

WORKFORCE LOCALIZATION IN THE UAE: RECRUITMENT AND SELECTION CHALLENGES AND PRACTICES IN PRIVATE AND PUBLIC ORGANIZATIONS

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ABSTRACT

Workforce localization (WL) has become an issue of increasing importance in the Arab Gulf region, a key emerging market, where, in many cases, local citizens are the minority in terms of population, and compete with high numbers of expatriate employees for jobs and positions. The purposes of this paper are to empirically explore recruitment and selection (R&S) challenges and practices related to WL in the UAE, and to compare and contrast these between private and public sector organizations. This paper adopts a qualitative, inductive methodology. Data were collected using semi-structured interviews with HR/ Localization managers in five private (PVO) and six public organizations (PSO) in the UAE, in different industrial sectors. Data were analyzed using NVivo 10 software. First, we found that both PVOs and PSOs face six common challenges related to the R&S of local candidates: 1) the lack of relevant education, skills and experience of Emirati Applicants (EA), 2) their high compensation expectations, 3) their lack of business, industry and career awareness, 4) competition from other employers, 5) some sector- and job-person fit considerations and 6) resistance from expatriates. Second, we found that both PVOs and PSOs have dedicated recruitment methods to attract EAs. Both PVOs and PSOs developed and communicated employee value propositions for EAs, used proactive, targeted, diversified internal and external recruitment methods, and evaluated the effectiveness of their recruitment practices, using established quantitative and qualitative measures. We found some differences between PVOs and PSOs: PSOs tended to reserve specific positions for local employees, used more targeted external recruitment methods and more numerous effectiveness evaluation measures than PVOs. Third, at the selection stage, we found that all organizations reviewed their job descriptions and selection processes to avoid any discriminatory items, most of them organized inclusive, culturally trained staffing committees. Most of the PSOs intensively modified their selection processes (e.g. using modified screening, selection criteria and standards, and selection steps) to facilitate WL, whereas PVOs only modified experience requirements for EAs. Both PVOs and PSOs used similar testing, interviewing processes and effectiveness evaluation measures, although PSOs generally utilized a greater range and number. While our findings on R&S practices showed similarities between PVOs and PSOs, they also highlighted a number of differences. This paper contributes to expanding the scope of understanding of the staffing processes in a non-Western context, adding to the body of empirical literature on localization, R&S, and public sector HRM in the Arab Middle East and Gulf countries. Implications for further research, practitioners and policy makers involved in WL are discussed.

JEL classifications: J200, J24, J230, M100, M12, M51

Keywords: Localization, Emiratization, Nationalization, Gulf, UAE, Challenges, Recruitment, Selection, Human Resource Management, Effectiveness, Private and Public Ownership.

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INTRODUCTION

Workforce localization (WL) is defined as the recruitment and development of citizens to increase their employability, thus reducing a country's dependency on expatriate labor (Cave 2004). Although WL strategies vary from country to country, they all involve key HRM activities, such as recruitment and selection (R&S), training and development, career management, performance and compensation policies for local employees. The WL process provides HR managers an opportunity to design, implement and monitor strategic HRM practices. A key part of this strategic HRM approach is the R&S process for prospective local employees, which directly impacts their subsequent retention and performance, and overall organizational success (Mello 2006). It is important, therefore, to develop a better understanding of the R&S processes in localization strategies.

WL has become an issue of increasing importance in the Arab Gulf region, where, in many cases, local citizens are the minority in terms of population, and compete with high numbers of expatriate employees for jobs and positions. The literature on localization in this region highlights two key areas as needing further research. First, research on WL in the Arab Gulf countries is under-represented in the scholarly literature and few studies have empirically examined the HRM processes that facilitate WL in this region (Rees, Mamman, and Bin Braik 2007; Waxin and Bateman 2016a). It is particularly important to consider the cultural context in such research, since R&S approaches may be culture specific (Hsu and Leat 2000). Second, there is a lack of research on public sector HRM in the Middle East in general (Waxin and Bateman 2009), and on public sector R&S practices in particular (Waxin and Bateman 2016b; Iles, Almhedie, and Baruch 2012).

