1. INTRODUCTION AND BACKGROUND

As British forces withdrew from the Middle East, seven sheikhdoms on the northeast horn of the Arabian Peninsula agreed to join a loose confederation giving each emirate substantial autonomy, except in a few policy areas reserved in their constitution for federal control (e.g., defense, education and foreign policy). Abu Dhabi, Dubai, Sharjah, Ajman, Um Al Quwain, Ras Al Khaimah and Fujairah came together in 1971 and 1972 to form the United Arab Emirates (UAE).

The UAE is one of the most developed economies in the Middle East region and is classified as a high-income developing economy by the IMF (2011). With a per capita GDP ranked 15th in the world ($36,500) by 2011 IMF estimates, the leadership of the UAE aims to create a sophisticated knowledge-based economy. The oil and gas resources of the new nation, primarily located in Abu Dhabi, fueled rapid expansion of public infrastructure and services throughout the country (Suliman, 2006). To the North, Dubai was able to build on its traditional role as a trading hub by investing heavily in world-class ports and airports, but it went on to leverage these assets to become a tourist destination and emerging center of financial services as well. A decision to create free zones allowing 100 percent foreign ownership has boosted the re-export of products from the UAE and has helped the county to become a business hub for the region. Dubai has also positioned itself as a pioneer of e-government services in the Arab World (Zhao, Scavarda, Waxin, 2012). Neighboring Sharjah focused on cultural and educational initiatives, providing a more traditional counterpoint to Dubai’s constantly changing skyline.

Human resources are the “organizationally relevant capabilities of groups and individuals” (Scott-Jackson et al., 2014a), and strategic HRM is “a pattern of planned deployments and activities intended to enable an organization to achieve its goals” (Wright and McMahan, 1992). Article 20 of the UAE Constitution specifically commits the national government to “endeavour to ensure that employment is available for citizens and to train them so that they are prepared for it.” Indeed, UAE Vision: 2021 lists “skilled human capital” as the first of seven strategic enablers, consistent with the role of HR in ‘building strategic capabilities’ to achieve strategic goals (Wright and McMahan, 1992; Scott-Jackson et al., 2011). HRM clearly has a key role to play in the economic and social achievement of national and organizational goals in the UAE, and indeed in the wider Gulf Cooperation Council (GCC) (Scott-Jackson et al., 2014a).

However, there is a lack of academic research on HRM in the Arab world in general (Rees, Mamman and Bin Braik, 2007), and in the Gulf countries in particular. The difficulty of finding reliable data and conducting research in the region may be contributing factors to this deficit (Harry, 2007).

This chapter reviews the current state of the research literature on HRM in the UAE, in part because more work has been published on “HRM in the UAE” than on any other country in the GCC country or even the Middle East generally (Afouni, Karam, El-Hajj, 2013). We searched the ABI/INFORM and EMERALD
databases for published peer-reviewed academic articles using the following keywords: human resource management, personnel, HR practices, HR policies, HR strategies, human resources roles, HR planning, job analysis, recruitment, selection, training, development, performance management, rewards, compensation, talent management, in combination with United Arab Emirates or UAE, without limiting the time frame. We excluded from this review any studies dealing primarily with HRM practices related to Emiratisation, as this literature is reviewed in the later chapter on labor localisation and HRM practices in the Gulf countries.

The chapter is organized as follows. First, we examine the core issues and factors influencing HRM in the country, such as the cultural and labor market characteristics of the UAE, the evolving UAE education system and the Emiratisation process. We then review the literature on HRM in the UAE, and on the key HRM challenges in the UAE. Finally, we conclude with some recommendations for practitioners and researchers.

2. CORE ISSUES AND FACTORS INFLUENCING HRM

In this section, we will describe the core issues and factors that influence HRM practices in the UAE: these are related to the UAE national culture, the labor market, its evolving education system, and the drive towards workforce localisation.

2.1. Cultural characteristics of the UAE

Emirati culture is based on traditional tribal mores and is strongly influenced by Islam (Zhao, Scavarda and Waxin, 2012). It shares many aspects of a common Gulf culture emphasizing the importance of religion, family, education and success (Abdalla and Al Homoud, 1995; Al Bahar, Peterson and Taylor, 1996, Klein, Waxin and Radnell, 2009). Here below, we present the characteristics of the national Arab cultures using the works of Hofstede (1980) and Trompenaars and Hampden-Turner (1998).

Hofstede’s (1980) research was based on a comparative analysis of 53 samples covering countries from five continents. The author proposed four universal National Culture dimensions that are said to capture the universality of social behavior within the work context. The Arab sample included Egypt, Iraq, Kuwait, Lebanon, Libya, Saudi Arabia, and the United Arab Emirates. The following results are for the Arab sample as a whole.

**Power Distance** is the extent to which members of a society accept that power in institutions and organisations is and should be distributed unequally (Hofstede, 1980). The Arab countries have a high Power Distance score of 80 on this dimension, and a ranking of 7th highest score out of 53 countries/regions, indicating a high level of acceptance for inequality of power and wealth within the society.

**Uncertainty Avoidance** is the degree to which members of a society feel uncomfortable with uncertainty and ambiguity, and support beliefs promising certainty and institutions protecting conformity. The Arab world score 68 on this dimension, indicating the Arab society’s low level of tolerance for uncertainty.

