignment are reduced (Naithani and Jha 2009 b). According to Mamman (1995), life cycle stage is a key factor in expatriate adjustment in a foreign country and younger workers have been found to adjust better and faster in a foreign location.

6. Defining the scope of research and research methodology

In view of literature review following demographic factors was selected for the study:

- gender and age
- years of expatriate experience
- marital status and family size
- dual earner family status

Target population to be studied was Indian expatriates, and within Indian expatriate community niche segment of higher education teachers was selected as this is one of the many niche segments not researched thoroughly in GCC countries. Out of six GCC countries three countries (Bahrain, Oman and UAE) were selected for research

The research objectives of the study were, to determine: The differences as well as similarities between the demographic factors of expatriate professionals as reported by recent global expatriate surveys and the niche expatriate community of Indian expatriate higher education teachers working in Bahrain, Oman and UAE. Data was collected through survey. As the target population was spread across three different countries, data was collected through self-administered web-based questionnaire. Sample size was 271 (at 5 percent margin of error and 90 percent confidence level) and the net response rate was 141 (52 percent).

7. Research findings

Following is a detailed presentation of findings of the survey. Findings related to each demographic factor are compared with findings of other global research on expatriate demographics.

7.1. Gender of respondents

Fifty two per cent of the respondents were male and rest 48 per cent were female (Table 2). The percentage of female response was considerably higher when compared to expatriate female participation in GCC workforce, which is in the range of 10-25 per cent (Kapiszewski, 2004).

Inkson et al. (2004) in the global expatriate survey of professionals reported 37 per cent of the respondents as female. Matthews and Nelson (2004) in their survey of expatriate professionals conducted in one of the other GCC countries (Saudi Arabia) reported 42 per cent of the respondents as female.

Demographic	Response options	Responses	Percentage
Gender	Male	74	52%
	Female	67	48%
	n (total number of response)	141	
	n* (no response)	Nil	

Table 2: Gender of respondents

In comparison to other international and regional surveys the participation of women in this expatriate survey is relatively higher, but is very close to the gender distribution in the sampling frame in which Indian expatriate higher education teachers were 54 per cent male and rest 46 per cent were female. This suggests higher participation of Indian expatriate women in higher education teacher workforce in GCC.

7.2. Age groups of respondents

Overall, 65 per cent of respondents were over 35 years old (Table 3). Highest percentage (50 per cent) of respondents was from the 35-44 years age group and second highest percentage (34 per cent) of the respondents was in the age group of 25-34 years. A very small number (4

per cent) of respondents were in the 55 years and older age group. The mean age of the respondents was 38.5 years.

Demographic	Response options	Responses	Percentage
Age group	25-34 years	48	34%
	35-44 years	70	50%
	45-54 years	16	11%
	55 and older	6	4%
	n (total number of response)	140	
	n* (no response)	1	

Table 3: Age groups of respondents

Age group composition of the respondents is not comparable to the Matthews and Nelson's (2004) survey of Indian expatriate professionals in another GCC country (Saudi Arabia) in which they reported respondent's mean age at 45 years. It is rather similar to mean age of late thirties reported by another international survey of professional expatriates (Inkson et al. 2004). This suggests that relatively younger Indian expatriates are joining the higher education teacher's workforce Bahrain, Oman and UAE, in comparison to other Indian expatriate professionals working in GCC.

7.3. Years of expatriate working

Ninety three per cent of the respondents for this study had worked more than one year as expatriates (Table 4). This was comparatively higher than that of a major international Global Relocation Trends 2002 Survey Report which reported 82 per cent expatriates with over one year experience (GMAC 2003). HSBC (2008a) survey of 2155 expatriates across four continents, reported that 45 per cent respondents had lived abroad for more than five years. Inkson et al. (2004) in their global survey also reported that 47 per cent respondents with over five years of expatriate experience. Fifty three per cent of the respondents to the survey conducted for this study had worked in foreign locations for five or more years. The figure is

relatively higher than that reported by above mentioned other international surveys of professional expatriates and is not comparable to the mean assignment duration of three years and six months as reported by Matthews and Nelson (2004) in their survey of expatriate professionals conducted in GCC (Saudi Arabia).

Demographic	Response options	Responses	Percentage
Years worked in GCC	One or less than one year	10	7%
	More than one to two years	21	16%
	More than two to five years	33	25%
	More than five to ten years	53	40%
	More than ten years	17	13%
	n (total number of response)	134	
	n* (no response)	7	

Table 4: Years of expatriate working of respondents

Lower percentage (7 per cent) of respondents with less than one-year expatriate experience suggests that in the preceding one year lesser numbers of Indian expatriates have joined the higher education teacher's workforce in Bahrain, Oman and UAE. The response also suggests that a huge number of Indian expatriates who joined the higher education teacher's workforce in GCC five years and before have continued their assignments.

