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## PRIVATE SECTOR EMIRATIZATION: EVALUATING THE POLICIES AND PRACTICES DESIGNED TO ACHIEVE ABU DHABI'S STRATEGIC HRM GOAL

Khaled Sultan Saeed Al Kaabi

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جامعة الإمارات العربية المتحدة  
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PRIVATE SECTOR EMIRATISATION: EVALUATING THE  
POLICIES AND PRACTICES DESIGNED TO ACHIEVE  
ABU DHABI'S STRATEGIC HRM GOAL

Khaled Sultan Saeed Al Kaabi

This dissertation is submitted in partial fulfilment of the requirements for the degree  
of Doctorate of Business Administration

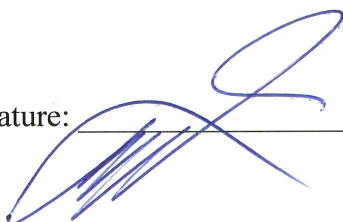
Under the Supervision of Dr Emilie Rutledge

November 2016

## Declaration of Original Work

I, Khaled Saeed Sultan Al Kaabi, the undersigned, a graduate student at the United Arab Emirates University (UAEU), and the author of this dissertation entitled "*Private Sector Emiratisation: Evaluating the Policies and Practices Designed to Achieve Abu Dhabi's Strategic HRM Goal*" hereby, solemnly declare that this dissertation is my own original research work that has been done and prepared by me under the supervision of Dr Emilie Rutledge, College of Business and Economics at the UAEU. This work has not previously been presented or published or formed the basis for the award of any academic degree, diploma or a similar title at this or any other university. Any materials borrowed from other sources, whether published or unpublished and relied upon or included in my thesis have been properly cited and acknowledged in accordance with appropriate academic conventions. I further declare that there is no potential conflict of interest with respect to the research, data collection, authorship, presentation and/or publication of this dissertation.

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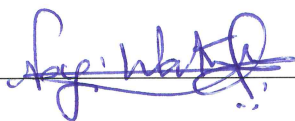
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## Abstract

The purpose of this study is two-fold: firstly, to gauge the job satisfaction levels of UAE nationals employed in the private sector and secondly to consider the HRM policies and procedures most likely to attract and retain such individuals. The issue is of contemporary importance because the UAE has a fast growing population, an already overstuffed public sector and, a labour nationalisation program that has yet to have a significant impact on the ratio of nationals employed in the private sector vis-à-vis the classic public sector. Using a combination of employee survey and expert interview feedback this study provides a policy-orientated analysis of the current state of private sector Emiratisation and makes a significant contribution to the emerging Arab Middle East HR Model by suggesting ways in which UAE HR policies and strategies may be enhanced. If the compensation and benefits disparity between the two sectors be minimised, the majority of Emiratis would be willing to work in the private sector. The factors that can influence the employment decision include Salary and Fringe Benefits, opportunities for growth along with training and development, a friendly and professional working environment that offers job security and finally the social perceptions. This research can be helpful in understanding what incentives and measures can be useful and effective for the operational implementation of the Emiratisation process. The analysis can help in identification and prioritisation of issues that are impacting the pace of implementation of Emiratisation process. This study finds a number of statistically significant relationships between the dependent variable of “continuance intentions” and various predictor variables:  $\beta$  .399 for pay and benefits;  $\beta$  .163 for professional development opportunities;  $\beta$  .072 for the nature of the job; the impact of sociocultural influences was found to have a significant and negative relationship,  $\beta$  -.423. The study concludes by making a number of policy-relevant recommendations focusing on HRD at the macro level and HRM policies and procedures at the company level.

**Keywords:** Arab Gulf labour markets, Emiratisation, job satisfaction, human resources management, AME HR model, Abu Dhabi, UAE.



## Title and Abstract (in Arabic)

### توطين القطاع الخاص: تقييم السياسات والممارسات المرسومة لتحقيق أهداف الموارد البشرية في امارة أبوظبي

#### الملخص

هدفت هذه الدراسة لقياس مستويات الرضا الوظيفي للمواطنين بدولة الامارات العربية المتحدة العاملين في مؤسسات القطاع الخاص، إضافة لتقييم السياسات الادارية للموارد البشرية والاجراءات الكفيلة لجذب العاملين الاماراتيين لهذا القطاع . تستحوذ هذه القضية على اهتمام كبير في الوقت الراهن نسبة للزيادة الكبيرة في عدد سكان دولة الامارات العربية المتحدة، ولتشيع القطاع العام بالوظائف، واعتمادا على التأثير المتوقع لبرامج التوطين في القطاع الخاص اذا ما قورنت بمثلتها في القطاع العام . ستسهم هذه الدراسة في تقديم تحليل مبني على السياسات المتبعة لبرامج التوطين في الوقت الراهن وذلك من خلال استبيانات ومقابلات صممت لهذا الغرض والتي ستسهم بدورها في ابراز نموذج قطاع الموارد البشرية في منطقة الشرق الأوسط من خلال تقديم اقتراحات لتعزيز دور الموارد البشرية في دولة الامارات العربية المتحدة . من المرجح ان الغالبية العظمى من المواطنين سيرحبون بالعمل في القطاع الخاص لو تم تقليص الفجوة بين نظام المميزات والتعويضات في القطاعين الخاص والعام . لعل احدى ابرز العوامل التي تؤثر على قرارات التوظيف هي سلم الرواتب والاجور والمميزات الاضافية، وفرص التطور الوظيفي من خلال التطوير والتدريب، إضافة الى بيئة العمل الاحترافية والتي تؤمن استقرارا وأمنا وظيفيا، انتهاء بالمفاهيم الاجتماعية لكل هذه العوامل تمكنت هذه الدراسة من الكشف عن ارتباطات ذات دلالات إحصائية بين المتغير التابع "الاستمرارية النمطية" وبين المتغيرات التنبؤية المختلفة مثل  $\beta=0.399$  : لمتغير الاجور والمميزات، و  $\beta=0.163$  لمتغير فرص التطور الوظيفي، و  $\beta=0.072$  لمتغير طبيعة العمل، و  $\beta=0.423$  لمتغير تأثير النظرة الاجتماعية والثقافية للقطاع الخاص . تعد هذه الدراسة مفيدة لفهم الحوافز والاجراءات الأكثر فاعلية وتأثيرا في الاجراءات التنفيذية لعملية توطين الوظائف في دولة الامارات العربية المتحدة. كما يسهم التحليل في تحديد وتعريف الأولويات التي تؤثر على سير عملية التوطين . تخلص هذه الدراسة الى مجموعة من التوصيات أهمها يركز على مقترحات تتعلق بسياسات واجراءات الموارد البشرية بشقيها العام والخاص.

**مفاهيم البحث الرئيسية:** سوق العمل الخليجي، التوطين، الرضاء الوظيفي، ادارة الموارد البشرية، نموذج الموارد البشرية العربي، إمارة ابوظبي، دولة الإمارات العربية المتحدة.

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## Dedication

*To my beloved country the UAE, to whom I am so proud to belong.*

*To my parents, whose constant support and encouragement have taught me to trust  
in ALLAH and never give up on important objectives I set.*

*To my beloved family members who were my rock throughout this doctoral research;  
I owe all my accomplishments to them.*

*To my friends and work colleagues and especially their whispers of encouragement  
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## List of Glossary

ADHRA	Abu Dhabi Human Resources Authority
EPE	Emiratisation Policy Expert — An abbreviation used in this thesis to delineate one segment of the interview sample; see HRMP (below).
GBE	Government-Backed Entity — Sometimes referred to as a State-owned Entity/Enterprise, can be defined as a commercially-run organisation that is in some way supported by the government.
HCHP	High Commitment, High Performance
HE	Higher Education
HEI	Higher Education Institutions
HRD	Human Resource Development
HRM	Human Resource Management
HRMP	Human Resource Management Professional — An abbreviation used in this thesis to delineate one segment of the interview sample; see EPE (above).
KPI	Key Performance Indicator
RBV	Resource-Based View
SHRM	Strategic Human Resource Management — A strategic approach to HRM: a managerial process requiring human resource policies and practices to be linked with the strategic objectives of the organisation.
TANMIA	The National Human Resource Development and Employment Authority
VPM	Value Proposition Model — Coined by Michael Lanning and Edward Michaels, who first used it in a 1988 staff paper for McKinsey & Co. the term is taken to mean: a clear, simple statement of the benefits, both tangible and intangible, that the company will provide, along with the approximate price it will charge for those benefits.”

## **Chapter 1: Introduction**

The United Arab Emirates, to a considerable extent, has been dependent on non-national labour since the commercial extraction of oil started in the 1960s. The notable segmentation of the market along public/private and national/non-national lines is considered to have resulted from this pronounced reliance on non-national labour (Forstenlechner & Rutledge, 2010) and the lack of employability skills currently held by many nationals (e.g., Forstenlechner, Selim, Baruch, & Madi, 2014; Muysken & Nour, 2006). In part due to the region's 'national' demographic pyramid-style profile, considerable attention is being paid to the growing levels of national unemployment: the public sector can no longer act as employer of first and last resort.

All six Gulf Cooperation Council countries (GCC)—henceforth the “Arabian Gulf” which comprises: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE—are now seeking ways to improve the skillsets, workplace competencies and willingness of the national workforce to pursue private sector career paths by improving local human resources through education, the vocational training as well as by introducing new policies and regulation to restrict and control the immigration of expatriate labour. However, labour nationalisation policies (“programmes” and “strategies”), bottom-up, or top-down, have been around for some time and thus despite the fact that seeking ways to enhance the productivity of indigenous labour has been on the government agenda for almost 20 years (Fasano & Goyal, 2004) progress, most notably in the private sector, has been limited (Ryan, 2016).

As the literature on the Arabian Gulf's labour nationalisation and Human Resource Development (HRD) progress to date suggests, there are many political and

sociocultural challenges faced by the governmental agencies charged with implementing the associated programs and policies. Indeed the literature explains why little progress—especially in the private sector—has been made (e.g., Forstenlechner & Rutledge, 2010). The labour nationalisation agenda in the UAE is known as Emiratisation.

Emiratisation as a government policy dates back to the 1990s but was institutionalised in 1999 with the creation of TANMIA: the National Human Resource Development and Employment Authority. Records held by the Abu Dhabi Human Resources Authority, show that UAE Nationals make up no more than four percent of the country's private sector and as a consequence, “more aggressive Emiratisation initiatives will need to be developed” (Abu Dhabi Human Resources Authority, 2015). Nonetheless, it is the UAE government's stated aim to transition to an open and dynamic economy where the ability to think critically, be receptive to change and, to adopt and adapt to the latest technologies will become increasingly important (e.g., Government of Abu Dhabi, 2008; IKED, 2010; UAE Prime Minister's Office, 2010).

### **1.1 Labour Nationalisation (Emiratisation)**

It is because of the UAE's complex labour market structure—characterised by the provision of government jobs for life irrespective of an individual's holistic employability skills (e.g., Al Ali, 2008; Beblawi & Luciani, 1987; Minnis, 2006)—that the subject Emiratisation (read: ‘employability’ of UAE nationals) requires greater attention (UAE Ministry of Higher Education, 2014b). As Ryan (2016) recently stated, “Emiratisation of the private sector remains elusive.” The principal government agency for overseeing the Emiratisation process is the Abu Dhabi Human Resources Authority (formerly two separate entities: Abu Dhabi Tawteen Council and

TANMIA). The Abu Dhabi Human Resources Authority (ADHRA) focuses on the development of employment support mechanisms and views these to be key for the successful implementation of private sector Emiratisation and, through these, the economic and human resource objectives set out in the “Abu Dhabi Economic Vision 2030” (Government of Abu Dhabi, 2008). More specifically, it is seeking to put in place a comprehensive strategic approach for providing effective employability skills, higher educational opportunities, and work experience to all UAE nationals that require it, in order to make them more competitive in all regards compared to incumbent non-nationals.

The following points are set out in an internal document (Abu Dhabi Human Resources Authority, 2015):

1. To increase legislation for enforcing the Emiratisation initiative that requires private-sector companies to have a total overall workforce comprising 20 per cent UAE nationals and provide them with on the job training.
2. To enforce penalties (e.g., substantial fines and no fast-tracking of business licences etc.) for non-compliance with such legislation.
3. To set up and partially finance a Human Resource Job Skills Training Free Zone (HRFZ) which would provide job skills training and work experience in all industries for those UAE nationals who require or seek it.
4. To facilitate the HRFZ, a coalition of key UAE Higher Education Institutions (HEI), multinational corporations and government agencies would work to provide training.

In addition, there is likely to be merit in forging a closer coordination with the UAE’s National Qualifications Framework and the employability agenda it has set out—

termed “Core Life Skills” (UAE National Qualifications Authority, 2012b, 2013a, 2013b) which seek to reinforce the links between learning outcomes and the labour market (UAE National Qualifications Authority, 2015).

## **1.2 UAE Labour Market Research**

To date, the bulk of the research on Emiratisation can be seen as focusing on the following four aspects. Firstly, HRD in relation to labour nationalisation policies, practices, perceptions and outcomes (e.g., Al Ali, 2008; Al Waqfi & Forstenlechner, 2010, 2012, 2013) and also with regard to the sociocultural considerations that contribute to the current labour market rigidities and distortions (e.g., Forstenlechner & Rutledge, 2011; Harry, 2007; Ryan, 2016). Secondly, a body of research exists that focuses on the macroeconomics of diversification and regional labour market dynamics in relation to oil rent (Hertog, 2010, 2013; Luciani, Hertog, Eckart, & Youngs, 2012) and, more narrowly (thirdly) that which focuses on job satisfaction and organisational loyalty amongst the UAE’s workforce (e.g., J. Abdulla, Djebarni, & Mellahi, 2011; Maha Ibrahim & Al Falasi, 2014; Mohamed Ibrahim, Al Sejini, & Al Qassimi, 2004; Mohamed Ibrahim & Perez, 2014). The fourth related theme centres on ‘national’ female labour force participation (FLFP) which is understandable in terms of comparative work readiness and relative educational attainment levels (e.g., Farrell, 2008; Marmenout & Lirio, 2013; Nelson, 2004; Rutledge & Al-Shamsi, 2015; Williams, Wallis, & Williams, 2013).

Looking first at the works that directly consider the issue from an HRM perspective (e.g., Al Ali, 2008; Al Waqfi & Forstenlechner, 2010, 2012, 2013), it becomes clear that UAE nationals do not favour the private sector and that private sector employers do not typically favour employing UAE nationals. Moving on to those that focus on

the sociocultural considerations (e.g., Forstenlechner & Rutledge, 2011; Harry, 2007; Ryan, 2016) while those are partially relatable to human resource capacity and indeed so-called rentier state/resource-curse mentality (see below). In sum, the key observations are that historically the provision of lucrative government jobs based on citizenship and not merit has resulted in a satisfied society but an unproductive workforce; a society that is provided with free education but has little incentive (vocationally speaking) to opt for the more challenging specialisations.

With reference to the works that looks at the labour market – oil rent nexus, (Hertog, 2010, 2013; Luciani et al., 2012) it is clear that being resource-rich but labour-poor has had a fundamental impact on the UAE's economic structure. The “social contract” as set out by Forstenlechner and Rutledge (2010) explains why providing government jobs as a way of distributing oil wealth was beneficial for the country's development and welfare gains. It was for a number of decades an understandable policy procedure yet it has clearly resulted in an array of labour market structural issues.

Yet, much of the literature on this subject can be seen as pejorative and deterministic (Fandy, 2004). As Rutledge (2014) sets out, although the rentier state/resource curse discourse correctly highlights many of the resultant shortcomings it seems to suggest that there is little prospect of ever being able to rectify these until all of the region's hydrocarbon resources have been depleted. The segmentation of the UAE's public and private sectors typifies its divided (and “distorted”) labour market. This results in the following somewhat ironic state of labour market affairs: while suitable employment opportunities for UAE national youth in the government sectors reach saturation point, ample employment opportunity exists in the private sector which in theory could easily absorb this cohort. UAE nationals make up over half of the government department

workforces, but less than two percent of the private sector workforce (Forstenlechner, Madi, Selim, & Rutledge, 2012).

In terms of job satisfaction research, this present study will pay particular attention to the works of (e.g., J. Abdulla et al., 2011; Maha Ibrahim & Al Falasi, 2014; Mohamed Ibrahim et al., 2004; Mohamed Ibrahim & Perez, 2014). This is because each have specifically surveyed those employed in the UAE's labour market. Mohamed Ibrahim et al. (2004) investigate the relationship between performance and employees' job satisfaction and the effects of other moderators such as gender, tenure and nationality, on job satisfaction focusing on three key areas: (1) what is the relationship between job performance and employees' job satisfaction? (2) Does job performance affect the dimensions of job satisfaction differently? And (3), how do other moderating variables such as gender, tenure, marital status, position and nationality affect the relationship between job performance and employees' job satisfaction? J. Abdulla et al. (2011) investigate the role that demographic and environmental factors play in relation to job satisfaction.

The demographic factors they considered were age, race, gender, education level, and years of work experience, while environmental characteristics included the immediate job environment such as the skills variety required to carry out the job, task significance, autonomy, and interaction with co-workers. They stress that the topic has largely escaped research attention in the Middle East and go on to conclude that, "in a collectivist culture such as the UAE, both intrinsic and extrinsic factors can be a source of job satisfaction or dissatisfaction."

As Maha Ibrahim and Al Falasi (2014) point out, it is a widely held sentiment that loyal-committed employees are likely to be productive and that there exists a positive relation between loyalty, engagement and happiness. They focus on the relationships between employee “Loyalty” (i.e., organisational commitment) and “Engagement.” Engagement is regarded important as it influences the given entity’s performance and productivity. Maha Ibrahim and Al Falasi (2014) also state that their study is one of the few to date that explores the relationship between employee loyalty and engagement in the UAE public sector. They recommend that regional employers seek to implement measures designed specifically to increase organisational loyalty.

The most recent contribution in this regard is the work of Mohamed Ibrahim and Perez (2014) who examine the direct effects of the different dimensions of “Organisational Justice,” including satisfaction, on perceived organisational commitment in the context of UAE service organisations. Based on a random sample of 174 employees working in 28 different service organisations, they observe that employee satisfaction has a direct influence on commitment. However, perceptions of the three organisational justice components (distributive justice, procedural justice, and interactional justice) do not have direct influence on employees’ commitment. But they do influence employees’ satisfaction. In addition, employee gender, nationality, and tenure do not influence commitment directly or indirectly through satisfaction.

The issue of gender is especially important, in relation to attracting and retaining more UAE nationals to the private sector (e.g., Farrell, 2008; Marmenout & Lirio, 2013; Nelson, 2004; Rutledge & Al-Shamsi, 2015; Williams et al., 2013). While it may be the case that work-related gender barriers are being eroded in parts of the industrialised world, in the Middle East and North Africa, the gender equality gap—particularly in



terms of economic participation and opportunity—remains pronounced (e.g., Gallant & Pounder, 2008; Marmenout & Lirio, 2013; Metcalfe, 2008; Moghadam, 2006).

Indeed, eight of the ten countries with the lowest FLFP rates globally are located within the Middle East and North Africa (Hausmann, Tyson, & Zahidi, 2012, p. 25). As F. Abdulla (2006, p. 10) points out, it is still considered *haraam* ('sinful') in some quarters for national females to interact with men other than their close relatives and, as Harry (2007, p. 138) observes, less *aib* ('shame') is attributed to those of this cohort working in the public sector as compared to those in the private sector. Despite this, and although women only constitute a small fraction of the respective 'national' workforces, there are proportionately more national women working in the private sector than there are men (Nelson, 2004; Rutledge & Al-Shamsi, 2015).

### **1.3 Problem Statement**

The socioeconomic and strategic HRM problem that this research evaluates is the current private sector Emiratisation policies and practices. A key part of this investigation will be to canvas the sentiments of those nationals who actually work in this sector. Despite the fact that the UAE government launched its labour nationalisation agenda back in the 1990s (Al Ali, 2008), private sector Emiratisation remains limited. While it is received wisdom that in the long term effective labour nationalisation policies will necessitate a synergy between labour policies and macroeconomic policies alongside a systemic modification of the prevailing "social contract" (Forstenlechner & Rutledge, 2010; The Economist, 2016), this research will limit itself to the shorter term.

This study will seek to establish the job satisfaction levels of the UAE nationals currently working in the private sector and also interview HRM experts and

practitioners to get a contemporary understanding of the strategies and policies that they feel are most likely to be effective in attracting and retaining UAE nationals in the private sector. As Issa, Mustafa, and Al Khoori (2013) pointed out, only a small fraction of the UAE's private sector workforce is made up of UAE nationals and that of all nationals employed the majority work in the classic public sector (namely a bureaucratic position or for the army/police/security forces).

The reasons for the current state of affairs are reasonably well documented (Forstenlechner, Madi, et al., 2012); as is the contention that the status quo is no longer tenable (e.g., Coates Ulrichsen, 2011; Davidson, 2012). It will be noted elsewhere, but stated here, that within the regional context: and throughout this study, the 'private' sector will be taken to include commercially-run Government-Backed Entities GBEs (e.g., Forstenlechner & Rutledge, 2010; Hertog, 2010; Hvidt, 2013; Ramady, 2012) as well as entities from the 'true' private sector. It follows that this research will be directly relevant to and have significance for both commercially-run GBEs and the ADHRA. This is because of the mixed-methods approach that directly gauges the opinions on attraction and retention issues in the non-conventional sectors of the economy from key stakeholders: UAE nationals themselves who work in the 'private' sector (n=650; survey), HRM professionals (n=12; interview) and Emiratisation policy experts (n=9; interview).

The problem that this study investigates—how exactly to attract more UAE nationals to the private sector via HRD/HRM interventions—was recently investigated by Ryan (2016). Ryan's theoretical work sought to articulate the problem in terms of inputs and outputs. For UAE national members of the workforce, in the short term, the 'need' for longer work hours with less pay, less holidays, and a less culturally appropriate work

environment is ‘unappealing’. Despite the perceived lower outputs of salary, holidays, etc., private sector employment, according to the thesis set out by Ryan (2016), offers some notable positive outputs. Yet these are primarily deferred benefits like the “potential for higher salaries relative to public sector referents” and the possibility of greater scope for “professional growth and development opportunities.”

The problem with the input/output approach is twofold but in sum is that it does not reflect the reality of the “social contract” as it currently manifests. Firstly, the classic public sector offers remuneration rates that are uncompetitive and secondly, the classic public sector has a very hierarchal structure offering many opportunities for ‘promotion’. Nevertheless, from an individual perspective, the input/output approach does allude to a key potential advantage of pursuing a private sector career: it is likely to be considerably more interesting and thus, in a non-financial sense, far more fulfilling. In addition, from the government perspective pay dispersion in outputs combined with any significant differentiation in inputs can lead to discord and disenfranchisement between state and citizens and also amongst citizens.

#### **1.4 Significance and Scope**

In terms of this study’s significance, it is fair to say that the issue of private sector Emiratisation is one of the UAE’s main socioeconomic concerns. It constitutes, for instance, a key element of both Abu Dhabi’s 2030 Economic Agenda and the UAE’s 2021 Vision (Government of Abu Dhabi, 2008; UAE Prime Minister’s Office, 2010). It is moreover a concern that is neither new or one that has been satisfactorily framed much less satisfactorily dealt with. One of the main issues is the unwillingness of many nationals to consider private sector careers and hold out instead for any position in the already overstaffed public sector. To overcome this challenge, it is imperative to

understand the factors that can help motivate Emiratis and make them happy to work in the private sector (see Figure 1, below). This research is all the more significant for its general applicability to the labour markets of the other Arabian Gulf countries not least the region's most populous state: Saudi Arabia. The Saudisation programme, according to Al Sheikh (2015), consistently fall short of its targets which are set out as being: creating jobs for the increasing numbers of Saudi job seekers (i.e., seeking to combat growing levels of 'national' unemployment) and decreasing dependence on foreign labour.

The objective of this study is to contribute to literature on Arabian Gulf labour nationalisation and the related strategic HRD/HRM discourses. In conjunction with this, it will provide policymakers with contemporary information from the viewpoint of HRM executives operating in the private sector, and UAE nationals who are currently employed and working in this sector. This research utilises Strategic HRM literature as a framework for analysing employment strategies of the government directed to 'private' sector entities and how to shape such policies to more effectively implement Emiratisation (this is primarily achieved by way of the interviews).

The scope of this research is best articulated by its two aims:

- 1) To fill an empirical gap by way of conducting a large-scale survey of UAE nationals currently employed in the private sector;
- 2) To make a significant contribution to the nascent Arab Middle East (AME) HRM model (e.g., Afiouni, Ruël, & Schuler, 2013; Marmenout & Lirio, 2013) by way of a series of in-depth expert interviews.

## 1.5 Research Propositions and Hypotheses

This research centres on addressing the following questions the first intends to build understanding of the obstacles and potential solutions, the second considers how private sector Emiratisation policies, procedures and practices should be designed (and funded):

**RQ1** *What range of measures (incentives etc.) are most likely to attract, and also retain, UAE nationals to the private sector?*

**RQ2** *What role can/should HRM executives play in terms of shaping government policy so as to ensure Abu Dhabi's strategic HRM goals can be achieved without compromising this sector's international competitiveness?*

With regard to the point about “without compromising the sector international competitiveness,” to be clear, there is a danger that if GBEs spend too much capital on recruiting and retaining UAE nationals (WEF, 2016) they will not be as competitive international as they would be if they were to focus primarily on recruiting non-nationals from overseas. As Forstenlechner and Rutledge (2010) have previously stressed, however, the subsidies—for that is what they are—be they in terms of training or above market-rate compensation packages, are for the medium term a better allocation of government revenues that maintain the status quo: attempting to provide all graduating nationals with positions in the ‘non-productive’ classic public sector.

The study's research propositions and hypotheses are set out in Table 1 (below). As the conceptual framework (see Figure 1, below) sets out, a key objective of this research is to determine the extent to which UAE nationals employed in the private sector are content to continue working in this sector. To go some way towards addressing this a Job Satisfaction Survey (JSS) style questionnaire instrument and

scale is to be devised (Spector, 1985, 1999a, 1999b). It is the contention of this research study that gaining a direct and multifaceted input from UAE nationals employed in this sector will offer a valid empirical backdrop. The second key objective of this study: to appraise and evaluate government agency Emiratisation policies and practices currently in place in the Emirate of Abu Dhabi with a focus on HRM strategy. Figure 1 comprises of three parts. Part (a) sets out the factors that are likely to influence one's job satisfaction irrespective of context—those factors most closely associated with Spector's JSS scale—and some that are more specific to the region (the sociocultural factors linked to culture and the UAE's "social contract"). It will be argued that using such forecast factor groupings will help determine what precisely makes those nationals employed in this sector more likely to remain there (as well as providing this study's empirical data with face-validity: the psychometrically sound properties of the JSS scale are well documented). Part (b) shows the sorts of relationships to be tested. Those on the left are set out in Part (a) yet here, the "sociocultural factor grouping" is depicted as a moderator variable.

The reason for this is the extensive literature that places this group of variables as being those that are most influential in terms of an individual national's workforce participation decision and also job-related satisfaction levels (e.g., Al Waqfi & Forstenlechner, 2010, 2012; Farrell, 2008; Harry, 2007; Rutledge & Al-Shamsi, 2015). The model of relationships while focused on one's "likelihood of staying in the private sector" is designed to be capable of measuring relationships explicitly (Figure 1, b.5) and implicitly (Figure 1, b.6). Part (c) seeks, by way of survey analysis and expert interviews, to determine the sort of HRM strategy (etc.) that is most likely to help the UAE government's documented key strategic goal of better utilising its indigenous

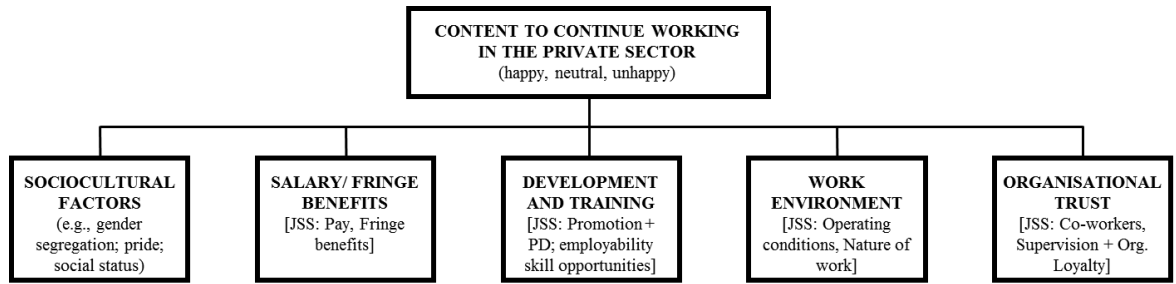
human capital and, *ipso facto*, the emergence of a sustained Emiratisation of the private sector (GBE's first and ultimately the 'real' private sector).

Table 1. Propositions and Hypotheses

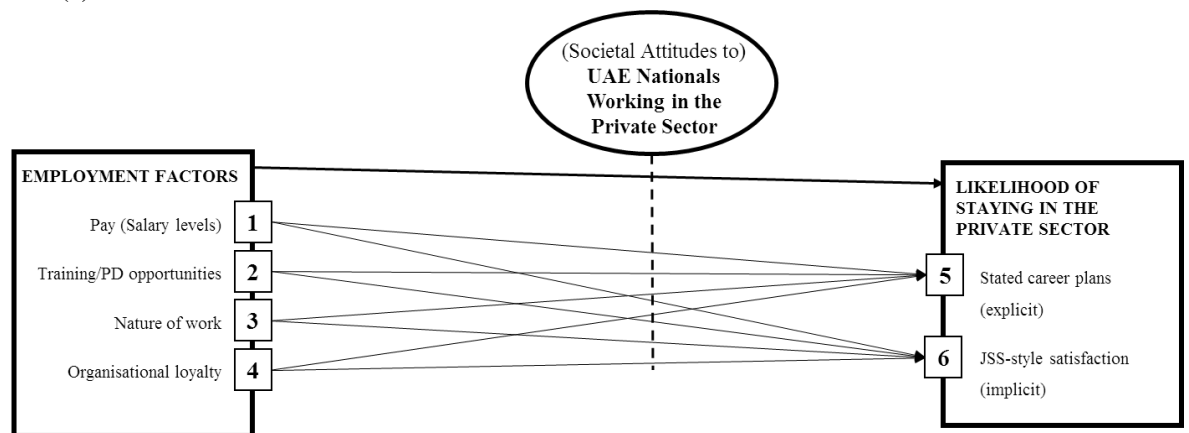
<b>Propositions</b>	
01	Sociocultural factors—including gender segregation; pride/prestige; social status—are the main reason for why UAE nationals might be unwilling to work in the private sector.
02	The pull of the public sector—including salary; pension provision; hours; holidays; easy of taking paid leave—is the main reason for why UAE nationals might be unwilling to work in the private sector.
03	Unless government HRD strategies are overhauled it is unlikely that the number of UAE nationals working in the private sector (as a ratio to those working in the classic public sector) will change substantially.
04	Unless private sector HRM policies, practices and procedures (particularly at commercially-run GBEs) are overhauled it is unlikely that the number of UAE nationals working in the private sector (as a ratio to those working in the classic public sector) will change substantially.
<b>Hypotheses</b>	
01	Salary levels do not have a significant impact on an individual's intention of remaining in the private sector.
02	Availability of career development opportunities, do not have a significant impact on an individual's intention of remaining in the private sector.
03	The nature of the work/environment does not have a significant impact on an individual's intention of remaining in the private sector.
04	Organisational loyalty/commitment does not have a significant impact on an individual's intention of remaining in the private sector.
05	Societal sentiments towards UAE nationals working in the private sector has no significant impact on an individual's intention of remaining in the private sector.

Note: See Section 3.6, "Research Propositions and Hypotheses," for a justification and rationale for each of the above propositions and hypotheses.

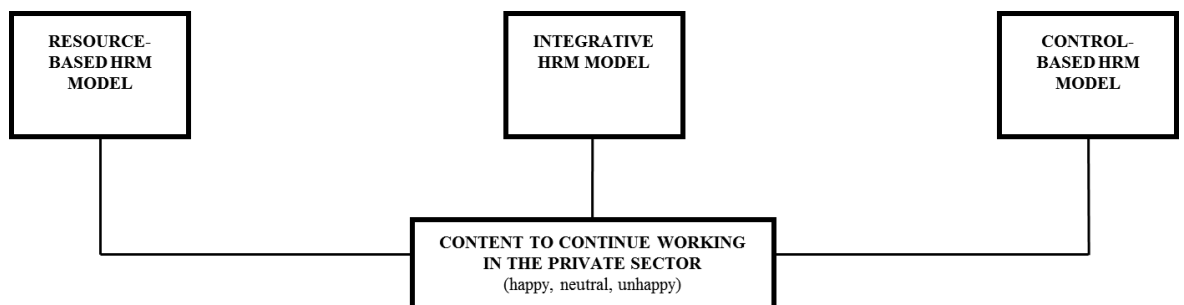
**Part (a)**



**Part (b)**



**Part (c)**



Note: The DV, “Likelihood of staying in the private sector” is phrased as “intention of remaining...” in the hypotheses and is forecast to range from intend to remain through intend to leave.

Figure 1: Conceptual Framework



## Chapter 2: Background Context: Demographics, Economics and Society

In both the academic and popular press the GCC countries tend to be “highly stigmatised” and are considered as either too tribal or overly materialist and modern: cast either as backward and tribal with a thin, modern veneer or, failed modern because of their tribal residue (Cooke, 2014, p. 10). They are also commonly referenced as the classic “rentier states,” yet this somewhat “historic” and “deterministic” portrayal does not hold up to closer scrutiny (Rutledge, 2014). It is, however, fair to say that without a number of systemic changes to the current socioeconomic status quo it is hard to see how long oil exports can support what is by far the largest population in the history of the Arabian Gulf. A population moreover which currently consumes water, the region’s scarcest resource, on a scale unimaginable 50 years ago (e.g., Commins, 2012; Davidson, 2009b; Forstenlechner & Rutledge, 2010).

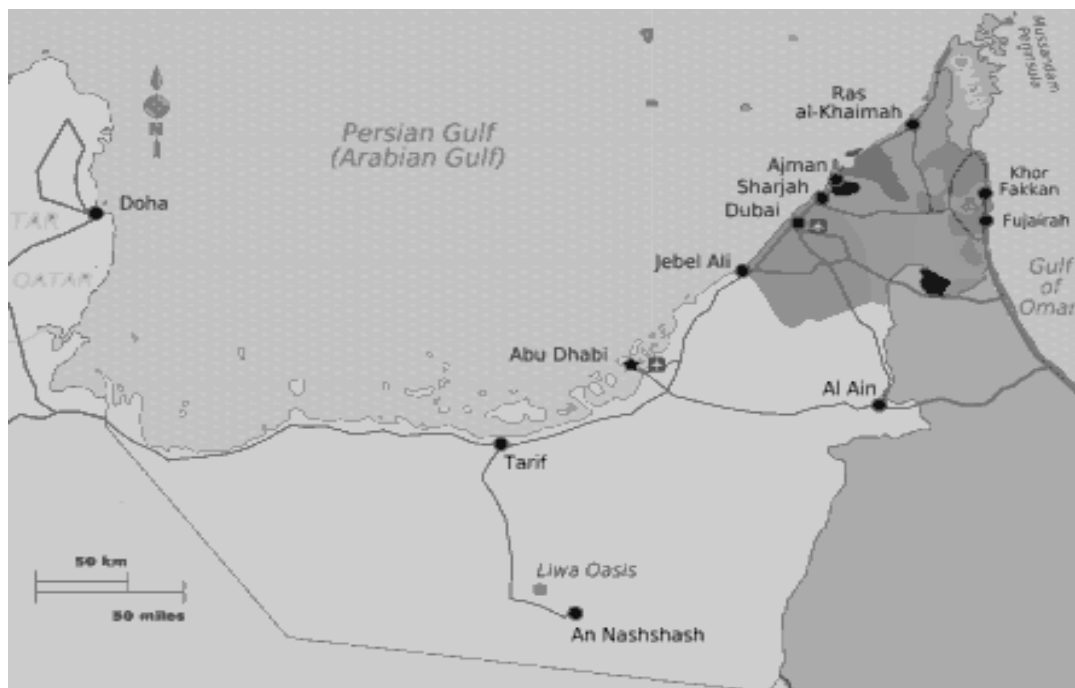


Figure 2: Map of the United Arab Emirates

Source: Dubai Travel and Culture (2014)

## **2.1 The Demography and Geography of the UAE**

The UAE is a relatively small, rapidly-developing country located on the southern shores of the Arabian Gulf and the northern coastline of the Gulf of Oman. It covers around 32,300 square miles; of which 97 percent can be described as desert (EIU, 2015). This region was called the Trucial States during the nineteenth and early twentieth centuries and only became the United Arab Emirates in 1971 after the British withdrew from the region. The UAE was formed as a federal hereditary monarchy and is comprised of seven emirates—Abu Dhabi and Dubai being the largest and most famous—the City of Abu Dhabi, which officially been the country's capital in 1996. To the west, the UAE borders Saudi Arabia and to the south, Oman. The UAE is a member of the GCC and, together these six Arabian Peninsula countries, comprise the “resource-rich, labour-poor” states of the Middle East and North Africa (MENA) in the terminology of the World Bank.

