EVALUATING THE EFFECTIVENESS OF EMIRATIZATION STRATEGIES IN THE QUASI-PRIVATE SECTOR: MULTIPLE CASE STUDIES FROM THE MANUFACTURING SECTOR IN THE UAE.

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EVALUATING THE EFFECTIVENESS OF EMIRATIZATION
STRATEGIES IN THE QUASI-PRIVATE SECTOR: MULTIPLE CASE
STUDIES FROM THE MANUFACTURING SECTOR IN THE UAE

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

Under the Supervision of Dr. Mohamed Al-Waqfi

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Declaration of Original Work

I, Hana Mohamed Al Mahri, the undersigned, a graduate student at the United Arab Emirates University (UAEU), and the author of this dissertation entitled *"Evaluating the Effectiveness of Emiratization Strategies in the Quasi-Private Sector: Multiple Case Studies from the Manufacturing Sector in the UAE"*, 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. Mohamed Al-Waqfi, in the College of Business and Economics at 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 Any materials borrowed from other sources (whether published or unpublished) and relied upon or included in my dissertation have been properly cited and acknowledged in accordance with appropriate academic conventions.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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Declaration of Original Work

I, Hana Mohamed Al Mahri, the undersigned, a graduate student at the United Arab Emirates University (UAEU), and the author of this dissertation entitled "*Evaluating the Effectiveness of Emiratization Strategies in the Quasi-Private Sector: Multiple Case Studies from the Manufacturing Sector in the UAE*", 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. Mohamed Al-Waqfi, in the College of Business and Economics at 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 dissertation 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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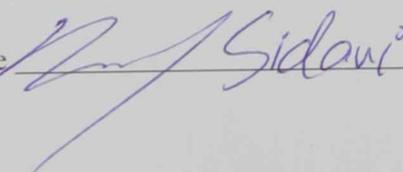   Signature _____   Date _11/5/2019_

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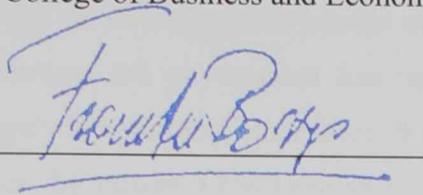
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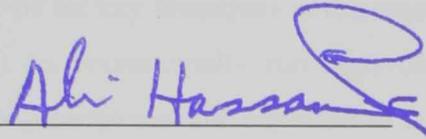Signature _____   Date ___5/1/2020___

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Abstract

A central aspect of the United Arab Emirates' strategic vision for a post-oil future is to make better use of its indigenous human capital, thus securing a return on the substantial investment the government has made in education, and reducing the reliance on a largely non-national labor force. While Emiratization (a policy to replace expatriate workers by citizens) has been successful in the public sector, the private sector is still largely staffed by expatriates with citizens representing less than 5 percent of the total workforce in this sector. Therefore, Emiratization efforts have recently been focusing on enhancing employment opportunities for citizens in the private sector. One of the key initiatives in this regard is to make use of State-Owned Enterprises (SOEs), as commercially run organizations capable of subsidizing the public sector. These enterprises are expected to achieve this transition through the strategic policy of Emiratization. Many researchers have identified a myriad of barriers that prevent effective Emiratization, but few have focused on the elements required for successful Emiratization.

The purpose of this study is to explore elements of successful Emiratization to date in several subsidiaries of one of the UAE's largest industrial investment holding companies, operating in the metals, oil and gas, construction and building materials, and food and beverages sectors. These multiple case studies allow us to discuss in depth factors that can make Emiratization successful in the manufacturing sector in the UAE. In order to achieve this, semi-structured interviews were conducted with key stakeholders, including managers from human resources (HR) and Emiratization departments within these SOEs. A multiple case studies approach was used to obtain empirical data on the factors that contribute to successful Emiratization, and the challenges faced in implementing Emiratization plans at these organizations.

The findings of this study indicate that Emiratisation is not just a matter of increasing the number of Emiratis in the workforce, or hiring Emiratis to meet quotas, but a strategy designed to recruit and develop Emiratis for current and future positions. This study explored three factors that enhance Emiratisation strategy. Government regulations can support and enhance nationalization in the country and many companies have prepared long-term Emiratization plans, as they must send in quarterly

reports to the HRA. Each company investigated here has set an Emiratization target to match their business needs, not just to fill quotas. Another key factor in successful Emiratization is upper-management support. In order for a nationalization program to be successful it must offer total commitment and support to the candidates, otherwise we will not see any motivation from the participants and the program will fail. This study also explored the role of strategic HR involvement. One of the key roles of a human resources department is the training and development of staff.

The findings of this study can assist decision makers and HR professionals in identifying factors in successful Emiratization and thus enhance the employment of nationals in the hi-tech manufacturing sector. Additionally, these findings can help to further expand the parameters of workforce nationalization and emphasize the aspects that make for successful nationalization in key organizations.

Keywords: Emiratization Strategies, Economic Diversification, State-Owned Enterprises (SOE), United Arab Emirates.

Title and Abstract (in Arabic)

تقييم فعالية استراتيجيات التوطين في القطاع الشبة الحكومي – دراسة حالات متعددة من القطاع الصناعي في دولة الامارات العربية المتحدة

الملخص

يرتكز جانباً محورياً من جوانب رؤية دولة الإمارات العربية المتحدة الاستراتيجية لمستقبل ما بعد النفط على تحقيق الاستفادة القصوى من رأس المال البشري المحلي، بما يضمن تحقيق عائدٍ على الاستثمارات الضخمة التي قامت بها الحكومة في قطاع التعليم والحد من الاعتماد على الأيدي العاملة غير المواطنة إلى حد كبير. وفي حين أن سياسة التوطين القائمة على استبدال الموظفين الوافدين بمواطنين إماراتيين قد أثبتت نجاحها في القطاع الحكومي، ما زال الوافدون يمثلون إلى حد كبير اغلبية القوى العاملة في القطاع الخاص في حين أنّ المواطنين الإماراتيين يمثلون أقل من ٥ بالمئة من القوى العاملة في هذا القطاع. لذلك، تركزت مساعي التوطين مؤخراً حول زيادة فرص عمل المواطنين في القطاع الخاص. وإنّ إحدى المبادرات الرئيسية في هذا المجال هي النهج التلقائي القائم على الاستعانة بالشركات شبه الحكوميّة كمؤسّسات تجارية داعمة للقطاع العام. وإنه من المتوقع أن تحقّق هذه الشركات مثل هذه النقلة النوعيّة من خلال سياسة التوطين الاستراتيجية. وفي هذا الإطار، حدد مجموعة من الباحثين في الدراسات السابقة عدداً كبيراً من الحواجز التي تعيق عملية التوطين الفعّالة، إلا أنّ القليل منهم فحسب قد سلّط الضوء على العناصر الضروريّة لنجاح عمليّة التوطين.

تهدف هذه الدراسة إلى تسليط الضوء على عناصر التوطين التي أثبتت فعاليتها حتى اليوم في عددٍ من الشركات الفرعيّة التابعة لإحدى الشركات الإماراتية القابضة الكبرى للاستثمار الصناعي العاملة في قطاعات المعادن، والنفط والغاز، والتشييد ومواد البناء، والأغذية والمشروبات. وفي هذا الإطار، تتيح لنا دراسة حالات تلك الشركات الفرعيّة مناقشة العوامل الجوهريّة التي قد تضمن نجاح عمليّة التوطين في القطاع الصناعي في دولة الإمارات العربية المتحدة. ولتحقيق ذلك، تم إجراء مقابلات معمقة مع أصحاب الشأن الرئيسيّين بمن فيهم مدراء عاملين في أقسام/ إدارات الموارد البشرية والتوطين في تلك الشركات شبه الحكوميّة. وقد تمّ اعتماد نهج قائم على دراسات متعددة للحالات بهدف جمع البيانات حول العوامل التي تسهم في نجاح عملية التوطين، وكذلك التحديات التي قد تواجهها تلك الشركات عند تنفيذ خطط التوطين.

وباختصار، تشير نتائج هذه الدراسة إلى أنّ التوطين ليس مسألة زيادة عدد المواطنين الإماراتيّين في القوى العاملة أو توظيف الإماراتيّين لاستيفاء الحصص المقرّرة فحسب، بل إنّه عبارة عن استراتيجيّة

مصمّمة بالتحديد لتوظيف الإماراتيّين وتطوير قدراتهم بما يلبي متطلبات الوظائف الحاليّة والمستقبليّة على حدّ سواء. وقد تطرّقت هذه الدراسة إلى ثلاثة عوامل تعزّز استراتيجيّة التوطين ألا وهي: الأنظمة الحكوميّة، والدعم الذي توفره الإدارة العليا والدور الاستراتيجيّ الذي تلعبه إدارة الموارد البشريّة. أوّلاً، يمكن للأنظمة الحكوميّة أن تدعم التوطين في الدولة وتعزّزه كما تَبيّن في هذه الدراسة حيث تقوم الكثير من الشركات بإعداد خطط التوطين الطويلة الأجل علماً أنّها ملزمة برفع تقارير فصليّة إلى دائرة الموارد البشريّة. وتجدر الإشارة هنا إلى أن كلّ شركة واردة في هذه الدراسة قد وضعت لنفسها هدفاً مرتبطاً بالتوطين، وذلك لتلبية احتياجات العمل الخاصّة بها وليس لاستيفاء حصّة مقرّرة فحسب. ثانياً، يُعدّ الدعم الذي توفره الإدارة العليا عاملاً رئيسيّاً آخراً لتحقيق استراتيجيّة توطين ناجحة، إذ أنّ نجاح أيّ برنامج توطين يقوم على إظهار الالتزام التامّ من الشركات، وتوفير الدعم الكامل لهم وتحفيزهم وإلا باء مثل هذا البرنامج بالفشل. ثالثاً، تطرّقت هذه الدراسة أيضاً إلى الدور الاستراتيجيّ الذي تلعبه إدارة الموارد البشريّة من خلال تدريب الموظفين وتنمية قدراتهم باستمرار.

في الختام، تتيح نتائج هذه الدراسة لمتخذي القرار وموظفي الموارد البشرية الوقوف على عوامل التوطين الناجحة وزيادة فرص عمل المواطنين في القطاع الصناعي القائم على التكنولوجيا المتقدمة. وبالإضافة إلى ذلك، ستسهم هذه الدراسة في توسيع نطاق التوطين ليشمل وظائف إضافيّة فضلاً عن تسليط الضوء على العوامل الرئيسيّة التي تسهم في نجاح التوطين في الشركات الكبرى.

مفاهيم البحث الرئيسية: استراتيجيّات التوطين، التنويع الاقتصادي، الشركات شبه الحكوميّة، الإمارات العربية المتحدة.

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Dedication

Every challenge requires self-discipline as well as guidance and prayers from those who are very close to your heart.

I dedicate this dissertation to my family and friends whose, love, encouragement and prayers made it possible for me to be able to complete my studies.

I have reached this level because of my mother's prayers. I could not have completed this dissertation without the patience and support of my husband Abdulla and my children, Mohamed, Hamdan, Suhail, Alanood, Aljohara and Alyazia.

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Chapter 1: Introduction

1.1 Background

Unemployment has become a major concern for Gulf Cooperation Council (GCC) countries, including the United Arab Emirates (UAE), over the past two decades (Forstenlechner & Rutledge, 2010; Harry, 2007). Since the discovery of oil, the economic prosperity of the GCC has been based largely on the work of expatriates. Indeed, the region suffers from what Forstenlechner and Mellahi (2011, p. 457) refer to as a 'demographic imbalance', in which there is a very high ratio of non-nationals to nationals in the overall population and workforce. As a result, foreign workers constitute the majority of the workforce and the region suffers from a high unemployment rate among nationals. Despite the already large number of expatriates in the GCC, rapid growth and economic diversification have led to the employment of even more expatriate workers over the last few decades (Al-Suwaidi, 2011).

UAE Vision 2021 states that 'The UAE aims to increase the current number of UAE nationals working in the private sector by tenfold by 2021' (Vision2021, 2018). Thus, there has been a call for every sector of the economy, including the public, private, and quasi-private sectors, to support this vision and hire more nationals.

1.2 Statement of the Problem

Many GCC countries have implemented policies to enhance 'nationalization' in every economic sector through many diverse programs and initiatives. However, these initiatives have not met with much success to date. This is due to many factors, ranging from the quality of educational outcomes (Baqadir, Patrick, & Burns, 2011; Baqadir, 2013; Karoly, 2010; Muysken & Nour, 2006), a limited skillset among citizens, a sizable wage gap between the public and private sectors, local culture, and

the way Emiratization is implemented (Al-Waqfi & Forstenlechner, 2014; Alshanbri et al., 2015; Farrell, 2008; Forstenlechner, 2010; Forstenlechner & Al-Waqfi, 2010; Jones, 2007).

The UAE government initiated an Emiratization policy in the early 1990s (Al-Ali, 2008b) to increase job opportunities for nationals in both the public and private sectors. Since the Emiratization policy was implemented, many obstacles have been identified. A study by (Al-Waqfi & Forstenlechner, 2014) found several weaknesses in the Emiratization policy. Companies do not have clear Emiratization targets, and the reporting and follow-up in some organizations has not been very robust. In addition, they found that not one private organization had reached its Emiratization target, which suggests that most private companies do not have an effective Emiratization strategy.

Despite the many studies that have identified barriers to Emiratization, there is scant research focusing on factors that can enhance its effectiveness. Therefore, this exploratory research study will shed light on the effectiveness of Emiratization in state-owned enterprises (SOEs) in the UAE. The study will assess the effectiveness of the Emiratization strategy at one of the UAE's largest industrial investment holding companies, a key contributor to Abu Dhabi Economic Vision 2030 that operates in four main industrial sectors: metals, oil and gas services, construction and building materials, and food and beverage production.

1.3 Purpose of the Study

The purpose of the present study is to investigate the effectiveness of Emiratization in SOEs in the UAE and to identify the factors leading to success. The study addresses this aim with multiple case studies at five different companies. It is

highly unlikely that the Emiratization policy will be equally successful in every type of organization. On the contrary, it is very likely that the Emiratization policy fits some businesses well and others less well. This study provides insights into how each of the five organizations has implemented its Emiratization policy.

1.4 Research Questions

This research utilizes a multiple case study approach involving semi-structured interviews with human resources (HR) professionals in leading roles in the manufacturing sector in the UAE. The data collected in this study, together with a comprehensive analysis of the existing literature, will help to address the following research questions:

1. What is the Emiratization strategy? How is it perceived by the participating organizations?

2. What are the characteristics of the Emiratization strategy as carried out by the participating organizations?

3. How effective is the Emiratization strategy in bringing about positive outcomes for the participating organizations?

4. What is the role of HR policies and actions in achieving effective Emiratization in the participating organizations?

5. What are the challenges to Emiratization at the participating organizations?

1.5 Importance of the Research

Emiratization has been a major concern for the UAE government for a long time, and many initiatives have been pursued to enhance the nationalization of the workforce. By seeking answers to the research questions stated above, this exploratory

study will further the parameters and utility of an effective human resource management (HRM) model that can be applied in the manufacturing sector in a GCC context, with a particular focus on the labor nationalization of commercially run, government-backed entities.

The findings will enable decision makers and HR professionals to identify the obstacles faced by semi-governmental organizations in relation to employing nationals in the hi-tech manufacturing sector. As such, these findings can assist other researchers in identifying successful elements in the implementation of nationalization strategies, which can help many organizations in the UAE and the GCC countries to adopt positive measures. Additionally, as one of the first multiple case studies in the region, this study covers a gap in the literature concerning the effectiveness of Emiratization.

1.6 Context of the Research

This research was conducted at four companies in two cities in Abu Dhabi and one in Al Ain. The data were mainly collected via interviews with key personnel in the main office of each company. The context is explained more fully in Chapter 2, Section 2.4.

1.7 Limitations of the Research

The main limitation of this study is the small size of the sample, which may restrict the generalizability of the findings. However, given the thoroughness and detail of the data collected, we feel that the findings of this study reflect the reality of most organizations, and that similar businesses can benefit from the conclusions and recommendations.

1.8 Structure of the Thesis

Chapter 2 discusses the context of the study and its background, describing Abu Dhabi's Emiratization policy and presenting an overview of the labor market in the GCC countries and efforts to enhance localization policies. Chapter 3 provides a review of the salient literature and a discussion of the potential effectiveness of Emiratization within an institutional context. The theoretical framework underpinning this study is discussed in Chapter 4, and the methodology is explained in Chapter 5. The findings are discussed in Chapter 6. Chapter 7 offers conclusions and recommendations, and reflects on the limitations of the study.

Chapter 2: Context of the Study

2.1 Abu Dhabi's Efforts to Enhance Emiratization

Abu Dhabi is the largest of the UAE's seven federal emirates, and home to the national capital, the city of Abu Dhabi. Abu Dhabi emirate borders the Kingdom of Saudi Arabia to the west and the Sultanate of Oman to the south, and runs up against the Gulf coast in the north. Although the official language of the emirate, and the country as a whole, is Arabic, English is widely spoken and understood. Abu Dhabi's 67,340 square kilometers account for 87% of the UAE's total area. As a result, it is a major contributor to the UAE's gross domestic product (GDP). The oil sector contributed 50.9% of GDP (at 2014 prices), while the non-oil sector accounted for the remaining 49.1%. In terms of the UAE's workforce, the percentage of the population in Abu Dhabi of working age stands at 83.3%. Currently, female workers make up 21.4% of the workforce (AD-e-government, 2016). Table 1 shows the total population of Abu Dhabi in 2017.

Table 1: Population of Abu Dhabi, 2017 estimate

Total Population	2,908,173 million
UAE Nationals	551,535
Non-Nationals	2,356,638
Unemployment Rate	5%

Source: https://www.tamm.abudhabi/factsandfigures

Abu Dhabi is the main base for the UAE's oil wealth (Ewers & Dicce, 2016), as most of the oil and gas comes from this emirate. According to the UAE constitution, full legal control over oil and natural gas reserves belongs to local governments and is free from federal government interference (Reiche, 2010). With turbulent oil prices throughout the Gulf region and further afield, the government of Abu Dhabi has

responded by boosting the economy via additional investment. This has resulted in government investment in the petrochemical and industrial sectors to supplement income generated directly from oil sales.

2.1.1 Economic Sectors

There are three main sectors within the Abu Dhabi economy: public, semi-governmental, and private. The public sector is entirely under the control of the government and follows Abu Dhabi civil service laws and policies, which clearly define the relationship between the government (as employer) and citizen (as employee). It focuses mainly on the provision of national public services, and is not strictly designed for profit or financial gain (Tahir, 2014).

Semi-governmental organizations or government-backed companies may be subject to UAE labor law or an appropriate civil service law, at either federal or emirate level (Civil Service Law) (Tahir, 2014). In practice, it can often be unclear which employment laws apply to public entities.

The private sector includes corporations, businesses, and companies whose main reason for existing is to make a profit. The owners can decide, within reason, on the rules that govern the relationship between the employer and the employee, provided that these are within the limits of the national labor laws. Employees in private sector organizations are sometimes on permanent contracts, but most commonly they are on contracts with a specified duration that can be renewed by mutual agreement. Private sector organizations are driven by the desire to make a profit and expand their market share. Even though the government does not directly control the private sector, organizations in that sector must remain within the appropriate

national legal framework. For example, they must comply with labor laws and other statutory requirements.

Both private and public sectors play important roles in the development of a nation (Forstenlechner & Rutledge, 2010). The creation of semi-governmental entities also contributes to job creation and economic development. Semi-governmental entities usually offer better pay and provide goods and services that would otherwise be hard to obtain. Therefore, such entities have both commercial and public-oriented objectives.

2.1.2 The Human Resources Authority (HRA)

In order to create employment opportunities for Emirati nationals, the government of Abu Dhabi has laid out a series of interim objectives (HRA, 2018):

1. sustainable and full employment for UAE nationals in the public and private sectors

2. developing nationals' skills to match the demands of the labor market

3. a fair and ethical labor environment

4. a healthy and safe working environment.

To fulfill these objectives, the government of Abu Dhabi established the Abu Dhabi Tawteen Council in December, 2005 (HRA, 2018) with the aims of meeting the needs of the domestic labor market and of highlighting best practice in terms of Emiratization and in cooperating with key partners. The Human Resource Authority (HRA) of Abu Dhabi (a government body with full authority to enact policies) was created by Law No. 7 (2015). It replaced the Abu Dhabi Tawteen Council, the Civil Service Sector, and the Abu Dhabi Government Leadership Center in the General Secretariat of the Executive Council. This move is in line with the aspiration to

promote human capital throughout the emirate by establishing an entity responsible for developing and implementing a unified HR policy for Abu Dhabi.

The HRA aims to develop the necessary legislation and strategies to develop and standardize practices, controls, standards, and regulations in relation to HR management and Emiratization. This, in turn, should reduce inconsistencies in HR methodologies and processes in local government institutions in order to approach more efficiently the original developmental aspirations (HRA, 2018). The law establishing the new authority mandates that the HRA will support plans to create job opportunities and will follow up on these plans to ensure that they are in line with the Emiratization policy. The authority can issue recommendations regarding academic, vocational and technical study courses and training programs designed to fulfill the demands of the local labor market and thus serve the goals of Emiratization (GulfNews, 2015). Public sector and semi-governmental entities (those at least 51% owned by the government) must follow the policies and regulations issued by the HRA with regard to Emiratization in Abu Dhabi.

This has included efforts to foster gender equality, which is another goal of nationalizing the workforce. At present Women occupy very few higher positions in Gulf institutions and there is a widespread perception of ingrained gender inequality and discrimination against female employees. Therefore, in order to rectify this situation, women are now being encouraged to apply for higher level positions (Hareth, 2013). According to the Human Resource Authority (HRA), the number of Emirati job seekers ranges from 12,000 to 13,000 each year, 80% of which are women who often hold top-level qualifications. Yet according to Haghighat (2014), women's participation in the workforce in the Middle East is still comparatively very low.

Existing research indicates that women are consistently paid less than comparable male counterparts, regardless of skills, qualifications and/ or nationality Existing research indicates that women are consistently paid less than comparable male counterparts, regardless of skills, qualifications and/ or nationality (Al-Awad & Elhiraika, 2002; Al-Waqfi & Abdalla Al-faki, 2015). In general, the average Emirati male employee earned 54% more than a female UAE national, while the figure was 104% in the case of expatriate workers (the majority of whom are male). This 91% average differential across all sectors contrasts sharply with the known distribution of higher skill levels and qualifications possessed by both local and expatriate women.

Tlaiss (2014) found that female managers have struggled with gender discrimination, inequality and a biased bureaucracy inherent within traditional career paths. Despite recent improvements, women in the UAE and the majority of GCC states continue to experience gender discrimination and workplace inequality at many, if not all, levels (Al-Ahmadi, 2011; Al-Kazi, 2011).

2.1.3 Abu Dhabi Vision 2030

Abu Dhabi has set ambitious goals and objectives as part of Vision 2030. By 2030, Abu Dhabi intends to have built a sustainable and diversified value-added economy that is integrated effectively into the global economy and provides accessible, high-value opportunities for every citizen and resident. The Abu Dhabi government has funded commercial enterprises dedicated to the development of renewable energy. For example, they have built a city that relies entirely on solar and wind energy (Al-Suwaidi, 2011). This transformation should result in a highly significant reduction in carbon emissions and will offer many benefits in terms of job creation and in support of the country's Emiratization policy. This is in line with Abu

Dhabi's goal of increasing current energy reserves from renewable sources from 5% in 2020 to 7% in 2030 (Asif, 2016). Many new economic diversification projects have been launched by Mubadala, ENEC, and STRATA, who are seen as offering desirable and attractive jobs to nationals in terms of both remuneration and prestige (Al-Ali, 2008b; Forstenlechner & Rutledge, 2010).

The economic diversification currently spreading throughout Abu Dhabi is creating new job opportunities. Some of these new jobs have remuneration packages that are attractive to prospective employees and lend prestige to these opportunities (Abu-Dhabi-Government, 2016). However, most new economic diversification approaches are still initiated and controlled by the Sovereign Wealth Fund and government investment. Consequently, multinational companies that have strategic investments in the region are keen to work together with local government; cooperation between local government and multinational companies creates benefits for both parties.

2.2 Definition of Semi-Governmental Companies/State-Owned Enterprises (SOEs)

Semi-governmental companies can also be referred to as SOEs, government-backed entities (GBEs), or the quasi-private sector. In order to be consistent throughout this study, the term 'semi-governmental companies' has been used to refer to SOEs, GBEs, and quasi-private companies.

Semi-governmental companies can be viewed as enterprises that produce and sell goods and services, as opposed to government entities that are in charge of providing public services such as healthcare, education, and security (Aharoni, 1986). According to Cuervo-Cazurra, Inkpen, Musacchio, and Ramaswamy (2014), semi-governmental firms do not function fully as private firms because of government

control. Semi-government companies are enterprises mandated by the government to produce and sell services even though they are still under government control (Victor, Hults, & Thurber, 2011). The entities are established legally as commercial enterprises to conduct business on behalf of the government. They operate on commercial lines, and although they also have public policy objectives to realize, they are different from other state entities, such as those offering services and pursuing non-financial objectives like security, education, and health.

To understand the semi-governmental sector, one must understand why it was created and how it is intended to expedite the development of the country. These publicly owned entities have created jobs for UAE nationals. They are also believed to pay higher salaries than private firms and to offer other attractive benefits while providing shorter working hours and longer holidays (Forstenlechner & Mellahi, 2011). According to Rutledge, Shamsi, Bassioni, and Sheikh (2011), it is their public ownership that makes these companies 'quasi-private'.

The semi-governmental sector is therefore one component of a diversification strategy. According to Hvidt (2013), diversification is defined differently in various fields. In political economics (which underpins the present study), diversification refers to exports, and more specifically to policies that reduce over-dependence on a limited number of commodities that are subject to price and volume fluctuations or are in decline. This also requires a reduction in the prominence of the public sector in GCC economies by promoting growth in the private sector.

Semi-governmental companies contribute to the diversification of any nation's economic base. They ensure that the government does not depend on one type of export commodity only, but diversifies in order to make itself more stable economically. These entities also enhance the growth of the private sector by making themselves an

important aspect of national development. Semi-governmental companies support the government's attempts to diversify the state's economic base, and at the same time provide services for citizens and employment opportunities for jobseekers (Hvidt, 2013).

