



GCC National Talent Management (Effective Nationalisation)

An Oxford Strategic Consulting research project



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GCC National Talent Management

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1. Background and Introduction

This project, kindly sponsored by Nakheel, recommends a best practice approach to GCC Nationalization based on extensive research over 2 years. It aims to provide recommendations to organisations that wish to maximise the value of their Nationals – their ‘talent’. Its audience, therefore, is primarily employers. Although it does report on organisational views of national economic and educational policy, it does not aim to provide national statistics, which are covered in several previous studies¹, or be used as a policy document by Government. As an applied guide to best practice, it does not aim to identify ‘the average’ or most common practices. The responding organisations were therefore chosen as exemplars of best practice and do not represent the mean.

The development and fulfilment of local talent in the Gulf countries is of fundamental importance to ensure that individuals are developed to their potential, to maximise their quality of life and to ensure that fast growth economies do not become (or remain) dependent on expatriate skills and resources. In particular, it is crucial that the benefits of the region’s success are shared among the citizens and are neither simply exported to those countries supplying expertise nor highly centralised in Government or ruling elites.

This project focuses on The Emirates but also includes some employers from other Gulf States and derives principles for National Talent Management in general. It is hoped to extend the detailed research into other Gulf States following this initial research.

As well as an extensive review of previous studies and literature, the research utilised three main sources of data:

- Survey of 312 individual employers, employees and students, including GCC Nationals and expatriates
- In-depth interviews with 43 employing organisations: small and large, locally or foreign owned, private and public sector

¹ For example the report ‘Action Plan for the GCC Nationalization of the UAE Private Sector’ produced by Clarendon Parker/Manpower and Hugo Toledo’s very useful analysis ‘The Political Economy of GCC Nationalization in the UAE Private Sector’ American University of Sharjah.

- Three focus groups in the UAE with 30 employing organisations: to debate issues and produce recommendations
- One focus group in Jeddah, Saudi Arabia

We use the term 'Nationals' to mean the local citizens of the countries in the region: GCC Nationals, Saudis, Omanis for example. Others use the term 'locals' but this does not distinguish well enough between citizens and long-term immigrants. We use the term 'Nationalisation' to mean the efforts to ensure Nationals are employed in roles that are worthwhile to themselves, their employers and their country. Various country specific programmes of 'Nationalization', 'Saudisation' etc are covered by the use of the term 'Nationalisation' but their meaning can sometimes be seen as limited to the quota system imposed by the various governments. Unfortunately, nationalisation is also used elsewhere to describe the process of taking a private sector company into the public sector - as in 'nationalising the banks'.

As a direct result of this research into best practice, we prefer the term '**GCC National Talent Management**' as it clearly suggests the wider and more strategic objectives discussed below.

Because of its objective to provide practical guidance, following this introduction the recommendations are organised into three main sections:

- [Nationalisation: Objectives \(Section 2\)](#)
- [GCC National Talent Management Process– A Best Practice Solution \(Section 3\)](#)
- [Conclusion \(Section 4\)](#)

The more detailed results of the extremely valuable and interesting interviews and surveys are analysed in a major Appendix:

- [The Current State of Nationalization: Current Perceptions and Reality](#)

1.1. Acknowledgements

We would like to thank Nakheel, in particular Dr Tommy Weir, David Walker and Samar Kamel, for their sponsorship and support for this research programme. It takes vision and commitment to 'the greater good' to fund research which may or may not be of direct use to the sponsor. In this case we hope that Nakheel may be rewarded both by the report itself and the enhancement of their justified reputation as a leader in this field.

We thank His Highness Sheikh Nahayan Mubarak Al Nahayan, Minister of Higher Education and Scientific Research and Chancellor of the Higher Colleges of Technology; Dr Tayeb A Kamali, Vice Chancellor of the Higher Colleges of Technology; and Dr Senthil Nathan, Director Institutional Planning and Research, Higher Colleges of Technology, for their great help and support.

The organisations we interviewed were chosen for their high reputations in nationalisation and were all extremely open and forthright about their own practices and the issues which face them. In this first draft, for confidentiality reasons, the specific responses from the participating organisations are coded - pending their agreement. These organisations deserve our grateful thanks and include:

The Wave, Muscat
P&G, Dubai
Tecom Investments
Al Abbas Group
Kempinski Hotels
National Bank of Dubai
Nakheel
Al Futtaim
Grand Hyatt Hotels
Emirates
Alghanim
Masterfoods
Lloyds TSB

Standard Chartered Bank

Marsh Insurance

Jumeirah Group

Dubai FSA

Mashreq Bank

DMS Dubai

Dubai Tourist Authority

Jumbo Electronics

We carried out in-depth interviews with over 30 local smaller employers and, again, are extremely grateful for their frank responses. Lastly, our thanks to all those who completed our survey. We use an open-ended methodology which gives a much greater depth of analysis but is more onerous for those completing the forms! Once again, thank you.

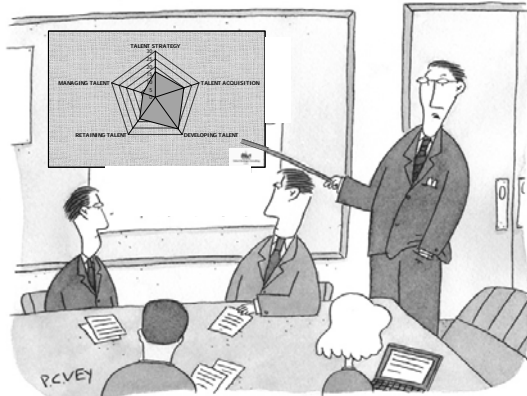
1.2. Summary

Professor William Scott-Jackson has presented preliminary results of this research in several forms and has summarised the recommendations as:

'Talent Management, not quotas'

and in the following description:

Emirati Talent Plc 2010



"As you can see – our Emirati Development score has shifted four points in the last year – and we can see the impact of this on Retention"

centre for applied human resource research
cahrr

(Modified from Harvard Business Review Oct 2007)

We know what **strategic capabilities** we need and are developing Emiratis to meet them year on year

We know our future Emirati **resource flows** and plan accordingly

Our Emiratis develop themselves using the best methods to build important capabilities

We identify critical Emirati talent that must be **retained**

We use monthly surveys to assess Emiratis' **'propensity to leave'**

Intervene at early stage of the leaving process

Create **Global Emirati Talent** web tool

Continuous research for potential external Emirati talent

We search for Emirati talent **internally and externally**



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2. Objectives of Nationalisation Programmes

Before discussing the current state of Nationalization and key recommendations, it is worth considering the objectives of Nationalization, and nationalisation programmes in general. These objectives depend on the viewpoint of the stakeholders and may well vary or conflict between them.

2.1. National Objectives

From the perspective of the Nation, nationalisation programmes have various objectives from various standpoints, including:

- Economic
 - Growth through utilising cost-effective labour
 - Maximising local employment (minimising unemployment)
 - Reducing dependence on expatriate workers
 - Wealth distribution
 - Retaining products of growth (reducing outflows to expat nations)
- Social
 - Human development of Nationals
 - Control and ownership of country, commerce and resources
 - Maintain National identity
- Political
 - Control – that Nationals should occupy controlling positions in society
 - Popularity – that the local population, on whom the legitimacy of government depends, should recognise Government's efforts to support them
 - Legitimacy of power – Government role in decision making/resource allocation should be justified by a sense of well-being and purpose amongst the population
 - Achievement of Strategic Plans (eg Dubai 2015)

These economic objectives vary widely across the Gulf countries. Some have extremely high or complementary proportions of expatriate workers (ie doing jobs that Nationals don't want – see Toledo above), so that Nationals are actually scarce in the labour market. Others have low or competing proportions of expatriates (doing jobs that Nationals would want) so that competition

for jobs is high and unemployment is the major issue. For the UAE, for example, Nationals form a small proportion of the workforce and it is imperative that they maximise their impact and take up leadership roles, wherever possible.

2.2. Organisational Objectives

For organisations (many of whom may well be in the public sector with 'national' as well as organisational obligations), their objectives may include the following:

- Economic
 - Maximise resource utilisation (talent management)
 - Use cheapest suitable resources (capital vs labour)
 - Utilise local talent where it is best for a particular role - and scarce (eg having connections, tourism etc)
- Social
 - Locally owned companies have obligations to the country and fellow citizens – especially semi-Government organisations
 - Global objectives of demonstrating the role of 'local' citizenship
 - Attract and retaining the best of local talent
 - Being seen as responsible and part of the community
- Political
 - Support Government principles
 - Legitimise profit making and growth
 - Avoid damaging protectionism

2.3. Individual Objectives

Individuals also have objectives, and here we refer to the objectives of the nationals themselves.

- Economic
 - Maximise salaries and economic success
 - Maximise future success
 - Gain education and experience
- Social
 - Maximise personal growth and achievement
 - Pride and status within key group
- Political
 - Control of own country/environment
 - Contribute to national interests

3. The GCC National Talent Management Process

Our research shows that the best organisations:

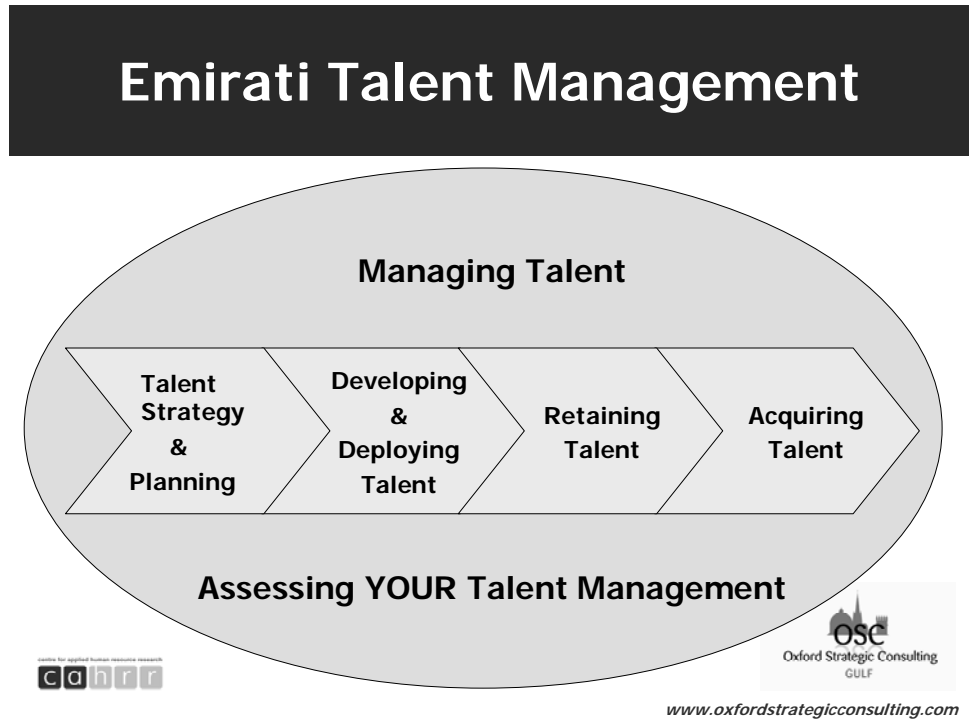
- Do not aim to simply employ large numbers of locals or meet quotas
- They aim to develop locals into skilled and/or leadership positions over time
- They aim to demonstrate support for the federal strategy of building local talent in advanced strategic areas - especially to develop leaders for the future
- They identify fast-track career paths which utilise local strengths (eg relationship building, negotiation skills etc) and support weaknesses with training, systems and technology
- They systemise the development of GCC Nationals – very much like graduate and ‘talent pool’ schemes
- They set up and lead collaborative ventures, applying ‘critical mass’ of member organisations
- They see Nationalization as an integral part of talent management - rather than a quota issue
- They include GCC Nationals as a key source of talent and adapt their employee brand, recruitment, career development and employee retention strategies to fully exploit that latent talent
- They tend to use their own tailored recruitment and development solutions, using, but not relying on, assistance provided by, for example, Tanmia or ENDP
- They deploy a wide range of actions across the whole talent management process
- They have a clear business related strategy, policy and a plan with business outputs and objective: eg *“to take a leading role, acknowledged by the UAE Government, GCC National job-seekers and wider society, in developing a future generation of world-class GCC National leaders and skilled employees, who make a demonstrable contribution to the bottom line”*.

In summary, organisations which had been successful in meeting the strategic objectives of developing GCC National talent, were those that treated Nationalization as **‘talent management’**.

Talent management, in general, aims to:

- Identify those capabilities and associated roles which are strategically important in order to develop a long term resourcing plan
- Acquire the best people in the world who either have, or are capable of developing, those capabilities
- Develop those capabilities to world-class standard and beyond

- Retain those capabilities to meet the future strategic demand
- Manage the talent process, including effective measures and feedback loops to ensure that the strategic needs are met



The Nationalization Process recommended here is, therefore, based on these areas.

3.1. Talent Strategy

In order to understand the development roles to which GCC Nationals should aspire and be developed, the organisation has to understand which capabilities will make a strategic difference in the future. This assumes, of course, that the organisation wishes to maximise the strategic value and development of GCC Nationals rather than simply provide employment. For example, MBS has reportedly focused on developing GCC Nationals into worthwhile call-centre roles and **Organisation U** recruits unqualified GCC Nationals in order to train them to serve in retail outlets. This approach is admirable as it provides useful employment for the lowest skilled

segment of the population - provided that the more able, but low-qualified GCC National has a route to maximise his or her potential.

However, this does not produce the leaders for the future or build long-term strategic expertise. For organisations that wish to develop GCC Nationals into more strategic roles then the following process can be adopted:

i) Identify Strategic Intent

Before embarking on any activity, it is important to fully understand the goal. It is therefore surprising how many Nationalisation programmes are **not** based on the organisation's strategic objectives or intent. The first stage of best practice Talent Management is to understand this strategic intent.

Although an organisation's strategic intent can be obtained from strategy documents or annual reports, the most effective way is simply to ask the top management team, and this can be done through structured interviews or in a short workshop. Normally the strategic intent will consist of an overall strategic goal supported by perhaps 5 specific objectives. For a major bank, for example, the strategic intent was to 'reach 30% market share in 5 years whilst maintaining 20% margin'. One of the critical goals, therefore, was 'to be seen as the friendliest bank by customers'.

ii) Identify Strategic Capabilities

In the same workshop (OSC has a suitable workshop design), the top management team can be asked which human capabilities would be critical in achieving the specific goals making up strategic intent. For each of the goals there may be several capabilities. These may be duplicated between goals and should be prioritised to result in up to 5 key capabilities. They should be chosen, in the first instance, to deliver maximum strategic value, whilst also demonstrating a key contribution to the national capabilities outlined in national strategic plan. At this stage the range of potential capabilities/roles should **not** take into account any limitations of the current GCC National labour pool or educational output.

One of the bank's key capabilities was 'friendliest front line staff'.

iii) Identify Strategic Roles

For each of these strategic capabilities, some roles are more relevant than others. For the bank for example, front line staff and, in particular, their managers, were critical. Back office roles, such as administration, whilst extremely important, required capabilities that were more easily bought or hired in.

This step should also include a 'resource flow' analysis which forecasts how much and how many of a particular role/capability will be required in order to achieve the plan over time. It would be pointless, for example, to recruit and develop 500 GCC Nationals for a role that needed only two incumbents over 5 years.

iv) Role Analysis

For each of the potential roles above, the skills, aptitudes and capabilities required to achieve excellence and maximum contribution in the role should be defined as well as the education and experiences needed and the likely 'journey' towards that role. This step will require review of any relevant job/role descriptions and relevant appraisal/performance management systems. This step will produce a set of Strategic Role Definitions.

v) Supply

Next, research the existing and future GCC National Talent market in comparison to the role/capability demands above. This can be carried out using a first-stage Executive Research process for each of the roles identified above as well as reviewing educational and training supply trends in the UAE (and of GCC Nationals in overseas education).

vi) Match Demand (Strategic Role/Capabilities) With Supply

Identify those GCC National Strategic Roles with the closest supply match for immediate focus (quick wins). Identify those Roles with the highest value for a longer term focus (strategic development). This step will produce a set of recommended GCC National Strategic Roles. The GCC National Resourcing Plan should define how the organisation will manage the gap between supply and demand.

vii) GCC National Employee Brand/Value Proposition

Design an 'employee value proposition' for the particular GCC National labour markets defined above. (See OSC EVP method – wsj@oxfordstrategicconsulting.com). This proposition could include, for example:

- Contribution to national success
- Pride in being part of 'UAE inc'
- Family-structured management of GCC Nationals
- GCC National friendly working conditions
- Career path to strategic roles within the organisation and beyond etc

In order to design the proposition it is obviously essential to understand GCC National preferences and needs. The best way to discover these characteristics is a regular (perhaps annual) labour market survey including interviews or focus groups with relevant potential GCC National employees. For example, if the key role requires MBA qualified GCC Nationals then these would be the surveyed population.

3.2. GCC National Talent Acquisition

The recruitment of GCC Nationals should be managed in exactly the same way as recruitment of any key resource - using advanced techniques and processes. In some ways GCC National Talent Management is similar to graduate or talent pool management where the organisation focuses on certain groups of key employees. Given that the Strategy above has defined the characteristics of the GCC Nationals that are needed now and for the future then the organisation needs to know from where to recruit the kinds of GCC National Talent it needs – Universities, other organisations, schools etc. Once the sources of talent are clearly understood then the best methods of recruitment have to be identified: web, direct advertising, agency, search, internal recruitment team, presence in universities etc. The process of recruitment has to be seen as a form of marketing rather than a type of procurement. In a marketing framework, the kinds of questions to be asked could include:

- Where are the best, most relevant, candidates?
- What messages will appeal to them (refer to the EVP above)?
- How do we get these messages in front of them (media etc)?
- How do we make it interesting and easy to apply?

There are several key lessons from our research, over and above 'normal' recruitment practices:

- Set and maintain a comprehensive talent database to include all known internal and external GCC National talent, supported by continuous research. Sources including education systems, Tanmia/ENDP, working GCC Nationals, senior GCC Nationals, GCC Nationals in competitor organisations
- Use this database for succession planning – including external successors
- Carry out continual executive research for key roles so that the external supply pipeline is well-known, easy to access and ready to be approached. External future candidates can be contacted occasionally with Ramadan best wishes etc
- Identify and access unusual sources (older GCC Nationals, less qualified, Northern/Western regions)
- Build key 'pipeline' relationships:
 - with Tanmia, ENDP, Tawteen etc to provide additional candidate base
 - with relevant educational establishments (UAE University, HCTs, High Schools), including on-site visits etc. Present to younger pupils and families
- Devise and maintain a fast and adaptable recruitment process which, for example, proactively contacts potential candidates from step 3 above, as soon as, or before, a vacancy

becomes available. Many GCC Nationals take alternative roles whilst potential employers are making their minds up!

- Develop a challenging recruitment selection process (this has a major impact on retention and pride)
- Develop high quality induction process
- Develop GCC National career management process and responsibilities
- Develop and promote the organisation 'brand' for GCC Nationals
- Develop recruitment web site and advertise as appropriate
- Internal referral system and reward

Above all, very few vacancies happen overnight so recruitment should be planned and carried out in an orderly fashion. Unlike the following!