**Masculinity** focuses on the degree the society reinforces, or does not reinforce, the traditional masculine work role model of male achievement, control, and power. High Masculinity ranking indicates a high degree of gender differentiation. The results of the Arab world on this dimension show a masculinity score of 52, only slightly higher than the 50.2 average for all the countries and the 23rd highest score out of 53
countries/regions. This indicates that while women in the Arab World are limited in their rights, it may be due more to religious mores than a cultural paradigm.

**Individualism** focuses on the degree the society reinforces individual or collective achievement and interpersonal relationships. The results of the Arab world on this dimension are a score of 38, compared to a world average ranking of 64. This translates into a Collectivist society as compared to Individualist culture, as manifested in a close long-term commitment to the member 'group', that being a family, extended family, or tribe.

Trompenaars and Hampden-Turner (1998) administered a research questionnaire to over 15,000 managers from 28 countries over a period of 10 years. They proposed seven dimensions of value orientation: 1) universalism versus particularism (rules versus relationships), 2) communitarianism versus individualism (the group versus the individual), 3) neutral versus affective (the range of feelings expressed), 4) diffuse versus specific (the range of involvement), 5) achievement versus ascription (how status is accorded), 6) attitudes to time, that can be synchronic or sequential, and 7) attitudes to the environment, that can be internally or externally controlled. The authors considered six Arabic speaking countries, including five Gulf countries (Bahrain, Egypt, Kuwait, Oman, Saudi Arabia and the UAE) in their research, but did not consistently refer to them in their results, making comparisons across value orientations and countries difficult. According to their study, Arabic cultures are rather universalistic, communitarianist, affective, have a diffuse view of life, are rather ascriptive, have a synchronic time orientation and appreciate internal control.

2.2. Characteristics of the UAE labor market

Probably the most unusual characteristics of the UAE labor market are its **extensive reliance on expatriates and its dual labor market**. As the country began its rapid development, the existing skill and education levels of the local populace were no match for the needs of a quickly expanding economy, resulting in high demand for imported labor (Fasano and Goyal, 2004). Expatriates from the UK, Europe, the US and Australia were hired to bring management skills and technical expertise. Workers from low-wage countries were eager to fill jobs in construction, services and other unskilled or semi-skilled occupations. Workers from India and Pakistan make up 36.5 and 12.7 percent of the population, respectively (Al Bayan, 2008). When workers from Bangladesh, Nepal and Sri Lanka are included, more than 60 percent of the inhabitants hail from the Indian subcontinent. Other Arab nationalities represent 12.7 percent of the UAE population. Taken together, these and other expatriate labourers make up the larger side of a two-part labour market. Foreign workers are contracted for a fixed period and sponsored for a work visa by their employer. The employee may only change employers with a letter of 'no objection' from the prior sponsor, effectively limiting the mobility of expatriate labor. The UAE’s extensive reliance on expatriates from all over the world requires the HR function to provide efficient administration processes, and efficient expatriation management, diversity management and workforce integration strategies and practices.

Emirati nationals make up the other, smaller segment of the labor market. By 2010, native citizens made up only 11.6 percent of the total population and only 4.2 percent of the total workforce (Forstenlechner and Rutledge, 2011). Although the overwhelming majority of these nationals prefer the higher wage levels, shorter working hours and better fringe benefits that go with government employment in the UAE, local employees also benefit from a number of rules that increase their pay and provide guaranteed job security in the private sector. Emirati workers and expatriate workers are not substitutes for each other in many cases, so the two market segments may be considered complementary. At the low-skill end, many jobs are not socially acceptable for Emiratis. For high-skilled jobs, there may not be a sufficient number of Emiratis with the requisite education or training.
Unemployment and low workforce participation among UAE nationals. Rapid growth in expatriate population and employment has unfortunately been accompanied by high and rising unemployment among Emiratis. It is estimated that in the next ten years, 200,000 young Emirati nationals will be entering the labor force (Toledo, 2013). In 2011, the unemployment rate among all UAE nationals was 13.8 percent, with about 2 percent being unemployed national males and 12 percent unemployed national females (Rutledge et al., 2011). However, based on the 2009 UAE labor force survey, only 54 percent of UAE citizens are participating in the workforce. Among these, 85 percent work in the public sector, and of these, 23 percent serve in the police or the military. Low participation rates of UAE nationals in the private sector are often a result of voluntary unemployment (Vazquez Alvarez, 2010), typically young graduates waiting for an appealing government job to open up.

Low women’s participation in the UAE workforce. Women’s education and their active participation in the UAE workforce is well supported by UAE leaders. Women (UAE citizens + expatriates) represent only 30 percent of the total UAE population (UAE National Bureau of statistics, 2010). The participation rate in the workforce of all females (nationals + expatriates) was 42 percent (Shehadi et al., 2011). Even though 77 percent of Emirati women go to university (Madsen, 2010) and form over two thirds of the UAE university graduates (Abdulla & Ridge, 2011), the participation rate of UAE women in the labor force was only 28 percent in the UAE. Women form an interesting and growing talent pool, but one that is still under-utilized. The strategic recruitment, development, integration and retention of UAE nationals and women in the workforce requires HR managers to design and implement efficient talent, diversity and change management processes.