According to Ramady (2013), the Arab world has brought into focus important issues concerning the interaction and operation of the private and public sectors. Throughout the region, governments have identified programs to generate economic growth at the expense of private sector involvement. In other areas of the world, the private sector is a major generator of economic growth as well as a creator of meaningful sustained employment. The model adopted here calls for the interaction of the private and government sectors, through public–private partnerships, privatization, or direct private sector initiatives.

In summary, semi-governmental companies are commercially run and aim to be productive and make a profit. It is these features that, irrespective of ownership, make semi-governmental entities distinct from 'classical' public sector entities, including those that continue to be the main employers of UAE nationals.

2.3 Senaat and Abu Dhabi Economic Vision 2030

In 1973, the General Holding Corporation was established to fulfill the vision of the late President of the UAE and Ruler of Abu Dhabi, Sheikh Zayed bin Sultan Al Nahyan. His vision was to enhance the industrial and economic diversification of the UAE economy. The General Holding Corporation was incorporated as a public entity in 1979. It invested successfully in oil and gas services and metals industries before its reincorporation in 2004 under Federal Law No. 5 made it a public joint stock company majority-owned by the government of Abu Dhabi. To strengthen its position in the

industrial sector, the General Holding Corporation and its wholly owned subsidiary, Abu Dhabi Basic Industries Corporation PJSC (ADBIC), merged to form a new corporate brand known as Senaat. Senaat has invested more than 19 billion AED (UAE dirhams) in the non-oil sector since 2004. It continues to build up world-class businesses in order to create an integrated network of national industries, all of which promote economic performance alongside the transfer of knowledge and technology (SENAAT, 2016).

Senaat is the largest of Abu Dhabi's industrial conglomerates. It is currently considering investment of 20 billion AED in various projects over the next three years in an attempt to expand the emirate's manufacturing footprint. According to Arnold (2013), Senaat contributes to Abu Dhabi Vision 2030, as it meets the government aspiration to raise the manufacturing sector's contribution to GDP from the current 13% to 25% over the next 17 years. Senaat's plans for continued growth form an integral part of this strategy, and the company aims to contribute to industrialization and diversification in order to help achieve Vision 2030 in the UAE.

The government of Abu Dhabi has developed a detailed roadmap for the long-term transformation and diversification of the emirate's economy. Abu Dhabi Economic Vision 2030 focuses on fostering economic activities that reduce reliance on the oil sector and that can help to build a knowledge-based economy (AbuDhabi-Vision2030, 2018). Abu Dhabi currently has the opportunity to redirect employment into more productive fields, including the industry and manufacturing sectors, where it can facilitate a more efficient workforce and increase overall GDP per capita.

This vision also involves increasing the contribution of other sectors, and especially of the manufacturing sector, to the emirate's GDP by 2030. Therefore, Senaat plays a major role in enhancing Abu Dhabi's vision of diversifying its industrial

sector. One objective of Abu Dhabi Vision 2030 (AbuDhabi-Vision2030, 2018) is to 'drive significant improvement in the efficiency of the labor market'; by focusing on increasing the number of UAE national workers in the private sector, Senaat has made efforts to encourage Emiratis to join the workforce. In addition, Vision 2030 is designed to develop a highly skilled, productive workforce as a pillar of the economy. This goal can be met only through education, training, and skills development (Low, 2012).

For example, Emirates Steel has improved the nationalization of its workforce by providing professional education to UAE nationals. The company offered more than 624 training courses in the last few years (Taifour, 2014). Emirates Steel is owned by Senaat and seeks to enforce the Abu Dhabi government's industrial diversification policy. Vision 2030 specifies that the most important sectors for providing this growth are energy, oil and gas, petrochemicals, and metals. Thus, Abu Dhabi is working to produce more iron, steel, aluminum, and other basic metals, as well as other advanced materials.

Although the emirate does not have sizable ore reserves, Abu Dhabi has several natural advantages that make metal production a highly profitable growth prospect. Low energy costs, access to good industrial infrastructure, an excellent transport system, and relatively affordable skilled labor keep production costs competitive. Moreover, the opportunity for manufacturing clusters to develop around the primary production of metals will ensure that the metals sector plays a leading role in Abu Dhabi's economic diversification.

2.4 Context of the Current Study

Senaat, a part of the semi-governmental sector, is one of the UAE's largest industrial investment holding companies and plays a significant role in realizing Abu Dhabi Vision 2030. It achieves this by diversifying business activities in the emirate and creating more job opportunities for UAE nationals. As a key contributor to Vision 2030, Senaat operates in four of the main industrial sectors: metals, oil and gas services, construction and building materials, and food and beverage production.

The current study was conducted in five companies located in Abu Dhabi and Al Ain. The five Emiratization case studies follow a common outline. This common approach greatly facilitates comparisons of how each individual organization implemented key Emiratization initiatives and programs. It also allows for a comparative analysis of results, achievements, challenges, and the factors leading to the success or failure of the process.

A record of the factors leading to either success or failure will highlight the types of organizations where Emiratization planning is more likely to succeed and can help us to identify measures that can be adopted by diverse organizations to meet their Emiratization targets. Each case study describes the nature of the organization, its Emiratization policies, and the HR management and managerial practices that support Emiratization, features that will be described in depth in the findings section of this study.

2.4.1 Case Study 1: The National Petroleum Construction Company (NPCC)

NPCC is an engineering procurement and construction company that provides total solutions to the offshore and onshore oil and gas sector. It provides engineering support, arranges procurement, manages projects, and oversees fabrication,

installation, and commissioning. NPCC is a joint venture between Senaat (70%) and Consolidated Contractors International Company (CCIC) (30%). It was established in April 1973 to fabricate steel structures required by the onshore and offshore oil & gas industry. It is headquartered in Abu Dhabi and operates in the Gulf, Southern Asia, and South East Asia. There are plans to expand operations to Africa and the Caspian Sea region.

NPCC has strong relationships with most operating companies, national oil companies, and international oil companies, thanks to its track record in project delivery, quality, safety, and customer satisfaction. NPCC provides innovative and detailed offshore engineering solutions using the latest and most advanced design software. Its engineering services are provided by a team of over 1,200 engineers based in three engineering centers in Abu Dhabi and Mumbai and Hyderabad (India).

NPCC has state-of-the-art fabrication facilities in Mussafah, Abu Dhabi, spread over an area of 1.3 million square meters. These facilities are capable of producing up to 100,000 million tons of structural steel every year. The company owns a fleet of 22 offshore vessels equipped with modern facilities that support both its shallow and deeper water operations. These ships can lift structures weighing up to 4,200 tons and are also equipped to lay undersea cables and pipelines in water as deep as 2,000 meters (NPCC, 2017).

2.4.2 Case Study 2: Emirates Steel

Emirates Steel is also owned by Senaat. It is a prime example of Senaat's ability to execute multi-billion-dirham industrial projects. This company is located in the industrial part of Abu Dhabi, 35 kilometers from the heart of the city. Emirates Steel is the only integrated steel plant in the UAE, and it uses the latest rolling mill

technology to produce reinforcing steel (rebar), wire rod, and heavy sections. In 2012, the company began producing steel at a capacity of 3.5 million tons per annum. There then followed considerable expansion and further investment of 11 billion AED (US$ 3 billion).

Emirates Steel's goal is to be an efficient and competitive producer of finished steel products. To achieve this, the company is investing in expanding its processing, manufacturing, and information technology, investments that help to improve product quality while reducing the company's environmental footprint (Emirates-Steel, 2018).

2.4.3 Case Study 3: Agthia

In order to support the food and beverage sector, Senaat invested in Agthia in 2004. Agthia produces and markets flour and animal feed, water and other beverages, processed fruit, vegetables, and dairy products, and has been integrated into one consolidated group. It was also privatized in the same year. It is listed on the Abu Dhabi Securities Exchange (ADX) but remains majority-owned (51%) by Senaat.

Today, Agthia is a leading food and beverage production company located in the UAE, Egypt, Oman, and Turkey. Agthia employs approximately 2,300 employees in two business divisions: agribusiness and consumer business. The agribusiness division, located in the UAE, is responsible for the manufacture, management, and distribution and marketing of Grand Mills Flour, the leading flour in the UAE, and Agrivita animal feed.

The consumer business is responsible for the management, distribution, and marketing of several food and beverage brands manufactured by Agthia-owned operations in the UAE, Egypt, Oman, and Turkey. These include Al Ain Water and Capri-Sun juice.

2.4.4 Case Study 4: Al Foah

Al Foah was established in 2005 to regulate the date palm sector in the UAE. It is wholly owned by Senaat. Today, Al Foah is one of the largest date companies in the world, with more than 113,000 tons of dates being processed and packed annually. Al Foah manages the process of packaging, distributing, and marketing dates. It receives dates from farmers at eight receiving centers across the country and distributes them to both local and international markets. It also has the largest organic date farm in the world. This farm occupies 1,321 hectares of land and is home to more than 70,000 date palms.

Al Foah promotes the date palm around the world and highlights its intrinsic importance to local life and heritage in the region over many generations. The company exports to 48 countries around the world, including the top ten global markets for dates: the UAE, India, Oman, Bangladesh, Morocco, Indonesia, Jordan, Syria, Sri Lanka, and Somalia.

2.4.5 Case Study 5: Arkan

The Arkan Building Materials Company PJSC is a public joint stock company incorporated by Senaat to invest in the building materials sector. The company was formed by the merger of Emirates Cement and Emirates Block Factories. In May 2006, Arkan went public via an initial public offering on the Abu Dhabi Stock Exchange (ADX). Senaat retains 51% ownership of Arkan, while the rest of the shares have been traded publicly.

Arkan develops manufacturing companies involved in the building materials sector. It has expanded its business by adding new production lines, acquiring existing businesses and investing in both greenfield and brownfield projects. Today, Arkan

owns and operates six manufacturing units located between Al Ain and Abu Dhabi. These units produce cement, concrete blocks, paving slabs, plastics, GRP pipes, and paper sacks.

2.5 The GCC Labor Market

Six countries constitute the GCC: Bahrain, Kuwait, Oman, Qatar, the Kingdom of Saudi Arabia (KSA), and the UAE. The GCC countries are somewhat similar in their economic, political, and cultural structures. The largest country in the block is the KSA, which covers 2.15 million square kilometers, while the smallest country is Bahrain, where the entire archipelago, including Bahrain Island, is approximately 760 square kilometers in size.

Since the discovery of oil in the GCC countries in the 1950s, and because of an initial shortage of native workers, these countries have relied heavily on expatriate employees to build their economies. Because of high demand for construction workers, the GCC labor market is largely foreign and male-dominated. Exponential growth in construction has led to an imbalance between the private and public sectors, with expatriate workers dominating private sector employment and local workers preferring employment in the public sector.

Table 2: GCC demographic information

Country	Date/Period	Total Population	Nationals (%)	Non-Nationals (%)
Bahrain	Mid-2014	1,314,562	48.0	52.0
Kuwait	31 March, 2015	4,161,404	30.8	69.2
Oman	25 March, 2015	4,149,917	56.0	44.0
Qatar	April, 2010	1,699,435	14.3	85.7
KSA	Mid-2014	30,770,375	67.3	32.7
UAE	Mid-2010	8,264,070	11.5	88.5
Total		50,359,763	51.9	48.1

Source: National Institute of Statistics, 31 March 2015, http://gulfmigration.eu/total-population-and-percentage-of-nationals-and-non-nationals-in-gcc-countries-latest-national-statistics-2010-2015

According to the figures for 2015, the total population of the GCC was 50,359,763 (Table 2). Of that total, GCC citizens accounted for 51.9%, while the number of non-GCC nationals stood at 48.1%. The country with the largest proportion of expatriates was the UAE, while the KSA, despite its much larger native population, recorded the lowest percentage of expatriate workers. We can see from the statistics that almost half of the population of the GCC countries consists of non-GCC nationals. The main reason for this is a large influx of expatriate workers seeking jobs in the infrastructure and housing construction projects led by massive government investment programs over the past several decades (Hasan, 2015).

2.6 Labor Policy Challenges in the GCC

The governments of all countries in the GCC region have placed great emphasis on increasing the diversification of their economies as they seek to embrace a variety of economic activities that will create employment opportunities for citizens in sectors other than the oil industry. In order to achieve this goal, further emphasis

has been placed on vocational education and its outcomes. In the context of the KSA, Al Abdulkarim (2018) has related the emphasis on vocational education to the fact that many Saudi jobseekers apply for managerial positions, with very few applicants seeking production line jobs. With this reality in mind, it is important for governments in the region to invest in post-secondary school education and training.

Differences in salary levels for expatriate workers in the GCC create another barrier to local employment, where many nationals are not prepared to work for the same salary and benefits as, for example, an Asian worker. Naithani and Jha (2009) have also identified a salary gap between Asian expatriate workers and 'Western' employees, with the latter expecting higher salaries and commensurate benefits in order to compensate them for working abroad.

2.7 An Institutional Theory Perspective on the Labor Market in the GCC

Al-Waqfi and Forstenlechner (2014) adopted an institutional theory perspective in order to better understand the role played by contextual factors in the diffusion of common work values within the GCC region. Their 2014 study utilized neo-institutional theory to seek insights into the effectiveness, or ineffectiveness, of Emiratization.

In order to understand the effective causes of workforce nationalization policies in the GCC region generally, and in the UAE in particular, it is important to examine carefully many aspects of the design and instrumentation of such a policy, as well as to consider the institutional environment. Neo-institutional theory has shown how, within a certain environment, coercive, normative, and mimicking pressures can result in organizations behaving in a similar manner in respect of similar objectives (DiMaggio & Powell, 1983; Scott, 2003). According to Scott (2008), three processes

support the institutionalization of these policies: regulative, normative, and cultural-cognitive institutional elements. Regulative elements stress the setting and monitoring of rules, and the sanctioning of non-standard behavior. Normative elements involve prescriptive, evaluative, and obligatory dimensions. Cultural-cognitive elements emphasize shared conceptions that constitute the nature of social reality and the frames through which meaning is made. In this section, the study discuss various socio-cultural and institutional factors that may significantly enhance the implementation of nationalization policies in the GCC. These include changing the culture around work, shaping younger citizens' perceptions, and other localization policies in the GCC region.

2.7.1 Cultural Issues

According to research into HR resource management in KSA, the GCC countries share a common culture. A study by Ramlall, Al-Amri and Abdulghaffar (2012) identified culture and religion as explanations for many workplace practices. For example, in the GCC countries, many jobs are seen as unsuitable for women. Working outside the home can be seen as inappropriate for women, many of whom are expected to take care of their families. A woman who is seen as neglecting childcare, for instance, can bring shame upon the head of the family (Harry, 2007). In the following pages, we will discuss key cultural aspects of work in the UAE context, including preference for government jobs and reluctance to work in manual jobs.

2.7.2 Preference for Government Jobs

In the past, the UAE government addressed the issue of creating jobs for nationals by increasing the number of public sector jobs available (Cameron, 2003). However, with the government sector now at near-saturation levels of employment,

issues of efficiency have come more sharply into focus. As such, there is now a greater urgency to find alternative ways of employing UAE nationals. One such alternative is the gradual replacement, as far as possible, of expatriates with UAE nationals.

Public sector employment is a favored option for many Emiratis as, compared to the private sector, salaries are higher, non-monetary benefits are better, and working hours are generally shorter. Many private sector establishments operate 10-hour days, six days per week, and include split shifts. By comparison, the public sector generally operates on a single-shift eight-hour day, five days a week. Nationalization (Emiratization) is a medium- to long-term strategy; in the short term, one solution has been to encourage greater private sector employment of Emiratis. That, however, presents us with a problem on two fronts.

The public sector has traditionally been perceived by GCC nationals as providing the most desirable and most secure employment (Harry, 2007). Government employment in the GCC offers attractive conditions such as comparatively "short work hours, acceptable salaries, generous vacation and sick leave, security of tenure, and scholarships abroad and at home" (Sirageldin & Sherbiny, 1984, p. 87). There are many reasons for the sharp differences in perceptions of public and private sector employment among UAE nationals. Salary, type of job, and working conditions rank highly among the reasons for this dichotomy, along with the knowledge and skill levels required of candidates for employment (Baldwin-Edwards, 2011). Additionally, a host of unique social and cultural factors have had a significant impact on working practices in the Gulf and other Arab contexts. For example, the Arab diaspora has resulted in regionalism, traditional loyalties (based on ethnic, religious, and kinship connections), and a gap between urban and rural communities, all of which have hampered economic integration (Barakat, 1993). When Gulf nationals enter the labor market, their heritage

and traditions (such as social and cultural values) impact which jobs, working conditions, and salaries they deem to be appropriate to their social status. In addition, the impact of the oil industry in the Gulf has influenced labor market transitions among Gulf nationals. Because of relatively high income levels in many GCC countries as a result of the exploitation of oil and other natural resources, attitudes and expectations about which jobs are appropriate have been consolidated in many Gulf nationals (Mellahi & Al-Hinai, 2000). Because of these cultural mores and increasingly high expectations regarding salary levels for Gulf nationals, many GCC citizens are disdainful of jobs in the private sector that might require manual labor or provision of a service for other people (e.g., working in construction or as a salesperson) (Mellahi & Al-Hinai, 2000).

Therefore, low-prestige occupations (even those with competitive salaries) are mostly filled by expatriates (Hertog, 2013). As a result, many Gulf families will steer their younger members away from low-status private sector positions. However, this leaves only public sector positions, as these young people often lack the specific knowledge and skills for higher-level jobs in the private sector. This results in a highly segmented labor market (Forstenlechner & Rutledge, 2011). In fact, ever since the 1970s, manual and service work in the GCC countries has mostly been carried out by expatriates. Indeed, even before expatriates started coming to the Gulf for work, distinctions among job types existed on the basis of social status (Mellahi & Al-Hinai, 2000). In short, empirical research and anecdotal evidence show that many GCC nationals have a negative conception of non-white-collar private sector work, regardless of their own socio-economic status. Put simply, the prestige that accompanies a public sector job is preferable even to higher-income private sector jobs, if the latter jobs lack the necessary prestige. By way of example, in 2014, Saudis

made up 22.1% of the private sector workforce in the KSA (Investment, 2015). Continued reluctance from Saudis to engage in private sector work has been attributed, in part, to national culture (Al-Romi, 2001).

In the UAE, working in the government sector is linked to cultural preferences that influence the perception of which jobs are appropriate for Emiratis (Mellahi, 2007). One approach to the Emiratization of the government sector is referred to as 'Ihlal' (Godwin, 2006): it ring-fenced certain positions for Emiratis only. However, such an approach requires that Emiratis possess the requisite skills and qualifications for mid- to higher-level jobs, as they are not prepared to accept lower-income or unskilled jobs (Abdelkarim, 2001). Examples of appropriate positions include administrative and managerial jobs (Al-Ali, 2008c). As a result, some managers in the public sector think that Emiratization may actually have a negative overall effect on any given organization's productivity and performance (Abdelkarim, 2001).

In addition, education levels can be a challenge. Many jobs are unsuitable for Emiratis because of current levels of education and experience in certain fields (Alserhan, Forstenlechner, & Al-Nakeeb, 2009). For many Emiratis, pursuing higher education is not a priority (Nelson, 2004), and they choose to join either the police or the military. These institutions offer good salary packages, even for those with secondary school-level education or lower. Indeed, three out of five male secondary school graduates would prefer to join the army or the police force than to pursue higher education (Abdelkarim, 2001).

2.7.3 Reluctance to Work in Manual Jobs

Emirati culture has become very selective about the types of jobs that are acceptable for Emirati nationals. Although many of their grandparents were traders,

fishermen, and Bedouin herders, the latest generation of jobseekers chooses to shun lower-class employment. Emiratis perceive themselves as 'naturally' middle class and will avoid work that does not fit this perception (Heard-Bey, 2005). Thus, service sector jobs such as hospitality, hairdressing (Nelson, 2004), and real estate are usually avoided, and any job requiring a uniform (except in the police or military) is particularly eschewed. Nursing is shunned for its implication of service and for potential cross-gender contact: only 3% of nurses in the UAE are Emirati (El-Haddad, 2006).

2.7.4 Changing Perceptions of the Private Sector

According to Salih (2010), who explored the low rate of Kuwaiti citizens working in the private sector, positive change was underway in Kuwait. Thirty-eight percent of the students surveyed expressed an intention to join the private sector after graduation.

However, in the UAE, both women and men are entering new fields of endeavor, even those previously considered as inappropriate. This is a positive indication of the future direction of the Emirati workforce (TheNationalNews, 2013). Research has shown that 60% of Emiratis working in the private sector have experienced high levels of engagement with their job, compared to only 34% of their peers in the public sector. Some Emiratis are even now accepting jobs in the private sector that involve late hours, split shifts, or working on weekends.

However, it remains rare to see Emirati nationals working in jobs such as nursing. Nevertheless, there are exceptions. Zaman (2016) reported on a 22-year-old Emirati male nurse working in Abu Dhabi. Likewise, Hareth (2013) reported on a 28-year-old Emirati woman working as a chemical engineer in an aluminum smelting

plant. Taking on such non-traditional roles may indicate the beginning of a change in culture among younger Emiratis, which is likely to have an impact on future jobs in non-traditional fields as more nationals become attracted to these positions and, in turn, serve as role models to encourage yet more locals to follow their example.

In the KSA, the number of female Saudi employees in the private sector – which is covered by social security – increased by 8.8% in 2018. According Arabiya (2019) to the Saudi newspaper *Aleqtissadiya* and on the basis of data from the General Statistics Authority in the KSA, the number of Saudi women in the workforce at the end of the second quarter of 2018 increased to 593,400. This accounts for 6.3% of employment in the private sector, where there is a total workforce of 9.37 million. The number of female employees increased by 48,000 (reaching 593,400) by the end of the second quarter of 2018, compared to 545,400 for the same quarter of the previous year (Arabiya, 2019). As stated above, in recent years the cultural perceptions of young people in the GCC are beginning to change, with many of them now accepting jobs that were deemed unsuitable in the past.

2.7.5 Localization Policies in the GCC

Structural and cultural factors have resulted in a region characterized by over-reliance on temporary expatriate labor (Forstenlechner & Rutledge, 2011). Owing to the scarcity of native labor, GCC countries rely heavily on foreign workers. The labor policy in the region follows a 'guest worker' model in which foreign workers are hired temporarily for jobs that the local labor pool is unwilling to do because of long working hours, low prestige, and insufficient remuneration (Abdalla et al., 2010). As a means of boosting local businesses, employers were given free rein to hire expatriate workers with very few conditions placed upon them (Alserhan et al., 2009). This policy has

guided recruitment for the past few decades and has been instrumental in building the region's economic infrastructure. Most of the growth in employment has been concentrated in the private sector, where expatriates predominate. In contrast, public sector employment is the preferred option for most nationals, unless they have an educational background and the skills to compete with expatriate workers.

The downside of this policy is that native workers are severely under-represented in many private sector jobs, while they remain over-represented in the public sector. Public sector positions are often preferred for their greater job security and more attractive benefits compared to the private sector. Wages are also lower in the private sector, making many firms unattractive to GCC nationals. As jobs in the non-oil sector continued to grow, lower productivity and a lack of suitable skills and vocational ethics in the national workforce, together with their reluctance to pursue private sector roles (although these account for 90% of the employment opportunities in the region), persuaded employers to seek even greater numbers of skilled expatriate workers (Hasan, 2015). The skills and experience of the GCC nationals did not compare favorably with those of the foreign workers, who were often willing to accept the relatively poor conditions offered by private sector employment (Harry, 2007). In short, the guest worker model resulted in a highly segmented labor market, prompting GCC governments to introduce localization quotas.

Every GCC country has a program of quotas to increase the number of nationals in the public and private sectors (Randeree, 2009): Emiratization, Qatarization, Kuwaitization, Saudization, Bahrainization, and Omanization. These quotas have been introduced to address issues such as the demographic imbalance caused by a high proportion of expatriates, the challenges of public and private sector

employment, the role of women in society, reliance on expatriate employment, and high rates of unemployment, among other concerns.

Other policy responses designed to address this segmentation and high unemployment rates among nationals have included educational reforms and the nationalization of labor markets (Hasan, 2015). GCC countries have established policies to prioritize the employment of nationals. For instance, the UAE began its Emiratization program as early as the 1990s to increase the number of nationals in public and private sector employment. Emiratization has been implemented by two agencies: the Ministry of Labor and Social Affairs, and the National Human Resources Development and Employment Authority (Tanmia). Their programs are designed to improve education and training in order to equip Emiratis with the skills and knowledge required to compete in the job market (Al-Ali, 2008b). Meanwhile, other policies have been implemented to encourage Emiratization in the private sector. These include wage subsidies, employment targets, and wage restraint for public sector workers.

Research on Emiratization by (Al-Waqfi & Forstenlechner, 2014a) has identified challenges for the program, with some organizations not achieving their goals because of failures in communication between organizations and policy-makers. Other factors have included a high turnover of Emirati employees, differences in wage expectations for Emiratis compared to expatriates, and a scarcity of skilled Emiratis.

To combat this a new strategy, the 'Absher' initiative was launched on 29 November 2012 to enhance the participation of UAE citizens in the labor market. This was based on a directive from His Highness Sheikh Khalifa bin Zayed Al Nahyan, President of the UAE. The initiative aims to establish an overall strategic framework in order to employ UAE citizens under one clear and comprehensive plan, in line with

the UAE's Vision 2021. By creating more job opportunities for UAE citizens, it is hoped that the initiative will boost the competitiveness of the national economy, while simultaneously enhancing socio-economic and professional standards as Emiratis advance and diversify their career options (Vision2021, 2018).

Thus far, Emiratization has been successful only in the public sector. In the private sector, Emiratization has not taken hold because of the indifference of young Emiratis (Abdalla et al., 2010; Al-Ali, 2008c). Similar national policies, such as Omanization, have also had lukewarm results and, in general, nationalization policies have been considered as failures (Forstenlechner & Rutledge, 2010).

According to Mellahi (2007), four key factors have shaped the labor market in the neighboring KSA: high population growth, heavy reliance on foreign workers, negative stereotypes of local workers, and social perceptions of working in the private sector. The Saudi government introduced a program to enhance nationalization when the Saudi Ministry of Labor announced their 'Nitaqat' program in June 2011 in support of Saudization (Alshanbri et al., 2015). The primary goal of the Nitaqat initiative was to assist the Saudization initiative and to find work for Saudi jobseekers. The program was designed to reduce the number of foreign workers required in key sectors of the economy. However, even though the Nitaqat initiative recruited approximately 250,000 Saudis, problems remained, including an inability to trace employees who left companies, the failure of approximately 400 private business, and fake Saudization practiced by some private companies (Alshanbri et al., 2015). Elsewhere, Kuwait had to officially subsidize the employment of its citizens with direct payments to the private sector (Forstenlechner & Rutledge, 2010).