Global Conglomerate 2003

*PANIC!!
We need a new Group Finance Director Urgently!!
Call Oxford Strategic Resourcing to find us one quick!!*

... Did he die suddenly? *No – He retired*

... What about your guy Jones in your Metals Division? *... Who?*

Well ... who do you really respect in the market? *Duuurgh?*



Modified from Harvard Business Review Oct 2007

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3.3. Developing GCC National Talent

GCC National Talent should be developed using best practice development tools and techniques including:

- Regular appraisal and career development reviews
- System for recording and monitoring development actions
- Use of the most effective learning tools and techniques²
- Clear 'road map' for achieving key roles and developing key capabilities so that GCC National employees can direct their own careers and learning

Development routes can include cross-sector collaboration (joint programmes etc), University and Higher Education partnerships, cross-Government partnership and working with agencies such as ENDP and Tanmia. GCC National Talent development should integrate with existing appraisal and performance management processes, coaching and employee retention activities.

Previous research has identified that most organisations use the least effective methods of development most often (e.g. face-to-face classes), whilst using the most effective methods least often (e.g. structured within job learning):

Methods of delivering learning: Impact on knowledge retention

	Method	Retention	
Most widely used method →	• Lecture	5%	← Least used
	• Reading	10%	
	• Audio Visual	20%	
	• Demonstration	30%	
	• Discussion Group	50%	
	• Practice by Doing	75%	
	• Teaching others	90%	
Never used (except informally?) →			



Jennings, C. (2007) *Why 'stand and deliver' s never enough*, Presentation to the IITT Conference June 2007.



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² Scott-Jackson, W.B., Edney, T. and Rushent, C (2008) Learning at work: E-revolution or evolution. http://www.managers.org.uk/listing_1.aspx?id=10:106&id=10:9&doc=10:6125

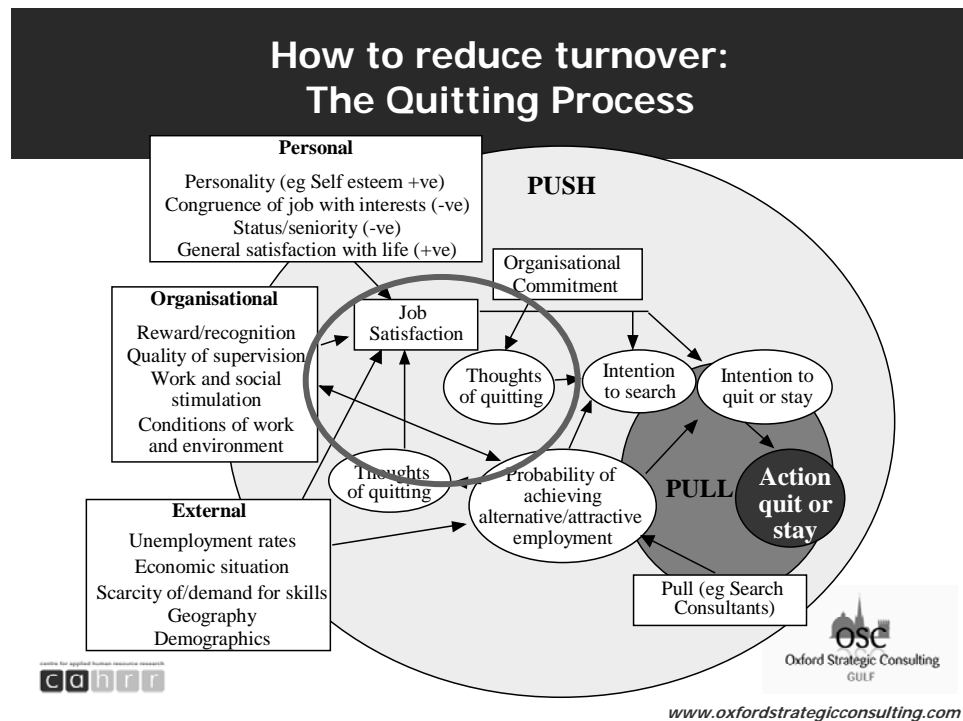
3.4. Retaining GCC National Talent

Not all talent needs to be retained, so high retention across an organisation is not necessarily a sign of good practice. Retaining less effective, lower quartile performers should not be a major objective, whereas the retention of highly effective performers in key strategic roles should merit great attention. The employee population can be segmented as follows:

	Low Risk	High Risk
High value	Maintain	Target retention actions
Low value	Target improvement or cost effective exit	No action - or encourage to leave

- If people of high value are of high risk of leaving then they should be the subject of retention actions detailed below
- If people of high value are of low risk of leaving then they should be carefully monitored and encouraged to ensure they stay at 'low risk'
- If people are of low value and high risk of leaving then they should be encouraged to find alternative employment
- If people are of low value and low risk of leaving then they can be actively helped to leave by providing careers advice, training for external roles etc

It is imperative to take actions at the very earliest stages of the 'quitting process':



Of course, in order to know whether a person is 'thinking of leaving' and at high risk of leaving, the organisation will have to conduct very frequent (perhaps monthly) risk surveys (eg OSC 'Insight' survey) or coaching interviews.

Actions that can be taken to retain key individuals include:

- Regular reviews of competitive salary and reward levels
- GCC National or external mentor calls every 3 months at least, with structured discussion
- Potential problem cases interviewed face-to-face, well before 'decision to look'
- 6-monthly open-ended 'what do you like/dislike' survey, including 'what would cause you to think of leaving' and 'would you recommend'
- Monthly report/review of Nationalization issues
- 6-monthly market survey –
 - What do target GCC Nationals look for in a company/role?
 - What is the 'brand perception' of the organisation in target markets?
- Exit interviews on leaving and after 3 months
- All leavers added to recruitment/contact database for regular contact

The most common reason for people to think of leaving an organisation is poor management, closely followed by poor career development. Unless completely out of line, salary is not often the main reason to **start** looking but does often become a major driver by the time the person actually leaves. Other things that 'best practice' companies have used to help retention include:

- Special projects - recognition
- Golden handcuffs (stock options, bonus)
- Patents and publications awards
- Internal fellowship and instructor (external publicity)
- Dual careers (non-managerial 'Star Tracks' strategic role)
- Career counselling
- Self-driven working (time, projects, place, invest)
- Learning accounts
- Cafeteria benefits
- Innovation Banks
- Personal growth leave
- Management attention
- Communication
- Involving employees in company decision-making processes
- Project-oriented work, employees work on diverse, limited-term assignments
- Developing internal "talent exchanges"

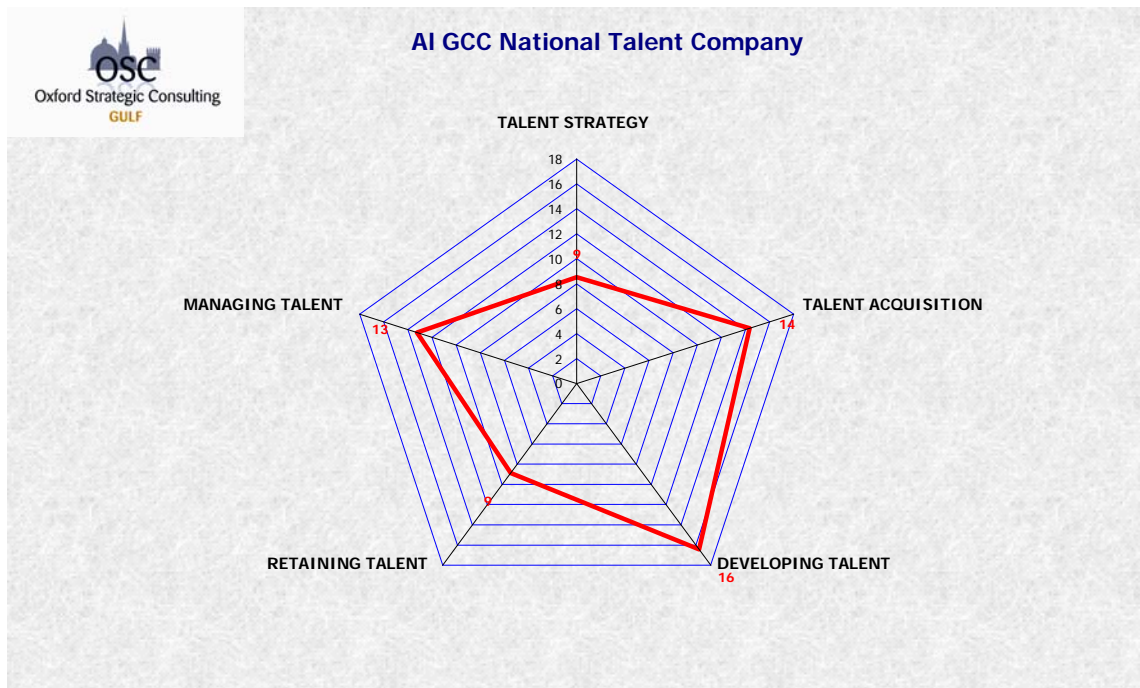
3.5. Managing and Measuring GCC National Talent

It is important that the GCC National Talent Management Process is carefully monitored and managed with appropriate measures used to assess progress of the programme itself as well as the GCC Nationals involved. Best practice includes:

- 6 monthly review of GCC National development, recruitment and retention
- On-going PR campaign on the organisation's activities, collaborations and successes
- The organisation being seen as active supporter/member of local/government initiatives
- Quarterly and annual awards – best new recruit, fastest developer, best contribution, GCC National who stands for the organisation's values etc
- Regular (3-monthly) family events
- Regular assessment (eg OSC Talent Management Audit)
- Meet GCC National employees to get their ideas – 6-monthly?

Based on the results of this research project, Oxford Strategic Consulting has developed an audit tool to help organisations assess their 'GCC National Talent Management' in comparison to best practice.

The audit contains self-assessment questions which, if answered honestly, can suggest areas of improvement and future focus. The results are displayed in an easy-to-read graph as shown below:



In this example, 'Talent Strategy' and 'Retaining Talent' are potential areas of great improvement.

4. Conclusion

For those organisations aiming to utilise national talent to achieve strategic objectives and to maximise the development of Nationals, then nationalisation should be seen as a form of talent management and an effective talent management process needs to be deployed to ensure:

- Strategic capability needs are identified, planned for and defined to meet the organisation's strategic intent
- These capabilities, and roles, are recruited using sound databases of continuously maintained external and internal talent
- Once recruited, Nationals are helped to develop themselves effectively, understanding and leveraging cultural differences
- Regular, useful information is maintained so that retention interventions can be targeted on high value Nationals with an intention to quit, rather than attempting to persuade leavers to stay
- The Talent Management process itself must be assessed and monitored to ensure it is achieving the required results

One target may be to increase pure numbers or to meet quotas but the real measure is the development of strategic capability in the organisation – Effective Talent Management.

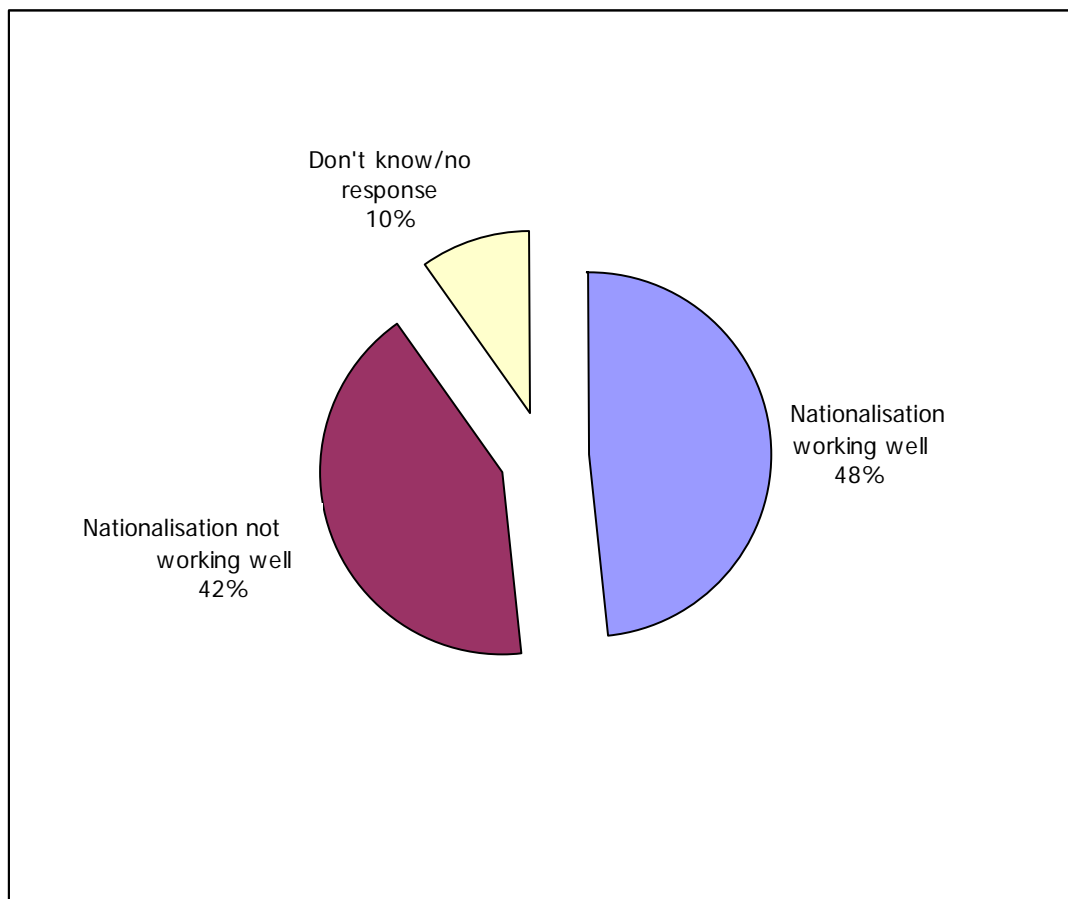
Appendix

5. The Current State of Nationalization: Perceptions and Reality

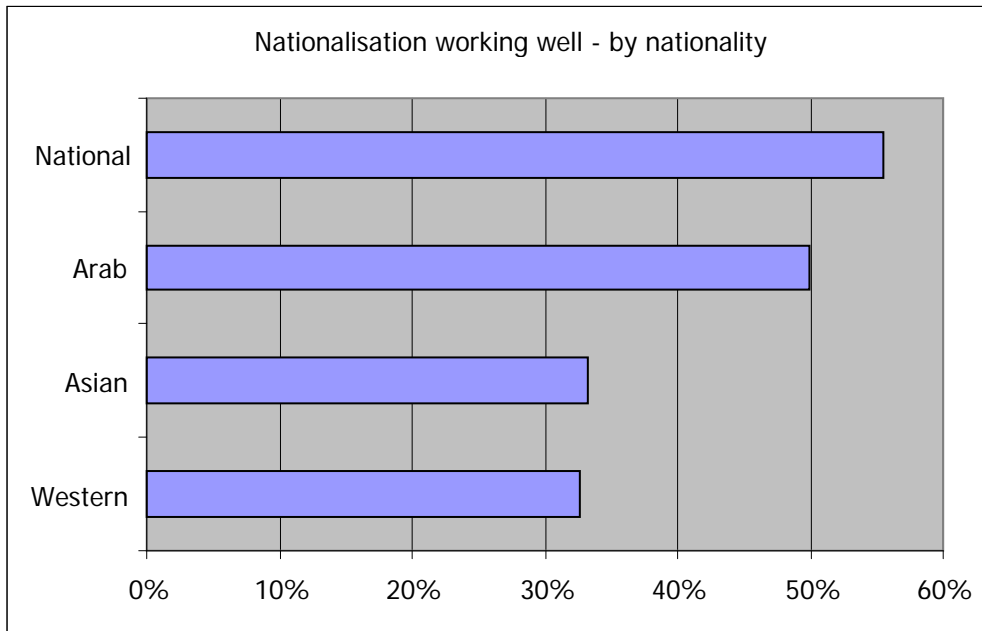
This Appendix reports on the results of the surveys, interviews and focus groups involving employers, employees and young Nationals.

5.1. Perspectives from Individuals Surveyed

Excluding the 10% who either did not respond or 'did not know', a small majority of participants (48%) agree that there is a positive perception that nationalisation is currently working well. 42% do not believe that nationalisation is working well.



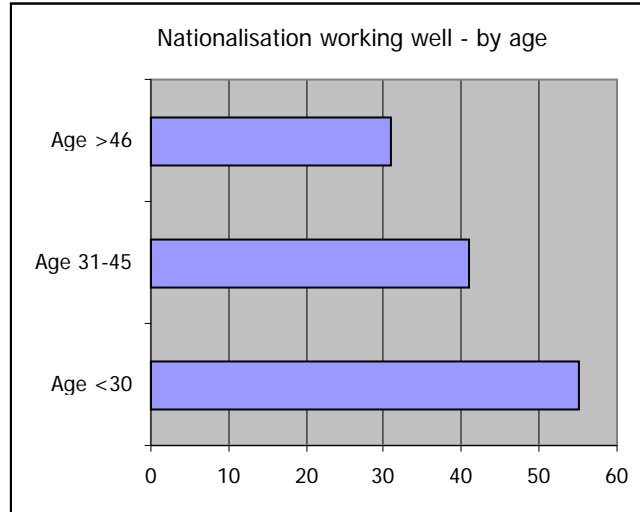
However, this perception varies amongst the respondents. For example:



Only 32% of Westerners and 33% of Asians believe that nationalisation is working well whereas 56% of Nationals themselves, and 50% of Arabs generally, believe that nationalisation is working well. Given that the 'target' of nationalisation programmes is the national population then this is a more positive result.

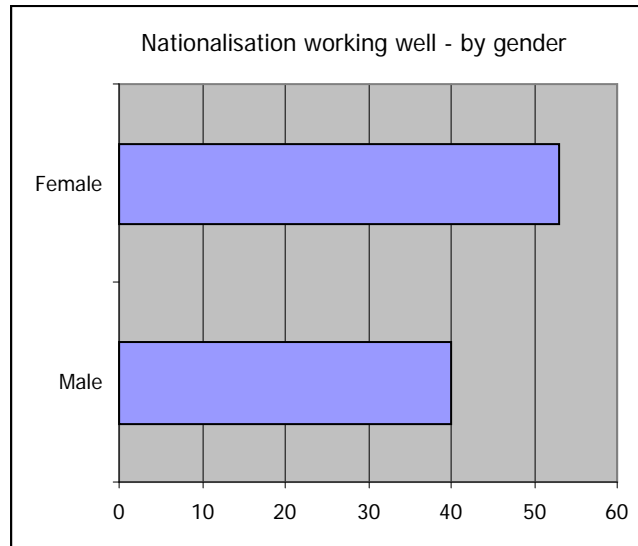
A multi-variant analysis (ANOVA) of all the demographic factors shows that 'nationality of the respondent' (above) is the major significant factor in perceptions of success of nationalisation ($F=12.2$, sig .001), followed by the 'age of the respondent' ($F=9.6$, sig = .002), 'gender of the respondent' ($F=4.1$, sig = .043) and 'ownership of the organisation within which the respondent operates' ($F=3.5$, sig = .062).

Younger respondents had more positive perceptions than older respondents.