2.3 The evolving UAE education system

As explained further in the chapter on workforce localisation in the GCC, governments in the UAE and other GCC nations have recognized the importance of education and talent development, directing extensive public investment towards education. Increasing numbers of higher education institutions and, more limited, technical schools have contributed significantly to increasing the talent pools of skilled and professional personnel, both national and expatriate.

However, much remains to be done to reform the education sector in the UAE, especially with respect to the education of UAE nationals at the primary and secondary levels. The available literature suggests that graduating Emiratis often have inadequate preparation for work life. Specifically, graduates often lack market-oriented skills (Renderee 2009), language skills in English (Al-Ali, 2008; Randeree, 2009), relevant work experience (Al-Ali, 2008), and vocational motivation (Rees et al., 2007).

The educational attainment of UAE nationals is generally lower than that of expatriates and the school system suffers from dramatic variability in quality. Vazquez-Alvarez (2010) finds that UAE nationals that participate in employment typically enter the market with 11-12 years of schooling, an average that is 1-2 years more than that of expatriates from developing economies and 1-2 years below the average obtained by other Arabs from the MENA region (excluding GCC economies). However, this is about 6 years less than the average obtained by western expatriates.

Although education for Emiratis is free through the university level, this is not always the advantage that it seems. The rigor of public secondary school programs remains low, often leaving students unprepared for university studies (Fox, 2008). Forstenlechner and Rutledge (2010) quoted a UAE government reform agenda, “Strategy 2010-2020,” with a statistic indicating that 94 percent of students entering one of the country’s national universities require at least one remedial course. This situation has resulted in the development of a two-track educational system at the primary and secondary levels. In part due to the dramatic influx of expatriates, many private schools have sprung up, mostly for-profit enterprises following
an American or British curriculum taught in English. They position themselves based on their ability to meet world standards, such as with the International Baccalaureate program. Many Emirati and expatriate parents who want their children to secure a good education have opted for these ‘international’ schools at significant expense to the family budget.

**National universities** have been faster at improving educational quality than have public secondary schools, in part due to an emphasis on curricular reform and international accreditation (Gonzalez et al., 2008), but here again many other options are available, including local branch campuses of universities based in the US, UK, France and other developed nations. Similar conditions prevail to varying degrees in other GCC countries, with good intentions often hampered by resistance to abandoning established practice.

A distinct feature of the educational landscape in the UAE, and in the GCC, is the predominance of **women in higher education**. As mentioned in our later discussion of labour localisation, women make up two-thirds of participants in tertiary programs the UAE (Randeree, 2009). Whether these nations will succeed in fully utilizing the skills of new female graduates remains to be seen. Integrating these educated national women in the workforce will demand diversity management skills from the HR managers.

An important challenge for the future of economies in the UAE, and in the GCC, is the relative disinterest among nationals for so-called STEM (**science, technology, engineering and math**) subjects. Although schools in the GCC have moved away from their traditional emphasis on Islamic studies and culture, religious instruction still consumes more than 10 percent of class time for grades 7-9. No time is devoted to vocational skills, at least at this level (Farah and Ridge, 2009). University instructors in the region often point to weak quantitative skills as one reason for limited interest in the physical sciences and engineering, though the UAE’s implementation in 2009 of a new proficiency assessment in maths was intended to give secondary schools an incentive to rectify this problem.

### 2.4. Emiratisation policies

As a response to the growing need to find employment for Emiratis, the UAE government has identified the hiring and development of talented nationals as a key policy objective. So-called Emiratisation requirements have been implemented in an attempt to help more Emiratis benefit from the economic expansion and to reduce their demand for employment in the public sector. The National Human Resource Development and Employment Authority (TANMIA) was established in 1999 to facilitate implementation and monitoring of the government’s Emiratisation policies.

Three pillars form the base of the Emiratisation emphasis: education enhancement, economic diversification away from reliance on petroleum, and regulation of the labor market (Forstenlechner and Rutledge, 2010). Regulatory approaches are operationalized using a variety of elements, the most visible of which are quotas for hiring of nationals in companies with more than 50 employees. From 1998 onwards, all banks in the UAE were required to employ UAE nationals at the rate of 4 percent annually. Equivalent annual occupational quotas for insurance (in 2003) and trade (in 2004) were 5 percent and 2 percent, respectively. Another regulatory element is the use of mandates that prohibit hiring of non-national workers in certain job categories. For example, in September 2005, the Ministry of Labor issued a decree with regards to the employment of Public Relations Officers (PROs), a title somewhat misleadingly used for employees responsible for coordinating visas and work permits with the various government offices. Thus, starting from January 2006, companies with 100 or more employees were mandated to employ an Emirati when the company needed new PROs or replaced existing ones. As a way to make sure that this mandate was observed, the Ministry of Labor would not accept any labour transaction unless submitted by a PRO who is a UAE national. Saudi Arabia has a similar requirement for nationals to staff positions in purchasing departments.
Neither the UAE Ministry of Labour nor the Ministry of Social Affairs stipulates a wage premium in favor of Emirati employees. The exception seems to be in banking, where banks were required to offer minimum wages to nationals and provide them with other benefits such as insurance (Kapiszewski, 2000) and more flexible working hours (Rees et al., 2007). More generally, however, empirical evidence shows the clear existence of a premium mainly due to the overrepresentation of locals in the public sector, where the wage rate is above the equilibrium wage in the private sector and nationals are often eligible for large, across-the-board pay increases.