The UAE is now one of the richest countries in the world in per capita income terms (EIU, 2015). The country's proven oil reserves, its principle source of income, are just under 100 billion barrels which is about 10 percent of global reserves, it also has 5.8 trillion cubic meters of natural gas (BP, 2014). Oil was discovered in the 1950s with large-scale commercial exports only really beginning in the mid-1960s. In 1935 the D'Arcy Exploration Company, a subsidiary of the Anglo-Persian Oil Company (BP of the United Kingdom), signed a number of exploration treaties with the Trucial States. An offshore field in Abu Dhabi finally yielded oil in 1958 (Rugh, 2007, p. 8) and in 1962 the first crude oil was exported from Das Island. Of these hydrocarbon resources, 90 percent of the oil and more than 85 percent of the gas is in Abu Dhabi.

With the rapidly expanded access to modern health care infant, mortality rates dropped sharply and, the average life span increased significantly.

In the following decades, these developments, combined with high fertility rates, radically altered the region's demographic profile. At present 60 per cent of the GCC national population is under 25 years old and the UAE is no exception to this "youth bulge" profile. The UAE's investment in welfare has had direct and indirect effects—it now ranks highly on all of the UN's Human Development Indices (UNDP, 2016). The national population of today is not only younger but also more educated, as the UAE used oil wealth to build schools and more latterly a number of HEIs. In the words of Commins (2012, p. 298), this allocation of oil wealth has converted the "sons of herders, fishers and cultivators into bureaucrats and businessmen."

The entire population of what is now the UAE totalled around 100,000 at the beginning of the twentieth century, stood at 500,000 in the early 1970s and is currently estimated to be around 8.4 million (the last officially released country-wide census was conducted in 2005) Of this figure UAE nationals are just under 1 million. Today, the number of non-nationals are twenty times higher than they were in the mid-1970s. Non-nationals (primarily migrant workers) mostly come from South Asia, the Philippines and resource-poor Arab countries.

Within the active workforce, non-nationals make up even larger ratios, they comprise 40 percent of the UAE public sector's workforce and as much as 99.5 percent of the private sector including commercially-run GBEs (De Bel-Air, 2015). This reliance on non-national labour periodically leads to concerns about the potential marginalisation of nationals and, the so-called "demographic dilemma", has led to a number of labour

nationalisation—“Emiratisation”—drives (Forstenlechner & Rutledge, 2011). To date, Emiratisation initiatives have met with limited success, and most of this in the public sector (e.g., Al Ali, 2008; Al Ameri, 2011a; Issa et al., 2013).

If the Arabian Gulf’s HE sector does not improve soon, argue Davidson and Mackenzie (2012), there is a concern that Arabian Gulf nationals will be left as bystanders as non-nationals will secure the plethora of employment opportunities being created in the non-oil dependent sectors of the economy. It is argued that the only solution is for the national population to be better educated and better qualified in order to be more competitive vis-à-vis non-national labour. But this is not easy, nationals will need to be able to compete for jobs alongside, for example, bilingual Lebanese and Tunisian expatriates who have benefited from an established, accredited university education in their home country; Westerners with the skill sets required in the hi-tech knowledge-based sectors of the economy and Asians who have very low reservation wage demands and are willing to work long hours in ‘all’ occupational roles.

## **2.2 The Economic and Political Structure of the UAE**

As part of efforts to secure its trading routes with India during the 19th century, the UK concluded a series of truces and protectorate agreements with individual sheikhdoms in the Arabian Gulf region. These agreements eventually gave rise to what became known as the Trucial States (covering much of the present-day UAE). There was little in the way of economic development during this period. The main political story of the nineteenth and twentieth centuries was the decline and fragmentation of the Qawasim maritime empire in the northeast, and the expansion and consolidation of the in-land based, semi-nomadic Bani Yas empire in the south-west under the

leadership of the Nahyan tribe (present day rulers of Abu Dhabi). This was accentuated with the discovery of huge quantities of oil in Abu Dhabi and insignificant amounts of oil in the land controlled by the Qawasim (Rugh, 2007, pp. 9-10). The three external factors that most impacted tribal/Emiri rule during this period them were the increasing British involvement in the affairs of the Trucial States; the acquisition of huge amounts of wealth by some of the rules after the discovery of oil and the ensuing rapid urbanisation.

Although the UAE has the world's seventh-largest oil reserves and is ranked 17th globally in terms of gas reserves, it is seeking to reduce its dependence on hydrocarbons and diversify the country's economic base (Government of Abu Dhabi, 2008). While the need for 'economic diversification' is seemingly a catchphrase within the Arabian Gulf in many instances the UAE is clearly using its oil wealth for HRD investment and longer term infrastructure developments and not just "short-term largesse" (Rutledge, 2014). In the past decade, its non-hydrocarbon GDP growth rates have been impressive (Institute of International Finance, 2014) and an unambiguous shift within the region to convert their hydrocarbon resources into value-added manufactured products by developing these domestically is observable.

According to Hertog (2010, p. 293), commercially-run GBEs show that oil wealth does not by default lead to a rentier-style "institutional stagnation or decay" (a 'resource curse' outcome) stressing that Arabian Gulf governments have been able to "build a number of remarkable pockets of efficiency." Some of the world's largest refinery and petrochemical projects are now being constructed, the UAE has 'two' of the world's fastest growing airlines and has invested nuclear energy (Ramady, 2012). The UAE is indeed emerging as a global logistics and transportation hub: DP World

is now the third largest port operator globally and Emirates airline is the fourth-largest airline in terms of international passengers carried. The Emirate of Dubai has led the way in developing its services sector, particularly banking and financial services and tourism. Abu Dhabi is seeking to become the region's 'cultural' capital albeit importing a considerable amount of this from the West (e.g., a branch of the Guggenheim art gallery and a Louvre museum).

Turning to the political landscape, the UAE is governed by a Federal Supreme Council made up of the seven Emirs (one for each Emirate). From 1971 onward the UAE operated under a provisional constitution, which was renewed every five years, this was only made permanent in 1996. The Supreme Council is the highest federal authority and comprises the hereditary rulers of the seven emirates. The council appoints the prime minister, which has to date been the ruler of Dubai; currently Sheikh Mohammed bin Rashid al-Maktoum. Upon the death of his father in 2004—the widely respected (“founding father”) Sheikh Zayed al-Nahyan—Sheikh Khalifa bin Zayed al-Nahyan the ruler of Abu Dhabi, became president of the UAE. The UAE established a half-elected Federal National Council (FNC) in 2006 yet its role to date is largely consultative. The FNC consists of 40 members drawn from all the emirates. Half are appointed by the rulers of the constituent emirates, and the other half are indirectly elected to serve two-year terms.

It is argued that the intersection of local and global politics alongside the region's diminishing resources will keep all Arabian Gulf countries and their societies in some degree of tension for the foreseeable future (e.g., Davidson, 2012). Cooke (2014) argues that just because the generous welfare policies have won loyalty, obedience and acquiescence to date, does not mean they will always do so. According to Freedom

House's "Freedom in the World" report, which measures both civil liberties and political rights, the UAE is currently classified as "Not free" (Freedom House, 2015). Having said this, if measured against neighbouring countries, it is considered to be among the most open, well governed and progressive (WEF, 2015; World Bank, 2016). It also consistently ranks as the political entity that Arab youth residing in other MENA countries would most like to move to and most, like their respective governments to emulate (ASDA'A/Burson-Marsteller, 2013, 2014).

In economic policy terms then, the UAE followed the employment trajectory of other developing countries by initially offering jobs in government ministries to all new national graduates. This then brings us to the debatable "rentier state thesis." According to Gelb (1988) the impact of rent-seeking on economic development, the use of sheltered employment is a possible reason for the different economic performance between similar developing countries. Thus the rentier countries' economic performance can be discounted because the employment is not 'real' or based on production capacity. A counterpoint to this view is set out by Carnoy and Rhoten (2002) who argue that globalised nation-states will become 'virtual' and will invest in its people rather than its production capacity, "the role of the state is to negotiate for its own corporate investments abroad and to attract foreign investment domestically." According to Burden-Leahy (2009, p. 536), this alternative contention implies that the greater institutional capacity of a state, which includes the number of people employed, the more positive will be its compatibility with globalisation.

Gold and Naufal (2012, p. 60) argued that while *Wasta* can both be a deterrent to economic growth and sustainability by potentially alienating Foreign Direct Investment and, a mechanism through which to lower transaction costs by, "assisting

a business in circumnavigating the process or otherwise cutting red tape that can be a hindrance to the business environment.” As recently articulated by Krane (2015, p. 19), while “distributional politics” has long been considered a key element in the Arabian Gulf’s much vaunted “political stability” (and “in-kind resource distribution has been an important component of that model”), this practice now comprises a structural impediment threatening both incumbent economic and political models.

### **2.3 Education and Human Resource Development in the UAE**

UAE Federal Law No. 11 of 1972 made education compulsory in the primary stage and free at all stages for UAE Nationals, this was only raised to Grade 12; the completion of secondary education in 2012 (UAE National Qualifications Authority, 2012c). The UAE had to expand from a very small historical base and presently most university students are first generation. The UAE did not build a university until the late 1970s and only established a Ministry of Education during the same decade. The 1980s and 1990s was a period of transition from educational provision by the religious community to more secular educational provision by the state.

Initially, some families refused to allow girls to attend school, consequently, a marked gap in literacy opened between boys and girls, particularly in rural areas however this gender gap eventually closed in the 2000s (Commins, 2012). Presently women outpace men in terms of HE qualifications but gender still impacts labour market entry (UAE Ministry of Higher Education, 2014b); ‘national’ female labour force participation rates remains low if compared to those in OECD countries (Rutledge & Al-Shamsi, 2015). Three Arabic concepts align with the word ‘education’, these are *Tarbiya*, to grow; *Ta’dib*, to be refined, disciplined, cultured and, *Talini*, to know, be informed, perceive, discern. It is argued that these elements combine to form a notion



of education as a process where the learner grows, develops and comes to know the world through received wisdom and convention. Indeed, Lightfoot (2014) states that most Islamist-orientated educators do not see a discrepancy between ‘revealed’ and ‘acquired’ knowledge, in stark contrast to the pedagogies in knowledge-based economies. In the latter, methodologies centre around enabling independent inquiry, critical thinking and a process of optimising the development of human capital.

Secondary level students in UAE ranked 42nd in English reading and 41st in science and mathematics from 65 countries that were included in the OECD’s Programme for International Student Assessment (PISA), which assesses the extent to which 15-year-old students have “acquired key knowledge and skills that are essential for full participation in modern societies” (OECD, 2012). English reading results reveal that 60 percent of students showed proficiency at or above the baseline needed to participate effectively and productively in life compared to the 81 percent average in non-English speaking OECD countries. The PISA data revealed that students in the UAE were at a greater proficiency level than many other Arab countries and that in all these subject areas, girls performed better than boys. However, this data did not delineate between national and non-national pupils within the UAE’s schooling system.

There exists also, the question of what to teach, and how to go about teaching especially so at HE level. As campuses are built and physical infrastructure is put in place, there are mounting concerns over quality control and accountability (Davidson & Mackenzie, 2012). How will teaching standards be enforced and how will research output be measured? International partnerships are equally central to the Arabian Gulf universities. Some have attracted big name western institutions while others are tied

to unaccredited institutions from other parts of the world. As of yet, there is little uniformity.

Across MENA and particularly in the Arabian Gulf, the HE sector has also been routinely criticised for failing to meet the needs of either the public sector GBEs or the 'real' private sector: strategies for labour nationalisation have been largely unsuccessful in most GCC countries (e.g., Al-Dosary & Rahman, 2005; Al Ali, 2008; Salih, 2010). However, this may also be resultant from labour market practices that have traditionally given nationals administrative positions in the government sectors by default (see Section 2.4, below).

Initially, much of the curriculum content used in the Arabian Gulf's education sectors was wholly based upon imported teaching materials, often from Egypt. The HEI campuses that have been built in the past decade or so are impressive, large budgets have ensured a pleasant educational environment and good resources for learning. Yet as HE level rote learning and traditional lectures are seen to be less beneficial than seminar-based teaching that centre on meaningful class discussions and a promotion of critical thinking. Faculty councils tend to be little more than consultation sessions and rarely can problems be raised collectively given restrictions on the rights of association in place in most of the Arabian Gulf's countries (Davidson & Mackenzie, 2012). Although the UAE's Ministry of Higher Education has now put in place a National Qualifications Framework (UAE National Qualifications Authority, 2012a, 2013b), there remains a question mark over the enforcement of minimum standards.

From the outset and up until today the majority of the faculty has to be recruited from elsewhere in the Arab world and more recently the West. This reliance on expatriates

is controversial for various reasons. One such reason is that English has been adopted as the de facto language of instruction at HE level in the UAE in spite of the fact that English is not used let alone effectively taught at secondary level (only now is the Emirate of Abu Dhabi starting to address this). A recent doctoral thesis by McLaren (2011) was in some critical of the use of English as a medium of instruction in the UAE's HEI as it "increased the learner's cognitive burden" and makes the "mastery of content subjects more difficult."

Another reason is that very few UAE nationals choose to enter the education profession as teachers or instructors due to its low status compared to administrative government positions and well remunerated, but not particularly taxing roles in the army of police force (e.g., Davidson & Mackenzie, 2012; Forstenlechner & Rutledge, 2011). Of all 6,181 faculty employed in the UAE's higher education sector, 2,569 were at Federal institutions—of these just ten per cent are UAE nationals. At private HEIs, of the total faculty, less than two percent are UAE nationals. At this point in time, UAE nationals make up around 5 percent of all faculty, those from other Arab countries comprise 35 per cent and, those from the West a little over 40 percent (UAE Ministry of Higher Education, 2014b, pp. 80-82).

In its desire to become the Arabian Gulf's hub for international HEIs, the UAE has embarked upon major internationalisation initiatives. A large number of international education providers including INSEAD, New York University, Paris-Sorbonne, and the University of Wollongong now operate in the UAE these are not gender-segregated and have far more cosmopolitan student bodies and higher entry requirements. For the most part, they cater for non-national individuals whose parents live and work in the UAE (Madichie & Kolo, 2013). While the desire to shift to knowledge-based

economies has clearly influenced policymaker rhetoric, at the level of the classroom and lecture theatre, some argue that little has actually changed. According to Dada (2013, pp. 243-244) although “streams of foreign consultants” have studied and reported their findings and have made recommendations for paths forward to systemically overhaul the UAE’s education sector but these reports are “simply being stored for future reference.”

The country’s first HEI, United Arab Emirates University (UAEU), opened in 1977, while the largest, the Higher Colleges of Technology (HCT), opened in 1988. The third key HEI is Zayed University (ZU) and opened in 1998. The other Federal level HEIs are the Institute of Applied Technology and the Abu Dhabi Vocational Education & Training Institute (UAE Ministry of Higher Education, 2014a). At undergraduate level all of these institutions are gender-segregated. While participation in HE continues to rise in the UAE, it remains low compared to those in the West (UAE Ministry of Higher Education, 2014b; UAE National Qualifications Authority, 2012a). In 2014, the total enrolment in the UAE’s HE sector was 128,279, of which 60 percent were UAE nationals (77,397); 45,254 females and, 32,143 males (UAE Ministry of Higher Education, 2014b, pp. 40-45). Depending on how one computes the figures (campuses are gender-segregated and several of the Federal HEIs have campuses in more than one Emirate), there are in the region of 110 HEIs accredited by the Ministry of Higher Education in the UAE.

In 1987 the Higher Colleges of Technology were founded using a Canadian model of community college education in four campuses (two for each gender) offering engineering, banking and information technology as the initial faculties. Importantly, according to Burden-Leahy (2009, p. 532), the language of instruction was English.

The curriculum was initially strongly linked to the Canadian model, but as the English-language limitations of the students became clear, was ‘Emiratized’ to take account of their progress in the second language. More campuses were introduced (in 2006 totalling 12 and known as the ‘System’), providing access to vocational higher education for men and women in all emirates; further curriculum areas (media, health sciences and design, for example) were added later.

Staffing was largely expatriate from North America, Europe and Australasia. Responsibility for curriculum and quality rested with the Vice-Chancellor. Credentials awarded by the Higher Colleges of Technology were broadly equivalent to the North American Associate Degree in terms of content, although some—like aviation and engineering—adopted curriculum and quality standards from the UK Higher National Diploma, and were accredited by the UK professional bodies as equivalent. In 1996, the intake to these colleges was hugely increased by the introduction of a Certificate/Diploma level credential, which was broadly equivalent to the UK BTEC First Diploma (Burden-Leahy, 2009).

Burden-Leahy (2009, p. 530) asserts that the UAE from the very earliest years of its independence sought expertise from Europe and North America and, to a lesser extent, various Middle Eastern countries, in particular, Egypt. Generally speaking, the UAE has always looked towards the west for good practice and expertise. In part then, this tendency reflects Saïd (1979, p. 322) contention that typically universities in the Arab world are, “run according to some pattern inherited from a former colonial power [in which] the few promising students ... are encouraged to complete their academic work [in the West].” The UAE then has arguably, modernised itself by following the example of more developed states, while seeking to retain the valued elements of its

own traditions. In 1971 there was no educational infrastructure at all, let alone any left by the UK, the former colonising power. As with other newly independent nation states, the appetite for education in the early years was overwhelming (Burden-Leahy, 2009, p. 529).

#### **2.4 The UAE's Labour Market and Workforce Profile**

It has been frequently stated that the sustainability of UAE's impressive oil wealth funded economic development in recent decades, depends ultimately on having a motivated, skilled and qualified 'national' workforce (e.g., Bhayani, 2014; Davidson, 2009b; Forstenlechner & Rutledge, 2011). Yet Arabian Gulf labour markets, while considered 'elastic' due to a ready supply of non-national labour are also 'inelastic' due to various structural imbalances. First, because movement within the respective markets is limited both by labour laws that make it difficult for non-national workers to switch between jobs and secondly, because of national labour's pronounced preference for administrative-style government jobs. Alongside job security it is reported that in the UAE, government employees earn three times as much as their private sector counterparts and have as many as 60 days of additional annual leave; national employees rarely if ever get fired (Issa et al., 2013). A third inescapable consideration is that the over-dependence on non-national labour has not only made the region's economies unproductive but is affordable only as long as oil revenues can pay for it (see Table 2, below).

Compounding the issue is the fact that the UAE's public sector has reached "saturation point" (Forstenlechner & Rutledge, 2010). It can no longer realistically offer employment to all of its citizens, even if they have graduated with an HE qualification. The received wisdom now is that going forward, it will be the (commercially

orientated and competitive) GBEs and the ‘real’ private sector that will need to provide UAE national graduates with the lion’s share of employment opportunities. Indeed it is these ‘labour market strains’ (Fasano & Goyal, 2004), this ‘demographic dilemma’ (Forstenlechner & Rutledge, 2011) that explain the increased focus on vocationally-related interventions at HE level (the lack of, and need for, such interventions is touched upon in various ways in much of the literature that assesses and critiques the region’s labour nationalisation and economic diversification strategies). In light of this, the UAE is seeking to encourage more nationals to take up ‘productive’ (i.e. private sector) employment, and a core component of this is said to be plans underway to foster and encourage ‘genuine’ employability skills within the secondary and tertiary educational sectors (e.g. Andersson & Djeflat, 2013; Government of Abu Dhabi, 2008; IKED, 2010; UAE Government/OECD, 2014; UAE National Qualifications Authority, 2015).

The UAE’s workforce segmentation, along with that in the neighbouring Arabian Gulf states began in the early 1970s (Fasano & Goyal, 2004). Non-nationals (expatriates) and UAE nationals represent the essential categorisation of the UAE labour market. As Ryan (2016) explains, expatriates are non-national/foreign workers who hold temporary resident visas (normally of 3 year duration, and renewable) allowing them to work and live in the UAE whereas, UAE nationals are citizens of the UAE with the right to hold a UAE passport and access full benefits of UAE citizenship. Al Waqfi and Forstenlechner (2014, p. 167) argue that in the face of an escalating demand for workers from the 1970s onward, the Arabian Gulf had adopted “a liberal immigration policy which allowed an influx of large numbers of foreign workers.” Yet in recent

years this reliance on non-national labour has created “a distortion and segmentation of the labour market.”

The current estimates suggest that expatriates make up over 85 percent of the UAE’s population (UAE Federal Competitiveness and Statistics Authority, 2015). The literature recognises the potentially negative socioeconomic consequences of this reliance on such a large non-national workforce (Forstenlechner & Rutledge, 2011) and it is in this regard that the UAE’s labour nationalisation plans, policies and procedures (the “Emiratisation” process) comes into perspective. Although the Arab Gulf’s demographic imbalance may be open to criticism for its potential to stir up “anti-foreign sentiments,” as Forstenlechner and Rutledge (2011, p. 28) state, the term of reference nevertheless has become both a frequent topic of conversation and a serious concern among large parts of the citizenry; in one general survey it was ranked the top current and future “challenge,” ahead of health-related, economic and traditional security challenges.

In short, Emiratisation focuses on moving away from the dependence on oil revenues for the creation of UAE national employment opportunities in the public sector and toward an economic environment that offers appropriate and meaningful work opportunities for UAE nationals in the private sector (see e.g., Forstenlechner, Madi, et al., 2012; Ryan, 2016). To date, some success in the Emiratisation of the banking and insurance sectors is evident, whereas targets in other industry, such as hospitality, are less positive (Issa et al., 2013).



Table 2. Arabian Gulf Population and Workforce Statistics

Country	Population		Workforce	
	Nationals	Non-Nationals	Nationals	Non-Nationals
Bahrain	510,000	540,000	36%	64%
Kuwait	1,000,000	2,400,000	17%	83%
Oman	2.4 mill	1 mill	29%	71%
Qatar	220,000	1.1 mill	5%	95%
Saudi Arabia	21 mill	7.8 mill	51%	49%
UAE	950,000	4.3 mill	6%	94%

Source: Rutledge (2012)

Table 3. Unemployment in the Arabian Gulf (by Age and by Gender)

Country	Unemployment, by Age Group <sup>a</sup>		Unemployment, by Gender <sup>b</sup>	
	Overall	Youth	Young men	Young women
Bahrain	7.4	27.5	25.4	32.3
Kuwait	1.5	9.2	10.7	6.1
Oman	8.1	20.6	18.1	30.6
Qatar	0.6	1.7	0.5	10.4
Saudi Arabia	5.6	27.8	21.2	55.5
UAE	3.8	11.0	8.4	21.5

Notes: Author's calculations based on WEF (2014) data; <sup>a</sup> youth unemployment rate (% of labour force ages 15 – 24), 2012; <sup>b</sup> unemployment rate (% of labour force), 2012.

## 2.5 Summary; the Context for this Study

The United Arab Emirates then is a country that has undergone systemic socioeconomic transformation in a very short period of time: Today the UAE, with a population of over eight million now has a first-class infrastructure and the country's citizens are amongst the richest in the world, be it in GDP per capita or welfare provision terms, yet just 50 years ago it was a predominantly Bedouin society with

less than 100,000 people. However, the long-run “ruling bargain” that has been in place since the UAE’s foundation is now resulting in demographic, economic and labour market strains. These include a highly distorted and unproductive labour market and an underperforming Federal HE sector. While the UAE may have the (oil) wealth to maintain the status quo for many decades to come, it is clear that policymakers at the highest level are seeking to make national labour more attractive to the commercial and knowledge-based sectors of the economy (Government of Abu Dhabi, 2008; UAE Prime Minister’s Office, 2010).

A key component of this transformation will necessarily have to occur within the private sector labour market. This will necessarily entail making the vocationally-orientated interventions at Federal HEIs considerably more comprehensive and effective than they currently are and, in addition, ensuring that HRM practices and policies relating to Emiratisation itself become more effective than they currently are. An in-depth investigation of the current situation and investigating ways of improving on this is the overarching goal of this study.

### **Chapter 3: Literature Review**

As the literature makes clear, one of the most pressing socioeconomic issues facing the UAE, along with its Arabian Gulf neighbours is how to reduce dependence on non-national labour (expatriate “guest workers”) and in so doing, make better use of national, human capital (e.g., Forstenlechner & Rutledge, 2011; Rutledge & Al-Shamsi, 2015; Ryan, 2016). There is now a considerable literature that focuses on the Arabian Gulf’s labour market strains which were set out by Fasano and Goyal (2004) in the early 2000s and more recently by Forstenlechner and Rutledge (2010). The latter stress the way in which the “social contract” (also known as the “ruling bargain”) acts to distort the labour market. In short, the contention is that by providing well-paid government jobs to the majority of citizens irrespective of merit has resulted in unproductive labour and a substantial, in some cases, unsustainably high recurrent wage bill. Such works can be seen as more contemporary additions to the socioeconomic discourse on oil-rich rentier states most notably that of Beblawi and Luciani (1987) respectively.

In terms of structure, this literature review will focus first in the region’s labour market, workforce and organisational culture. It will focus on research conducted at both the macro and micro level in the Arabian Gulf and then specifically in the UAE (Section 3.1 and Section 3.2, respectively). This will be followed by a comprehensive critique of the literature on Arabian Gulf labour nationalisation and then the Emiratisation process (Section 3.3 and Section 3.4, respectively). It is important to analyse the range of HR strategies, policies and practices as these are pivotal to organisational culture and workplace practice and will thus ultimately impact on the likelihood of Emirati retention rates in the private sector. Therefore, the third key

section will consider HRM and HRD theory and strategy. The final section will narrow to focus specifically on each of this study's research propositions and hypotheses; detailing how each are relevant to this study's aims and also to extant theory and applied research. It will also identify gaps in the literature that this study intends to fill.

### **3.1 Structure of the Arabian Gulf's Labour Markets**

Up until the turn of the century, with access to cheap foreign labour there were few attempts to use technology to replace unskilled cheap foreign labour (see, e.g., Muysken & Nour, 2006; Salih, 2010). In other words, human resources are still seen as 'costs' to the employer not valued assets of capital to be invested in. Within the Arabian Gulf decades of high income from oil wealth has led to a steady decline in labour productivity due to the creation of mostly low benefit jobs and employment of many unskilled workers, with little technical support, rather than employment of fewer workers supported by enhanced technology. It has long been said that human resources are used inefficiently because the governments believe oil wealth can be used to catch up with industrialised countries without changing their social structures (Elsenhans, 2004).

Yet, while such leapfrogging may have worked in terms of infrastructure and ICT, to date, in terms of human capital, it has not (Muysken & Nour, 2006). For the region to move from dependence on fluctuating oil and gas markets and rents from these and other natural resources, the region's low levels of labour productivity must be addressed (Fasano & Goyal, 2004; Forstenlechner & Rutledge, 2010). It has also been argued by Al-Dosary and Rahman (2005) that in an attempt to address the 'national' unemployment problem during the 1990s, the Saudi government "forced

the public sector to hire Saudis for non-existent jobs,” which to a degree has turned the public into a “vast social welfare system.” Indeed it has been stated that many such positions are essentially sinecures (Niblock & Malik, 2007).

The Middle East and North Africa (MENA) region faces an unprecedented challenge (World Bank, 2004). In 2000, the labour forces of the region totalled some 104 million workers, a figure expected to reach 146 million by 2010 and 185 million by 2020. Given this expansion, the economies of the region will need to create some 80 million new jobs in the next two decades. With unemployment in double digits, the goal of absorbing unemployed workers in addition to the new entrants implies the need to create close to 100 million jobs between 2000 and 2020, a two-fold increase. In no small measure, MENA’s economic future will be determined by the fate of its labour markets. The problems to be overcome are enormous; their complexity is daunting. If current trends continue, economic performance and the well-being of workers will be undermined by rising unemployment and low productivity.

MENA countries need a new development model based on a reinvigorated private sector, greater integration into the world economy, and better management of oil resources. These drivers of future growth and job creation require a foundation of better governance. Moreover, this transformation necessitates the renegotiating of the existing “social contract.” Harry (2007) makes clear the serious challenges facing this region and has argued that within the region there is a policy preference for “expediency rather than solutions” and that this has resulted in “challenges becoming serious problems.” In a critical appraisal, he goes on to argue that the private sector has been intent on maximising short-term gain while creating long-term problems. Governments have attempted to reduce dependence on foreign

labour rather than creating a productive indigenous workforce and worthwhile jobs for their citizens.

According to Bremmer (2004, p. 26), several factors help explain why Saudisation has so far failed. The first is that many private sector operators believe it will undermine their competitiveness, “by requiring employment of unqualified workers.” One well-reported consequence was the resulting loss of business to other regional banking centres which in turn hampered the Saudi government’s efforts to boost non-oil dependent sectors of the economy (e.g., Al-Dosary & Rahman, 2005; Looney, 2004). The second reason given by Bremmer (2004, p. 26) is that Saudi Arabian attempts to force nationalisation on the private sector acted to deter foreign direct investment and resulted in some degree of “capital flight.”

Throughout this study the term “classic public sector” is often used (or implied when referring to “the public sector”), this is based on the distinctions drawn in the seminal work on the subject of the Arabian Gulf’s “social contract” (oil-wealth transmission mechanism between the ruling elites and their respective citizenries) by Forstenlechner and Rutledge (2010). They draw a distinction between the long-standing administrative/bureaucratic positions (sometimes being little more than sinecures) and those now offered by the wide range of commercially operated Government-Backed Entities (GBEs). Strictly speaking then, the “private sector” then represents those organisations under private ownership at a national or international level across all industries, including owner/operators, small and medium-sized enterprises, multinationals, and publically listed companies. However, as mentioned for the purposes of this study, the private sector will also include GBEs. The classic public sector in the Arabian Gulf then represents government agencies such as

municipal and federal services central to national governance, utility service providers, police, army, and many elements of the education and health sectors.

### **3.2 The UAE's Labour Market and Workforce Dynamics**

The pronounced national/non-national imbalance in the UAE private sector workforce inevitably means that the UAE nationals in the private sector are a minority in the workplace (e.g., Forstenlechner, Madi, et al., 2012; Issa et al., 2013; Ryan, 2016) and that the government is still the de facto employer of first choice for citizens (Issa et al., 2013). Complicating the situation further, it is said that private sector employers hold negative perceptual biases about the vocational readiness and willingness of UAE nationals to work in a fashion similar to non-nationals (Forstenlechner, Madi, et al., 2012). In turn, these preferences and perceptions impact on the social appropriateness of various occupations, which, within the regional cultural context carries considerable importance (e.g., Al Ali, 2008; Gallup/Silatech, 2009, 2011; Goby, Nickerson, & David, 2015). Research suggests that the cultural norms of the traditional, conservative, tribal society of the UAE will require significant adoption for UAE nationals who may find the norms and regulations of the private sector work environment (Forstenlechner & Rutledge, 2010).

Al Waqfi and Forstenlechner (2012, p. 623) consider the roots of such expectations in the structure of the labour market, where public and private sector are governed by different considerations and different rules and regulations. Therefore, one of the key hindrances remains the salary difference between the public and the private sector. It has been argued that it is both unrealistic that public sector pay will be lowered and for the private sector to match public sector salaries and benefits (Al Waqfi & Forstenlechner, 2012). For Abdalla, Al-Waqfi, Harb, Hijazi, and Zoubeidi (2010),

only part of the wage paid to national workers in the public sector is related to the value of their human capital or their work performance, while the other part is a transfer payment to raise the standards of living for citizens.

These sociocultural impacts are even more significant for female nationals for whom, the appropriateness of private sector employment is even less acceptable (e.g., Marmenout & Lirio, 2013; Rutledge & Al-Shamsi, 2015). Nevertheless, labour market research conducted in the early 2000s found that there were proportionately more national women than men in the private sector (Morada, 2002). In another piece of research conducted at around the same time, it was observed that no less 53 per cent of surveyed private sector employed female nationals, did not think they would not stay in their jobs for more than five years because of “low salary and wages” (Nelson, 2004, p. 19).

The same study also found that many nationals felt somewhat uncomfortable with the multicultural nature of the work environment—ubiquitous almost in the private sector—which led to an array of actual and imagined problems. The profile of UAE national females employed in the private sector suggests that such employment is, at best, a second choice and, at worst, the only option for those who fail to get suitable public sector jobs (Yang, 2002). More recent works such as those by Marmenout and Lirio (2013) and Williams et al. (2013) do not come to dissimilar conclusions. Yet it remains the case that there are more national women than men currently working in the UAE’s private sector (Rutledge & Al-Shamsi, 2015).

### **3.3 Labour Nationalisation within the Arabian Gulf**

Workforce nationalisation is a public policy priority in all Arabian Gulf countries as the national/non-national workforce imbalances are pronounced and segmented in



terms of having public sectors dominated by nationals and private sectors dominated by both skilled and unskilled labour (see e.g., Al Sheikh, 2015; Forstenlechner & Rutledge, 2010; Salih, 2010; Swailes, Al Said, & Al Fahdi, 2012). It follows that national unemployment in the Gulf is considered to be a key HRD/HRM concern (Fasano & Goyal, 2004; Harry, 2007). Those citizens who are not able to change by gaining relevant qualifications and skills, and who lack connections (i.e., *Wasta*) are increasingly unlikely to be able to secure well remunerated public sector jobs and, in the view of Harry (2007), will therefore be obliged to accept what was previously unacceptable (e.g., check out jobs in Saudi supermarkets).

Indeed, by not addressing indigenous youth unemployment many of the region's regimes were impacted directly or indirectly by the "Arab Spring" (see e.g., Coates Ulrichsen, 2011; Davidson, 2012; Forstenlechner, Rutledge, & Alnuaimi, 2012). However, despite the fact that regional labour nationalisation strategies have been in place since the early 1990s (Ebrill, 2001; Looney, 1992; Niblock, 2006), the typical private sector response has been to resist and if pushed hard undertake small-scale measures and view them as a cost of doing business as opposed to an HRD related investment (Forstenlechner & Rutledge, 2011).

A review of the literature reveals a number of things with regards to the Arabian Gulf's labour nationalisation policies. Firstly, they are by no means uniform and seem to be far more rigorously applied in some countries than others (Bahrain, Oman and Saudi Arabia have seen the most concerted efforts and, it is not a coincidence that these states have the lowest hydrocarbon reserve to national capital ratios). Secondly, the motivating factors are various and seem subject to change. There are the pragmatic economic reasons—the need to foster a more dynamic infrastructure that becomes

reliant on indigenous human capital—and there are security concerns be they in terms of political instability or in relation to the erosion of Arabian Gulf cultural norms and sensibilities. The third is the way in which labour nationalisation policies are implemented: “top-down”, “bottom-up” or a combination of both. Commonly voiced sentiments are to make non-national labour considerably more expensive than it currently is and that the region’s governments need to act in a coordinated way otherwise employers will move jobs from one country to another depending on the flexibility of the given state’s labour laws.

For instance, Harry (2007) mentions policies such as increasing fees to employers of expatriates and having the employers pay the real cost of government services to expatriates, such as the cost of healthcare. The logic is by making non-national labour that much more expensive, national job seekers will become (wage-wise) that much more competitive. Nevertheless, many of the existing policies are considered to be ‘quick-fixes’ and are said to have been designed to be popular with the respective citizenries and have never really addressed the fundamental issues—i.e., those spelt out by Forstenlechner and Rutledge (2010)—that include the government job provision mechanism and the *Kafala* system whereby citizens can import cheap unskilled labour effectively cost-free.

At present nevertheless, on the supply side, there is still a mismatch between the employability of graduates from the education system and the skills needed by employers. On the basis that it is easier to develop technical ability in employees who show good attitudinal fit with organisational cultures than it is to leverage good technical ability into mismatched fit situations, education systems in the Arabian Gulf should, therefore, put more emphasis on acculturation in relation to the demands and

expectations of the contemporary private sector workplace (Swales et al., 2012, p. 369). Furthermore, additional emphasis needs to be placed on attitudinal employability—developing different appreciations of the realities of working in the contemporary labour market.

On the demand side, there is, in effect, unequal competition in the labour market as many private employers still favour foreign labour because of the assumed higher work ethic. Abdalla et al. (2010, p. 175) have previously stated that if private sector operators can hire non-nationals “at significantly lower wages than nationals due to differences in standards of living and reservation wage between the two groups,” then they will continue to do so. One of the key challenges for private sector Emiratisation is to reduce the wage differences in a way that does not, “alienate the private sector by burdening it with the cost of Emiratisation” (Abdalla et al., 2010, p. 175).

### **3.3.1 Top-down Approaches**

In general, labour nationalisation across the region has thus far occurred by using quota systems and preventing non-nationals from working in various occupational roles (i.e., bureaucratic government positions). According to Swales et al. (2012), Marchon and Toledo (2014) and Toledo (2013), “top-down” labour nationalisation policies have two main aims and mechanisms:

- 1) To restrict the use of non-national labour by way of quota systems (the UAE’s banking sector being a case in point);
- 2) To make it harder (more expensive) to hire non-national labour.

As Looney (2004) sets out, Saudisation can be defined as a development strategy that seeks to replace foreign workers with Saudis, largely through “various employment quota targets.” The three main goals are: (1) increased employment for Saudi nationals

across all sectors of the domestic economy (2), reduced and reversed over-reliance on foreign workers and (3), to recapture and reinvestment of income which otherwise would have flowed overseas as remittances to foreign worker home countries. Since early 1998, organisations that meet their Omanisation targets have been awarded a “Green Card” which gives them preferential treatment from the government, including, for example, faster approval of applications for foreign labour permits (Swales et al., 2012, p. 358). From the private sector’s perspective, “top-down” labour nationalisation strategies are typically considered to be a form of taxation (Omanisation targets are published by the Ministry of Manpower with different targets set for different economic sectors or occupational roles) (Rees, Mamman, & Braik, 2007).