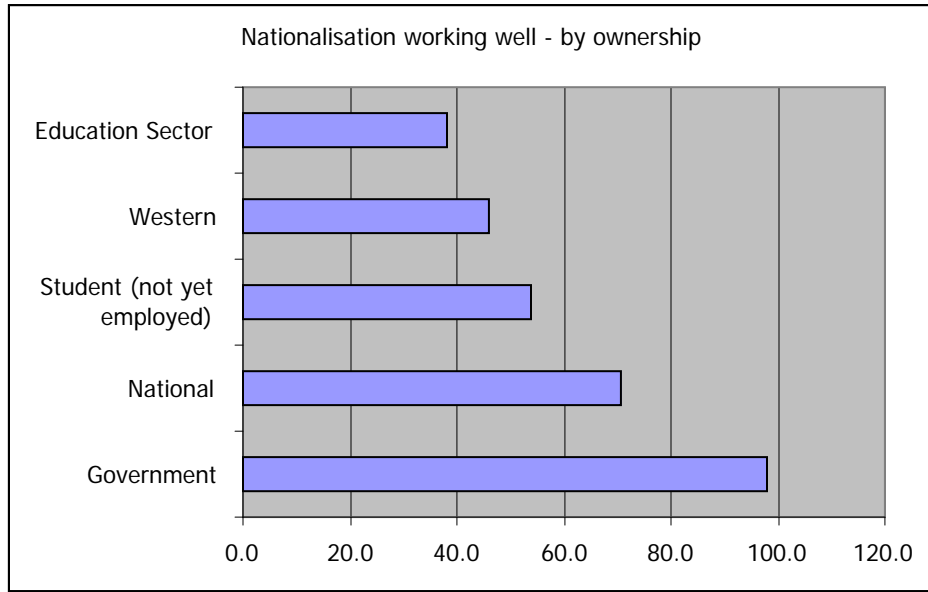
Nationalisation efforts may have improved or become more widespread recently so that younger people are more positively impacted or perhaps older people have a less 'rosy' view of the longer term impact of nationalisation efforts, as experienced by them or, indeed, nationalisation efforts may have reduced or got worse since the older respondents were directly affected so that their perception is based on a comparison of 'now' and 'back then'. In our research, the older respondents tended to be either Nationals in family businesses (where formal nationalisation programmes may not have had a major impact on their success) or non-Nationals in middle management positions who were struggling to implement quotas and nationalisation. In contrast, the younger respondents are, or are soon to be, direct recipients of the benefits of nationalisation programmes.

By gender – more females saw nationalisation as working well than males:



Our previous investigation into women’s development in the UAE (Scott-Jackson & Rushent 2007) found that young females were generally highly motivated, increasingly well-qualified and were taking full advantage of opportunities presented by Nationalization policies.

The ‘ownership of the organisation that the resposdee is working in’ also seems to have a strong influence on positive or negative perceptions of nationalisation.

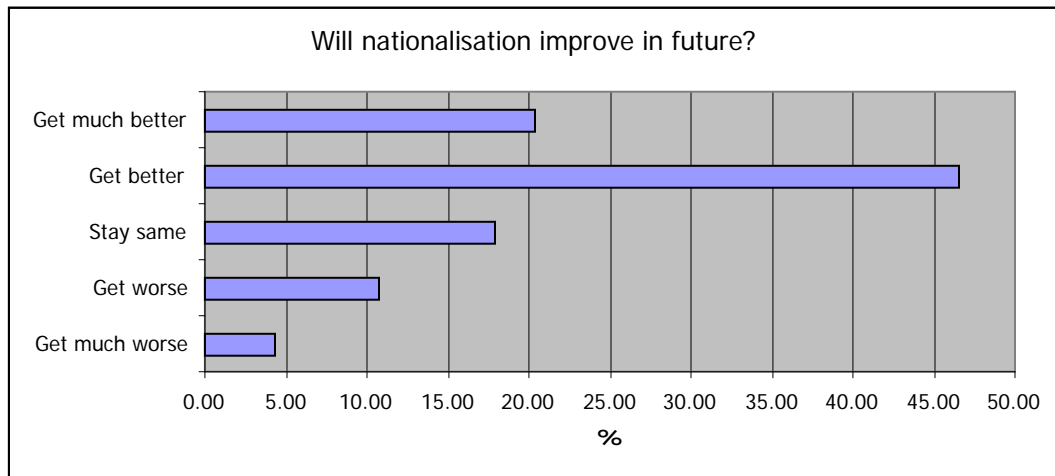


The most positive views were expressed by those working in the Government or in organisations owned by Nationals. Those working for Western owned companies had less positive views. A possible reason for the negative perception of those working in the Education sector is that most of these respondents were older and were expatriates – both strong influencing factors in themselves.

Another research study being carried out by Oxford Strategic Consulting³ suggests that there are specific features of the 'Gulf Arab management style' that work well with Arab and national employees. For example, the business acting as if it were a family with the Chairman or CEO as father (or mother) figure. Similarly, Gulf Arab Managers generally consult with juniors before making key decisions, even if the views do not, in the end, change or directly influence their decisions. The fact that Nationals working for companies owned by Nationals perceive nationalisation more positively suggests that perhaps the treatment and management of Nationals is more appropriate in such organisations, or at least is seen more favourably by the employees. This is a particularly notable phenomenon in view of our other finding that locally owned companies operate much less formal, less quota driven, nationalisation programmes compared to Western owned companies. If capable Nationals are seen as a scarce resource then locally owned organisations have a potential advantage in their recruitment and retention and this, in itself, should be seen as a source of competitive advantage.

³ Scott-Jackson W.B. & Porteous A. (2008) *The Dubai Management Style* www.cahr.org

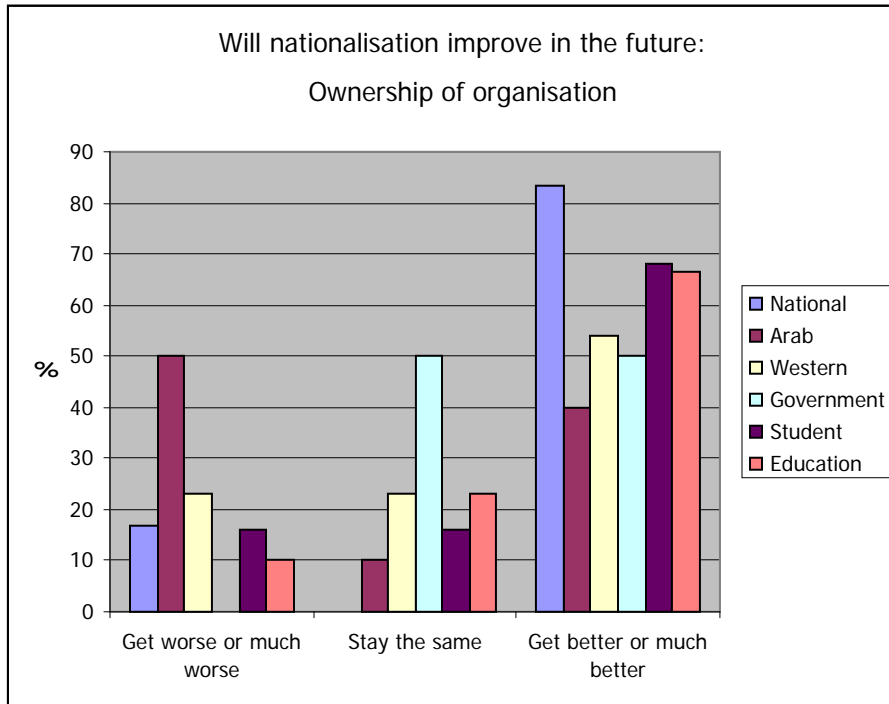
We also asked whether our respondents thought that nationalisation would improve and become more successful in the future.



Over 67% thought it would improve and get better or much better. Only 11% thought it would get worse with 4% thinking it would get much worse.

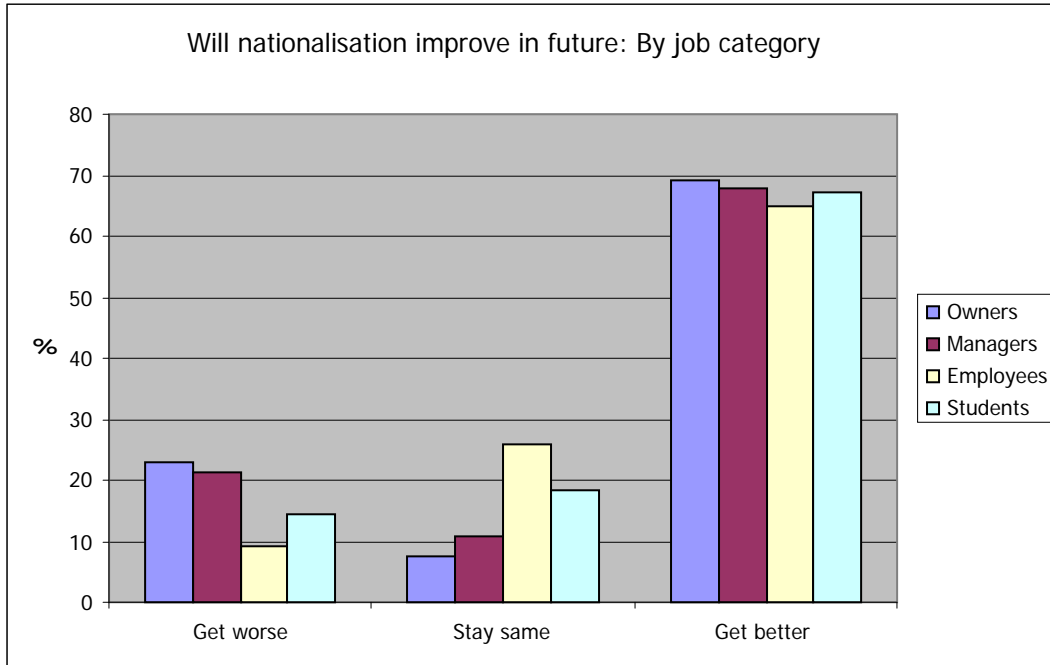
Again, a multi-variant analysis showed that the major factors in determining these perceptions of the future was 'ownership of the organisation' ($f=2.786$, $Sig=.027$), Job category ($f=2.579$, $sig=.039$).

Respondents in organisations owned locally were also more positive about the future.

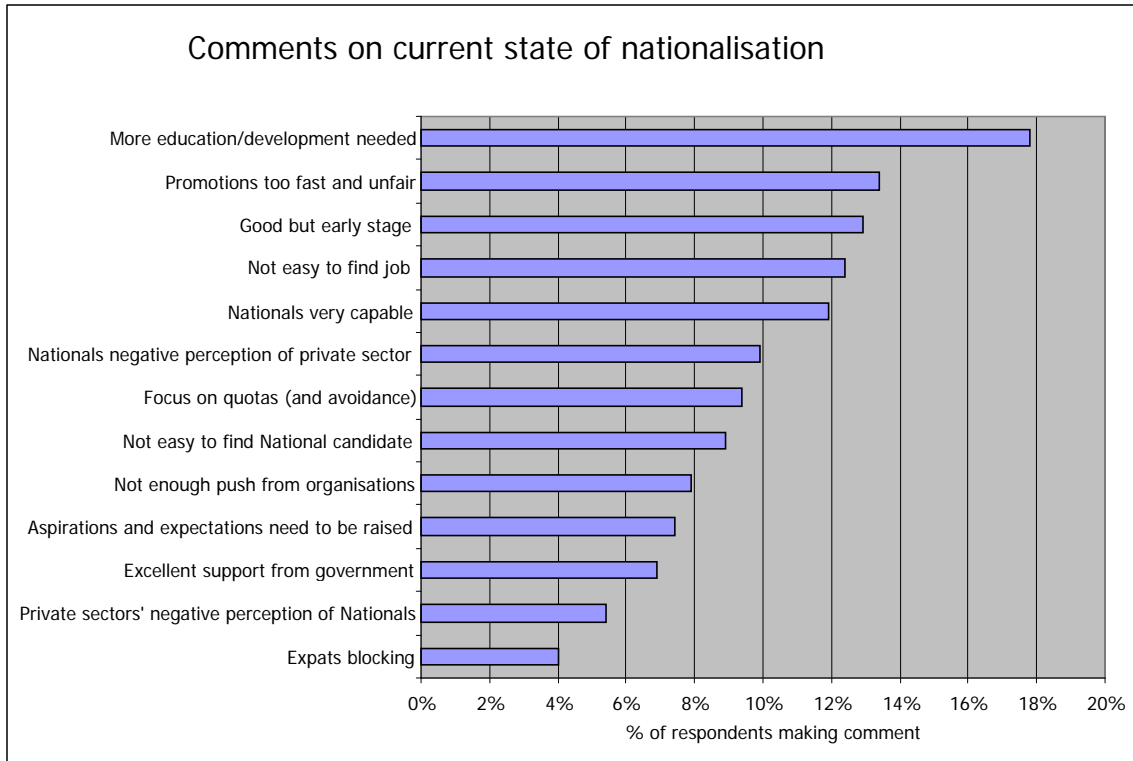


Over 80% stating that nationalisation would be better or much better in the future. Non-national Arabs were less positive with 50% stating that nationalisation would be worse or much worse in the future. 68% of Students and 67% of those in education thought it would be better or much better whilst 54% in Western owned companies and 50% in Government thought it would be better or much better. However, no respondents in the government sector thought things would get worse or much worse whereas 23% of Western owned respondents thought nationalisation would get worse or much worse.

Slightly more owners (23%) and managers (21%) thought that nationalisation would get worse or much worse than employees (9%) or students (14%) but around 70% of every job category thought nationalisation would get better or much better.



The survey encouraged respondents to record any comments they might have on the current state of nationalisation. These 'open-ended' comments were then analysed and coded.

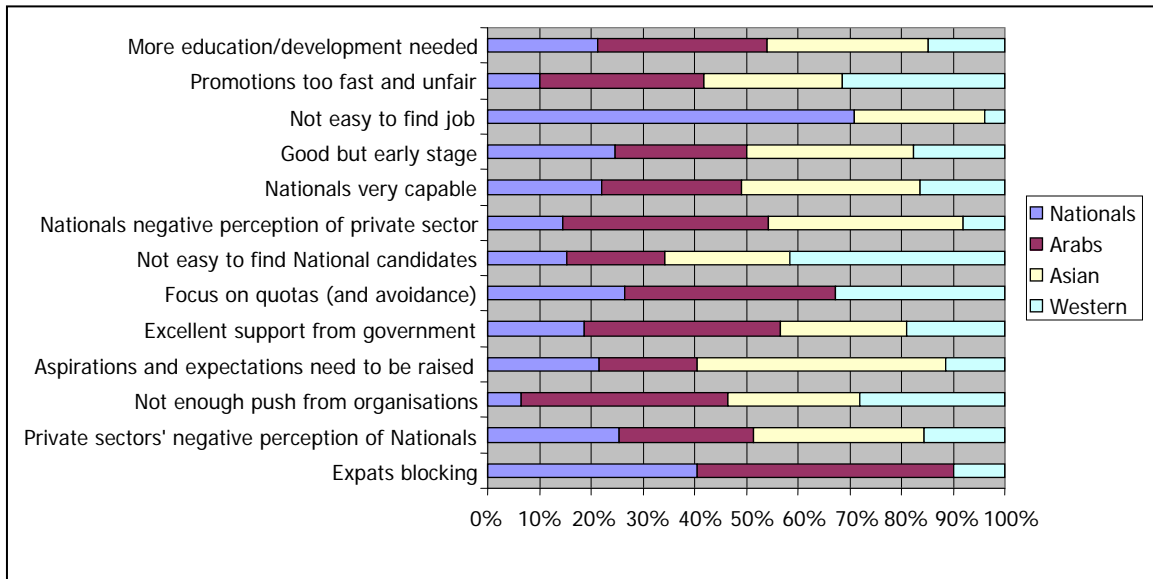


The most mentioned comment was that Nationals needed more, or more suitable, education and development. This was generally more to do with developing the right attitudes for work and job-specific skills, rather than general education.

Several of these categories of comment are contradictory. For example: 'Not easy to find national candidates' vs 'not easy to find jobs'. However, closer examination reveals that employers meant it was not easy to find qualified national candidates capable of, and with the right attitudes to carry out appropriate roles (reinforcing the often expressed need for greater education and, particularly, vocational development). Candidates, on the other hand, meant it was difficult to find attractive and suitable jobs in attractive organisations. Similarly, Nationals could have a negative perception of the private sector (particularly some sectors and/or non-locally owned businesses) as well as employers having a negative stereotype of Nationals' attitudes to work and careers. A common view was that Nationals were being promoted too quickly into senior roles. This was seen as both ineffective, as they were not capable, and unfair, in that non-Nationals were being displaced or not able to compete. On the other hand, there was also a concern that expatriates were blocking the development of Nationals in order to protect their own positions. Some respondents thought that there had been too much emphasis on fulfilling quotas, resulting

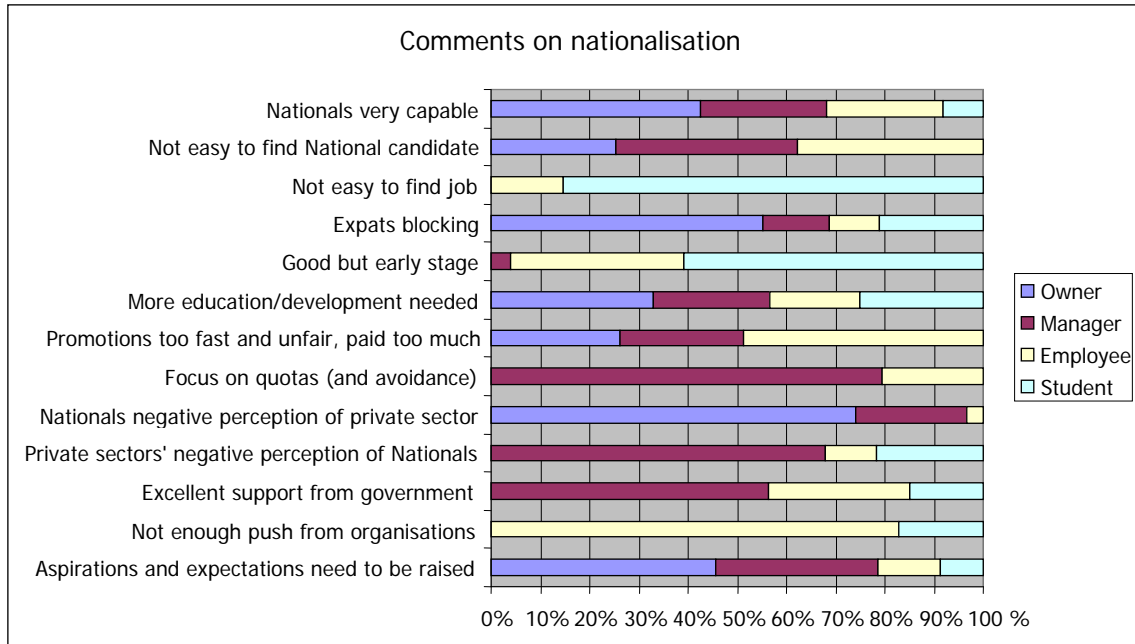
in: some recruitment of unsuitable candidates with no plan or expectation of them actually contributing; or avoidance tactics such as setting up in freezones to avoid quotas.