The Ministry of Labour does involve itself with the job security of Emiratis. As a result of a ministry order, which underlined existing legislation, private companies are only able to dismiss UAE nationals for serious misconduct, including absenteeism, theft or drunkenness. Economic conditions are not considered a sufficient reason to make Emirati staff redundant. Employers seeking to dismiss locals must apply to the Labour Ministry 30 days in advance of any termination order (Kerr and England, 2009).

These policies have been relatively successful in the governmental sector, with some agencies reaching almost 100 per cent local employment (e.g., the ministries of Labour and Foreign Affairs were at 98% local employees at the end of 2010), and other departments were making significant progress towards their planned objectives. Overall Emiratisation rates in the federal government and federal ministries reached respectively 57 and 67 percent at the end of 2010 (The Federal Authority For Government Human Resources, 2010).

Success in the private sector has been harder to document. One of the main goals of the Emiratisation program was to gradually increase the participation of Emiratis in private sector employment. Analysis of the 2009 UAE Labor Force Survey shows that only 54 percent were actively employed, and only 9 percent of those who were employed worked fully outside the public domain. This low contribution to the private workforce is ironic, given the demand for labour. For example, 2008 figures from TANMIA showed a total of 26,000 unemployed Emiratis even as the local labour market showed about 100,000 vacancies. There is clearly a tendency for the private sector to hire non-nationals even in the face of government-imposed quotas for the hiring of Emiratis. Indeed, the quota policy had little effect in the trade sector until the government introduced a penalty system (Randeree, 2012). By 2014, the average rate of Emiratisation for national banks was 34 percent, but the rate for non-national financial institutions was only 21 percent (Duncan, 2014).

Emiratisation policy in the UAE has changed the human resources landscape, so it has become increasingly unlikely for a large organization to establish itself in the UAE without some plan to address the localisation of human resources (Randeree, 2009). The importance of the localisation process provides HR managers with an opportunity to make a significant contribution by designing, implementing and monitoring efficient local talent management processes.
3. HRM PRACTICES IN THE UAE

In this section, we review the literature on HRM in the UAE. Since available articles were not comprehensive enough to sufficiently inform readers about all HRM practices in the UAE, we extended our review to include relevant reports and also included a few observations based on our own experience working with businesses and government offices. We organized the review content into the following sections: 1) work values, organizational commitment, job satisfaction and HRM practices, 2) staffing process, 3) training and development, 4) performance management and rewards, and 5) self-initiated expatriation.

3.1. Work values, organizational commitment, job satisfaction related to HR practices

A first stream of research focuses on work values, organizational commitment and job satisfaction in relation to some HR practices in the UAE (Wils, Saba, Waxin and Labelle, 2011; Behery and Paton, 2008; Behery, 2011; Abdulla, Djebarri and Mellahi, 2011).

Wils et al. (2011) examined work value differences across several generations among respondents in Quebec and Arab respondents in the United Arab Emirates. This quantitative study used an abridged version of the Wils, Luncasu and Waxin (2007) work value inventory, including 28 work values arranged on four poles: self-enhancement, self-transcendence, openness-to-change and conservation. In the Quebec sample, there were no significant differences between generations on the four work value poles. In the UAE sample, the younger generation attached less importance to self-enhancement, but more importance to self-transcendence than the older generation with a small effect size. Culture had only a small impact on the average of the four work value poles which supports Gerhart and Fang’s (2005) findings that the impact of culture of origin is often exaggerated in international management research. Conversely, the diversity in work values among generations and cultures found in their samples confirms the importance of selective hiring within high performance work systems (HPWS): because each country and each generation had respondents with a wide variety of work value preferences. These findings suggest that it is possible to recruit selectively in order to achieve the best fit between the work values of employees and the philosophical principles underlying HPWS. Although job appointments in Gulf countries often depend on “wasta” or personal connections, this study supports the idea that selective hiring may be just as effective in emerging as in developed countries.

Using a sample of middle managers working in diverse industries in Dubai, Behery and Paton (2008) confirmed that fitting the performance appraisal to organizational culture had a positive impact on job satisfaction and commitment, and a negative impact on turnover intention. Citizenship (local or expatriate) had an impact on job satisfaction, but gender did not have any impact.

Later, Behery (2011) also examined the impact of high involvement work practices (HIWPs) upon trust and commitment in service organizations within the UAE. The results showed that training opportunities, objective appraisal methods, employment security, profit sharing, and internal consistency between HRM practices were valid predictors of trust, whereas internal career opportunities, employment security, and the consistency of HRM practices were significant predictors of commitment. The authors controlled for work status (casual versus permanent workers) and citizenship (local versus non-local worker), and found that these did not affect the relationship between HIWP and trust and commitment. They conclude that managers should realize that implementing and benefiting from high-involvement policies is not as simple as instituting a single practice. An organizational culture that cultivates HIWPs does appear to be essential.