In Saudi Arabia, the Saudi Manpower Commission and Aziz Panda, a large private supermarket chain, collaborated in an attempt to provide 2,500 jobs to Saudi citizens in front-end positions. While this effort, in the words of Harry (2007) is laudable, such low status and low paying jobs are generally unattractive to citizens and the process of appointing and retaining the supermarket staff is said to have met only with limited success. Indeed, progress in the more oil-rich Gulf states has been notably less successful than in Oman. In the UAE it has in many instances proved to be impossible. In a now widely cited example, an attempt to recruit UAE nationals as taxi drivers in the Emirate of Sharjah has been a “complete failure” even though this cohort were promised higher wages relative to those of other nationalities. It was reported that there had been, “almost no Emirati interest in such jobs” and that, “only one national had enquired about [the] position” (Kakande, 2009).

As Al-Dosary (2004, p. 129) has argued in a widely cited paper, top-down quota systems have a number of inherent and inbuilt problems. Firstly, today's labour markets are dynamic and "occupational shift" the norm. In light of this reality, what can/should be done to keep people in post and not leaving for other more attractive less onerous (public sector) jobs from the (private sector) positions granted to them as part of Saudisation. Also, Al-Dosary (2004) argues that Saudisation is too "mechanical and arithmetical in emphasising numbers, rather than the quality and output of the worker." In light of such critiques, others contend that regional governments and labour nationalisation agencies should emphasise the need for equity between public and private sector employment to reduce wage differentials (Forstenlechner & Rutledge, 2011).

In addition, across the region, more emphasis should be placed on skill development among Arabian Gulf nationals by strengthening educational and vocational training and providing time-specific incentives, rather than relying only on a quota system. Such an alternative is echoed by Al Ali (2008, p. 377), who contends that for the UAE, the overriding policy for Emiratisation should be training and work experience, and, "from within the education system itself," implicitly this is a call for a more bottom-up approach. Preparation, in his view, is key for achieving Emiratisation goals. As Harry (2007) forcefully puts it, simply "throwing out foreigners and taking the jobs they held" is not a long term solution.

### **3.3.2 Bottom-up Approaches**

This then brings us to the alternative to top-down labour nationalisation measures: “bottom-up” approaches. In essence, these can be summarised as making Arabian Gulf citizens attractive to the market (i.e., not ‘forcing’ either public or private sector operators to employ them irrespective of merit or requirement). Bottom-up approaches are essentially: education and employability related. It is argued that the gap between the skill sets of recent national graduates across the Arabian Gulf and labour market requirements remains pronounced (e.g., Davidson & Mackenzie, 2012; Muysken & Nour, 2006) and that national jobseekers could be left as bystanders as non-nationals will secure the wide array of employment opportunities being created in the non-oil dependent sectors of the economy. Put differently, the only solution is for the national population to be better educated and better qualified in order to be more competitive vis-à-vis non-national labour. Citizens will need to be able to compete for jobs alongside Asians who have very low reservation wage demands and are willing to work long hours in ‘all’ occupational roles as well as Westerners with the skill sets required in the hi-tech knowledge-based sectors of the economy.

As Tayeb (2005) states, Arabian Gulf citizens must be “educated” to be able to work with technical resources and operate productively in a knowledge-based economy. Ultimately, there needs to be a substantial and systematic reduction in reliance on unskilled non-national labour, whose role in too many instances is to aid consumption and leisure time for citizens: domestic helpers and drivers and “office boys” employed simply to make tea (e.g., Al Ameri, 2011a; Al Ameri, 2011b; Forstenlechner & Rutledge, 2011). Indeed, the only sustainable solution will necessitate building a capable national workforce through education and “changing expectations” and “creating new worthwhile jobs.” Harry (2007, p. 144)

goes on to conclude that, a focus on employment “creation” will enable the region to make the “best use of its natural resources through making best use of its human resources.”

### **3.4 Emiratisation**

The leadership of the UAE is in the process of moving away from hydrocarbon dependence and toward a knowledge economy (Government of Abu Dhabi, 2008). Private sector Emiratisation (to a considerably greater extent than it has thus far occurred) will be a key aspect of this. In this context, ceasing all but essential job creation in the classic public sector while simultaneously encouraging UAE national youth employment in the private sector serves not only to move towards a knowledge-based economy, will need to take place.

Existing research on Emiratisation examines a variety of issues including sociocultural and gendered factors (Farrell, 2008; Marmenout & Lirio, 2013; Nelson, 2004; Rutledge & Al-Shamsi, 2015), political economy, government and institutional policy (e.g., Marchon & Toledo, 2014; Randeree, 2012; Toledo, 2013) , organisational commitment (Forstenlechner & Mellahi, 2011), employer perceptions (Forstenlechner, 2008, 2010; Forstenlechner, Madi, et al., 2012), educational attainment levels (Davidson & Mackenzie, 2012; Muysken & Nour, 2006) and HRM strategy and policy including the emerging AME HRM model (Afiouni, Ruël, et al., 2013; Bealer & Bhanugopan, 2013; Rees et al., 2007). Nevertheless, according to Ryan (2016), the bulk of work on Emiratisation lacks any overarching framework for the study or understanding of the challenges of workforce nationalisation in the UAE.

To date, Emiratisation has only been implemented with some measure of numerical success in the public sector (Forstenlechner & Rutledge, 2011; Kapiszewski, 2006). In 1999, all banks operating in the UAE were “asked” to increase their proportion of UAE nationals on the payroll by 4 percent each year from 1999 onwards (Rees et al., 2007). This was based on Cabinet Decision No. 10 of 1998. Another illustration of the quota system execution was for the Public Relations Officer (PRO), personnel and secretariat positions affairs in the 2006. Although private companies strongly opposed government but still this national quota system proved successful and efficient. It has been argued by (Toledo, 2013) that Emiratisation policies may be successful if companies received government support in exchange for hiring nationals. However, he observed that in a perfectly competitive market, private-sector firms would not want to hire UAE nationals due to issues such as skill gaps and work culture. Toledo also predicted that enhancing labour mobility among expatriates may help increase their productivity, thus, raising their wages and reducing the wage gap between nationals and guest workers.

It is contended by Al Waqfi and Forstenlechner (2014, pp. 184-185) that a key weakness in the Emiratisation policy as it was implemented so far has been the lack of effective regulatory and institutional tools and instruments to ensure achievement of Emiratisation targets. Not only that the institutional bodies and instruments in support of Emiratisation have been established relatively late, compared to the date in which the Emiratisation policy was announced in the early 1980s, but also the Emiratisation efforts have been fragmented as it is assigned to several government authorities with little coordination and integration among them. As shown in the



findings of this study, there is a lack of consistent mechanisms to set and monitor achievement of Emiratization targets.

Farrell (2008), who conducted research on the impact of Emirati culture on the workforce participation of national women in the UAE's private banking sector, argues that to ensure sustainable female presence in the banking industry, the sector's Emiratisation strategy needs to be cognizant of the fact that society is still very much patriarchal and address this in practical terms. Those that Farrell interviewed described how their culture impacted, and in some cases, placed significant potential barriers to, their private sector participation. While some aspects of national women's lives, shaped by specific cultural norms, contain aspects which are similar to problems faced by working women around the world, such as work-life balance and family pressures, there can be little doubt that the current patriarchal Emirati social constructs offer significant challenges to UAE women in their workplace participation (Rutledge & Al-Shamsi, 2015; Williams et al., 2013).

In 2015, a new entity, the Abu Dhabi Human Resource Authority (ADHRA), was created and entities such as (1) the Abu Dhabi TAWTEEN Council and (2) the federal-level National Human Resources Development and Employment Authority, were merged with it. The ADHRA is now the principle agency for overseeing the Emiratisation program and is responsible for drafting, developing and overseeing Emiratisation strategies and plans at government departments and also private sector companies (Khaleej Times, 2015). It has the mandate to direct academic, vocational and technical learning and training programmes to fulfil the demands of the labour market (Khaleej Times, 2015). Other agencies include the Ministry of labour, and the

Ministry of Education and also the Emirates Institute of Banking and Financial Studies (Al Ali, 2008).

Despite the implementation of quota systems by the UAE Ministry of Labour, many firms view Emiratisation sceptically and, as noted in relation to Saudi Arabia above, essentially a form of taxation (Al-Dosary & Rahman, 2005). Such scepticism may arise from views that UAE nationals have unreasonable employment demands (Forstenlechner, Madi, et al., 2012; Randeree & Ghaffar-Chaudhry, 2012). It is reported also that some believe that Emiratisation will contribute to increasing workplace tensions and impact on potential levels of commitment and performance not least between incumbent non-nationals and newly recruited Emiratis (Raven, 2011) (Abed & Hellyer, 2001). Forstenlechner (2008), who interviewed 120 senior managers in the private sector (both nationals and non-nationals), reports that 73 percent believed that UAE national job seekers had insufficient abilities, education and proficiency. Whereas 29 percent believed that Emiratis have impractical salary prospects and 17 percent have unrealistic promotion prospects.

### **3.5 HRM Strategies: Theory and Practice**

According to Bratton and Gold (2012), HRM is “a strategic approach to managing employment relations which emphasises that leveraging people’s capabilities is critical in achieving competitive advantage.” Of particular interest to this study is the nascent Arab Middle East HRM Model (AME HRM model) (Afiouni, Karam, & El-Hajj, 2013; Afiouni, Ruël, et al., 2013) and, the extent to which practices within the UAE/Arabian Gulf can be seen to fit with this will be considered and critiqued. This section will start with a brief history of HRM theories and contemporary practices as it will be from these that this study’s recommendations are based.

These recommendations will come from seeking answers to the following questions: to what extent can government HRD/HRM interventions and the HRM practices of private sector entities (including GBEs) impact on the Emiratisation process? And, can it be established if certain policies and practices will be more likely to retain the UAE nationals currently working in this sector? This section will briefly outline the advent of HRM and consider some of the current dominant practices and/or theories; within the region, governments and their agencies at this juncture play a pivotal role in determining national HRD strategy by way of HEIs—that are now tasked with delivering ILO-linked “Core Life” employability skills (UAE National Qualifications Authority, 2013a, 2013b)— GBEs also play an instrumental role in HRM (Abdullah, 2012; Forstenlechner, 2009; Forstenlechner & Mellahi, 2011).

According to Salaman, Storey, and Billsberry (2005), the central idea is that while for much of the industrial age, ‘labour’ was treated as a necessary ‘cost’, it became possible to view it in an entirely different light; as an ‘asset’ (i.e., the firm’s employees; their human resources). Economists and accountants routinely classified labour as one the main ‘variable costs’ and was traditionally viewed as plentiful and dispensable. The frame of reference: Human Resource Management (HRM), was first linked to employment practices in the USA in the 1930s where welfare capitalism emerged as a consequence of the rise of collective bargaining by organised groups of workers. Traditional HRM was categorised as “hard” and focused on cost minimisation, efficiency in production and resource-based view of labour; the “soft” style involves the integration of individuality, trust and commitment into the organisation’s business strategy.

The rise of HRM is linked to former US President Roosevelt's New Deal Programme. Beardwell and Claydon (2007) point out that by way of regular employee opinion surveys organisations can gauge what it is that concern and incentivise employees. In the era of soft SHRM, organisations seek to achieve employee commitment by granting, among other things, long-term employment, holiday pay and loyalty schemes. Heightened competition from Japan and other Far-Eastern economies in the 1970s resulted in factory closures and high levels of unemployment in Western economies and a wholesale shift in approaches to people management (Salaman et al., 2005). Thus, HRM as an occupational role and field of social science study became entrenched in both the USA and the UK, in the early 1980s when the beginnings of globalisation forced governments to reshape employment relations away from industrial ones to the more personnel-orientated ones (Watson, 2013 [1997]).

In its broadest sense, SHRM can be considered as a set of interconnecting propositions that relates to an approach to employment management which seeks to achieve competitive advantage through the “strategic deployment of a highly committed and capable workforce using an array of cultural, structural and personnel techniques (Storey, 2014 [1983]). HRM came to be considered a combination of personnel management, a new managerial discipline as well as a strategic function at organisational and governmental level. By the turn of this century, HRM was seen from the perspective of outcomes of organisations using HRM principles in achieving their strategic goals: HRM practices could be measured in terms of delivering “quantifiable improvements in organisational performance” (Beardwell & Claydon, 2007, p. 9).

Though the field of SHRM was not directly resultant of the resource-based view (RBV), linkages are strong not least because of the RBV shifting emphasis in the strategy literature away from external factors toward internal ones as sources of competitive advantage (Hoskisson, Hitt, Wan, & Yiu, 1999). Growing acceptance of internal resources as sources of competitive advantage brought legitimacy to HR's assertion that employees are strategically important to firm success. The knowledge-based theory of the organisations considers knowledge as the most strategically significant resource of a firm. Such resources are usually difficult to imitate and socially complex, heterogeneous knowledge bases and capabilities among firms are the major determinants of sustained competitive advantage.

Originating from the strategic management literature, it builds upon and extends the RBV of the organisation (see in particular: Barney, 1991; Barney, 2001; Barney, Wright, & Ketchen, 2001; Priem & Butler, 2001a, 2001b). Strategic HRM (SHRM) is an approach to managing the human resource component of a given organisation's knowledge-based assets. SHRM supports the long-term business goals and outcomes within or as part of a strategic framework (goal or organisational mission). SHRM then focuses on longer-term issues such as managing employees; structure; quality; culture; satisfaction and commitment and, matching resources (capital and labour) to future needs (Salaman et al., 2005, pp. 17-18).

Within Strategic HRM (SHRM)—a managerial process requiring human resource policies and practices to be linked with the strategic objectives of the organisation—key questions include the extent to which there is a positive association with a given set of external and internal characteristics or contingencies and the adoption of SHRM (Bratton, 2012, p. 38). The resource-based SHRM model then places an emphasis on

a company's HR endowments as a strategy for sustained competitive advantage. Wheelen and Hunger (2002) define strategic management as, "that set of managerial decisions and actions that determines the long-run performance of a corporation." C. Hill and Jones (2004) take a similar view when they define strategy as, "an action a company takes to attain superior performance." Strategic management is considered to be an ongoing process requiring continual adjustment between three factors:

- 1) The values of senior management;
- 2) The environment
- 3) The resources available.

According to authors such as Bamberger, Biron, and Meshoulam (2014), HR strategy refers to the pattern of HR-related decisions made but not necessarily implemented, whereas the emergent HR strategy refers to the pattern of HR-related decisions that have been applied in the workplace. SHRM can be seen as both a process and an outcome; the process by which organisations seek to link the human, social, and intellectual capital of their members to the strategic needs of the entity.

The HR scholars and academics researchers recognised that the RBV provided a compelling explanation for why HR practices lead to competitive advantage. Knowledge has long been a topic within the HR literature, whether the focus was on testing applicants for job-related knowledge, training employees to build their job-related knowledge, developing participation and communication systems to transfer knowledge, or providing incentives for individuals to apply their knowledge. The major distinctions between the strategy and HR literatures with regard to knowledge has to do with the focus of the knowledge and its level. While the HR literature has

focused on job-related knowledge, the strategy literature has focused on more market-relevant knowledge, such as knowledge regarding customers, competitors, or knowledge relevant to the creation of new products.

Knowledge management means organisations having to identify existing knowledge bases and provide mechanisms to promote the creation, protection and transfer of knowledge. While ICT hardware and software provide technological knowledge, nowadays the key to successful knowledge management requires much of the focus to be on social and cultural systems of the organisation. Salaman et al. (2005) set out the extent to which knowledge-based theory and HRM theory have become interlinked; entities exist, “because they better integrate and apply specialised knowledge than do markets” and because, “they can better protect knowledge from expropriation and imitation than can markets.”

It is something of a truism that HRM → Strategy → Structure impact on, one another and together are influenced by external forces. Yet as Alfred DuPont Chandler said in the early 1960s “structure follows strategy.” SHRM then is governed by the context of “first-order”, long-run decisions in relation to the direction and scope of the given organisation’s strategic vision and also, by “second-order” decisions in relation to the structure of the organisation at any given point of time. Strategic management is considered to be a continuous activity that requires a constant adjustment of three major interdependent poles: the values of senior management, the environment, and the resources available.

Drawing on the literature on ‘strategic choice’ in industrial setting and using the notion of a hierarchy of strategy, ‘upstream and ‘downstream’ forms of strategic decision

making have been articulated (Boxall & Purcell, 2011; Purcell, 1999). The upstream or ‘first-order’ strategic decisions are concerned with the long-term direction of the given organisation. If a first-order decision is made to take over another enterprise. A second set of considerations applies concerning the extent to which the new operation is to be integrated with or separate from existing operations will need to be taken. These latter decisions are classified as downstream or ‘second-order’, strategic decisions. Practical HR strategies than can be considered as “third-order” strategic decisions because they establish the basic parameters for managing people in the workplace.

Although most HRM models provide no clear focus for any test of the effectiveness of a given HRM strategy, many related models tend to assume that an alignment between business strategy and HR strategy will improve organisational performance and competitiveness (Bratton & Gold, 2012). During the 1990s it became evident that being able to demonstrate a positive link between particular sets or ‘bundles’ of HR practices and business performance was a dominant research concern (Guest, 1997). As Guest (1997) goes on to articulate, the key “empirical questions” became: what types of performance data are available to measure the HRM–performance link?’ and, were “high-commitment” HRM systems capable of producing above-average results if compared to “control” HRM systems? Since then a number of models to differentiate between ‘ideal types’ of HRM systems have been critically assessed and evaluated they include:

- 1) The “control-based model” (grounded in the way in which management attempts to monitor and control employee role performance);



- 2) The “resource-based model” (grounded in the nature of the employer–employee exchange and, more specifically, in the set of employee attitudes, in behaviours and in the quality of the manager–subordinate relationship);
- 3) The “integrative model” which is, in essence, a combination of resource-based and control-based components.

### **3.5.1 The Control-based HRM Model**

The “control-based model” is the process or set of conditions in which management attempts to monitor and control employee role performance. It is characterised by the advocacy of bureaucratic control such as technological control an assembly line and surveillance. It is based on efficiency and cost containment. The control-based model is founded on the nature of workplace control and on managerial behaviour to control, direct and monitor the performance of those employed by the entity and is grounded in the study of ‘labour processes’ in the field of industrial sociology.

According to this perspective, management structures and HR strategy are instruments and techniques to control all aspects of work in order to secure a high level of labour productivity (and thus profit). In order to ensure that each worker works to their full capacity, management it is contended, must organise the tasks, space, movement and time within which workers operate. In an insightful review, Thompson and McHugh (2009, p. 105) state, “control is not an end in itself, but a means to transform the capacity to work” motivated by the logic of profit for the organisation and remuneration for the worker.

The use of the word ‘traditional’ to classify this HR strategy and the use of a technological ‘fix’ to control workers should not be viewed as a strategy only of

‘industrial’ worksites. Case study research on call centres, workplaces that some organisational theorists label ‘post-industrial’, reveal systems of technical and bureaucratic control that closely monitor and evaluate their operators. According to Thompson and McHugh (2009) HR strategy choice will be governed by organisation type (e.g., size, structure and age), competitive pressures on management and the stability of labour markets, mediated by the interplay of manager–subordinate relations and resistance. Moreover, the variations in HR strategy are not random but reflect two management logics (see Figure 3, below): “process-based control” (focusing on efficiency and cost containment (managers needing within this domain to monitor and control workers’ performance carefully), “outcomes-based control” which focuses on actual results Bamberger et al. (2014). Thus, when managing people at work, control and cooperation coexist, and the extent to which there is any ebb and flow in intensity and direction between types of control will depend upon the ‘multiple constituents’ of the management process (Bratton, 2012).

### **3.5.2 The Resource-based HRM Model**

The “resource-based model” is based on concepts of reward–effort exchanges. According to Barney (2001), this model emphasises the strategic importance of exploiting a given organisation’s internal ‘strengths’ and minimising their internal ‘weaknesses’ in order to achieve and sustain competitive advantage. In short, it is said that the utilisation of such resources would necessarily encompass: value; rarity; inimitability and non-substitutability. It is evident that RBV within the SHRM literature has become a foundation for both theoretical and empirical examinations and secondly, the applications and implications of the RBV within the strategy literature

have led to an increasing convergence between the fields of strategic management and SHRM (Dunford, Snell, & Wright, 2001).

Within the strategic literature, the RBV has helped to put ‘people’ (or a firm’s human resources) on the radar screen. Concepts such as knowledge (Grant, 2010), dynamic capability (Eisenhardt & Martin, 2000) and learning organisations (Fisher & White, 2000) as sources of competitive advantage turn attention toward the intersection of strategy and HR issues. It suggests that a business or an enterprise can gain superiority over other businesses by developing its people. The supporters of this view argue that human capital or people if developed in the right and appropriate way can serve as true strength as they would not only be valuable and rare but also hard to imitate and also organised to capture the opportunities in the market. Resource-based HRM models then are grounded in the nature of the reward–effort exchange and, more specifically, the degree to which managers view their human resources as assets vis-à-vis variable costs.

The four characteristics of resources and capabilities, (1) value (2), rarity (3), inimitability and (4), non-substitutability—are important in sustaining competitive advantage. From this perspective, collective learning in the workplace on the part of managers and non-managers, especially on how to coordinate workers’ diverse knowledge and skills and integrating these within diverse information technology, is a strategic asset that rivals find difficult to replicate (Bratton, 2012). The resource-based perspective focuses on the value, rareness, non-substitutability, and inimitability of organisational resources, including people. Indeed, according to Shaw, Park, and Kim (2013) employees have long been recognised as playing a pivotal part in developing and maintaining a company’s competitive edge over rivals.

Strategic fit expresses the degree to which an organisation is matching its resources and capabilities with the opportunities in the external environment. The matching takes place through strategy and it is, therefore, vital that the company has the actual resources and capabilities to execute and support the strategy. Strategic fit is related to the Resource-based view of the firm which suggests that the key to profitability is not only through positioning and industry selection but rather through an internal focus which seeks to utilise the unique characteristics of the company's portfolio of resources and capabilities.

Strategic Fit theory then describes the attitude of any enterprises in being able to create a fit or a match between its resources and opportunities within the larger scope of the external environment, the match is made through the placement of an enabling strategy that ensures that the business has the right set of resources and capabilities to achieve a strategic fit (Auster, Basir, & Ruebottom, 2014). As Grant (2010, p. 4) states, "strategy is not a detailed plan or program of instructions; it is a unifying theme that gives coherence and direction to the actions and decisions of an individual or an organisation." Resources relate to the inputs to production owned by the company, whereas capabilities describe the accumulation of learning the company possesses.

Now that human capital is seen as a source of competitive advantage the need for organisations to both understand and attempt to stay ahead in the unending "talent war" has intensified, not least with the advent of "head-hunting" and notions of the "boundaryless career" (see e.g., Hess, Jepsen, & Dries, 2012). It has also led to a tighter integration between strategic management and HRM often by way of the RBV. In short, RBV stresses the accumulation of human capital as a source of competitive advantage. However, there are costs and risk of such accumulation and human capital

investments strategies. As Shaw et al. (2013, p. 573) state, “turnover not only depletes accumulated human capital, it also offers rival organisations opportunities to appropriate knowledge.” In addition to this, and unlike fixed stock investment, human capital is essentially beyond the organisation’s locus of control which results in difficult decisions within senior management about just how much to invest in incumbent employees.

### **3.5.3 The Integrative HRM Model**

The “integrative model” was developed by scholars such as Bamberger et al. (2014), is based on the premise that neither the control or resource based HRM models are sufficient in of themselves to give an appropriate flow to HR strategy. Thus, their two main dimensions—acquisition and development—termed as ‘make-or-buy’ were merged. In short, it is argued that organisations can, or will, lean more towards ‘making’ their workers (high investment in training) or ‘buying’ their workers from the external labour market. In short, the integrative HRM model seeks to be something of a hybrid of the resource-based and control-based models. Many HRM scholars have argued that neither the control or resource based ‘models’ are by themselves able to provide a satisfactory framework which encompasses the ebb and flow of the intensity and direction of HR strategy (Bratton, 2012). As a consequence, Bamberger et al. (2014) integrate the two main models of HR strategy, one focusing on the strategy’s underlying logic of managerial control, the other focusing on the reward–effort exchange and build a model that portrays two key dimensions of HR strategy: (1) ‘acquisition and development’ and (2) the ‘locus of control’. Acquisition and development are concerned with the extent to which the HR strategy develops internal human capital as opposed to the external recruitment of human capital. Locus of

control is concerned with the degree to which HR strategy focuses on monitoring employees' compliance with process-based standards as opposed to developing a psychological contract that nurtures social relationships, encourages mutual trust and respect, and controls the focus on the outcomes (ends) themselves.

The commitment HR strategy is characterised as focusing on the internal development of employees' competencies and outcome control. In contrast, the traditional HR strategy is viewed as focusing on the external recruitment of competencies and behavioural or process-based controls. The collaborative HR strategy involves the organisation subcontracting work to external independent experts (for example consultants or contractors), giving extensive autonomy and evaluating their performance primarily in terms of the end results. Managerial behaviour in such organisations can be summed up by the managerial edict 'You are here to work, not to think!' Implied by this approach is a focus on process-based control in which 'close monitoring by supervisors and efficiency wages ensure adequate work effort' (Bamberger et al., 2014, p. 60).

The other dominant HR strategy, the commitment HR strategy, top left quadrant of Thompson and McHugh (2009), is most likely to be found in workplaces in which management lacks a full knowledge of all aspects of the labour process and/or the ability to monitor closely or evaluate the efficacy of the worker behaviours required for executing the work. In such workplaces, managers must rely on employees to cope with the uncertainties inherent in the labour process and can thus only monitor and evaluate the outcomes of work. This HR strategy is associated with a set of HR practices that aim to develop highly committed and flexible people, internal markets that reward commitment with promotion and a degree of job security, and a

‘participative’ leadership style that forges a commonality of interest and mobilises consent to the organisation’s goals. As Thompson and McHugh (2009) state, in such situations employees do not always need to be overtly controlled as an effort–reward exchange based upon investment in learning (the popular notion of on the job training). In addition to this, internal promotion is also used to ‘control’ or motivate such employees (Bratton, 2012, p. 55).

#### **3.5.4 High Commitment, High-Performance HRM**

According to Beer (2009), in the 1990s, a number of systematic and rigorous research studies were published that clearly showed that high-commitment practices and cultures are associated with sustained high financial performance. Other have suggested that organisation-level performance differences could be accounted for by differences in management philosophy, business policies, and culture. High Commitment, High Performance (HCHP) organisations are said to need to manage three paradoxical goals: performance alignment, psychological alignment, and the capacity for learning and change. HCHP-centric organisations have a purpose that is much more than shareholder value, though they all understand profit as an essential outcome (Beer, 2009).

In essence, they should perform well because of three factors (which at face value may seem contradictory; “leaders who focus on one often undermine the others”):

- 1) Performance alignment: Managing with their head, leaders develop an organisational design, business processes, goals, and measures, and capabilities that are aligned with a focused, winning strategy.
- 2) Psychological alignment: Managing with their heart, leaders create a firm that provides employees at all levels with a sense of higher purpose, meaning,

challenging work, and the capacity to make a difference, something that people desperately need and want but often do not get in organisational life. To accomplish this, HCHP firms establish and institutionalise human resource management policies and practices that look fairly similar.

- 3) Capacity for learning and change: By keeping their egos in check, leaders of HCHP firms are able to avoid defensiveness and resulting blindness. HCHP firms institutionalise what I call Learning and Governance Systems, a means for having honest, collective, and public conversations with key people at lower levels about what stands in the way of success.

As set out by Arthur (1994) 'high commitment' human resource activities are said to increase organisational effectiveness by creating workplaces where employees feel more involved in the achievement of the organisation's objectives and are therefore more likely to work harder to help the company meet those objectives. High commitment practices increase organisational commitment by creating conditions where employees become highly involved in the organisation and work hard to accomplish its goals; and by encouraging employees to take responsibility for their careers, the organisation itself ultimately benefits (Combs, Liu, Hall, & Ketchen, 2006). High commitment practices are those processes that encourage employees to adopt higher levels of responsibility for the achievement of an organisation's goals.

Many researchers have found that high-commitment human resource management practices enhance employees' levels of skill, motivation, information, and empowerment (Pfeffer, 1998, 2007). One explanation for the increased motivation of employees in high-involvement organisations is that the employee is at the centre of the activities taking place. Nevertheless, a "self-programming and self-managing"



workforce requires significant investment in human capital, but as (Guthrie, 2001) argues, greater use of high commitment HR practices is likely to have two broad effects: enhanced employee retention and increased costs when employees do leave. Another drawback of HCHP management is that performance and psychological alignment that works for a period of time can create rigidities that require challenges.

The “High Involvement Model” asserts that when employees are involved into the management of issues or when they are engaged in the work they do, their performance and productivity increases (Wood, 1995, 2010; Wood & de Menezes, 2008). A central aspect of this thesis is that money or monetary benefits isn’t the only perk that can keep employees happy, satisfied and engaged. In terms of organisational effectiveness, Bowen and Lawler (2006) argue that high involvement leads to high commitment and high performance. The aim of “High-performance Management”, as set out by Jeston (2008), is to create a management eco-system that is able to generate a high performance among individuals as a direct result of the HR policies and strategies. White, Hill, McGovern, Mills, and Smeaton (2003) assert that HR policies, the workforce compensation and incentives plan and the working conditions have a high impact on employee performance.

It is generally accepted that it is essential for any business that aims to increase its performance must listen to the voice of the employees (Pulakos, Mueller-Hanson, O’Leary, & Meyrowitz, 2012). When employees have a clear expectation of what is anticipated from them they would perform in more effective way and HR policies can play an important role by offering support, mentoring, coaching, a good working conditions, feedback and incentives that would motivate employees to perform (Pulakos et al., 2012). Abdallah and Ahluwalia (2013) argue that the best managers in

the GCC region are more employee centric and pay high importance to employee feelings and opinion in order to construct high-performance cultures by establishing clear expectations of what is anticipated from employees and by defining employees' roles, creating a trusting environment through HR policies and the incentive plans, and encouraging and facilitating employees' evolution and growth (Abdallah & Ahluwalia, 2013).

The "High-commitment Management" model, first articulated by Meyer and Allen (1991), considered forms of organisational commitment, they were of the opinion that commitment is not just behavioural and attitudinal but is psychological and is constantly influencing the employee decisions. The three types of organisational commitments include the affective commitment or in simple words a wish, a desire, and an aspiration inside employee that would force him to work in the organisation. The second form of organisational commitment is continuance commitment or when employee feels that he or she needs the job, this can be due to many reasons like the social prestige associated with the job or the need for money or the perks that the job has or any other reason which may differ from employee to employee but the element of need to continue is same. The last type of commitment is normative commitment or when employees feels it an obligation to continue employment in an organisation (Meyer & Allen, 1991).

Meyer, Stanley, Herscovitch, and Topolnytsky (2002) suggest that these three types of commitment may be different and separate-able but they are related and have the same impact in terms of job satisfaction, employee involvement and retention for employee (Meyer et al., 2002). The High Commitment management model states that HR policies can have a direct impact on employee performance and his commitment

to the organisation. Meyer and Herscovitch (2001) describe commitment as an important organisational factor for retaining employees, they view commitment as a binding force, a factor that would ensure that the employee is attached to the organisation and does not leave it (Meyer & Herscovitch, 2001). High-commitment Management focuses for example on organisational commitment, employee performance, and job satisfaction.

### **3.5.5 The Arab Middle East HRM Model**

In a special issue of the *International Journal of Human Resource Management* in 2007, it was argued that there was no uniform HRM Model that could encapsulate the region's approaches to managing human resources either in terms of philosophical standpoints and/or in practical procedural terms (Budhwar & Mellahi, 2007). However, and based on a large number of studies, in a subsequent special edition of the same journal in 2013, there was said to be an 'Arab' Middle East Model (Afiouni, Ruël, et al., 2013). The contention was not that the model was relevant to all sectors in all countries but that certain cultural, linguistic economic, educational and societal factors were similar within the region. In other words, there was enough to argue that enough commonalities were in place to provide a nascent model with some substance (Marmenout & Lirio, 2013). Afiouni, Ruël, et al. (2013) sought to contribute to a greater understanding of HRM research and practices in the Middle East by critically examining the direction that HRM research up to this point had taken in order to identify current and future challenges that could be seen as regionally specific. Afiouni, Karam, et al. (2013) conducted a meta-analysis of 59 articles on HRM practices within the region. Afiouni, Ruël, et al. (2013) also conducted a survey of 85 HR managers working within the region's banking and finance sector and based on

this suggest that current HR practices in the region do fit the dimensions of the “value proposition model” (VPM).

It was concluded that the most and least common HR practices in the region now enable scholars to identify the contours of an ‘AME HR model’ (Afiouni, Karam, et al., 2013; Afiouni, Ruël, et al., 2013). There is, however, an argument to be made for separating the Arabian Gulf. This study will consider the extent to which an Arabian Gulf HRM Model would have merit and practical purpose. It is a resource-rich, labour-poor region and this makes the environment as well as cultural practices markedly different from say Tunisia where the key retention concern is locals leaving to the Gulf for high salaries (a brain drain) or Egypt where industry and agriculture dominate.

An Arabian Gulf HRM Model may have merit for the following factors are generally considered to be unique to the region:

- Huge dependence on non-national (‘temporary’ ‘guest workers’);
- Highly unproductive labour (and workforce) resultant largely from the *Kafala* (sponsorship) system in spite of advanced investment;
- Labour nationalisation programs;
- A well-funded (resourced) education sector but poor student output both comparatively and in terms of employability;
- Economies of scale (potential comparative and competitive advantages) in high-tech, high-energy input industries;
- Sovereign Wealth Funds capable of acquiring cutting edge (technically-speaking) capital stock;

- Funds (resources) to hire and retain Western management and HRM practitioners for the medium term (until local talent is willing and able to take on these strategically important roles).

### **3.6 Research Propositions and Hypotheses**

It is argued that these days SHRM has more of a direct relationship to organisational policymaking and performance than people management had in the pre-globalisation era (Bratton, 2012). As Armstrong and Taylor (2014) state, the purpose of HRM is to ensure organisations are capable of achieving success by way of their human resource assets. HRM ‘strategies’ are here taken to mean the policies, procedures and practices used by human resource practitioners to design work and select, train and develop, appraise, motivate and oversee the given organisation’s workforce.

This study considers SHRM to be the utilisation of policies, practices and procedures designed to achieve high levels of employee performance, flexibility, and commitment, flexibility, productivity, performance and critically satisfaction, as well as ensuring the organisation—including GBEs—remain agile and competitive internationally. It is worth considering in some detail the findings of Alnaqbi (2011) as there are a number of similarities in intent and purpose with the present study. Interestingly, salary and wages were observed to contribute to job satisfaction levels (see Section P2. “Pull of the Public Sector” and, Section H1. “Salary on Continuance Intentions”, below). As Alnaqbi (2011, p. 156) also observed that a relationship between national culture and employee retention did exist. The last point ties in directly with the moderating variable this study investigates (see Alnaqbi, 2011, p.156) above and, Section P1. “Sociocultural Factors” and, Section H5. “Sociocultural Perceptions on Continuance Intentions”, below).

Of the seven propositions set out by Alnaqbi (2011) the following are seen to be of most relevance:

- “Good HR practices will be positively related to organisational commitment;”
- “The relationship between HR practices and turnover will be mediated by organisational commitment;”
- “National culture and labour market conditions have a direct influence on employee retention.”

This section will now define, explain and justify the inclusion of each of the four propositions and five hypotheses that are central to this study. While the terms ‘proposition’ and ‘hypothesis’ are sometimes used interchangeably, there is, in fact, a difference. Propositions are statements that can be deemed true or false in light of observable phenomena; they become hypotheses when they can be empirically tested.

### **3.6.1 P.1- Sociocultural Factors**

*Sociocultural factors—including gender segregation; pride/prestige; social status—are the main reason for why UAE nationals might be unwilling to work in the private sector.*

As discussed in the Literature Review (above) key factors that are said to influence any given UAE national’s career decision-making process will be sociocultural norms and sentiments with respect to what is and what is not a suitable career avenue. Authors such as Harry (2007) and (Al Ali, 2008) stress that presently Arabian gulf society places more prestige to a public sector position as opposed to a private sector one (see also: Al-Asfour & Khan, 2014; Al-Dosary, 2004; Salih, 2010). It is especially the case for female nationals in terms of what Williams et al. (2013) describe as the

“patriarchal bargain” a situation where although fathers explicitly encourage their daughters to pursue tertiary education they require that their daughters adhere to sociocultural norms that can only realistically be followed in public sector employment. Therefore, based on interviews and survey feedback this study will seek to determine if sociocultural factors have more influence on sectoral preferences than pragmatic benefits such as benefits and remuneration.

### **3.6.2 P2- Pull of the Public Sector**

*The pull of the public sector—including salary; pension provision; hours; holidays; easy of taking paid leave—is the main reason for why UAE nationals might be unwilling to work in the private sector.*

It will be noted that P2 cannot be true if P1 is (and vice versa). It is assumed in fact that both P1 and P2 act to make staying in the private sector less likely. The probability is that both will have an impact, the question, therefore, is which has the bigger influence. The literature consistently notes such benefit imbalances between the public and private sectors of the labour market (see e.g., Forstenlechner & Rutledge, 2010; Issa et al., 2013; Toledo, 2013). From the perspective of UAE nationals, the private sector was considered to offer fewer career progression opportunities and have much low wages in comparison to the public sector. It must be stated also that this cohort may also be pushed toward the “classic” public sector because of their inadequate English, and a lack of trust by private sector employers in the work-readiness of UAE nationals (i.e., their overall employability) (Al Ali, 2008).