There were some differences between nationalities in their perceptions of issues:



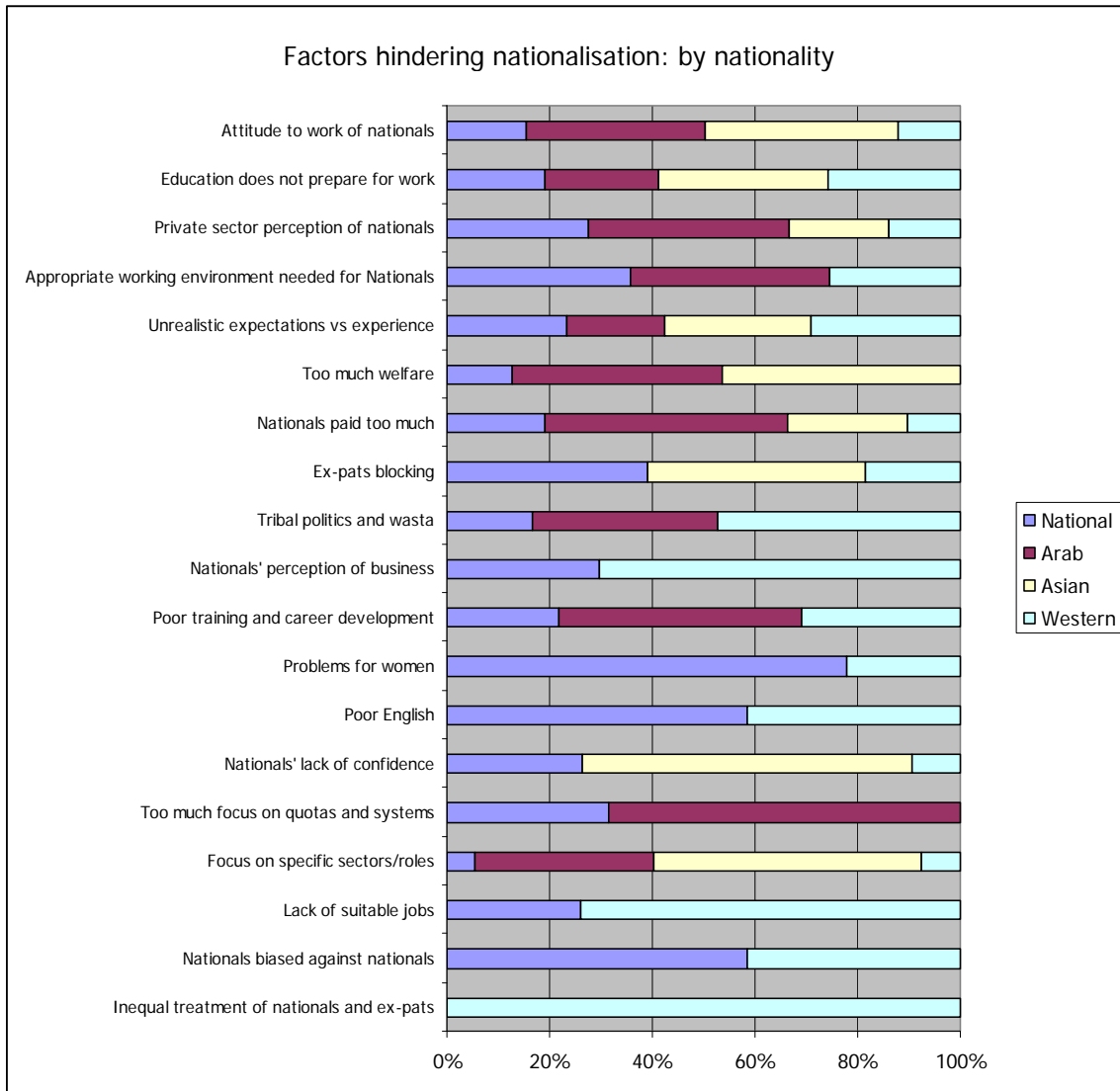
For example, more Nationals mentioned that it was 'not easy to find a job', whereas more Westerners mentioned that it was 'not easy to find Nationals'. More Arabs and Asians mentioned 'Nationals' negative perception of the private sector', whereas fewer Westerners mentioned the 'private sector's negative perception of Nationals'. Only Nationals and other Arabs thought that Expatriates were blocking development. All nationalities mentioned the need for more education and development and agreed that Nationals were innately capable but, perhaps unsurprisingly, few Nationals thought that promotions were too fast or unfair.

There were also some differences in the comments made by owners, managers, employees and students.



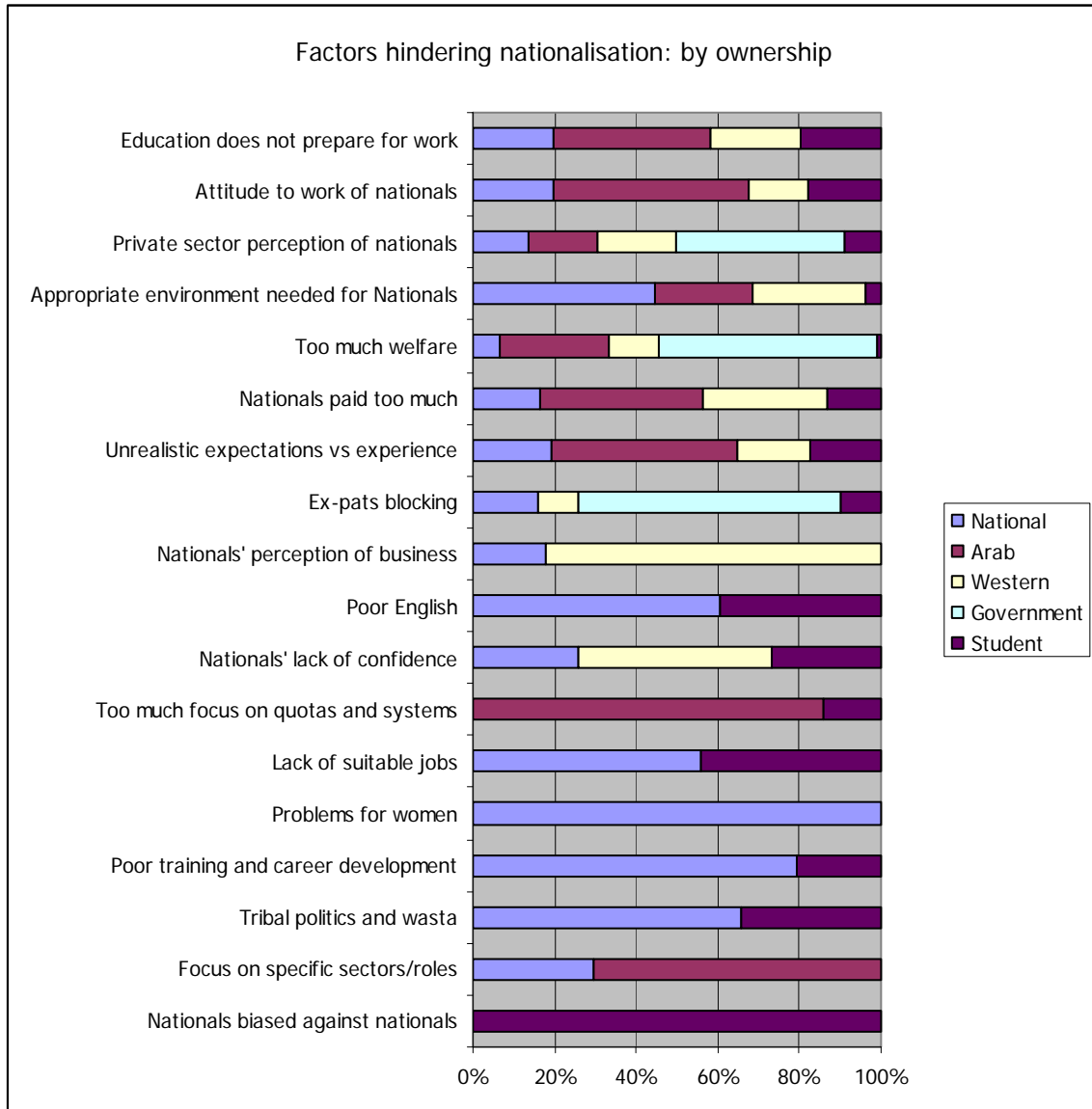
Unsurprisingly, students tended to mention difficulties in finding a job, whereas owners, managers and employees mention difficulty in finding candidates. Interestingly, owners tended to mention that expatriates were blocking development of Nationals. Employees and students mentioned that nationalisation was a good programme but in its early stages. Employees (many of whom were not Nationals) suggest that Nationals have been promoted too quickly and paid too much but so did many owners and managers whom, one might assume, are in control of development and pay. Managers mentioned the over-focus on quotas, presumably as they are responsible for implementation. The Nationals' negative perception of the private sector was mentioned mostly by owners (by definition in the private sector). The converse – the private sector's negative perception of Nationals - was mentioned mostly by managers and Nationals themselves. Managers, employees and students mentioned the Government's excellent support but employees and students thought organisations (as employers) could do more. Owners and Managers, in particular, thought that aspirations and expectations should be raised.

There were some differences by nationality:



Neither Westerners, nor to an extent Nationals, thought that 'too much welfare' was an issue. Arabs and Asians did not see an issue with 'Nationals' perception of business'. Nationals and, to an extent Westerners, 'mentioned problems for women' and 'poor English'. 'Lack of confidence of Nationals' was mentioned by Nationals but more especially by Asians. Nationals and Westerners mentioned the 'lack of suitable jobs' and the phenomena where national employers might be biased against national candidates. Only Westerners (and very few of them) mentioned the unequal (more favourable) treatment of Nationals compared to expatriates.

Differences also were apparent between the respondents operating within organisations owned by Nationals, Western, Government and those who were students.



The issue of 'attitude to work of Nationals', seems to be mostly raised by respondents in companies owned by non-national Arabs. The 'private sector's perception of Nationals' was raised by those working in Government, as was 'too much welfare'. The perception that expatriates were blocking was mostly raised by those in the Government. Respondents in western-owned companies mentioned 'Nationals' perception of business' as an issue. Lack of suitable jobs was raised by those working in national-owned companies and by students. Poor English was raised by those working in National and Arab owned organisations.

5.2. Employer's Perspectives

In the interviews, Employers generally echoed the points raised above but emphasised that the major issue preventing effective nationalisation is the 'preparedness for work' of Nationals. This included skills and capabilities but particularly attitudes and cultural preparedness. The Employer's focus groups similarly recognised 'preparedness for work' as a major focus area, together with 'talent management' and 'strategic focus' (see below for discussion). On the other hand, **Organisation F** feels that the current situation is not as bad as it is often perceived. The common perception is that the situation is 'hopeless', that aspirations for Nationalization are too high, and that the population's numbers do not support these aspirations. Some feel that GCC Nationals do not have a high level of competency. **Organisation F** has not experienced this and in fact their perception is that the future is bright – there are many 'savvy' and ambitious young GCC Nationals. Perception varies across sectors with the banks, oil and gas seen as ahead of the game. This is partly due to regulation in these sectors which is absent in others. **Organisation I** feels that the UAE rulers have realised that to sustain the current level of growth, they need to develop their people and need a core of GCC Nationals to help sustain that development, especially as UAE is becoming a less attractive place for expatriates as it is now more expensive to relocate. **Organisation L** believes the perception varies from one country to another in the GCC region. In Saudi, for example, the attitude has changed from a workforce that did not want to work to one that does, but there are still challenges due to the labour laws. In the UAE it is difficult for employers to get locals to join Multi-Nationals due to the longer working hours and the nature of the job. In Oman, people are less geographically mobile and prefer to work in the local oil companies that are close to home. There is a good perception of localisation in Bahrain but the companies are a lot smaller in this country. There is also an overall perception that females are now more active in the workplace. **Organisation K** sees two polarised views in the Kuwait private sector: on one side the view is that Kuwaitisation is a waste of time with no return on profit, whilst the other side hold the view that Kuwaitisation is worth the effort as there is a huge amount of untapped talent given the large population of unemployed young people. The different countries in the GCC are doing different things to address the issue of nationalisation. The public sector is still seen as a secure sector, which poses its own challenges. According to **Organisation K**, there are currently not many senior managers in the private sector, although some are starting to come through recently.

The interviewees and working party identified the following issues:

i) Models of Management and Work vs Culture:

There was a perceived mismatch between some (Western) organisational models of work and the underlying culture of Gulf Arab Nationals. This has been noted as an issue in other contexts (Africa, China) and by Scott-Jackson (2008)⁴. In general, the model suited to the Gulf Arab employee might be high on engagement: like a family with a clear father/mother figure; clear sense of purpose and 'my' place in that purpose; moral and ethical business; consultative but authoritative management; focus on relationships rather than simply on efficiency or money; loyalty and mutual obligations between management and employees; focus on use and quality of time rather than control of time and its control of 'me'. Similarly, obligations to family have a very high priority for many Gulf Nationals and this can be in conflict with the normal operating models of many companies. **Organisation K** feels that there is often a mismatch between the world of home and the world of work. Work is easier and more culturally acceptable in the public sector. Jobs are not as important as they are in the West – God comes first and then the family, then one's tribe. **Organisation K** focuses on getting Kuwaitis from the American university in Kuwait (a private university) where students are likely to be more cosmopolitan. **Organisation H** notes that GCC Nationals form only a relatively small percentage of the UAE population (and predicted to become even lower) and traditionally GCC Nationals men favoured jobs in the police or army. GCC National women, if they were inclined or permitted to work, favoured government roles where their culture was respected. This meant that there were very few locals to fill roles in business, for example – and expatriates were brought in to fill these jobs. Now, not only are office and outdoor jobs more available but women have also entered the job market. This is a challenge to the way that organisations work, especially Western companies, as GCC National women (and all women) need to be treated respectfully as defined by their own culture. **Organisation H** takes action immediately on any breach of respect, so that employees see that such behaviour is unacceptable. **Organisation H** also encourages GCC Nationals to create bonds with each other in the workplace – the ethos is to think as part of a family. There are 35 nationalities in **Organisation H** and this is an important issue. People must think to do the best for their colleagues as they would for their family. As an GCC National company, **Organisation H** is in a good position to operate an GCC National working culture in order to attract, develop and retain GCC National talent. **Organisation J** also suggests that, although most GCC Nationals are exposed to other nationalities, for some business behaviour and ways of working can be a

⁴ Scott-Jackson W.B. & Porteous A. (2008) *The Dubai Management Style* www.cahr.org

challenge. This is mainly an issue with young, entry level candidates). It is not such an issue with graduates.

ii) Family Attitudes and Restrictions

The family has a strong influence on work and career choices in the Gulf. Particularly for women, but also for young men, any role that is not considered suitable or that might bring dishonour on the family is likely to be unacceptable. **Organisation I** states that UAE Nationals come from a very family oriented culture and it is important for retention that the work ethos is culturally aligned. One must also consider the generational aspects of the UAE – there are some 30-40 year olds who have never worked and there are implications for training and work culture. Hospitality, for example, is often regarded as a demeaning industry which does not pay very high salaries. Nationals feel that they will be better paid in a government organisation and pay is an important issue in terms of status for GCC Nationals. **Organisation I** feels that some attitudes are at odds with the hotel industry (eg with respect to alcohol) but realises it is in an Islamic country and respects and supports local views. **Organisation I** does not ask Nationals to work with alcohol (they do not generally work in the food and beverage sections). A lot of younger GCC Nationals, however, are more motivated to work and the future is optimistic. **Organisation E** feels that the hospitality industry in the UAE needs more exposure to PR and marketing in terms of job opportunities to help it become an attractive employer. One high attraction point for other nationalities in the hospitality industry may be the potential to travel. Currently, however, GCC Nationals tend to want to stay in the country (with their families), but perhaps this may be an attractor in the future or indeed now for certain people – lots of GCC Nationals have international exposure during education for example and these experiences need to be utilised. **Organisation P** feels that the hospitality industry has not been an acceptable industry in terms of culture, but this will change in the future as people are educated in the reality of the sector. **Organisation P** works hard at this: families of potential employees are invited to come and see how the industry operates during the recruitment process to give them peace of mind and an understanding of the industry. **Organisation P** “needs people that need a job” whereas in the UAE, Nationals do not necessarily feel that need. **Organisation P** compares the UAE with Oman where the population is generally less wealthy and therefore Omanis are more willing to take most jobs. In Dubai, for example, there is a view that some people work only because they are bored at home and that this affects a person's performance as motivation is lacking. This view, of course, focuses on the basic motivations of 'need' and money whereas the majority of studies

have found that, once these are satisfied, then higher types of motivation (such as challenge, development and self-actualisation) are needed. The general view is that GCC Nationals have traditionally preferred to work in the public sector. Our interviews with young GCC Nationals suggest this may be because of a desire to serve the country, which contrasts with the widely held view that the preference is because hours and salaries are better. In terms of salaries, there needs to be greater communication between the government and private sector so that private sector is not beaten out of the market. **Organisation R** feels there are still some issues around female employees – they do not push females into working later hours for example and they work very hard with families to help them understand their cultural ethos. The financial market reaction to Nationalization (a degree of quota filling and avoidance) suggests that the central Government needs to look at retention and development of people, not just the quota. **Organisation Q** states that in the last 3 years Nationalization has made a real impact. There are quota programmes in all sectors, but banking has been one of the most effective sectors. Currently most banks, for example, aim at achieving quotas and high numbers by recruiting large numbers of youngsters. Some have their own programmes but some rely on ENDP to provide training. However, the emphasis can be simply on conforming to the quotas rather than adding real value to the company or indeed to the Nationals. For organisations that are building talent, retention is a key issue as employees tend to 'job hop', due to perceived remuneration, lack of motivation etc. In retail banking, quotas apply but in freezones these don't apply. Some freezones organisations do have small programs to 'show willing'. The situation is confused in the extreme – even the targeting (of sectors and functions) is confused and often enforcement is non-existent. Freezones also cause distortions. Several banks, for example, have moved their back office to the outsourcing/offshore freezones so they don't have to comply with Nationalization quotas. The opposite tack, as promoted by Sheikh Mohammed, is that we should train our people so they become highly valuable and this will create demand. The question is: what are the special talents needed for the future (and, for example, what is so special about HR?). Given the societal objectives of Nationalization, then the way local banks compete for GCC National talent also needs to be reviewed, as there may be advantage in more cooperation. In terms of appropriate culture, **Organisation S** pointed out that the Saudi Airlines programme, for example, was to develop the organisation as a family. Nationals need to see a clear structure, to be "one of 20 not one of 20,000". The good and bad aspects of culture need to be understood by any employer – local or expatriate. As in any culture, some aspects may be less admirable. One of our interviewees for example, explained that cheating can take place, as helping a relation can be seen as an overriding priority: "if a friend or a cousin in need of help (or even

seeing the answers) so they don't fail, then they are bound to help him – this obligation could overcome best business practice or even overcoming religion (even if 'haram')". Although western culture is being projected onto the region through business and through the huge proportion of expatriates, it is imperative that national identity is not destroyed and that functional GCC National styles of business and management are retained. **Organisation S** points out that there are also conflicts in Government policy: In building society, the Government wants employers to train but then the government takes them by the hand to help them start a business to compete with employers or, as an employer itself, pays higher salaries with easier conditions. In Saudi Arabia, for example, **Organisation S** competes to take only the top 1-2% of graduates, but in Dubai, as a smaller operation, they can't compete with the likes of **Organisation G** to attract good people.

iii) Educational Goals

Most of our focus group members believed that one of the main goals of education should be to prepare young people for work. This preparation should include 'what to expect and how to behave at work' as well as skills such as time-management and computer familiarity. In practice, however, the main goals seemed to be to instil and preserve a sense of culture and, primarily to ensure that students gained satisfactory levels of qualification, even if in non-relevant subjects. This dichotomy between highly vocational educational goals and education to produce good citizens who have 'learned how to learn' applies in all developed countries and, of course, most educational systems aim to achieve multiple goals. The feeling of the focus groups was that, given the challenges of nationalisation, educational goals in the region should be more vocational and educational institutions should focus on producing capable Nationals who are 'ready for work'. Several employers noted a difference between privately educated and public educated Nationals, where the former were better prepared for work.