Finally, Abdulla et al. (2011) studied the determinants of job satisfaction among employees of the Dubai Police. They found that salary and incentives had the highest impact on job satisfaction, followed by the
positive perception of work aspects (e.g., variety, autonomy), favorable public perception of the job, clear organisational policy and strategy, clear supervision, positive relationship with co-workers and promotion opportunities.

3.2. Staffing practices

Published academic research on HR planning, recruitment and selection practices in the UAE is limited. Sarabdeen, El-Rakhawy and Khan (2011) studied the impact of employer branding, Siddique (2004) focused on job analysis, and Ababneh and Chhinzer (2014) examined applicant reactions to different selection methods in the UAE. Academic literature on staffing practices used in the public sector is noticeably absent.

Sarabdeen, et al. (2011)’s description of employer branding initiatives at three well-established companies in the UAE (Nestle Middle East, Gulf Food Trade, Emirates Airlines Group) showed the existence of such practices and their importance for attracting new employees. The visibility and status of the employer clearly had an impact on its ability to attract good applicants.

Siddique (2004) examined the impact of pro-active job analysis on four measures of organizational performance (administrative efficiency, quality organisational climate, financial performance and relative performance in the industry). This studies also considered the moderating effect of sophisticated HR information systems, HR involvement in strategic planning and a competency-based job analysis approach on the job analysis–performance relationship. The author controlled for four variables: company size, company age, ownership status, and training and development resources, using quantitative data from CEOs, general managers and heads of department in governmental, semi-governmental and private organizations in Dubai and Sharjah. The results revealed a strong positive association between proactive job analysis practice and organizational performance. The moderating variables’ direct effects on organizational performance were nearly as strong as their interaction effects. These findings extended work on the HR–performance research pursued in Western countries to a GCC context and suggest that a company-wide policy of job analysis is an important source of competitive advantage, which merits due attention from HR professionals, line managers and executives.

Based on quantitative surveys from Emirati students, university educators and employers, Scott-Jackson et al. (2014b) report interesting insights into preferred recruitment methods in the UAE. The three most popular ways for Emirati university students to look for job opportunities were applying online (31%), seeking recommendations from personal contacts in the organisation (32%) and attending recruitment fairs (32%). However, employers in the UAE were most likely to attend recruitment fairs (52%), commission a recruitment agency (52%) and seek recommendations from senior business colleagues (44%). There appears to be a disparity between the preferred job-search practices of potential local employees and the venues selected by potential employers.

Ababneh and Chhinzer (2014) studied applicant’s perceptions of fairness across 12 personnel selection concepts in the UAE. Based on a quantitative survey completed by senior undergraduate business students of different nationalities, the results show that interviews, resumes, personal references, and ethnicity/nationality are the most common selection methods in the UAE, while graphology and honesty tests are least common. Interviews, resumes, and work-sample tests showed the highest rates in terms of favorability perceptions; face validity, extent of use, employer’s right to obtain information, and opportunity to perform showed the strongest correlations with process favorability perceptions. These are also the strongest predictors of organisational attractiveness and applicant intentions to apply or to recommend the organisation to others. The authors concluded that despite different cultural, social and
economic and political contexts, the patterns of applicant reactions toward selection methods are similar across countries.

We observe that organisations in the UAE use a variety of online selection tests for language skills, cognitive ability, personality, and achievement. Assessment centers are also common, integrating individual and team exercises such as case study analyses, in-basket exercises, presentations, leaderless group discussions and interviews. Selection interviews range from unstructured interviews to structured, competency, behavioral, situational, and sequential and panel variants. Our experience is that big local and foreign organizations have a tendency to use best practices, whereas many smaller employers struggle to use more than unstructured interviews. Best practices co-exist with significant deviations in such key decisions as choice of selection criteria, selection testing and interviewing techniques.

We did not find any article with a specific focus on staffing practices in the UAE public sector. Based on our own conversations and experience, public sector recruiting and selection practices vary, but exhibit a strong preference for nationals. Posting of positions on the organizational website, online advertising and use of both formal and informal networks of current employees are among the most common means of attracting interested applicants. There is not a presumption that all public positions must be advertised, but most public organizations do have internal policies that define the selection process, even if these are often truncated to expedite the hiring of an appealing Emirati candidate.

3.3. Training and development

The Arab region is one of the largest consumers of corporate training worldwide (Jones, 2007), but the number of academic articles related to training in the UAE is quite limited. Wilkings (2001) focused on training and development strategies among top companies in Dubai, whereas Jackson et al. (2014b) offered insights into the use of the different training and development methods in the UAE generally. Jones (2007) highlighted the cultural challenge of using western-style training methods. Work by Ibrahim (2004) and by Zahi and Khanfar (2009) examined the evaluation of training effectiveness.