In order to address these gaps, this study aims to 1) empirically explore R&S challenges and practices related to WL, and 2) compare and contrast these between private and public organizations in the United Arab Emirates (UAE), which has one of the most well-developed localization programs in the Arab Gulf region. First, we briefly present the key literature on WL in the Arab Gulf countries; second, we describe our research methodology; third, we present and discuss our findings; fourth, we present the contributions and implications, and finally, we address the limitations and avenues for future research.

WORKFORCE LOCALIZATION IN THE ARAB GULF COUNTRIES

Over the last 30 years, the need to create more employment opportunities for national citizens has gained increasing attention throughout the six member states of the Gulf Cooperation Council (GCC). Bahrain, Kuwait, Qatar, Oman, Saudi Arabia and the UAE have each adopted some form of politically-led nationalization initiative (Waxin and Bateman 2016a). These GCC nations share common demographic and labor market characteristics: extensive reliance on expatriate (non-local) labor, high local unemployment-rates, and low levels of workforce participation among nationals, especially for women; these constitute the main arguments for WL programs in these countries (for a review on WL in the GCC, see Waxin and Bateman 2016a). The development of human capabilities, especially in nationals, is recognized as a major strategic priority, and Government policy and legislation to enhance participation of nationals in the workforce have changed the employment market landscape in the GCC (Ryan 2016). WL has become a significant staffing consideration for international businesses operating in this region (Pawan and Mellahi 2016).

As a result of this emphasis, a stream of research on WL in the GCC countries has emerged over recent years (e.g. Forstenlechner 2010 in the UAE; Mellahi 2007 in Saudi Arabia; Williams, Bhanugopan and Fish 2011 in Qatar), showing that WL approaches and outcomes in the GCC are different from those in other regions, such as Asia and Africa. The diverse contextual (including demographic, historic, cultural) differences across different countries/ regions limits the utility of cross-county/region knowledge on WL (Rees et al. 2007). For example, UAE citizens represent a

significant minority in the overall population, and, because of comparatively high wealth, have little economic pressure to work. This is in contrast to citizens in countries like Malaysia (Jomo 1993) and South Africa (Muthien, Khosa and Magubane 2000).

WL policy in the GCC and in the UAE has been successfully implemented in government organizations, with some agencies reaching more than 90 percent national employment. In 2013, Emiratis accounted for about a third of the staff at many of the largest government-linked firms across different industry sectors in Abu Dhabi (Arnold, 2013). However, the success of WL in the private sector is much slower. In 2009, 54 percent of UAE citizens were actively employed, and only nine percent of these worked outside the public domain (Vazquez-Alvarez 2010).

RESEARCH DESIGN AND METHODOLOGY

Research into WL is in a relatively nascent stage, and the overarching objectives of this study are exploratory; we, therefore, use a qualitative research methodology (Miles and Huberman 1994; Yin 1994).

Sample

Our level of analysis is the organization. In order to explore the impact of ownership structure (public or private) on WL issues, we targeted PVOs (local and multinational) and PSOs in the UAE, across different industrial sectors. To be included in our sample, each organization had to satisfy the three following criteria: i) a minimum of five years of operations in the UAE market, ii) having an established WL program, with a specific dedicated budget, and iii) the inclusion of WL in the organizational strategic objectives.

Interviews

We conducted 14 semi-structured, face-to-face interviews in total, across 11 organizations (5 PVOs and 6 PSOs) operating in different industrial sectors, with the managers in charge of their organization's WL program and/or R&S of local employees (HR, localization manager, or staffing specialist). Table 1 shows the characteristics of the participating organizations; in order to ensure confidentiality, the organizations were assigned a code and the participating managers a generic position title.