### **3.6.3 P3- Government HRD Strategies**

*Unless government HRD strategies are overhauled it is unlikely that the number of UAE nationals working in the private sector (as a ratio to those working in the classic public sector) will change substantially.*

The literature on UAE labour nationalisation stresses that until now success has been limited with regard to private sector Emiratisation. This is evidenced in numerical terms (see e.g., Forstenlechner & Rutledge, 2010; Issa et al., 2013; Toledo, 2013) and also in terms of the continued and sustained preference for public sector positions voiced by UAE nationals (Gallup/Silatech, 2009, 2011) Thus one can say, for whatever particular reason or set of reasons government strategies (policies and practices) in relation to private sector Emiratisation have not been particularly successful. This is in part an HRM issue but it is also (and critically) an HRD issue, the mismatch in educational and work experience requirements between the public and private sectors is a longstanding and well documented one (e.g., Davidson & Mackenzie, 2012; Muysken & Nour, 2006; Ryan, 2016).

In terms of objective data, one reasonably robust source is the OECD/PISCA dataset (PISCA/OECD, 2012). In the UAE, the average performance in reading of 15-year-olds is 442 points, compared to an average of 496 points in OECD countries. Girls perform better than boys with a statistically significant difference of 55 points (OECD average: 38 points higher for girls). On average, 15-year-olds score 434 points in mathematics, the main topic of PISA 2012, compared to an average of 494 points in OECD countries. In science literacy, 15-year-olds in the UAE score 448 points compared to an average of 501 points in OECD countries. Girls perform better than



boys with a statistically significant difference of 28 points (OECD average: only 1 point higher for boys).

This proposition will be addressed primarily as a result of analysing the interviewer feedback. It is to be assumed that only by way of education can this phenomena—a highly distorted and segmented labour market along national/non-national, public/private sector lines—be ‘potentially’ overcome. In other words, and putting the contentions of P1 and P2 to one side, one of the precursors to attracting and retaining more UAE nationals in the private sector will necessarily be more effective education including employability skills.

#### **3.6.4 P4-Private Sector HRM Practices**

*Unless private sector HRM policies, practices and procedures (particularly at commercially-run GBEs) are overhauled it is unlikely that the number of UAE nationals working in the private sector (as a ratio to those working in the classic public sector) will change substantially.*

It is argued that private sector employers with mostly expatriate workforces do not overly concern themselves with issues relating to employee satisfaction and even more so, on the job training, due to (a) the temporary nature of many such ‘guest workers’ and (b) the ease with which to recruit new ready-skilled employees from overseas (Al-Ali, 2008). In contrast, the UAE public sector offers UAE nationals with almost unprecedented levels of job security and an array of PD options including paid study sabbaticals (Al-Ali, 2008; Al-Waqfi & Forstenlechner, 2010; Forstenlechner, 2009; Rees et al., 2007). As with P3 above, this one will be addressed in the first instance by feedback from the semi-structured interviews (see Appendix A) but also by the

elements of the survey that are related to this proposition. Might, for example, a dual HRM strategy (one tenet for non-nationals, one for nationals) be a reform capable of changing the *status quo*.

Many scholars argue that leadership styles are at the heart of the success of an organisation and strongly influence its longer-term competitive advantage, employee satisfaction levels and thus retention rates (see e.g., Beer, 2009; Grant, 2010; Pfeffer, 1998, 2007). The simplest way to retain employees is to increase satisfaction levels; but this will only be effective if performed properly and, the challenge for HRM practitioners lies in tackling a multitude of different employee needs (Mathis & Jackson, 2010). In short, retention is a voluntary move by an organisation to create an environment which engages employees for the long term' and thus means putting measures in place to limit the loss of competent employees from leaving productivity and profitability. Waldman and Arora (2004) argue that the focus should be on the way in which employee retention promotes the preservation of a workforce that is able to meet the corporation's needs. To contextualise briefly, it is reported that around one-quarter of the Saudi Arabian workforce is frequently absent from duty (Al-Kibsi, Benkert, & Schubert, 2007). HR executives can find that attracting and retaining talent is a problem, particularly because of cultural and social norms (Metcalf, 2008).

### **3.6.5 H1-Salary on Continuance Intentions**

*Salary levels do not have a significant impact on an individual's intention of remaining in the private sector.*

This and all subsequent hypotheses are negatively constructed (to be clear, it is assumed that salary will, in reality, be an influencing variable). It is rather surprising

but is nevertheless the case that getting data on salaries is not easy to do. However, Issa et al. (2013) along with Davidson (2009a), make it pretty clear that those in the “classic” public sector can expect to earn several times as much as those in the private sector. Indeed, according to Rutledge (2012), Arabian Gulf nationals are among the richest citizens in per capita terms, anywhere in the world. This hypothesis can be addressed by analysing responses to parts of this study’s survey (see Appendix B). While some research suggest that it is not salary alone that makes the public sector more attractive (Gallup/Silatech, 2009, 2011). It is widely reported, and thus assumed, that it does have an influencing role (Farrell, 2008; Marmenout & Lirio, 2013; Nelson, 2004) and that government jobs typically do pay a far higher salary than do like-for-like private sector positions.

Al Waqfi and Forstenlechner (2012, p. 623) argue that UAE national job seekers on average have a higher expected salary than theirs – already relatively high – individual reservation wage (see also: Bremmer, 2004; Godwin, 2006; Mellahi, 2007). A number of consequences arise from this. The first is the perceived fair pay and the reservation wage required by the majority of Emirati job seekers interviewed in this study is comparable to the going rates in the public sector for national employees with similar skills and experience and secondly, the expected salaries of such job seekers is higher than their reservation wage, which means they are likely to experience pay dissatisfaction even when they accept job offers in the generally lower paying private sector. As has previously been argued by Al Waqfi and Forstenlechner (2012, p. 623), there is a need to consider the impact of, "pay policies in the public sector on Emiratisation efforts and policies, as they effectively hinder private sector employment."

As Abdalla et al. (2010) has previously argued, wage-setting mechanism in the public sector. They suggest to separate the total public sector wage into two parts: (1) pay related to market considerations and productivity of workers (efficiency wage); and (2) a portion motivated by the desire to improve the standards of living and wealth distribution for citizens (welfare). According to Al Waqfi and Forstenlechner (2012, p. 623), separating the two components has two advantages: (1) it sends the right signal to national workers about the realistic value of their human capital; and (2) it helps to remove the distortion of labour market mechanisms in setting wages according to market forces.

Mechanisms to extend the welfare component of pay to those citizens working in the private sector will need to be implemented. Subsidising wages of citizens in the private sector to bridge the gap between the efficiency and welfare components of pay might be a reasonable alternative. Funding of these subsidies can be secured through fees imposed on employers who recruit foreign workers. Selective application of such fees on employers depending on number of foreigners recruited and affordability to pay might be needed to ensure fairness and avoid excessive burdens on certain employers. Al Waqfi and Forstenlechner (2012, p. 623) state that length of the working day and holidays are also an important factor.

### **3.6.6 H2-Availability of Training on Continuance Intentions**

*Availability of career development opportunities, do not have a significant impact on an individual's intention of remaining in the private sector.*

According to Bratton (2012), formal and informal work-related learning has come to represent a key way to achieve employee commitment and quality. The logic being

that such training will strengthen an organisation's 'core competencies' (its human resources) and thus help sustain a competitive advantage. Thus, while some contend that HCHP strategies are designed to provide workers with a false sense of job security in an era of the boundaryless career, the counter argument is that such models are in fact necessary if high-performance work systems are to succeed (e.g., Beer, 2009; Pfeffer, 2007). H2—like H1 (above)—can be addressed by examining the survey responses that related directly and indirectly to on the job training. There is also a linkage between this hypothesis and the fourth of the five propositions set out above. The broad assumption here is that if traditionally the public sector provides (or individuals believe it provides) more training than does the private sector and, if such training is deemed to be attractive or important, then it will affect private sector continuance intentions.

### **3.6.7 H3- Nature of Work/Environment on Continuance Intentions**

*The nature of the work/environment does not have a significant impact on an individual's intention of remaining in the private sector.*

It is not an understatement to say that "Job Satisfaction" is a key consideration within the field of SHRM. For Spector (1997, p. 2), it simply means, "how people feel about their jobs and different aspects of their jobs." In other words, an individual's affective reaction to their work environment. It is acknowledged that "nature of work" is a sub-dimension of the JSS construct (Spector, 1985, 1997), but this study considers this sub-dimension plus satisfaction in a holistic way to be best fitted to this hypothesis. It will be noted that the justification for this hypothesis as well as the fourth and final one (H4, below) are considerably lengthier than those provided for H1 and H2. This is because "the nature of work" and organisational "commitment" and/or "loyalty" are

in many ways more fundamentally important SHRM considerations, but are also more holistic and harder to quantify than is salary (H1) and on the job training (H2).

In terms of theory, “satisfaction” is based on the way in which employees view the organisation (Locke, 1976); does it meet their needs? It follows that HRM practices that impact the nature and environment have the capacity to directly influence the job satisfaction of employees. The most commonly used research definition of job satisfaction is that set out by Locke (1976, p. 1304), who defined it as a “pleasurable or positive emotional state resulting from the appraisal of one’s job or job experiences.” It is clear from this definition that both the affect, or feeling, and cognition, or thinking has a significant bearing. It is an individual’s attitude or emotional response to their given task, role and relative position as well as in relation to environmental and socio-cultural conditions related to their role/position/sector. It follows then that some aspects of job satisfaction can be influenced by HRM-motivational related practice (Schermerhorn, Hunt, & Osborn, 2005, p. 162).

For Wimalasiri (1995), the following four factors: (1), career progression (2), incentives (3), rewards and (4), training and development, can all directly influence satisfaction levels. According to Walker (2001) a number of factors help increase satisfaction levels (“employee retention”) including (1) appreciation of work performed (i.e., H1; compensation) (2), learning and promotion opportunities (H2; training) (3), appealing organisational atmosphere; including positive relationships with colleagues and (4), good communication channels with management. It is clear then that job satisfaction levels are affected by a range of intrinsic and extrinsic motivating factors, including the quality of supervision, social relationships with the work group (Armstrong & Taylor, 2014). Yet as Saari and Judge (2004, p. 395) point

out, there remains confusion and debate among practitioners on the topic of job satisfaction. Employee surveys, used effectively, can be catalysts for improving employee attitudes and producing organisational change. According to the literature, job satisfaction survey feedback helps inform, support and drive organisational change, and thus the ability to manage change. Indeed, the willingness to adapt to change is often considered by HRM practitioners as the most important employee competency at this moment in time.

Another key aspect of the nature of one's work is channels of communication and also organisational culture. It has been argued that a lack of communication is the main barrier to employees' motivation, and may affect continuance intentions (Ongori, 2007). Inadequate communication between management and employees, between departments and among employees can result in low morale and higher turnover rates. It is regularly stated that the culture and core values present within an organisation can have a direct influence on employee retention (Kerr & Slocum, 2005). Kerr and Slocum (2005) argue that the culture present in an organisation will have an influence on the type of employees that the company successfully retain: entities which stress collective teamwork and responsibility while nurturing a sense of respect for one another will see greater levels of employee retention.

#### **3.6.8 H4- Organisational loyalty on Continuance Intentions**

*Organisational loyalty/commitment does not have a significant impact on an individual's intention of remaining in the private sector.*

Organisational loyalty (or "commitment") is often defined as the degree of identification and involvement that individuals have with their organisation's strategic vision. Commitment it is argued (much like H4 above) is influenced by the

organisation's norms and practice; its values and culture (e.g., Kaliprasad, 2006; Kyndt, Dochy, Michielsen, & Moeyaert, 2007). According to Meyer and Allen (1991), the definition of commitment relies on the notion that committed employees have a desire to remain employed with their organisation (see also: Meyer & Allen, 1997). Foote, Seipel, Johnson, and Duffy (2005) define organisational commitment as (1) the belief in and acceptance of organisational goals and objectives (2), the willingness to work hard on behalf of the organisation and (3), a definite intention to remain in the organisation.

According to the literature, there are in fact various modes of commitment. One is "affective commitment", this relates to an individual's emotional attachment to an organisation; employees with strong affective commitment to an organisation are committed because they share values with the organisation and its members. Another is "normative commitment" and is based on a sense of obligation and the responsibility employees feel toward the organisation. Yet another is termed: "continuance commitment" and refers to an individual's perception of the costs and risks associated with leaving an organisation. Employees with a strong continuance commitment remain with the organisation because of various financial advantages (such as pension contribution accumulations).

As mentioned in the introductory chapter, Mohamed Ibrahim et al. (2004) investigated the relationship between performance and employees' job in the UAE while J. Abdulla et al. (2011) concentrated on the role that demographic and environmental factors play in relation to job satisfaction, concluding that in collectivist cultures such as the UAE, "both intrinsic and extrinsic factors can be a source of job satisfaction or dissatisfaction." Maha Ibrahim and Al Falasi (2014) focused on the relationships



between organisational commitment and engagement levels in the UAE and recommended that regional employers seek to implement measures designed specifically to increase organisational loyalty. Mohamed Ibrahim and Perez (2014)—who examined the direct effects of the different dimensions of “Organisational Justice,” including satisfaction, on perceived organisational commitment in the context of UAE service organisations—observed that employee satisfaction has a direct influence on commitment while “organisational justice” was found to influence employees’ satisfaction.

One of the propositions set out by Alnaqbi (2011) in his recent UAE-based research: “Good HR practices will be positively related to organisational commitment,” is relevant also. Indeed, HRM practices are considered valuable and effective tools for enhancing employees’ organisational commitment (Giauque, Resenterra, & Siggen, 2010). HRM practices can positively influence commitment through employee recognition, competence development, and empowerment (Paré & Tremblay, 2007; Tremblay, Dahan, & Gianecchini, 2014). In fact, a vast literature explores the ways in which HR practices influence the creation of effective “organisational commitment”; in sum, these relationships are neither straightforward nor unconditional. Studies have shown that HR practices have a positive influence on continuance commitment but less so on affective commitment (e.g., Gong, Law, & Chang, 2009; Meyer & Allen, 1997; Meyer & Herscovitch, 2001; Meyer, Paunonen, Gellatly, Goffin, & Jackson, 1989).

Alnaqbi (2011) found that good HR practice is positively related to organisational commitment and within this: regular appraisals, bonus and compensation schemes, training and development opportunities, and regular constructive feedback, was

included. Based on this observation it was argued that employees are likely to perceive well designed, developmental performance appraisal and internally equitable and externally competitive compensation systems as indicative of the organisation's support and commitment to them. As a consequence, employees were considered to reciprocate with commitment to, and trust of, the organisation.

### **3.6.9 H5- Sociocultural Perceptions on Continuance Intentions**

*Societal sentiments towards UAE nationals working in the private sector has no significant impact on an individual's intention of remaining in the private sector.*

The fifth and final hypothesis is very much an empirically testable version of P1. As is made evident in Figure 1 (Part B, see above). It is the overarching contention of this study that sentiment will play a key role in terms of UAE nationals working in the private sector on the one hand and the attractiveness of this sector, on the other.

## **3.7 Summary and Gaps in the Literature**

As has been articulated in the above review, private sector Emiratisation has thus far not been particularly successful. This is best evidenced by the fact that of all UAE nationals working, only a small fraction are in the private sector (Ryan, 2016). The fundamental reasons for this are also well established: the distribution of oil wealth by Arabian Gulf governments has traditionally been by way of the “job provision transmission mechanism” (Forstenlechner & Rutledge, 2010). Whilst such policies were well intentioned, they have nevertheless resulted in today's labour market strains. It has (1) reduced the need for obtaining a high quality of education (2), the need for investing in labour productivity technologies—cheap labour has been, and still is, abundant—and (3) led to the (national) society-wide contention that most private sector employment lacks prestige.

In terms of gaps in the literature, there are a number, several of which this study will contribute towards filling. The first is that no research has canvassed directly the views and sentiments of UAE nationals working in the private sector as substantial as this study's sample. Indeed, the bulk of other studies have only used qualitative approaches such as the focus group and interview-based research by Farrell (2008) and Marmenout and Lirio (2013). Secondly, it constitutes one of the first pieces of research that canvass the views of a significant number of HRM experts/private-sector practitioners in light of the AME HRM model and this study's exploration of an Arabian Gulf HRM Model.

## **Chapter 4: Research Methodology and Methods**

This chapter will provide the theoretical backdrop to this study in terms of its methodology (the research paradigm) and also the qualitative and quantitative processes and procedures used. In Section 4.1, this study's objectives, propositions and hypotheses are set out. Section 4.2 covers the point and purpose of "research" per se. It evaluates the merits of various theoretical perspectives, including issues related to validity and reliability and sets out those used for this study. Section 4.3 is divided into a number of sub-sections that align to the study's research procedure. It is here that the methods in relation to the interview format and survey instrument are explained and linked to both theory, the literature, the context and the purpose of this research (4.3.2 and 4.3.3 respectively). The construction of the conceptual model and the ways in which this study's hypotheses are aligned to it are explained in Section 4.3.4.

### **4.1 Research Objectives, Propositions and Hypotheses**

As set out in the introduction, this study's objectives are encapsulated by way of the two key research questions reintroduced here:

- ***RQ 1.*** What range of measures (incentives etc.) are most likely to attract, and also retain, UAE nationals to the private sector?
- ***RQ 2.*** What role can/should HRM executives play in terms of shaping government policy so as to ensure Abu Dhabi's strategic HRM goals can be achieved without compromising this sector's international competitiveness?

Using the hourglass-style methodological approach, these broad more general research questions were broken down into four propositions that themselves helped inform the

study's five testable hypotheses (see following page). Together these propositions and hypotheses will allow the applied findings to (a) address this study's aims (b), add to the relevant discourse and (c), be used as the basis for making a number of HRM policy relevant recommendations.

### **Propositions**

- 01 Sociocultural factors—including gender segregation; pride/prestige; social status—are the main reason for why UAE nationals might be unwilling to work in the private sector.
- 02 The pull of the public sector—including salary; pension provision; hours; holidays; easy of taking paid leave—is the main reason for why UAE nationals might be unwilling to work in the private sector.
- 03 Unless government HRD strategies are overhauled it is unlikely that the number of UAE nationals working in the private sector (as a ratio to those working in the classic public sector) will change substantially.
- 04 Unless private sector HRM policies, practices and procedures (particularly at commercially-run GBEs) are overhauled it is unlikely that the number of UAE nationals working in the private sector (as a ratio to those working in the classic public sector) will change substantially.

### **Hypotheses**

- 01 Salary levels do not have a significant impact on an individual's intention of remaining in the private sector.
- 02 Availability of career development opportunities, do not have a significant impact on an individual's intention of remaining in the private sector.

- 03 The nature of the work/environment does not have a significant impact on an individual's intention of remaining in the private sector.
- 04 Organisational loyalty/commitment does not have a significant impact on an individual's intention of remaining in the private sector.
- 05 Societal sentiments towards UAE nationals working in the private sector has no significant impact on an individual's intention of remaining in the private sector.

#### **4.2 Research Paradigm and Theoretical Framework**

The “understanding of something” (or someone) has been central to any research considered to be “scientific” in nature since the beginnings of social science itself. “Research” has been defined as a systematic, critical and self-critical inquiry which aims to contribute to the advancement of knowledge (Bassey, 1992). The role of “theory” is to help better understand events and to see them in a broader, new or different way. A theory may be a metaphor, a model or a framework for understanding or making sense of social events. An idea or concept can only really be considered a ‘theory’ if it helps explain the phenomena and improves society’s understanding of it: it should seek to improve explanatory and predictive power.

Treiman (2014, p. 4) argues that a theory need not be grandiose and/or abstract to be labelled as such: any idea about the cause/s of something and for instance why and how two variables are associated in the ways that they are is a theory. Research theories themselves, it is said, can be better understood and interpreted by collecting and analysing data (e.g., Maruyama & Ryan, 2014). Worthwhile and effective “social research” must, therefore, be inquiry that is critical, self-critical and systematic and, as Wellington and Szczerbinski (2007, p. 13) put it: ideally be grounded in and

constrained by empirical data. Data collected and samples used in any given study must necessarily be closely scrutinised including, *inter alia*, choice of methods, analytical tools and interpretation.

It is the case that there are many definitions of research, but what they all have in common is the notion of inquiring into, or investigating something in a systematic manner. Four key purposes are: (1) to contribute to the knowledge base in a field, (2) to improve the practice of a particular discipline, (3) to assess the value of something and (4), to address a particular, localised problem (respectively these are: pure research, applied research, evaluation research and action research). Merriam (2014, p. 12) sets out four research perspectives: (1) positivist/post-positivist, (2) interpretive, (3) critical, and (4) postmodern/post-structural. There are many different paradigms or approaches in social research with labels that, according to Wellington and Szczerbinski (2007, p. 18), imply opposite poles such as positivist/interpretive and qualitative/ quantitative. Set out below are the most widely used qualitative (interpretative; ‘more subjective’) and quantitative (positive; ‘more objective’):

Table 4. Research Methods

<b>Paradigm</b>	<b>Purpose</b>	<b>Types</b>
Interpretive/ Constructivist	Describe, understand, interpret	Phenomenology, ethnography, hermeneutic, grounded theory, naturalistic/qualitative
Positivist/Post-positivist	Predict, control, generalise	Experimental, survey, quasi-ethnography, experimental

This present study considers research, as a term of reference in a similar way to that of Merriam (2014, p. 4); in its broadest sense, “research” is a systematic process that results in knowing more about something than was known prior to the conducting of the research. The term “evaluation” also has many definitions yet a well received and

contemporary one is given by Dahler-Larsen (2013, p. 15): the systematic and methodological way of investigating and assessing an activity of public interest in order to affect decisions or actions concerning this activity or similar activities.

To philosophically frame qualitative, quantitative and/or mixed methods research will be partially contingent on what one believes about the nature of reality (“ontology”) and the nature of knowledge (“epistemology”) adding complexity to the matter is the confusion surrounding methodology is that terms such as approach, style, philosophy, method, methodology and paradigm are used interchangeably and as if they are synonymous (e.g., Creswell & Clark, 2011; Denzin & Lincoln, 2011; Merriam, 2014; Patton, 2014). Firestone (1987) has pointed out that both paradigms—the quantitative and the qualitative—employ different rhetoric to persuade consumers of their trustworthiness as will be discussed in reference to the applied elements of this study, this trustworthiness translates to validity and partially also, reliability.

In essence, quantitative studies portray a world of variables and static states, whereas qualitative studies describe people acting in events (Goodyear, Barela, & Jewiss, 2014). Firestone (1987, pp. 18-19) argues that quantitative research must convincingly demonstrate that procedures have been followed faithfully because very little concrete description of what anyone does is provided. Whereas, qualitative research must provide a convincing depiction in adequate detail to show that the conclusions drawn, in some way, makes sense.

A key distinction between contrasting research paradigms (or “philosophies”) is the extent to which qualitative approaches has been taken as opposed to quantitative approaches. Yet, as Wellington and Szczerbinski (2007), quantitative methods are not



always theory-laden or hypothesis-driven and are ‘never’ value-free; likewise, qualitative research can never be complete fiction—it must depend on some intersubjective (if not objective) reality. In cases where the research problem is concerned with explanation, prediction or control (producing and monitoring outcomes that are believed to be desirable, for example, measuring the effectiveness of an Emiratisation policy intervention), then a hypothesis testing approach should be adopted.

This is because much of social science is concerned with explaining, predicting and controlling social and psychological phenomena. On the other hand, if the investigation is concerned with initial exploration of as yet unknown territory, or with understanding social phenomena (first-person perspective, i.e. perspective of the people involved) then a scientific (sometimes called “positivist”) approach is constraining and inappropriate. It follows that qualitative cannot be said to be better than quantitative or vice versa. Nevertheless, it is argued that social research should take a scientific approach whenever the research problem calls for it (Wellington & Szczerbinski, 2007, p. 11).

The positivist approach assumes that reality exists “out there” and it is observable, stable, and measurable. Knowledge gained through the study of this reality has been labelled “scientific.” The rigidity of this stance has to some degree become more nuanced (e.g., post-positivism and logical empiricism). As Patton (2014) states, logical empiricism seeks unity in science and asserts that there are no fundamental methodological differences between natural and social sciences while post-positivism recognises that knowledge is “relative” rather than “absolute” but, nevertheless, empirical evidence can be used to distinguish between more and less plausible claims.

The interpretive approach, according to Merriam (2014, p. 9), typically assumes that reality is socially constructed, that is, there is no single, observable reality. Rather, there are multiple realities (“interpretations”). In line with this way of thinking then, researchers do not ‘find’ knowledge, they ‘construct it’ (“constructivism” is a term often used interchangeably with interpretivism).

As Creswell and Clark (2011) explain, from this perspective, individuals seek understanding of the world in which they live and work by developing subjective meanings of their experiences. It is because these meanings are varied and multiple that qualitative research methods are required. The experience a person has includes the way in which the experience is interpreted: there is no “objective” experience that is detached from its own interpretation. In other words, they are not simply imprinted on individuals but are formed through interaction with others (hence social constructivism) and through historical and cultural norms that operate in individuals’ lives (Patton, 2014).

The positivism paradigm, also known as the naturalist paradigm, focuses and deals with the philosophy of science. Positivism is the philosophy of science that positive facts, information derived from sensory experience, interpreted through rational or logical and mathematical treatments, from the exclusive source of all authoritative knowledge; and that there is valid knowledge (certitude or truth) only in this derived knowledge. Verified data (positive facts) received from the senses are known as empirical evidence, thus is positivism based on empiricism. Positivism reflects the principles of natural scientists and provides a basis for a wide variety of research methods, and approaches, mostly quantitative. The core principle of this paradigm is based on the argument that the reality exists externally and is independent of the

researcher, and that the reality properties can be measured directly through observation (Guba & Lincoln, 2011). It follows that a positivist paradigm will: (1) be based scientific and systematic research lines (2), be based upon items that are either tangible or can be judged by the senses and (3), be based upon facts and not abstract notions. Guba and Lincoln (2011, p. 105) argue that both qualitative and quantitative methods may be used appropriately with any research paradigm.

The key point of this paradigm is that the veracity or reality or actuality is a social construction and its implication and meaning can be constructed based on circumstantial features or contextual characteristics Guba and Lincoln (2011). Applied research is aimed at finding solutions to a problem that is troubling the society whereas fundamental research is concerned with creating a theory or generalising a set of theories. Fundamental research is also known as gathering of knowledge for the sake of knowledge. Applied research is purpose oriented and involves scientific inquiry whereas fundamental research or basic research is aimed at enhancing the knowledge base.

In summary, research is a process for enhancing and adding to the current knowledge in any given field. Although there is no universally accepted frame of reference for what exactly “research” is (Collis & Hussey, 2013), it can be segmented into four categories (Kothari, 2004). This study then considers research to be a combination of the following: to gain familiarity and better insights on a concept (or research problem), secondly to describe the key characteristics of a group or concept. Thirdly to ascertain the frequency or probability of occurrence of any phenomena and to find causation of the impact of one element over another.

#### **4.2.1 Qualitative and Quantitative Research**

This study uses one to one semi-structured interviews as the research instrument for qualitative data gathering aspect of the mixed-methods approach it adopts. Other studies on Emiratisation have also adopted, sometimes exclusively, such strategies (see e.g., Al Waqfi & Forstenlechner, 2013; Marmenout & Lirio, 2013). It also uses quantitative methods. Quantitative research is about hypothesis testing and theory testing: predictions are stated explicitly, and then confronted with the data. Quantitative research, therefore, relies heavily on algorithms: sequences of clearly defined procedures which, when applied, always produce a desired end result. One of the most common technique of quantitative research is questionnaire or survey-based research instruments. The initial step in analysing numerical data is to describe and present them clearly; “descriptive statistics” are used for this. These tools deal only with the properties of the samples actually studied (i.e., those interviewed/surveyed). Following this, the sample data can be examined by way of “inferential statistics” to see what valid conclusions can be made about the properties of the population from which that sample was drawn (e.g., the significance and probability of any finding being applicable to the wider population; how generalizable are the study’s observations?).

In any given quantitative study, the results of various algorithms have to be integrated and evaluated, in order to arrive at a satisfactory conclusion about the truth of the initial hypothesis. Wellington and Szczerbinski (2007, p. 117) state that quantitative research relies on measuring variables or, at a minimum, counting of objects or events: the data converted into numbers prior to statistical analysis. The goal of survey research is to describe the characteristics (e.g., attitudes, behaviours, or values) of a

group of people, the relationships among those characteristics, and the relationships of those characteristics with other variables, such as the sociocultural context of the idiosyncrasies of the given labour market. Quantitative research strives to formulate general laws that apply to whole populations of objects, events or people; various algorithms are employed widely as tools. Having said this, it is never totally objective in a pure scientific sense because of what are called “heuristics,” the researcher’s hunches based on intuition, the literature etc. These play a role in terms of exactly which tools to use and which tests to perform.

#### **4.2.2 Mixed Methods (Triangulation)**

Maruyama and Ryan (2014) point out that strategies that focus exclusively on one type of validity can undermine other types of validity and thus, qualitative and quantitative methods can often be complementary. Critically, it is argued, the choice of the method should always be dictated by the nature of the problem Wellington and Szczerbinski (2007, p. 20). For instance, some background statistics (i.e., a quantitative element) can set the scene for an in-depth qualitative study. The principle of triangulation can be extended beyond Faulkner’s formulation (that is: each additional method deployed giving the research an additional vantage point and insights). The nature of the research generally dictates the kind of data chosen and the manipulations performed (Treiman, 2014, p. 4).

Fundamentally, though, without an idea the manipulation of data is pointless (e.g., a RQ such as: Is the reason this far for limited private sector Emiratisation due to a skills mismatch or because UAE nationals do not want to work in the private sector for reasons of pride and prestige?). Research designs and methodology are not mutually exclusive; procedures used in one type of research can be incorporated into other types

of research. Treiman (2014, p. 19) spells out the process as follows: an initial idea is formulated into a research problem, an appropriate sample is chosen, a survey conducted, and a set of variables created and combined into scales to represent the concepts of interest. After this, the relationships between the variables can be analysed and discussed; typically, this centres on investigating the probability distribution over categories of the dependent variable computed separately for each category of the independent variables.

It is the case that the overarching goal is to obtain data that are as strong as possible in terms of internal, external and construct validity in light of practical restraints (e.g., time cost and sample access). When it comes to data collection most methods in social research will yield both qualitative and quantitative data: interviews can produce quantitative data; questionnaires can collect qualitative data, e.g. in open-response questions; case studies can involve systematic, semi-quantitative observations. Different modes of data collection can sometimes be combined to improve response rates and data quality and thus the strength of the conclusions that can be drawn (e.g., Maruyama & Ryan, 2014, p. 396; Wellington & Szczerbinski, 2007, p. 20).

The concept of using a multi-method approach in collecting data and information is often referred to as “triangulation.” Cohen, Manion, and Morrison (2013) define triangulation as using two or more methods of data collection in a given study of some aspect of human behaviour. (Wellington & Szczerbinski, 2007, p. 20). It follows then that the qualitative and quantitative methods can exist side by side in an enquiry and that there is no fundamental clash between the purposes and capacities of qualitative and quantitative methods or data.

Bryman and Bell (2015) and Richardson and Kramer (2006) point out that triangulation, which has been deployed for decades, offers opportunities for performing multi-level analyses and cross-validating theoretical frameworks with a given study's hypotheses. As Burgess (2002) points out such an approach can be seen as methodological pragmatism. This study uses mix methodology for two reasons, first the application of multiple methods of inquiry will enhance the reliability and validity of the study and secondly it also gives an opportunity to collect information from three different perspectives, the UAE nationals who are the main subject of the study, the HR managers and employers and also the experts and the policy makers.

#### **4.2.3 Validity and Reliability Issues**

The aim of the study is to better understand how and why UAE nationals currently working in the private sector can be made more likely to stay there. Thus in combination with the qualitatively-orientated HRM interviews, a number of testable hypotheses were devised. A hypothesis in research is a statement of an expected relationship between variables: a plausible explanation that elucidate the expected relationship between pay and organisational loyalty. Statistical analysis in the social sciences typically contributes to the developing and verification of theories (which themselves are explanations of how the social world works above and beyond a given sub-sample of the population).

According to Hanneman, Kposowa, and Riddle (2012), hypothesis testing begins with a speculation about how the social world works that itself is grounded on prior research, observation, and previous empirical work. Based on previous research, new research can formulate hypotheses about the values of sample statistics in advance, and then evaluate whether the evidence from the sample is consistent with the assumed

outcomes. Hypothesis testing uses both descriptive and inferential statistics to assess whether a set of observations, based on a given sub-sample, is consistent with what is reported in the extant literature. In hypothesis testing, sample statistics (characteristics) are investigated to arrive at best guesses or estimates of population parameters. Rather than an exploratory application of statistics, hypotheses can have a confirmatory application; they seek to (dis)confirm theories using sample observations (Hanneman et al., 2012).

It is regularly stated that in social research, the construction and validation of theory and the use of statistics is never an end in itself, but rather a means to achieving an end (Hanneman et al., 2012, p. 9). A theory is simply a proposed explanation for why something is the way it is or operates as it does. Scientific theories are never proven to be true but are always tentative explanations that might apply to help us understand something. While there are many issues in making valid connections between abstract theories and concrete observations, statistical tools address some of the issues of inference from samples to more general populations. Before statistical analysis, however, testable questions need to be formulated.

In terms of reliability and validity, in order to make sense of an observation, comparisons are essential. The same phenomenon may be observed over time, compared to other phenomena that are similar to it, or indeed differ from it. The next step is to develop a tentative explanation of the given phenomena—a theory for why it does what it does. Existing theories that are directly related to the research problem or theories related to similar research problems can be used and from these, hypotheses can be developed. The confirmatory phase of research follows the hypothesis formulation stage: the systematic collection of data the formal testing of hypotheses



which in turn leads to use of some statistical models to make predictions and, the verification of the theory. (Hanneman et al., 2012).

Wellington and Szczerbinski (2007, p. 123) point out that the null hypothesis typically predicts that the population effect measured equals zero—in other words, there is no difference between population X and Y; there is no association between variables X and Y (the coefficient of correlation between X and Y is zero). When populations are referred to they can, of course, be of countries but also for example of organisations. A probability sample is a subset of the population selected in such a way that the probability that a given individual in the population will be included in the sample is known. Based on this, and extrapolated to the wider population, inferences within a specified range can be made in terms of what the likely result will be in the population.

High internal consistency reliability (i.e., a high value of coefficient alpha) does not necessarily mean that a measure made up of multiple items assesses a single dimension (Wellington & Szczerbinski, 2007). This is why methods such as Confirmatory Factor Analysis (CFA) are often deployed. Such statistical tests can determine whether a measure assesses single or multiple dimensions. Such statistical tests help determine if such dimensions reflect the underlying construct (or constructs) in expected ways (Maruyama & Ryan, 2014, p. 221). However, tests are not “culture free” and cannot be perfectly “neutral”; but equally, a well-designed test is not inherently biased—triangulation and converging evidence are powerful safeguards against bias. As Wellington and Szczerbinski (2007, p. 168) attest, there is little doubt that psychometric tests are very useful if not essential. Yet, their results should never be presented as unconditional scientific fact.

In terms of validity, the applied nature of most social science research means that recommendations have to be grounded on valid and reliable reflections of reality (hence this study's reliance on expert interviews and a large-scale survey of private sector employees). Validity tends to be related to the notion of how truthful or genuine something is; a measurement is valid according to the degree to which the measuring instrument or procedure matches its stated intent. Reliability is a necessary but not a sufficient condition of validity. If a test is unreliable it cannot be valid (because it measures nothing precisely) however, even a very reliable test may be invalid—if it measures precisely something other than what it intended to measure (Cohen et al., 2013). Validity is the most important requirement of all psychometric tests; indeed, in its broader sense; it is an essential requirement of every scientific investigation (Wellington & Szczerbinski, 2007, pp. 149-150).

As Lincoln (1995) puts it, are a study's findings "sufficiently authentic? Would the researcher feel sufficiently secure about these findings to construct social policy or legislation based on them? Indeed, as Merriam (2014, p. 2010) states, to have any effect on either the practice or the theory of a field, research studies must be rigorously conducted; they need to present insights and conclusions that seem and sound plausible to academics and practitioners. Face validity is evaluated by experts, who read or look at a measuring technique and decide whether it appears to measure what the researchers intend it to measure (see Table 5, below). Evaluating face validity is highly subjective according to Maruyama and Ryan (2014, p. 212), yet without such a test other researchers are likely to question the validity of a measure that does not at face value appear to measure the intended construct. To be clear then, establishing validity is in fact beyond the remit of any single study and can only be achieved

incrementally by a systematic research programme; the extent to which a test can be considered as valid can only emerge slowly, as the evidence from various studies accumulates.

Table 5. Measures of Validity

Type	Explanation
Face validity	The interview format (survey instrument) appears to measure what it purports to measure. While this criterion is inherently subjective it is nonetheless useful and can be achieved by way expert critique of provisional model surveys.
Construct validity	If a test indeed measures a particular variable, then the results it produces should be consistent with what the scientific theory and existing empirical data tell us about that variable (also termed “theoretical validity”).
Criterion validity	If a test indeed measures a particular variable, then its results should agree with other, external criteria of that variable. For example, a psychometric test of creativity, if valid, should produce much higher scores among professionals whose jobs require “thinking out of the box” <sup>6</sup> (e.g. designers and architects), in comparison with members of more “conventional” professions.
Content validity	A test that is valid has content (items) that represents the variable being measured in a comprehensive way. For example, a test of reading comprehension for adults that checks only literal understanding of narrative prose has limited content validity, since adults read many types, and should have the ability to extract their literal as well as inferential (hidden) meanings.