Wilkings (2001) explored training and development strategies along with their implementation in large, successful business organizations in the UAE. The findings showed that top companies were very aware of best training and development practices used by their foreign counterparts, and found that they generally tried to adopt similar methods and strategies. This research is based on quantitative data collected from 22 of the 100 “Top Companies in Dubai”, in 1998. Using measurements such as the proportion which have a director of human resources, a training manager or a training center, or the proportion of organizations with a formal training and development strategy, the author concluded that the best companies in the UAE actually compared favorably with European countries. Companies in the UAE spent less on training than those in most West European countries as percentage of payroll costs, but it should be remembered that in some European countries there are legal, political or cultural reasons why expenditure on training might be higher. Although the study results looked positive, the sample size is admittedly limited to a small sample of organizations in the UAE that were willing to share their best training practices. These may be those enterprises that are most progressive in their approach to HR, so the possibility of a self-selection bias cannot be ignored.

Research by Scott-Jackson et al. (2014b) provides interesting insights into training and development methods used in the UAE. These authors show that most organizations use the least effective methods of developing local talent (e.g. classroom instruction) most often, and use the most effective methods (e.g. structured on-job learning, coaching) least. Also, employers in the UAE often fail to use developmental schemes to retain their local talent.
Of course, local culture can present challenges for training efforts intended to improve efficiency, profitability and productivity. Jones (2007) monitored a bank-sponsored training program that was designed to enhance the customer interaction skills of 70 Emirati participants. Although the literature suggests that collaborative and competitive styles were most positively correlated with performance, the participants’ preference for compromising and avoiding styles had a significant negative influence on the expected training outcomes. As evident in the UAE, cultural preferences can present a substantial risk for using Western-style training programs. The author went on to discuss how current approaches to training in the region might be modified to improve results.

Ibrahim (2004) examined the effectiveness of one training program, considering both the reactions of trainees and the degree to which they gained desired levels of knowledge and skills. Zahi and Khanfar (2009) examined the effectiveness evaluation practices of sales training programs in the UAE, based on a quantitative survey answered by managers involved in the planning and delivery. These authors suggested that the HR function should be more involved in training needs assessment, design and effectiveness evaluation of training programs, and the linking of training to other HRM practices.

We did not find any published research on training and development in the public sector. However, based on our experience working with government organizations, training and development in the public sector is improving. Some government-controlled businesses and governmental agencies follow many accepted best practices in managerial and executive development, including thorough assessments using competency models and 360 feedback, individual development plans, education, ongoing mentoring or coaching, and rotational assignments in both domestic and international positions. The progress of participants is monitored carefully as the program progresses, and their career trajectory is a source of much interest. The program itself may be subjected to external review by an independent accrediting organization. In contrast, other government offices take a more haphazard approach in which a certain amount of money is budgeted for each employee to receive training, but the training selected may depend on a variety of factors unrelated to employee development requirements. However, there is a growing demand for assessment of training effectiveness. Dubai has a school of government that provides a variety of educational opportunities. Continuing education courses often bring in instructors from some of the top universities around the world which lends these programs a certain amount of credibility. However, there is strong preference within the government for instruction in the Arabic language, usually delivered by current or former officials. Demand for custom courses is also relatively high.

Nationals working in the public sector particularly benefit from generous support for training and development. Emiratis are often hired into positions and then supported in their education, training and development needs to meet the necessary qualifications, obtaining full or partial tuition payments or release time to participate in programs deemed to contribute to their career development.

3.4. Performance management and rewards

No published academic research so far has systematically studied all components of the performance management process in any of the GCC countries. However, two studies have addressed performance management issues specifically in the UAE (Behery, Jabeen and Parakandi, 2014; Suliman, 2003), and another focused on preferred rewards among Emiratis (Younies, Barhem and Younis, 2008).

Behery, Jabeen and Parakandi (2014) examined the transition of a small UAE organization from the traditional to a modern performance management system (PMS), based on a balanced scorecard (BSC) and organisational strategy map. This research appears to be the first to study contemporary PMS within a
middle-eastern context. Using a qualitative case-study analysis, the authors found that different BSC components already existed in the company, but that these components were not properly integrated into one “whole organisation” system. Such components, if integrated together and aligned with organisational objectives and strategies, can facilitate comprehensive adoption of the BSC system and enhance the measurement and management of organisational performance. This study suggested that many of the roles played by traditional performance management in the Middle East can be substituted by, or supported by other mechanisms at the corporate level (BSC and a strategy map for the company, for instance).

Suliman (2003) examined the relationship between self- and supervisor-rated performance evaluations in the UAE. Based on quantitative data collected from employees and managers in private and public organizations, the results showed a clear gap between employees’ perception of their performance and their managers’ observations. Married, older, longer tenured and more educated employees all reported higher levels of self-rated performance. Supervisors with these same characteristics also evaluated their subordinates more positively. Gender, sector and nationality had no impact on either rating, whether self or supervisory.

Younies et al. (2008) examined the preferred rewards of employees working in the UAE health sector. Based on a quantitative analysis, the results showed that monetary rewards were most attractive to employees, with cash, paid vacation and health insurance leading the list of desirable material rewards. The most desirable non-material rewards were recognition, training and educational opportunities, access to new technologies, flexibility of working hours, and more control in the organisation.

3.5. Self-initiated expatriation

Due to the heavy reliance of the UAE on foreign labour, expatriation is an important consideration. Five academic articles have focused on self-initiated expatriation in the UAE. Two focus on western women (Stalker and Marvin, 2011; Harrisson and Michailova, 2012); two on academics (Bashir, 2012; Isakovic, Whitman, 2013); and the fifth examined expatriation from the point of view of Emirati co-workers (Al Ariss, 2014).