2.8 GCC Efforts to Enhance Nationalization

According to Al Dosary (2004, p. 129), 'it took so many years for this problem to develop and mature, and logically it will require even more time to resolve and to go back to normal states of balance between supply and demand for jobs filled by Saudis'. This observation is applicable to all of the GCC countries. It will certainly require much time and effort to resolve the nationalization issue.

Harry (2007, p. 135) stated that government thinking should look to create jobs that are attractive to citizens: 'there will still be a need to make changes in the social structures, but the GCC is wealthy enough to afford to invest in change'. Therefore, GCC countries have set long-term goals aimed at diversification of their economies in order to increase nationalization. The benefits of economic diversification, as Albassam (2015) noted, is that it will create jobs in more than one sector. Rather than a continued dependence on oil revenues, GCC countries need to focus on diversifying their economies to ensure that they are in line with future global business trends. Therefore, GCC countries have implemented economic diversification programs in response to the vulnerability of oil-dependent economies. Furthermore, a diversified economy is a key method for the creation of more stable jobs that do not rely on fluctuations in the price of oil. As such, economic diversification has been seen as crucial to GCC governments seeking to support and encourage the private sector as part of greater economic development (Alserhan et al., 2009).

Most GCC countries are moving toward using renewable energy. This step will reap many benefits, such as energy security, job creation, business opportunities, and sustainable development. The UAE, as part of its Vision 2021, announced its first renewable energy policy, promising that 7% of its power will come from renewable energy by 2021. Meanwhile, the KSA is developing the manufacture of plastics,

polymers, and fertilizers through the state-owned SABIC company (Al-Maamary, Kazem, & Chaichan, 2016). The UAE's diversification efforts have been largely service-based; however, it is currently shifting toward more knowledge-based development. In addition, Forstenlechner & Mellahi (2011) believe that 'the future development of the GCC into diversified knowledge-based economies will attract and retain the creative class of highly educated and globally mobile professionals'.

An example of successful economic diversification can be seen in the UAE with the move away from a resource-dependent economy toward a knowledge economy. This has seen more investment in natural gas, agriculture, feedstock, and alternative energy (Hasan, 2015). Qatar wants to ensure that by 2030 it will have obtained a suitable number of highly educated and professional foreign employees to ensure that the country has an acceptable mix of foreign employees and will retain the most effective of them as they attempt to diversify the economy.

One important factor for any economy is employing and deploying the best possible workforce. Acquiring talent and professionalism in the business sector should ensure that businesses and the economy operate efficiently. The UAE is planning to increase the employment rate of its citizens while ensuring that it implements more selective recruitment of foreign workers (CompanyNews, 2015).

Additionally, GCC countries have made efforts to improve their education systems to match the needs of the market. In 2011, there were a total of 117 universities (including 37 international branch campuses) (Hasan, 2015), and the number has grown since then. Better education, training, and development, and the promotion of internship programs in the private sector allow students to take part-time jobs, which they can combine with classroom-based education. Moreover, increased maternity leave for female workers, more vocational training, and aligning public sector

remuneration packages to the private sector are all measures designed to alleviate any mismatch between the needs of the private sector and the skills of graduating students (Zriqat, 2016). However, the lack of visible business success stories in the media has made it difficult for the government to get its message across. One way of doing this would involve marketing campaigns that single out authentic success stories (Forstenlechner, 2008). The present study will also focus on success stories from Senaat, and in particular the story of Emirates Steel, which has the highest percentage of Emiratis recorded to date in its current workforce. In addition, this study will evaluate the challenges that these companies face when implementing the Emiratization program.

2.9 Summary

This chapter has described the context for the current case studies of Emiratization and the concomitant evaluation of its successes to date. We have briefly described the companies involved in the study, the challenges they face when attempting to implement Emiratization successfully, and their successes to date. This chapter also considered the wider Gulf region and the implementation of similar programs in neighboring, culturally similar countries. Before looking more carefully at the theoretical framework underpinning this study, it is important to review the relevant literature on this subject that has helped to guide the study.

Chapter 3: Literature Review

3.1 The Nature of the Problem

Emiratization, and similar programs in neighboring countries such as the KSA, are designed to deal with context and with culturally specific issues in the workplace. In short, GCC governments are attempting to create more jobs for their citizens in order to achieve particular goals. Certain GCC countries – here we focus on the KSA and the UAE, as they are the two leading countries in the region in terms of number and scale of construction projects – have become increasingly aware of the need for diversification of their respective economies. According to Callen et al. (2014), the KSA and the UAE account for approximately 72% of construction projects throughout the entire region. Previously, these two countries, like others, had been largely dependent on oil-based resources.

Thus, the need for diversification stems from the desire to reduce economic exposure to the volatility and uncertainties of the global oil market, while creating jobs in the private sector capable of absorbing the large and growing numbers of the young working-age population. Callen et al. (2014, p. 11) viewed these long-term economic and social programs as vital if GCC countries are going to 'promote sustainable development, reduce dependence on oil revenues, and increase private sector job creation for nationals'. Equally, these governments need to concern themselves with social issues and 'human security' in the aftermath of the 'Arab Spring' in other Middle East and North African countries. First, we will look in more detail at the Emiratization program in the UAE.

3.2 Emiratization

Emiratization is an interventionist approach on the part of the UAE government 'to reduce the country's reliance on expatriate labor and increase the participation of nationals in the labor market' (Wilkins, 2002, p. 8). The government has selected various industries across both the public and private sectors and is attempting to create more job opportunities for UAE nationals. At the same time, the program is designed to upgrade the skills and productivity of the local workforce in a drive to reduce unemployment.

In order to achieve these targets, the relevant government agencies have set aside certain positions for national employees. For example, from January 1, 2017, any construction or industrial sector employers with more than 500 employees are required to employ a health and safety officer, who has to be an Emirati national. The other main strategy for encouraging greater Emiratization has been the imposition of employment quotas. However, simply filling quotas was never intended to be the solution. Potter (1989, p. 26) quoted from the now-superseded National Human Resources Development and Employment Authority, Tanmia, since replaced by the Ministry of Human Resources and Emiratization (MoHRE): 'effective localization has occurred when a local national is filling a job sufficiently competently to fulfill organizational needs' and is not simply filling the post 'cosmetically'.

However, a recent estimate from Matherly and Al Nahyan (2015b) put the percentage of expatriate employees in the UAE at more than 80%, with the majority of UAE national employees working in the public rather than in the private sector. This, in turn, has necessitated the extension of the quota system to the private sector.

3.2.1 Challenges and Concerns

However, these measures are not without their critics. Forstenlechner and Al-Waqfi (2010), cited in Matherly and Al Nahyan (2015a, p. 9) warned that Emiratization was:

> A complex situation that nationalization efforts are implemented and which present numerous challenges. Such programs must incorporate clear objectives for both partners to foster intra organizational learning. Most importantly, effective workforce quota programs should stipulate the process through which the functions of performance management and strategic organizational objectives are linked to workforce learning and skills and training development. Measurement that focuses solely on quotas may increase the number and ratio of nationals to non-nationals in an organization but do little to either build nationals' skills or improve the organization.

In a similar vein, Hertog (2013) has characterized many companies' preference for foreign employees as perfectly rational given the business benefits of employing low-skill, low-cost expatriates to do jobs that would cost the company much more if they were forced by a strict quota system to employ more Emirati nationals. This is because of the need for private businesses to compete with the public sector, where wages are higher, work conditions much easier, and most jobs are – thanks in part to Emiratization – held by Emirati nationals in the first place (Hertog, 2013).

This has become an increasing problem for the UAE as, according to Callen et al. (2014), it has become increasingly expensive for the public sector to absorb and employ Emirati nationals. This has resulted in a bloated public sector and an increasingly large government wage bill. Furthermore, training programs and educational institutions seek to prepare Emirati nationals for such jobs, predominantly in middle management.

Randeree (2012) nicely encapsulated the issue when he pointed out the challenges of identifying suitably qualified Emiratis and enforcing quota targets. These challenges, he believed, were somewhat ameliorated by extending – initially voluntary – quotas to the private sector. This at first offered benefits such as lesser job turnover and the development of local professional networks; however, certain issues remained.

Central to these issues was the concern that the quota systems were leading to increased costs, as companies were forced to employ more expensive, less well-qualified staff in order to meet the quotas. Forstenlechner and Al-Waqfi (2010) mentioned the stereotype (fair or not) that Emirati nationals were likely to be less motivated and less competent than the cheaper expatriate employees who were available. Hertog (2013) further pointed out that the nationalization of the UAE labor market has been effected through quotas and prohibitions on hiring less expensive (possibly more competent) employees, rather than through genuine national employment in which UAE nationals acquire the requisite skills for a variety of roles in the private sector. Similarly, Godwin (2006, p. 9) believed that the UAE business sector 'has been slow to adhere to the quotas and anecdotal evidence from the newspaper media suggests that the Emiratization policy treated as a form of taxation'. This is an opinion echoed by Mashood, Verhoeven, and Chansarkar (2009). In addition, it would appear that Emiratization quota targets have so far been consistently reached only in the public sector. As far as success in the private sector goes, Emiratization has not maintained pace, owing to the indifference of young Emiratis (Abdalla et al., 2010; Al-Ali, 2008b).

Other scholars have identified further similar barriers to Emiratization, such as the level of experience and skills, and a lack of training. A recent HR law in Abu Dhabi to enhance Emiratization announced further benefits to attract and retain Emirati

employees. These included reserving many part-time jobs for Emiratis, paying an annual bonus to outstanding government employees in Abu Dhabi emirate, three days of paternity leave for government staff, three months of paid maternity leave for Emirati women, plus allowing them to leave work two hours early for a year after giving birth, and the provision of training for national employees to prepare them to perform their roles.

Such provisions make it difficult to wean Emirati employees away from government jobs and make it even more unattractive to replace expatriate workers with Emiratis in the private sector. Al-Waqfi and Forstenlechner (2010) have identified other challenges affecting the Emiratization program. They believe that some organizations are not achieving their goals because of a failure of communication between these organizations and the policy-makers. Moreover, factors such as a high turnover rate of Emirati employees, different wage expectations for Emiratis compared to expatriates, and a scarcity of skilled Emiratis available for employment remain a serious obstacle to the successful implementation of Emiratization.

3.3 Initiatives for Employing Emiratis

3.3.1 The Absher Initiative

The Absher initiative was launched on 29 November 2012 to enhance the participation of UAE citizens in the labor market. It was inspired by a directive from His Highness Sheikh Khalifa bin Zayed Al Nahyan, President of the UAE. The initiative aimed to establish an overall strategic framework for employing UAE citizens under the umbrella of one clear and comprehensive plan, in line with the UAE's Vision 2021. This was to be achieved by creating more job opportunities for UAE citizens, and it was hoped that the initiative would boost the competitiveness of

the national economy, while simultaneously enhancing socio-economic and professional standards as Emiratis diversify their career options (Vision2021, 2018).

The Absher initiative is supervised by the Ministry of Presidential Affairs and implemented by MoHRE. The aim of the initiative is to provide approximately 20,000 jobs for citizens in the near future, and it complements a number of previous programs launched by both federal and local governments in the UAE. These include:

- the National Human Resource Development and Employment Authority (Tanmia), now a part of MoHRE
- the Emirates National Development Program
- the Abu Dhabi HRA
- the Dubai Government Human Resources Department
- the Sharjah Government Directorate of Human Resources.

These entities aim to develop the skills of UAE nationals to prepare them for the job market. They also serve as recruitment agencies by offering a channel for UAE nationals and employers to reach out to each other.

3.3.2 Absher Objectives

The Absher initiative has the following clearly defined objectives:

- supporting Emiratization efforts and increasing the participation of Emiratis in the private sector by providing benefits to Emiratis working in this sector
- stimulating community service programs for organizations and entities involved in Emiratization
- reducing the gap between the public and private sectors through incentives and offers to increase the participation of Emiratis in private sector employment.

According to the (Khaleej-Times, 2013) as many as 2,200 Emirati men and women working in the private sector are availing themselves of the numerous services and special discounts on offer when they register for an Absher card. This privilege program, launched in January of this year, is one of several initiatives brought about by the President, His Highness Shaikh Khalifa bin Zayed Al Nahyan.

The Ministry of Labor announced that Absher cards would allow eligible Emiratis to benefit from services provided by 17 government entities. To encourage more private establishments to participate in the program, the Ministry also grants them privileges such as priority transactions at service counters in the Ministry's offices in Abu Dhabi, Dubai, and elsewhere. These companies are also able to promote and advertise their services free of charge through the Ministry's web portal, and are invited to participate in an exhibition held every six months at the Ministry. These benefits were announced at a forum on the Discounts and Special Offers Program for Emiratis working in the private sector in Dubai. The initiative was promoted in collaboration with the Ministry of Presidential Affairs and the Ministry of Labor. The event was attended by the Assistant Under-Secretary for the Technical Office of Affairs from the Ministry of Presidential Affairs, Nasser Al Hamili, the Assistant Under-Secretary for Labor Affairs, Humaid bin Demas, and a number of officials from the two Ministries. In addition, there were representatives from 30 private companies. Under-Secretary Demas said that the program was designed to support Emiratization and increase participation in private sector employment.

Al Ariss (2014) found that his participants agreed that diversity in the workforce provided more employment opportunities but also reported that cultural differences might sometimes lead to significant misunderstandings. In addition, some

participants reported that certain expatriates were not keen to pass on their knowledge to their Emirati colleagues for fear of being replaced in the long term.

One other issue that has surfaced in the research and other literature on Emiratization is the issue of 'ghost' employees. Companies that employ Emirati 'ghost workers' as a way of circumventing the new incentive scheme will face fines of up to 20,000 Emirati Dirhams per worker and then have to pay punitive charges for labor cards (Salem, 2010). Al Riyami et al. (2015) discovered not only that ghost employment, or under-employment was rife in the private sector, but also that Emiratization quotas were seen as the main reason for the existence of 'fake' employees.

3.4 Saudization

The largest native population and, consequently, the largest construction, business, and industrial employment market in the region is that of the KSA. Therefore, before further considering research on Emiratization it would be constructive to consider this very similar case.

The very idea of Saudization has been around since the 1990s, when the Saudi government declared a 20% Saudization target across all major industries. Unfortunately, that target was not only over-ambitious but was also unenforced; thus, these early nationalization attempts were widely regarded as a failure. From about 2013 onwards, the 'Nitaqat' program set a sliding scale of Saudization targets (in a color-coded series). It also rewarded (or punished) firms for their compliance (or lack of it) by controlling the number of expatriate visas these companies could obtain (Peck, 2017). As with the UAE aim of increasing employment of its nationals across all aspects of the domestic economy, the key points were to reduce and reverse an over-

reliance on expatriate workers and to recapture income that flows overseas through expatriate workers' remittances (Al-Dosary & Rahman, 2005). Additionally, and once again in a similar vein to the UAE's Emiratization policy, the Saudization quota system 'is often combined with training initiatives, levies and rebates to make employing Nationals more attractive to companies' (Al-Dosary & Rahman, 2005, p. 495).

3.4.1 The Effectiveness of Saudization

While Saudization has not been without its successes – an overall gain in private sector employment of 6.3% in 2010 – it still has many critics. It has been pointed out that, in order to meet quotas, some companies have resorted to hiring unqualified workers (like the UAE's 'ghost' workers mentioned above) simply to fill positions and meet Saudization quota requirements. Such practices are not only detrimental in the short term but will harm the Saudi economy and labor market for years to come through their emphasis on quantity instead of quality. Saudi employment policies – characterized by reliance on cheap overseas labor in service, manufacturing, and construction industries – have also led to a situation where many Saudis attempt to avoid the social stigma of accepting a low-skilled job. As a result, most Saudi workers in the private sector are employed in clerical, sales, or service jobs.

Therefore, companies often find themselves meeting their required quotas by hiring Saudis who are under-prepared and poorly qualified, and who have high salary expectations. It is also possible that such workers feel entitled to their share in the country's oil wealth; in addition, as nationals and stakeholders, they are far harder to dismiss than expatriate workers. Al-Dosary and Rahman (2005, p. 495) argued that in order to address these issues:

Saudization should place on skill development among Saudi nationals by strengthening educational and vocational training, and providing time-specific incentives rather than relying only on a quota system. Saudization should be implemented more through market forces and incentives.

Indeed, for Saudization, and by extension, Emiratization, to achieve its ambitious goals, what is really needed is a change in workplace culture.

3.5 Emiratization as an Affirmative Action Program: Tools and Instruments

3.5.1 Human Resources Systems and Emiratization

Returning to Emiratization and its implementation, Budhwar & Mellahi (2007) noted that scant information is available on various aspects of HR management (HRM) in the Middle East. They discussed the development of HRM in Middle Eastern countries that have begun to develop local workforces in order to reduce the proportion of foreign labor required. Their article also highlighted other studies that have helped the development of HRM in the Middle East and discussed the differences in HRM policies and theories between different countries in the region. They observed that culture was not necessarily a factor in causing the variance they identified. Afiouni, Ruël and Schuler (2014) listed nine papers that brought together various threads characteristic of the debate on effective HRM policies. These threads were employment nationalization policies, self-initiated expatriation, local employees' views of expatriate managers, the retention of female talent, knowledge-transfer from multinational corporations (MNCs) to local subsidiaries, high-performance work systems, and behaviors of employees and leaders.

According to Afiouni, Karam and El-Hajj (2013), the literature on human resource management (HRM) in the Arab Middle East (AME) can be categorized

along several dimensions. One of these dimensions is concerned with crafting HR practices to achieve the strategic goals of the organization. In addressing this point, they found that localization strategies were an important driver of HRM policies in the region but were still not fully integrated into the international human resources management (IHRM) literature.

Forstenlechner (2008) emphasized that HR practices need to be adapted to support Emiratization and that there should be appropriate training for locals before they start in the workplace. In addition, nationalization strategies require adjustment as part of the HR strategy of each respective organization. According to (Matherly & Al Nahyan, 2015a), knowledge-transfer from expatriate workers to locals also needs to be managed in an appropriate manner, with employee incentives being directly linked to knowledge-transfer that results in improved process performance and customer satisfaction and serves as an incentive and impetus for the employee. Thus, the GCC countries need to implement strategies to identify both talented expatriates and nationals, and to encourage them to engage in partnerships.

3.5.2 Training and Educational Issues in the UAE

According to Jones (2007), who examined the opinions of 70 Emirati school leavers on the 'Al Mishaal' training program, business skill training outcomes, based on international standards such as handling conflict and negotiation, may be compromised by pre-existing cultural beliefs and value systems that are incompatible with those promoted in such training programs. Moreover, Rowland-Jones (2016) reported that the UAE's higher education academic environment does not yet appear to be sufficiently supportive, incentivizing, or rewarding of collaborative work within a business. They suggested that collaboration between UAE universities, industry, and

government needs a clear engagement strategy to highlight opportunities to work together.

3.5.3 Women and Work

Another potential cultural fault line can be found when it comes gender roles and perceptions. Emirati women comprise the vast majority of students in the education system and thus, it is to be assumed, will constitute the majority of jobseekers in the future. Despite this, they may well face inequalities in the workplace due to cultural and social barriers. Nelson (2004) highlighted some major obstacles facing Emirati women in the workforce, such as holding 'last resort' jobs, general dissatisfaction with their terms and conditions of employment, and (especially for would-be entrepreneurs) legal and cultural restrictions, together with a lack of appropriate assistance in the job market. Nelson also recommended improving existing HR policies in the private sector by providing better training for HR staff. Additionally, Harry (2007) and Yaghi (2016b) suggested that there is less resistance to women working in the public sector, rather than the private sector. Finally, Omair (2010) interviewed 15 Emirati women, who stated that the main barriers to Emirati females succeeding in the workplace were 'wasta' (connections, often familial), discrimination against women at work, and family attitudes. In another study Yaghi (2016a) discussed turnover among Emirati women managers.

There is evidence in the UAE of gender-based differences in the employment conditions of both local and expatriate workers.(Al-Waqfi & Abdalla Al-faki, 2015) revealed gender-based inequities in the UAE labor market. They highlighted specific contextual factors that influence the employment conditions of women in comparison to those of men. The gender gap in the UAE is compounded by nationality. These

gender differences are less apparent in the case of foreign workers as compared to UAE nationals. This is explained in the following quote from Al-Waqfi and Abdalla Al-faki (2015, p. 407):

> The picture becomes clearer when we compare the average pay levels between males and females holding the same job categories. Here, also, we found that female managers were consistently paid less compared to their male counterparts. This also applied to all of the three nationality groups. It is clear that employed females have higher educational qualifications than males – both Emiratis and expatriates.

3.6 Summary

In this chapter, we have looked at the extant, and salient, literature generated in and around two Gulf countries concerning their respective localization strategies – namely Emiratization and Saudization. The challenges facing the increasingly bloated public sector, as it attempts to come to terms with localization policies, include a lack of motivation, suitable and marketable skills amongst locals/nationals and other contextual and cultural issues. Despite initiatives such as the Absher program in the UAE or Nitaqat program in KSA, the literature still points to serious flaws within the system where often quotas are being met without any real localization of key jobs and positions taking place. In addition, the role of the local culture vis-à-vis workplace ethics and gender/family roles remained as a barrier to effective Emiratization/Saudization. According to Hertog (2013), UAE and Saudi firms will continue to prefer to employ expatriate employees as long as local candidates are poorly equipped for such roles, and are more expensive and less productive. It was suggested that 'real' localization required a change in training methods, the education system, salary expectations and that strategies that genuinely prepared local candidates

to succeed in these roles needed to be in place. It was no longer sufficient to simply

meet quotas.

Chapter 4: Theoretical Framework

4.1 Introduction

Before conducting any in-depth exploration or investigation, the researcher must make certain decisions with regard to the approach and methodology to be employed. These decisions are far from ad hoc, and are influenced by the researcher's own worldview (ontology) and views on the construction of knowledge (epistemology). This in turn informs the choice of suitable research questions and of the framework that will determine the choice of methodology and approach to the analysis of the data. Therefore, this chapter will outline the researcher's underlying approach (constructivism), how this informs the methodological considerations, and how this in turn suggested institutional theory as the prism through which to view the qualitative data analysis.

4.2 Constructivism

Honebein (1996) describes constructivism as the view that people construct their own understanding of the world and what it is that constitutes knowledge. They do this by experiencing real-world events and reflecting on their experiences. Therefore, constructivism assumes that people form or construct much of what they learn through actual experience (Hein, 1991). Thus, to the constructivist, constructing meaning is learning; there is no other kind of knowledge construction. This is contrary to a more traditional view of learning, according to which a teacher, or expert, pours knowledge into an empty vessel, where it is memorized in the short term and often forgotten later. A typical example is studying for an examination with no intention of applying the 'learning' to any real-life settings.

Drawing on these ideas, this study is a qualitative multiple case study, as this allows the research to delve more deeply into the participants' actual lived experiences. The intention was to understand and describe more fully the gap that exists when it comes to identifying factors contributing to the effectiveness of the Emiratization strategy. Although some researchers have identified a gap in research on nationalization of the workplace in the GCC countries in general, and the UAE in particular (Al-Waqfi & Forstenlechner, 2014; Forstenlechner, 2010; Thompson & Wissink, 2016), it was felt that there was a need for a deeper, more holistic understanding, hence the approach taken here.

The researcher wanted to ask questions directly to experts involved in the Emiratization strategies at each company. The questions were designed to explore in depth the implementation of these Emiratization strategies. This involved gathering data on how such strategies were designed, what the thinking behind the design was, what obstacles they faced, and what actions were taken to get around these obstacles.

A quantitative study would not allow us to achieve all of these targets, as traditionally in quantitative studies the researcher does not interact directly with the participants. Thus, a quantitative study would not allow the researcher to explore the perspectives and actual views of the participants, and the researcher would therefore not be able to explore the issues deeply enough. Quantitative methods are generally used to answer research questions that focus on identifying numerical changes in relationships and detecting changes in variables when testing out hypotheses. However, in this case, the key issue was to find out more about the implementation of certain strategies, how they work, and what obstacles they present. We wished to dig below the surface to find the underlying factors relating to the issue to understand it better and to be in a position to suggest improvements. A qualitative inquiry, free of

the limitations imposed by quantitative research (because of its highly controlled environment), permitted an in-depth look at the phenomena, leading to a deeper understanding of the problem.

As such, a case study was the best research methodology for this study for two main reasons: (a) it provided a path to answering the how and why questions regarding Emiratization strategies, and (b) the behaviors and experiences of the participants could not be manipulated. However, before describing the methodology in more detail (see Chapter 5 below), it is important to understand the underlying research paradigm, as this reflects how the research was designed and conducted, and may also explain any unintended biases in the interpretation of the data.

4.3 Research Paradigm

This study is based on a constructivist paradigm (Stake, 1995; Yin, 2003). Constructivists claim that truth is relative, dependent on one's perspective, and built on the premise that reality is socially constructed. One of the advantages of this approach is that it allows for a close collaboration between the researcher and the research participants, thus enabling the participants to tell their stories. It is through these stories that the participants are able to describe their views of reality and how they interpret phenomena, thus allowing the researcher to better understand the participants' actions, beliefs, and opinions (Baxter & Jack, 2008).

The term 'social construction' was introduced to the social sciences by Berger and Luckmann (1967) in their seminal book, The Social Construction of Reality: A Treatise in the Sociology of Knowledge. It can be defined as a process whereby a given society's members make sense, over time, of their relationships to each other and how they interrelate and organize themselves in patterns (often repeated), construct rules,

follow habits or heuristics, and communicate these actions and feelings to other people through the institutionalization of their respective roles. Therefore, when these rules are endorsed by the individuals that make up a certain society, they become institutions inherent in that society. Consequently, institutionalized roles and categories become the socially constructed 'reality' that every member, or most members, of that society accept as given.

Under a similar umbrella, neo-institutional theory offered a useful perspective that enables us to understand the role of contextual factors in the diffusion of common work values within the GCC region (DiMaggio & Powell, 1983; Scott, 1995, 2008). Scott (1995) described three processes that support institutionalization: the regulative, normative, and cultural-cognitive institutional elements. The regulative elements involve the establishment of rules and other control mechanisms, and use sanctions to influence and control behavior. Normative elements involve the creation of expectations, which are translated into the prescriptive and obligatory elements of any given social system, such as a work environment. The cultural-cognitive element helps to create shared conceptions, norms, and frames of reference or meaning within a social group.