### 4.3 Procedures

The survey of approximately 20 minutes in duration, was carried out at the given sample member’s organisation. Participants were provided with an information sheet explaining the general purpose of the research study. This also stated that participation was voluntary and that their responses would be anonymized and in no way be attributable to them. Firstly, a pilot study was conducted (n=31) to ensure that the questions (and their Arabic translations) were clearly worded and logical.

It is important to note that both the pilot survey and the pilot interviews were carried out at the author's place of work, which can be considered as quasi-private in that it is a commercially-run, GBE that is not part of the "classic" public sector. The purpose of these pilot studies was to ensure that the questions and format were appropriate and logical. Following these pilot studies, some items were dropped and some rewarded aided by face validity checks with respect to the survey instrument; in total 650 completed and usable survey responses were collected.

#### **4.3.1 Sample Selection, Ethics and Informed Consent**

Valid (i.e. unbiased) norms require a representative sample: one that is sufficiently large and selected by some degree of probability sampling (Wellington & Szczerbinski, 2007, p. 123). "Normalisation" applies to norm-referenced research that seeks to interpret the performance of a sample member by comparing it with the performance of other members of the same population. As Maruyama and Ryan (2014, p. 231) explain, a population is the aggregate of all of the cases that conform to some designated set of specifications. Thus, the specifications "people" and "being resident in the UAE" define a population consisting of all the people who are residents in the UAE.

We could similarly define populations consisting of all the households in a particular city district, all students who are enrolled full time at a particular university, or all the case records in an agency's files. It follows that what is found out about the sample would 'ideally' be true of the population as a whole. However, this might or might not be the case. The extent to which the information received by the sample can be extrapolated to the wider population depends in no small part on the way in which the (sub-)sample is selected (Maruyama & Ryan, 2014). It has been argued that the basic

distinction in modern sampling theory is between probability and nonprobability sampling.

Maruyama and Ryan (2014, p. 238) set out how “simple random sampling”, distinctive from nonprobability sampling, is the most basic probability sampling design; a simple random sample is selected using a process that gives every element in the population an equal and independent chance of being included in the sample. As Maruyama and Ryan (2014) explain, probability sampling is the only approach that makes representative sampling plans possible. Probability sampling makes it possible to estimate the extent to which the findings from a sample are likely to differ from what would have been found by studying the population. In non-probability sampling, there is no way to estimate the probability each element has of being included in the sample and no assurance that every element has some chance of being included.

This study utilised two samples, one for interviews, the other for the survey. The target population for the interviews was predetermined to the extent that it would only include individuals with insider information (expert knowledge) and/or directly involved with the HRD/HRM aspects of Emiratisation in some way. This was enacted by using a snowballing technique facilitated by TANMIA, the Ministry of Labour and contacts at two Federal HEIs. In total 60 individuals were interviewed. As will be evident in the following chapters, interviewee personal details are not provided, only their titles/field of expertise are mentioned where relevant and the same applies to their given identifier tag. All interviews were conducted by the author at the interviewee’s organisation. The majority were conducted in English (a few were in Arabic) and most were recorded and the relevant points transcribed. However, several preferred their input to be “off record” and were thus not recorded.

With respect to the sample of employed Emiratis in the private sector, the total population is very small, quite literally in the 1,000s (National Bureau of Statistics, 2014). This is quite simply because of the following factors: (1) well over 90 per cent of all UAE nationals work for the conventional public sector and (2), the population is young and many are still in full time education. However, of the targeted subsample ADHRA (at the time TANMIA and the TAWTEEN Council) was contacted and lists of registered nationals who had been placed in (quasi-) and 'real' private sector positions were solicited. In addition, personal contacts were used with executives at Mubadala (the organisation that oversees a great many of the UAE's new wave GBEs) (Mubadala, 2010). Together and combined the author had access to a uniquely large pool of potential interviewees. All were contacted by email by way of the respective organisation's HR departments (the majority of the HR managers contacted) who did agree to participate in this research by agreeing to distribute and in cases follow up the email (the email had links to the questionnaire and participant information details).

Turning now to the survey sample, Emirati nationals currently working for GBEs (and other private sector organisations) were asked to participate in the research study by completing a questionnaire. Sample members were selected from within a pre-defined target group: those currently working in the private sector (or, more specifically, employed in organisations that are not part of the classic public sector). Along with the questionnaire, a consent form was also attached which provided complete details about why the information was being collected. This document explained that participation was entirely voluntary. The participants were also informed that their names and other personal details would remain confidential and the information gathered would only be used for academic purposes (i.e., not commercial ones). The

same information was provided to all those interviewed for this study. As shown in Appendix A and Appendix B, both interviewees and those that participated in the survey were provided with participation information sheets and guidance about providing their informed consent (and information on how their input would be used, anonymised and securely stored).

#### **4.3.2 Interview Format**

As Wellington and Szczerbinski (2007, p. 81) state, interviews are often said to “reach the parts which other methods cannot reach.” Although face-to-face interviews are more costly they can be particularly effective for certain types of research (Maruyama & Ryan, 2014, p. 396). There are generally considered to be three types of interview format: structured, semi-structured and unstructured. DeMarrais (2004, p. 55) defines an interview as the process in which, “a researcher and participant engage in a conversation focused on the questions related to a research study”.

Face-to-face interviews are typically used when there is reason to believe that prospective research participants would be able to provide more insight (details regarding the research problem) if the data gathering format were open. In other words, when the primary questions of interest are ‘open-ended’ and more in-depth responses are sought. At the other extreme, a highly structured interview is essentially a typed survey conducted verbally (Merriam, 2014, p. 90). Open-ended questions are used when possible responses are too varied or complex to be conveniently listed on a questionnaire or when the researcher doesn’t have a very good idea of what the possible responses will be (Treiman, 2014, p. 4)

The “semi-structured” interview format, thus overcomes the problems inherent in being overly rigid or overly flexible. It is no surprise that Wellington and Szczerbinski (2007, p. 84) state that this interview method is often the most valuable for research in the social science field. In terms of selecting interviewees (practicalities aside) the term “key informant” is used to describe the person who may be the key figure in a piece of qualitative research (Wellington & Szczerbinski, 2007, p. 84) who possess special “insider” information and/or “expert” knowledge (Rutledge & Al-Shamsi, 2015).

The average duration of these interviews was 45 minutes and all were conducted by the author. In the majority of cases, they were conducted at the interviewee’s organisation/institution but several were conducted at job fairs and the side-lines of Emiratisation events. Questions that comprised the semi-structured interview prompt sheets are set out in Table 6, below (see Appendix A, for the participant information and informed consent sheet). It was optimal to have three sets of questions: generic ones that all interviewees might expect to be able to address; ones tailored to HRM practitioners of a more direct and practical nature and thirdly, ones related to government policy and labour laws that are more suited to academics and government policy experts.

Table 6. Interview Guide Questions

0	What are the main challenges in relation to private sector Emiratisation?
1	
0	What mechanisms (top-down, bottom-up policies and HRM practices) are most likely to address such challenges?
2	
0	To what extent do social factors play a role in the recruitment and retention of Emiratis?
3	
0	In what ways can the work environment be improved to attract/retain more Emirati job seekers?
4	



0 5	Do you think that UAE HEIs are equipping Emiratis with appropriate market-orientated employability skills?
0 6	Should academia and industry collaborate more (matching; internships; curriculum design etc.)?
0 7	What changes to current government Emiratisation policy would you recommend ?
<b>HRM Professional Specific</b>	
0 8	What are the challenges you face with regard to Emiratisation program at your organisation?
0 9	What are the primary issues your Emirati employees raise in relation to job satisfaction?
1 0	Are your Emirati employees satisfied with their salary package? If not, why not?
1 1	What type of compensation packages does your organisation provide to Emirati employees?
1 2	Apart from remuneration, what other aspects of retention are considered to be an issue?
1 3	In what ways is Emiratisation beneficial to your organisation?
<b>Emiratisation Policy Expert Specific</b>	
1 4	In what ways is Emiratisation being implemented (top-down; bottom-up) and progress monitored?
1 5	How can Emiratisation be implemented more effectively between now and 2030?
16	What are the Key Performance Indicators (KPI) in relation to private sector Emiratisation and, how effectively are they being met? what are the penalties if any?

Note: *These are guide questions, due to the intended organic nature of the interview format, not all were used in every interview and some topics were discussed that are not set out above.*

### 4.3.3 Survey Construct

Although the main purpose of a survey questionnaire is said to be “fact-finding” they can also be used to test a hypothesis or add weight to a theory. As Wellington and Szczerbinski (2007, p. 95) put it, surveys can provide answers to the questions of what, where, when and, how. According to Maruyama and Ryan (2014, pp. 395-396), the two most basic research designs in survey research are cross-sectional surveys and

panel surveys. The first involves the collection of data from a sample of participants at the same point in time. This design is most often used to estimate the prevalence of characteristics in a population (e.g., the percentage of Emirati graduates who agree or disagree with a statement concerning the attractiveness of pursuing a career in the private sector).

Cross-sectional surveys tend also to be used to assess relationships among variables (e.g., relationships between participant gender and agreement with Emiratisation policies and procedures). The second, panel survey, is a longitudinal design in which data are collected from the sample on a number of occasions over time. As Maruyama and Ryan (2014, p. 396) state, panel surveys are most often used to assess stability or change in attitudes, beliefs, and behaviours, for example, change in racial prejudice, beliefs about global warming, or the prevalence of single-parent households.

In terms of survey structure it is said that in general questionnaires should be broken down into sections, topics or themes, as Neuman (2006) put it, “one should sequence questions to minimise the discomfort and confusion of respondents,” and should typically begin with straightforward, closed questions, leaving any open-ended questions to the end. More fundamentally, formulating questions in both interviews and questionnaires is a difficult art (Wellington & Szczerbinski, 2007, p. 98). This is an important feature of triangulation. Thus questions which were particularly successful during an interview (including open-ended questions) can be followed up with greater numbers of subjects. Prior interviewing will also help with the wording of questions.

A questionnaire, and the questions within it, can be developed from prior research methods, but the use of a pilot is still essential (Wellington & Szczerbinski, 2007, p. 107), the pilot study for this research is covered in Section 4.3, above. With regard to this study, the survey instrument which consisted of 34 items designed to provide data to fit this study's conceptual framework (see Figure 1, parts A & B above). In addition to demographic items, a number of items were designed to better gauge sociocultural influences. These items were based on an extensive series of labour market-based surveys conducted in the early 2000s reported on by Nelson (2004). The items reported on are 5-point Likert statements ranging from "strongly agree" to "strongly disagree".

The problem of common method (or same source) variance/bias is also a concern for interpreting outcomes of survey-based research. As Bryman and Collinson (2011, p. 18). state, this problem may arise, for example, when sample members, "supply data relating to both the leadership variables (e.g., leader behaviour) and the outcome measures (e.g., organisational commitment) in [the same] study." Addressing this concerns Spector and Brannick (2009, p. 346) argue that almost all questionnaire-based research is required to dedicate a paragraph to underscore the point that the results are likely biased by the methods used, and that 'caution' must be exercised in interpreting results" (interesting, Spector is the academic behind the JSS scale that this study makes use of and moreover, the issue of same-source bias is discussed but not seen as overly prohibitive by others who have conducted similar questionnaire-based research on the UAE's labour market namely: Mohamed Ibrahim and Perez (2014)).

Table 7. Survey Questions

<b>1. Continuance Intention</b>
I am happy to work in the private sector
I would move to the public if I could secure employment there
I intend to continue working for this organisation for the foreseeable future
Working in the private sector is better than what most Emiratis think it to be
<b>2. Sociocultural Influences</b>
Most Emiratis do not understand the need for private sector Emiratisation
Society sees public sector employment as more appropriate for Emirati women
I believe the government should provide all citizens with government jobs
Society attaches more prestige to individuals who have jobs in the conventional public sector (including the army and police force) vis-à-vis the private sector
<b>3. Job Satisfaction</b>
In my present occupation, I am satisfied with my salary (financial compensation)
In my present occupation, I am satisfied with my days of annual leave
In my present occupation, I am satisfied with my weekly working hours
In my present occupation, I am satisfied with my level of job security
In my present occupation, I am satisfied with my training opportunities
I am happy with the training opportunities available to me
There are opportunities to discuss my career development and progression
I do not face a lot of stress in my job in the private sector
I am happy working along non-nationals (peers and managers)
My colleagues help me when I have a work problem/I have a mentor at work
I am happy to use English (alongside Arabic) as an when necessary
I am happy with the trust management (and mentors) place in me
I am proud to work for my organisation
I am happy with the relationship I have with my line manager (and/or mentor)
I feel I am an asset to my organisation and contribute to its success

Note: *The survey as distributed was informed by an initial pilot study (see Appendix C), based on that, revisions were made.*

#### **4.3.4 Conceptual Model and Data Analysis**

While some 650 UAE nationals employed in the private sector were surveyed we would like to talk about all of this demographic (we want to make generalisations about 'all' citizens). This can be achieved by way of "inferential statistics." Statistical tools enable inferences about variation and covariation in a population, based on the information available from a sample drawn from that population. As Hanneman et al. (2012) points out, determining how confident one can be in making an inference is complex and the main focus of inferential statistics. In tandem with this, it is also important to present descriptive statistics. In general terms, "descriptive statistics" summarise and index information about the sample at large in such a way that can accurately, and reliability say things about the main patterns that are present in the data (Hanneman et al., 2012, p. 5).

In terms then of this study's quantitative data collection, questionnaires were distributed in a number of ways: it was emailed to participants and they were even given a call to help them understand what is required of them. Some questionnaires were given to managers who being interviewed for the employer section of the qualitative data collection to get it filled specifically from their UAE native employees who they have hired as a part of the Emiratisation process. To ensure that the managers had no influence on their employees' responses, their email ids were requested and forms were individually emailed to them without any intermediary being involved in the process. In terms of analysing this quantitative data, SPSS was used.

The entire questionnaire was coded into SPSS and every response was fed into the software. Once the data entry was complete, the data was tested for reliability and validity. Wellington and Szczerbinski (2007, p. 128) explain that in cases where the

probability level is  $p < .05$  could be by chance, but only fewer than 1 in every 20 occasions; a rather improbable event (the null hypothesis is true). It is, therefore, more reasonable to conclude that the observed effect did not occur by chance, but reflects a real effect within the sample studied. With regard to this study, the data ( $n=653$ ) was subjected to exploratory component factor analysis and subsequently combined into a number of independent variable groupings to be tested against the dependent variable: “likelihood of remaining in private sector employment”; shortened to “continuance intentions” (4 items,  $\alpha .945$ ).

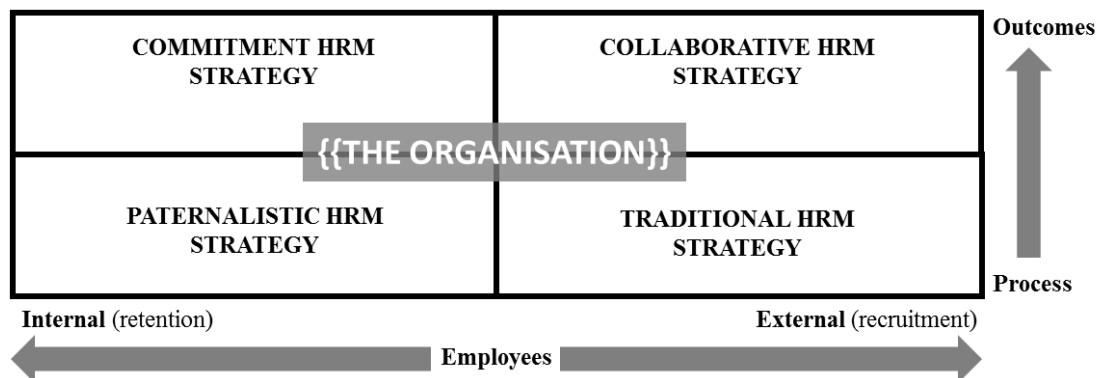
In terms of the sort of HRM strategy that may be best suited to the UAE’s GBEs, (see part C, above), it is important to situate this within the broad HRM paradigms. The organisation is placed at the centre of a range of HRM-related theoretical approaches and strategies. Locus of control can be seen as the degree to which HR strategy focuses on the close monitoring of its employees and can partially be placed on a cline from “process-based” to “outcome-based.” This reflects two distinct management logics; one (process-based control) that concentrates on efficiency and cost containment by controlling and monitoring employee performance carefully and another, (outcomes-based control) which concentrates on actual results (Bamberger et al., 2014; Bratton, 2012). The second clone is related to employee recruitment; this represents the strategic choice between training incumbent staff (internal, left-hand side; and hiring ready-trained individuals (external, right-hand side). It suggested that any given organisation will orientate towards ‘making’ their workers, high investment in training, or ‘buying’ their workers from the external labour market (acquisition vs. development of employees; ‘make-or-buy’).

In terms of the four panels, the top left one (“Commitment HRM strategy”) stresses the internal development of employees’ competencies. This then would typically include knowledge-based practices. In such organisations, it is management that relies upon employees to deal with the inherent uncertainties in the labour process (i.e., only the ‘outcome’ of the employee’s work is evaluated and monitored as employees to an extent managed themselves). The bottom left panel (“Paternalistic HRM strategy”) implies a mode of operation that offers learning opportunities and internal promotion to employees in compliance with process-based control mechanisms. Moving to the right-hand side, the top left panel (“Collaborative HRM strategy”) involves the organisation subcontracting work to external independent experts and giving extensive autonomy and evaluating employee performance principally in terms of outcomes. The last (“Traditional HRM strategy”) focuses on recruiting employees with the requisite skills and competencies and process-based controls.

The paternalistic HR strategy offers learning opportunities and internal promotion to employees for their compliance with process-based control mechanisms. Each HR strategy represents a distinctive HR paradigm or set of beliefs, values and assumptions, that guide managers. Bamberger et al. (2014) suggest that the HR strategies in the diagonal quadrants ‘commitment’ and ‘traditional’ are likely to be the most prevalent in industrialised world, particularly US organisations (see also: Baird & Meshoulam, 1988). It is argued that an organisation’s HR strategy is strongly related to its competitive strategy. So, for example, the traditional HR strategy (bottom right panel) is most likely to be adopted by management when there is certainty over how inputs are transformed into outcomes and/or when employee performance can be closely monitored or appraised. In such contexts, managers use technology to control the

uncertainty inherent in the labour process and insist only that workers enact the specified core standards of behaviour required to facilitate uninterrupted production.

As is shown in—the importance of the environment as a determinant of HR strategy has been incorporated into many models—links between three poles: the environment, human resource strategy and the business strategy; HR strategy is influenced by contextual variables such as markets, technology and national government policies (Bamberger & Phillips, 1991). Nonetheless, it is important to underscore, as Purcell (1999) cautions, HRM research that seeks a model capable of incorporating contextual influences as mediating variables of HR policies and practices, “tend to lack precision and detail.”



Note: Based upon Lepak and Snell (1999) and, Bamberger et al. (2014).

Figure 3: HRM Strategies, Processes and Outcomes



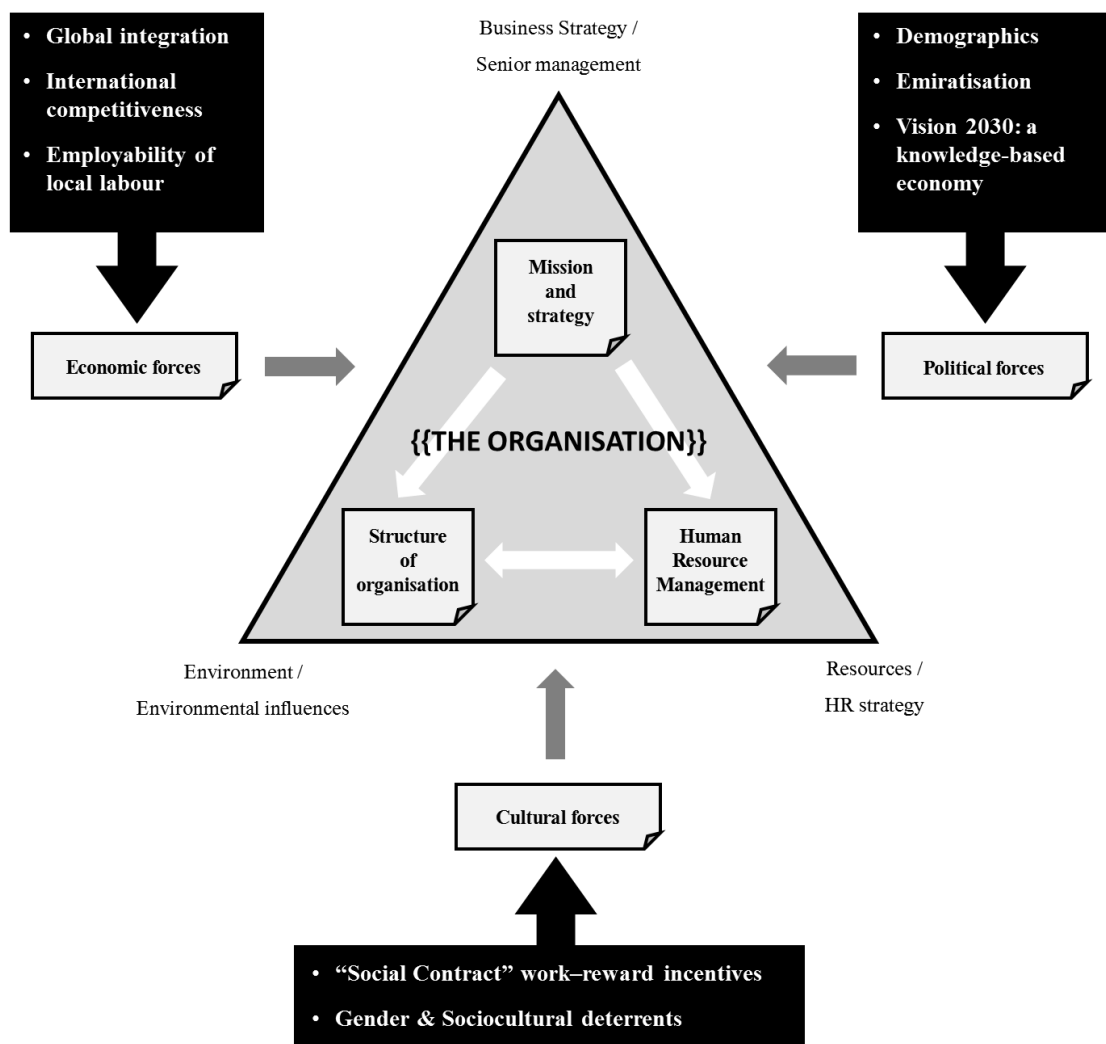


Figure 4: Factors Influencing HRM in the UAE

Note: Based upon Bamberger and Phillips (1991) and Aktouf (1996)

#### 4.4 Summary

This chapter has provided the justification for this study's methodology and choice of methods. It has explained why a mixed methods approach is optimal and the one most capable of addressing this study's overarching research problem: how can SHRM most effectively retain UAE-nationals in the 'private' sectors of the economy? Thus, with respect to RQ1—*What range of measures–incentives etc.–are most likely to*

*attract, and also retain, UAE nationals to the private sector*—it is necessary to survey those nationals currently working in this sector.

The survey (see Figure 1, parts A & B and Section 4.3.3 above and also, Appendix B) uses aspects of the JSS scale and sociocultural sensibilities as a moderator on ‘continuance intentions’ (the DV). By so doing, it should be possible to determine which factors (e.g., benefits, PD opportunities; collegiality) most positively correlates with retention. With regard to RQ2—*What role can/should HRM executives play in terms of shaping government policy so as to ensure Abu Dhabi’s strategic HRM goals can be achieved without compromising this sector’s international competitiveness*—the semi-structured interview data (see Figure 1, part C and Section 4.3.2 above and also, Appendix A) alongside that from the survey should be capable of providing insights on the types of SHRM strategies at the meta-level (e.g., control/resource-based vs. integrative) and policies at the HRM practitioner level are best suited for the UAE’s GBEs.

## Chapter 5: Results

### 5.1 Qualitative Findings

As illustrated in Table 8 (see below), the 21 interviewees have been placed into two subgroups: “HRM Professional” (n=12, three females, nine males) and “Emiratization Policy Expert” (n=9, three females, six males).

Table 8. Interviewee Demographics; Type, Gender, Sector or Entity

Type (w. code)	#	F	M	Sector of Economy or Entity
<b>HRM Professional</b>				
HRMP.01	01	1	...	Banking and Finance
HRMP.02	02	...	1	Banking and Finance
HRMP.03	03	...	1	Banking and Finance
HRMP.04	04	...	1	Manufacturing (including aviation)
HRMP.05	05	1	...	Manufacturing (including aviation)
HRMP.06	06	...	1	Telecommunications (w. ICT)
HRMP.07	07	...	1	Telecommunications (w. ICT)
HRMP.08	08	...	1	Logistics and Transportation
HRMP.09	09	...	1	Logistics and Transportation
HRMP.10	10	...	1	Healthcare and Hospitality
HRMP.11	11	1	...	Healthcare and Hospitality
HRMP.12	12	...	1	Advertising and Media
<i>Total</i>		3	9	

<b>Emiratisation Policy Expert</b>				
EPE.01	13	1	...	HEI (academic)
EPE.02	14	...	1	HEI (academic)
EPE.03	15	...	1	UAE Ministry of Labour
EPE.04	16	1	...	UAE Ministry of Labour
EPE.05	17	...	1	ADHRA (at the time TANMIA)
EPE.06	18	...	1	ADHRA (TAWTEEN Council)
EPE.07	19	...	1	ADHRA (TAWTEEN Council)
EPE.08	20	...	1	EIBFS
EPE.09	21	1	...	EIBFS
<i>Total</i>		3	6	
<b>Grand total</b>	<b>21</b>	<b>6</b>	<b>15</b>	

Note: Although codes for interviewees are given, only HRMP and EPE are used in the subsequent analysis. When interviewee comments are placed in quotes, comments are close to, but not, verbatim.

The detailed discussion and analysis of the interview feedback will be covered in the following chapter. However, Table 9 below sets out a summary of some key observations that were made as a result of analysing the interview data. It is a qualitative interpretation and should be considered as such.

Table 9. Qualitative Summary of Interview Findings

<b>Overarching Challenges</b>
<ul style="list-style-type: none"> <li>▪ Retention more than recruiting.</li> <li>▪ The practical/psychological consequences of the public/private sector pay and related benefits divide.</li> <li>▪ A labour market-wide monitoring system – seen as essential but hard to envisage (unlike “Western economies, there is no short term prospect of income tax/national insurance contributions” factors that make workforce monitoring feasible in the industrialised world)</li> </ul>
<b>Top-down policies</b>
<ul style="list-style-type: none"> <li>▪ These may well be necessary because if not enforced too many entities will continue with the easy option.</li> </ul>

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- If imposed, they must be flexible as often the given entity cannot find or retain the set number of individuals required.
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## **Recruitment Issues**

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### *— Supply issues*

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- Many times it is simply not possible to find UAE nationals willing to apply, let alone qualify for a wide range of posts.
  - Skillsets are not a major issue yet; work-related attitudes are said to be a larger concern.
  - It is hard to imagine how supply will meet demand especially during upward turn in future economic cycles.
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### *— Skill Sets*

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- In general, the skillsets of most UAE nationals who are seeking (or willing) to work in the private sector are suited to entry-level jobs that they apply for.
  - Although long said to be a key impediment to greater levels of Emiratisation, interviewees did not see this as a major issue (some saw it as a “convenient solution” as policies to address it can easily be planned and rolled out: “we have a large industry in work readiness programs” and, “there are many providers engaged in providing on-the-job training, and all sorts of soft skill courses.”).
  - Employability skills were perhaps more of an issue but again it was felt that these could be solved without major costs.
  - In terms of language, it was stressed that those who had studied in private schools/overseas universities, not only spoke English far more proficiently but also: “know how to operate and succeed in a contemporary workplace where adaptability and interpersonal skills are the most vital assets.”
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## **Retention Issues**

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### *— Salary and fringe benefits*

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- Even if HRM professionals and EPEs did not report that pay and benefits were the key reasons for the higher turnover, it seems to be so at a less explicit level. In terms of salary – taking the longer view – many EPEs stated that this would make the public sector more attractive: pragmatically pay aids a better work/life balance.
  - HRM professionals all tended to agree that cost-wise non-nationals are cheaper (even when factoring in compulsorily health insurance and residency visa costs).
  - For better or worse, non-nationals are usually more dependent on their given employer for their and their family’s livelihoods – “this doesn’t make them more effective as employees but does make them more dependable and less likely to petition for promotion or pay increases.”
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### *— Nature of work*

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- Several reported that UAE nationals were less likely to be satisfied with the nature of work in the private sector. This was more likely to be a result of the hours of work.
  - As a few HRM professionals pointed out if any individual has most of their family working in the (“classic”) public sector, they will soon realise that the nature of the work environment in the private sector was stricter and more rigid.
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#### — *Loyalty*

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- Organisational loyalty was seen as an issue to the extent that HRM professionals said that most UAE nationals employed at their organisations intended to remain for the longer-term.
  - Turnover is high.
  - EPEs attributed this to the pull of the public sector.
  - EPEs also stressed that as a key public/private sector difference was ability to make an employee redundant, nationals seemed more than willing to leave if public sector positions come available.
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#### **Pull off the Public Sector**

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- Both EPEs and HRM professionals saw this as the key issue that made longer term retention such an issue.
  - Many UAE nationals are willing to gain experience in the private sector but typically see this as “a stepping stone to the public sector”.
  - For high-end postgraduates however the public sector did not have such a pull; interviewees suggested that this was a combination of this cohort having senior positions in the private sector and/or placing more job satisfaction in positions that were fulfilling and productive.
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#### **Sociocultural factors**

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##### — *Status*

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- EPEs mentioned that less social status is attached to private sector careers compare to public sector positions.
  - HRM professionals stressed that titles and positions were important for UAE national employees but a common argument was: “not everyone can be a leader”; “government policy to say all can be future leaders was potentially unrealistic and thus problematic”.
  - Prestigious sounding titles have a short-term positive impact but are not long term solutions.
  - Many pointed to the fact that in industrialised countries, citizens were represented at all levels of the job market and that this was normal in most countries.
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— *Gender*

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- Gender was considered to be a factor, especially by EPEs.
  - Female nationals were said to be more loyal and happier to adapt to the nature of the job.
  - Typically, sociocultural factors made it more difficult for this cohort to enter the private sector but it was said to be the same factors that made it more likely for males to seek to leave.
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**Monitoring and Mentoring**

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— *Agency level*

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- EPEs were clear that effective monitoring was key but currently missing.
  - Reasons for this are clear: “there is no income tax or national insurance to pay on salaries earned in the UAE and this leads to a situation where reporting is not constant and reliable”; there are many agencies that start very actively and then fade away”.
  - Labour market data is not adequate and (if it is), “usable data is not disseminated.”
  - Ultimately, this is seen as a major issue as without such data it is impossible to determine which policies/industries/internal HRM procedures are most effective.
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— *Within the organisation*

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- HRM professionals all stated that their payroll departments knew the ratio of nationals to non-nationals.
  - Many HRM professionals did state that their entity did have specific policies in relation to their Emirati employees.
  - All saw Emiratisation as a worthy pursuit (“it is a bit like good ‘corporate responsibility’”; “helping the government and society is a policy all companies should do”).
  - While most entities were found to have specific procedures (more “financial allowances” for Professional Development programs for UAE national employees) monitoring was found to be “piecemeal” and “inconsistent”.
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— *HRM strategy*

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- The consensus among the EPEs was that the Arab ME HRM Model was a construct worth more investigation but, all saw a range of distinctions that made the Arabian Gulf unique and in many ways distinct:
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- 
- (1) the “ruling bargain”, the welfare state’s deep impact on the labour market
  - (2) the extent to which government finances were available to train the national workforce
  - (3) the government’s ability to provide jobs including the subsidising of quasi-private sector jobs
  - (4) the resources available for funding education especially at tertiary level
  - (5) the continued dependence on expatriate labour; “unique globally”.
- Most HRM professionals stressed that UAE nationals benefit from regular consultations and mentoring and were especially interested in job-related learning development opportunities and this suggested a more paternalistic and committed HRM strategy.
  - However, both groups of interviewees stressed the point that an ideal HRM strategy for UAE national employees was unlikely to be ideal for non-nationals.
- 

### **5.1.1 HRM Professionals- Summary of Key Observations**

This section will outline the main observations made by the 12 HRM professionals interviewed (see also the points in Table 9, above). It is the general view that UAE national employees are more willing and more capable of performing effectively than is perhaps commonly thought. Nobody interviewed saw Emiratisation as anything other than an “imperative.” The key issue was retention, not recruitment. The fact that so many reported high turnovers of this cohort meant that this definitely influenced hiring decisions. A point raised many times was that non-nationals were far more dependable in terms of ‘retention’ because they are less able to shift jobs and for this cohort, “resigning could mean having to leave the country.”

While many of those interviewed had direct responsibility for recruiting and mentoring, managing and developing their entity’s human resources, they were not in charge of the company’s strategic mission. Nevertheless, there was a split in terms of whether Emiratisation should be compulsory or more organic. Some argued that if top-down quotas were not more strictly enforced too many companies would choose not



to focus on such “anti-free market” suggestions. Most, on balance, felt that quotas were sometimes a priority and other times not. It was seen to be strongly tied to “Emiratisation drives” led by senior government officials. It was also a commonly held view that realistically large parts of the private sector will not for the foreseeable future be able to attract Emiratis. It was said that the vast majority of the construction, retail, transport and hospitality sectors would not be able to operate as they do if they were obliged to hire Emiratis. In addition, it was said that “poorly paid, unskilled jobs are not attractive to this cohort.” A few interviewees did stress that the ultimate answer lay in a total reform of the labour market: “only wholesale adoption of labour saving technologies can make key sectors feasible for providing the jobs and salaries Emirati jobseekers desire.”

It does seem to be the consensus view that only GBEs are likely to be capable of retaining large numbers of UAE nationals (alongside a select few industries like media banking and finance). As one EPE emphasised, “regardless of what many may think, Etisalat and ADNOC are not private sector companies. They went on to explain: “while they are increasingly commercially-run, they are government owned ... prime examples are global brands like Emirates and Etihad [the two national carriers].” Again, many of those who were interviewed stressed that this was to be expected: “the number of active workers in the UAE is several times larger than the total Emirati population; let alone the size of the active Emirati workforce.” The point being made is that for several generations to come, there will be a “serious need” for non-national labour and therefore it is possible that GBEs can be largely responsible for meeting the government’s ‘private’ sector Emiratisation goals. “If the majority of [GBEs]

continue to perform well and even if they only partially achieve their strategic visions, they will be capable of absorbing all national graduates.”

The majority of HRM professionals did consider the UAE nationals they managed to be competent and capable workers. It should be recalled as our sample indicates most will have graduated from “English medium of instruction institutions” (see Table 11 and Table 12, below). In addition, emphasis on employability has been in place within the UAE’s tertiary sector for some time now and so have HEI internship programs. The common view is that the majority of UAE national employees in the ‘private sector’ were happy with the day-to-day work and the nature of the job also. Nevertheless, few HRM professionals mentioned UAE national employees as intending to stay at the level they were at, all were seeking to progress up the career ladder.

### **5.1.2 Emiratisation Policy Experts; Summary of Key Observations**

This section will outline the main observations made by the nine Emiratisation Policy Experts (see also the points in Table 9, above). For EPEs it seems to be the case that pay and sociocultural sensibilities are the two key factors. The issue of pay and benefits was raised repeatedly. In short, it is the common view that because classic public sector positions are seen to offer much higher salaries (as well as shorter hours, more holidays, less onerous day-to-day chores/responsibilities) this will make the private sector less attractive for most workers in the longer term. While skillsets and qualifications are important, it was said that not all private sector positions require high-level skillsets. It can be said that concerns relating to attitudes towards work and generic employability skills are seen as a greater concern than the subject-specific skillsets Emirati graduates have.

While it is reported that recent graduates and new entrants to the labour market will (1) be willing to consider private sector employment in the short term and (2) typically consider this sector to provide more fulfilling and worthwhile positions, most will see it as a “stop-gap measure”— “a place to gain work experience whilst waiting for a more desirable public sector position.” With regard to the sociocultural factors, interestingly, the consensus view was that more than anything else, this could be tied to the salary level and working hour differences between the public and private sector. In terms of money, many pointed out that being able to, for instance, “fund the construction of the marital home and drive a luxury car.” was considered to be a particularly important factor for men. The idea of working hours was explained by several EPEs to be about time management: it is much easier for those in the public sector to leave work at short notice or take time off to attend to family matters.

In terms of policy recommendations, it was hard to identify anything unique of notable different from previous research. In terms of pay the consensus was to freeze/reduce this in the public sector as many felt that the salaries offered by GBEs was already high (“making these salaries higher would make these commercially-run entities even more uncompetitive internationally”). In terms of sociocultural factors, it was argued that promoting and championing role models was a positive approach. The last key observation was that many of the Emiratisation policy experts stated that no single agency had accurate data on the UAE workforce.