Organisation P feels that the educational system needs overhauling – children in schools have no vocational aspirations and when they enter college or university they don't know what direction they will take. English needs to be taught at an earlier age and there should be a focus on literacy and English. Some of the organisations (38%) suggested that lack of relevant subject areas being taught was a hindrance to the effective employment of Nationals. Skills such as English and computer skills were seen as weak as well as vocationally specific skills such as project management or legal training. Given the increasingly global nature of business and society and the increasing global influence of Gulf based organisations, it was felt that overseas

experience was a great advantage and should perhaps be gained at a reasonably early age. The Muthabara Foundation in conjunction with Prof. Scott-Jackson, for example, has just worked with the Higher Colleges of Technology to send a group of students to Oxford University for a few weeks to gain an understanding of the culture, the educational system and the entry requirements for a world-class university.

iv) Lack of Information and Data

As in any complex society, it is difficult for employers to know about all relevant and suitable candidates and for candidates to be aware of all suitable job vacancies. Organisations such as Tanmia have tried to address this problem with candidate databases, career fairs and other methods of introducing jobs to candidates and vice versa. Private recruitment companies also maintain databases of suitable candidates (although only recently focused on Nationals). Many organisations maintain their own web-sites and databases and some educational institutions run job fairs for their own students. Thus, the matching of information on jobs and candidates appears to be improving, thanks partly to the impact of IT and the web. Tanmia has also started to provide early stage career counselling to allow students to match their preferences and aptitudes with those of the employment market. Choices of high school subjects, for example, could be determined by predicted job preferences. Some employers are also getting involved in some of these early choices (in first year colleges for example), particularly where they wish to ensure a 'pipeline' of qualified future candidates. Some sectors suffer from misunderstandings of the work and careers on offer. **Organisation E**, for example, feels that GCC Nationals need to be more prepared for the hospitality industry – to know what is expected. The challenge is in attracting GCC Nationals into an organisation due to the perception of working in the private sector as opposed to the public sector – currently the public sector appears more attractive in terms of salaries and conditions. The finance and telecoms industries are doing better than others but the hospitality industry is facing a challenge to change perceptions. The majority of GCC Nationals are employed in the public sector and finance, although this is changing – that is exciting – in the future there will be fewer jobs in the public sector and GCC Nationals are already starting to look outside the traditional sectors. **Organisation I** is optimistic that they will attract more interest over the coming years. **Organisation I** has also recognised the need, and is happy to look outside Dubai for other GCC National Nationals (ie from the other six Emirates, such as Ajman). On the other hand, **Organisation F** feels there are large numbers of graduates coming though and the banking sector is viewed as prestigious so educational issues are not

such an issue. **Organisation O** feels there are no cultural issues that may hinder GCC National participation in the workplace. For them, the only problem lies in understanding and perception of the insurance industry.

v) Readiness for Work

Many of the employers mentioned the perception that Nationals did not have the right attitudes in order to be willing or ready for work. The stereotypical perceptions include: Nationals are lazy, too rich to want to work, used to an easy life, would rather have a job in Government/the family firm/army or police and are not committed. These perceptions had been reinforced by some practices encouraged by the quota system, for example, employing (unqualified) Nationals in order to meet quota targets whilst employing an expatriate to actually do the work. The unqualified national would have no motivation to work and indeed no real job to work at. Hardly surprising then if they were seen as lazy and uncommitted. As organisations begin to see nationalisation as a high-value talent management opportunity then these kinds of poor practices will diminish. **Organisation D** feels that perception is an issue rather than culture itself, but GCC Nationals need to learn to live in a mixed culture environment with different perceptions of work and commitment. There is a stereotyped view that 'Nationals are lazy' and feel they do not need to work. In discussions with Nationals, however, there are some aspects of the stereotype that are worth considering as they can guide effective policies by employers. Commitment and motivation are important issues for employers in any society, but particularly in the Gulf and particularly if a person does not need to work to live. It is not enough to assume that because a person is paid, s/he will give their best. For the Gulf Nationals, as alluded to above, motivation and commitment come from feeling that one is an important part of an enterprise with a wider purpose. In management terms, the individual needs to feel part of a family with a strong but consultative father figure. These aspects are closely related to 'engagement'. In addition, though, perceptions of time, work effort, and so on vary and it is important that employers, as well as Nationals, learn and adapt to each other's cultures. **Organisation K** feel there is an inherent defensiveness against locals entering the workplace, from both expatriates and senior local Managers. **Organisation K** is trying to overcome this cultural issue by employing high calibre managers (from blue chip backgrounds) and by having a diverse workforce with roles based on merit. The company also has 40% females in the workforce. Titles, size of office etc are critical status symbols as the culture (like many others) is very much aligned to 'face' or 'saving face'. It is imperative that non-GCC National employers understand this, and other important aspects of local culture.

Some of our respondents had used 'internships' as a way of introducing potential candidates to the 'world of work' and to the specific disciplines and jobs that might be available. Internships also start the process of engagement by forming an early bond with the potential candidate while they are still studying. **Organisation G** felt that internships needed to be: properly focused (ie on an actual potential role); well-organised so that the intern has a full and worthwhile understanding of options, and for a long enough period that the intern really understands the working life, not just a quick 'manufactured' impression.

Many of the educational and government bodies offer careers advice. The employers generally felt this could be carried out more effectively, earlier and with far greater involvement by employers. Careers advice currently tends to focus on the wishes and potential of the student rather than the possibilities in the market. For example, there would be no point in careers advice leading to a huge increase in marketing candidates if there are no predicted jobs available in the future. Careers advice should aim to match the individual's preferences and general potential with the requirements of the country and the market. In addition, early involvement by employers will allow a realistic appreciation of the experience and qualifications route required for a particular career.

vi) English Language

Arabic is the language of the Gulf Arab people and has to be encouraged, used widely and defended against corruption by other languages. In conjunction though, Nationals will enjoy a clear advantage in international business and political affairs if they are fluent in English. For many of the international companies, including some of the national owned companies, fluent spoken and written English is a necessity in order to work with colleagues globally. The employers felt that more could be done earlier to teach English so that lack of fluency does not disadvantage a national starting work. There is no conflict between the importance of Arabic and the use of English. English is the language of business in the same way that maths is the language of science. **Organisation O** feels that more GCC Nationals need to be educated to a higher level and especially in English language. If English is not taught at school level then **Organisation I** feels this would limit GCC National participation in the workforce. **Organisation J** feels that there is an issue with what is learned in school (particularly with English) and what is required by the market, especially private organisations, but it is beginning to change and they find that it is not such an issue at graduate level.

vii) Lack of Encouragement for Females

The encouragement of females into the workplace and their treatment there, varies between the various Gulf States. In the UAE, for example, there are many female senior managers and significant role models such as Sheikha Lubna in politics and Raja Al Gurg in business. In fact, we have argued (Scott-Jackson et al 2007) that the West has much to learn from the treatment of women in business in the UAE. Other States are gradually moving to ensure that the contribution of a significant talent pool is not wasted. **Organisation C**, for example, feels that 5 years ago they faced some cultural issues surrounding the employment of females but this is not the case now.

viii) Too Much Focus on Highly Qualified

Recruiters need to widen the types of graduates considered for jobs: although many of the employers stated that candidates had not been prepared for business and had taken inappropriate degrees and courses, some argued that employers should see the degree as evidence of ability to learn and work, rather than a specific job related skill. **Organisation L** and **Organisation N**, for example, look for talent, not just qualifications.

ix) Too Much Focus on Quotas

The main legislative mechanism adopted by Governments in the region has been to enforce a quota system on particular sectors or job functions. The quota system aims to ensure that locals form a given minimum percentage of relevant organisations' workforces. In this limited objective, the quota system has worked to a greater or lesser extent in that those sectors with quotas do tend to employ more Nationals. However, the quota system does not ensure that the jobs being carried out by Nationals are important or relevant to Organisational or national strategy, does not ensure that Nationals are then developed for leadership or high value roles and does not ensure that Nationals are retained by organisations in order to add real value. These, arguably more important objectives, can only be met if Nationals are perceived as a source of real talent by their employing organisations and if Nationals themselves see work in an organisation as a real source of development and fulfilment. Governments in the region have, of course, also invested heavily

in education and development in order to increase the 'talent' of Nationals and their potential value to organisations. A major issue highlighted by our research, however, is that organisations (particularly foreign owned Multi-National Corporations (FOMNCs) do not perceive Nationals as having high value and Nationals, in turn, do not see the value in working and devoting themselves long term to an organisation (Particularly large FOMNCs). The quota system can have the unfortunate effect of mitigating against a sensible development of National talent as the focus is on simply meeting target numbers of employees.

x) Managing Career Expectations of Nationals

Employers complain that Nationals, certainly in the UAE, tend to overestimate their own abilities and value and expect to progress much faster than is merited. Realistic career expectations should be managed early in the education process and, again, this would be helped by the early involvement of employers. Nationalisation can cause tension in the workplace according to **Organisation L**. The challenges lie in the use of pay and promotion as a tool and discrimination for and against Nationals. This year the company screened 200 Nationals. Of those, 100 were not interested due to the location (they would not travel) and of the balance, 40 just did not show up. They offered roles to 5 GCC Nationals (3 men and 2 women) – however, none of these responded to the offers. It could be that these people had a better offer from a public sector organisation – Multi-Nationals are not perceived as attractive compared to public sector. This is true in other countries across the globe and is not necessarily a UAE issue. Indeed **Organisation L** is optimistic that things will change in the UAE. In their Saudi operation, for example, all the staff are locals. There is also the issue of people being head-hunted after 4 or 5 years having had great experience and training with **Organisation L**. The mentality can sometimes be that they want to become a director quickly, but they do not necessarily have the experience – they will move for a larger salary, despite lack of experience which often leads to failure. **Organisation N** feels there is a lack of role models in the private sector with too few Nationals at that higher/professional managerial level. **Organisation G** sees an unhealthy promotion system developing whereby people are generally promoted too fast – they don't have the skills – but a 'hunger' for promotion has emerged. A shortage of skills has contributed to increased cases of early promotion and increased earning. **Organisation H** explained that different sectors face different problems. Thousands of people are recruited every year but they cannot all become managers, or be managers from day one. Companies need to provide adequate development for GCC Nationals – at the moment candidates go through training or

shadowing programmes developing to a level which provides 5-10% of what the role requires and certain sectors have been very successful, but it is an expensive provision and needs management 'buy in'. Expatriate Managers can resist such development as they see it as a threat, and indeed may hinder development. If managers can create an 'assistant' role and develop an GCC National then they feel less threatened. **Organisation H** feels that companies need to offer more courses and programmes for GCC Nationals - to develop them to a point where they can work unsupervised. **Organisation J** notes that there are two contrasting mentalities: the older generation, who are happy to undertake lengthy and extensive training programmes over several years and the younger generation who are more talented and inspired as GCC Nationals, but want to progress quickly and start managing high profile projects from day one. However, the issue is more about whether they have the necessary 'know how' and how long will it take them to reach a point where they can manage. **Organisation M** feels that the current generation is the first that is fully educated but personal expectations and aspirations need to be realistically raised – people need to understand what it takes to move to a professional level within an organisation. In the same way, organisations need to support and train people to this level. A Business Advisor has been employed by **Organisation M** to oversee this strategy with the power to visualise and to enact any initiatives necessary. **Organisation M** feels that many companies say the right things about Nationalization but don't act. **Organisation N** feels that the perception depends on the definition of professional and managerial roles. It is felt that the talent pool in terms of experience is low in the UAE, especially at top management level. There are few people with the track record. Middle management would be expected to have 5-9 years experience but the education system has only really just started to produce quality candidates with drive and the ability to be mobile. The private sector faces more challenges than the public sector due to an element of elitism in the public sector – it still comprises large family-run companies. Money is a driving factor for UAE Nationals and once hired it is often retention that poses a problem – UAE Nationals are often offered jobs for high salaries after very little experience. **Organisation R** feels that Nationalization needs time: there are a few good high-level people in the UAE in the market but there needs to be investment in people development. The market is suffering from some unrealistic promotion activity in order to beat off competition for personnel. People are offered 3 or 4 times their salary for a position for which they do not have the right experience. **Organisation R** is trying to change the national mindset to show that capabilities and skills need to be developed to an appropriate level before promotion. There are also some unhealthy recruitment practices occurring – companies may employ graduates whose numbers count towards the company's quota, and then fire them

without reason at the end of the probationary 6 month period – this is perfectly legal but perfectly immoral! It would be better if the government took retention etc into account.

xi) Bias against Nationals

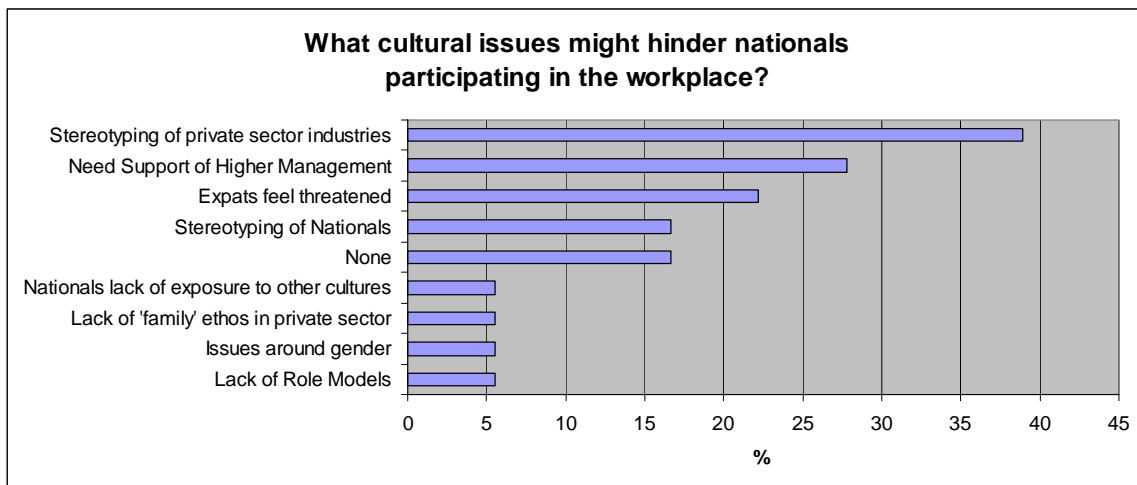
Interestingly several respondents mentioned that, not only do some expatriates fear the Nationals will take their jobs but actually some senior Nationals that have come up through the ranks, perhaps due to family influence, are not happy to give opportunities to younger Nationals. **Organisation F** found that expatriates felt threatened by Nationalization, but management explain that the company is able to take care of both sides – if 50% of the workforce are GCC Nationals, then 50% will be expatriates. **Organisation M** feels that UAE Nationals are often seen as a threat to expatriates in terms of jobs, but this is gradually changing due to the rules set by the ruler of Dubai. The organisation is putting cultural issue into its programmes explaining the history of the UAE, the role of women in society and how line managers can approach work issues. The importance of being professional is a real focus for them. **Organisation P** notes that there is a currently ratio of 1:5 Nationals to Expatriates and also a negative feeling towards national employees – the perception is that they do not have good work ethic and lack motivation and are badly educated. However, this will change, especially with regard to the latter: there are now lots of young graduates. The industry is growing at a tremendous rate but lack of communication between private and public sector is also an issue, especially with the 70% salary increase in the public sector, which will make private sector considerably less competitive.

xii) Nationals' Perception of The Private Sector

The most cited cultural issue which may hinder increasing GCC National participation in the workplace is the stereotyping/perception of private industry by GCC Nationals. Whilst probably a temporary phenomenon (during the gradual switch of focus from Government to private sector as suitable employer), this is a serious impediment to recruitment of GCC Nationals and is summarised by the following examples raised by GCC National interviewees about the private sector, particularly the Western private sector:

- It operates unethically and it is impossible to be a good Muslim and work for a Western company
- No-one cares about anyone and people are treated very badly (psychologically rather than physically)

- It is a very lonely world of isolated individuals working for themselves and 'treading on' their colleagues
- You can't even think about your family whilst working, let alone take care of important issues.
- The bosses are corrupt and only care about making money for themselves. You can't trust anyone
- They think we GCC Nationals are stupid, lazy and useless and only give us token jobs so they can operate in our country
- They want to keep us down to protect their own top jobs.
- They don't care about our country or the people and are only here to benefit from or success



Senior Managers tend to recruit people like themselves so you can end up with a homogenous, often expatriate, senior management team; all from the same background and often country and in many cases this extends to a large proportion of middle managers also. In one case this was seen as an easy way to employ people but it meant that 30% of middle management were expatriates. According to the (local) HR Manager, the cultural background of the company is not conducive to nationalisation. The fact that middle managers are now mostly aged over 50 is another important issue, making it difficult to relate to younger GCC Nationals in particular.

On the other hand, there are instances of very successful localisation programmes being launched by expatriate and local managements. **Organisation B** feels that top management need to be supportive of any nationalisation programme for it to be successful. **Organisation B** has a good example in their experience and success in Saudi. The company believes in diversity but also in the benefit of bringing in locals who will continue in the market and bring local

insights. Interestingly, as a locally owned company managed by an experienced expatriate, **Organisation G** sees no cultural issues that might hinder participation in the workplace.