The regulative institutional processes are rooted in both formal and informal systems of rules and procedures, coercive requirements, restrictions, and sanctions that influence behaviors in certain contexts. One inhibiting factor preventing the private sector employment of citizens in the GCC region is to be found in countries' legal frameworks, which often give employers more power over expatriate workers than over national citizens (Mellahi, 2007). Therefore, one of the main challenges to Emiratization in the private sector is adapting the legal framework to accommodate the needs of jobseekers who are Emirati nationals. Although they are well protected

and privileged in the public sector, Emiratis find themselves vulnerable in private sector jobs. This is mainly due to a strict legal framework that is designed to control transient expatriate workers rather than local citizens.

Therefore, following on from our constructivist views, institutional theory provides a theoretical lens through which to study the adoption and diffusion of organizational forms and practices (Björkman, Fey, & Park, 2007; DiMaggio & Powell, 1983). One of the earliest publications on institutionalism and economics was that of Selznick (1957), who described the role of institutions in instilling values and providing intrinsic worth to the structure of organizations. Meyer and Rowan (1977) viewed institutionalism as social pressure on individuals to accept a shared definition of the social environment. Given our research focus, the argument from an institutional perspective that organizations are under social influence and pressure to adopt certain practices – such as HRM practices – that are appropriate to the context and situation is certainly valid (DiMaggio & Powell, 1983). The main assumption here is that the local institutional environment will shape firms' HRM patterns in a certain way (Aguilera & Yip, 2004). Research in the field of international HRM has shown that there are considerable differences in HRM practices across the subsidiaries of MNEs, which reflect, among other factors, the local institutional influence on subsidiaries (Rosenzweig & Nohria, 1994). A lot of interest has been focused on the HRM practices of MNEs in foreign subsidiaries (Björkman et al., 2007; Farndale, Brewster, & Poutsma, 2014). Much of the literature refers to institutional theory and how it allows for an analysis of a host country in terms of regulatory, normative, and cognitive institutional processes and how they influence the IHRM practices of foreign-owned subsidiaries (Hannon & Jaw, 1995; Scott, 1995). More specifically, the institutional context has become the key to understanding organizational practices (Morgan, 2011).

However, scholarly research into the interplay between institutionalism and HRM in emerging economies, especially in the emerging Gulf countries, is still scarce (Afiouni et al., 2013; Al Ariss, 2014), despite the increasing importance and influence that can be attributed to the GCC countries. Therefore, our primary aim is to clarify the theoretical contribution of Scott's (1995) institutional perspective in order to analyze the pattern of HRM practices in the companies used in the case studies presented here. Pursuing this approach can enhance our understanding of the role of institutional context in the development of HRM practices in an emerging-market setting.

4.3.1 The Regulative Pillar

The regulative pillar is 'the existing laws and rules in a particular national environment which promotes certain types of behaviors and restricts others' (Kostova, 1999, p. 180). As such, social stability is maintained in both the formal and informal contexts of 'appropriate' behaviors and actions that establish, observe, and approve of individual activities. For instance, rules such as school regulations, professional standards, governmental laws, and court rulings serve to control the actions of both teachers and educational administrators (Hanson, 2001). The regulative pillar supports institutions' rules through its coercive nature, and it implies a loss of freedom. The regulative role of institutions involves recognition of practices such as giving licenses to individuals and/or to organizations in order to operate in a given context (Scott, 2014).

4.3.2 The Normative Pillar

The normative pillar is 'a prescriptive, evaluative, and obligatory dimension into social life' (Scott, 2014, p. 63). Normative systems encompass values and norms

about human nature and human behavior that are shared socially by individuals. The 'basis of compliance' is a sense of moral and social obligation, where one assumes that this is the way 'things should be done' (Phillips & Malhotra, 2008, p. 710). The logic is one of appropriateness, where everyday choices and behaviors can be approved of or condoned socially, even when there are no written rules to specify the markers of appropriate behavior. The key feature of the normative approach is the shared construction of the expected moral behavior (Stinchcombe, 1997). Depending on the extent to which one is following normative rules, the emotional and moral consequences can involve either shame or honor (Scott, 2014). Licht, Goldschmidt, and Schwartz (2005) argued that corporations risk considerable reputational damage if they challenge the norms or values of specific national institutions.

4.3.3 The Cultural-Cognitive Pillar

The cultural-cognitive pillar is the 'shared conceptions that constitute the nature of social reality and the frames through which meaning is made' (Scott, 2008, p. 428). Cultural-cognitive factors relate to the deep-seated beliefs and assumptions of any given society (Scott, 2005) that are simply taken as being right and natural. This pillar concerns the ways in which meaning is constructed culturally and cognitively (Scott, 2014). D'Andrade (1984, p. 88), cited in Scott (2014, p. 66), proposed that 'in the cognitive paradigm, what a creature does is, in large, a function of the creature's internal representation of its environment'. Social systems – symbols, words, signs, and gestures – convey meanings that are already attributed to things. However, meaning is reproduced once again and uniquely through interpersonal interactions that are reiterated and transformed as we make sense of both actions and meaning (Scott, 2014).

Culture has been defined by Stead (2004, p. 401) as 'a social system of shared symbols, meanings, perspectives, and social actions that are mutually negotiated by people in their relationships with others'. Culture displays these features in the behavior of groups and individuals, even though cultural conceptions may vary between individuals. Some may hold similar beliefs, while others do not, as people perceive and react differently to the same situation (DiMaggio, 1997). Moreover, culture is not static, but changes according to the degree of contact one has with people from different cultures (Stead, 2004).

The cultural-cognitive pillar has received less attention than the regulative and normative pillars (Scott, 2014). The regulative and normative pillars are more visible and tangible and are often forced upon individuals, whereas the cultural-cognitive pillar is more nuanced and embedded in everyday life (Scott, 2014). There is an increasing acknowledgment that, apart from being more explicit, regulative features are less consequential and more superficial than cultural and normative factors. Regulatory elements move faster and are easier to manipulate or separate from our actual practices compared to other forces (i.e., the normative and cultural) (Evans, 2004).

4.4 Contextual Factors that Hinder Emiratization

4.4.1 Salary Expectations

Many private sector organizations are reluctant to hire Emiratis because of their salary expectations (Abdelkarim, 2001; Forstenlechner, 2010). The private sector must always be aware of costs and rarely considers social or national concerns. Even private sector organizations that hire Emiratis focus more on placing Emiratis with high-school qualifications than on placing graduates. The private sector will hire high-

school graduates because they are much cheaper in terms of salary packages than university graduates. In addition, a private sector company might hire Emiratis to fill a quota or demonstrate its commitment to Emiratization, while, in reality, those Emiratis will often be neglected by the company and will eventually leave (Waxin, Lindsay, Belkhodja, & Zhao, 2018).

A key challenge is the difference in salary packages between the sectors. The salaries offered in the private sector are usually much lower than in the government sector. Many social scholars consider this to be the main obstacle preventing Emiratis from working in the private sector (Al-Ali, 2006).

4.4.2 Stereotyping of Emiratis

Unfortunately, underlying assumptions and stereotypes can affect the success of localization, especially in terms of employee retention. Negative stereotypes are often associated with low levels of commitment and can spur the intention to leave the workplace (Von Hippel, Kalokerinos, Henry, & aging, 2013).

A study in Oman by Al-Lamki (1998) suggested that expatriate managers favor tight control and central decision making with only a modest amount of power delegated to subordinates. In general, expatriate managers prefer to employ expatriates. Typical behaviors expected of Emiratis include arriving late for work and leaving when they please (Behery, 2011; Forstenlechner & Al-Waqfi, 2010; Rees, Mamman, & Braik, 2007). Such negative stereotypes of Emiratis are prevalent not only among foreigners but also among Emiratis themselves. These negative stereotypes limit a manager's ability to make best use of subordinates' skills and to support them in the development of new skills. For instance, if a manager perceives an Emirati as lazy and lacking a work ethic, the Emirati might never be offered the chance

to develop his/her skills, which might lead to him/her deciding to leave the organization. Employees are more likely to leave an organization if they perceive that negative stereotyping influences how they are treated in the workplace.

4.4.3 Lack of Experience, Education and English Language Skills

Another reason for the resistance of private sector employers to the recruitment of Emiratis is the general perception that Emiratis, especially recent graduates, are not quite ready to join the workforce, as they lack the required skills and expertise, such as social skills and a suitable work ethic (Al-Ali, 2008c). Employers claim that Emirati jobseekers lack professionalism, particularly if they do not hold a university degree. Yet another obstacle facing Emiratis seeking to join the labor force is the language barrier. Many Emiratis do not have sufficient English language skills (Abdelkarim, 2001), which are crucial for attaining higher qualifications and for maintaining a professional career in the public and private sectors.

There are many reasons why Emiratis lack professional skills and competencies. Providing training and development programs for Emiratis is a challenge (Al-Ali, 2008c). Al-Ali (2008a), in his study on the structural barriers to Emiratization, found that Emiratis do not tend to perform well on training programs. The provision of training is not always sufficient or appropriate to the employees' needs; moreover, being one of world's highest per capita income countries has resulted in high expectations on the part of employees (Godwin, 2006).

Another challenge is the education system itself. According to Raven (2011), one of the main reasons for unemployment among locals is that local education qualifications do not match workplace requirements, especially for private sector positions. Like most Arab and Middle Eastern countries, the UAE education system

focuses on traditional learning styles characterized by rote learning rather than critical thinking. This has resulted in graduates without the knowledge, skills, and attitudes required to begin or maintain a successful career in the local labor market (Al-Ali, 2008c).

Many researchers have recommended that the government should focus on closing the gap between higher education and the labor market by establishing a long-term educational strategy (Al-Ali, 2008a; Godwin, 2006). Forstenlechner (2010) claimed that education in the country does not reach the expected level. Randall (1990) argued that the government should not measure educational output solely on the basis of economic factors. He further suggested that the government should focus on improving the quality of Emirati graduates and on finding the causes behind Emiratis' lack of motivation with respect to education. Even in the government sector, there is resistance toward Emiratization from Emirati managers, who prefer foreign employees even when Emiratis exhibit equivalent expertise and capabilities. The reasons for this include a lack of English language skills on the part of Emiratis, and the fact that managers have more control of foreign employees (Salom, 2011).

4.4.4 Work Hours and Job Security in the Private Sector

Working conditions in the private sector present a major challenge to Emiratization. The government sector has certain characteristics that the private sector cannot match. These include fewer working hours and a shorter working week (Abdelkarim, 2001). There are fewer working days in the government sector (five working days per week) than in the private sector (six working days) (Alserhan et al., 2009; Neal, 2010). Morada (2002) found that more than 24% of Emiratis left the private sector for precisely this reason.

Job security is another important factor that pushes Emiratis away from the private sector. Emiratis in the private sector can easily lose their jobs, as the private sector does not offer any job security (Alserhan et al., 2009). In contrast, the government sector provides Emiratis with stability, and they know that they will not lose their jobs even if they do not perform well.

4.5 Contextual Factors that Support Emiratization

Although workforce localization strategies vary from company to company, they all involve key HRM practices such as recruitment and selection, training and development, career management, performance management, compensation policies, and talent management for national employees. This section looks at staffing processes, engagement and retention policies, gender issues, and the other key factors in the successful implementation of localization.

4.5.1 Effective Staffing and Recruitment

Recruiting local talent is one of the biggest challenges in the GCC countries (Scott-Jackson et al., 2014a). However, very few researchers have focused on recruitment and selection practices that could facilitate greater localization. Forstenlechner (2010) identified three challenges to the successful recruitment of UAE nationals: pressure to lower recruitment standards, the need to create a sufficient talent pool, and the difficulty of differentiating between recent graduates who lack any form of work experience. It was felt that the best way to improve in this area was to use multiple, specifically targeted external recruitment methods. These include developing relationships with educational institutions and offering internships, summer jobs, or part-time employment (Panaccio & Waxin, 2010). Scott-Jackson et al. (2014a) recommended a form of executive research that targeted lower-level nationals by

identifying communities likely to contain suitable candidates and then making connections via mutual contacts in order to approach candidates personally. It was also important for employers to carefully assess the local market and working preferences so that they could recruit efficiently.

4.5.2 Training and Development

Given the recognized shortcomings of the educational system and a lack of marketable skills or experiences, proper training programs are vital for the successful integration of national citizens into the workforce. Such programs should include specialized recruitment and induction schemes, with training periods for new graduates (Al-Dosary & Rahman, 2005; Randeree, 2009).

Another appropriate practice could be organizing joint training initiatives to maximize their effect. Development initiatives can involve joint intra- or inter-sector programs, partnerships with universities, and cooperation with government agencies (Scott-Jackson et al., 2014a). Successful companies do not only meet quotas but also use local talent management practices to develop nationals for highly skilled positions and future leadership roles (Scott-Jackson et al., 2014b). They identify fast-track candidates and attempt to utilize local strengths while supporting any weaknesses through training.

4.5.3 Engagement and Retention Practices

Employee engagement is one of the most important HRM priorities (Scott-Jackson et al., 2014a). Singh, Jones, and Hall (2012) studied workplace engagement in the GCC and other mainly expatriate workforces. Based on a questionnaire of 4,599 employees from 40 companies in the UAE, Qatar, and Bahrain, they found that GCC nationals were less engaged than expatriates (50.8% versus 56.9%).

Men were more engaged with their jobs than women (57.3% versus 49.7%). Female nationals were the least engaged, with only 48.4 percent reporting that they were highly engaged. When compared with Hewitt's worldwide scores for workplace engagement, these are some of the lowest scores recorded. Perhaps even more interesting is the stratification of engagement across age cohorts. There is a significant dip between the years of 25 and 45, when the pressures of traditional family life may take their toll. Moreover, Singh et al. (2012) highlighted how much a person's identity influences his/her approach to work and engagement in the GCC countries.

Forstenlechner (2010) identified two specific challenges related to the retention of national employees. First, starting in a career with no clear path for promotion to a managerial role is unappealing for many nationals. Thus, it is important to emphasize the existence of potential career paths from the start. Second, and of particular relevance for women in the GCC countries, who have limited mobility because of societal and family restrictions, was the challenge of having to move to a new location in order to advance their career within an organization. This can be a serious constraint and may undermine attempts at retention and motivation.

4.6 Emiratization as a Strategic Initiative

Key factors supporting workforce localization that emerged from existing research are the commitment of top management, treating localization as a strategic talent management issue, close evaluation and monitoring of the process, and strategic HRM.

First, as with diversity management and the management of change in general, the commitment of senior management to Emiratization is essential if it is in any way likely to be successful (Rees et al., 2007; Yaghi, 2013).

Second, successful organizations see localization as an integral part of their strategic talent management program. Scott-Jackson et al. (2014b) found that organizations with successful localization programs had a clear, business-related strategy, precise localization policies, and a plan complete with business outputs and objectives. They adapted their brand, staffing, development, and retention strategies to exploit local talent fully. Successful organizations also tended to use their own specifically tailored recruitment and development solutions, often accepting, but not relying on, the assistance provided by government entities. Unfortunately, many companies engaged in costly one-time initiatives rather than pursuing a systematic approach to their Emiratization strategy (Mellahi, 2007) or adapting their HRM strategies to help achieve the desired localization of the workforce.

Furthermore, strategic HRM should be based on empirical observation and tangible measures; there is a need to monitor and evaluate the effectiveness of any such practices. At an organizational level, the success of localization strategies should not only be measured in terms of the percentage of GCC nationals in the workforce. A national talent management process should be carefully monitored and managed in order to focus on aspects such as local talent strategies, acquisition, development, management, engagement, and retention, which should all be assessed regularly using appropriate measures (Scott-Jackson et al., 2014b).

4.7 Human Capital Theory

The role of human capital in the knowledge economy is growing. The accretion of human capital through education, training, and development has previously been explored in terms of how the working environment affects employee attitudes. It has been argued that policies based on these principles are required for many organizations

in nations such as the UAE. Therefore, this study also consider how human capital relationships affect the five organizations.

4.7.1 Overview and Definition

Human capital is widely accepted as a significant factor in economic growth. It is often defined as intellectual resources that have been categorized, captured, and leveraged to create assets of higher value (Davenport & Prusak, 1998). Human capital can therefore be further defined as the knowledge, skills, competencies, and attributes of individuals that help to create personal, social, and economic wellbeing (Healy & Côté, 2001). Dess and Picken (2000) defined human capital as a collection of each employee's competencies, knowledge, and aptitudes in relation to specific projects, and also their potential to contribute to the pool of human capital in terms of their knowledge, capabilities, and learning. A usable definition of human capital is essential, since it is the primary resource in knowledge-based economies, which rely on human capital to produce economic progress (Healy & Côté, 2001).

In general, human capital can be made use of anywhere, as it is an inherent part of the individual. It is therefore portable and goes with a person to their various organizations and jobs, and can be utilized successfully in any workplace situation. The HR discipline often employs the term 'human capital' to refer to people in the workplace and the collective knowledge, skills, expertise, and innovative and developmental capacity displayed by workers (Barney, 2002).

Schultz (1971) suggested a similarity between human capital and physical capital. This is defined as a factor of production, or input, into the production process and incorporates elements such as machinery, buildings, and hardware. This comparison relies on the fact that, predominantly, neither human nor physical capital

creates any economic effect. Once an employee receives training, they contribute to revenue generation and to the profitability of their company. As we can see from Schultz's (1971) argument, allowing an employee to gain the requisite knowledge and skills through specific training will result in capital gains and an improvement in quality.

According to Becker and Gerhart (1996), human capital can be categorized as either general or specific. General human capital is regarded as being transferrable across jobs, organizations, and industries. It is found in individual employees, who can move without any restrictions between industries. Becker (1964) emphasized the fact that such very specific human capital is difficult to transfer between industries, jobs, or organizations, and is consequently unable to help in transferring disparities in income throughout the labor market. Additionally, BeckerBecker (1964) argued that specific human capital was also characterized by its ability to increase productivity only within a particular organization or specific context. As a result, the transfer of specific human capital between industries is difficult. On the other hand, the association of education with economic development is represented strongly in the work of Hanushek and Kimko (2000).

However, recent studies have cast doubt on the term 'knowledge' itself. For instance, according to Rastogi (2000), the term concerns knowledge and learning, inspiration and invention, skills and aptitudes, none of which can be replaced by any other resource. Therefore, companies should constantly pursue knowledge in an effort to be even more competitive.

4.8 Social Capital Theory

Social capital is a concept that is full of ambiguity because of the confusing differences between definitions. For instance, Coleman (1990) defined social capital as a structure formed by such entities as duties, responsibilities, expectations, trust, and the flow of information. It has a role to play in guiding individuals and helping to shape their actions.

From an economic perspective, social capital was defined by Narayan-Parker and Pritchett (1997, p. 3) as 'something accumulated which contributes to higher income or better outcomes'. Such outcomes can be seen in better government, more cooperation between individuals for the good of society, and the reinforcement of bonds between those individuals. This can lead to innovation and can enhance the flow and quality of information. Therefore, the transaction costs of the information flow will decrease.

Nahapiet and Ghoshal (1998, p. 250) saw social capital as a 'facilitator of the development of intellectual capital by affecting the conditions necessary for exchange and combination to occur'. This suggests that social capital incorporates existing knowledge, and that the knowledge can be processed to facilitate the transfer of knowledge.

Social capital theory is useful when trying to understand the connection between social capital and the learning behaviors of groups. It can increase within organizations thanks to the social links between employees and their fellow workers. Networking helps employees to enhance their knowledge and to offer, as well as receive, advice and help (Sparrowe, Liden, Wayne, & Kraimer, 2001). Social capital, thus, gives participants not only knowledge but also authority and leverage. Many groups that are connected to each other through diverse social networks can generate

social capital and encourage others in their network to activate and maintain links in order to facilitate the transfer of knowledge (Adler & Kwon, 2002). According to Kogut and Zander (1996), companies can achieve better results through the exchange of knowledge. Scholars such as Tsai and Ghoshal (1998) have also suggested that an organization's inventive competence is based on corporate norms that coordinate association among employees and groups of employees, as well as with other organizations.

The communication etiquette within a company influences the possibility of generating knowledge. Positive and beneficial associations make it possible to accelerate the management of communication and the free delivery of individual expertise and opinions. Positive associations prevent knowledge generation being based on suspicion, apprehension, or discontent (Kessels & Poell, 2004). Because of the influence of a broad range of factors, social capital is classified as either internal or external. Internal social capital deals with the associations between leaders and their teams, as well as company functions (Hitt, Lee, & Yucel, 2002). External social capital, on the other hand, is concerned with associations with outsider resource suppliers. These outside associations allow reaching out to external suppliers who may supply major assets such as human resources or finance. These links are also a tool for protecting the company from any dangers or threats from another company (Useem, Christman, Gold, & Simon, 1997).

A limited number of studies, such as Hansen (1999), have broken down the idea of internal social capital and the links between group members or teams. Studies on outside social capital and the external associations of companies with their stakeholders have also been conducted (Ying, Daud, & Kiong, 2011).

Chapter 5: Methodology

5.1 Introduction

Many researchers have made use of semi-structured interviews as part of a qualitative approach to exploring the issue of nationalization (Forstenlechner, 2008; Williams, Wallis, & Williams, 2013). Other scholars have researched this issue by conducting interviews with focus groups consisting of a variety of stakeholders (Abdulla, Djebarni, & Mellahi, 2011; Marmenout & Lirio, 2014). With this previous research in mind, and following on from the theoretical framework described above, it was decided to conduct exploratory research by means of five separate cases studies. Before describing the rationale for this largely qualitative approach, it is worth taking a closer look at the research questions we are addressing in this study.

5.1.1 Research Questions

1. What is the Emiratization strategy? How is it perceived by the respective participating organizations?

2. What are the characteristics of the Emiratization strategy, as carried out by the participating organizations?

3. How effective is the Emiratization strategy in bringing about positive outcomes for the participating organizations?

4. What is the role of HR policies and actions in achieving effective Emiratization in the participating organizations?

5. What are the challenges to Emiratization at the participating organizations?

5.2 A Multiple Case Study Approach

As Emiratization has become a key policy for the government of the UAE, this study is extremely timely and important. It will be conducted by exploring the effectiveness of Emiratization by means of multiple case studies carried out in the four main industrial sectors in Abu Dhabi emirate. These are metals, oil and gas, construction and building materials, and food and beverage production.

Multiple case studies allow the researcher to explore the differences within and between cases with the aim of replicating the findings across different cases. As the ultimate goal is to draw comparisons, it is imperative that the cases are carefully chosen to allow for comparison and extrapolation across cases, so that the researcher can predict similar, or even contrasting, results based on sound theoretical underpinnings (Yin, 2003). The multiple case study approach allows us to examine several cases in order to understand the similarities and differences among them. The five case studies presented here follow a common framework based on a review of the literature. This allowed the researcher to identify key variables in terms of their effectiveness on the Emiratization program.

It is unlikely that the Emiratization policy will have been equally successful in different organizations. On the contrary, it is very likely that the program fits certain organizational sectors, entities, technologies, and organizational cultures better than others. Therefore, it was assumed that exploring the success of Emiratization under certain conditions, and its failure in others, would help to identify which types of organization are suitable for such nationalization and localization policies. Thus, a starting point for the case studies is to gather detailed information about the organizational context. Each case study describes the nature of the business and organizational culture and how they perceive Emiratization, before looking at HR

practices and the actual, on-the-ground implementation of the various Emiratization strategies.

Understanding the context is necessary not only to understand where Emiratization fits well, but also to understand the very process itself. Emiratization plans tend to be customized to fit the needs of particular organizations. This is partly because there is no well-established set of techniques for successful Emiratization. Managers and HR professionals are required to consider their objectives and how Emiratization can best be enhanced in order to support organizational needs and requirements. They also need to be flexible as these strategies develop and change along the way. Thus, understanding the design of an Emiratization strategy requires an understanding of its specific organizational context. Therefore, in all five case studies we gathered considerable detail about the specific processes of design and implementation used by the respective entities to achieve their Emiratization targets. This includes a consideration of which entities have achieved and maintained their Emiratization goals, who designed these strategies, and to what extent the employees were involved in the design of the plan.

5.3 Ethical Considerations

Research must ensure high levels of protection and confidentiality for participants, especially in a qualitative research situation in order to minimize the risk of coercion and to manage the risk and/or potential harm to all parties involved in or affected by the research (Edwards et al., 2002). These issues can be addressed as follows:

- by requesting access and obtaining informed consent
- by ongoing negotiation of participation in the research

- by developing a rapport with participants

- by explaining details of the research in order to gain approval from the ethics committee of the sponsoring academic institution

- by communicating to the participants the intentions of the research, the data analysis methodology, and the responsibility and accountability of the researcher.

Edwards and Mauthner (2002) have stated that research must focus primarily on care and responsibility toward the participants, rather than just on the desired outcomes. To this end, the researcher should prioritize the following measures:

- Prior to data collection, the researcher should identify as many actors as possible who may be affected by any ethical dilemmas raised in the research.

- The researcher must identify what needs to be done to avoid such dilemmas and consider how best to communicate any ethical dilemmas to those concerned; he/she should listen to the participants' views in order to negotiate an appropriate way forward for the research.

- The researcher should acknowledge that ethical responsibilities do not begin and end with the participants' concerns but extend to readers and other end-users of the research.

- Ethical care should also be taken to protect and assist those who may build on this knowledge at the interpretive, epistemological, and academic levels.

For this particular study, ethical clearance was obtained from the UAEU Social Sciences Research Ethics Committee. The approval of the committee verified that the objectives of the research and its intended contribution to the field of study would be adequately communicated to those involved. The nature of the data required and method of collection were deemed suitable and acceptable. When data collection and

reporting were finished, the information remained accessible to the participants, and the measures employed to ensure confidentiality were considered satisfactory.

Recruiting the participants and collecting the data commenced very soon after receiving ethical clearance. The study was explained to participants in plain and simple English via an interview protocol (Appendix B). Furthermore, the researcher's contact details were provided to enable participants to access further information, if required. Additionally, written informed consent was obtained from the respondents prior to each interview.

5.4 Sampling and Data Collection Methods

A case study is an empirical inquiry that investigates a contemporary phenomenon in depth and within a real-world context. This is especially useful when the boundary between the phenomenon in question and the context may not be clearly evident (Yin, 2013). By using the same questions for each of the five individual case studies, we were able to gather a plethora of rich, detailed, and ultimately useful information. The advantages of such an approach are enormous. Therefore, each of the five case studies uses the same bank of questions in order to gain a deeper understanding of how effective Emiratization has been at each company.

The data were gathered using the following method. First, we obtained secondary data on each company's workforce, employee turnover rates, and percentages of Emiratization achieved. After that, structured interviews were conducted on a one-to-one basis. Each interview lasted approximately 60 to 90 minutes.