In the West (“industrialised world countries”) where all workers pay some form of income tax or national insurance, it is easy to monitor exact private/public sector workforce ratios; determine average remuneration packages in different sectors and industries; and determine differences between the genders and age group brackets.

One interviewee said that the data to “prove” public sector like-for-like positions are awarded a much higher salary is lacking. Much is anecdotal and usually based on what is said to be awarded within the army and police. In fact, while such data would be highly desirable for academia, it is said that those working within the various concerned Ministries and agencies do not themselves know precise details.

Looking at the sorts of SHRM that may be optimal for GBEs in the UAE, the sentiment that was most commonly expressed was a dual approach (refer back to Figures 3 and 4). Almost all of those that dealt with the more theoretical aspects of HRM strategy during the interviews, were of the opinion that it would not be possible to treat local talent and international talent in the same way. Their needs were considered to be different, and a point stressed several times was that typically non-nationals would already have many of the soft-skills and work aptitude competencies needed, whereas many UAE graduates would benefit from the provision of such related courses whilst employed.

While it is assumed that all employees will want to further their careers through professional development opportunities, for contemporary entities it is “often a clear trade-off, investing in already employed staff upskilling, or simply accepting higher turnover and recruiting those who have the exact skills needed.” This does not, some argued, work in the context of Emiratisation. It was said that as there were relatively few suitable UAE graduates in relation to the workforce as a whole, retention was that much more critical; it is, “critical to retain Emirati staff because it is possible that at any point in time government directives may penalise companies financial for not meeting their quota”.

## 5.2 Quantitative Findings

As is shown in Table 10 (see below), each of this study’s forecast factor groupings had high alphas—yet, and as will be covered later, this alone is insufficient statistically speaking; when testing for multi-collinearity some of these items and indeed factors were found to be redundant. The alpha coefficients are:  $\alpha$  .945 for “continuance intentions”;  $\alpha$  .893 for “sociocultural influences”;  $\alpha$  .969 for “pay and benefits”;  $\alpha$  .941 for “training opportunities”;  $\alpha$  .944 for “nature of the job” and,  $\alpha$  .871 for “organisational commitment.” As is noted in the literature, the Cronbach’s alpha coefficient is the most commonly used for assessing overall reliability, or the “internal reliability”, of groups of items and alphas of .9 are considered to be highly satisfactory (Saunders, Lewis, & Thornhill, 2015).

Table 10. Survey Scale and Items

Sub-dimensions	M	SD	$\alpha$
<b>1. (DV) Continuance Intentions</b>			<b>.945</b>
I am happy to work in the private sector	2.91	1.22	
I would move to the public if I could secure employment there ( <b>R</b> )	2.83	0.95	
I intend to continue working for this organisation for the foreseeable future	3.00	0.98	
Working in the private sector is better than what most Emiratis think it to be	3.31	1.29	
<b>2. (IV) Sociocultural Influences</b>			<b>.893</b>
Most Emiratis do not understand the need for private sector Emiratisation	3.22	0.78	
Society sees public sector employment as more appropriate for Emirati women	3.93	0.60	
I believe the government should provide all citizens with government jobs	3.42	0.86	
Society attaches more prestige to individuals who have jobs in the conventional public sector (including the army and police force) vis-à-vis the private sector	3.62	0.60	
<b>3. (IV) Pay and Benefits</b>			<b>.969</b>
In my present occupation, I am satisfied with my salary (financial compensation)	3.00	0.88	
In my present occupation, I am satisfied with my days of annual leave	2.86	0.92	
In my present occupation, I am satisfied with my weekly working hours	2.87	0.93	
In my present occupation, I am satisfied with my level of job security	2.52	0.69	

<b>4. (IV) Training Opportunities</b>	<b>.914</b>	
In my present occupation, I am satisfied with my training opportunities	3.49	0.86
I am happy with the training opportunities available to me	3.28	1.02
There are opportunities to discuss my career development and progression	3.46	0.69
<b>5. (IV) Nature of the job</b>	<b>.944</b>	
I do not face a lot of stress in my job in the private sector	3.55	1.00
I am happy working along non-nationals (peers and managers)	3.82	1.14
My colleagues help me when I have a work problem/I have a mentor at work	3.77	0.47
I am happy to use English (alongside Arabic) as an when necessary	3.83	1.15
<b>6. (IV) Organisational Commitment/Loyalty</b>	<b>.871</b>	
I am happy with the trust management (and mentors) place in me	4.23	0.57
I am proud to work for my organisation	3.64	0.52
I am happy with the relationship I have with my line manager (and/or mentor)	3.80	0.64
I feel I am an asset to my organisation and contribute to its success	3.42	0.89

Note: The survey as distributed was based on an initial pilot study (see Appendix C), based on that, revisions were made.

Table 11 provides some outline demographic data. While it was an aim to achieve a broadly representative sample of the focus population, this was not a key target. The main target was in fact to get a large number of UAE nationals currently working in the private sector to consent to taking the survey. (It will be discussed later but as no UAE wide statistical data is available on this segment of the wider workforce, it would not in fact be possible to define what exactly is a representative sample.).

Furthermore, more females responded may indicate more females work in this sector compared to males- various authors indicate this is likely to be the case (e.g., Marmenout & Lirio, 2013; Rutledge & Al-Shamsi, 2015). Other noteworthy observations, especially if the sample is broadly representative is firstly: four fifths hold a university degree or higher and secondly that two thirds are privately educated. Table 12 provides some further demographic data. Noteworthy observations here are how many (37.2%) had actually completed their internship at the same entity; almost

two thirds had not been with the current employer for a particularly long time and just how many working in this sector had also members of the family already working there (close to 70%).

Table 11. Sample Demographics; Gender, Age, Emirate and Education

<b>Gender</b>	<b>Number</b>	<b>Percent</b>
Male	284	43.5%
Female	369	56.5%
<b>Age</b>		
> 35	43	6.6%
30–35	241	36.9%
25–30	219	33.5%
< 25	150	23.0%
<b>Emirate</b>		
Abu Dhabi	263	40.1%
Dubai	141	21.5%
Sharjah	103	15.0%
Fujairah	39	6.0%
Ras Al Khaimah	65	10.0%
Ajman	35	5.2%
Umm Al Quwain	17	2.2%
<b>Education (Level)</b>		
Secondary School Certificate	16	2.5%
College Diploma	89	13.6%
Undergraduate	398	60.9%
Postgraduate	150	23%
<b>Education (Location)</b>		
Federal	245	37.5%
Private, local	275	42.1%
Private, overseas	133	20.4%

Note: n=653

Table 12. Sample Demographics; Industry, Experience and Salary

<b>Sector of economy</b>	<b>Number</b>	<b>Percent</b>
Manufacturing (w. aviation)	241	36.9%
Banking and Finance	180	27.7%
Telecommunications (w. ICT)	101	15.5%
Healthcare and Hospitality	131	20.1%
<b>Internship w. your employer</b>		
Yes	243	37.2%
No, with another entity	131	20.1%
No internship undertaken	279	42.7%
<b>Years worked w. employer</b>		
<2	377	57.7%
2–5	109	16.7%
>5	167	25.6%
<b>Family in this sector</b>		
None	197	30.2%
One	362	55.4%
Two or more	94	14.4%
<b>Salary range</b>		
< USD5,000 p/c/m	156	23.9%
USD5,000–8,000 p/c/m	336	51.5%
> USD8,000 p/c/m	161	24.7%

Note: n=653

### 5.2.1 Descriptive Analysis

This section considers the sample in relation to the dependant and independent variables (DV; IV) and delineates them along demographic lines (see Table 13, below). Testing for equality of variances in both normally distributed and non-normally distributed data is of merit in order to see to what degree the sample can be considered as a whole. The data was tested in SPSS using one-way analysis of variance (ANOVA)- a parametric method—and the Jonckheere-Terpstra and Kruskal-Wallis



one-way analyses—non-parametric methods- that are presented in Tables 13 to 19, below.

The ANOVA tests the null hypothesis that samples are drawn from population with the same distribution, in cases where the null hypothesis is rejected, it means that at least one of the means is not the same as the other means. The Kruskal-Wallis test is the nonparametric analogue of the parametric one-way analysis of variance. The Jonckheere-Terpstra Test (is a nonparametric test for an ordered alternative hypothesis within an independent sample design) (Sprent & Smeeton, 2016). In terms of the key point: the determining of the difference between the sub-group means are statistically significant (i.e.,  $p = < 0.05$ ) no differences between the results from either set of statistical tools were observed.

The decision to go with the latter was in part due to the point that nonparametric tests do not assume a specific distribution for the population. Also due to the fact that the t-test assumes that the means of the different samples are normally distributed; it does not assume that the population is normally distributed. It is argued that the t-test is invalid for small samples from non-normal distributions, but it is valid for large samples from non-normal distributions (Freedman, Pisani, & Purves, 2007) (Green & Salkind, 2008). It is noted that while many hypothesis tests are formally based on the assumption of normality, good results with non-normal data are achievable if the sample is large enough. This depends on how non-normal the data is but a sample size of 20 is often adequate. The relationship between robustness to normality and sample size is based on the central limit theorem—that the distribution of the mean of data from any distribution approaches the normal distribution as the sample size increases (Tabachnick & Fidell, 2013).

Looking first at sample differences with respect to the dependent variable, “private sector continuance intentions” the following observations can be made (see Table 13). With regard to gender, no statistically significant differences were observed. With regard to home Emirate, no statistically significant differences were observed. With regard to age, we can say that the younger somebody is, the less likely they will be to intend to continue in the ‘private’ sector (the survey data was coded in four groups with oldest coming first). With regard to level of educational attainment, the higher one’s qualification is the more likely it will be that they intend to remain in the ‘private’ sector (1 = secondary school; 4 = postgraduate). With regard to type of education (1 = Government; 2 = Private; 3 = Overseas) there is a positive and significant relationship. With regard to salary (1 = <\$5,000 p/c/m; 5 = >\$8,000 p/c/m) there is also a positive and significant relationship. Lastly, with regard to the number of immediate family members working in the ‘private’ sector (1 = none; 3 = two or more) there was also a significant positive relationship.

In terms of the other factors depicted in Table 13 and their relationship to the dependent variable, “private sector continuance intentions” the following observations can be made. With respect to those considering further education (1 = no; 2 = yes), a positive and significant relation is observed. With respect to years participating in the workforce prior to the current position (1 = <6 months; 7 = >5 years), a positive relationship was observed – this augments the observation in relation to age. With respect to years at current employer (1 = <6 months; 7 = >5 years) there is also a significant positive relationship. With respect to vocational internships, not having completed one had a significant and negative relationship with one’s continuance intentions. In converse, those that had completed an internship with the ‘private sector’

organisation that they are currently working with were significantly more likely to intend to continue in this sector.

Table 13. Correlations, Demographic Factors on “Continuance Intentions”

	Sig. (2-tailed)	Pearson <sup>a</sup>
Gender	.446	.030
Home Emirate	.600	.021
Age	.000	-.268**
Highest education level	.000	.292**
Type of education	.000	.172**
Salary	.001	.124**
Family members working in ‘private sector’	.000	.352**
<b>Other factors</b>		
Considering further education	.000	.208**
Years of previous work experience	.000	.202**
Years with current employer	.000	.148**
Completed a vocational internship?	.012	-.098*
Completed internship with current employer?	.006	.106**

Note: n=653. <sup>a</sup> Pearson correlation R values \* < 0.05; \*\* p = < 0.01.

Table 14 (below) separates by gender. Men are significantly more likely to be adversely affected by sociocultural influences pride (or “prestige) and men were significantly less happy with the nature (or “environment”) of work in the private sector. While females were significantly more loyal to the given entity there was in fact no significant difference between the genders when it came to continuance intentions. That said, the mean ranks (3.175 for males to 3.343 for females; Kruskal-Wallis Test calculations) do indicate it is the men who are less likely to consider this sector for the longer term. Table 15 (below) shows, in terms of Emirate (location, home Emirate of survey respondent), no significant differences were found in any regard.

Table 14. Variables in Relation to Gender

	<b>Continuance intention</b>	<b>Sociocultural influences</b>	<b>Pay and benefits</b>	<b>Training opportunities</b>	<b>Nature of the job</b>	<b>Loyalty</b>
Male <sup>a</sup>	3.1752	3.4746	3.1664	3.3739	3.0110	3.0083
Female <sup>a</sup>	3.3430	3.1125	3.3497	3.1900	3.4693	3.4714
KWT <sup>b</sup>	.254	.013*	.202	.204	.002*	.001*
Chi-Square	1.300	6.159	1.629	1.617	10.077	10.709
J-T <sup>c</sup>	.254	.013*	.202	.204	.002*	.001*
Std. J-T Statistic	1.140	-2.482	1.276	-1.272	3.174	3.272

Note: n=653 (male, 284; female, 369); df=1; a Likert 1–5 scale was used. <sup>a</sup> Mean Rank derived from Kruskal-Wallis Test. <sup>b</sup> KWT = Kruskal-Wallis Test, Asymp. Sig. <sup>c</sup> J-T = Jonckheere-Terpstra Test; Asymp. Sig. (2-tailed). \* p = <0.05.

Table 15. Variables in Relation to Emirate

	<b>Continuance intention</b>	<b>Sociocultural influences</b>	<b>Pay and benefits</b>	<b>Training opportunities</b>	<b>Nature of the job</b>	<b>Loyalty</b>
Abu Dhabi <sup>a</sup>	3.2216	3.2794	3.2216	3.2239	3.1719	3.1920
Dubai <sup>a</sup>	3.1067	3.3850	3.3721	3.0238	3.4473	3.4284
Sharjah <sup>a</sup>	3.5704	2.8985	3.5034	3.4004	3.2725	3.2293
Fujairah <sup>a</sup>	3.5910	3.1321	3.3818	3.8032	3.4968	3.6051
Ras Al Khaimah <sup>a</sup>	3.0432	3.4618	3.0128	3.4505	3.3035	3.2884
Ajman <sup>a</sup>	3.2941	3.5366	2.9544	2.9207	3.1643	3.1574
Umm Al Quwain <sup>a</sup>	3.5382	3.5232	3.1953	3.2239	2.9750	2.8956
KWT <sup>b</sup>	.387	.356	.567	.115	.788	.701
(Chi-Square)	6.330	6.638	4.821	10.242	3.168	3.823
J-T <sup>c</sup>	.473	.881	.871	.214	.567	.692
(Std. J-T Statistic)	.718	.150	-.163	1.242	.572	.396

Note: n=653 (Abu Dhabi, 263; Dubai, 141; Sharjah, 103; Fujairah, 39; RAK, 65; Ajman, 35; UAQ, 17); df=6; a Likert 1–5 scale was used. <sup>a</sup> Mean Rank derived from Kruskal-Wallis Test. <sup>b</sup> KWT = Kruskal-Wallis Test, Asymp. Sig. <sup>c</sup> J-T = Jonckheere-Terpstra Test; Asymp. Sig. (2-tailed). \* p = < 0.05.

In terms of age (see Table 16), a number of differences are observable across the range of factors. The younger an individual is the less likely they are to intend to stay within the private sector. Younger members of society are significantly more influenced by sociocultural barriers and least satisfied with the professional development opportunities on offer. In terms of educational attainment levels, a number of differences are observable across the range of factors (see Table 17). A key observation (one discussed in the following chapter) is that it is those with an undergraduate degree that report being the least likely to want to remain in the private sector and are most susceptible to the sociocultural stigma (as perceived) attached to this sector. In terms of where an individual's education was obtained (see Table 18, below) it is clear in many respects, it does significantly affect the given individual's continuance intentions and job satisfaction levels.

Table 16. Variables in Relation to Age

	<b>Continuance intention</b>	<b>Sociocultural influences</b>	<b>Pay and benefits</b>	<b>Training opportunities</b>	<b>Nature of the job</b>	<b>Loyalty</b>
> 35 <sup>a</sup>	4.2256	2.9234	4.4436	4.1024	4.3130	4.1988
30–35 <sup>a</sup>	3.5264	2.8607	3.6084	3.2459	3.7228	3.6858
25–30 <sup>a</sup>	3.2169	3.5618	3.0170	3.7480	2.7369	2.8153
< 25 <sup>a</sup>	2.6617	3.6009	2.7593	2.3723	3.0217	2.9995
KWT <sup>b</sup>	.000*	.000*	.000*	.000*	.000*	.000*
(Chi-Square)	31.990	42.265	23.588	59.818	50.132	42.016
J-T <sup>c</sup>	.000*	.000*	.000*	.000*	.000*	.000*
(Std. J-T Statistic)	-5.286	-5.893	4.218	-4.490	-5.451	-5.201

Note: n=653 (> 35, 43; 30–35, 241; 25–30, 219; < 25, 150); df=3; a Likert 1–5 scale was used. <sup>a</sup> Mean Rank derived from Kruskal Wallis Test. <sup>b</sup> KWT = Kruskal Wallis Test, Asymp. Sig. <sup>c</sup> J-T = Jonckheere-Terpstra Test; Asymp. Sig. (2-tailed). \* p = <0.05.

Table 17. Variables in Relation to Educational Attainment

	<b>Continuance intention</b>	<b>Sociocultural influences</b>	<b>Pay and benefits</b>	<b>Training opportunities</b>	<b>Nature of the job</b>	<b>Loyalty</b>
Secondary school certificate <sup>a</sup>	4.2500	2.8863	3.5454	3.1227	4.3636	4.1363
College diploma <sup>a</sup>	3.6428	3.3065	3.1547	3.1784	3.8839	3.8422
Undergrad. degree <sup>a</sup>	2.3222	3.8881	2.3448	3.2258	3.385	3.5427
Postgraduate degree <sup>a</sup>	4.3187	2.8796	3.7390	4.0056	4.5156	4.2828
KWT <sup>b</sup>	.000*	.000*	.000*	.000*	.000*	.000*
(Chi-Square)	387.700	315.130	279.377	97.313	314.152	289.381
J-T <sup>c</sup>	.000*	.000*	.000*	.000*	.000*	.000*
(Std. J-T Statistic)	8.282	8.624	-8.232	8.781	10.178	10.175

Note: n=653 (Secondary School Certificate, 16; College Diploma, 89; Undergraduate, 398; Postgraduate, 150); df=3; a Likert 1–5 scale was used. <sup>a</sup> Mean Rank derived from Kruskal-Wallis Test. <sup>b</sup> KWT = Kruskal-Wallis Test, Asymp. Sig. <sup>c</sup> J-T = Jonckheere-Terpstra Test; Asymp. Sig. (2-tailed). \* p = < 0.05.

Table 18. Variables in Relation to Type of Education

	<b>Continuance intention</b>	<b>Sociocultural influences</b>	<b>Pay and benefits</b>	<b>Training opportunities</b>	<b>Nature of the job</b>	<b>Loyalty</b>
Federal institution	2.9305	3.6456	2.8182	3.0852	2.8444	2.8454
Private - local <sup>a</sup>	3.4464	3.1933	3.4237	3.2641	3.3651	3.3837
Private - overseas <sup>a</sup>	3.5306	2.7368	3.7844	3.6226	3.8574	3.8171
KWT <sup>b</sup>	.001*	.000*	.000*	.024*	.000*	.000*
(Chi-Square)	13.183	27.692	21.652	7.419	27.731	27.239
J-T <sup>c</sup>	.001*	.000*	.000*	.008*	.000*	.000*
(Std. J-T Statistic)	3.480	5.247	-4.667	2.636	5.200	5.182

Note: n=653 (Federal, 245; Private - local, 275; Private - overseas, 133); df=2; a Likert 1–5 scale was used. <sup>a</sup> Mean Rank derived from Kruskal-Wallis Test. <sup>b</sup> KWT = Kruskal-Wallis Test, Asymp. Sig. <sup>c</sup> J-T = Jonckheere-Terpstra Test; Asymp. Sig. (2-tailed). \* p = < 0.05.

Looking now at salary on an individual's intentions of remaining in the private sector, significant differences were observed. In all respects those with the lowest salaries

were less likely to want to remain and less satisfied with the job satisfaction factors (Table 19, below). In terms of having exposure to the private sector, Table 19 shows that having one or more family members working in the private sector shows that this significantly increases individuals private sector continuance intentions.

Table 19. Variables in Relation to Salary (in AED)

	<b>Continuance intention</b>	<b>Sociocultural influences</b>	<b>Pay and benefits</b>	<b>Training opportunities</b>	<b>Nature of the job</b>	<b>Loyalty</b>
< USD5,000 <sup>a</sup>	2.9068	3.7031	2.9739	2.4011	2.7006	2.7383
USD5–8,000 <sup>a</sup>	3.3651	3.1193	3.3807	3.5576	3.5214	3.4923
USD>8,000 <sup>a</sup>	3.4234	3.1648	3.3258	3.5117	3.2970	3.3212
KWT <sup>b</sup>	.019*	.063	.003*	.000*	.000*	.000*
(Chi-Square)	7.881	5.526	11.316	46.153	21.508	19.025
J-T <sup>c</sup>	.015*	.089	.011*	.000*	.004*	.004*
(Std. J-T Statistic)	2.423	1.699	-2.557	5.294	2.900	2.877

Note: n=653 (<USD5,000 p/c/m, 156; USD5,000–8,000 p/c/m, 336; >USD8,000 p/c/m, 161); df=1; <sup>a</sup> Likert 1–5 scale was used. <sup>a</sup> Mean Rank derived from Kruskal Wallis Test. <sup>b</sup> KWT = Kruskal Wallis Test, Asymp. Sig. <sup>c</sup> J-T = Jonckheere-Terpstra Test; Asymp. Sig. (2-tailed). \* p = < 0.05.

Table 20. Variables in Relation to Family Members in ‘Private Sector’

	<b>Continuance intention</b>	<b>Sociocultural influences</b>	<b>Pay and benefits</b>	<b>Training opportunities</b>	<b>Nature of the job</b>	<b>Loyalty</b>
None	2.5160	3.6436	2.8736	3.1588	2.7474	2.7445
One	3.3245	3.3140	3.2458	3.3361	3.3253	3.3418
Two or more	4.6403	2.3174	4.1937	3.2485	4.1522	4.0950
KWT <sup>b</sup>	.000*	.000*	.000*	.546	.000*	.000*
(Chi-Square)	83.283	33.632	33.214	1.210	38.291	37.421
J-T <sup>c</sup>	.000*	.000*	.000*	.474	.000*	.000*
(Std. J-T Statistic)	8.881	5.349	-5.103	.716	6.061	6.055

Note: n=653 (None, 197; One, 362; Two or more, 94); df=1; <sup>a</sup> Likert 1–5 scale was used. Mean Rank derived from Kruskal-Wallis Test. <sup>b</sup> KWT = Kruskal-Wallis Test, Asymp. Sig. <sup>c</sup> J-T = Jonckheere-Terpstra Test; Asymp. Sig. (2-tailed). \* p = < 0.05.

### 5.2.2 Regression Analysis

As is indicated in Table 20 and again highlighted in Table 21, two of the forecast factor groupings were found to be too highly correlated to one another to be considered as distinct independent variables. As such the factor “Loyalty” was dropped. While “Nature of the job” could have been dropped, many of the items, on reflection, were arguably similar and secondly, the nature of the job (the working environment) were considered to be of more relevance to this study’s objectives.

Table 22 shows the Tolerance and the Variance Inflation Factor (VIF). While these are essentially measures of the same thing, it is conventional to report both; VIF is 1/Tolerance, it is always greater than or equal to 1 (O'Brien, 2007). A VIF of 5 or more is generally considered to constitute the existence of multi-collinearity between the IVs (Studenmund, 2016, p. 274). As can be seen in Table 21, the VIF values for “Nature of the job” and “Loyalty: were 6.744 and 6.019 were rather high. Dropping either from the model would have resulted in a satisfactory set of VIF values. It was decided that as an IV “Nature of the job” was of more relevance and interest (Table 23 provides the subsequent coefficients).

Table 21. Multi-collinearity; IV Correlations

		<b>Sociocultural influences</b>	<b>Pay and benefits</b>	<b>Training opportunities</b>	<b>Nature of the job</b>	<b>Loyalty</b>
<b>Sociocultural influences</b>	Pearson					
	Sig. (2-tailed)					
<b>Pay and benefits</b>	Pearson	-.721**				
	Sig. (2-tailed)	.000				
<b>Training opportunities</b>	Pearson	-.184**	.208**			
	Sig. (2-tailed)	.000	.000			
<b>Nature of the job</b>	Pearson	-.616**	.668**	.129**		
	Sig. (2-tailed)	.000	.000	.001		
<b>Loyalty</b>	Pearson	-.506**	.641**	.213**	.900**	
	Sig. (2-tailed)	.000	.000	.000	.000	



Note: n=653, \*\*correlation is significant at the 0.01 level (2-tailed).

Table 22. Multi-collinearity; IV Coefficients

	Collinearity Statistics	
	Tolerance	VIF
<b>Sociocultural influences</b>	.415	2.407
<b>Pay and benefits</b>	.376	2.660
<b>Training opportunities</b>	.905	1.106
<b>Nature of the job</b>	.148	6.744
<b>Loyalty</b>	.166	6.019

Note: Dependent Variable: “continuance intention”.

Table 23. Multi-collinearity; IV Coefficients (Loyalty Dropped)

	Collinearity Statistics	
	Tolerance	VIF
<b>Sociocultural influences</b>	.446	2.242
<b>Pay and benefits</b>	.394	2.535
<b>Training opportunities</b>	.954	1.049
<b>Nature of the job</b>	.516	1.937

Note: Dependent variable: “continuance intention.”

The following set of Tables (e.g., Table 24, Table 25 and Table 26) use the forecast factor groupings (following trust/loyalty being dropped as a result of collinearity issues). The key points to observe are as follow. The Cronbach’s  $\alpha$ s are:  $\alpha$  .945 for the DV “Continuance Intention”;  $\alpha$  .893 for “Sociocultural Influences”;  $\alpha$  .969 for “Remuneration and Benefits”;  $\alpha$  .914 for “Career Development Opportunities” and,  $\alpha$  .944 for “Nature of Work”. These demonstrate inter-item correlation – the extent to which items are a consistent measure – to be high (>.8), and in instances close to possible item redundancy (Lance, Butts, & Michels, 2006; Loewenthal, 2001, p. 61). The Tolerance/VIF figures are suitable, all being below 5 (O'Brien, 2007).

Specifically: pay and benefits .394/2.535; sociocultural .446/2.242; professional development .954/1.049 and, the working environment .516/1.937.

The model  $R^2$  is .745 is acceptably high (Cameron & Windmeijer, 1997). the statistical measure of how close the data are to the fitted regression line (the coefficient of multiple determination) – the percentage of the response variable variation that is explained by a linear model. The coefficients are:  $\beta$  .399 for benefits on continuance intentions;  $\beta$  -.423 for sociocultural influences;  $\beta$  .163 for professional development opportunities and,  $\beta$  .072 for the nature of the job. In other words, the analysis shows that “pay and benefits” significantly and positively predicted continuance intentions ( $\beta = .399$ ,  $t(652) = 12.619$ ,  $p < .001$ ); “sociocultural influences significantly and negatively predicted continuance intentions ( $\beta = -.423$ ,  $t(652) = -14.239$ ,  $p < .001$ ); “training opportunities” significantly and positively predicted continuance intentions ( $\beta = .163$ ,  $t(652) = 8.013$ ,  $p < .001$ ) and, “nature of job” significantly and positively predicted continuance intentions ( $\beta = .072$ ,  $t(652) = 2.613$ ,  $p .009$ ).

Table 24. Stepwise Multiple Regression (Models Summary)

Model	R	R Square	Adjusted R Square	Std. Error	Change Statistics				
					R S Change	F Change	df1	df2	Sig F Change
1	.000 <sup>a</sup>	.618	.617	.63418	.618	1052.523	1	651	.000
2	.000 <sup>b</sup>	.717	.716	.54605	.099	228.099	1	650	.000
3	.000 <sup>c</sup>	.742	.741	.52189	.025	62.571	1	649	.000
4	.000 <sup>d</sup>	.745	.743	.51956	.003	6.830	1	648	.009

Note: Dependent variable: “Continuance intention”. <sup>a</sup> Predictors: (Constant), Pay and benefits; <sup>b</sup> Predictors: (Constant), Pay and benefits, Sociocultural influences; <sup>c</sup> Predictors: (Constant), Pay and benefits, Sociocultural influences, Training opportunities; <sup>d</sup> Predictors: (Constant), Pay and benefits, Sociocultural influences, Training opportunities, Nature of the job.

Table 25. Stepwise Multiple Regression (ANNOVA)

Model		Sum of Square	df	Mean Squares	F	Sig.
1	Regression	423.306	1	423.306	1052.523	.000 a
	Residual	261.820	651	.402		
	Total	685.126	652			
2	Regression	491.317	2	245.659	823.895	.000 b
	Residual	193.809	650	.298		
	Total	685.126	652			
3	Regression	508.359	3	169.453	622.149	.000 c
	Residual	176.766	649	.272		
	Total	685.126	652			
4	Regression	510.203	4	127.551	472.510	.000 d
	Residual	174.923	648	.270		
	Total	685.126	652			

Note: Dependent variable: "Continuance intention". <sup>a</sup> Predictors: (Constant), Pay and benefits; <sup>b</sup> Predictors: (Constant), Pay and benefits, Sociocultural influences; <sup>c</sup> Predictors: (Constant), Pay and benefits, Sociocultural influences, Training opportunities; <sup>d</sup> Predictors: (Constant), Pay and benefits, Sociocultural influences, Training opportunities, Nature of the job.

Table 26. Stepwise Multiple Regression (Coefficients)

Model	Unstd. Co.	Std. Co.	t	Sig.	Correlations			Collinearity Statistics	
					Zero	Partial	Part	Tol.	VIF
1 (Constant)	.258	.088	2.915	.004					
BENEFITS	.980	.030	.786	.000	.786	.786	.786	1.000	1.000
2 (Constant)	4.043	.262	15.435	.000					
BENEFITS	.571	.038	.458	.000	.786	.512	.317	.480	2.083
SO-CUL	-.742	.049	-.455	.000	-.785	-.510	-.315	.480	2.083
3 (Constant)	3.364	.265	12.710	.000					
BENEFITS	.540	.036	.433	.000	.786	.506	.298	.474	2.109
SO-CUL	-.724	.047	-.443	.000	-.785	-.517	-.307	.479	2.089
TRAINING	.206	.026	.161	.000	.333	.297	.158	.954	1.048
4 (Constant)	3.054	.289	10.574	.000					
BENEFITS	.497	.039	.399	.000	.786	.444	.250	.394	2.535
SO-CUL	-.691	.049	-.423	.000	-.785	-.488	-.283	.446	2.242
TRAINING	.208	.026	.163	.000	.333	.300	.159	.954	1.049
NATURE	.081	.031	.072	.009	.620	.102	.052	.516	1.937

Note: Dependent variable: "continuance intention."

### 5.3 Summary

This results section has outlined the key observations arising from the interviews and survey; see Table 9 (above). Turning to the survey a multiple linear regression was calculated to predict an individual's continuance intentions (the model's dependent variable) based on sociocultural influences, pay and benefits, professional development opportunities and, the nature of the work environment. A significant regression equation was found ( $F(4, 648) = 472.510, p < .000$ ), with an  $R^2$  of .745. Participants' predicted continuance intentions is equal to  $3.054 + .497 (IV1) - .691 (IV2) + .208 (IV3) + .081 (IV4)$ . All four IVs were significant predictors of continuance intentions. Put differently, the factor most likely to retain UAE nationals in the private sector is the provision of high pay and generous benefits; the factor most likely to lead UAE nationals to leave is the sociocultural 'stigma' attached to working in this sector; the greater the provision of PD opportunities and clarity on promotion pathways along with the satisfaction with the working environment were also found to relate significantly to continuance intentions.

## Chapter 6: Discussion

This section is set out to first address the hypotheses set, then the propositions and conclude with addressing and answering the two overarching research questions. First of all, there are some points first to be made about the sample and its generalisability to the target population which is: UAE nationals employed in the private sector. In terms of the sample members home Emirate, no significant differences were observed. With regard to gender (see Table 13) the following significant differences were observed. Firstly, it was men more than women who were affected more strongly by sociocultural influences. So, while we might expect females to be more affected (e.g., Farrell, 2008; Marmenout & Lirio, 2013) they seemingly are not.

It probably is because for men—as the head of the family (Abdulla, 2006)—having the status and pride/prestige attached with a “classic” government sector job is that much more important for men. For women, it seems, while society—recall its patriarchal nature is well known and has been related directly to UAE labour market dynamics (e.g., Metcalfe, 2008; Williams et al., 2013)—may view them as being better off working at a gender-segregated government department or even remaining at home (Rutledge & Al-Shamsi, 2015, p. 531), this cohort themselves do not appear as sensitive to the sociocultural implications of a private sector job. Secondly is the observation that women were significantly more loyal and content with the private sector’s work environment ( $p = < .001$ ;  $p = < .002$ ). These findings may simply be mirror reflections of the sociocultural influences however, there is a possibility that national females are in some way more content with the nature of the work in the private sector and will thus be more loyal.

The size of the population is not really known, Estimates place it at 20,000 yet a large amount of the equation depends on what exactly the “private sector” is considered to be. This study focused on both the “real” and the “quasi-” private sectors that, in the context of the UAE, may be considered the “private sector”. As one EPE said while discussing and classifying sectors there is little point in the UAE or for that matter the Arabian Gulf in using Western world definitions of private and public sector enterprises. In terms of the sample’s age brackets, this may be due to the type and nature of entry level jobs. As Table 15 (see above) shows, those above 35 are the most content and likely to stay while those under 25 were least content.

The increased levels of satisfaction voiced by older individuals may be due to them having higher paid and more senior positions within the private sector (refer back to Table 15). In terms of educational attainment levels (refer back to Table 16), it is immediately obvious that those with a “university degree” are the least satisfied and are least likely to intend to remain in the private sector. This at first is hard to interpret but it has been mentioned that with a degree many UAE graduates feel that they should be able to get a suitable job (i.e., a government job) (Al Waqfi & Forstenlechner, 2012, 2014).

Quite a few HRMPs pointed out that those with more technical diplomas and at the other end of the spectrum those with post-graduate qualifications seemed more content. One interviewee explained that those with post-graduate qualifications not only tended to have more senior positions but as many had spent several years competing their education overseas, “just somehow seem more willing to work in this sector and probably get more satisfaction with utilising their skills and expertise as opposed to taking it easy in an administrative position in a government department

where [non-nationals] would be on hand to do most of the boring tasks.” Another HRMP pointed out that it is clear that the country’s rulers are very keen for nationals to accept non-conventional jobs and it may be seen as a patriotic duty by some. The same general point in terms of “somehow” acquiring a different vocational mentality from spending time in education overseas can be observed in Table 17 (see above).

In terms where an individual’s education was obtained (local-government, local – private or overseas), it is clear to see that those who have graduated from a Federal institution are much less likely to want to stay in the private sector compared to those who graduated from a local/overseas private institution. Moving on to the relationship between salary and an individual’s intentions of remaining in the private sector, salary clearly does have an impact (refer back to Table 18). It can be observed that views between the salary bands were significantly different. Those with the higher salary (31,000AED or more, which equates to USD8,400 p/m) were more likely to intend to continue compared to those with salaries below USD5,400 p/m (20,000AED). Salary levels did not significantly impact on sociocultural influences; somewhat unexpectedly.

Looking at the last demographic delimiter: the number of family members an individual has who work in the private sector does have a significant impact on a number of counts. This so called normalisation of pursuing private sector careers (Forstenlechner & Rutledge, 2011) does seem to be reflected, to a degree, in the findings from the study’s survey. As highlighted in Table 19 (see above), it is apparent that having one or more family members working in the private sector significantly increases an individual’s private sector continuance intentions. It is interesting to note that this criterion had no bearing on training opportunities. Those who had two or more

immediate family members already in the private sector were much less concerned about Emiratis society's views on private sector careers, much more content with the nature of the job and significantly more loyal to the organisation.

### **6.1 Addressing the Research Hypotheses**

Each of this study's five hypotheses will now be revisited and addressed. In short, has the data (qualitative/quantitative) been able to help prove or disprove them. The first hypothesis was: "salary levels do not have a significant impact on an individual's intention of remaining in the private sector," this can be stated as being false (see Table 25, above). Based on this study's findings salary—as "pay and benefits"—is a very strong predictor of continuance intentions ( $\alpha$  .969; 4 items;  $\beta$  .399,  $p = < .001$ ; on "continuance intentions").

The second hypothesis was: "availability of career development opportunities, do not have a significant impact on an individual's intention of remaining in the private sector," was also found to be a significant predictor ( $\alpha$  .914; 3 items;  $\beta$  .163,  $p = < .001$ ; on "continuance intentions"). And thus, the hypothesis can be stated as being false. As will shortly be discussed, many HRMPs underscored the extent to which the UAE nationals employed in this sector are keen on career development opportunities.

The third hypothesis was: "the nature of the work/environment, does not have a significant impact on an individual's intention of remaining in the private sector," this again can be stated as false:  $\alpha$  .944; 4 items;  $\beta$  .072,  $p = < .001$ ; on "continuance intentions". In other words, the nature of the job, the work environment did have a positive relationship on the likelihood of an individual remaining in the private sector. (The fourth hypothesis: "organisational loyalty/commitment does not have a



significant impact on an individual's intention of remaining in the private sector," was not in fact explicitly tested. The reason being it as found, as a factor of items, to be too highly correlated to the "nature of the job" factor. With that in mind it can be said that loyalty/trust on an individual's intention is likely to mirror the finding related to "nature of the job".)