6. Current Best Practice

6.1. Strategy

i) Strategies and Policies

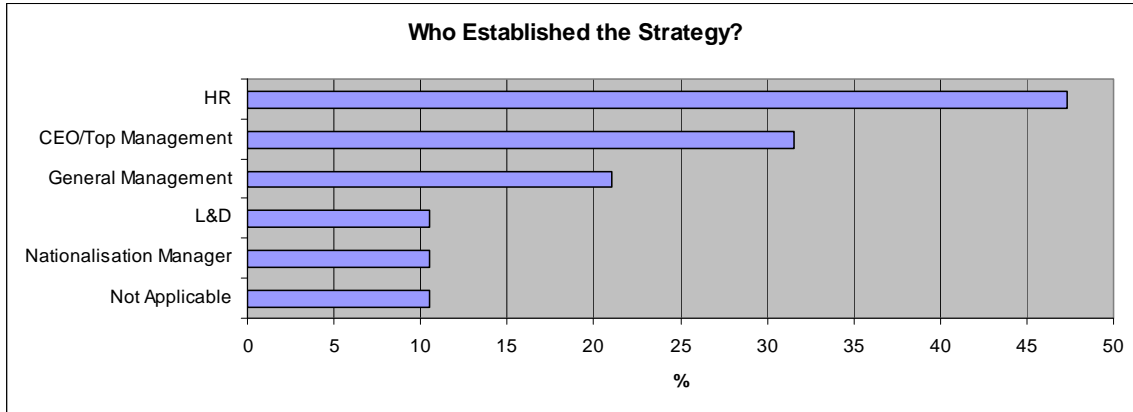
Ninety percent of the participating organisations have a specific policy or plan for nationalisation, particularly the larger organisations. These include:

- recruiting locals against a target
- recruiting locals into specific targeted roles with associated development paths (eg **Organisation F**)
- recruiting locals with a view to developing into management roles (eg **Organisation A, Organisation G**)
- recruiting locals and developing into international roles (eg **Organisation B**)
- policy of recruiting locals first, other Arab Nationals second and other expatriates last (eg **Organisation C**)
- working closely with external agencies, such as Tanmia and Educational institutions, to develop a pipeline of suitable candidate (eg **Organisation E, Organisation O, Organisation P**)
- A focus on retention and development of Nationals (eg **Organisation H, Organisation N**)

Some of which were strategic in nature, for example:

- Recruiting Nationals to meet strategic needs (eg **Organisation J**)
- Talent management of relatively few Nationals to build key capabilities for the future (**Organisation Q**)

Of those participants with a nationalisation policy or strategy, the majority were established by HR, often with the support of top management. In some cases, top management devised the strategy themselves. Most strategies are published to the organisation in some form:



Organisation M, for example, established the strategy via the Nationalization Manager, the HR team and with the support of top management. It is a published 12 page strategy which is sent to Executive Team officially. It was rolled out to the company via UAE Forums involving top management. The first session in which the strategy was presented was run by the Nationalization Manager. Then the L&D Manager and Head of HR spoke to delegates showing support for the strategy. In a private question and answer session, UAE Nationals were able to question the strategy and make their feelings heard. More importantly they were able to appreciate the level of support from the top down. **Organisation M's** strategy shows the Agenda for Nationalization, Roles and Responsibilities, Programme Outlines, Statistics, Timeline and Steps to be taken. The statistics show all figures relating to Nationalization and the timeline is shown as a very clear map which everybody can see. All these points make the strategy dynamic, responsive to business needs and highly professional. Similarly, the strategy at **Organisation N** is ever evolving but has moved away from a 'reaction' strategy over the last 12-18 months. It looks at programmes that will set people up for success and how to move them into middle management. The strategy aims for Nationals to form 10-15% of hiring at Graduate Programme level.

Organisation Q's nationalisation strategy ties in with Sheikh Mohammed's plea for long term skills development. As a Freezones operation, **Organisation Q** doesn't have a quota but it sees Nationalization as a good business strategy as well as reflecting their obligations as part of government. **Organisation Q** are trying to create tomorrow's regulators, a very complex role, and currently have 9 trainees. **Organisation Q** takes the top end of graduates and could take more experienced candidates (but still with less than 2 years experience). They approach the major UAE Universities such as Zayed. Few have any legal training, except Al Ain which teaches Shariah law. **Organisation Q** runs an in-house 2 year programme with 540 hours in training by

Organisation Q staff. It's very hard to find specialist external trainers. GCC Nationals have traditionally preferred Government as it's an easy life with better holidays. Young GCC Nationals in the organisation tend to meet and talk together as if they were a family. **Organisation Q's** staff are valuable and will be targeted by search consultants so retention is a potential issue for the future as **Organisation Q** GCC Nationals become well-trained. Career development plans are in place to keep **Organisation Q** attractive to experienced, high value GCC Nationals.

Organisation R is committed to recruiting, training and developing UAE Nationals. It actively seeks out experienced individuals to offer career progression into middle and senior level positions. The UAE Recruitment and Development Unit provides focus to the Nationalization program and effectively deliver on their commitment.

Nationalization is a group strategy for **Organisation H**. The strategy states that the company should feel the worth and value of its GCC National employees. GCC Nationals know the local culture and market segments across the seven Emirates, each of which has its own characteristics. Having this knowledge helps the company to succeed. The strategy was initiated in the Nationalization Manager's first month (an GCC National) in cooperation with the GM and in conjunction with 'open' management meetings.

The strategy for **Organisation I** had previously just been around recruitment and it has been difficult to ensure that managers see Nationalization as part of a whole talent process, not just recruitment. Every 2 months HR sit with the GM and GCC Nationals in an 'open meeting' to discuss various issues. From this HR found that the offer of accommodation with a role is beginning to be welcomed by GCC Nationals where before it was not considered - an example of a changing cultural issue.

ii) Responsibility for Nationalisation

Increasingly, especially in larger organisations, there is an individual specifically responsible for nationalisation, typically within the HR structure and often a local themselves. **Organisation A**, for example, has a (female national) Omanisation Manager within HR, solely responsible for recruitment of Omanis. There is also an Nationalization Specialist at **Organisation C** sitting in the training department within HR.

Organisation E, on the other hand, does not have someone specifically responsible for Nationalization as it seen as an integral part of people/talent Management.

At **Organisation F** responsibility for Nationalization sits within the CEO's objectives as part of the company's three year plan. There is a UAE Development Manager who makes sure the strategy is carried out, linked to the company's reward system.

Organisation G has recently appointed an experienced person with this specific responsibility within the Learning and Development Team.

Organisation I is looking at employing an Nationalization manager based at Head Office – This person will work with the HR Department to drive Nationalization forward – someone who can spend time on the issues and in counseling GCC Nationals. The duties are to be responsible for the efficient running of the department in line with **Organisation I** International's Corporate Strategies and brand standards, whilst meeting employee, guest and owner expectations. To support the Director of Human Resources with the organisation's existing Nationalization Strategy, ensuring that Nationalization remains central to policies and procedures. Qualifications: Ideally with experience in a similar role. Good problem solving, administrative and interpersonal skills.

The Nationalization Manager at **Organisation J** has recruitment, development and career management in her remit.

The HR Director, Talent Management leads the Kuwaitisation team at **Organisation K**, which includes a Kuwaitisation Manager. The company took 10 months to find the right calibre person for the position of Kuwaitisation Manager as this is felt to be the key to the organisation's strategy. The L&D Manager at **Organisation L** is responsible for Nationalisation, reporting in to the Personnel Manager. Nationalisation is one of the KPIs for the L&D Manager.

Nationalization at **Organisation M** is an integral part of HR: The UAE Business Advisor heads the Nationalization team with the Nationalization Development Manager reporting in. The UAE Business Advisor was initially taken on as the Nationalization Manager but the role required a broader remit including relationship development, communications, PR and development of corporate banking, so the Nationalization Development Manager was taken on to handle more of the operations side of the role. The Head of L&D liaises with the business on the Nationalization strategy content, training and also put the Undergraduate Development Programme (UDP) together.

The Country Head for Resourcing at **Organisation N** is responsible for the strategy but this is not their sole role. When the Country Head for Resourcing joined the organisation, the Head of the Nationalization team had someone focusing on retention and another focusing on recruitment. These are now pulled into the Resourcing team with the Head of Nationalization leading on the

Scholar Programme and Local Graduate Programme. Recruiters are non-GCC National as they have the sales skills required in recruitment.

The Regional HR Manager at **Organisation O** is responsible for Nationalization as part of their role.

The Nationalization Manager at **Organisation P** has been in the role for 12 months and looks at development rather than recruitment (hiring and firing). He will take national CVs to different parts of the business and shows Nationals that **Organisation P** offers a career – the Nationalization manager shows lots of examples of Nationals doing well within the business to illustrate this point.

The T&L Manager at **Organisation Q** is responsible for the strategy but spends 70% managing the GCC National programme and then 30% rest of organisation. (In some companies, turnover of GCC Nationals is over 50%, especially at high school level). Retention hasn't occurred yet as issue for **Organisation Q**.

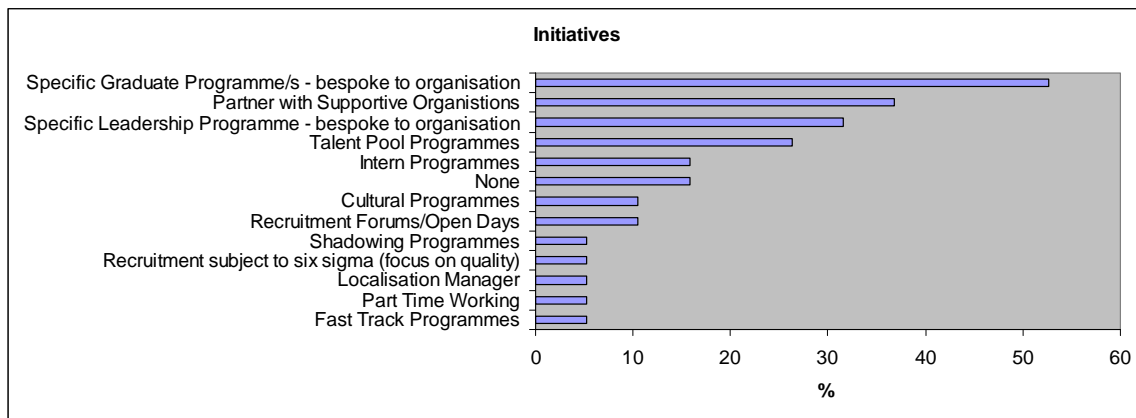
The Nationalization Manager at **Organisation R** is responsible for Nationalization and that is their sole role.

iii) Key Initiatives

There are an extremely wide range of initiatives being pursued by the organisations interviewed for this study, in addition to, and often in conjunction with:

- Government bodies and programmes, including Tanmia (<http://www.tanmia.ae>) and ENDP (<http://www.endp.ae/>) at Federal level and, for example, the Tatweer development programme in Sharjah
- Semi-government programmes such as Tawteen <http://www.uaetawteen.com> (funded through the Emirates Foundation)
- Educational institutions initiatives (eg Higher Colleges of Technology, Zayed, UAE University)
- Collaborations by organisations within sectors such as Dubai Tourism's Mahra programme and the Oil & Gas collaborations instigated by the High Education Colleges in Abu Dhabi
- Commercial services, knowledge sharing and conferences such as the IQPC Nationalisation conference
- Research Studies eg Oxford Strategic Consulting and Tanmia

Bespoke graduate programmes and partnering with supportive organisations are the most popular initiatives aimed at facilitating the employment and development of Nationals.



Organisation B attempts to connect with organisations that support Nationals, for example, sending them abroad for training (in conjunction with, for example, the Sheikh Mohammed bin Rashid Al Maktoum Foundation). Such organisations will also offer recommendations. **Organisation B** also has an intern programme for locals still at university – they are looking ultimately to employ fresh graduates. The programme is in its infancy (1 year old) and has one intern so far (currently finishing studies in US) who began as an intern in HR. The original plan was for 7 interns but as only one came forward they supported the programme with other Nationals – it was not successful in terms of getting volume of intake in the first year – but these are early days for this programme. **Organisation B** is in the evaluation stage of a scholarship programme where GCC Nationals would be sponsored via government organisations and then brought back into **Organisation B**. They are also looking at the possibility of bringing in Nationals from abroad, which would increase the volume.

Organisation C has a programme called MUSTAQBALI meaning ‘my future’ which is for UAE National Graduates only. In the first 6 months the trainee spends time gaining experience across the organisation under the ‘wings’ of HR before deciding which department to move into permanently. There is also a ‘Future Leadership’ Programme across the holding group involving executive directors and CEOs which builds future leaders for the company and for the UAE. Mustaqbali has been most successful programme for **Organisation C**, with 30 students in 2 years. There are also Directors in the organisation that started out on **Organisation C**’s graduate training programme 5 years ago, showing that the programme is successful. **Organisation C** is planning for Tenant Management training for UAE Nationals across the group.

Organisation E participates in recruitment forums and open days including special family open days. GCC National team members talk to families and prospective employees about their roles. **Organisation E** is convinced that the most successful initiatives involve establishing personal relationships with employees, where their success can be acknowledged. The company needs to accompany an employee on their career journey – the issue is more about development, with a major factor being time. **Organisation E** needs to know the employee is committed and will be retained and add value. This is important because both party's expectations can differ. **Organisation E** feels there is currently a 'war on talent' as the market belongs to the candidate. This has its own consequences. **Organisation E** will be undertaking more advertising – featuring in magazines, for example. As well as continuing with its current initiatives it will be looking at exchange programmes between hotels in the region for its staff. This will allow staff to gain insight into the workings of different properties.

At **Organisation F** there are several Talent Pool Programmes for UAE Nationals as well as a development programme and graduate programme:

1. ***Al Mishaal*** – for high school graduates who will train to be front line or back office staff.
2. ***BAL*** – Graduate Programme.

Both are tough and hard to get through (similar to a Boot Camp). Approximately 10% of graduates do not complete the programmes but the people who complete are truly brilliant. After 3-4 years running this programme the company now has a group of highly motivated people and now has people queuing to get on the programmes. **Organisation F** recently started a programme called *FAME*, a four month English Learning programme for those high potential *Al Mishaal* candidates who were rejected just on the basis of their lack of English skills (English is the bank's first language). Candidates on the *FAME* programme are paid a stipend, not offered a job, but if they get through *FAME* they will be offered a place on the *Al Mishaal* programme. It usually takes approximately six months to move through a level in the *Al Mishaal* programme but the *FAME* programme ensures candidates move through two levels in one month – candidates really need to show their competency to be considered for *Al Mishaal*. Having run *FAME* for a year, 40% of candidates have moved on to *Al Mishaal*. This year **Organisation F** is looking at doing a similar thing with *BAL* – those rejected from the programme due to 'bad attitude' alone (ie they have all the other skills necessary) will be offered *pre-BAL* training for three months. In these initiatives, **Organisation F** feels that their paradigm is correct – yes, Nationalization is used as a focus, but only alongside a fair performance management and reward system.

Organisation G has clarity of direction, as Nationals are developed internally and pools of talent are identified externally. The company is building a greater number of programmes to cultivate and strengthen relationships with external agencies.

Organisation H's training centre offers courses – although the main bulk of these are for lower calibre employees, eg cultural awareness courses, some deal with leadership and culture:

- 'Dealing with Change' – a course that highlights the fact that all people are not strangers.
- ILM – International Leadership Management – this is one of the best courses to be launched at **Organisation H**. It is for supervisory level employees or above. Initially it was just for GCC Nationals but the benefit is best felt if the courses are open to any nationality, so now it is a mixed course. **Organisation H** is planning to include a graduate programme that provides opportunities to study at a higher professional level – eg CIPD. And also include in this some courses that will assist managers such as Oracle courses – for the technical side of the business.

Organisation I has the following initiatives:

- Maharat
- TATWEER (Development) programme for 10 UAE Nationals, albeit at relatively low level. This is a 6 month training programme. If candidates have a low level of English they are put on the Tatweer course
- Specialist work group opportunity – a 2 year degree course – at The Hague. This was available globally to 'locals'.

The Maharat programme has been most successful for **Organisation I** – it is shorter than the Tatweer programme – candidates come in for hotel training and learn about the different Organisation I properties (3 in Dubai). In six months time, **Organisation I** would like to see Tatweer become more successful as it is a more bespoke programme. **Organisation I** is planning to employ an Nationalization Manager. They have also recently reviewed the salaries, which is a big issue for GCC Nationals. **Organisation I** wants a more flexible approach to GCC Nationals is working practice: the hotel industry in UAE comprises 97% expatriates who are happy to work full time (they are there to make money and are prepared to work hard for that). This is not necessarily suitable for Nationals and **Organisation I** is looking at part time/flexi working for GCC Nationals – this could be a key factor in attracting them into the workforce.

Because **Organisation J** is such a diverse organisation, each business has its own development plan with some areas more challenging than others. Initiatives are based on:

- Individual capabilities
- The structure of a particular department

- How many Nationals a department can take

Organisation J is planning the introduction of the opportunity to take a professional further degree/qualification: CIPD, Professional Diploma, CIPS etc. It is beginning to focus on Identifying Talent, rather than success. This is for Junior to higher managerial levels and is about engaging the line managers in career development and taking ownership of that talent development. At corporate level there is a High Potentials leadership programme run in conjunction with Cranfield University. Of the 24 candidates, 4 are Nationals and **Organisation J** wants to identify develop GCC Nationals to take part in this programme.

Organisation K employed a Kuwaitisation Manager to facilitate the employment of Nationals. There is also competency based interviewing and panel based interviewing which opens up the recruitment process, making it an obviously fair process. There can be resistance to smart young Nationals who may be perceived as a threat – an open interview process helps eliminates this. The company has a 6 month programme for carefully selected young graduates – they have to attend competency based interviews. There is also a similar programme for those at HND/C level. Recruitment at **Organisation K** has become the subject of a six sigma process – so the focus is on quality. In 2008 **Organisation K** is using its performance management process to identify both low and high performers and deal with each appropriately. **Organisation K** attends overseas job fairs in the US and the National Union of Kuwaiti Student Conference attended by young bright Nationals, with experience of other cultures. These students have a preference to return to Kuwait and **Organisation K** wants to attract these young motivated people into the organisation. It will take time to build a 'critical mass' of Kuwaitis within the organisation but they will then act as a 'magnet' for others.

Organisation L's Graduate Trainee Programme is becoming very successful – this is a 3-5 year programme and leads to a managerial position if the candidate is successful. It is a big commitment for candidates in terms of time. The Graduate Programme has been successful in that after only 3 years of the programme, 2 candidates are already at management level. **Organisation L** has been targeting graduates over the past 2 years and the company now wants to engage potential candidates earlier. To this end, the company is introducing Internships for 2008. The organisation is looking at the potential of sending people on International assignments.

Organisation M has several programmes:

- UDP Programme (65 per year) – undergraduate programme – a unique 12 month programme designed to run every Saturday in which each unit of the business presents to

students. Students are paid per day and receive a year's contract – this is expensive for the bank but this is felt to be a worthwhile investment. It is not just about meeting a quota

- MT Programme – Management Trainees (9 per year) – a 2 year programme for the best calibre students. The current trainees are now at such a high level they are able to present the business to those on the UDP

At **Organisation M**, both initiatives require a level of commitment from the students – the bank ensures that students are aware that the level of commitment to Nationalization and development from the bank is genuine – it works both ways. Both programmes are linked to each other and have both been successful. Trainees are given the opportunity to work for 6 months in each area of the bank with real responsibility – they are not just observing. **Organisation M** will be participating more heavily in job fairs showing potential candidates that they are the main player in the UAE. They will be continuing to develop relationships with educational establishments. Organisation M will be launching a Head Start Programme for school leavers at the end of 2008 – this is a full time on the job training programme.

Organisation N has the following programmes:

- Branch Manager Programme
- Assistant Relationship Manager Programme – where skills are built up over a 6 month period
- Local Graduate Programme – graduates come in at Grade 8 (the first intake was Aug 07) and follow a 2 year programme – it is the beginning of a longer journey for candidates as the programme matches with tangible growth of the bank, in line with business needs
- Scholar Programme
- English Programmes

Organisation N feels that their Local Graduate Programme has been the most successful of their initiatives. The bank will take on another 50-60 on to the programme in 2008.

Organisation N has a high proportion of UAE Nationals in the operations team and the bank wants to change this and how other divisions are viewed. In fact, one UAE National has recently moved from operations to HR. It is important to set up internal programmes in which the organisation can invest in people.

Initiatives at **Organisation O** are to an extent budget driven, but GCC Nationals will be sent for suitable training if there is a need. This includes English training, computer training etc. The most successful idea at **Organisation O** has been having an Arabic speaker leading the strategy.