7.4. Marital status of respondents

Ninety three per cent of the respondents were married (Table 5). This is again a very high percentage in comparison to recent international studies such as Global Relocation Trends 2002 Survey Report for the year 2002 (GMAC 2003), which reported 65 per cent expatriates were married but is exactly identical to the survey finding of Matthews and Nelson (2004) at 93 per cent for GCC (Saudi Arabia). A very high percentage of Indian expatriate respondents (83 per cent) were married with spouse accompanying them which is comparable to that of Global Relocation Trends Survey Report (GMAC 2003), which reported 87 per cent of the married expatriates were accompanied by a spouse.

Demographic	Response options	Responses	Percentage
Marital Status	Married (Accompanied by spouse)	117	83%
	Married (Not accompanied by spouse)	14	10%
	Separated	2	1%
	Single	8	5%
	n (total number of response)	141	
	n* (no response)	Nil	

Table 5: Marital status of respondents

A smaller, yet significant number of respondents (10 per cent) were married, but with spouse living in India. Only 5 per cent of respondents were unmarried (all male). None of the female respondents was unmarried and their spouse accompanied all of them. This is higher than the percentage of married expatriate working women (90 per cent) accompanied by their spouse as reported by global survey conducted by ORC (2007)

7.5. Employment status of spouse of respondents

Demographic	Response options	Responses	Percentage
Employment status of spouse	Employed	107	84%
	Not employed	20	16%
	n (total number of response)	127	
	Not applicable (Single/separated)	10	
	n* (no response)	4	

Table 6: Employment status of spouse of respondents

Spouse of 84 per cent of the married respondents were working. This is radically different from recent other expatriate surveys. Permits Foundation (2008), examined 3300 expatriates in 117 countries and found that only 35 per cent of the spouses of respondents were working after accompanying the partner to a new country.

Higher percentage of employed spouse may be because women were 48 per cent of the respondents to the survey conducted for this study, all of them were married and all of them had spouse accompanying them.

7.6. Family size of married respondents

Small family size was prominent characteristic of the families of Indian expatriate higher education teachers working in GCC. Highest percentage of respondents (46 per cent) had one child and only 9 per cent had three children.

Demographic	Response options	Responses	Percentage
Number of children living with you	One child	50	46%
	Two children	48	44%
	Three children	10	9%
	n (total number of response)	108	
	Not applicable (Single)	8	
	No response/not applicable	25	

Table 7: Family size of married respondents

108 (77 per cent) respondents out of 141 reported having at least one child. This is notably higher in comparison to recent other expatriate surveys. HSBC (2008b) in its four continent survey of expatriates reported only 40 per cent respondents with at least one child. Thus Indian expatriate higher education teachers working in Bahrain, Oman and UAE face relatively higher degree of family related work-life balance challenges as majority of them are married and have child responsibilities.

7.7. Discussion on demographic factors reported by Indian expatriate higher education teachers.

Following is the discussion on status of comparative analysis of demography reported by the respondents to the survey vis-à-vis demography reported by expatriate professionals in other regional and international surveys.

Gender: Female respondent's participation was high when compared to female participation in international and regional (GCC) expatriate surveys.

Age: Respondents were relatively younger when compared to respondent's age as reported by other surveys of Indian expatriate professional working in GCC.

Years of expatriate work experience: The average number of years of expatriate work experience of respondents was higher when compared to average years of foreign experience as reported by other international and regional surveys of expatriate professionals.

Marital status: Female respondents had relatively higher degree of family responsibilities when compared to male respondents' family responsibilities, as all female respondents were married and accompanied by spouse.

Family size: In comparison to other international surveys, respondents had higher degree of family responsibilities. Relatively more numbers of respondents were married and reported having child/children in this study.

Dual earner family (working spouse): In comparison to other international expatriate surveys, respondents had higher degree of dual earner couples related family challenges.

8. Conclusion

Demographics have been identified as an important factor in expatriate adjustment in a foreign location. Majority of the expatriate research has been concentrated in the advanced nations. The demographic profile of expatriates in GCC countries need not necessarily be aligned with the demographic profile of expatriates in the advanced nations. This study brings

out the fact that niche segments of expatriate workforce may have dissimilar demographic profile and as such more research needs to be conducted to understand the demographic profile of other niche segments such as that of doctors, engineers and accountants to arrive at a better understanding of demographics of expatriates. So that organisations can have better aligned policies for higher level of job engagement of expatriate workers.

References

Abhayaratna, J. & Lattimore, R. (2006). Workforce Participation Rates - How Does Australia Compare? *Staff Working Paper*. Productivity Commission., Canberra.

Al-Ali, J. (2008). Emiratisation: drawing UAE nationals into their surging economy, *International Journal of Sociology and Social Policy*, 28 (9-10), 365-379.

Al-Lamki, S.M. (2006). The Development of Private Higher Education in the Sultanate of Oman: Perception and Analysis. *International Journal of Private Education*, 1 (1), 54-77.

Berg, P., Appelbaum, E., Bailey, T., Kalleberg, A.L. (2004), *Contesting Time: International Comparisons of Employee Control of Working Time*, *Industrial & Labor Relations Review* Volume 57, Issue 3, pp 331 – 349.