5.4.1 Purposive Sampling

Purposive sampling is the selection of participants with shared knowledge or experience of the phenomena identified by the researcher as a potential area for exploration (Sandelowski, 1995). A purposive sample is selected based on the knowledge contained within a certain population and the purpose of the study (Babbie, 2001). Purposive sampling focuses on the particular characteristics of a population that are of interest to the researcher and should result in significant and interesting answers to the research questions (Trochim, 2006). This technique is referred to as homogeneous sampling, and is an example of a method that requires participants to share important underlying characteristics. Qualitative researchers frequently use purposive sampling by deliberately seeking out potential respondents who are likely to be rich sources of relevant data (Tashakkori & Teddlie, 1998).

5.4.2 Interviews

There is no prescribed number of interviews required with this research design. Instead, the number of interviews is considered to be enough when a state of analytical saturation emerges according to time constraints, resources, and the availability of participants (Mason, 2010). The number of interviews is less important than the richness and thickness of the descriptions obtained. The ultimate interpretation of thick descriptions is based on the work of Geertz (1973), who argued that thick descriptions have greater explanatory power, which enables researchers to reach a deeper level of meaning. The process is not linear but is an iterative inquiry that constantly moves between the concepts, the data, society, other concrete phenomena, past and present issues, and appearance and essence.

Prior to the interviews, the participants were briefed on the objectives of the study and assured that they would remain anonymous throughout the project (Appendix A). A typical interview lasted between 60 and 90 minutes, which was sufficient time to flesh out each research question in the necessary depth. This is consistent with expert opinion on conducting interviews, which suggests that interviews lasting more than 90 minutes do not reveal any more depth because of interviewee fatigue (Hermanowicz, 2002). It is worth mentioning here that all of the 12 participants gave permission for their interviews to be tape-recorded.

Data collection took place between February and July 2018. All 12 interviews with senior managers were all conducted face to face in the familiar environment of their respective offices.

5.4.3 Voluntary Participation and Informed Consent

Research ethics deals with the interaction between researchers and the people they are studying. A number of methods are used by the social research establishment to better protect the rights of research participants (Singleton Jr & Bruce, 1999). In particular, the participants in this study were voluntarily recruited and not coerced in any way. This necessitated obtaining informed consent, ensuring that the respondents understood the importance of the research study and its methodological approach.

The first step in achieving informed consent is to inform the participants about the research in a way they can understand. For in-depth interviews, informed consent is often oral and tape-recorded, but some studies may require participants to sign a written informed consent document (Neuman & Dickinson, 2003). Participants in this study were provided with an information sheet (Appendix A) and a consent form (Appendix B). The information sheet detailed the purpose of the study and the risks

involved in participation. In addition to informing participants about the voluntary nature of the study, informed consent is designed to ensure that they understand the risks and benefits of participation. This study sought to ensure that no participant was put in a situation where they might be harmed in any way. We guaranteed confidentiality and assured the participants that no identifying information would be available to anyone not directly involved in the study. The researcher used UAEU's standard informed consent template.

5.4.4 Data Organization and Storage

After data collection, it is important for careful organization and storage procedures to be in place so that there is a systematic method for collating the raw data. In the present study, the handwritten notes were securely stored on university premises. Physical data were locked in a filing cabinet and organized into individual folders after each event (such as an interview and or a data analysis task). These files are kept at the university and will remain securely stored for a full five years after submission of this thesis.

5.4.5 Data Coding and Analysis

The coding strategy employed was based on the methodology recommended by Strauss and Corbin (1998). The Straussian model was used for the following additional reasons:

- It provides a coding paradigm that helps researchers to interpret an interview transcript.

- It proposes a coding paradigm that instructs the researcher to identify a core category (core phenomenon) and its causal conditions, interactions, strategies, and consequences.

- It is compatible with the latest thinking. The literature review suggests that a Straussian-coding paradigm moves the interpretive stage closer toward a social constructivist ontological view and toward a postmodernist approach, all of which is compatible with contemporary thinking (Strauss & Corbin, 1998).

- It pays attention to broader environmental and contextual factors that can influence the phenomena under study.

- It supports a more detailed understanding and guides both action and practice (Strauss & Corbin, 1998).

- It enumerates explicit guidelines for the analysis of data. The more explicit the guidelines, the more helpful, rather than restrictive, they become.

Strauss and Corbin (1998) used a process of validation to compare concepts and their relationships to the data in order to determine how well the findings stand up to scrutiny. This means that the researcher's interpretations were checked against the participants' views and the data as the study progressed (Strauss & Corbin, 1998). Strauss and Corbin (1998) acknowledged that there might be different explanations for what is emerges from the data.

The coding was conducted in three stages: open, axial, and selective (Strauss & Corbin, 1998), which are explained below.

5.4.6 Open Coding

The detailed process of open coding helps to open up the text and to interpret the transcript/interview notes in new ways that test the researcher's assumptions.

Strauss and Corbin (1998) suggested using initial or sensitizing questions to help the researcher grasp what the data might be indicating. Such suggested questions might include '(W)hat are the actors' definitions and meaning of these phenomena or situations' (Strauss & Corbin, 1998, p. 77).

Initially, during the open coding stage, the data were independently broken down into discrete incidents, ideas, events, and acts. A code was assigned to incidents, events, actions, or objects in the data that were understood to be indicators of particular phenomena (Strauss & Corbin, 1998). Furthermore, the transcripts of the 12 recorded interviews were exported to the ATLAS.ti software for open coding and to reduce the time spent on organizing the data and the findings. The software resorted the material and generated codes.

As a result, 88 open codes were produced. As the data analysis continued, other objects, events, acts, or happenings that shared one or more characteristics with another object or happening were placed under the same code. In this process, each incident is compared to other incidents at a property or dimensional level, where they are placed in categories depending on similarities or differences. This process results in the grouping of concepts into categories and themes. An example is provided in Figure 1, which shows how open coding was achieved by using the ATLAS.ti software.
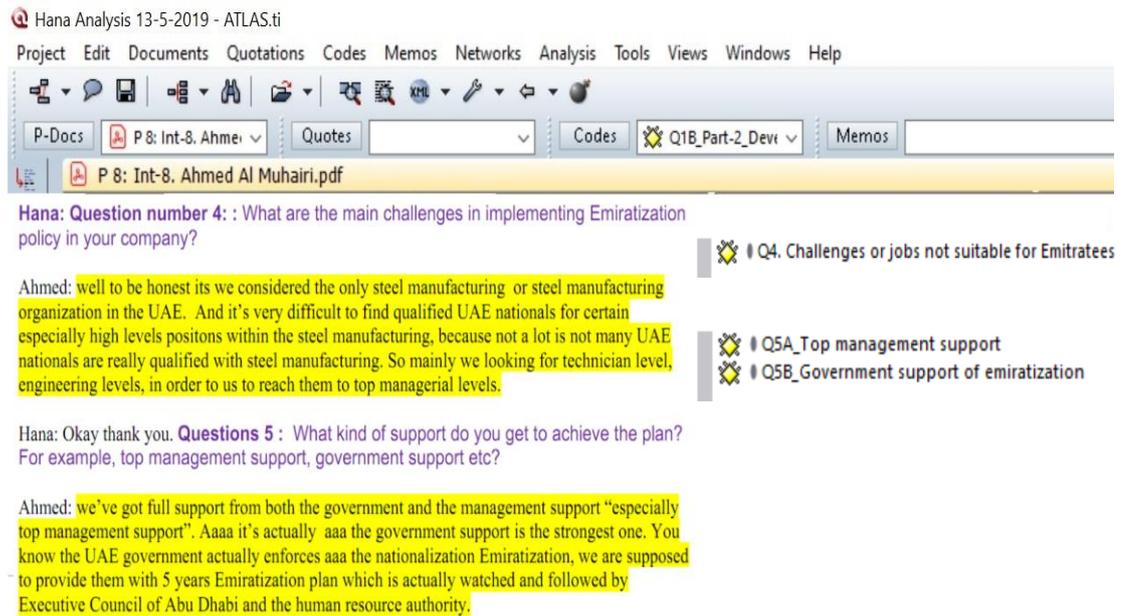
Figure 1: Coding example

5.4.7 Axial Coding

Once categories had emerged from the open coding, intensive content analysis, known as axial coding, was undertaken for each category. The purpose of axial coding is to reassemble data that have fractured during the open coding phase. Axial coding and open coding were carried out alternately (Strauss & Corbin, 1998). Axial coding identifies the central phenomenon as it emerges from the data. It also exhibits the causal conditions influencing the phenomenon and the resulting actions or strategies. Axial coding highlights the centrality of context as an intervening condition of the delineated outcomes. It is important to specify that although axial coding differs in purpose from open coding, these are not necessarily sequential analytical steps. Therefore, the researcher alternated between open and axial coding.

5.4.8 Selective Coding

Selective coding is the process of integrating and refining a theory (Strauss & Corbin 1998). Selective coding refers to the final stage of the data analysis that is

completed after the core concepts that emerged from the coded categories and subcategories have been identified via open and/or axial coding. Selective coding is limited to those variables that relate to the core variables emerging from the study. In summary, during the open coding phase, the researcher was concerned with generating categories and their properties and sought to determine how these concepts varied dimensionally. In the axial coding phase, the categories were systematically developed and linked. Finally, during the selective coding phase, the process of integrating the core categories took place. Table 3 shows different type of sample codes.

Table 3: Coding

Sample Higher-Order Selective Codes	Sample Lower-Order Axial Codes	Sample Lower-Order Opening Codes
Perception of Emiratization	National Talent Development Program	Participants Developing Emiratis Training Fresh Emirati Graduates
	Corporate Social Responsibility	Voluntary Initiative Community Service Supporting UAE Government
	Reserving Certain Jobs for Emiratis	Hiring More Emiratis Succession Planning Recruitment Planning
Emiratization Characteristics	Beginning of Emiratization	More than a Decade Ago A Decade Ago In the Last Five Years
	Emiratization Strategy Names	National Talent Development Program Renaming Emiratization Policy
	Emiratization Regulatory Bodies	Tawteen Senaat Internal Department
	Emiratization Reporting	Quarterly Report Report Details Reporting to both Tawteen and Senaat Spreadsheet
	Emiratization Monitoring & Auditing	Tawteen Senaat Internal Audit External Audit

5.5 Summary

This chapter has provided a detailed explanation concerning why this study adopted a qualitative design. Additionally, we discussed the various ethical considerations that were taken into account in the fieldwork, which incorporated a series of in-depth interviews with senior managers. The analysis of the taped interviews was conducted using ATLAS.ti software and further supplemented by Strauss and Corbin's (1998) recommended coding paradigm. The detailed results of this study are discussed in Chapter 6.

Chapter 6: Data Analysis and Results

6.1 Introduction

The data of the current study were collected using a semi-structured interview method. The semi-structured in-depth interviews were taken from 12 interviewees holding middle- and top-level positions in the selected five organizations. The data analysis of the 12 interview transcripts was primarily qualitative in nature and was carried out using qualitative data analysis and research software, ATLAS.ti version 7 (Muhr, 2004). For responses to a few closed-ended questions and sample demographic characteristics, quantitative descriptive analysis was also carried out in SPSS version 23 (Ibm, 2017).

The first part of this chapter presents the quantitative descriptive findings for the characteristics of the 12 interviewees (hereafter termed the participants) and their respective organizations. The second part presents detailed qualitative findings for the following five main research questions:

1. What is the Emiratization strategy? How is it perceived in the participating organizations?

2. What are the characteristics of the Emiratization strategy as carried out by the participating organizations?

3. How effective is the Emiratization strategy in bringing about positive outcomes for the participating organizations?

4. What is the role of HR policies and actions in achieving effective Emiratization in the participating organizations?

5. What are the challenges to Emiratization at the participating organizations?

The chapter concludes with a summary of the main findings of the study.

6.2 Quantitative Analysis

The initial data analysis was a quantitative descriptive analysis carried out using SPSS (version 25). It analyzed participant and organizational characteristics. After that, a frequency analysis was conducted on selected closed-ended questions, which were evaluated on a five-point Likert scale, where 1 represented 'strongly disagree' and 5 represented 'strongly agree'. These initial findings are shown below.

6.2.1 Participant Characteristics

The interviews were conducted with 12 participants from five different organizations. Each participant came from either the HR or Emiratization department of the organizations (see Table 5). The researcher contacted the participants by telephone, email, or both and requested an interview to discuss Emiratization strategies at their respective organizations. The participants all responded positively and scheduled an interview during the period of the study. Their names and organizations have been replaced with a code to ensure confidentiality.

Table 4 shows that, of the 12 participants (P1 to P12), eight were male (P4, P5, P7, P8, P9, P10, P11, and P12) and four were female (P1, P2, P3, and P6). Each respondent held a senior level management position within their organization. Their roles were as follows: human capital superintendent (P7 and P8), human capital manager (P1), HR director (P12), HR manager (P11), senior training and work readiness analyst (P2), senior HR and administration manager (P9), manpower planning and budget specialist (P3), talent strategy and organizational development advisor (P5), Emiratization development manager (P6), and Emiratization and training manager (P10). In terms of participant characteristics, six participants were aged between 30 and 39, four between 40 and 49, and the remaining two were older than

50. Five of the participants had 5 to 14 years of work experience, four had 15 to 24 years of relevant experience, and the remaining three had over 25 years of working experience in this field.

These characteristics suggest that the sample selected here was experienced and knowledgeable regarding Emiratization policies and the implications of such policies for their respective organizations.

Table 4: Participant characteristics

SN	Interviewee Code	Organization Code	Interviewee Designation	Nationality	Gender	Age	Education
1	P1	O1	Human capital manager	Emirati	Female	37	Master's degree
2	P2	O1	Senior training and work readiness analyst	Emirati	Female	37	Bachelor's degree
3	P3	O1	Manpower planning and budgeting specialist	Emirati	Female	37	Bachelor's degree
4	P4	O1	Head of Emiratization, MP, and talent acquisition	Emirati	Male	40	Master's in HR Management
5	P5	O2	Talent strategy and organization development advisor	Lebanese	Male	62	Master's degree
6	P6	O2	Emiratization development manager	Emirati	Female	30	Bachelor's degree
7	P7	O3	Human capital superintendent	Emirati	Male	35	Bachelor's degree
8	P8	O3	Human capital superintendent	Pakistani	Male	46	MBA
9	P9	O4	Senior HR and administration manager	Emirati	Male	55	Higher diploma in Engineering
10	P10	O4	Emiratization and training manager	Emirati	Male	40	Master's degree
11	P11	O5	HR manager	Emirati	Male	38	Master's degree
12	P12	O5	HR director	Emirati	Male	46	Bachelor's in Business Admin

Note: The names of the participants and their respective organizations were replaced with a code to ensure confidentiality.

6.2.2 Characteristics of Organizations

Details of the participating organizations are given in Table 5 and Table 6. Of the participating organizations (O1 to O5), O1 is in the metals/steel industry, O2 and O5 are in the food and beverage business, O3 is in oil and gas, and O4 is in construction and building materials. O3 is the largest organization, with 16,000–16,500 employees, O1 and O2 have 2,000–2,500 employees, while O4 and O5 each had 500–1,000 employees in total.

The five companies are semi-government organization, therefore, they do not fully function as private firms (see Chapter 2). The legal framework that governs these companies is subject to UAE Labor Law and appropriate civil service laws, either at the federal or specific emirate level (Tahir, 2014).

Table 5: Emiratization rates at the five case study companies

Code	Total Employees*	Emirati Employees (N)	Emirati Employees (%)
O1	2,000–3,000	450	21%
O2	2,000–4,000	179	6%
O3	15,000–20,000	317	2%
O4	500–1,000	73	8%
O5	500–1,000	146	19%

* In accordance with interviewees' requests, specific numbers of employees in organizations are not given. We have used a range to ensure anonymity of individual organizations.

As Table 5 shows, the five companies had achieved relatively high rates of Emiratization; the percentage of Emiratis ranged from 2% to 21% of the total workforce in the five companies.

Table 6: Organization characteristics

SN	Organization Code	Industry	Total Number of Employees
1	O1	Metal	2,000–2,500
2	O2	Food and beverage production	2,000–2,500
3	O3	Oil and gas	16,000–16,500
4	O4	Construction and building materials	500–1,000
5	O5	Food and beverage production	500–1,000

Note: The names of the participating organizations were replaced with a code to ensure confidentiality.

6.2.3 Frequency Analysis of Closed-Ended Questions

The interview contained four closed questions with a response range from 1 (strongly disagree) to 5 (strongly agree). Participants were asked to highlight the extent to which they agreed or disagreed with the following four statements:

1. Emiratization in this company is generally well defined and clearly communicated. It generally means the same thing to everyone involved in or affected by it.

2. The Emiratization policy has been effective in generating employment opportunities for nationals in our company.

3. The labor laws and regulations governing the Emiratization process provide an appropriate legal framework to support the Emiratization policy in our company.

4. The labor and immigration laws of the UAE are effective in regulating the entry of foreign workers into the country in order to enhance the effectiveness of the Emiratization policy in the private sector.

The findings of the frequency analysis are given below.

All the participants either strongly agreed (58.33%) or agreed (41.67%) with the statement that the Emiratization policy in their organization was generally well defined and well communicated to all stakeholders (Figure 2 and Table 7). According to the participants, their organizations have taken serious steps to develop, implement, and communicate the five-year Emiratization strategic plan to every stakeholder.
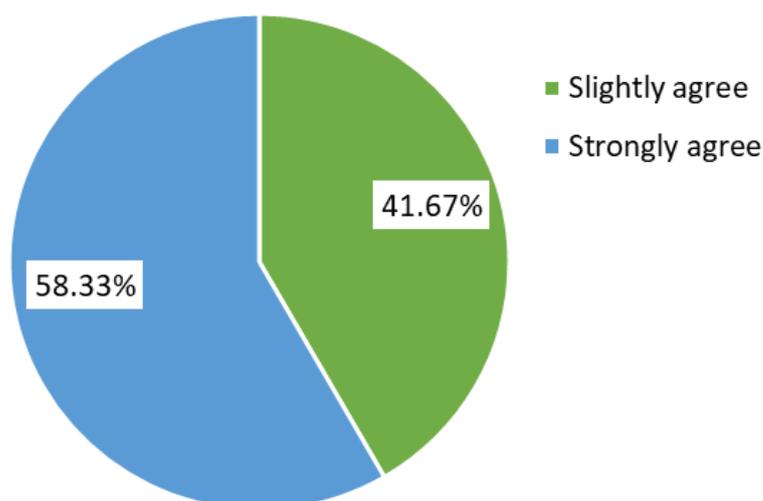
Figure 2: Emiratization as a policy in a company

Table 7: Response to the emiratization as a policy in a company

Response	Frequency	Percentage	Cumulative Percentage
Slightly agree	5	41.67	41.67
Strongly agree	7	58.33	100.00

The majority of respondents either strongly agreed (25%) or agreed (66.67%) with the statement that the Emiratization policy has been effective in generating employment opportunities for Emirati nationals in their organization (Figure 3 and Table 8). According to the participants, the Emiratization policy has been very effective in increasing employment opportunities for Emiratis. The percentage of Emiratis employed has increased considerably over the last few years. However, one interviewee (8.33%) neither agreed nor disagreed with the statement. According to that interviewee, the Emiratization policy has put pressure on organizations, particularly private organizations, to replace expatriates with Emiratis, and this has resulted in financial losses at these organizations, as Emiratis demand more in terms of salary than expatriates do.
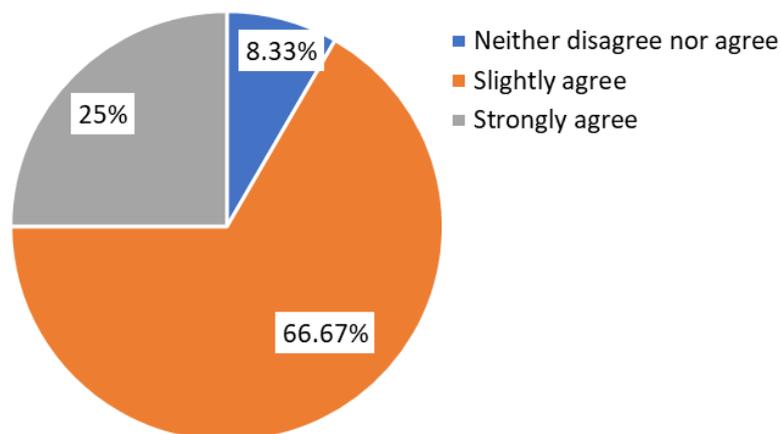
Figure 3: Generating employment opportunities for nationals in a company

Table 8: Response to generating employment opportunities for nationals in a company

Response	Frequency	Percentage	Cumulative Percentage
Neither disagree nor agree	1	8.33	8.33
Slightly agree	8	66.67	75.00
Strongly agree	3	25.00	100.00

The majority of participants neither agreed nor disagreed (58.33%), while some slightly disagreed (16.67%), with the statement that labor laws and regulations governing Emiratization provide an appropriate legal framework to support Emiratization in their company (Figure 4 and Table 9). According to these participants, government policies and regulations on Emiratization are vague and do not provide a clear structure or a specific Emiratization target. Furthermore, there has been no auditing by an appropriate government authority to check on the progress of Emiratization in any of these organizations. Nevertheless, a small number of participants either slightly (16.67%) or strongly agreed (8.33%) with the statement. They felt that the labor laws and regulations governing the Emiratization process provide an appropriate legal framework to support Emiratization in their organization. Furthermore, these respondents felt that the progress of the Emiratization strategy was regularly monitored by, and communicated to, the government authorities concerned.
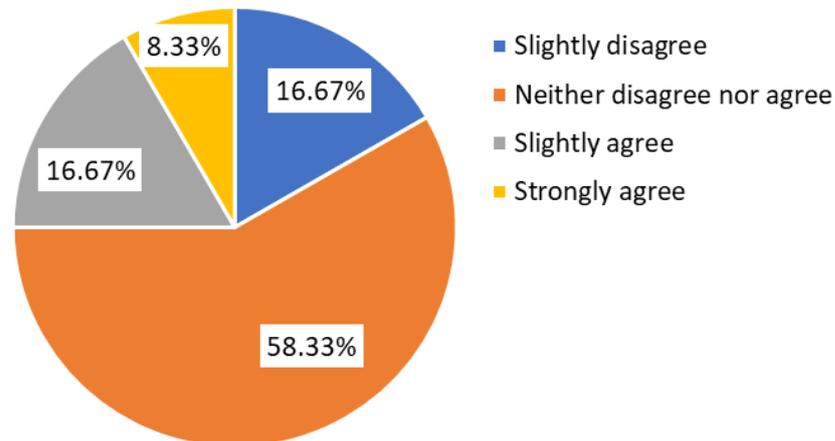
Figure 4: The labor law and regulations governing emiratisation process

Table 9: Response to the labor law and regulations governing emiratisation process

Response	Frequency	Percentage	Cumulative Percentage
Slightly disagree	2	16.67	16.67
Neither disagree nor agree	7	58.33	75.00
Slightly agree	2	16.67	91.70
Strongly agree	1	8.33	100.00

We noticed mixed findings in response to the statement that labor and immigration laws in the UAE are effective in regulating the entry of foreign workers into the country and thus enhance the effectiveness of Emiratization in the private sector. Of the respondents, 46.67% slightly agreed, 25% neither agreed nor disagreed, 25% slightly disagreed, and 8.33% strongly disagreed with the statement (Figure 5 and Table 10).
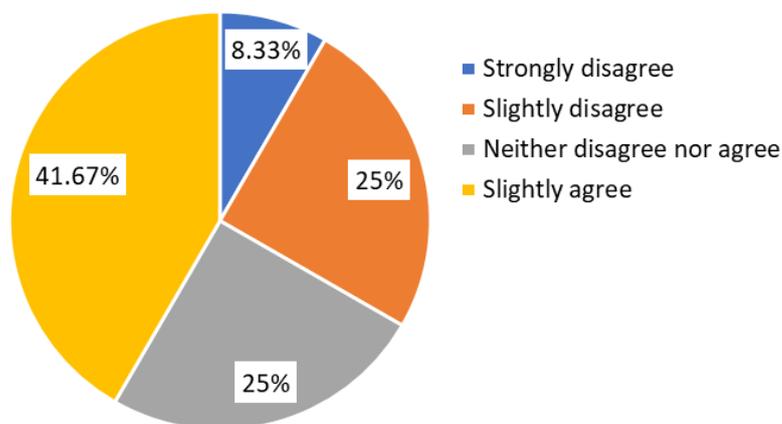
Figure 5: Effectiveness of emiratisation policy in the private sector

Table 10: Response to effectiveness of emiratisation policy in the private sector

Response	Frequency	Percentage	Cumulative Percentage
Strongly disagree	1	8.33	8.33
Slightly disagree	3	25.00	33.33
Neither disagree nor agree	3	25.00	58.33
Slightly agree	5	41.67	100.00

6.3 Qualitative Analysis

The qualitative analysis was carried out using a template analysis approach (Brooks, McCluskey, Turley, & King, 2015; Crabtree & Miller, 1992), which combines the characteristics of the content analysis and grounded theory approaches (King, 1998). The content analysis approach assumes a coding framework based on a set of predefined themes for which evidence is sought in the data. The grounded theory approach assumes that the explanatory framework will be developed through the analytical process rather than based on a predetermined set of themes.

In the present study, template analysis was initially coded using a well-tested semi-structured interview guide. These initial codes were continuously revised throughout the analysis, and each transcription was marked with the appropriate codes. Whenever a new piece of information was found that was not covered by previous codes, a new code was created and added to the code manager list. Thus, the initial template continued to extend as the qualitative data analysis progressed through the interview transcripts. The central higher-order codes/themes related to the five main research questions remained unaltered throughout the analysis process, with only the lower-order codes undergoing some fine-tuning. For example, the code for the 'role of HR activities' (one of the five main research questions) was used as a higher-order

code in the initial template. This higher-order code was then used throughout the analysis with all the lower-order codes related to it being added to cover the broad range of the role of HR activities in the effectiveness of Emiratization.