Organisation P has the following programmes/initiatives:

- Corporate Training: - training at GM level over a 3-4 year period

- Shadowing – candidates shadow a GM for example, over a 2 years period before taking on a management role
- Graduate Programme – for fresh graduates. Candidates take a month in each area of the business to establish which part of the business might suit them depending on the needs of the business
 - Sponsorship Programme – Top students are offered a sponsored place at Organisation J's Academy where they study for a BA majoring in Hospitality (4 years). There are currently 14 students on this programme and Organisation P hope to take 2 or 3 per year
 - Maharat Programme

The most successful initiative for **Organisation P** has been the Maharat programme, developed by the Group, however it is not targeted at higher level managerial candidates – it targets high school drop outs and is a 3 month programme, although this depends on the level of English. Candidates are guaranteed a job at the end of the course and are paid for the duration of the course. Dubai Tourism is also now involved in the course. **Organisation P** wants to build better relationships with colleges and have started to arrange work experience for college students whereby students work full time for the period of work experience. The organisation is also introducing a programme which is an introduction to the retail side of the business. As with the Maharat programme, candidates will receive a contract for work at the end of the course.

Organisation Q applies best practice talent management - Select people that will succeed and fit within the organisation. It is typically looking for a degree in finance/accounting then tests language/psychometric before it even sees candidates, then focus on competencies and culture fit (very Western) and enthusiasm. Many of them have no idea what the organisation does. The perception is that the **Organisation Q** are hot shot bankers etc so they have to educate young people in exactly what **Organisation Q** is and does. They present to Universities and the like but don't need to go into education lower down. A recruitment company sends out information and visits Universities. **Organisation Q** is planning to employ 9 trainees – they don't take non-GCC Nationals onto the training programme. They also recruited 30 non-GCC National people - they are more experienced – into more senior positions.

Organisation R has the following initiatives:

- Graduate Employment Programme – 12-18 month programme in which the candidate is recruited with a specific target position in mind. They follow a defined road map to fast track their Organisational development and achieve the desired competencies to help deliver on the job

- Fast Track Branch Manager Programme – 6-9 month programme targeted at UAE Nationals with relevant banking experience at assistant manager level
- Work Placement/Summer internship Programme
- Summer Work Internship Programme
- Part Time Employment – for UAE national students and others. They work for 4 hours out of the 8 hour day – from 8am to 12noon or 12 noon to 4pm, or 4pm to 8pm - whilst at the same time meeting their academic commitments. Students can also choose to work Saturdays and study leave is given

The programmes for students give them exposure to the banking environment and build experience in the sector as well as giving them an opportunity to stay with the bank. However, there is no contract on offer but a salary is paid. Other banks sometimes offer a salary but the position is not 'real' – this is done to fill the quotas. Sometimes students are offered a contract but if they do not stay with the company for the designated time they have to pay back the 'salary' (or part of it) paid to them for the duration of the 'training'. Unfortunately this practice is growing, with students being forced to stay with companies – this is not healthy for the market.

Organisation R is a fully privately owned bank and uses its programmes to build and test the future personnel pipeline. **Organisation R** are really trying to push for more and more GCC Nationals to enter the workforce in the right way.

Organisation R recently took 14 top female students from one of the Higher Colleges of Technology to the Hong Kong branch on a fully educational trip – fully financed and planned by **Organisation R**. The trip also helped raise the profile of the bank and was rated as the best international trip by the ladies of the college. **Organisation R** are trying to combine the educational process involved with Nationalization with PR for the bank. It feels that UAE Nationals can learn from other cultures in the workplace – especially as UAE Nationals only make up 2% in the private sector. The bank wants to show that working in the private sector can be a reality and although salaries are lower than in the public sector, there is room for personal growth and development – the mind set must change.

6.2. Recruiting National Talent

i) Attract and Recruit

Organisation B does not have a specific programme to attract GCC Nationals – the company operates a 'same for all'/equal opportunities policy across the organisation. However, the HR Manager will try to show GCC Nationals the benefits of working for **Organisation B** – what's in it

for them. He will try to show the value of the sector to potential GCC National candidates as this is not necessarily a sector that they would think to move in to. Most still look at banking and the government for work opportunities. It is found that the distance to the office and working hours can be off-putting for relatively well-off GCC Nationals, even though salaries are competitive. **Organisation B** took this route 12 years ago in Saudi with great success.

Organisation D tries to carry out PR campaigns but these are not on a large scale. They get in touch with local nationalisation bodies and market into trade fairs. **Organisation E** holds 'open door' days.

Organisation A has a qualified Omani Manager in this, in itself, is attractive and motivating to other potential high calibre candidates.

Organisation F believes that the best way to attract and to retain is to make sure that there are real jobs available with real work linked to a performance management systems and rewards. People must see that the company is not just filling a quota – this does not work – when **Organisation F** hires new people they are benchmarked/compared against the best group within the bank. This ensures they get the best of the best. **Organisation F** attends careers fairs and recruits by word of mouth most successfully.

Organisation G does not undertake any special programmes to attract GCC National candidates but they work diligently to be the 'employer of choice'. This combined with the work the company does on its brand, ensures **Organisation G** is the company chosen by graduates. They are aware that a key question in candidate's minds is 'will my father/grandfather be happy with me working here?'

Organisation H runs a 'Summer School' to include students in classes, some work and field trips (a blended learning course). A huge number come every year and some year after year. Students are paid and a gift is given to the TOP 10 best students (a laptop). **Organisation H** also runs internships (more than 300 per year) running from 1, 2 and 6 months. The business and colleges support this process.

Organisation I puts an advert on their website and makes it clear they want GCC Nationals. They attend Maharat recruitment events and ENDP send them CVs. **Organisation I** also holds open days at Dubai men and women's colleges as well as hotel open recruitment days involving a presentation and open interviews.

Organisation J runs a number of programmes that any individual can take part in depending on their level: At Entry Level (school leavers and Diploma Level) they may follow a programme to become a professional, engineer, within IT, Finance etc. At Graduate Level, they may follow

programmes in HR, Operations, Finance, IT and so on. **Organisation J** looks at background and skills – the **Organisation J** brand is an attraction for people. It also takes part in school visits, careers fairs and has an online presence.

Organisation K use posters, newspaper advertisements, career fairs to help attract locals. Innovatively, the company has shifted to low intensity recruitment through Diwaniys, which are a Persian Gulf tradition in which men gather weekly in a private home to discuss issues ranging from politics to sports. The Kuwaitisation Manager has been responsible for 'sourcing' potential recruits via this social networking method. The turn over rate has dropped due to the high quality of the hires (subject of 6 Sigma).

Organisation L has the following specific actions/programmes aimed at Nationals:

- Graduate trainee programme
- Avoid classical recruitment
- Attend universities as speakers
- Invite prospective candidates to a Organisation L tour – some are very touched by this, seeing that the workplace at Organisation L is very non-hierarchical.

Organisation M feels that the best way to attract GCC Nationals is to talk to them – through networking. GCC Nationals are often reluctant and insecure about corporate organisation but the more the organisation gets in and develops relationships, the more the word will spread and a snowball effect will occur.

Organisation N has some roles which are job share roles (eg two GCC Nationals in one role). The bank takes part in sponsoring events in the region and by contributing to charity – this raises the profile of the bank in the community.

There is a talent management pool at **Organisation P** whereby 'high potentials' are hand picked for higher management roles.

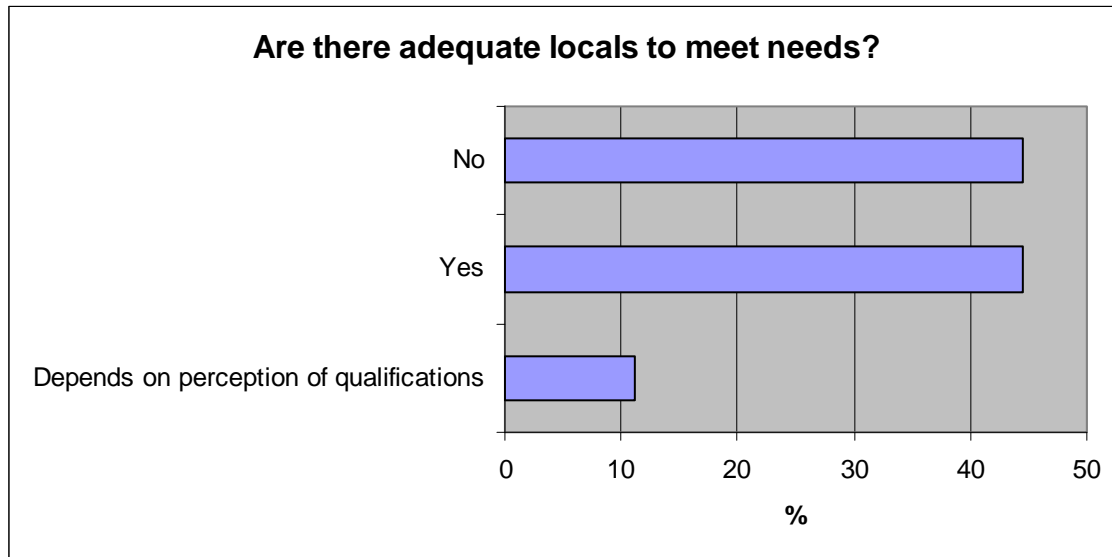
Organisation O does not have any other special actions other than attending conferences, going out to highlight the industry at colleges etc, promoting internships

Organisation R visits colleges to speak and attempt to break down stereotypes.

ii) Supply

We also asked the respondents whether there were enough Nationals available to fill the demand. Their views are split equally as to whether there are adequate qualified GCC Nationals to meet needs. This may be due to how the term 'qualified' is perceived – either in terms of hard

qualifications or in terms of experience. These views are, of course, liable to change over time and may well have changed since the original interview in 2007.



Organisation A feels there are more than enough Omanis to meet the needs of the company. The problem lies in salary structure. The structure in the company is to pay fairly but not high, which is a barrier for potential high quality candidates.

Organisation B feels that yes, there are qualified GCC Nationals to fill the company's needs but not enough of them. Lots of GCC Nationals are more than qualified – they are often very highly qualified people.

Organisation C has high requirements but they find lots of UAE Nationals exceed these requirements in terms of qualifications. Top directors are high performers.

Organisation D feels there are adequate qualified GCC Nationals to meet its needs.

Organisation E has to train GCC Nationals internally from scratch (they are inadequately prepared for work) – however, there have been some exceptional individuals from this. Indeed this is not necessarily an GCC National issue – the same is true for other nationalities.

Organisation F argues that the answer depends on what is perceived as a qualification – if it is experience, then no, but if it competency, then yes. **Organisation F's** recruitment process focuses on competencies as they believe that knowledge is straight forward; it is being able to leverage an opportunity that is important. A company also needs correct performance management.

Organisation G feels that there are not adequate qualified GCC Nationals to meet its needs.

Organisation H feels there are qualified GCC Nationals but not many. The majority move in to government roles as they are more highly paid jobs and they wrongly feel this is where their

future lies. However, after a couple of years they realise that the government job is too habitual and they will move out. The private sector must build excellent programmes as 1000s of students graduate every year and they need to see that the private sector can be attractive.

Organisation I feels that there are enough qualified GCC Nationals in Dubai but the problem is that they are not interested in the hotel industry.

Organisation J feels there are adequate qualified GCC Nationals but it is a challenge to get them into the organisation. This may be partly due to the lengthy selection process, but this is necessary as the organisation has to ensure that employees can cope with the culture of **Organisation J** and are both adaptable and committed - there are 120-130 different nationalities at **Organisation J**.

Organisation K does not think there are enough Kuwaitis who are 'qualified' to work despite the fact that there are thousands of Kuwaiti graduates. The cultural emphasis is on passing exams, rote learning and retaining knowledge rather than learning a basic level of competence or work ethic.

Organisation L does not think there are enough – when compared to other Arabs.

Organisation L thinks this is also linked to education post 9/11 – restriction to obtaining visas to go to university in US etc. The universities in the region are not currently comparable to those in the US etc.

Organisation M feels there are never enough GCC Nationals to meet the business needs. The UAE is the hosting country with few locals – an unusual position. In other countries the local population makes up the majority of staff in the bank.

Organisation N feels there are not adequate qualified GCC Nationals as the labour market is not a developed market.

Organisation O states that there are definitely adequate qualified GCC Nationals to meet the organisation's needs.

Organisation P feels that there are not enough adequately qualified GCC Nationals to meet needs. The organisation is currently looking to employ a Nationalization Director as the Nationalization Manager will be moving into an operations role. They are struggling to find the right person with the further HR qualification (CIPD) and the 3 years experience required.

Organisation Q feels there are enough GCC Nationals to meet their needs.

Organisation R feel that whether there are adequate qualified GCC Nationals depends on how one considers the question: ie are there enough GCC Nationals to come in and train to higher levels, yes, but are there enough GCC Nationals to come in and replace the expatriates, no. All of **Organisation R's** 33% Nationals work. At some banks they may have nearly 50%

Nationalization on paper, but on 20% of them are really working in real jobs – they are simply filling a quota.

6.3. Developing National Talent

Organisation F's stated training policy is the same for everybody. The next level up from *Al Mishaal* and *BAL* includes the whole workforce: Leadership Development and Executive Development programmes will include both GCC Nationals and Expatriates. *Al Mishaal* and *BAL* have a blended approach so use a mix of classroom and on the job learning. Mentoring is centred on *Al Mishaal* and *BAL* at **Organisation F**, plus all expatriates are included in this and all talent pools.

Organisation G works to a corporate 'practice' rather than a policy and has a graduate programme specifically for GCC Nationals. Training is not sponsored at **Organisation G**, but time off in lieu for learning may be offered.

Organisation J has a policy for training Nationals and is more flexible when it comes to GCC Nationals. For example, if an GCC National does not meet all the required criteria for a role they will still be considered, although skills, style and commitment are important. It has specific management programmes for developing GCC Nationals. For example, the Commercial Programme, on which GCC Nationals that are being developed for Out-Station Management/Area Management roles gain exposure to all parts of the business including finance HR and the corporate commercial area. However, IT training programmes will not include this breadth of exposure unless there is a need. HR at **Organisation J** is a huge division and trainees in HR go on 'attachments in the different parts of HR and support areas for HR, but will not get exposure to all parts of the business (unless there is a need).

Organisation L has a training policy, but it does not discriminate – every Associate is allotted 10 days training. **Organisation L** has the graduate training programme which has lots of scope including 5 competencies and 'managing self'. **Organisation L** is heavily involved in mentoring. The Personnel Manager is a mentor for 4 graduates, of which one is a senior manager.

Organisation M has a training policy that covers the whole bank but also has a contract with the EIBFS (Emirates Institute for Banking and Financial Studies) who run programmes all over the UAE for all UAE Nationals. The bank is looking at a specific training policy for UAE Nationals. Everybody at **Organisation M** has a mentor and a buddy, but nothing specifically aimed at Nationals.

Organisation O offers training in computing and English. **Organisation O** sponsors all training, but if the candidate fails they must repay the cost of the training.

Organisation C sponsors candidates to complete their Masters and PhD. They have a connection with Bradford University in the UK where Organisation C will pay 80% of the cost.

Organisation D has a 3 year strategy in T&D for everyone in the organisation - driven by HR, not by the board – but they are still working at a basic level. The HR team is still learning.

Organisation D offers computer software and English language training along with one or two external training programmes. There is no official mentoring at **Organisation D**. However, in the last 6 months the company has tried to allocate a ‘mentor’ to new employees.

Everyone at **Organisation N** has an Individual Learning Plan and sponsorship (for MBA for example) can be part of this.

Organisation E does have an GCC National training plan which involves two week’s induction and then classroom training as well as orientation across the business. It provides cultural awareness training for both Nationals and expatriates – it is felt that all management teams need to have an understanding of each others’ cultures. Training at **Organisation E** is part of the day-to-day job and so there is no time off in lieu as such – training is fitted into the working day. There is sponsorship available for all special training courses – both for top performing GCC Nationals and top performing expatriates at **Organisation E**. **Organisation E** has a standard mentoring programme with a ‘buddy’ system.

Organisation I does not have a specific training plan but Tatweer could offer a model of how such a plan could be devised.

Organisation K takes a focused approach. The company has grown 50% in 3 years and the pace is fast – they are focusing on getting young local professionals in. At **Organisation K**, locals are incorporated into normal programmes. The company is also one of two ILM programme centres in the region. Recently one Kuwaiti senior manager attended a Harvard programme but the offering is broad and not specifically for Kuwaitis. **Organisation K** chooses not to single out locals. Indeed, people are hired and fired by the GM. The Kuwaitisation Manager cannot intervene. **Organisation K** is accredited to run ILM courses as well as a coaching programme. The organisation employed a specialist 6 months ago to run the support side of the MBA programme – there are currently 55 people on this programme. The company’s L&D team also offer support in localisation issues – they designed the Kuwaiti development programmes.

All **Organisation P** employees must take 8 hours of training per month, sometimes more depending on the need. **Organisation P** targets college graduates and they will earn a management salary whilst training. Some training is outsourced at **Organisation P** but education grants are offered to Nationals. **Organisation P** would undertake sponsorship if there

is a need (must be sanctioned by a manager) – there are currently 15 students in various colleges, sponsored by Organisation P.

There are fast track programmes specifically for GCC Nationals at **Organisation R**. **Organisation R** has a study leave policy and will pay 60% for courses from private colleges.

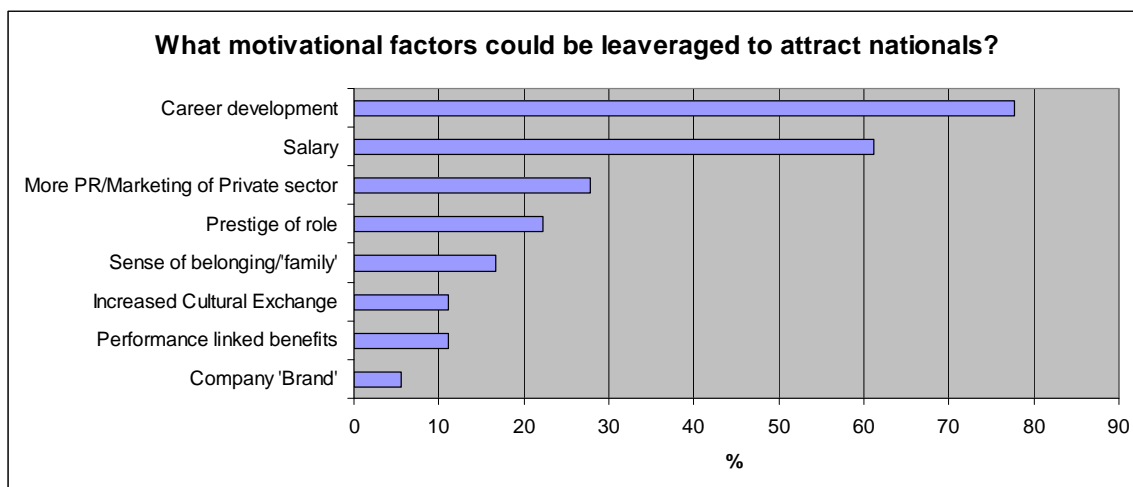
All employees are mentored at **Organisation B**.