Dito, Mhd. E. (2008). GCC Labour Migration Governance, Paper presented in the UN Expert Group Meeting on International Migration and Development in Asia and the Pacific, Bangkok, Thailand, 20-21 September 2008.

Evans, J.M. & Kelley, J. (2004). Trends in Women's Labour Force Participation in Australia: 1984-2002. *Melbourne Institute Working Paper*, 23/04, Melbourne.

Forstenlechner, I. (2008). Workforce nationalization in the UAE: image versus integration. *Education, Business and Society: Contemporary Middle Eastern Issues*, 1 (2), 82-91.

GMAC (2003). Global Relocation Trends Survey Report. GMAC Global Relocation Services, National Foreign Trade Council, and SHRM Global Forum, Warren, N.J.

Gulf Talent (2008) Gulf Compensation Trends 2008: Key Developments in Salaries and Employment Across UAE, KSA, Kuwait, Qatar, Bahrain and Oman. Gulf Talent.

Haslberger, A. & Brewster, C. (2008) The expatriate family: An international perspective. *Journal of Managerial Psychology*, 23 (3), 324-346.

HSBC (2008a). HSBC Bank International Expat Explorer Survey 2008: Report One - Expat Existence, HSBC International Limited.

HSBC (2008b). HSBC Bank International Expat Explorer Survey 2008: Report Two - Offshore Offspring, HSBC International Limited.

Inkson, K, Carr, S., Edwards, M., Hooks, J., Jackson, D., Thorn, K. & Allfree, N. (2004). From brain drain to talent flow: Views of Kiwi expatriates. *University of Auckland Business Review*, Spring, 29-39.

Johnson, K., Lero, D.S. & Rooney, J.A. (2001). *Work-Life Compendium 2001:150 Canadian Statistics on Work, Family and Well-Being*, Centre for Families, Work and Well-being, University of Guelph, Canada.

Kapiszewski, A. (2004). Arab versus Asian migrant workers in the GCC countries. UN Expert Group meeting on international migration and development in the Arab region, UN Secretariat, Beirut, 15-17 May 2006.

Malecki, Edward J. & Ewers, Michael C. (2007). Labor migration to world cities: with a research agenda for the Arab Gulf. *Progress in Human Geography*, 31 (4), 467-484

Mamman, A. (1995). Expatriates' intercultural effectiveness by chance of birth. In Selmer, J. (Ed) *Expatriate Management: New ideas for international business*, Quorum Books.

Marchington, M. and Wilkinson, A. (2002) *People Management and Development, Human Resource Management at Work*, London, Chartered Institute Personnel and Development (2nd Edition).

Matthews, C.M.T. & Nelson, M.R. (2004). Self-rated health in a population of expatriate workers and partners in Riyadh, Saudi Arabia. *Occupational Medicine*, 54, 585–586.

Mukerji, S. & Jammel, N.K. (2008). Perspectives and Strategies towards Collaboration in Higher Education in the GCC Arab States of the Gulf. *Asian Journal of Distance Education*, 6 (1), 76-86.

Naithani, P. & Jha., A.N. (2009 a). Empirical study of dynamic changes in work and family life spheres and emergence of work-life balance initiatives. *Growth*, 37 (1), 69-73.

Naithani, P. & Jha., A.N. (2009 b). Model of expatriate adjustment and framework for organisational support. *The Alternative: Journal of Mgmt. Studies and Research*, 8 (1), 34-41.

ORC (2007). *Expatriate Work-Life Balance Survey*, ORC Worldwide.

Permits Foundation (2008). *Expatriate spouses and partners employment, work permits and international mobility: International survey summary report*, Permits Foundation.

Richardson, J & McKenna, S. (2003). International experience and academic careers: What do academics have to say? *Personnel Review*, 32 (6), 774-795.

Saif, I. (2008). The Food Price Crisis in the Arab Countries: Short-term Responses to a Lasting Challenge, Web commentary, Middle East Program, June 2008. The Carnegie Endowment for International Peace.

Sambidge, A. (2009) *Arabian Business Salary Survey 2009*. [Online] <http://www.arabianbusiness.com/research/salary-survey-report-2009> (21st August 2010)

Shah, N.M. (2004). Gender and labour migration to the Gulf countries. *Feminist Review*, 77, 83-85.

Todd, S. (2004). Improving Work-Life Balance – What Are Other Countries Doing? Labour Program, Human Resources and Skills Development Canada

Towers Perrin (2005). Winning Strategies for Global Workforce: Attracting, Retaining and Engaging for Competitive Advantage, Towers Perrin HR Services.

Tripathi, P. & Mukerji, S. (2008). Higher education mapping of GCC countries: An analytical framework of strengths and opportunities. In Al-Hawaj, A.Y., Elali, W. and Twizell, E.H. (Eds.) Higher education in the twenty-first century: Issues and challenges, Taylor and Francis group, London.

Wirth, L. (2001). Breaking through the Glass Ceiling: Women in management, ILO, Geneva.
Yeandle, S., Bennett, C., Buckner, L., Shipton, L. & Suokas, A. (2006). Who Cares Wins: The Social and Business Benefits of Supporting Working Carers, Carers U.K.