6.3.1 Perceptions of Emiratization

Emiratization has two parts. One part is increasing the number of Emiratis within the organization. And this is, it's like you fill the vacancies with Emiratis depending on the technicality of the job. There are jobs that we can fill Emiratis with and there are jobs that we need to prepare Emiratis for. Which leads me to the second part, which is development. You can hire as many Emiratis as possible but you still have the responsibility to develop Emiratis. This is Emiratization from my point of view. [Emirati Male, HR Manager, P11 & O5]

As we can see from the statement above, many participants perceived Emiratization as a UAE government initiative to increase the employability of Emiratis by (1) initiating national talent development for fresh Emirati graduates with current and future jobs in mind, and (2) creating new jobs, or reserving existing jobs, for Emiratis. A few participants perceived Emiratization as a kind of corporate social responsibility (CSR) initiative that serves the community by increasing employment opportunities for the locals. These sub-themes are discussed below in more detail.

6.3.1.1 Emiratization Means National Talent Development

The dominant and most often repeated definition of Emiratization saw it as a government policy to develop a national pool of talented Emiratis for existing and future jobs. The majority of participants (P1, P4, P5, P6, P7, P8, P9, and P11) stated that Emiratization is the UAE government's strategic priority in terms of developing a

national talent pool to fill existing middle-level jobs and also for training Emiratis for future top-level opportunities. The following excerpt summarizes this point of view:

> We focus more on those high potential fresh graduates and we recruit them, attract them and we place them on a program which will help develop the basic business skills and then we direct them in the career workday and the management and of course the HR and they found that this person is most suitable for, and the journey starts. So, here the National Talent Development Program was well communicated … and tried to push to have this program implemented not only in terms of learning the initiatives that we create but also in order to encourage the hiring managers and department heads to play a role. One in the selection of good Emiratis into their departments and secondly to create on-the-job training and coaching and mentoring to help them grow and develop … So, I prefer to call it National Talent Development, not Emiratization. [Lebanese Male, Talent Strategy & Organization Development Advisor, P5 & O2]

This interviewee suggested changing the name from Emiratization to National Talent Development, as the term Emiratization can incorrectly be perceived as an absolute term implying that Emiratis will one day fill every job in the UAE. However, doing this without any long-term strategic HRM planning might result in disastrous consequences for businesses, particularly in the private sector. For instance, the following quote demonstrates the devastating consequences of Emiratization when perceived as an absolute term meaning the replacement of expatriate by Emiratis without any strategic planning:

> Some companies fired the expats and replaced them with the Emiratis, and they faced some difficulties due to losing the knowledge in the work … I've heard stories from one of my friends in another company that he lost around 12 from 25 [expat] employees in his department, just because of the [Emiratization] circular and that wasn't I think a

right decision [replacing expatriates with Emiratis]. You don't want to affect your company with the decision. [Emirati Male, HR Manager, P11 & O5]

Thus, while consistently defining Emiratization as a form of national talent development, these organizations have developed a five-year strategic plan for recruiting, training and developing newly graduated Emiratis to gradually replace expatriate employees (see Appendix A):

Emiratization means it's five years plan which we are implementing now; we started this project in 2011, it was a percentage divided in each year to hire nationals as trainees & development them based on their position in operational wise. [Emirati Female, Manpower Planning & Budgeting Specialist, P3 & O1]

6.3.1.2 Emiratization Means Reserving Certain Jobs for Emiratis

The second main theme defines Emiratization as a UAE government initiative to increase the employability of Emiratis by reserving certain jobs for them. In other words, it implies that Emiratization is about creating more job opportunities for Emiratis either by creating new jobs or by reserving existing positions, particularly at managerial level such as HR managers and administrative roles, for UAE nationals only. In line with this, the HR director (P12, O5) and the senior HR and administration manager (P9, O4), both Emiratis, reported that their organizations reserved certain managerial-level positions, including their own, for Emiratis. They also said that they planned to do the same for more positions in the future. The following quotes reflect this view of Emiratization:

The company always aims to hire Emiratis in the right job, and I've noticed, when I've looked at statistics before I joined, and currently, I see a progression toward increasing the number of Emiratis whether in

critical jobs or sensitive jobs like managers and directors. [Emirati Male, HR Manager, P11 & O5]

We have a target category for nationals. This also came when we developed the five-year plan. We put a certain position to be occupied by a national, for example, electrical technician, mechanical technicians and operators. [Emirati Female, Manpower Planning & Budgeting Specialist, P3 & O1]

6.3.1.3 Emiratization Means CSR

The third theme that arose viewed Emiratization as a CSR activity whereby the participating organizations pay the community back by increasing the number of job opportunities for Emiratis. Some participants (P1 and P5) suggested that, by implementing Emiratization, their organizations were supporting nationals by recruiting, training, and equipping them with the skills required skills to work in core business areas. These participants added that they did not even mind if trained Emiratis then moved to other UAE-based organizations for a better deal, as they felt proud that their former Emirati employees are contributing to society and the community. The following quotes support this perception of Emiratization:

We never looked at Emiratization only as a matter of just increasing the number of Emirati; we looked at it more as corporate social responsibility (CSR) initiative to give it back to the community in different areas. [Lebanese Male, Talent Strategy & Organization Development Advisor, P5 & O2]

We think that if we develop the National Talent today and this Emirati Talent continues with us then it's great, but if this Emirati Talent decides to leave us and to work somewhere else, we are still very proud that we have developed a talent who is now is being attracted by other

organizations and is contributing to the society and the community.
[Emirati Female, Emiratization Development Manager, P6 & O2]

6.3.2 Characteristics of Emiratization

The template analysis of the responses revealed that all the participating organizations had developed and implemented a five-year Emiratization strategy to increase the number of Emirati employees in the future. The following sub-themes are all related to this category.

6.3.2.1 The Beginnings of Emiratization

The formulation and implementation of Emiratization in these companies started more than a decade ago (i.e., 2008 in O2 and 2009 in O3). However, it is in the last five years that organizations have started serious initiatives to strengthen their Emiratization strategy and embed it within their mainstream organizational strategy:

> The program [Emiratization] I said, it started in 2008, but it evolved over time, it improved, and it became a better structure and more focused and more strategic and it has at the moment even a much more ambitious target because we feel like since 2008, now we are better prepared to have Emiratis to take start taking more senior management roles and down the road even when we completed the whole program to take leadership positions. [Lebanese Male, Talent Strategy & Organization Development Advisor, P5 & O2]

6.3.2.2 Names Used for the Emiratization Strategy

The participating organizations used different names for their Emiratization strategies. For example, the head of Emiratization, MP and talent acquisition (P4) reported that his organization (O1) had a well-defined 'Bedayti' program. This is an Arabic word that means 'my beginning'. They use this program to recruit recent

Emirati graduates or high-school diploma holders and then train them for various technical and engineering positions within the organization. The talent strategy and organization development advisor (P5) reported that his organization (O2) had a National Talent Development program in order to increase the percentage of Emirati employees in the organization by recruiting and training recent Emirati graduates or high-school diploma holders. However, the other three organizations did not mention any specific name for their Emiratization strategy.

6.3.2.3 Regulatory Bodies for Emiratization

According to the interviewees, there are two regulatory bodies to deal with: Abu Dhabi Tawteen Council and Senaat. Both are primarily involved in the implementation of Emiratization in participating organizations. Abu Dhabi Tawteen Council, 'which is now called Human Resource Authority' (P4, O1), is the primary government regulatory body that plans, organizes, directs, and controls all the HR initiatives in the UAE. According to the human capital superintendent (P8 & O3), Tawteen is responsible for checking vacancies not only in the public sector but also in the private sector. Since 2015, every organization has to publish its vacancies on the Tawteen website and to get Tawteen's approval before hiring an expatriate.

Senaat, on the other hand, is one of the UAE's largest investment holding companies and is owned by the government of Abu Dhabi. Senaat is responsible for creating, acquiring, and optimizing businesses in the construction, oil and gas, and food and beverages industries. The participating organizations are part of Senaat and are required to send a quarterly progress report on their Emiratization progress to both Tawteen and Senaat:

> We are reporting [Emiratization progress] in monthly basis
> [internally], and quarterly to our headquarter Senaat, which I believe
> they are reporting to Tawteen … and last year somewhere, we started
> [directly] reporting our quarterly report to Tawteen as well. [Pakistani
> Male, Human Capital Superintendent, P8 & O3]

According to the respondents, the implementation of the Emiratization strategy in their organization is partially mandatory. On the one hand, they are free to set Emiratization targets and to develop and implement a five-year strategic Emiratization plan according to the needs of their business. On the other hand, it is mandatory for them to send a quarterly progress report on their strategic plan to both Senaat and Tawteen:

> We do not have a target set by any outside party neither from the
> government [Abu Dhabi Tawteen Council] nor from the major
> shareholders [Senaat] nor from even, you know, our board. We are,
> it's a self-set target. And this is based on business needs and based on
> the extent of readiness of our Emiratis for growth. [Lebanese Male,
> Talent Strategy & Organization Development Advisor, P5 & O2]

6.3.2.4 Reporting on Emiratization

According to the interviewees, all Senaat subsidiaries receive a standardized detailed spreadsheet (approximately seven pages long), in both Arabic and English, in order to provide yearly information on the existing and future recruitment of Emiratis, expatriates, and outsourced employees (P2, O1). It details their level of education, location, training, career development, progression, and replacement plans for various management levels (i.e., staff, executive, and leadership positions). The following quote summarizes the information provided in the quarterly progress report:

Actually, what I remember it's around seven sheets it comes to us. First, it shows us about; they want a report about the numbers of employees in terms of outsourced and nationals and expats. Then it's they capture education level for all employees; career development for employees and different categories leadership, staff, and senior executive. Also location they capture it for whether from Abu Dhabi or Dubai. And, what is our replacement plan also, and what is our target yearly to five-year plan. That's it. [Emirati Female, Senior Training & Work Readiness Analyst, P2 & O1]

6.3.2.5 Monitoring and Auditing Emiratization

As mentioned above, most of the interviewees (P1, P4, P5, P6, P7, P8, P9, and P11) reported that neither Tawteen nor Senaat gave them a specific framework for their strategic Emiratization plan (how many Emiratis to hire each year, or how many expatriates to replace, etc.) The participating organizations set their own Emiratization targets according to their business needs. Thus, meeting or not meeting any set Emiratization target (in the quarterly report sent to Senaat and Tawteen) does not result in any negative consequences for the organization. According to the participants, there is no external audit of the information sent in the quarterly progress report. Instead, they have internal auditors to assess their compliance with Emiratization targets:

Well honestly, we don't have a plan [Emiratization target] from the government. We do from Tawteen they are asking us as a target, and they follow up. Asking for what we have done so far. There is no regulation [that] you have to recruit employees, or you have to replace the expat with an Emirati. [Emirati Male, HR Manager, P11 & O5]

We don't receive any government officials; however, we have internal auditors where they audit the compliance with Emiratization targets. [Emirati Male, Head of Emiratization, MP, and Talent Acquisition, P4 & O1]

6.3.3 Effectiveness of Emiratization

The majority of the participants reported that their Emiratization strategy had been very effective in bringing about the following positive outcomes in their organization.

6.3.3.1 Promoting Knowledge-Exchange

Interviewees, including the HR director (P12, O5) and the senior training and work readiness analyst (P2, O1), reported that their Emiratization strategy had been very effective in promoting a knowledge-sharing culture in their organization. According to them, they put experienced expatriate supervisors together with newly hired Emiratis and observed the exchange of knowledge that took place between them. Furthermore, knowledge-sharing did not only take place between expatriate and Emirati employees; it also took place between Emiratis themselves when they were placed together on the same training programs. Briefly, the Emiratization strategy has been very effective in promoting knowledge-exchange between employees in these particular organizations.

6.3.3.2 Increasing the Number of Emiratis in the Manufacturing Sector

The majority of the participants (P2, P3, P4, P5, P6, P7, P8, P9, P11, and P12) reported that, despite some challenges, which are discussed in the last part of this chapter, their Emiratization strategy was very effective in increasing the number of Emiratis in their company. This included organizations operating in the metals and manufacturing sectors. The human capital superintendent (P7, O3) highlighted that the Emiratization strategy had been very effective in increasing employment opportunities for Emiratis, as the percentage of Emirati employees was considerably higher in the

last few years. Similarly, the manpower planning and budgeting specialist (P3, O1) stated that when she joined her organization in 2007, the number of Emirati employees was fewer than 100, but at present, the number was 470 because of stricter compliance with Emiratization targets. Therefore, the Emiratization strategy has been very effective in increasing the number of Emirati employees in these organizations, even including those in the manufacturing sector.

6.3.3.3 Increasing Training and Development Opportunities for Emiratis

All the participants acknowledged the effectiveness of their Emiratization strategy in increasing training and development opportunities for Emiratis. For instance, the majority of the participants mentioned that, after incorporating Emiratization into mainstream organizational strategies, their organizations then allocated a budget for the training and development of Emiratis. That budget has not only been used for arranging various in-house and outsourced training and educational programs for existing Emirati employees, but has also been used to finance further studies, higher degrees, and potential future opportunities. For instance, the HR manager (P11, O5) mentioned that, unlike in the past, his organization now allocated a specific budget for the training and development of its employees, especially Emiratis. The organization has in-house off-the-job and on-the-job training courses for its Emirati employees.

> "This year they have approved an Emiratization budget for administrative jobs reaching 6.5 million AED for 2018. So, we can hire around 50 Emirati employees in administrative jobs. [Emirati Male, HR Director, P12 & O5]

The holding company shared examples of training programs and budget information with the researcher. The table below provides a sample of training

programs offered, whether in-house or public. The total amount spent on an in-house training program ranged from 7,056 to 71,565AED depending on the number of participants. Public training courses for one of the five companies in the year 2018 totaled a sum of 325,420 AED (Table 11).

Table 11: Examples of training programs and budget information

Course	Type of Training	Total Amount	Targeted Employees	No. of Participants
Awareness session on the full cycle from PR to payment	in-house	Free	All Employees of the company and its subsidiaries	25
IFRS workshop	in-house	7,056	Audit & Finance Team	40
Innovative Meeting Room Workshop	in-house	Free	All Employees of the company and its subsidiaries	29
HR Summit	in-house	75,590.34	HR Professionals	7
Internal Audit – 3-Days Program	in-house	71,565	Internal Audit Teams	28
The 7 Habits	in-house	90,969.28	All Employees of the company and its subsidiaries	17
Public Courses at SENAAT only	Public	325,420 – July, 2019	All Employees of the company and its subsidiaries	20
Tony Robbins Event	Public	51,093	Select Employees from mother company and subsidiaries	18

In-house training has recently increased in these organizations and will benefit both the employees and the organization. These courses are customized to match business needs and to fit around working schedules. They also help to save on travel costs, while enhancing team building.

Such training represents a prime opportunity for expanding the knowledge base of all the employees, yet many employers in the current climate find such development opportunities to be too expensive. Employees attending training sessions miss out on work time and that could also delay the completion of many projects. However, despite

these potential drawbacks, training and development provides both the individual and organizations as a whole with benefits that make such initiatives a worthwhile investment of available time and money. The return on the investment in training and developing employees is clear to see.

6.3.3.4 Success Stories on the Effectiveness of Emiratization

According to participants in companies O2 and O5, their companies offered young Emiratis who are doing their national service an opportunity to have training at their organization. Participants P12 and P5 stated that the outcome of the training was successful in terms of the way the young people performed. They mentioned that the trainees had operated successfully on the production line without any help from expatriate employees. After completion of the program, the companies were willing to offer them jobs:

> We have a problem with national service because our management wants us to recruit people who have already finished their national service. So, in this market, place it's very difficult. Sometimes you find a really good candidate, but he has not finished his national service, so we lose him, and it's a challenge for us to recruit good candidates. [Emirati Male, Human Capital Superintendent, P7 & O3]

> We had other experiences with young Emiratis from national service. We trained around 36 trainees and this year we trained 40 in the factory. The aim was to train them to operate the full production line by themselves. Which means they work as drivers and supervisors. This experience was very successful. The idea behind it was if there is any crisis in the country; these young Emiratis can operate the full factory without any help from any expatriate employees. This experience was very successful. [Emirati Male, HR Director, P12 & O5]

All the participants shared success stories regarding how the development and implementation of Emiratization in their organizations had increased the number of Emirati employees, promoted a knowledge-sharing culture, and helped employees, particularly Emiratis, to grow and progress. The following quotes reflect some of these success stories regarding the effectiveness of Emiratization:

> We started the National Development program 'NDP', in which we hired around 30 nationals, and we put a plan for them in six months. First, it was three months in which traveled to Italy to know about the steel background and metal physics and then the next six months in Mexico. So they completed around the six-month program. When they finished the program, they came back … One was Ali, he was hired as a supervisor, but now he's responsible for two departments. Another one was Mr. Al Zarouni, he was hired as a supervisor, and currently, he's assistant rolling mill manager, and he's managing around 300 employees. Also, it comes to my mind that one of them was Ahmed, he was hired as a technician trainee, but currently he's a section head in the RB, and there are many others. [Emirati Female, Senior Training & Work Readiness Analyst, P2 & O1]

> I'll give you an example [of the effectiveness of Emiratization program] from the HR department. Mariam [Emirati] joined as an executive assistant, and now she's a recruitment specialist. So she grew up within the organization, and that's one example. The second example is Asma [Emirati] who's now sales director, she started as a junior staff, and now she grew up to a director level position. [Emirati Male, HR Manager, P11 & O5]

6.3.4 Role of Key HR Activities in Emiratization

The participants all acknowledged the role of their HR department as central to the effectiveness of Emiratization at their respective organization. The following are key HR activities that have played a crucial role in promoting Emiratization.

6.3.4.1 Mentoring and Job-Shadowing

Certain respondents (P1, P2, P5, P6, and P11) highlighted the role of their HR department in setting up mentoring and job-shadowing programs. According to the Emiratization development manager (P6, O2), his HR department has a mentoring program where newly hired Emiratis are attached to an experienced mentor, either Emirati or expatriate, to help them learn via on-the-job training. Similarly, the senior training and work readiness analyst (P2, O1) said that her company's HR department offered four to six months of job-shadowing for newly employed Emiratis. According to her report, this is the best way to assess the strengths and weaknesses of each new employee. Thus, mentoring and job-shadowing are excellent on-the-job training programs that not only help the HR department to place the correct employee in a suitable job but also play a critical role in implementing the Emiratization strategy of developing Emirati employees and preparing them for future leadership roles:

> We hire on job-shadowing for the UAE national inside the plant. It's the best to know the weaknesses and the strengths for each UAE national, and we may create for them a plan to push them to the next level or let them do their responsibility that they are hired for. [Emirati Female, Sr. Training & work readiness analyst, P2 & O1]

6.3.4.2 Career Development and Succession Planning

The participants also acknowledged the role of career development and succession planning programs as central to the successful implementation of Emiratization. The majority of the participants (P2, P3, P5, P7, P10, P11, and P12) mentioned that their HR department had a well-structured career development and succession planning program for existing and new employees, but especially for Emiratis. For instance, the talent, strategy, and organization development advisor (P5,

O2) described an eight-month career progression plan in which new Emirati graduates were trained in various job-related tasks connected to their job and career path. So far, they have trained two groups of graduates, and the program has been very effective:

> The career development program, especially it has been aligned with newly hired fresh graduates where they join for five years. So after every six months, there is evaluation; the employee has to present what he has done and what he has learned. And there is an evaluation committee which evaluates them, and as per their evaluation, they give them incentives to motivate them. Either some increment some promotion also. So within five years, any fresh Emirati graduates can grow from grade 8 to 11. [Pakistani Male, Human Capital Superintendent, P8 & O3]

> We also have a development plan, and we have a progression plan, the progression plan is for an employee who is already doing his responsibilities, and we move them from for example a technician to a senior technician. So what is the proper requirement for him or training needs to reach to senior responsibility? We created this plan based on the employee's needs. So there is a criterion for this program; first, there will be an assessment between the human capital and the line departments to see the gaps that employees need to cover. Then we will design the programs and decide if he or she needs internal courses or external courses. And he or she will handle some responsibilities to make like an acting position until he reached the skill level needed for senior or section head level. [Emirati Female, Manpower Planning & Budgeting Specialist, P3 & O1]

6.3.4.3 Educational Scholarships

Many participants (P2, P3, P5, P7, P9, and P12) mentioned that their organizations had educational support programs. These included financial support, flexible working hours, and study leave for both existing and prospective Emirati

employees. For instance, financial scholarships or sponsorship can be granted to existing and potential Emirati employees in order to pursue technical certification, Bachelor's, or Master's degrees (i.e., Bachelor of Engineering and MBA at universities in the UAE). In addition to financial support, other HR support is given to Emiratis. They can apply for study leave, reduced working hours, and more flexible working hours to allow them to complete their studies. Thus, organizations ensure that they recruit and retain Emiratis and meet their Emiratization targets. The following quote describes this role of HR in making Emiratization successful:

> We have many programs to support Emiratization; we financially support Emiratis to complete their education in the university. We have a range of Emiratis studying bachelor and master. We also give them exam leave; we give them 4 hours' permission to attend their class and lectures. [Emirati Male, HR Director, P12 & O5]

6.3.4.4 Internships for Students

Some interviewees (P2, P3, and P8) mentioned that their HR department had worked with universities in the UAE to create internships for students in different organizations. For instance, the manpower planning and budgeting specialist (P3, O1) remarked that their HR department was active in arranging and facilitating internships to help students get degree-related practical experience through working in various departments of their organization. For example, in 2017 this HR department placed 40–60 students in internships. Similarly, the human capital superintendent (P8, O3) pointed out that their HR department had recently visited many local universities and invited them to send students for field trips and one- or two-day summer trips to the various units of their organization in order to show students a practical demonstration of the work done there:

One more initiative we have taken this year; that we have visited recently most of the local universities. And we introduced them that we like to provide field visits of your students, technical specially because being you know constructing company we requested them to send their student in the summer for one or two days to give them practical knowledge about this organization. So one university started requesting to send their students recently. [Pakistani Male, Human Capital Superintendent, P8 & O3]

Such initiatives not only attract Emiratis to join these organizations after their degree, but also provide the organizations with an opportunity to market themselves to the local community.

6.3.4.5 Financial and Non-Financial Support

The majority of the participants (P4, P5, P7, P8, P9 P10, & P12) highlighted many financial and also non-financial incentives used to attract and retain employees. The financial incentives included competitive salaries, accommodation allowances, family allowances, bonuses, stock-ownership options, and interest-free loans. In addition to these financial incentives, several non-financial incentives were also provided to Emiratis. For instance, the HR manager in O5 mentioned that their HR department provided social support services. These included two days off every other week, flexible working hours, and postings near to home. Such social incentives motivated Emirati employees to stay with their organization:

We have bonuses and we have insurance. We have a good salary package for a supervisor and above. This is what our organization provides … honestly with that development, understanding the [Emirati] employees' situation for them as like I said shifting night-shift work and try to retain them … we made the expat to work overnight and the Emirati women work in the daytime to support

female Emiratis. [Emirati Male, Emiratization & Training Manager, P11 & O5]

6.3.4.6 Promoting Family Culture

Some participants (P1, P9, & P11) alluded to the role of the HR department in promoting a family culture in the workplace. For instance, the senior HR and administration manager (P9, O4) stated that their HR department undertook several initiatives, such as gathering to celebrate an employee's birthday and other events that promote a familial culture, mutual respect, and cooperation among employees. Such initiatives are useful for fostering trust between employees and supporting the exchange of knowledge:

> The CEO and the top managers, their door is open for any complaint. We have a suggestion system and complaint system. We have frequent meetings with top management. We have Excellence Award for employees in the company. All these things will keep Emirati employees in the company. Also events and trips, we have special things for employees such as sharing and celebrating their special occasions. We do give gifts if they have a new baby born. We have continuous parties, sending them messages; this work environment motivates employees and retains them. Our turnover rate is low; we expect our salary is weak, but people here are comfortable in the work environment here … We are here like a team; we are like a family; we are together. No matter what issues we have not to conflict; we have argued over, we still come back together and go out together and come back together. This culture is very important. [Emirati Male, HR Manager, P11 & O5]

6.3.4.7 Preferred Method of Recruitment

According to the participants, their organizations are required to first publish job vacancies on the Tawteen website (hosted by the HRA in Abu Dhabi), to find

potential Emirati candidates for vacancies. However, almost all the respondents were disappointed with the online database of potential Emirati candidates provided by Tawteen. According to the majority of the participants, the online database was often outdated and provided mainly irrelevant CVs from Emirati candidates. Therefore, it required a considerable amount of time to filter CVs, and often they did not find a candidate who matched the job description or specifications for the advertised position. Thus, many participants (P2, P3, P4, P8, P9, P11, & P12) preferred to recruit Emirati employees, particularly for middle- and top-level management positions, through professional recruitment agencies to save time and money:

> Recruitment agencies why we preferred because they will give you shortlisted and confirmed [potential Emirati candidates] and who are interested for job, and who are matching let's say 50% and who are available for interview. So that's why they save our time they save our money in term of wasting time a lot [in filtering irrelevant CVs received from Tawteen website] you know that's why you preferred recruitment agencies. [Emirati Male, Senior Head of Emiratization MP & Talent Acquisition, P4 & O1]

The next most preferred method for recruiting Emirati employees for entry- or lower-level management positions was through internal recruitment. According to some respondents (P1, P2, & P9), their HR department maintained a database of the potential Emirati candidates due to arranging job fairs at various universities and regularly visiting LinkedIn and other social media-based recruitment sites:

> We would try not actually rely totally on the [recruitment] agencies. I think we have a very strong database which includes a lot of CVs of UAE nationals that we gathered from career fairs that we actually joined it. Whether it's Abu Dhabi career fair or Al Ain career fair or universities; where we were able to gather a lot of strong CVs of UAE

nationals related to the jobs that we need. [Emirati Male, Sr. HR & Administration Manager, P9 & O4]

6.3.5 Challenges to the Implementation of Emiratization

The participants shared their observations and experiences regarding the numerous challenges and issues that affected Emiratization at their organization. The most commonly reported challenges are discussed below.