The fifth and final hypothesis was: "societal sentiments towards UAE nationals working in the private sector has no significant impact on an individual's intention of remaining in the private sector." It is clear that sociocultural influences do have a significant and negative impact on continuance intentions predictor ( $\alpha$  .893; 4 items;  $\beta$  -.423,  $p = < .001$ ; on "continuance intentions"). Put differently, the more an individual is swayed by what society thinks in relation to the appropriateness of pursuing a private sector career, the less likely will be their intention of remaining in this sector. Therefore, we can state that this hypothesis is false; societal sentiments towards UAE nationals working in the private sector does have a significant and negative impact on an individual's intention of remaining in the private sector.

In sum, this study based on a significant sample size (653 of c.20,000) reconfirms a number of things: the public sector remains attractive and this does complicate the likelihood of private-sector Emiratisation being a success in the short-term. While the usual factors are again exemplified, the pull that pay and benefits constitute (Al Ali, 2008; Issa et al., 2013) and the push of sociocultural influences (Forstenlechner & Rutledge, 2010; Harry, 2007), this study does add considerably more nuance in terms of demographic delineations and highlights the importance of on-the-job training as a retention factor. Moreover, these quantitative findings are enhanced by the interview analysis. One key point of nuance is that sociocultural influence from the perspective

of UAE nationals currently working in the private sector had more of an impact on men than women. This is revealing as from the other side it is women who are facing issues in term of gaining access to this sector. The other point that will be underscored is that skillsets and qualifications do not appear to be a major factor (some level of employability skills are perhaps lacking) what does and is perhaps “the key” concern is the distortive effect of the classic public sector’s pay and benefits (Badam, 2013). While this point is not a revelation, it is the first large-scale study to confirm this.

## **6.2 Revisiting the Research Propositions**

This study’s four propositions: (1) sociocultural influences, (2) the pull of the public sector (3) the need for government HRD strategies to be overhauled in order to increase private sector Emiratisation and (4), the need for the private sector itself to overhaul its internal HRM practices in order to more effectively retain UAE national employees, will now be considered in turn. As the previous section and indeed the summarised observations in Table 9 highlight: sociocultural influences and the pull of the public sector still play a major role. While HRM practice can be modified it is government action at the macro level that is the only thing capable of leading to fundamental change.

Sociocultural factors—including: gender segregation; pride/prestige; social status—are the main reason for why few UAE nationals are willing to work in the private sector. This is partly true and as has been mentioned in several places already, the UAE’s conservative sociocultural norms act as a deterrent for women (e.g., Farrell, 2008; Williams et al., 2013); yet this study finds that for national men were found to be most influenced by this. This is not so much due to the nature of the job etc. but pride in an indirect sense. In the Emirati cultural context men are expected to provide

for the family; traditionally at least, it is men within the region who provide financially for their wives and daughters (Moghadam, 2006). The pull of the public sector—including: salary; pension provision; hours; holidays; easy of taking paid leave—is the main reason for why few UAE nationals are willing to work in the private sector. This proposition, more than any other is valid and, it must be underscored that this has been assumed to be so for some time now.

The third proposition was: unless government HRD strategies are overhauled it is unlikely that the number of UAE nationals working in the private sector (as a ratio to those working in the classic public sector) will change substantially. This study clearly finds this to be the case. Yet, it is also apparent that developing indigenous human capital can only pay off if structural labour market reforms occur. It is inefficient to invest in providing Emiratis with a first-class education and then to indirectly force them into unproductive public sector positions is not optimal.

The final proposition was that, unless private sector HRM policies, practices and procedures (particularly at commercially-run GBEs) are overhauled it is unlikely that the number of UAE nationals working in the private sector (as a ratio to those working in the classic public sector) will change substantially. Based on the interviews and survey we can say that this is also a valid point. While less transformative than HRD, it is apparent that a dual approach to HRM is likely to be optimal for achieving greater retention rates. Within this would ideally be a more hands on and continual engagement with Emirati staff and to provide more incentive-led training opportunities.

### **6.3 RQ1, Ways to Attract/Retrain UAE Nationals to the Private Sector**

The first research question was: “what range of measures (incentives etc.) are most likely to attract, and also retain, UAE nationals to the private sector?” This section will cover four things: (1) the key points raised in relation to recruitment and retention issues (2) suggestions in relation to addressing these challenges (3) the job satisfaction elements of pay and benefits, training and promotion and the nature of the private sector work environment and (4), the sociocultural factor.

Throughout this analysis the subject of the pull of the public sector will be referenced; it does have an overbearing influence on the subject according to almost all of those interviewed. (Table 8 and Table 9 above provide outline information on the 21 interviewees and, key summarised observations set out question by question. Here the subsections are arranged and designed to fully address RQ1; HRM professionals are referred to as HRMP, Emiratisation Policy Experts, be they policymakers or academics as EPE. As such, were relevant, survey results will be referenced).

#### **6.3.1 Interview Findings: Recruitment and Retention Challenges**

In general, it was retention that was stated as being the bigger problem. “In the past three or four years we see a large number of graduates at job fairs they apply for everything,” it was said, “getting a government job the day after graduating is no longer happening.” While those with “connections” will find a government job, others (“the majority now”) need to wait for several years. It was said that while a large number will wait, increasingly companies in the private sector find that they get large numbers of UAE national applying for jobs. Issues though in terms of recruiting are said to include short-listed candidates changing their minds; unrealistic salary

demands; not having necessary soft-skills and/or dedication if employed; treating the position in the private sector as a stepping stone to a better paid public sector position. Several of the EPEs felt that recruiting was far less of a problem than it once was: “yes culture and perception is a factor but at job fairs we see large numbers of university students applying for all sorts of positions.” Another EPE said that from their informed discussions with undergraduate jobseekers the private sector was not seen as a place to fear, many reported being “excited by the challenge” but the interviewee also said that they were pragmatic; none said money was the most important factor but simultaneously pointed out that it would be unrealistic to permanently work for less if a better paying job was to become available. According to one HRMP, private sector operators have a, “heavy responsibility in making Emiratisation successful and to create a balance between the Emiratis and expatriates ... it is imperative to understand the reason that employers in the private sector prefer hiring expats versus UAE nationals” ... “they cost less, are more dependable and are easier to recruit and retain/make redundant.”

It was also highlighted many times by both HRMPs and EPEs that pay and benefits was the single biggest issue in relation to retention (see Section 6.3.3, below), sociocultural sensibilities were seen to be less of an issue in comparison but this was only because: “what most students at job fairs see to the ‘private sector operators’ are in fact government-owned commercial enterprises.” It is the case that a job at Strata ([strata.ae](http://strata.ae)) or Tawazun ([tawazun.ae](http://tawazun.ae)), Etisalat ([etisalat.ae](http://etisalat.ae)) or Etihad ([etihad.com](http://etihad.com)) are not seen as socially unacceptable or inappropriate but as one HRMP spelt out well, is this contradiction: on the one hand the government wants to diversify the economy and make its commercially-run companies competitive and efficient, on the other hand

it wants these very same companies to recruit some staff in an inefficient and uncompetitive way.

Nevertheless, another EPE argued that the private sector also has a responsibility, the government of UAE is offering a conducive business environment and a business friendly structure, “in turn it should reciprocate, we understand the arguments about national workers being more expensive and less motivated but the executives in large hi-tech/knowledge-based companies will need to see Emiratisation is the only sustainable solution.” Emiratisation does not mean replacing all non-national talent—“there are nowhere near enough suitable Emiratis to take all such positions”—it means creating meaningful career pathways for local graduates and putting in place mechanisms to motivate and retain them: “logically this should ultimately reduce the opportunity cost of hiring locals.”

Another interviewee said that the private sector, “must ensure that when [UAE nationals] are hired, they are given the necessary training and an assurance that their compensation will be fair and the harder they work, the more benefits will be offered. In terms of female nationals, the same EPE said, they are crossing a cultural threshold and must be offered the necessary support like flexible scheduling or a day care for their children. Still, it was a near unanimous concern that there were not enough suitably qualified Emiratis for the multitude of positions on offer those that push private sector Emiratisation need to see the situation from the employer’s point of view, “it’s not that we wouldn’t want to hire local jobseekers, but more that they either don’t apply or don’t accept the final offers when made.”

Another HRMP argued that Emiratis have developed a mind-set that has been fossilised that sees public-sector jobs as better than private sector ones. If you review the 100 best places to work list internationally, you won't find anyone seeking public employment but you would see Google, Apple, and Microsoft top the list as desired employers but here [in the Arabian Gulf] case is completely reversed. When you inquire a local youth about his preferences, they would say a government owned bank, a government owned energy company, a government-owned security services and so on. (According to this interviewee, the average salaries were not as high in the bureaucratic areas of the public sector as many believed, when pushed, most acknowledged that the army and police did provide high salaries for positions that did not always require much day to day work to be done.)

An HRMP from the banking and finance sector highlighted the fact that throughout the globe the private-sector is most preferred sector, this fact must also be shared with young local emirates through ways that make them curious about private sector. They stated that, "throughout the globe if you review the 100 best places to work for list, you find 99 percent private organisations, when you will glance over most innovative companies of the world list, again you would find 99 percent of private organisation, even fortune 500 list is dominated by private-sector organisations. If throughout the world people want to work in private-sector than what is the issue with the youth here."

One HRMP from the healthcare sector said, "we want to hire Emirati, we are offering them twice the salary that we would pay to [a South Asian] but still we are unable to recruit. We are doing are business here and would want to get a better understanding of the local market but unfortunately [UAE nationals] do not consider this as an attractive sector to work in. Another said, "let us assume if there are 100 jobs available

then there would be 5 native Emirati available, obviously we can hire only 5 that even in ideal situation but the problem is that the government is forcing us to hire at least 10. Now getting 5 additional people mean attracting people who are already employed somewhere hence we need to spend more time on recruitment.” The same interviewee went on to state that HR data at their entity showed that there is a clearly visible difference,” the ratio of cost to hire an Emirati and an expatriate is 4:1 and the hire to hire is even longer 7:1 ratio.”

Another HRMP said that they could not understand: “a job that matches your skills and also pays well is being offered to you and you would ignore it just because you don’t like the designation, which is extreme. I have interviewed many young locals who have waited 3 to 5 years as jobless but still don’t accept a private job. I once interviewed a person who had gained 3 masters and still he declined a position in the private sector.” In a connected example from the IT sector, one HRMP stated that, “offered positions as trainees to 40 local female students and all declined. Whereas for the same position (the exact number of positions was eight) we received more than 2,000 resumes from non-national and all willing to work for half the amount offered to locals.

To sum up, the recruitment challenges cover matching the supply with specific positions available; the additional time and cost required to find a suitable (in all regards) local candidate as compared to a non-national. The fact that almost all HRNPs stated that turnover was much higher among nationals compared to non-nationals factors onto the recruitment cost and exemplifies the fact that retention is the bigger problem. Retention of younger employees is seen as particularly hard as many – even



if reported to be happy with their day to day work – intended to move to the public sector if an opportunity were to arise.

### **6.3.2 Interview Findings: Ways to Increase UAE National Retention Rates**

There were a number of solutions suggested in relation to the challenges faced in terms of recruitment and retention: one EPE argued that, “graduates must be given awareness that having a job in private-sector is more prestigious than been jobless in pursuit of getting a government job.” However, the main suggestion was macroeconomic in nature and not one that could be addressed at the company level. Put simply, it is the pull of the public sector. One interviewee suggested that there should be a protracted public sector pay freeze until the private sector could match present ones competitively. Another interviewee even suggested that a period working in the private sector be made compulsory (“at least if they have benefited from free university tuition at a Federal establishment”) as recently has been national conscription for 12 months to the army.

All independent EPEs did not really see how the retention challenge could easily be resolved. While a popular idea is among some is for the government to subsidise the salaries of UAE national working in the private sector, it was pointed out that this would not be sustainable and would, “lead to strained relationships between national and non-national workers doing the same job.” (Yet, as many of the HRMPs pointed out this already occurs within their entities and most Asian and non-Gulf Arab staff seem to accept this wage disparity.) Whether or not exaggerations, several HRMPs stated that their national staff had to be paid several times more (factors of “three” and “five” were voiced) than their non-national ones for doing like-for-like jobs. Statistics referenced by one HRMP from the banking and finance sector indicated that in this

sector UAE nationals would typically be awarded two-thirds more than non-nationals for the same job—this was sometimes “hidden by slightly different titles for what amounts to the same role.”

In terms specifically of increasing recruitment rates, one EPE set out a number of measures, which although they thought were unlikely to be enforced in the short term, would have a positive impact. Firstly, small companies with less than 100 employees must be given grants or easy loans to enhance their facilities like day care facilities for employees (or indeed create them in the first place). Secondly, newly graduated UAE nationals, “must get the same salary whether he or she works in the private-sector or public sector.” Thirdly the government should hold or freeze the unrealistic high salaries of public-sector for as long as it takes until the private-sector can catch up. Fourthly, “the government should reduce public-sector holidays or at least increase the working hours per day to match the private sector, either one of these is essential.”

As the next section will highlight, training and promotion were all seen to be ways in which to help prolong retention. One HRMP said that the average number of training days per employee at their entity was three days, but if you want analyse it more deeply, the average number of training per non-national Employee is 32 hours, whereas for Emiratis it is 122 hours; the strange fact is that, “local don’t lack in any competency or skill that would compel us to arrange so many trainings for them but it is a form of employee engagement initiative, they would want to enrol in any training if they don’t even need it.” This study’s survey finding analysis found: a significant regression equation ( $F(4, 648) = 472.510, p < .000$ ), with an  $R^2$  of .745, in which this cohort predicted continuance intentions is equal to  $3.054 + .497 (IV1) - .691 (IV2) + .208 (IV3) + .081 (IV4)$ . Of the three positive correlations, training opportunities

(IV3) was the second strongest. Therefore, after pay and benefits; the factor most likely to lead to UAE national retention was the provision of PD opportunities and clarity on promotion pathways.

Another suggestion made in various ways was the need for the government to much more comprehensively separate benefits from salary in the public sector. Realistically, this could only be done with pensions and health insurance and education subsidies. It was stated that, “if benefits, where possible, are delinked, it will then be the case that all working Emiratis could gain the same ... this would level the playing field and shift the divide to working/non-working as opposed to the one now ... have: with nice government jobs and, the have-nots: those in the private sector.” Nonetheless another EPE stressed that it was not just a question of pay, “there is a widely held view that is partly true in fact, that those in the public sector have many more holidays ... and ... can take paid leave much more easily” it was mentioned by several that in local culture, “being able to meet family members in majlises at short-notice is very important, especially for men” and is a, “key part of local customs and life.”

In light of these known differences between the two sectors (Issa et al., 2013), some of the interviewees advocated that the private sector adopts more flexible hours and job-sharing positions. Yet, one EPE pointed out, working arrangements such as flexible hours and job-sharing, may be “okay at the menial level” it, “just doesn’t function at more senior levels, where the switching between two people wastes time and cause miscommunications.” As recently as 2013, it was stated that Emiratis account for only 20,000 of the four million workers in the UAE’s private sector and the most recent unemployment statistics suggest a 20.8 percent unemployment rate among UAE nationals. It was further pointed out that a local who, “works with the

public sector works five days a week and with salaries three times more than [their] counterpart in the private sector, while the person in the private sector works more hours and with less pay” (Issa et al., 2013).

Several EPES recommended that new laws be put in place to safeguard employers in situations where they wanted to make a national redundant due to poor performance. It happens to be the case that many think it is “illegal to fire Emiratis”, this view is not without some basis. In 2009, Tanmia sought to make law a proposal aimed at safeguarding UAE national private sector jobs. It stipulates that any company in the private sector forced to terminate Emiratis as part of restructuring policies aimed at increasing competitiveness etc. should duly inform the ministry of labour about such a move before any decision: “no company will be allowed to sack an Emirati before it has exhausted all avenues to find a suitable solution” (Issa, 2009).

It also stated that a company should mandatorily satisfy before terminating Emiratis such as implementing a part-time system, relocating them within the company or training them to handle other positions in the company. Additionally, an employer in the private sector will also not be allowed to terminate an Emirati on the pretext that he/she does not have the required qualifications (Issa, 2009). It remains unclear, one HMRP said whether this is in fact the law, technically an EPE said that it wasn't but it depended on context and moreover, “the intended ambiguity is supposed to support Emiratis in the private sector, and while it may do, it will equally deter some private sector operators from recruiting Emiratis in the first place.”

Interviewee responses would reflect that money was the clear winner as the biggest motivator across all age groups. However, it was argued that older UAE nationals

prefer job security and a relaxed working environment, they would like to be surrounded by people who would speak the same language be it from other parts of the Arabian Gulf but the younger generation is more restless. The millennials or generation Y want everything immediately, they want a clear career path that would highlight and even guarantee certain route, the learning and development opportunities and a leadership role. The younger lot are impatient and desire a management role from day one.

Though, to overcome this we have redesigned the job titles and designations, we have named the Management Trainee Program as Future Leaders Program and created catchy designation like an HR Office would be called a Human Capital Champion and an accounts officer would be called a Strategic Financial Marshal. As one HRMP argued, UAE nationals are accustomed to a better quality of life, their parents may be working for government jobs and are getting more salaries or higher perks hence when they demand or anticipate a high compensation, and they are asking a justified amount from their point of view even if from ours it is unrealistic. Others stated, “salary is a very important and tangible element and it is the key to attracting locals to the private sector;” “sociocultural influences do pay a major role but money and salary have much greater influence.”

As will be reiterated in various place in this chapter, no interviewee saw private sector Emiratisation as anything other than essential. Yet, few believed this was to be achieved by the private sector taking the lead or by arbitrary top-down quotas being imposed. Several of the independent EPEs blames the “frankly mediocre response” on the social contract (Forstenlechner & Rutledge, 2010); it is “never going to work while the ruling bargain remains as it is.” “Government jobs [of an easy nature] are a main

way the government keeps local society cohesive and part of the oil wealth equation.” It follows then that realistically only certain industries/professions are going to be able to retain the majority of the nationals they employ for the longer term.

Another EPE stressed that the issue of demographics, “too many foreigners”, and dependence on non-nationals, “all get put into the Emiratisation mix... but should not be.” The interviewee said that the large number of unskilled mostly Asian migrant labour could be addressed by way of adopting labour saving technologies and “changing the Khaleeji lifestyle. It was explained that, “having a maid to permit both parents to work is a net benefit, but having multiple domestic helpers for a family unit where only one parent does not have a net economic benefit”.

The point is that the “demographic dilemma” could be hugely reduced by measures other than Emiratisation. In the same vein it was pointed out that the UAE’s active workforce (“it could be well over four million”; “nobody knows how many are formally employed”) is several times larger than the total population of Emiratis are under 15 or in fulltime education, “the UAE’s economy even if streamlined via productivity gains will require far more workers than there are UAE nationals.” Thus many interviewees argued the whole concept of Emiratisation to be better understood (explained and framed in light of labour market and demographic realities). “The UAE and Qatar, unlike say Oman and Saudi Arabia, will need a large number of foreign talent even if every Emirati wanting a productive job was to have one”.

### **6.3.3 Pay, Training and Nature of the Job**

Looking now at some of the factors tested in this study’s model (refer back to Figure 1) it can be said that many have a significant impact on continuance intentions. In this

subsection pay and benefits, training opportunities and promotional pathways and, the nature of the job will be focused on; all had a positive impact. In other words, and in order of significance, the higher the pay/the better the benefits, the more likely it is someone will intend to continue in the private sector, following this was training opportunities, the more the given entity could offer, the more likely it was that UAE nationals would remain with the entity, the final factor was nature of the job: the more positively perceived the working environment was, the higher retention would be (pay and benefits:  $\beta$  .399; for professional development opportunities:  $\beta$  .163 and, for the nature of the job:  $\beta$  .072). The only tested factor that had a significant and negative impact, sociocultural influences, is dealt with in the following subsection (6.3.4, below).

One HRMP directly blamed the government for the difficulty of attracting and retaining UAE nationals, “when the government will offer 70 per cent increase in salaries, everyone would want to work in public sector ... instead, it should hold or even cut public sector salaries until all the unemployed Emiratis are employed.” Almost every HRMP stated that Emirati employees prefer government jobs because they offer much higher salaries. Having said this, one HRMP said that UAE nationals in the are paid, “at least three times more than expats and the banking sector.” An HRMP in the banking and finance sector offered a candid view: “we offer nationals a better package but the market is very competitive. I can get an ACCA or a CIMA Qualified professional from India or Pakistan or Philippines for one-third of the salary and I know he will not switch in a year. The turnover rate for Emiratis is too high and they expect salaries of three people and demand holidays of three people.” The general feeling was expressed in this comment: “we can’t offer financial perks like our

government-owned competitors; we aim to offer them better training but unfortunately they would ultimately switch over to a government-owned competitor.”

One HRMP in the telecommunications sector said that in a recent employee survey conducted to review the entity’s compensation and benefits plan, a list of perks ranging from increase in salary to a day care facility and foreign trips and higher education opportunities were presented, but a higher base salary was, “the most desired benefit among all Emiratis employed.” Pensions and benefits such as access to day care and maternity leave should be standardised across both sectors. A line should be drawn between classic public sector and the new wave of government-owned, but commercially-run entities, especially those set up in the past decade (Mubadala, 2014, 2015). Over a gradual period, the benefits and incentives should become significantly larger for the more productive and growth-generating parts of the public sector (i.e., GBEs). On one side of the line, pay freezes could be enacted, and future entrants to this sector could be obliged to serve for a 30 to 35-year period and accept fixed salaries. On the other side, salaries should start at a higher rate and afford more opportunities for performance-linked salary increases.

One EPE estimated that the public sector receives 15 public holidays and 104 weekend days a year—119 days off—whereas, the private sector has just 10 public holidays and 52 weekend days—62 days off—added to this are big differences in days of paid annual leave and also, maternity leave. As reported by Badam (2013), regulated working hours are among the main reasons for why Emiratis prefer the public sector. Of the work environment factors that J. Abdulla et al. (2011, p. 138) tested for, pay and benefits were found to be the most powerful determinant of job satisfaction. Although salary can be seen by a larger percentage of labour in the industrialised West



as a source of appreciation and recognition (Locke, 1976), it is argued that in the UAE, particularly for nationals, it also has significance for pride and prestige in a tribal sense and secondly in a slightly broad Arab patriarchal sense (Williams et al., 2013).

The third factor in terms of importance was “public perception” which, it was argued, “shows that respondents thought that they were viewed favourably by the public” (Abdulla et al., 2011, pp. 138-139). This is underpinned by earlier jib satisfaction research in “collectivist cultures” where employees report high satisfaction levels based on the social perception and status of the sector in which they work (e.g., Abu Elanain, 2009; Huang & Vliert, 2004). There are only 20,000 Emiratis in the private sector out of more than four million people, compared with 225,000 Emiratis in the public sector (Badam, 2013).

For Al Waqfi and Forstenlechner (2012, p. 623), policies to rectify the duality in the labour market and reduce imbalances between the public and private sectors work environments could gradually reduce dependency on public sector jobs and induce a stronger sense of internal career orientations among recent UAE national graduates. They recommend that these policies, “address imbalances in the legal framework as well as discrepancies in compensation and working conditions” between the public and private sectors (see also: Abdalla et al., 2010; Al Waqfi & Forstenlechner, 2010; Forstenlechner & Rutledge, 2010). Other measures to encourage internal career orientations may include incorporating career planning concepts and skills into the curriculums and school activities in secondary and tertiary educational programs.

As argued previously by Al Waqfi and Forstenlechner (2014, p. 185), wage differences between public and private sectors and the high reservation wages demanded by locals

as a result of their experience with wages in the public sector need to be addressed as well to enhance the effectiveness of Emiratization in the private sector. The current pay levels in the public sector might not be achievable in the private sector without jeopardizing the efficiency and profitability of private sector employers as indicated by findings from our field study.

A wage policy for Emiratis who work in the private sector need to be developed with the aim of achieving a minimum level of consistency of wage levels between the public and private sectors. Government subsidies and incentives for employers to hire and train local workers in the private sector might be needed. A mechanism need to be established to regularise wages of citizens who work in the private sector in a way that is consistent with principles of optimising labour productivity. The move from entitlement to accountability mentality is needed among local job seekers, and HR practices that link pay and rewards to performance should be encouraged.

#### **6.3.4 Addressing the “Sociocultural Factor”**

As this study’s stepwise multiple regression model demonstrates, the predictor that made UAE national continuance intentions least likely was sociocultural influences, there was a significant and negative relationship ( $\beta$  -.423). In other words, the more susceptible an individual is to prevailing sociocultural sentiments, the stronger will be their desire to leave the private sector and secure a more conventional government job.

As one interviewee stated, “[Emirati] society puts pressure on young Emiratis and they can’t fight with the strong tides of pressure ... society forces them to follow the footprints of their other family members who are all involved in public-sector jobs.”

Another common perception within Emirati society is, “private-sector jobs result in anxiety and high blood pressure due to the nature of the job.” Another, emphasising

the strength of tribal traditions within the UAE said “if private-sector employers wanted to retain more national employees they should hire several from the same tribe.” When prompted the interviewee did acknowledge that this was not “putting merit before all else” but was nonetheless a pragmatic approach and “a necessary compromise if the government forces more compulsory Emiratisation.”

A number of EPEs stressed the problem of culture, in our culture we want the females to stay at home, many families believe that it is a matter of insult if their daughter is earning but if we evaluate the academic records and statistics we know that more females are enrolling into educational programs, when one large portion of the population won't be willing to join the labour market than it will create problems. We know many people especially females enrolled with TAWTEEN are not actively seeking job, many have rejected offers too.

The biggest challenge is bringing a greater percentage of these degree educated females to the productive sectors of the labour market. Al Waqfi and Forstenlechner (2012, p. 624) contend that the almost total lack of exposure to private sector norms and realities by Emiratis makes the private sector a foreign environment for them and therefore represents another disincentive to seeking employment in this sector. This necessitates mechanisms to increase the exposure of young citizens to the private sector. Such exposure currently does not happen naturally, but needs to be fostered by, for example, governmental programmes such as student internships in the private sector. We particularly recommend structured methods of combining classroom-based education with practical work experience, such as the cooperative education programmes common in many developed countries.

One HRMP said that they often consider the issue to not be of, “UAE nationals being unemployed but it is basically employers being unable to employ.” The government shouldn’t just restrict companies on hiring locals but they must also make it mandatory on youth to work for some time in private-sector.” Others reinforced this by arguing that societal forces are working against Emiratisation as there is a perception prevailing that ideal jobs or good jobs are the one which are provided by the government. The government is assumed to be a caring employer and the private-sector is generally considered to be a profit oriented monster. There must ads promoting the open think that even if all your family members are working in government sector you can work in the private-sector and this won’t be a stigma.

*“If companies are obliged to hire Emiratis, Emiratis should be obliged to work in the private sector.”*

With respect to strategies employed, Marmenout and Lirio (2013) p.160 note that continuous learning and further education was a major driver for most of working Emirati woman. Just like Western women with higher education are the most likely to return after a career break, Emirati women, with higher levels of education are more likely to remain in the workforce—similar to the global context (Hewlett & Luce, 2005). HRM practitioners can leverage this strategy by offering more on-the-job training or sponsored further education to Emirati women as a retention tool. The working women in the study by Marmenout and Lirio (2013), appeared to be, “skilled in crafting and tapping into social support systems, both in terms of emotional and instrumental support.” Emotional support was found to be influential, it should ideally emanate from high-status male individuals, mostly fathers, husbands or uncles—again, not dissimilar to the global context (Burt, 1998). As Burden-Leahy (2009, p.

536), states, education is viewed by “traditional parents, many of whom may have benefited only from primary level education, as an acceptable reason for daughters to be outside the home environment, whereas employment has yet to become generally acceptable.”

The UAE Women’s Federation considers the education and employment of women to be a success but views the main occupational areas of medicine, health and teaching as too narrow. Having said this, female UAE nationals have entered all the professions including the military and police (Rutledge & Al-Shamsi, 2015) (Marmenout & Lirio, 2013). It was stressed also that the distinction between mentorship and sponsorship as set out by Ibarra, Carter, and Silva (2010), is highly relevant here: male sponsors come from the family realm rather than the professional environment; female colleagues can act as role models and mentors.

Aligning expectations from family and supervisors by directly negotiating mutually suitable terms appears to be key to making longer term retention a greater likelihood. HRM practitioners could leverage this strategy by equipping their female employees with negotiation skills needed to achieve. Yet as Marmenout and Lirio (2013) are at pains to stress, HRM practitioners must be aware that, “the boundary between family and work contexts may be very permeable and that certain suggestions could be judged inappropriate.” Enlisting the help of an Emiratisation Officer (i.e., a UAE national HRM administrator responsible for encouraging the development of Emirati nationals) to review the proposed intervention would be a prudent strategy to employ.

This ties in well with extant government policies of championing female role models who are pursuing, regionally speaking, atypical career paths (see e.g., Al Khoori,

2015; Malek, 2016a). Another example is that of Etihad (the UAE's government-backed but commercially operated national carrier) which opened a several large, all-female call centres that operate split-shift systems and even have on-site crèches (J. Hill, 2016). Although it might be argued that such gender-segregated workplaces do not break-down prevailing gendered sociocultural barriers, they do, to an extent help normalise the notion of women working in commercially-run and targets-based vocational environments.

Much like the motion of using GBEs as a transformational mechanism from the public sector to the 'true' private sector, government-led HRM strategies such as that adopted in this regard by Etihad can also be seen in such light. Turning to the ways in which GBEs such as STRATA, Mubadala's aviation manufacturing enterprise, and the Emirates Nuclear Energy Corporation are seeking attract more UAE nationals to these non-conventional sectors, it is apparent that incentive based training is key. With STRATA, a variety of training programmes targeted at different sections of the national population – manufacturing training to all interested citizens, vocational training for youth, and specialised training for engineers – provide the key to building capabilities in aerospace (WEF, 2016).

“ENEC is working to ensure Emiratis play a decisive role in the UAE's nuclear energy industry, and we are proud that our rapid growth has been achieved while maintaining the organisation's commitment to Emiratisation,” said Mohammed Al Hammadi, the chief executive. Enec's Energy Pioneers programme works to attract and develop Emirati science students, engineering graduates and experienced professionals, and provide them with an opportunity to join the UAE's emerging nuclear energy sector. No less than sixty percent of the ENEC staff are Emirati and the entity provides a wide

range of technical and degree scholarships that offer the opportunity to develop the specialised knowledge and practical experience to join the industry as a qualified technician or engineer (Malek, 2016b).

As has been argued by Al Waqfi and Forstenlechner (2012, p. 609), two things should receive particular focus. Firstly, training and orientation of young citizens to enable them to confidently pursue job opportunities in the private sector. This may also include ways for providing young UAE citizens with private sector exposure, as 98 percent of the national workforce is currently working in the public sector and a lot of what young UAE citizens think they know about the private sector is not founded in reality. Second, interventions to address structural and institutional challenges hindering employment of citizens including gaps in employment conditions and remuneration levels for citizens between the public and private employment sectors.

The rationale, however, is not only rooted in salary differences, as posited by previous research (Bremmer, 2004; Godwin, 2006), but in a combination of factors clearly favouring public sector employment, a lot of which can be traced to the legal framework and the current makeup of the labour market, a causality previously suggested by Mellahi (2007). According to Al Waqfi and Forstenlechner (2012, p. 622), the duality in the labour market described above and the resulting expectations of both employers and job seekers represent a major obstacle to employment of Emiratis applications and apply more effective hiring procedures. Interviewees also said private sector employers need to boost salary levels for citizens to a level comparable to the public sector (in this regard, consult: Swan, 2016). Other suggestions for the private sector to improve representation of citizens in their

workforce were to reduce qualifications to more reasonable levels (18 percent), reduce working hours (13 percent), and improve job security (8 percent).

According to Al Waqfi and Forstenlechner (2012, p. 622), the fact that UAE nationals make up such a small fraction of the private sector workforce leads them to feel self-conscious when working in the private sector. Such pressures may also, “significantly reduce the most central mechanism of personal agency, self-efficacy.” As has been explained by Bandura (2001) the various challenges from a “personal agency perspective” include the reduction of expectations of positive outcomes, when a person is considering a job opportunity in the private sector, as compared with the more secure and more predictable public sector environment. To cite one of the jobseekers interviewed, “I knew what to expect when I took a local government job, most of my family work there... [the private sector was not a] possibility or something I believed I could do” (Al Waqfi & Forstenlechner, 2012, p. 622).

#### **6.4 RQ2, HRM, Government HRD and Emiratisation Strategy**

With regard to RQ2 (“What role can/should HRM executives play in terms of shaping government policy so as to ensure Abu Dhabi’s strategic HRM goals can be achieved without compromising this sector’s international competitiveness?”).

##### **6.4.1 Interview Findings: Monitoring Emiratisation**

Since the Ministerial Orders No. 41, No. 42 and No. 43 of 2005 that made it compulsory for all private-sector organisation to implement a quota or reservation system to recruit the local Emiratis and maintain a proper payroll of them and even retain them we were properly monitoring the workforce statistics. It is a part of our HR Strategy to properly maintain the workforce analytics hence we monitor these



statistics, not just about UAE nationals but all nationalities that are working in our company. There is a 2 percent quota for commercial entities with more than 50 employees. One EPE explained that as per UAE Labour Law, there are three bands of Emiratisation quota.

Commercially run organisations with more than 50 employees must ensure that two per cent of their workforce comprises of the local Emiratis, for banks the percentage is slightly high and is about 4 per cent and for insurance companies its five per cent. The locals also prefer working in banks and insurance companies as they pay a lot better. One HRMP said that their entity, “constantly monitor and share Emiratisation data with the UAE Central Bank.” They went on to state that the government wanted banks to achieve a 35 per cent Emiratisation target by 2020 – yet, “our goal is to increase the ratio to 50 percent by 2020”.

#### **6.4.2 Interview Findings: Employability Skills**

It is clear that the need for suitably qualified UAE nationals is still an important factor. Part of this will necessarily entail a more comprehensive link between academia and industry. One EPE, did say that links do exist, “not least with the internship programs that are now being made compulsory by many tertiary-level Federal institutions.” Moreover, the UAE Ministry of Education has set out a range of employability skills (also known as “generic skills” or “key competencies” in the UAE is referred to as the “CoreLife Skills”) (UAE National Qualifications Authority, 2012b) p.75. An EPE said that the UAE’s CoreLife Skills “cover and promote the general intent and nature of the range of internationally required employability skills ... they form the foundation for workforce ability and adaptability and therefore, aid performance and functionality in work and day to day life.” In this general area a HRMP stated that:

*“Career guidance tests should be made mandatory like in the USA; students must be encouraged to look at various options and make conscious efforts in regard to career explorations, not simply take the easy option or follow their friends”.*

The changing nature of the employment market was also stressed: “if you graduated a decade back in 2005, you had no idea what Twitter was or how to communicate in 140 characters ... There are many business models that were not there a decade back and after a decade there will be many more business models that we have no idea about now.” The same interviewee stress that the UAE’s education sector, “must be strong to produce people who can work with the business models of future, the education system must produce human capital for tomorrow not today” and concluded that, “this can only be done when the industry and the education sector shake their hands and synergies.” The interviewee continued: “they make the choice either based on what they perceive to be an easy subject and would be able to get good grades or where their best friend is studying rather than assessing the scope of the section or even their interest in the domain”.

One HRMP stated that. “whenever they were invited to a career fair or for a talk to students at any educational institute, I tell them follow your passion, study the subject that makes you happy, that make you passionate that gives you joy and motivates... [unfortunately] this advice usually falls of deaf years.” The same interviewee went on to say that they had observed many interviews where interviewees with even good grades but they knew nothing about the field and when I inquire why did you opt for this field or subject the answer infuriates me. They would respond because my parents

told me to study this or my best friend was studying the same subject and I wanted to be with her”

“Personal agency” (Bandura, 1997) also plays a part in the newly graduated UAE nationals believe they can overcome these challenges, nor that they are insufficient control of their environment when it comes to the private sector. This furthers the conclusions drawn by Jones (2007) that highlights a general lack of willingness to take responsibility for themselves. According to a number of those interviewed by Al Waqfi and Forstenlechner (2012), the application procedure for positions in the private sector was “unduly lengthy and potentially demeaning.”

Such dissatisfaction may be caused by the fact that in the public sector, jobs are often given to applicants on the spot and based on personal relationships, which makes any alternative application procedure lengthy and inappropriate. As Harry (2007, p. 132) previously put it, “citizens are reluctant to apply for jobs because having to apply shows that they have no power to get a job using relationships and connections.” Al Waqfi and Forstenlechner (2012, p. 622) concluded that as a consequence, “public sector jobs are associated with a sense of prestige and a false sense of career success due to privileges easily achieved for the mere fact of being a citizen.”

According to Briscoe, Hall, and Frautschy (2006), a career in labour markets such as those of the Arabian Gulf, employment is viewed “an entitlement and a service to be expected from the government” and also, an individual’s social networking skills. “as opposed to a project of the self as is the case with a protean career perspective and a self-directed attitude towards career management.” As has been set out by Al Waqfi and Forstenlechner (2012, p. 624), the UAE’s labour market duality, in addition to the

collectivist cultural orientation, creates a vocational environment that reduces, “an internal career perspective.” This can be related to career achievements typically being achieved by way of personal striving and utilisation of all internal strengths and resources are easily bestowed on individuals based on citizenship and social contacts (*Wasta*).