Harrisson and Michailova (2012) studied the experiences of Western females (self-initiated expatriates, trailing spouses and assigned expatriates) in the UAE, using both surveys and interviews. They found that Western women successfully adjusted to life and work in the UAE despite significant cultural differences between their home countries and their new location. Stalker and Marvin (2011) describe the experiences of 12 self-initiated expatriate women in the UAE using semi-structured interviews. Their findings pointed to four key themes: vulnerability in being a foreigner; gendered workplaces; informal learning; and women's own agency in their learning and development. These women had little access to formal organisational support for learning and development. Networking through professional associations, business women’s groups or personal contacts for both personal and professional development and support seemed to be more common. Both of these studies found that the large Western expatriate community was the primary source of social ties and support for the respondents, whereas interacting with UAE nationals was more often an exception and did not provide essential ties or support. These experiences could help human resource managers (1) to refine their selection processes to ensure women are not automatically overlooked when positions in the Middle East need to be filled, (2) to develop appropriate training offerings for those posted to the region and (3) to consider seriously the large and well-elaborated expatriate communities as a source of social ties and support.
Using quantitative analysis, Bashir (2012) found that perceived organisational support positively impacted the three facets of intercultural adjustment (work, interaction and general adjustment) of self-expatriated academics and supervisory staff in the UAE. Isakoviv and Whitman (2013) also examined these aspects of intercultural adjustment among self-expatriated academics in the UAE, using a quantitative survey. They found that the degree of satisfaction with previous overseas work experience but not the length of that experience was positively correlated with the three adjustment facets. Conversely, the degree of culture novelty was negatively correlated to the three facets of intercultural adjustment, but foreign language ability was not. Gender and length of employment in current job also had an impact on the sociocultural experiences of self-expatriated academics.

Finally, Al Ariss (2014) studied expatriation from the point of view of local UAE managers who worked with expatriates. This research is based on interviews with Emirati managers and two case study analyses (NBK Capital and Strata). They found that, on one hand, UAE respondents felt privileged by the Emiratisation practices of their organizations and that they tended to classify the expatriates based on their nationality. On the other hand, UAE respondents felt themselves to be a minority in their own country, perceived expatriates as a threat to their career opportunities, and felt negatively stereotyped by those same expatriates. The authors concluded that the HRM function should 1) play a more aggressive role in diversity management, 2) design better expatriate management practices (recruitment, selection, career management and retention processes), and 3) support more fully collaboration and knowledge sharing between locals and expatriates.

4. KEY HRM CHALLENGES IN THE UAE

The HRM function faces at least four challenges in the UAE that are common to each of the other GCC countries.

The first test is to effectively align HR strategies and practices with organisational strategic goals. Scott-Jackson et al. (2014a) found that while 80 percent of GCC business leaders recognize that HR is crucially important for the success of their enterprise, their country and the GCC as a whole, only 25 percent of HR leaders rated the practice of their discipline in the GCC region as excellent compared to global best practice. We found a single article focusing on the strategic role of HRM in the UAE. Zahi (2013) studied the role of HR managers in UAE educational institutions, finding that the two immediate priorities for HR departments in these organisations were building leadership capabilities and driving cultural and behavioral. However, most HR activities actually focused on the routine administrative aspects of HR management, leading the author to conclude that HR's role in UAE educational institutions is not that of a strategic partner. Moreover, we observe that the role of HR as a contributor to corporate strategy is acknowledged at an executive level, but many organisations in both the public and private sectors struggle to operationalise key strategic HRM concepts. One government department had more than 10 percent of its staff devoted specifically to strategy, but no human capital goals were explicitly included in its list of more than a dozen objectives.

A second challenge is to improve the effectiveness of HR processes particularly in key areas identified as most important by business. HRM departments in the UAE are struggling to establish objective and efficient HR systems (Suliman, 2006; Zahi and Khanfar, 2009; Zahi, 2013; Al Ariss, 2014). Scott-Jackson et al. (2014a) found that business leaders and HR leaders disagree on organisational priorities for HR and also differ on their evaluations of the performance of HR activities. When both HR leaders and business leaders were asked to rate the degree to which they thought HR was performing on a range of different competencies, HR leaders gave higher performance ratings for almost all HR practices than their business
executives. HR is perceived as underperforming in key areas essential to supporting the rest of the enterprise. Although this finding also appears in other global surveys, the disparity is somewhat greater in the GCC (Scott-Jackson et al., 2014a).