6.3.5.1 Turnover of Emiratis

The biggest challenge in meeting Emiratization targets was the high turnover of Emirati employees. According to most participants (P3, P4, P5, P8, P9, P10, & P12), the turnover of recently hired Emirati employees was one of the biggest problems they faced. Given that the participating organizations spent considerable time and resources on the recruitment and selection of Emirati employees for training, high turnover results in a large financial loss for their organization. After one or two years of work, Emirati employees tend to leave for a variety of reasons, such as better job offers, improved conditions, jobs nearer to home, and family reasons. Companies not only suffer a financial loss but are prevented from meeting their Emiratization targets:

It's hard when you spend too much time to interview, select to choose after that you train them, and you teach them like we are trying to give them the experience for six months or seven to eight months or even one year, after that they leave the company, they leave the factory. [Emirati Male, Emiratization & Training Manager, P10 & O4]

6.3.5.2 Tough Working Conditions

The second biggest challenge in meeting Emiratization targets was working conditions, particularly in the manufacturing sector. According to the participants (P3,

P4, P9, & P12), newly inducted Emirati employees generally found working conditions, particularly in the manufacturing or metals industries, very tough. For instance, they only get one day off per week instead of the two days that are standard in government jobs. They did not want night-shift work or to be a long distance from home. Others claimed allergic reactions or health problems due to high temperatures or a tough work environment. Given that Emirati expectations are focused on higher living and better working conditions, it is very difficult to persuade them to work in such conditions. Thus, they are less willing to join manufacturing organizations, particularly in the metals sector. This makes it very difficult for such organizations to meet their Emiratization targets. The following excerpt best explains this challenge:

> The reasons for leaving the company [by Emirati employees], first, they get the opportunity with a high salary or they get a job near to their living area. But usually, they do leave for a better opportunity. And usually, they leave us because the work environment in the factory is not appropriate for them … long working hours in the factories, sometimes working on weekends and working as shifts. And the closed work environments as there are noises and some of the jobs require physical exertion. [Emirati Male, HR Director, P12 & O5].

6.3.5.3 Disciplinary Issues

Some participants (P2, P3, P5, & P6) pointed out the lack of discipline and commitment demonstrated by Emirati employees as another challenge to meeting Emiratization targets. According to these respondents, Emirati employees are less sensitive to work ethics than expatriate employees. Examples include not observing the attendance policy, coming late or leaving early, not meeting deadlines, and not focusing on career progression. Some Emirati employees still hold to the belief that,

as they are UAE nationals, the Emiratization policy is a guarantee of job security regardless of their performance. The following excerpt best reflects this:

> When I mention work ethics, we are talking about discipline, we are talking about commitment, and we are talking about delivering on projects and tasks. So a lack of commitment and discipline is a problem. Some [Emirati employees] even have a problem with basic attendance, about even coming to work and leaving on time. [Emirati Female, Senior Training & Work Readiness Analyst, P2 & O1]

6.3.5.4 Knowledge-Hiding by Expatriates

Some participants (P3, P4, & P12) highlighted knowledge-hiding behavior on the part of expatriates toward their Emirati counterparts as a hurdle to Emiratization. As discussed above, the Emiratization strategy is often perceived by expatriates as a threat to their job security. Thus, senior expatriate employees who acquired a lot of experiential knowledge often hide it from others, particularly from Emiratis, as they fear that if they train Emiratis and share their knowledge with them, then those Emiratis will eventually replace them:

> We have been having some rejections within the senior supervisor levels, head of sections, managers, all of them are expatriates, and we have been having some problems with Emiratization in some of the positions. The first reason is that most of them would prefer to get their friends from abroad or team members to actually employ them within the plant. And these people won't train the UAE nationals properly. Which will make it actually difficult to Emiratize the position. [Emirati Male, Senior Head of Emiratization MP & Talent Acquisition, P4 & O1]

6.3.5.5 Salaries and Market Competition

All five companies investigated here are semi-governmental organizations. As such, respondents from companies O2, O4, and O5 all felt that one of the main obstacles to successful Emiratization was the comparatively low salaries offered to Emiratis, especially in lower-level positions.

Participant P11 (O5) believed the company's salary structure to be out of date. He mentioned that when the public sector increased salary scales, his company did not adjust their salaries in order to follow the market and this hindered Emirati recruitment and retention. Participant P10 said that their company could easily identify Emirati candidates but because of the low package on offer, they could not persuade them to take on the job. Therefore, they hire expatriates, who will often accept lower wages:

> Well, it's easy to find Emiratis to work in the technical positions in the factory. But, the problem, as I said before, is the compensation package. Like, if you want to select well-experienced employees you have to give them a good salary. [Emirati Male, Emiratization and Training Manager P10 & O4]

Participants P12, P2, P3, P10, and P12 stated that in the manufacturing sector the salaries for administrative jobs and above are quite good; however, when it comes to lower-level jobs, they are not so attractive:

> … in the manufacturing sector, it is possible the salary, we have to distinguish between salaries in factories and salaries for administrative jobs. [Emirati Male, HR Director P12 & O5]

Another challenge in meeting Emiratization targets, particularly for companies in the manufacturing and metals industries, is competition with other industries. According to the participants (P4, P5, P6, P11, & P12), tough working conditions and less attractive salaries in the manufacturing and metals industries make them a less

attractive employer than organizations operating in other sectors such as the food and beverage industry and the services industry. Thus, it is extremely challenging for manufacturing organizations to achieve their Emiratization targets:

> [Emirati] people are finding better and easier opportunities outside [in other industries]. They're finding better working environment so and better jobs outside so they would apply outside … Emiratis are expensive to hire, and jobs in the government pay more. I think this is the main challenge. [Emirati Male, Senior Head of Emiratization MP & Talent Acquisition, P4 & O1]

6.3.5.6 National Service

The mandatory national service for all male Emirati nationals is another challenge in meeting Emiratization targets. According to some participants (P4, P7, & P8), they are unable to meet their yearly Emiratization targets because of the national service requirement. In particular, it is very difficult to recruit the candidates who not only match the job specifications, but have also completed their mandatory national service. Thus, the participating organizations either fail to meet their Emiratization targets or recruit more female employees, even for jobs more suitable for male candidates. For instance, the human capital superintendent (P8, O3) stated that their organization recruited more female than male candidates because of the national service requirement for men. In the last two years, they have not found enough male candidates for a total of 46 positions, and so were forced to recruit some female candidates for jobs that could have been performed better by male candidates:

> We took 90 young Emiratis into this service. And we brought them to our factories where they have in every area a trainer, a mentor and a coach. They were trained at all the different locations. It was very successful … now we are considering who is the best of them, we keep in mind those people who come from national service, of course we

want to hire the best of them. [Expatriate Male, Talent Strategy & Organization Development Advisor, P5 & O2]

6.3.5.7 Poor Support from the Tawteen Council

Almost all the participants were dissatisfied with the support received from Tawteen. The most common issue was poor and outdated information on the website. According to the participants, they are first required to publish job vacancies on the Tawteen website (hosted by the HRA in Abu Dhabi). However, the database of potential Emirati candidates is outdated and managed so unprofessionally that hundreds of CVs are sent to organizations even though they do not match the job requirements.

Consequently, the participating organizations spend considerable amounts of time screening CVs and are often left with either no suitable Emirati candidate or a handful of candidates for whom the information is incomplete. Thus, the poor and outdated database of Emirati candidates is a big hurdle in implementing Emiratization:

> We are dealing with Tawteen, but most of the candidates don't have the required potential, like they don't have a steel background. Some of them they have but retired from the military, and they want to work again, but we cannot take them. One of the year that they [Tawteen] submitted to us around 700 CVs. We filtered those CVs, and we found most of them were not fit, not okay to hire them as most of them have a medical issue, and in case we hired them, they would have been working inside the plant. They would have been facing the environment with the high heat. So we don't recommend taking [candidates] from Tawteen. [Emirati Female, Senior Training & Work Readiness Analyst, P2 & O1]

> They [Tawteen] flood you with about 50, 60, 70, up to 100 CVs for that particular position [posted in Tawteen's website] and 90%, 95%

aren't even related to that specific job. So, unfortunately, we have to actually shortlist them by ourselves. We have many vacant positions, and we have dealt with Tawteen many times: for example, when looking for a diploma qualified candidate. However, Tawteen sent us totally the wrong CVs. Even when we are looking for somebody with technical and with a chemistry background, for example, they send CVs from a Political Science major or send someone with a totally different background. Therefore, I don't like to deal with Tawteen. [Emirati Male, Senior Head of Emiratization MP & Talent Acquisition, P4 & O1]

6.3.6 Summary

The findings of both the quantitative descriptive analysis and the qualitative template analysis provide useful insights into the five main research questions. The quantitative descriptive analysis identified all 12 participants as holding middle- and senior- level managerial positions in the five selected organizations. The majority of the participants either strongly agreed or agreed with statements related to a positive perception of Emiratization and its effectiveness in their organizations. However, the findings were mixed for statements relating to labor laws and regulations, and in developing a legal framework for Emiratization and regulating the entry of foreign workers into the country.

The qualitative template analysis revealed that Emiratization is often perceived as a form of national talent development and a CSR activity that increases the employability of Emirati nationals and reserves certain jobs for them. The participating organizations initiated their Emiratization strategies more than a decade ago. However, a more structured five-year strategic Emiratization plan was introduced in the last few years to develop national talent. This plan requires a quarterly progress report to be submitted to both Senaat and the Tawteen Council in Abu Dhabi. The effectiveness of

Emiratization at the participating organizations was evident from the many success stories, increased knowledge-exchange, training, development, and more employment opportunities for Emirati nationals. The participants acknowledged the central role of HR policies in supporting Emiratization, including recruitment and selection, mentoring, training and development, financial and non-financial incentives, internships for Emirati students, and creating a family culture.

Finally, the findings also identified challenges, such as the high turnover of Emirati employees, disciplinary issues, knowledge-hiding by expatriates, the effect of national service, and Tawteen's outdated database, all of which hamper the effective implementation of the Emiratization strategy in the participating organizations.

Chapter 7: Discussion, Recommendations and Conclusion

7.1 Introduction

This chapter presents a discussion of the research findings, the implications of the results, and recommendations for future research. It aims to use the findings of this study to improve our understanding of the theoretical and practical underpinnings of workforce localization and to add to existing knowledge about factors that enhance the effectiveness of workforce localization policies in the UAE and similar contexts. It also provides insights for practitioners and policy-makers in the Abu Dhabi government and the field in general. Furthermore, this chapter will make recommendations for UAE organizations interested in achieving successful Emiratization.

7.2 Discussion of Results

The purpose of this research has been to investigate the effectiveness of Emiratization strategies in SOEs in the UAE and to identify the factors leading to success. The study addresses this aim by making use of multiple case studies from five different companies. A largely qualitative method was adopted, and the findings go some way to answering the research questions:

1. What is the Emiratization strategy? How is it perceived by the participating organizations?

2. What are the characteristics of the Emiratization strategy as carried out by the participating organizations?

3. How effective is the Emiratization strategy in bringing about positive outcomes for the participating organizations?

4. What is the role of HR policies and actions in achieving effective Emiratization in the participating organizations?

5. What are the challenges to Emiratization at the participating organizations?

The following subsections discuss each of the five research questions.

7.2.1 Research Question 1

What is the Emiratization strategy? How is it perceived by the respective participating organizations?

Despite the fact that Emiratization has been declared and practiced as a government policy for the past few decades, there is still ambiguity in the meaning of the term. Emiratization is a multi-dimensional process that ultimately aims to enhance the employability of citizens in all sectors of the economy and to ensure that they will be able to replace expatriates and function effectively in various fields of work. All the participants in this study said that their respective organizations had a long-term Emiratization strategy. When asked about how they defined Emiratization, three definitions emerged. Emiratization strategies can therefore, according to managers interviewed in this study, be defined as 'a government policy to develop a national pool of talented Emiratis for existing and future jobs', 'a UAE government initiative to increase the employability of Emiratis by reserving certain jobs only for them', and 'a CSR activity whereby the participating organizations pay back the community by increasing the number of job opportunities for Emiratis'. These definitions emphasize the HR development aspect of Emiratization. If Emiratis are to replace expatriates without jeopardizing productivity, then intensive training and development programs are essential in order to ensure success of the process. The question of substitutability

of expatriates by locals must be at the core of any Emiratization program in any field of work.

This study explored how Emiratization strategies could be linked to training and development. It was not just a matter of increasing Emiratis in the workforce, or hiring Emiratis to meet quotas, but a strategy designed to recruit and develop Emiratis for current and future positions. This definition is similar to that of Abdelkarim (2001) who defined Emiratization as 'a multi-level process through which dependency on the expatriate labor force is reduced and nationals are prepared to take up jobs formerly carried out by expatriates'.

Emiratization strategies will not succeed if looked at as simply increasing the number of Emiratis (e.g., purely to meet a government quota). Recruitment aimed at simply meeting quotas has proved unsuccessful. The interviewee from company O2 stated that when Emiratization was first announced they recruited Emiratis simply to meet their quota. However, after a few years, they had many difficulties with those employees, who could not perform their jobs adequately due to a lack of experience and the requisite skills. As a result, the company redesigned its Emiratization strategy and developed a five-year plan to train and develop Emirati talent to overcome such issues. Godwin (2006, p. 8) has defined Emiratization as 'an affirmative action quota driven employment policy that ensures UAE nationals are given employment opportunities in the private sector'. However, meeting quotas by securing numbers is a tricky and harmful practice. Therefore, the suggested change in the name to 'Emiratization and National Talent Development' is reasonable, as the term 'Emiratization' could be incorrectly perceived as implying that every job in the UAE should be filled by Emiratis.

7.2.2 Research Question 2

What are the characteristics of the Emiratization strategy as it is carried out by the participating organizations?

This study is the first to explore the characteristics of the Emiratization strategy as it is implemented in semi-governmental organizations (the five case studies). The responses revealed that every participating organization had developed and implemented a five-year Emiratization strategy to increase the number of Emirati employees in their organization. In a seminal study on barriers to Emiratization, Al-Waqfi and Forstenlechner (2014) found that several weakness in the current Emiratization program. Some companies lacked clear Emiratization targets, and reporting structures to follow up on these strategies were often unclear. In addition, none of the private organizations they investigated had achieved their Emiratization targets, suggesting that most private companies did not have a proper Emiratization strategy. However, the findings of the current study indicate that most semi-governmental organizations are aware of the need for a comprehensive Emiratization strategy. All five companies achieved a reasonable level of success in Emiratization, with Emiratis representing a sizable percentage of their total workforce, ranging from 7% to 27%. The main characteristics of a successful Emiratization strategy, as indicated by our respondents, are following government regulations, being supported by upper management, and having a strategic HRM plan.

7.2.2.1 Following Government Regulations

Government regulations can support and enhance nationalization in the country. Since the introduction of Emiratization, companies in the semi-governmental and private sectors have struggled to achieve the desired outcomes. However, recently,

as explored in this study, many companies have prepared long-term Emiratization plans, as they must send quarterly reports to the HRA. Each company in this study has set an Emiratization target to match their business needs, not just to fill a quota. The HRA no longer requires these companies to meet a quota simply to increase the number of Emirati employees. However, despite the importance of a comprehensive and rigorous regulatory framework to support Emiratization, as indicated by Forstenlechner and Mellahi (2011), legal pressure alone should not be the key driver of workforce localization.

7.2.2.2 Support from Upper Management

Another key factor in successful Emiratization is support from upper-level management. In order for a nationalization program to be successful, it must offer total commitment and support to the candidates, otherwise the participants will not be motivated and the program will fail. Our respondents emphasized the importance of support from top management to achieve Emiratization targets. Several previous studies have found that a lack of support from top management and an inefficient organizational structure resulted in unproductive on-the-job training (Al Marzouqi, 2012).

7.2.2.3 Strategic HRM Planning

The final, and most important, factor in Emiratization is the role of the HRM system. As discussed in literature review (see Chapter 3), strategic HR involvement is very important when designing localization strategies. Understanding the social capital structure in an organization is essential to developing appropriate HR systems and practices. It is also an important element of workforce localization programs in the GCC context because of the high social diversity in the workforce. Integrating citizens

into workplaces where they represent a minority with limited influence on the social system is a challenge that needs to be addressed in order to achieve positive results in workforce localization efforts. One of the key roles of the HR department is the training and development of staff. This will be discussed in more depth when dealing with the fourth research question below.

7.2.3 Research Question 3

How effective is the Emiratization strategy in bringing about positive outcomes for the participating organizations?

As discussed in Chapter 6, the study participants suggested that the workforce nationalization plans in the five case study companies had so far provided enough support for Emiratization to be considered a success; the plans had effectively created career paths for new graduates and allowed existing employees to progress toward higher positions. The respondents either strongly agreed (58.33%) or agreed (41.67%) with the statement that the Emiratization policy at their respective organization was generally well defined and well communicated to all the stakeholders.

Moreover, the majority of respondents either strongly agreed (25%) or agreed (66.67%) with the statement that the Emiratization policy was effective in generating employment opportunities for Emirati nationals within their organization. However, some participants thought that the program required a thorough overhaul in order to meet its objectives. Our literature review of other GCC localization programs (Al-Hamadi, Budhwar, & Shipton, 2007; Al-Waqfi & Forstenlechner, 2010; Mellahi & Al-Hinai, 2000; Rees et al., 2007) revealed reasons for further developing nationalization programs to adapt to the changing work environment. They were concerned less with expanding the programs than with improving their quality. Workforce localization

programs in the GCC context face many challenges related to the nature of the workforce and the labor market conditions in these countries. We will discuss challenges to Emiratization below.

7.2.4 Research Question 4

What is the role of HR policies and actions in achieving effective Emiratization in the participating organizations?

The role of HRM is vital in any organization (see Chapter 4). Since a majority of the workforce in the private sector are expatriates, with Emiratis representing no more than 5% according to most estimates, HRM systems and practices in organizations have been shaped largely by this reality. Therefore, most companies in the UAE rely on employment agencies to recruit foreign workers, which means that local recruiting sources are often not used. Also, other HR systems such as pay structures and performance management have been designed to suit the needs and characteristics of expatriate workers, who are hired on short-term contracts. Another aspect of this HR system is the lack of HR development activities and limited budgets for training and investment in human capital development. The expatriate worker is viewed largely as a contractor, with the whole HR system based on an operational and short-term transactional perspective. One respondent (P5) stated that organizations should distinguish between the role of operational HRM and the role of strategic HRM. This is very important, as most organizations assigned the implementation of Emiratization strategies to HR employees without considering the strategic requirements of the role. Strategic HRM is a process that requires human resource policies and practices to be linked to the strategic objectives of the organization (Bratton, 2012).

In its broadest sense, strategic HRM is a set of interconnecting propositions relating to employee management as the company strives toward a greater competitive edge through the 'strategic deployment of a highly committed and capable workforce using an array of cultural, structural and personnel techniques' (Storey, 2014). In our study, we have explored many HR initiatives that supported Emiratization in the five case study companies.

7.2.4.1 Recruitment and Selection

Participants stated that their organizations relied on both internal and external recruitment and highlighted that successful recruitment and selection was the most important part of any successful Emiratization strategy. Selecting the best candidate with appropriate skills and experience will enable the strategy to succeed. Internal recruitment came about through personal references, offering career development opportunities, and making use of internal websites, while external recruitment came through such initiatives as career fairs, direct hire from universities and colleges, and online websites like Tawteen and Bayt.com.

One of the major problems in workforce localization in the UAE and GCC in general is recruitment practices that rely on hiring highly skilled and experienced expatriates. Since the supply of expatriates is virtually unlimited and immigration policies are still lenient in the UAE and other GCC countries, the influx of experienced foreign workers represents a major challenge to workforce localization policies. The recruitment practices of private sector organizations over the past few decades have become dependent on hiring expatriates, who fulfill the hiring needs of the company at a lower cost than recruiting GCC nationals. This means that companies can save on training and development costs. As a result, most companies have practically no

training and development activities, since they only hire skilled expatriate workers. If those workers fail to perform well, they can easily be replaced by others. Of the organizations in Qatar surveyed by Al-Horr and Salih (2011), 87% effectively 'buy' rather than develop their workforce by identifying and attracting skilled and experienced employees who will need little, or no, training. However, most participants in this study felt that new local graduates often performed better than existing employees. Therefore, they often preferred to hire recent graduates on a two-year career development program in order to train them to handle their job professionally. Having an effective training and development program is therefore an essential element for any Emiratization program to achieve its goals.

7.2.4.2 Retention of Emiratis in the Manufacturing Sector

Some interviewees indicated that for an Emiratization program to achieve its objectives, it must involve a practical and clear career development path for Emiratis. These respondents felt that enforcing a quota for the number of Emiratis hired in the manufacturing sector would not resolve the problem, but that a reasonable and personalized career development plan could encourage more Emiratis to enter the manufacturing industry and eliminate the revolving-door effect. For example, one obstacle that prevented Omanis from entering the job market in general, and the private sector in particular, was functional illiteracy and a lack of suitable vocational training (Al-Lamki, 2005; Wilkins, 2002).

The participants acknowledged the effectiveness of increasing training and development opportunities for Emiratis. For instance, the majority of the participants mentioned that, after incorporating Emiratization into mainstream organizational strategies, their organizations then allocated a budget for the training and development

of Emiratis. That budget was not only used to arrange in-house and outsourced training and educational programs for Emirati employees, but was also used to finance further studies, higher degrees, and potential future opportunities. For instance, one HR manager (P11, O5) mentioned that, unlike in the past, his organization now allocated a specific budget for the training and development of its employees, especially Emiratis. The organization has in-house, off-the-job, and on-the-job training courses for its local employees.

Our findings suggest that the Emiratization strategies adopted by UAE organizations tended to be two-pronged: short-term and long-term strategies. In the short term, the organization provides financial benefits to employees to reward performance. In the longer term, employees are more interested in the growth of the organization, as it gives them a sense of job security; when an organization is growing, there is a lower risk of downsizing (Singh & Sharma, 2015).

7.2.4.3 Educational Scholarships and Internships for Students

In all five companies, Emiratization strategies included scholarships and internships for Emiratis. However, some interviewees raised issues with scholarships programs, as often a student who has completed his/her subsidized education chooses to work for a competitor organization that offers better remuneration and perks.

These companies also offered internships for students at most UAE universities and colleges. This allows the students to work for a certain period and to gain knowledge and work experience suitable for the manufacturing sector.

7.2.4.4 National Service

This study also explored the effect of military service on Emiratization in the manufacturing sector. According to our findings, the respondents were very happy

with the work of young Emiratis who came to them from national service. However, these organizations faced some difficulties related to the recruitment of Emiratis. Before considering this in more depth, we must first describe the national service requirement in the UAE. Mandatory military service for all Emiratis between the ages of 18 and 30 was introduced in June 2014 via the UAE National Service Law (Sankar, 2018). Under this law, employers cannot dismiss, or deny promotion, salary increases, or service benefits to Emiratis who are serving their term of national service. Since its implementation, national service has been viewed positively. It is seen as an effective strategic move in light of political, military, security, national, social, and economic concerns. This compulsory service for young male Emiratis with a secondary school education or more has been extended to 16 months (previously it was 12 months). Women in the same age group can volunteer irrespective of their educational qualifications. There are several benefits linked to completing one's military service, and the government offers Emirati men who complete their military service priority in job placements, promotions, and for marriage and land loans (Salem, 2014). The armed forces also continue to fund these men's education. Every workplace, governmental or private, is required to allow Emirati employees time to complete their military service. The employee may be replaced temporarily but must be given the same job upon his/her return. In addition, salaries continue to be paid, with those in the private sector receiving half from their company and half from the armed forces. Those in the federal and governmental sectors receive a full salary from their agency.

According to Reilly (2014), military service not only creates jobs but also aims to change a culture in which young people expect their employment opportunities to be in the boardroom rather than on the shop floor. It is an attempt to eradicate the growing sense of entitlement and privilege that has been identified.

In this study, two of the companies have designed training programs for Emiratis who have come from national service, and they reported that young Emiratis can successfully operate in a factory without any help from expatriates. If companies provide appropriate training to young Emiratis, they will perform well.

However, some participants expressed doubts on this issue, feeling that the mandatory national service for male Emirati nationals was yet another challenge to meeting Emiratization targets. Participants P4, P7, and P8 said that they were unable to meet their yearly Emiratization targets because of the national service requirement. In particular, it was extremely difficult to recruit candidates who match job specifications and have also completed their military service. Thus, these companies either fail to meet their Emiratization targets or they recruit female employees for jobs that would be more suitable for male candidates. For instance, the human capital superintendent (P8, O3) stated that his/her organization recruited more female than male candidates because of the national service requirement for men. In the last two years, they did not find enough male candidates to fill 46 positions and so were compelled to hire female candidates instead.

7.2.5 Research Question 5

What are the challenges to Emiratization at the participating organizations?

7.2.5.1 Turnover of Emiratis and Market Competition

One of the main challenges faced by manufacturing organizations is the high turnover rate for Emirati employees. Companies spend a lot of money training and developing Emirati talent only to see employees take the experience they have gained and seek government jobs with high compensation. This was cited as one of the main reasons for the company not meeting its Emiratization target by the end of the year.

Al-Waqfi and Forstenlechner (2010) have emphasized that Emiratis prefer to work in the public sector because of the higher salaries, greater job security, shorter working hours, and better retirement plans. Therefore, there are few motivations for Emiratis to join the private sectors. Conversely, many private sector organizations are reluctant to hire Emiratis because of their high salary expectations.

Our interviewees suggested generally that the one major factor in retaining Emiratis at work is compensation. Employee satisfaction with salary leads to retention far more than job satisfaction or relationships with supervisor and co-workers (Heneman, 1985).

Throughout the GCC countries in general, and the UAE in particular, there is tangible evidence that wages, promotions, and other incentives are considered as major obstacles to the retention of local workers. For example, Al-Lamki (1998) highlighted that, because of pay levels, 65% of Omanis preferred to work in the public rather than the private sector.

7.2.5.2 Tough Working Conditions

The second biggest challenge in meeting Emiratization targets was working conditions, particularly in the manufacturing sector. According to participants (P3, P4, P9, & P12), newly employed Emirati employees generally found working conditions very tough, particularly in the manufacturing or metals industries. For instance, they only get one day off per week instead of the two days that are standard in government jobs. They did not want night-shift work or to work a long distance from home. Others claimed allergic reactions or health problems due to high temperatures or a tough working environment. Given that Emirati expectations are focused on higher living standards and better working conditions, it is very difficult to persuade them to work

in difficult or challenging conditions. Thus, they are less willing to join manufacturing organizations, particularly in the metals sector. This makes it very difficult for such organizations to meet their Emiratization targets.

7.2.5.3 Experience and Educational Outcomes

The literature also mentioned that GCC states have incorporated training into their national HR development planning. For the past three years, the KSA has tried to find different ways to educate and train Saudis, with the overall cost seen as a major challenge (Al-Dosary & Rahman, 2005).

The main reason given for involuntary unemployment is the lack of the knowledge and skills required for the job market, or a mismatch of skills to an employer's actual needs (Al-Hamadi et al., 2007). The participants in this study also gave the opinion that educational outcomes were a barrier they constantly faced. According to Forstenlechner, Madi, Selim, and Rutledge (2012), there is a positive correlation between an employer's willingness to recruit a GCC-national candidate and the candidate's educational attainment.