TABLE 1: DETAILS OF THE PARTICIPATING ORGANIZATIONS

Organization	Industry	Ownership	MNE /Local	Job title of interviewees	Nationality of interviewees
CON 1	Consulting	Private	MNE subsidiary	Associate HR director, Change specialist	Western, UAE
CON 2	Consulting	Private	MNE subsidiary	Staffing specialist	UAE
BANK 1	Banking	Private	MNE subsidiary	Deputy Head of HR Emiratisation Manager.	Western, UAE
BANK2	Banking	Private	Local	CEO, L&D Manager	Western, UAE
BANK3	Banking	Public	Local	Emiratisation manager Staffing specialist	Western, Indian
REAL1	Real Estate	Private	Local	HRM manager	UAE
REAL2	Real estate	Public	Local	National development Manager	UAE
OIL1	Oil and Gas	Public	Local	HRM manager	UAE
OIL2	Oil and Gas	Public	Local	HRM manager	UAE
PUB1	Governmental agency	Public	Local	HRM director	UAE
PUB2	Governmental agency	Public	Local	HRM specialist	UAE

Each interview lasted from 1-1.5hrs, and included pre-conceptualized open-ended questions. A probing technique was used to gain as much in-depth information as possible. Broad themes were identified from the literature, providing a level of pre-conceptualization (Miles and Huberman 1994) sufficient to enable some consistency in the scope of the data collected, but broad enough to allow us to explore each theme deeply and critically (Interview questions are available from the first author).

Data coding and Analysis

The computer assisted qualitative data analysis software (CAQDAS) program, NVivo10, was used to code and analyze the data. After transcription, each interview was initially individually coded by two researchers using open coding, after which, the researchers discussed the coding results to ensure consistency. This stage of the coding was considered complete when a consensus on each construct was reached. The coding then progressed in an iterative manner, whereby emergent themes were refined and the resulting coding structure was reflective of the topics contained in the transcripts. Both within and cross-case analysis (Yin, 1994) was applied to coded data.

FINDINGS AND DISCUSSION

Our analysis provided insights into R&S challenges and practices related to WL. The findings are discussed in the context of existing literature, and summarized in tables 2, 3 and 4. Similarities and differences between the PVOs and PSOs are highlighted. Quotes from the participants provide illustration of the major findings.

Recruitment and selection challenges in a localization context

We found six major and common challenges reported by both PVOs and PSOs.

1. Lack of relevant education, skills and experience. All participants from both PVO and PSO regarded lack of relevant education, skills and experience as considerable challenges for the R&S of Emirati applicants (EA). Deficiencies mentioned ranged from general skills, including language (English), communication and analytical skills, to industry-specific skills, including technical skills relating to the oil and gas industry, and finance skills, noted by all the banks.

“Language barriers: all of the selection process is conducted in English, which is a major challenge for many local candidates.” BANK1

“The higher education system does not match our company's skills requirements.” (OIL2)

These findings are in line with past research highlighting sector-specific and market-related gaps in education and training among Emirati graduate applicants (Randeree 2009), language skills, relevant work-related experience, with employers not trusting their work-readiness (Al-Ali 2008).

2. High compensation expectations of EA were highlighted as a major challenge to R&S by all PVO and PSO participants. PVOs perceived that public sector salaries were higher, and felt they could not match these salaries, and could not attract some of the interesting local candidates. Further, one PVO respondents mentioned that EA also expected fewer working hours for the same salary. The PSO participants also noted that high salary expectations were a challenge. Two of them indicated difficulty in meeting the expectations, and another one suggested offering flexibility on salary, as well as flexi-hours and loan arrangements, was part of their organization's best practice to attract local candidates.

“Our organization cannot afford very highly skilled EAs because they require too high salaries. We organized attractive packages for Emirati employees.... but cannot provide Emiratis with the salary structures other governmental competitors provide. ...So we have a dilemma, either hire sufficient low skilled Emiratis to fill the Company needs, or very few highly skilled Emiratis that can do the job they are required to do.” (OIL1)

Overall, our findings support the literature reporting that EA have higher salary expectations than expatriates (Al Waqfi and Forstenlechner 2014). However, it appears from our findings that, while participants from PVOs perceive PSOs to pay higher salaries, this is not always practiced; rather, PSOs mentioned that they preferred to recruit EAs based on merit, and offer flexibility in other aspects. Interestingly, participants from both the PVOs and PSOs noted the difficulty in meeting salary expectations of UAE candidates, and the inability to match competitors on the basis of salaries. This finding is contrary to much of the literature, which indicates that the UAE public sector compensates Emirati employees at considerably higher levels than seen in the private sector (Abdalla et al. 2010).