Organisation Q does have a corporate policy on training Nationals in the workforce – for professional and managerial roles. It has specific management training programmes for the development of GCC Nationals. **Organisation Q has** in-house trainers and coaching specifically for GCC Nationals and their English language proficiency is tested before they arrive.

There is a 6 month programme for fresh graduates at **Organisation H** which includes English training, soft skills and on the job training. A Supervisor oversees this course and is for Sales and Contract management staff. **Organisation H** does have a specific mentoring for GCC Nationals but other managers also want to take part now as they have seen the benefit and success of the mentoring programme. They have seen that an GCC National trainee may have a suggestion that can improve the way work is done.

6.4. Retaining National Talent

The biggest motivator was thought, by our respondents, to be a clear view of career development, followed by salary.



Organisation A explained that bonuses/financial/salary structure issues are very important and the process needs to be open: appraisals linked to scorecards etc, etc. New recruits want to see that they will be receiving a decent package and will undergo career development/training

Organisation B feels that GCC Nationals need to start to think beyond the banking and government sectors. Part of the motivation to work is financial but more important is the prestige attached to a role – they need to see how their career will develop and how they will grow within the company.

Organisation C finds that UAE Nationals need to see how they will grow and develop in a company. If there is no clear career path they will not be interested. This factor is of course important for all important but seems especially important to UAE Nationals.

Organisation D finds that assigning Nationals to 'special projects' helps – ie giving them specific things to do. They perceive that they are important and thus perform better/ stay involved.

Organisation E feels that cultural exchange is vital for recruitment success. Communication is key.

A reward system and recognition that is fair across the organisation is vital as far as **Organisation F** is concerned. Any two people should get a sense that they have equal opportunities.

Organisation G feels that yes, proper development, a sense of belonging and genuine caring are factors that they can leverage to recruit and retain more Nationals.

Organisation H feels relationships and the way staff are treated are motivational factors that can be leveraged. The main motivation should be to get business to accept GCC Nationals – welcome them. This will help retain them. The more training and development they receive, the more appreciated they will be and this will ultimately be better for business. Acceptance, training and money/benefits are all motivators. Within government, the only real motivator is stability in one's job. People have been afraid to work in the private sector as they feel they will be usurped by an expatriate. This is changing and is a wrong perception.

Organisation I is looking for evidence of action orientation and motivation – they want to see the potential in a person. Money is a big motivator for GCC Nationals – it's a status issue. If an organisation wants to retain it has to pay. **Organisation I** has started to pay within the industry but is still competing with other industries. One could also use the ethos that the workplace can be a 'family' as a factor in retaining staff.

Organisation J is not first in terms of its salaries and titles (both of these are perceived as status indicators). However, the brand reputation of **Organisation J** is attractive and a motivating factor for prospective employees. The amount of personal development that can be obtained at **Organisation J** is second to none and helps to retain staff. Other benefits, over and above salary, are perceived to be good at **Organisation J**. **Organisation J** has a strong image and GCC Nationals are proud to be part of it.

Organisation K feels motivation is a difficult area. The private sector expects longer working hours and is less stable than the public sector but can promise international best practice and if the candidate is high potential can be a manager in a few years.

Organisation L feels that career development can be leveraged – people who come to Organisation L know that their market value will increase. **Organisation L** is non-hierarchical and pay is on the 80% percentile, so they are competitive.

Organisation M is paying very competitive salaries (40% higher than the market). It is important to make people feel that they are not a number but an active member of the workforce. The bank ensures that they are welcoming to UAE Nationals.

Organisation N is already paying a salary premium – salary is a big motivational factor for UAE Nationals. That said the business could get another nationality to do the same role for less, so Nationalization can feel restrictive. The bank has an excellent 'brand' name, an 'attractor' for potential recruits. It is involved in the DIFC Future Leaders Programme which raises the profile of the bank. The problem lies in retaining staff, *especially high performers*.

Salary and clear career development are important motivators for GCC Nationals, **Organisation O** states.

Organisation P feels that salaries in the hospitality sector are not high compared to other industries so salary is a motivational factor. **Organisation P** offers many benefits but salaries are what matter. A housing allowance would be a useful motivational factor as would more flexible working hours.

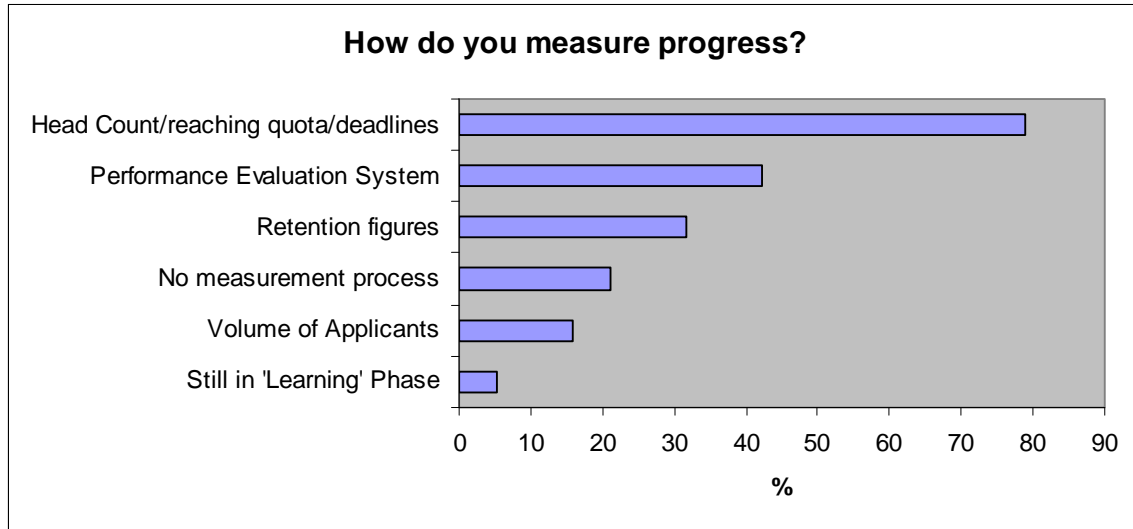
Organisation Q is seen as advanced but also has the strong attraction of being local.

Organisation R feels that salary is a motivator. Its employees are well paid, not as much as public sector organisations, but the level is appropriate. Training and Development is also a major motivational factor and **Organisation R** is well regarded in this area as it has worked hard in terms of quality and its development programmes.

6.5. Managing and Measuring National Talent

i) Measurement

Several organisations measure outcomes such as retention, and performance evaluation but headcount is the most common measure:



Organisation C looks at retention and volume of applicants in able to understand progress. They try to improve standards based on that information.

Organisation E looks at the numbers in employment as well as how long they stay in the organisation – by doing this they are able to measure the investment in an individual. The organisation also uses a performance evaluation system which gives both employer and employee constant feedback. **Organisation E** is following the Maharat programme goal – ‘ *to create job opportunities for the UAE National workforce, reduce the unemployment ratio, enhance the skills and productivity of the national workforce . . .* ’ Informally, **Organisation E** has a goal of 2% but this is not written down or announced officially.

The Government in Kuwait sets a quota at 2%, but **Organisation K** has set a goal of 3% for 2008.

Organisation F looks at Head Count and whether they have been able to place GCC Nationals in the business. HR bonuses are linked to this particular measurement method which means that people are hired on merit – they can do the job. Candidates taken onto either *Al Mishaal* or *BAL* are an HR cost – they are hired into HR. HR can then offer a trainee to another part of the

business for 6 months (still as a cost to HR) in order for the new department to assess whether the person is right for them. Bonuses in HR depend on the successful transition of trainees to other parts of the business – passing the cost from HR to another part. When combined with the performance management systems this process ensures that trainees are not solely observers.

Organisation H's goal is to keep exceeding the government quota for Nationalization (2% per year in Trading area). Organisation H does not just want to fill the quota, it is not just about profit and the owner is 100% behind the department in order to recruit more GCC Nationals.

Organisation H produces 3 monthly reports:

- One goes to the owner with a list of all the group's companies, how many staff and the split of nationalities
- One report goes to all managers showing how many GCC Nationals are in the organisation along with numbers of new recruits, resignees and numbers dismissed
- A yearly report at the end of each year

Organisation I looks at headcount but also uses an appraisal and performance system which identifies the next career step for GCC Nationals. Their strategy is to identify high performers as a measurement tool. **Organisation I** also looks at where promotions have occurred. The main goal for **Organisation I** is to increase the National headcount – to get them in and keep them in. They currently have 31 in the work force and are looking to increase that to an achievable goal of 35 by the end of 2008. The employment of an Nationalization manager may increase that number further/above and beyond 35 people.

In terms of development, the Nationalization Manager at **Organisation J** is responsible for recruitment of fresh graduates. Each role has a specific and sometimes extensive training plan ranging from 6 months to 5 years. Candidates are supervised on all tasks until they graduate from the programme. After this time they are 'fully fledged' employees and their career progression will be considered via the Performance Appraisal System which makes measurements based on competencies, objectives and a 360 degree feedback. Employees are measured on what they deliver to the business – they can see development in relation to meeting the needs of the business. The Personal Development Plan fits into this system with all areas highlighted by the manager with follow up meetings and a structured review process.

Organisation L measures the % of Nationals in the organisation with a target of x graduates every year. They look at their individual success and look at their 'potential' rate. This is a structured measurement of potential to promote:

A – potential to promote in 12 months

B – potential to promote in 3 years

C – continue to develop

All graduates that enter the **Organisation L** workplace must be Nationals, apart from Sales (which is managed by the distributors). Everybody on the graduate programme is reviewed yearly and the weak candidates are 'weeded' out. The company has a diversity goal and currently has 70% males to 30% females. In 5-6 years time they would like to see at least 2 females in a management role.

The **Organisation M** strategy is measurable on a month by month basis. HR require regular updates and deadlines are the main measure for understanding progress – are targets reach for a certain quarter etc. They also stress that feeling like a number in the UAE workforce is damaging in the long term. **Organisation M** wants to continue to enhance the organisation's reputation in the market. They are focusing on retention – each UAE national has a programme to make sure they feel cared for by the organisation and part of the bank. There is also a focus on encouraging leavers to return to the bank.

The Resourcing team at **Organisation N** runs a forecast on a weekly/monthly basis and also a group wide end of year forecast including a breakdown of individual departments. They monitor where they need to be in terms of headcount planning. The **Organisation N** goal is to reach 46% UAE Nationals by end of 2008. This equates to hiring 1000 GCC Nationals by the end of 2008 – this is actually massive proportion of the UAE National working population – about a twentieth. The UAE population is approximately 0.5million people, half of these are under 18 and most of the balance of working age UAE Nationals is working in the public sector. The private sector is left with a pool of 20,000 people.

Organisation O states that the quota is set at 30% and this is the measurement tool used to measure progress.

Organisation P looks at head count but every employee has an Individual Development Plan (IDP) which is monitored by the recently installed Learning Management System (LMS). This shows the development of employees in terms of business needs – **Organisation P** can consider the value an employee gives the business.

Nationals at **Organisation R** are looked at in terms of their performance and ability to do the job. They need to perform and be responsible - there is a performance management and reward system in place. **Organisation R** wants to keep increasing the numbers of GCC Nationals entering the employment of the Bank and develop them accordingly. 4% growth annually – although this is always exceeded. In 2006 it was 6.4%.

Specifically, **Organisation F** and **Organisation B** have set a goal of 50% UAE Nationals by 2009.

Organisation Q's goal is to get GCC National trainees productive in a short time but also make sure they are developed for the long term.

ii) Collaborations

An important aspect of managing nationalisation programmes is partnering and collaboration. Many of the best practice organisations work with others to increase the effectiveness of their nationalisation programmes. Sector-based collaborations include the highly successful Dubai Tourism Authority's Nationalization Task Force for Tourism (ETFT), chaired by Mr Ibrahim Yaqoot. This programme has succeeded in over-turning misconceptions of the industry by GCC Nationals (and their families) and over 1000 UAE Nationals, including a significant number of females, are working in Dubai hotels due to the successful implementation of the nine-week Maharat Hospitality training programme. The Maharat Hospitality training programme graduates undergo a nine-week training in different aspects of hospitality industry. Among the hotels which support this programme are Accor, Grand Hyatt International, Jebel Ali International, Jumeirah Group, Rotana, Shangri-La, Sheraton, Dusit, InterContinental, Fairmont, Hilton, Kempinski Mall of the Emirates, Le Royal Meridien. The programme has the strong support of the Emirates Nationals Development Programme (ENDP), National Human Resources Development and Employment Authority (TANMIA) and the Academy of Hospitality Management (EAHM).

Organisation B is attempting to partner with a government organisation that sponsors students to study abroad. They are attempting to get the organisation's students to come and work for **Organisation B**, to then show examples of Nationalization.

Organisation F works with the Higher Colleges of Technology and Universities such as Al Ain University and helps with work placements and makes presentations – for example, an **Organisation F** Credit Manager will go to the University and give a talk. **Organisation F** also accepts student visitors. All these activities build goodwill and relationships.

Organisation G works with universities and colleges and **Organisation H** works with schools, ENDP and TANMIA.

Organisation J has relationships with local universities and colleges as well as government establishments sponsored by Sheikh Mohammed. They also work with ENDP and TANMIA.

Organisation K has connections with MGRP, which dominates in Kuwait. The organisation is also involved with the Kuwait University Global Centre which is committed to bringing in higher level speakers (from INSEAD for example) – **Organisation K** tries to make a connection with young Kuwaitis here.

Organisation L works with the Sheikh Mohammed Programme for Leadership, Teaching and Mentoring as part of that programme. It is part of **Organisation L** corporate policy to give back to the community. The company also coach and Mentor UAE Nationals in Leadership roles.

Organisation M works to build relationships with all universities and institutes, TANMIA etc.

Organisation N works with ENDP who have helped in both recruitment and training.

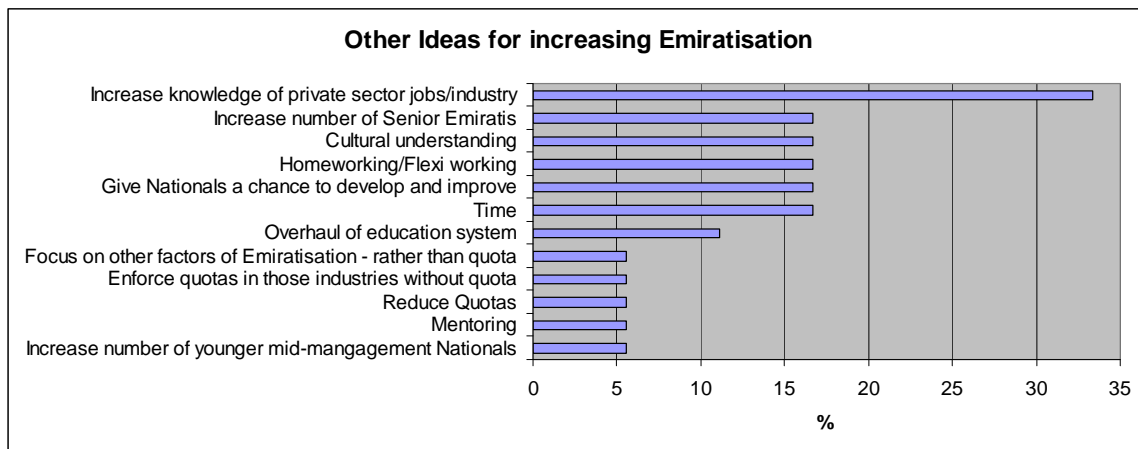
Organisation O also works with TANMIA, but find that the personal and direct approach to potential candidates is the most effective way of attracting people.

Organisation P works with the Department of Tourism/Government and the colleges and schools.

Organisation R works with The Higher Colleges of Technology and other universities – American University of Dubai and Sharjah (although it is hard to attract candidates from these universities as they are seen as the ‘cream of the cream’.

iii) Managing National Talent in the Future

An increased knowledge of private sector (to break down stereotypes) is the most cited idea on how to increase the effectiveness of nationalisation in the future.



Organisation A feels that companies need to invest in middle management from a younger generation. For 23-25 year olds mentoring is very important so investing in such a process would be beneficial.

Organisation B feels that the GCC National mindset needs to be changed to let them see the importance of being able to try all sectors/roles to make their presence in companies 'bigger' so that there is not a dominance of expatriates.

Organisation C feels that GCC National Nationals need to be given the chance to be free to implement their ideas – the chance to develop and improve.

Organisation E feels that more patience and understanding of GCC National culture would help.

Organisation F feels the paradigm needs to change with regard to the perception of GCC Nationals. They are not different or less competent. **Organisation F** feels that there is an obsession with Nationalization and people are not looking at the performance of the individual.

Organisation G feels that an overhaul of the education system in the long term would help. In the short term, 'health' changes in GCC National expectations would help.

The UAE is a fast developing region and GCC Nationals have to be part of that. **Organisation H** feels they need to join the private sector and dispel the 'myths'. **Organisation H** has undertaken a promotional campaign with ENDP in order to show retail as an attractive sector. If successful this will be rolled out across the organisation to other divisions (8 in total – retail is a small part of the organisation). People need to consider retention and strategies used to recruit, such as open days which are announced on radio and in the newspaper. They are very effective in recruitment terms.

Organisation I feels that more time is needed in order to change the perception of the industry. This is the biggest challenge.

Organisation J has started to structure its career development more rigorously and clearly. For example someone coming in can see exactly how they can get to Grade 7 level (Officer) in 5 years time. **Organisation J** is also starting this type of development at mid-high management level. **Organisation J** knows that the higher one progresses through the company structure, the less opportunities there are, but this must be accepted and realise that some people will move out as the market is very competitive.

Organisation K feels there is a constant struggle to attract and retain in the private sector, especially when relatively young inexperience managers can be earning in excess of \$200k from the public sector and other competitors.

Organisation L people get a lot responsibility early in their career and are developed in terms of their people management – this is important. A young, relatively experienced trainee cannot expect to move on and succeed in a demanding higher level role without that element of people management.

Organisation M feels that companies could begin looking at home working for women and also increasing the numbers of GCC Nationals at senior levels.

Organisation N feels that the issue of quality/experience in the private sector is a question of time. Reducing the ratio/quota figures would also be helpful and would help the private sector focus less on numbers and more on quality.

In the widest sense **Organisation O** feels that the private sector should undertake more PR and show what opportunities for development are available in the insurance sector.

Organisation P believes that the introduction of a quota would be useful for the hospitality industry. It would help the industry focus as the banking and insurance sectors had to do when quotas were introduced. The population in UAE is growing and 60% are in the 16-33 age group. The hospitality industry needs to tap into this age group at the lower age range and educate them to the realities and benefits of the industry. **Organisation P** feels optimistic for the future as perception of the industry will change over time (it is already starting to change)

Organisation Q feels that starting with commitment at top is important. Trainees are expected to contribute and do so within 5 months and fully contributing full in their 2nd year. Given the high predictions for UAE growth and the relatively low increases in GCC National population can an organisation ever get to over 10% Nationals? It would be interesting to see statistics on how much the growth is matched by growth of Dubai. Overall in the GCC, the numbers are reversed (ie far too many Nationals for the jobs available) so lots of cross-working between Qatar, Saudi, etc would be good but Nationals like to work in their own country.

Organisation R feels that the government/central bank should look at other factors of Nationalization, such as retention, rather than just quota figures. Companies need to spend wisely and invest in development of the good calibre GCC Nationals to make them more qualified for the future.