The third challenge is to improve the professionalism of HR practitioners. HR professionals in the GCC lack relevant experience and education (Scott-Jackson et al., 2014a): on average, respondents report 4 years of experience working in HR roles, but much of this experience was administrative and sometimes barely related to HRM. Moreover, too few HR professionals received specific HR training and education. In some cases, individuals are moved into HR roles from other disciplines and trained after the fact. HR training is least often available in smaller organisations where the job function is likely to be self-reliant. Finally, too few HR practitioners benefit from membership in any professional body that could help to advance their HR skills. Even though 90 percent of respondents mentioned that they would value a professional association for HR in the GCC, only 10 percent were members of existing professional bodies such as SHRM, CIPD or the Arabian Society for Human Resource Management (Scott-Jackson et al., 2014a): We also observe that many university graduates in business and management in the UAE have not taken any introductory course work in HRM, and that graduate programs related to HRM in the UAE are very limited. However, we also observe that the country is very active in hosting international, regional and national conferences on HRM and talent management. Dubai is also the home of The Human Resources Forum (THRF), founded in the mid-1970s by a group of enthusiastic HR Managers who were interested in networking, sharing experiences and seeking continuous professional development. This group currently counts over 300 members representing more than 150 companies from most business sectors across the Emirates.

A fourth significant challenge is related to the development of HRM processes that are relevant for the UAE and which meet the specific needs of national or organisational cultures and management models in the country. As for the GCC nations generally, these requirements are usually related to local talent management processes, including recruitment, development, engagement and retention of local citizens (Scott-Jackson et al., 2014a). Management of expatriates and diversity management are critical topics in this context (Al Ariss, 2014). In a transient environment with high turnover and the lack of a corporate culture that provides expatriate employees with training or defined career paths (Al Ali, 2008), the long-term engagement and retention of these workers is a key consideration as well. Finally, both local and expatriate women form an educated talent pool that has yet to be fully engaged.

5. RECOMMENDATIONS AND WAY FORWARD WITH THE GIVEN CONTEXT

The United Arab Emirates is the GCC country with the highest number of published articles on HRM, and the growing number of both academic and professional publications is a sign that HRM is attracting more attention from both researchers and business leaders. The growth of large domestic companies and the establishment of multinationals in the UAE have been crucial in introducing modern and innovative HRM practices. The multiple foreign and local universities that now enroll students in the UAE have also brought experienced HRM researchers.

However, so far, the HRM function in the UAE has not demonstrated its value, nor effectively contributed to the achievements of the organizational strategic goals. Many generally-accepted HR practices have yet to be implemented fully. There are significant variations in the ways in which HRM strategies and practices are formulated and implemented in the UAE.

Managerial recommendations. The HR environment in the UAE is very complex, due to the evolving educational system, the existence of a dual labor market, the extensive reliance on an expatriate workforce,
the diverse and multicultural labour pool, the challenges of engaging and retaining employees, the increasing pressures for Emiratisation, and evolving UAE governmental regulations. In this context, HR managers require expertise in administration, strategic management, expatriation, diversity, change, talent, engagement and retention management! Clearly, the HRM function is presented with important challenges, but these also represent opportunities to inform, teach and train. HR managers have an opportunity to develop and implement strategic HRM systems that help organisations achieve their strategic and tactical objectives. HR managers have an opportunity to develop effective HRM strategies and practices that can support business leaders and managers in their organisational challenges. HR professional who are lacking experience and expected competencies have an opportunity to seek specialized education and training with HR certificate programs, presumably with the goal to design and implement world-class HRM practices for their organisations. Education in HR would add value, not only for HR managers but also for functional and line managers who could lead their teams and departments more effectively. Finally, HR managers have the opportunity to contribute to the design and implementation of a unique, UAE-specific model of HRM, taking into account the UAE culture and labor market specificities, to effectively manage workforce localization, expatriation management and workforce diversity.

Future avenues of research. Our literature review allowed us to identify several specific research gaps. More quantitative and qualitative research is needed on all HRM functions in the UAE, but especially on strategic HRM, on HRM in the public sector and strategic talent management. Three points stand out. First, very few academic empirical articles have been published on strategic HRM in the UAE, as in the GCC. Given the critical importance of human capital development for the future of the local economy, research focused on defining and mitigating barriers to efficient, strategic HRM will be essential. Second, there is a need to understand how HR management systems have been designed and implemented in the public sector. In light of the important leading role given to the public sector, as evidenced by Dubai’s ranking as the top eCity in the Arab World (Zhao, Scavarda, Waxin, 2012), and its position as an important employer, little research seems to have done on the design and evolution of public HR systems. Third, strategic talent management may be defined as “activities and processes that involve the systematic identification of key positions which differentially contribute to the organisation's sustainable competitive advantage, the development of a talent pool of high potential and high performing incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organization” (Collings and Mellahi, 2009, p. 304). Strategic talent management has been investigated by scholars from different theoretical perspectives, but there is a lack of empirical research in talent management practices and strategies in emerging markets, in general, and in GCC countries in particular. It would be interesting to research how UAE organizations define talent and TM, the roles and impact of various stakeholders in the TM process, how key positions are identified, and the talent acquisition, development, and retention strategies used. Talent management is a topic that is recognized as important and relevant in the UAE, particularly by private companies and the more progressive government-controlled enterprises, but no published article has examined talent management practices in the UAE.

Our contribution. In this chapter, we reviewed the literature on HRM in the UAE and the key HRM challenges in this country. Further, we identified some precise managerial implications, research gaps and avenues of future research. In doing so, we hope to draw needed attention to unique aspects of HRM in the UAE which are not yet fully addressed in international academic journals or relevant professional literature.

USEFUL WEBSITES


BIBLIOGRAPHY