### **6.4.3 SHRM; Can One Model Fit All?**

If Figure 3 (see above) is consulted it will show that Bamberger et al. (2014) essentially depict two lines, one where at one pole is retention and the recruitment (the other cline has process orientated outcomes to outcome orientated outcomes). Several of the HRMPs and several EPEs stressed that any Arabian Gulf HRM Model would ideally be one that is dual in approach: “it is what we say is horses for courses ... investment in staff training is a risk ... it is better to take that risk with Emirati employees to incentivise them to stay ... expatriates are better recruited with the skills and adaptability we need in the first place.” Another said that a paternalistic SHRM strategy “almost sounded patronising” but argued in some respects this would “suit local employees.”

If one attraction of the public sector is job security and a job-for-life, then larger state-owned enterprises [could] afford to take the longer view.” Suggestions included regular meetings where Emiratis employees and HRM administrators could share and discuss concerns and opportunities. In this way, “those thinking of leaving can be provided with dedicated mentoring. At such meetings incentives could be clearly set out such as, “after three years of service such and such professional opportunities will become available and after five years of service an even more generous range of professional development opportunities will become available and so on.”

Looking back as Figure 4, it is clear that private sector operators in the UAE do face three external factors and—possibly with all other regions of the open economy world—these factors do not compliment or sync with one another; indeed, they almost contradict one another. The EPEs and HRMPs who discussed SHRM in a more abstract theoretical way felt that top-down Emiratisation was a political force which was nonetheless “an understandable request” but it was at odds with economic forces “in a free market people are recruited on need and merit”, these interviewees did not discount that any discrimination in the EU is illegal so all genders, age and nationality are treated as equals (“yes maybe recruiters do have subjective preferences but we can say normally it is the person’s qualifications and interpersonal skills that get them employed”).

Yet, with Emiratisation, “we face a situation where we are recruiting in an anti-market illogical way.” Several HRMPs saw it as positive discrimination and some as a form of taxation or social responsibility. It was interesting to observe how many felt sympathy for the average Emirate graduate. “These guys come from families where most fathers, older brothers and uncles work for the army, [local government] or police, yet are being encouraged to take more challenging jobs for less pay and ones where longer hours are the international practice.” As has been mentioned, it was the majority view that most Emirati graduates were competent, has good qualifications, were often close to bilingual and had, of course, local knowledge.

Yet, it was the third external factor “culture” (see Figure 4) that causes many organisations “issues.” One interviewee stressed, “with expatriates you feel comfortable, they know the [ways things work in the company] they follow orders and it is natural to [give them instructions and expect them to follow these].” “With

Emiratis, it is more difficult, many in HR and management act differently, I cannot really explain the workplace dynamics but it is difficult to treat them as you do [South Asians] or non-Gulf Arabs.” Another interviewee put it like this: “this is their country and most of us are [non-nationals], we depend on this country and feel strange having to give locals orders.” It was explained by another HRMP from the aviation sector that Emirati management were used to manage Emiratis staff. Several also explained that the cultural aspect was very difficult when interacting with local women.

“Doing the wrong can get you deported, actually locals are much more relaxed but, there are stories we hear and I can say I see staff acting in a strange way when dealing with local staff.” Another interviewee said, “we are told when we arrive here never to shake hands with a local lady or look at them even; not to discuss sensitive subjects, whatever exactly they are, this is just not normal vocational behaviour at most multinationals.” It is hard, to sum up, these views but somehow it appears that working relationships are not as smooth as they could be but the reason is “exaggerated fear and oversensitivity” an EPE explained this well: “typically HRM practitioners, manager and employees are not accustomed to working above or alongside UAE nationals on a day-to-day basis” this is especially the case if “when they are peers and neither is superior to the other ... the rulebooks say that all staff be treated equally but it just doesn’t apply here.” The same interviewee explained how they noticed team-leaders being more patient with locals, “if a [“just in time”] situation was to arise, it would be an expatriate who would be obliged to stay late or come in on a Friday.” In terms also of time management, the same interviewee said that he regularly observed and heard that, “line managers are more deferential and patient with Emirati staff than they are with non-national staff.”

So, Emiratisation when it is forced, be it by quotas or making some roles just for locals (the “political forces” of Figure 4) it is seen to be at odds with hiring and managing staff on an optimal and internationally competitive way (the “economic forces” of Figure 4). Adding to the complexity is “cultural forces” (the third external force on the organisations as depicted in Figure 4). There is so called ‘organisational culture’ which in “today’s globalised and interconnected economy is not matched with any national culture but a corporate business one.” Alongside this, “you have ‘expatriate’ culture[s] and the ‘local culture.’” As another interviewee explained, “there is Arab culture and Islamic culture and here in the [Arabian] Gulf there is tribal pride, support and the preservation of honour.” It was said that all of these factors complicated the adoption of any “off the shelf Western HRM policy and procedure book.”

One EPE said that while multinational corporations had a global culture and global standardised approaches to HRM, compromises had to be made when operating in the Arabian Gulf. For ‘real’ private sector operators, “they came to the UAE as it is profitable” ... “it makes sense” and the opportunity cost: “having to navigate the UAE dynamics like attracting and retaining talent to come here, employ nationals to meet quotas and please authorities and deal with contradictory cultural issues is all a price worth paying.” The problem is this, said an EPE from academia: because there is this assumption from both sides “, some HRM executives see Emiratisation as an indirect tax; Emiratis feel they’re being hired to an extent to be ‘window dressing’”, that the hiring of nationals by private sector operators is based on something other than merit, “it casts intellectually and psychologically the whole program as inefficient.” Much research has been done on this (e.g., Al Waqfi & Forstenlechner, 2010, 2014).

It is understandable to a degree why Emiratisation has been cast like this; the media talks of it being impossible to fire UAE nationals, of their wage demands being several factors higher than that of similarly qualified and experienced non-nationals and that even if such demands are met, this cohort will soon migrate to the public sector regardless (Gallup/Silatech, 2011). It is because of this that many of those who considered SHRM operational models argued that an Arabian Gulf HRM Model would be needed to explain the situation here in the UAE.

“If we leave aside unskilled sectors and occupations ... and culturally unsuitable ones, end up with entities in the hi-tech and knowledge-based areas of the economy, this includes oil and gas and various engineering type... Many of these entities are in one way or another government-owned.” So it can be said that where an Arabian Gulf HRM Model will be of use and relevance will be in the skilled (“desirable”) industries and in commercially-run GBEs. It is no coincidence, one HRMP said, that it is these same entities that are charged with making the government vision of becoming a post-oil open and advanced economy. It is also these same entities that are likely to “make or break top-down style Emiratisation agendas and policies.”

The argument is this: as GBEs and advanced hi-tech/services companies provide attractive and engaging career opportunities, it will be at such companies that almost all graduating Emiratis would want to move towards if a [classic] public sector job was not on offer.” And, it is these companies—especially government-owned ones—that have the financial resources to pay, train and retain UAE nationals. Therefore, it is at such companies an ‘Arabian Gulf HRM Model’ would make most sense. The model would see a dual approach in how best to deal (the recruit–retain cline) with national employees and non-national ones.



Interviewees stressed how many training opportunities meant to locals, it should be the HRM executives job to ensure training was relevant to the company and the employee. For UAE national employees dedicated face-to-face engagements with HRM mentors, may be a price worth paying if it leads to greater retention durations. In terms of cultural misunderstandings there are, “no quick-fix solutions,” most EPEs said while fear and concern regarding such incidents was real and, “could not be discounted” better information and resolution procedure on both sides were likely to be able to keep incidents from, “moving beyond the confines of the company.”

The purpose of an Arabian Gulf HRM Model would be to retain UAE nationals in a mutually beneficial way while seeking to remain as competitive as can be realistic, internationally. As one EPE said: “even if Emiratisation is viewed as a form of taxation, then the companies that can demonstrate effective and meaningful Emiratisation programs could be given tax relief or some form of formal benefit.” It was pointed out that in the West many companies had to pay all sorts of different tax. If it is viewed as a tax, then one way to reduce the tax burden would be to retain train and motivate UAE national employees to see the given entity as a place from within to progress up the career ladder.

#### **6.4.4 Structural Reform; the Long-term Imperative**

Both EPEs and HRMPs stressed that there was a continued need to focus on the quality of the supply of UAE national graduates. This can be segmenting responses into four general categories: (1) matching the educational subject themes to the needs of the market (2), far greater and meaningful stakeholder participation— “especially between Federally funded HEI and government-owned commercial entities”—(3), facilitating and maintaining recruitment channels and (4), fostering greater labour

market mobility. Firstly, increasing the relevance and flexibility of education and training programmes to the needs of the labour market.

Developing and operationalising national or regional policy on qualifications, institutional arrangements, quality assurance processes, assessment and awarding processes, skills recognition and other mechanisms that link education and training to the labour market and civil society. Ideally, strategies would focus on matching qualifications with knowledge, skills and competencies, and relating qualifications to present and future occupational (and broader labour market) needs. Attracting investment, increasing the quality and quantity of jobs and improving resilience to changing global markets.

Ultimately as one stated, there needs to be, “a shift within education systems from ‘supply’ to ‘demand’ driven ... this is no different from the rest of the world, where the marketisation of higher education is now a fact of life”. Secondly, increasing the influence of stakeholders (particularly industry and employers) in education and training, particularly in qualifications design (i.e. learning outcomes, competencies, or occupational standards through a qualifications framework) to ensure: qualifications are of the right standard, the system is more responsive to the needs of the labour market and facilitates better recognition of individuals’ skills.

Promoting public and professional confidence in the integrity and relevance of national qualifications. A third area that was raised by various interviewees was the need to helping private-sector employers recruit suitable UAE national job seekers. For example, improving employees’ understanding of what qualifications mean. Another said this could entail helping GBEs to know what they are getting when they

employ a person who holds a particular qualification, thereby increasing the trust they have for qualifications. Assisting employers with training and human resource planning.

The fourth point was centred around fostering more labour mobility, this could entail improving regional integration of economies by reducing barriers to worker mobility; enhancing the ability of workers from developing countries to find jobs matching their training and experience in other countries, thus increasing remittances sent home. Improving the ability of workplaces in developed countries to quickly understand the skills and abilities of migrant workers, thus more easily reducing labour shortages. Relating to international systems in order to participate in globalised labour markets.

One EPE argued that efforts were now underway to better align working conditions of public and private sector workers, although the specifics on those alignments are, as yet unclear. As was reported by Badam (2013), also being considered are policies that would, “bridge the gap between the public and private sectors in terms of working hours, working days, annual leave and public holidays”— at the time of writing no such regulations had been implemented, indeed, religious holidays in 2016 continued to exemplify the divide between the two sectors (Gulf News, 2016).

Increasing educational requirements for entry to public sector positions is a relatively easy solution to implement. Such a strategy would also help to undermine any perceptions of *Wasta* – the cultural phenomena where individuals exert influence through their connection to powerful others in relation to recruitment decisions (Cunningham & Sarayrah, 1994) (Gold & Naufal, 2012). This is a practice that many in academia see as corrupt and undermining productivity and efficiency (Harry, 2007).

The value of education is not always prevalent among some UAE nationals who view the government as an entity responsible for their gainful employment rather than looking to their own skill sets and abilities as determinants of employability (Burden-Leahy, 2009). This must be considered if the application of more “objective and rigorous” HRM selection processes are ever to be implemented.

Alignment of salaries for comparable work between public and private sectors may also be difficult. As mentioned previously, any increase in benefits for private sector workers, including shorter working days, longer holidays, or higher salaries, is likely to meet strong resistance from private business. In light of the substantial investment the UAE has made in the creation of economic free zones to stimulate private business in the country, the application of stringent regulatory controls on working hours, salaries, and holidays are unlikely. Alternatively, the government can act to cut benefits for public sector employees, or at least freeze salaries and benefits until they align more closely with those of the private sector. Government action in this direction is also unlikely (Beaugrand, 2014) (Coates Ulrichsen, 2014). Given the context of unrest across the region, citizens are likely to perceive any cutting of UAE national referent outputs even more negatively than government intervention in increasing the outputs for UAE National private sector employees.

Although several EPEs stated that until now the government has not taken firm action on relation to subsidising UAE nationals employed in the private sector, “consultations and feasibility studies are happening ... [and] in some shape or another will most likely be implemented.” As has been voiced in academic circles, “subsidising nationals by topping up their private-sector salary ... taken at face value, may seem extreme,” but as Forstenlechner and Rutledge (2010, pp. 47-48) contend, are less unproductive

allocation of state resources than would be the case if such a worker were to be absorbed into the “classic” public sector. GBEs, have the potential to be growth-generating investments despite such subsidies.

## **6.5 Summary**

As this section has made clear, it is ultimately at the macroeconomic level that change will need to occur if private sector Emiratisation is to become the norm. At this juncture it is believed that no more than one percent of the UAE’s private sector is made up of UAE nationals and as many as one fifth of graduates who are seeking work remain unemployed (Issa et al., 2013). As a senior government official stated at the time, Emiratis who work for the government, “works five days a week and with salaries three times more than [their] counterpart in the private sector, while the person in the private sector works more hours and with less pay” (Issa et al., 2013).

As Forstenlechner and Rutledge (2010, p. 48) argue, so long as salaries offered by the “classic” public sector are several factors higher than those elsewhere, it will be such jobs that continue to attract nationals and have the most pride and prestige attached to them. If the social contract is not updated to reflect contemporary demographic and labour market realities, increasing numbers of unemployed nationals—those without sufficient amounts of *Wasta* to secure one of these classic positions—are more likely to voice their dissatisfaction going forward.

With respect to gender and sociocultural factors, Marmenout and Lirio (2013) found that, “women engaged in a strategy to seek out suitable employment options.” Both practical considerations and societal norms resulted in the preference of Emirati women for public sector employment. A key motivator was the shorter working day

which they said, “could be seen as similar to Western women considering part-time employment.” The difference (UAE labour market distortion) is that they do not have to make any financial sacrifice.” as pointed out by Hewlett and Rashid (2010), this highlighted “a flaw” in public policy as there is, “no incentive for Emirati women to work in the private sector.”

Gold and Naufal (2012, p. 72) concludes that there is little variation across the demographic independent variables and Wasta in the UAE, “despite approbation in public rhetoric remains firmly ensconced in practice.” According to Burden-Leahy (2009, p. 540), when judged against contemporary mechanisms for evaluating economic contribution through (“indigenous”) human resource capital, the UAE has not achieved notable success despite following the best practice of Western consultants.

## **Chapter 7: Conclusion**

This research study set out to make a number of policy relevant and contextually grounded policy recommendations. Recommendations relating to making private sector Emiratisation more sustainable (and thus successful). It is a contemporary issue and one that is clearly a priority for the government of the UAE (e.g., Badam, 2013; Forstenlechner & Rutledge, 2010; Issa et al., 2013). Indeed, a comprehensive range of employability skills have been introduced into the HE sector (UAE National Qualifications Authority, 2012b) and these stress, among other things, the need for greater interaction between the key stakeholders: industry and education providers.

The desire to foster greater levels of private sector Emiratisation also features prominently in the UAE's intergenerational strategic vision (Government of Abu Dhabi, 2008). The recommendations are tailored to HRD policymakers (focussing on macroeconomic factors) and several are focused on SHRM (approaches, practices and procedures at the company level). This final chapter will, however, begin by summarising the research findings. Following this, it will set out the recommendations and lastly it will spell out (1) this study's limitations and (2) suggest areas that merit further investigation.

### **7.1 Summary of Findings**

First of all, this study set a number of hypotheses and then conducted a survey to collect data in order to test these hypotheses. The stepwise multilinear regression model found the following significant relationships (predictors) of a given individual's likelihood of the planned behaviour of continuing in the private sector for the foreseeable future. A significant regression equation was found ( $F(4, 648) = 472.510$ ,

$p < .000$ ), with an  $R^2$  of .745. Participants' predicted continuance intentions is equal to  $3.054 + .497 (IV1) - .691 (IV2) + .208 (IV3) + .081 (IV4)$ . All four IVs were significant predictors of continuance intentions. Put differently, the factor most likely to retain UAE nationals in the private sector is the provision of high pay and generous benefits; the factor most likely to lead UAE nationals to leave is the sociocultural 'stigma' attached to working in this sector; the greater the provision of PD opportunities and clarity on promotion pathways along with the satisfaction with the working environment were also found to relate significantly to continuance intentions.

This then means that H1—salary levels do not have a significant impact on an individual's intention of remaining in the private sector—is “false”. H2—availability of career development opportunities, do not have a significant impact on an individual's intention of remaining in the private sector—is “false”; in fact, the presence of career development opportunities will make retention more likely. H3—the nature of the work/environment, does not have a significant impact on an individual's intention of remaining in the private sector—is “false”; in fact, the more positively the working environment is considered to be, the higher is the likelihood of the individual intending to remain in the private sector. H5—societal sentiments towards UAE nationals working in the private sector has no significant impact on an individual's intention of remaining in the private sector—is “false”; in fact, a very strong, negative and statistically significant correlation was found. (H4, organisational loyalty/commitment does not have any impact on an individual's intention of remaining in the private sector, was not tested, but as it was found to be highly correlated with “nature of the job” we can here assume that loyalty/trust would significantly and positively correlate with continuance intentions).



This study set out to investigate four propositions: (1) sociocultural influences, (2) the pull of the public sector (3) the need for government HRD strategies to be overhauled in order to increase private sector Emiratisation and (4), the need for the private sector itself to overhaul its internal HRM practices in order to more effectively retain UAE national employees. With regard to P1—sociocultural factors, including: gender segregation; pride/prestige; social status, are the main reason for why UAE nationals might be unwilling to work in the private sector—this does play a large role. Turning to P2— The pull of the public sector, including: salary; pension provision; hours; holidays; easy of taking paid leave, is the main reason for why UAE nationals might be unwilling to work in the private sector—we can state that is the most significant factor. This is because if pay were higher and holidays more aligned to the public sector (or vice versa) it would most likely at the same time make this sector more socio-culturally acceptable.

With regard to P3—unless government HRD strategies are overhauled it is unlikely that the number of UAE nationals working in the private sector (as a ratio to those working in the classic public sector) will change substantially—based on the interviews we can conclude that this is true. But, to be clear it is more systemic than just HRD. If HRD is limited to (1) making Federally-funded HEIs introduce more market-orientated courses (2) fully integrating meaningful employability skills in into the curriculum—and even focusing on improving English language competencies which is needed—and (3), providing/subsidising life-long learning courses for UAE nationals in private-sector employment; none of this will in of itself alter the public/private pay and benefits gulf.

Government agency HRD could—as was the consensus view of the interviewees—improve in several tangible ways (1) a far more affective monitoring process by the Ministry of Labour that places real-time data in the public domain (this would aid transparency, permit academic analysis and allow companies which are successful to gain positive exposure (2), to consider some kind of token national insurance contributions for the whole labour market. Only this would be capable of providing advisors and academic with comprehensive labour market data, including national/non-national ratios in the public and private sectors; within industries and along gender lines. (3) To work in ways in which the (“classic”) public sector can be made less desirable. If the private sector were forced to match the public sector, GBEs would not be internationally competitive and “real” private sector companies will become ‘much’ less profitable/viable. It is acknowledged that these points are deeper than HRD, but they are the ones that together are capable of bringing about systemic labour market change.

Dealing lastly with P4—unless private sector HRM policies, practices and procedures (particularly at commercially-run GBEs) are overhauled it is unlikely that the number of UAE nationals working in the private sector (as a ratio to those working in the classic public sector) will change substantially—we can state that this is partially true. It is government HRD that has much more transformative potential. At the company level a dual approach Arabian Gulf HRM Model may well have merit and critically, the provision of career development opportunities and clear information relating to promotion pathways, will aid private sector retention.

As set out in Section 5.1 and Table 9 (see above), 21 interviews were conducted, their purpose was to add some valuable insider information and qualitative data that would help address this study's two main research questions.

**RQ1:** *What range of measures (incentives etc.) are most likely to attract, and also retain, UAE nationals to the private sector?*

**RQ2:** *What role can/should HRM executives play in terms of shaping government policy so as to ensure Abu Dhabi's strategic HRM goals can be achieved without compromising this sector's international competitiveness?*

There were a number of global observations, both groups of interviewees were asked to consider private sector Emiratisation at large, it was the consensus view that retention constituted far more of a challenge than did the initial recruiting of UAE national candidates. Many UAE nationals are willing to gain experience in the private sector but typically see this as “a stepping stone to the public sector”. It was stressed nationals are usually more dependent on their given employer for their and their family's livelihoods; “this doesn't make them more effective as employees but does make them more dependable and less likely to petition for promotion or pay increases.”

The practical/psychological consequences of the public/private sector pay and related benefits divide is and remains a key determiner. A labour market-wide monitoring system—seen as essential but hard to envisage (unlike “Western economies, there is no short term prospect of income tax/national insurance contributions” factors that make workforce monitoring feasible in the industrialised world) —was suggested. As

just discussed, if such data were to be collected, it should be placed in the public domain.

In terms of government-led Emiratisation interventions (i.e., top-down policies it was found that these were necessary but ran counter to free market principles, were seen as a taxation and ultimately difficult to meet. Actually finding willing candidates is far from straightforward. Ideally then, Emiratisation should be flexible as often the given entity cannot find or retain the set number of individuals required. Many interviewees argued that it is simply not possible to find UAE nationals willing to apply, let alone qualify for a wide range of posts. Somewhat surprisingly, if relying on extant literature, skillsets are not a major issue yet, work related aptitudes are said to be a larger concern.

Employability skills were perhaps more of an issue but again it was felt that these could be solved without major costs. In terms of language, it was stressed that those who had studied in private schools/overseas universities, not only spoke English far more proficiently but also: “know how to operate and succeed in a contemporary workplace where adaptability and interpersonal skills are the most vital assets.” Therefore, much more focus should be given to the quality of English at Federal HEIs. As one EPE stated, “to access the UAE’s HEIs requires a level of English far, far lower than would be the case of any HEI in the West.”

Overall most HRMPs stated that the skillsets of most UAE nationals who are seeking (or willing) to work in the private sector are suited to entry-level jobs that they apply for, even though this is popularly seen to be a key impediment to greater levels of Emiratisation, interviewees did not see this as a major issue (some saw it as a

“convenient solution” as policies to address it can easily be planned and rolled out: “we have a large industry in work readiness programs” and, “there are many providers engaged in providing on-the-job training, and all sorts of soft skill courses”).

Both EPEs and HRM professionals considered the pull of the public sector the key issue that made longer term retention so problematic. It was also a common sentiment that UAE nationals were less likely to be satisfied with the nature of work in the private sector. This was more likely to be a result of having less holidays and the hours of work. As was highlighted, if any individual has most of their family working in the (“classic”) public sector, they will soon realise that the nature of the work environment in the private sector was stricter and more rigid. EPEs also stressed that as a key public/private sector difference was ability to make an employee redundant, nationals seemed more than willing to leave if public sector positions come available.

For high-end postgraduates however the public sector did not have such a pull; interviewees suggested that this was a combination of this cohort having senior positions in the private sector and/or placing more job satisfaction in positions that were fulfilling and productive. In terms of retention, HRM professionals stressed that titles and positions were important for UAE national employees but a common argument was: “not everyone can be a leader”; “government policy to say all can be future leaders was potentially unrealistic and thus problematic”. Nonetheless it was pointed out that prestigious sounding titles have a short-term positive impact, but are not long term solutions.

HRM professionals all stated that their payroll departments knew the ratio of nationals to non-nationals, but this was not always passed on to government agencies. EPEs

were clear that effective monitoring of private sector Emiratisation was key but currently lacking. Ultimately, this is seen as a major issue as without such data it is impossible to determine which policies/industries/internal HRM procedures are most effective. As was pointed out: “there is no income tax or national insurance to pay on salaries earned in the UAE and this leads to a situation where reporting is not constant and reliable.”

Dealing finally with SHRM models and approaches specifically, the common view among the EPEs was that the Arab ME HRM Model was a construct worth more investigation but, all saw a range of distinctions that made the Arabian Gulf unique and in many ways distinct. Firstly, the “social contract”, the welfare state’s deep impact on the labour market; secondly the extent to which government finances were available to train the national workforce; thirdly the government’s ability to provide jobs including the subsidising of quasi-private sector jobs.

Fourth, the resources available for funding education especially at tertiary level and fifth, the continued dependence on expatriate labour—something that was stated as being “unique globally.” Most HRM professionals stressed that UAE nationals benefit from regular consultations and mentoring and were especially interested in job-related learning development opportunities and this suggested a more paternalistic and committed HRM strategy. However, both groups of interviewees stressed the point that an ideal HRM strategy for UAE national employees was unlikely to be ideal for non-nationals.

## **7.2 Recommendations**

The following recommendations are based on the interview and survey findings. In this sense they are objective. That some, the key ones, are more related to labour

market reform and beyond the realm of HRM and HRD policy, is based on the consensus view of the interviewees: the key is to address the imbalance between the public and private sector in terms of benefits. If this is not done, private-sector Emiratisation can never be fully achieved. Set out below are seven recommendations:

- 1) The first recommendation is to set up a UAE-wide Emiratisation monitoring system. Ideally, this would not be tied to a HRD agency, but directly overseen by the Ministry of Labour. To be of real value the data collected should be placed in the public domain to enable academic analysis on one hand and to highlight and give credit to the private sector operators that perform well. Indeed, this recommendation is not new, as Al Waqfi and Forstenlechner (2014, p. 185) have argued, an important element of the Emiratisation process is to reconcile data on local job seekers with those on foreign workers currently employed or are in the process of being recruited.
- 2) The second recommendation is for the Ministry of Labour to consider the implementation of some form of income tax which probably should be a token or nominal amount. While this may at first seem to have little to do with private sector Emiratisation, it very much does. To be able to manage/develop a country's indigenous human capital, the characteristics of the workforce need to be known (analysed by way of effective data collection). One way to collect universal and standardised data would be to impose a small amount of tax. It would provide labour market and labour nationalisation analysts with rich data on sectoral compositions, industry compositions, salary ranges along with national/non-national and gender divisions. The revenues raised could contribute toward future provision of training courses for nationals working in the private sector and an exit gratuity paid to departing expatriates.

- 3) Another recommendation which is again more macro in scale is to delink non-core benefits from public sector jobs. As both this study's survey and interview findings highlight clearly, more than anything else it is the public sector's "pay and benefits" that attract UAE nationals. It, therefore, follows this is the issue that more than anything else negatively affects private sector Emiratisation retention levels.
- 4) While overall, HRMPs did not see a problem with the educational attainment levels of qualifications of UAE national job seekers, levels of English language competency were flagged: a major difference between those who studied overseas and those who studied at Federal HEIs was noted. Some interviewees felt that with "greater English language competency, also came a deeper understanding of work attitudes and interpersonal abilities." It is recommended that all HEIs in the UAE that make the choice of instructing in English, raise their entry requirements.
- 5) A very specific HRD recommendation is to far more comprehensively integrate the seven "CoreLife Skills" into the HE sector and to monitor their implementation and outcomes with outcome assessments that all stakeholders could evaluate.
- 6) A very specific HRM recommendation would be for government agencies to develop and fund needs-based career development training options; for private sectors that are seen to be making good progress with Emiratisation these off-site/on-site courses could be provided for free. It is a worthwhile government investment because as this study's survey shows, training and career development opportunities are one factor that positively influences an individual's private sector continuance intentions.



- 7) The final recommendation is the more formal adoption of an “Arabian Gulf HRM Model” that has as a central part a dual approach. Nationals and non-nationals may well be better managed if they are provided with differing HRM procedures. Unless or until the public/private divide is removed, the two groups of employees will perform better if they are incentivised differently.

### **7.3 Limitations and Indications for Future Research**

As with all studies, the present one has a number of limitations but many of these can be addressed in future research. One limitation was that following the survey no employees themselves were interviewed. It would have been insightful to interview a representative group of employees with the advantage of the survey analysis in hand. Another limitation is related, while the survey and interview analyses provide some interesting points in relation to the importance that UAE nationals place on career development opportunities; this was not subsequently investigated.

Likewise, the fact UAE males are more affected by societal influences than women would certainly benefit from being better contextualised by way of direct examination. Probable reasons were captured in the interviews but this is an area that needs more dedicated focus. Another limitation of this work lies in the fact that with the survey data considerably more statistical analysis could legitimately be done. While this document does make some credible, relevant and value-added contributions with respect to its multiple regression analysis, further and more advanced tests would ideally be conducted. A final and more system-wide limitation is that the whole theoretical construct that seeks to underpin SHRM may not be appropriate for providing a basis for research on private sector Emiratisation.

In terms of areas meriting further research, a number of streams have been identified. In particular, is to conduct further analysis including Structural Equation Modelling on this study's data set. Other area deserving further attention include:

- 1) Research on how the government might be able to facilitate the better monitoring and disseminating if labour market data should be undertaken. (It was widely considered this was a necessary precursor for a deeper understanding of Emiratisation endeavours and public/private sector imbalances.)
- 2) Research on how the sociocultural influences affect male UAE nationals actually working in the private sector. In what remains a patriarchal society, it is especially important to get a deeper insight. To date, most if the research has focused on female UAE nationals and the way in which sociocultural influences make 'entry' into the labour market.
- 3) Further research is needed into the suggestion this study has made of more formally adopting a dual approach to HRM policies and procedure within the Arabian Gulf. This can be built in the AME HRM Model (Afiouni, Karam, et al., 2013) and examine the extent to which a model dedicated to the Arabian Gulf's very much distinct labour markets, would have merit.

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## Appendix

### A: Information & Informed Consent Sheet (Interviews)



**UAEU** College of Business  
and Economics

#### Interview Participation Sheet

Supervisor: Dr Emilie Rutledge

DBA Student: Khaled Al Kaabi

#### Interview Information & Consent Form

**Subject of Interview:** Private sector Emiratisation: evaluating the policies and practices designed to achieve Abu Dhabi's strategic HRM goal

**Researcher:** Khaled Sultan Al Kaabi (+971506633700)

**Supervisor:** Dr. Emilie Rutledge

**College:** College of Business and Economics, Doctorate of Business Administration

**Researcher Email:** 201190006@uae.ac.ae

You are invited to take part in a research study of Private sector Emiratisation: evaluating the policies and practices designed to achieve Abu Dhabi's strategic HRM goal. The study is about to set out a number of concrete steps that government agencies and HRM executives operating in the private sector can take in order to attract and retain a higher number of UAE national employees.

You will be asked around 20 questions to share your experience and your input about the Private sector Emiratisation: evaluating the policies and practices designed to achieve Abu Dhabi's strategic HRM goal, this will take approximately 45 minutes of your time.

**Risks and benefits:** There are no anticipated risks to you if you participate in this study, beyond those encountered in everyday life. Your participation will add valuable contributions to the researcher's field of knowledge by sharing your experience as a UAE national working in the private sector.

**Taking part is voluntary:** Taking part in this study is completely voluntary. If you choose to be in the study you can withdraw at any time without consequences of any kind. Participating in this study does not mean that you are giving up any of your legal rights.

**Your answers will be confidential:** The records of this study will be kept securely and privately. The report of this research that is made available to the public will not include your name or any other individual information by which you could be identified as per the research ethics.

If you have questions or want a copy or summary of the study results, please contact the researcher at the email address or phone number above. You will be given a copy of this form to keep for your records.

#### Statement of Consent:

*I have read the above information, and have received answers to any questions. I affirm that I am 18 years of age or older. I consent to take part, as an interviewee, in this research study:*

\_\_\_\_\_  
Participant's Signature

\_\_\_\_\_  
Date



## B: Information & Informed Consent Sheet (Survey)



**UAEU** College of Business  
and Economics

### Survey Participation Sheet

Supervisor: Dr Emilie Rutledge

DBA Student: Khaled Al Kaabi

### Survey Information & Consent Form

**Subject of Survey:** Private sector Emiratisation: evaluating the policies and practices designed to achieve Abu Dhabi's strategic HRM goal

**Researcher:** Khaled Sultan Al Kaabi (+971506633700)

**Supervisor:** Dr. Emilie Rutledge

**College:** College of Business and Economics, Doctorate of Business Administration

**Researcher Email:** 201190006@uae.ac.ae

You are invited to take part in a research study of Private sector Emiratisation: evaluating the policies and practices designed to achieve Abu Dhabi's strategic HRM goal. The study is about to set out a number of concrete steps that government agencies and HRM executives operating in the private sector can take in order to attract and retain a higher number of UAE national employees.

You will be asked around 45 questions to share your experience and your input about the Private sector Emiratisation: evaluating the policies and practices designed to achieve Abu Dhabi's strategic HRM goal, this will take approximately 15 minutes of your time.

**Risks and benefits:** There are no anticipated risks to you if you participate in this study, beyond those encountered in everyday life. Your participation will add valuable contributions to the researcher's field of knowledge by sharing your experience as a UAE national working in the private sector.

**Taking part is voluntary:** Taking part in this study is completely voluntary. If you choose to be in the study you can withdraw at any time without consequences of any kind. Participating in this study does not mean that you are giving up any of your legal rights.

**Your answers will be confidential:** The records of this study will be kept securely and privately. The report of this research that is made available to the public will not include your name or any other individual information by which you could be identified as per the research ethics.

If you have questions or want a copy or summary of the study results, please contact the researcher at the email address or phone number above. You will be given a copy of this form to keep for your records.

#### Statement of Consent:

*I have read the above information, and have received answers to any questions. I affirm that I am 18 years of age or older. I consent to take part, as a survey participant, in this research study:*

\_\_\_\_\_  
Participant's Signature

\_\_\_\_\_  
Date

## C: Pilot Survey (Full)

Table 27. Pilot Survey Questions

<b>Section B: Demographics</b>	<b>No.</b>
Year of birth	01
Gender	02
Job category (A list of predefined categories was used, see Section D below)	03
Emirate	04
Highest educational certificate/level	05
Where did you complete your studies?	06
Have you completed a vocational internship?	07
Did you undertake an internship at your current employer?	08
Number of years in the company you currently work for	09
Previous work experience (using list and Public sector or Private sector)	10
What is your current salary (AED)?	11
Number of immediate family (i.e. parents, siblings and spouse) working in the private sector	12
<b>Section B: Job Satisfaction and Career Development</b>	
I currently work in the private sector because no public sector job was available	13
I am happy to work in the private sector	14
Most Emiratis have a negative perception regarding a career in the private sector	15
Working in the private sector is better than what most Emiratis think it to be	16
In my present occupation, I am satisfied with my salary (etc.)	17
In my present occupation, I am satisfied with my days of annual leave	18
In my present occupation, I am satisfied with my weekly working hours	19
In my present occupation, I am satisfied with my training opportunities	20
In my present occupation, I am satisfied with my level of job security	21
I am happy with the training opportunities available to me	22
There are opportunities to discuss my career development and progression	23
I am happy with the relationship I have with my line manager (and/or mentor)	24
I do not face a lot of stress in my job in the private sector	25
I am happy working along non-nationals (peers and managers)	26
My colleagues help me when I have a work problem/I have a mentor at work	27
I am happy to use English (alongside Arabic) as an when necessary	28
I am happy with the trust management (and mentors) place in me	29
I feel I am an asset to my organisation and contribute to its success	30
I feel I have the skills and managerial support to do my job well	31
I am proud to work for my organisation	32
I intend to continue working for this entity in the medium term	33
<b>Section C: What do you think about the Emiratisation Process</b>	
I believe the government should work to create enough “productive” public sector positions for all Emiratis by 2030	34
Emiratis are better off working in the public sector	35
The Government should expand private sector Emiratisation and more strictly enforce the related Emirati quota requirements for private sector entities	36
Private sector entities should be free to hire the most skilled and competitively priced individuals, irrespective of their nationality	37

What, in your view, would be the most effective strategy to increase private sector Emirati employment? (1 being most effective and 4 being least)	38
... Reduce public sector holidays and increase hours of work per week	...
... Reduce (freeze) public sector salaries so that in time they would be more aligned to like-for-like private sector positions	...
... Ensure future recruitment to the public sector is strictly merit based	...
... Phase out the <i>Kafala</i> system that tends to result in private sector employers seeking quantity over quality of labour and not investing in HRD	...
Emirati society considers it more appropriate for Emirati women to work in the public sector	39
Emirati society attaches more status and prestige to individuals who have jobs in the army, police force and bureaucratic government positions vis-à-vis a private sector entity	40
Emirati society understands the need private sector Emiratisation	41
Many Emiratis do not want to work in the private sector because they feel the Government should provide them with a public sector job (oil-wealth distribution)	42
Many Emiratis do not want to work in the private sector because it has less social status compared to a public-sector position	43
Many Emiratis do not want to work in the private sector because they prefer to work in environments where most fellow employees are also Emirati	44
Many Emiratis do not want to work in the private sector because they consider the benefits (salary, pension etc.) to be unfavourable	45
Many Emiratis do not want to work in the private sector because they consider the annual leave/hours per week/levels of difficulty/stress to be unfavourable	46

#### **Section D: Job categories**

##### **Production related**

01 Energy industry	02 Manufacturing – Chemical & Petrochemical
03 Industrial supply & logistics services	04 Industrial supply & logistics services
05 Agriculture & food	

##### **Service related**

06 Security industry	07 Administration – including secretarial
08 Human Resource Management	09 Banking, financial & insurance
10 Public relations	11 Accountancy
12 Advertising & marketing	13 Legal services & law
14 Education – teaching and management	15 IT consultancy & Telecoms & Media
16 Healthcare	17 Medical doctor
18 Pharmacist	19 Hospitality, hotels and restaurants
20 Retail, consumer goods / sales assistant	