The lack of English language skills highlighted in this study is not a major obstacle for Emiratis in the manufacturing sector as they often deal with highly advanced technology, which requires technical skills with basic English language ability to operate.

> English languages is a plus but would it stop them from working? For sure no. Because they will be working with Pakistanis, Indians, different nationalities, Yeah, and those people don't speak English either. So, as I said the job nature does not require a lot of presentation and communication. It's more of just lining up people on the production line [Emirati Male, HR Manager, P11 & O5].

7.2.5.4 Knowledge-Hiding by Expatriates

The interviewees reported many challenges in finding and attracting local talent. They also mentioned that expatriate retention was an issue. They agreed that diversity in the workforce provided many opportunities, but also felt that cultural differences sometimes led to significant misunderstandings. There were participants who reported that some expatriates were not keen to pass on their knowledge to their Emirati colleagues for fear of being replaced in the long run; this was discussed also in literature review (Chapter 3).

Therefore, nationalization strategies require adjustments in terms of HR strategies. Organizations need to adopt a strategic approach to managing expatriate–national interactions by providing incentives linked to knowledge-transfer and ensuring that those expatriates who mentor and train Emiratis will not be penalized by losing their jobs as a result. Organizations should implement strategies to identify both talented expatriates and nationals and encourage them to engage in partnerships of knowledge-sharing.

A major concern is that some industries may become monopolized or dominated by workers of certain nationalities. Thus, the government is particularly interested in increasing the presence of nationals in a variety of sectors (Tong & Al Awad, 2014).

7.2.5.5 Poor Support from Tawteen

Some participants mentioned that when recruiting for certain jobs, they must by law publish their vacancy through the Tawteen website. After they have done this, they receive CVs from Emirati candidates. However, there are many flaws in this procedure. Sometimes they receive hundreds of CVs for a vacancy, only to discover

that most of the applicants are entirely unsuited to the job as published. Although this sometimes resulted in appointments, the respondents felt that it considerably delayed the process and that Tawteen had a lot to do to improve their website and associated processes.

7.3 Recommendations for UAE Policy-Makers

Whether an organization is public, semi-public, or private, adopting suitable strategies will make its Emiratization process more successful. From the literature reviewed in Chapter 3 and on the basis of our findings, a number of strategies can be recommended to UAE policy-makers. Emiratization was introduced decades ago, and many initiatives have been introduced that support the employment of Emiratis. However, until now, these policies have not been effective enough to support Emiratization to the extent that was originally hoped. My recommendations to the policy-makers in UAE are as follows:

1. To establish a department that will directly focus its attention on strategic Emiratization plans. It is suggested that it could be termed the "Strategic Emiratisation Development Department (SEDD)".

2. To appoint an important government minister to the chief role in the leadership of the Emiratization organization at the government level. Companies are more likely to comply if a major government figure is in charge of the process.

3. To adopt a strict policy to support Emiratization by reserving certain jobs for Emiratis.

4. The role of SEDD in each emirate will be as follows:

4.1 To maintain detailed databases of the numbers of unemployed Emiratis (male/female), their educational background, work experience, age, etc.

4.2 To coordinate with higher education institutions regarding the expected number of Emirati graduates each year in order to plan recruitment within the semi-governmental and private sectors.

4.3 To be responsible for all job vacancies in the semi-governmental and private sectors.

4.4 To collect and analyze detailed data on jobs held by expatriates (job description, salary details, etc.) in order to make succession plans for Emirati jobseekers who can potentially replace expatriates.

4.5 To restrict expatriate employments where there is a qualified Emirati for the vacancy. Otherwise, semi-governmental/private organizations have to prepare training and development programs in order to train jobseekers.

4.6 To issue monthly reports to the HRA management.

Also, the role of this department will involve the following:

- To allocate new graduates and Emirati jobseekers to suitable jobs according to their educational background and experience.

- To work hand-in-hand with employers in the semi-governmental and private sectors to agree on jobs that could be Emiratized and to reserve these positions for Emirati jobseekers.

- To interview jobseekers, determine where they can fit in, and then send their CVs to the relevant organizations.

- To follow up and audit each company's Emiratization strategies in order to make sure that they are following government initiatives; to

visit them if required and meet top management, especially if they do not achieve their targets.

5. To create for each emirate an Emiratization portal that shows the Emiratization percentage in every organization, the number of jobseekers, the number of expected graduates, and the rate of expatriate recruitment. This data can provide a clear picture of the extant situation in each emirate and thus help policy-makers to put more pressure (e.g., through penalties) on organizations that do not support this vision.

6. Additionally, it is recommended that the government bear some of the cost of training Emiratis. Many countries in the West include training and job seekers' development as part of their Active Labor Market Policy. Therefore, the government of the UAE should integrate training and development programs into the Emiratization policy.

7. It has been recommended that the government takes steps to overcome the salary gap problem between private and public sectors problem. An example of this is the attempt to subsidize the private sector wages being undertaken by His Highness Sheikh Dr. Sultan bin Muhammad Al Qasimi, a Member of the Supreme Council of the UAE, and the ruler of Sharjah, who has established an Emiratization department at governmental level to do precisely this. This department is responsible for hiring Emiratis in the private sector. As part of this initiative, private sector companies deposit salary payments with the government, which disburses these payments to Emiratis and ensures, through subsidies, that these salaries match those of the public sector. Sharjah also ensures that Emiratis are paid properly by their employers. The local government thus helps companies to ensure that the

pay gap for Emiratis in both the public and private sectors is significantly reduced or eliminated (Khaleej-Times, 2019). Nevertheless, the salary gap is still a major barrier to Emiratization in other Emirates that have not taken similar actions.

8. Enhance UAE Regulations in regards to Emiratization.

In our study, the majority of participants neither agreed nor disagreed with the statement that labor laws and regulations governing Emiratization provided an appropriate legal framework to support the process at their company. Some respondents disagreed slightly with the statement, saying that government policies and regulations regarding Emiratization were vague and did not provide clear structures or specific targets. Furthermore, there had been no audits carried out by appropriate government authorities to check on the progress of Emiratization at any of these organizations. Unfortunately, in the UAE this regulatory legal framework has not been effective. For example, the labor law does not support Emiratization in the sector, because, to date, the overwhelming majority of employers do not follow such policies and remain unaware of the laws and regulations designed to force them to hire UAE nationals, or of any effective monitoring.

Government efforts can encourage the better implementation of Emiratization throughout the industry by improving communication and coordination between industry and the government. This is imperative as we found fundamental contradictions in the strategies devised by the industry and the policies the government wishes to implement (Pech, 2015).

7.4 Recommendations for Individual Organizations

The boards of directors and CEOs in organizations in the semi-governmental/private sector can play a vital role in enhancing Emiratization in their organizations. Their commitment to the government's vision can be assessed in terms of the number of Emiratis employed in their organization. Organizations can enhance their Emiratization strategy in the following ways.

7.4.1 Designing a Long-Term Emiratization Plan

If an organization is serious about meeting its Emiratization targets, then it must plan for the long term, and there is no better time to start developing the plan than right now. This will help the organization to secure a stream of talented local professionals coming into the workforce. The plan should be designed by the strategic HRM team and followed up on a quarterly basis.

7.4.2 Providing a Creative Pay and Benefits for Existing Employees

One reason that emerged from the study for a lack of local employee retention is that workers find better opportunities and salary packages in other organizations. If companies wish to compete for Emirati talent, they need to develop attractive benefits to attract more GCC-national employees and retain their existing ones. In this study, we found that only one company had adopted such a strategy, which involved issuing company shares to their staff as a means of recruiting and retaining talented UAE national employees.

Currently, many government organizations offer very attractive packages to Emirati nationals. Unfortunately, there is no quick fix for the private sector. If companies want to compete for Emirati talent, they simply have to develop

employment benefits that at least match those provided by public sector organizations. Paying suitable salaries is one method of enticing nationals to join the workforce. Businesses should also consider being more creative and flexible when it comes to offering benefits such financial and non-financial.

Many scholars (Al-Ali, 2006; Aljanahi, 2017) consider the main obstacle to Emiratis working in the private sector to be the large difference in salary and benefits between the private and public sectors (see Chapter 2).

7.4.3 Making More Imaginative Use of Expatriates

With such a large expatriate community in the region, and with so many professionals holding powerful positions in commerce and industry, it seems a waste not to utilize their skills to the fullest extent. By allowing Emiratis to shadow and learn from expatriates, organizations have a greater chance of keeping these skills in the country once these professionals return home.

7.4.4 Integrating Emiratis Fully

If firms want to recruit and retain Emirati professionals and make them feel valued, it is absolutely crucial to integrate them fully into business operations. This means not just employing them in the UAE, but also allowing them international opportunities to take part in learning and development initiatives. By doing this, it is more likely that individuals will feel like valued members of the organization, rather than 'tokens' employed to meet a quota.

In addition, I also recommend that directors and CEOs know exactly their Emiratization percentages, as well as the number of vacancies and status of expatriate recruitment, in order to have a clear overview of the current situation in their

organizations. To make this happen, the Emiratization department in each of company should directly report to the CEO and board of directors.

7.5 Limitations and Suggestions for Future Research

Every effort was made at each stage of this study to explore the effectiveness of nationalization strategies in semi-governmental organizations. Although this study has successfully achieved its objectives, the results need to be interpreted in the light of certain limitations. First, the findings are based on a qualitative methodology. Arguably, a mixed-method study (using both quantitative and qualitative data) might have helped elucidate the research questions even more. However, there was no real opportunity to conduct empirical research, and the generous interview times and schedules lent themselves more obviously to a wholly qualitative approach. Nevertheless, I would encourage future researchers and practitioners to extend this study in a number of ways. This research was conducted in the manufacturing sector in the Emirate of Abu Dhabi, and the sample of 12 participants representing five distinct entities was therefore limited. Future research could extend the current study by conducting further investigations into the perceptions of young Emirati employees working in the semi-governmental sector, who are, of course, directly impacted by the success or failure of Emiratization.

Second, the study was restricted to Abu Dhabi emirate. Further studies could expand the research to encompass other regions and more of the UAE's semi-governmental organizations.

Third, the data collection method (qualitative face-to-face interviews) constitutes another limitation of this study. Although it was an appropriate method for investigating the attitudes, opinions, and values of respondents (see Chapter 5 for a

justification of this approach), sometimes respondents were reticent to answer questions as fully and openly as hoped, perhaps because of the highly sensitive nature of the subject.

Also, noteworthy, is the role played by women in the UAE economy. Despite women representing the vast majority of university and college graduates they are under-represented in the workplace (especially in the Armed Forces and Police, which absorb many male job seekers whether they are graduates or not). One of the reasons for this is the culturally attuned view of the role of women (wife, mother, homemaker, etc.) thus, in order to optimize graduate outcomes and drive forward Emiratization (especially of qualified graduates) specific policies targeting female graduates could pave the way forward. This topic has, thus far, been under-researched and could prove a fruitful field for a further, more in-depth investigation.

The current study focused mainly on the demand side (employers) and their ability to recruit Emiratis in fulfillment of the Emiratization policy. However, the supply side (Emirati job seekers) was not addressed in detail in this study. Further studies might examine Emiratization from the perspective of Emirati employees and job seekers. For example, research is needed to examine the challenges and opportunities that Emiratis who have been successfully employed in the private sector are experiencing in managing their careers. Also, future research is needed to examine what qualities, attitudes, and behaviors of Emirati workers or job seekers that can predict successful Emiratization in the private sector.

7.6 Conclusion

In Chapter 4, this study discussed how institutional factors affect Emiratization strategies in terms of the regulative, normative and cultural cognitive aspects. The

regulative process deals with the legal framework within which employers are required to design long-term strategies to augment their company's nationalization strategies. All five organizations were required to report their policies and strategies to SENAAT and the HRA. However, as the government does not at present audit the level of compliance, and as there is no strictly enforced policy to reserve jobs for nationals or provide adequate training, this policy remains optimistic at the very least. Nevertheless, based on our findings each of these five organizations had instituted their own initiatives to support nationalization and to align it with training and the development of national candidates. Therefore, one of the main challenges to Emiratization in the semi-government sector remains the effective establishment of a regulative legal framework requiring the employment and training of UAE nationals.

The normative factor incorporated the cultural–cognitive factors that emerged from the study and explored the effectiveness of hiring new graduates by looking critically at their levels of on-the-job performance.

Within the context of Emiratization, Social Capital ought to influence institutional or organizational performance. Social Capital Theory consider how an individual is placed within a relationship structure: in this case, workplace relationships. A lack of social capital can hinder Emiratization. For example, where relationships break down we come across such factors as, the hiding of transferrable knowledge by job-security conscious expatriate workers, gender inequity, disciplinary issues, salary levels and market competition, the performance of regulatory bodies and the perception of the work environment as being tough, hard or even unfair. Where positive social capital exists we find the promotion of knowledge exchange, an increase in worthwhile training and development, mentoring, job shadowing and the promotion of a family culture.

According to Human Capital Theory, individuals have a better chance of career development if the organization provide them with the required training. This was emphasized in this paper by most of the senior managers; mangers considered training and development as the most important factor to enhance Emiratisation strategies. The next most important factor in determining who to hire was experience. Unfortunately, these factors often militate against hiring local employees, who have high salary and working condition expectations not necessarily commensurate with their work experience and qualifications. Therefore, successful Emiratization needs to seriously consider the training needs of potential UAE national employees, in order that they might match the requisite job requirements. Furthermore, if given additional opportunities to training, more Emiratis will be able to acquire useful, job-related and marketable skills.

Therefore, this study has demonstrated, through qualitative, exploratory research, the successful elements common to companies that are experiencing a degree of success in implementing their Emiratization strategies in the hi-tech manufacturing sector in the UAE. This study reviewed the salient literature on Emiratization and other similar localization programs in the GCC region. Before evaluating the successful elements of Emiratization, we defined the process and considered the drawbacks and flaws most commonly experienced (e.g., employing locals to meet quotas, difficulties of recruitment and retention, and a shortage of marketable skills including English language skills). We then extrapolated the successful strategies from a series of semi-structured interviews with major stakeholders based in the HR departments of five major companies. By incorporating the findings that emerged from these interviews into the literature review and the underlying theoretical approach of this study, it was possible to identify effective ways to design and implement these strategies.

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Appendices

Appendix A

GUIDELINES FOR INTERVIEWERS ON EFFECTIVENESS OF EMIRATISATION

Ms. Hana Almahri

Before taking this assignment, please check that you can and want to fulfill the following requirements:

- You are comfortable with the questions. You understand what they mean and you are happy asking these questions.

- All interview results are to be submitted in English language only, independent of whether the language of the interview was Arabic or English. Below you will find a checklist to follow: **Before the interview:**

- Check with me on the suitability of the interviewee you wish to approach (in order to avoid the same person being approached twice or having too many interviewees of the same characteristics as job position, industry sector, age, gender, location, etc.).

- Once confirmed, approach the interviewee and explain what you are doing. Assure anonymity of results and use for the benefit of Emiratization research. In order to ensure their familiarity with the study purpose in advance, it is recommended that you forward the first page of this document to interviewees by fax or email before the date of the interview.

- Make sure the interviewee gives you at least 1.5 to 2 hours of time.

- Print out the interview form and bring it with you to the interview, so you know all the questions and have enough space to write them down. Bring some extra sheets and give one to the interviewee to follow while you ask them the questions. **During the interview:**

- Write down EVERYTHING you reasonably can. Try to capture quotes.

- Clarify, follow up on anything you have not fully understood. **After the interview:**

- Try to write down everything on the same day in MS Word, your memory will be fresh and clearer if you don't leave too much time between the interview and the write up.

- Make sure you have completed all sections of the document, including the summaries and quotes. You are requested to submit all the information

specified in this document starting with information about the interviewee and his organization. You also need to provide us with the following information about you: If you have questions at any point of this research, please call Dr. Al Waqfi on 050 4470218 or Ms. Al Mahri on 050 5666104 or email us at mwaqfi@uaeu.ac.ae and 201490139@uaeu.ac.ae.

Name and student ID	
Hours worked on this interview	

Thank you very much for your help,

SAMPLE WORKSHEET

All questions will be organized as in the example below. There will be a question you should ask the interviewee, the answer to which you should then sum up in the "Summary field". The field "Keywords" should be filled for every question, summing up the major themes of the answer. The field "Quote" is optional, however if you think the interviewee said something particularly interesting, it would be great if you could provide a direct quote for what he said.

Question 1: Please define Emiratization. What does it mean to you?	
Summary	To the interviewee Emiratization mainly meant training and development to enable the replacement of expats through nationals. He gave several examples of how this was done in his organization such as training on the job and a dedicated local training manager. He seems to consider Emiratization a welcome topic as it helps the organization to develop the local customer base better.
Keywords	Replacement of expats, training
Quote	... to equip nationals with the opportunity and the means to do a job previously done by expats, with the key way to get there being training and acceptance of that training

About the Interviewee		
Position/job title		
Demographics	**Nationality**	
	Gender	
	Age	
	Education level	
For how long have you been employed by this organization	--------------------------- **years**	
About the Organization		
What industrial category is most appropriate to classify your organization?	Metals	
	Oil and Gas	
	Construction and Building materials	
	Beverage manufacturing	
Ownership of the organization	Government (Federal) Government (Local) Joint (public and private ownership) Private Foreign establishments Others, Specify, ………………………	
In Which emirate the organization is located?		
Which year was this organization established?		
How many employees work for this organization on full time basis		
What percentage of the total workforce in your organization are females?		
Approximately, what percentage of the total workforce in your organization are from the following nationalities?	Locals/Emiratis …………………………% Arabs …………………………% Asians ………………...………% Westerners …………………………% African (non-Arab) ……………………% Latin American …………… .………%	
What is the average annual turnover rate of workers in your organization? **A. Emiratis (…) %** **B. Expats (…) %**		
*Definitions of Type of Sectors of Employment are given in Appendix A		
For copy of the study findings, please provide email here: **………………………………………….**		

Basic information on interviewee and organization

Section 1: Meaning of Emiratization

Question 1: Please define Emiratization. What does it mean to you?	
Summary	
Keywords	
Quote	
Question 2: To what extent do you agree or disagree with the following statement: "Emiratization as a policy in this company is generally well defined and clearly communicated and it generally means the same thing to all people involved or affected by it" Strongly Disagree Slightly Disagree Neither Agree/Disagree Slightly Agree Strongly Agree **(1) (2) (3) (4) (5)**	
Summary	
Keywords	
Quote	

Section 2: Emiratization policy in the company

Question 3: Do you have an Emiratization strategy plan? If yes, please answer the following questions: - Date the program started - What are the main characteristic of your Emiratization program? - How do you structure the plan (including the goals, processes, individuals involved and monitoring and reporting mechanisms)? - How frequently do you check the progress of your plan and achievement of goals?	
Summary	
Keywords	
Quote	
Question 4: What are the main challenges in implementing Emiratization policy in your company?	
Summary	
Keywords	
Quote	

Question 5: What kind of support do you get to achieve the plan? For example, top management support, government support, etc.?	
Summary	
Keywords	
Quote	
Question 6: Do you have a successful story of Emiratization at your company? If yes, what made it work? Also, do you have any cases in which things did not work as planned?	
Summary	
Keywords	
Quote	

Section 3: Effectiveness of Emiratization

Question 7: To What extent do you agree or disagree with the following statement: The Emiratization policy has been effective in generating employment opportunities for nationals in this company. Strongly Disagree Slightly Disagree Neither Agree/ Disagree Slightly Agree Strongly Agree (1) (2) (3) (4) (5)	
Summary	
Keywords	
Quote	
Question 8: What, in your opinion, are the factors that make Emiratization effective or ineffective in the manufacturing sector?	
Summary	
Keywords	
Quote	

Section 4: Emiratization decrees/orders affecting your organization

Question 9: What government laws, regulations, decrees, or orders set the Emiratization targets for your company?	
Summary	
Keywords	
Quote	
Question 10: Are Emiratization targets that apply to your company mandatory or voluntary? ( ) Mandatory ( ) Voluntary	
Question 11: Have your company reached Emiratization targets required? **( ) Yes ( ) No** If the answer is No, is there any consequences from your top management/government for not meeting the required targets?	
Summary	
Keywords	
Quote	

Question 12: Does your company have to report to government authorities regarding its progress in achieving Emiratization targets?

(   ) Yes   (   ) No

if the answer is Yes, please answer the following:

1. To which government authority reporting is made?
2. How often per year?
3. In which dates?
4. What is the format of reporting (e.g. filling certain forms)?
5. How often do you receive visits from government officials to audit compliance with Emiratization targets?

Summary	
Keywords	
Quote	

Section 5: Labor Laws and Regulations

Question 13: To What extent do you agree or disagree with the following statement: "The labor law and regulations governing the Emiratization process provide an appropriate legal framework to support Emiratization policy at your company" Strongly Disagree Slightly Disagree Neither Agree/Disagree Slightly Agree Strongly Agree **(1) (2) (3) (4) (5)**	
Summary	
Keywords	
Quote	
Question 14: To What extent do you agree or disagree with the following statement: "Labor and immigration laws in the UAE are effective in regulating entry of foreign workers into the country in order to enhance effective of Emiratization policy in the private sector" Strongly Disagree Slightly Disagree Neither Agree/Disagree Slightly Agree Strongly Agree **(1) (2) (3) (4) (5)**	
Summary	
Keywords	
Quote	

Section 6: HRM practices to support Emiratization

Question 15: Based on your experience, what specific HRM practices, such as training and mentoring as well as building Emiratization supportive organization culture, etc., can be utilized to enhance Emiratization in your organization and in the private sector in general?	
Summary	
Keywords	
Quote	
Questions 16: What types of program do your company provide to support Emiratization? For example, scholarship, career development, etc.	
Summary	
Keywords	
Quote	

Question 17: Do you target specific job categories that you designate for nationals? If yes, what are they? Which job categories experienced better Emiratization results and why?	
Summary	
Keywords	
Quote	
Questions 18: What are the key issues or factors that help your organization to retain Emiratis, based in your experiences?	
Summary	
Keywords	
Quote	

Question 19: Based on your experience, what are the main problem that Emiratis employees face while working in the manufacturing sectors? And, do you find it difficult to find a capable Emirati to work in the manufacturing section?	
Summary	
Keywords	
Quote	

Question 20: How do you recruit Emiratis in this company? What is the most effective method to recruit Emiratis based on your experiences? Also, what do you prefer, finding candidates from recruitment agencies or from Abu Dhabi HR Authority "Tawteen Council"? Why?	
Summary	
Keywords	
Quote	

Question 21: What is the turnover rate of Emirati workers at this company? Why do they leave?	
Summary	
Keywords	
Quote	

Section 7: Skills and competencies of national workers

Question 22: "Given the limited experience and lack of exposure to private sector standards among many national job seekers they might need extensive training before being able to function effectively in the job market". Do you agree with this statement? Based on your experience and knowledge, what should be done to enhance national employee's competency level to the standards needed for manufacturing sector careers? Strongly Disagree Slightly Disagree Neither Agree/Disagree Slightly Agree Strongly Agree **(1)**　　　　　　**(2)**　　　　　　**(3)**　　　　　**(4)**　　　　**(5)**	
Summary	
Keywords	
Quote	
Questions 23: What types of compensation packages does your organization provide to Emirati employees?	
Summary	
Keywords	
Quotas	

An establishment may be classified within one of six types of sectors:

Government (Federal):

This includes all establishments owned by the federal government and whose budget is included in the federal government's general budget.

Government (Local):

This includes establishments owned by the local government and whose budget is included in the local government's general budget.

Joint:

This includes any establishment in which the federal or the local government has a stake (joint), provided that the establishment's budget is independent from the government's general budget.

Private:

This includes every establishment whose capital is completely owned by one or more individuals or by one or more corporate bodies.

Others:

These are public welfare establishments that have no profit objectives. Examples of these are sports clubs, charity organizations, trade unions, women's unions etc.

Foreign establishments:

These are establishments reporting to foreign countries or international or regional organizations.

Appendix B

Social Sciences Research Ethics Committee
Consent to Participate in a Research Study

Please read carefully before signing the Consent Form!

Evaluating the effectiveness of labor localization in the quasi-private sector: Multiple case studies from the manufacturing sector in UAE

INTERVIEW FORM ON EFFECTIVNESS OF EMIRATISATION

Mrs. Hana Al Mahri

Thank you for taking part in this project. The aim of this research is to understand better, how we can improve the effectiveness of the Emiratization policy by seeking feedback and opinion of key informants who are directly involved in Emiratization programs in the manufacturing sector. Policy makers, employers, and Emirati job seekers seem to share the opinion that the Emiratization policy which was first adopted in the early 1990s have not been effective enough in securing meaningful employment for Emirati job seekers, especially in the private sector. There are several issues related to the design, scope, tools, and implementation of the Emiratization policy that are expected to impact its effectiveness and outcomes. This study intends to address these issues and draw conclusions and recommendations that could be of interest and practical value for both policy makers as well organizations and individuals affected by the policy.

The results of the study will be analyzed on an aggregate level and conclusions will be drawn regarding the design, parameters, and implementation difficulties related to Emiratization and their implications. The interview takes approximately one and half hours to two hours to complete. We sincerely hope that you will take the time to participate in this study as it addresses a topic of critical importance to the economic and social development of the UAE. The results of this study would be of great

practical benefit to both organizations affected by the Emiratization policy, policy makers, as well as citizens and expatriate workers and job seekers in the UAE in general. Your participation in this study is entirely voluntary and you have the right to withdraw your consent or discontinue your participation at any time without penalty.

We thank you for your time and effort and look forward to receiving your feedback and input. Emiratization is a major topic in the UAE and workforce localization in general is a major topic in the GCC in general. We want to understand better what could make workforce localization policies work more effectively given the unique social and economic context of this region. By contributing to this research project you can contribute to the better understanding of a topic highly relevant to the future of this country and this region.

If you wish to receive a copy of the study findings, please provide an email address in the specified space on page 4 of the interview form. If you have any questions regarding the study, please contact me by email at (201490139@uaeu.ac.ae) or by phone at (050-5666104).

Sincerely,

Hana Almahri

DBA student

UAE University

Informed Consent

1. I confirm that I have read and understood the above information sheet and have had the opportunity to ask questions.

2. I understand that my participation is voluntary and that I am free to withdraw.

3. I understand that my data will be kept confidential and if published, the data will not be identifiable as mine.

I agree to take part in this study:

(Name and signature of participant)	(Date)
(Name and signature of person taking consent)	(Date)
(Name and signature of witness (if participant unable to read/write)	(Date)
(Name and signature of parent/guardian/next of kin (when participant unable to give consent due to age or incapacity)	(Date)