3. Lack of business, industry and career awareness were mentioned by respondents of both PVOs and PSOs. Insufficient awareness of business in the private sector was noted by PVOs, with one multinational subsidiary participant indicating that EA perceive the private sector as difficult to enter as an Emirati employee, with progression being very competitive (BANK1).

“Lack of awareness regarding the oil and gas industry, and lack of awareness regarding possible careers in this industry are challenges. You don’t need to be a petroleum engineer to work in our industry.” (OIL2)

4. Competition from other employers. Participants from most PVOs and PSOs commented on the challenges of recruiting from a small pool of qualified EAs. Several respondents emphasised that demand outstripped supply. Competition was seen to arise predominantly from the PSOs, which was perceived to offer more attractive job titles to EAs, but also from other foreign and local PVOs. Poaching of trained Emirati staff by other organisations (both private and public sector) was seen as a problem by several participants; and this was a particular concern when the employees had gained international experience (BANK1, CONS1, OIL2). One PSO participant felt that there was some compensation if the poached managers were recruited by another UAE PSO, rationalising that they had contributed to developing the UAE workforce. Our findings, therefore, highlight that both PVOs and PSOs are challenged by the intense competition for recruitment of qualified EAs.

“Good UAE candidates receive several job offers from different companies at the same time.... Once they are hired, there is another challenge: poaching from competing companies in the market that give them bigger titles.” (OIL2)

5. Sector- and job-person fit considerations. Respondents from both PVOs and PSOs mentioned that EAs have clear preferences for PSOs, particular industry sectors, office or managerial jobs, high status positions, and job locations that minimize travel needs. Supporting research also suggested that Emiratis will sometimes forego the search for a private sector job in the belief that a public job will become available in the future (Williams et al. 2011). In terms of industry, participants from the banks (private and public) in our study indicated that Emirati graduates tend not to aspire to jobs in the banking industry, since they believe these are only for finance majors. This highlights a lack of market-oriented knowledge and awareness, as noted earlier.

Other preferences identified included local, rather than international jobs, and managerial or senior-level positions. Some respondents mentioned that female EAs often prefer not to leave the office premises to meet customers. Some job categories are deemed socially and culturally unacceptable for Emiratis, and this is more acute for female citizens (Baud and Mahgoub 2001).

“Female Emiratis tend to prefer clerical jobs, where they do not have to go out of the office to consult clients. Female Emirati employees leave due to social challenges, related to working late, and having to spending a lot of time at clients’ offices.” (CONS1)

In terms of status, participants from both PVO and PSOs indicated that EAs will tend to choose jobs that have a big job titles and a high social status, notably at a senior level, supporting the findings of Mellahi (2007). Location concerns of EAs were also noted, with long distances required to travel to work being seen as an impediment to recruitment. The PSOs tended to focus more on the challenge of finding the right person for the job (job-person fit), rather than accommodating the sector preferences of EAs.

6. Resistance from Expatriates. Expatriate resistance to WL was highlighted by participants from only one PVO and two PSOs. The PSO participants suggested the need for improved communication

to non-nationals on the benefits of a WL program, and that such communication should be at a national and organizational level.

“It’s hard when it comes to other nationalities that don’t want nationals; rather they prefer more of their own people.” (BANK3)

Expatriate resistance may hamper successful integration of national workers into the workforce, particularly if a successful localization program will ultimately lead to the replacement of the expatriates themselves (Rees et al. 2007). This, along with perceived inequities in terms of higher compensation and faster career progression of nationals, can lead to resentment toward national employees (Forstenlechner 2010).

TABLE 2. R&S CHALLENGES AMONG PVOs AND PSOs

R&S challenges	Similarities
1. Lack of relevant education, skills and experience.	<i>Similar:</i> Limitations in general education, language, technical skills, experience, and job readiness of EA
2. High Compensation expectations	<i>Similar.</i> EAs have higher compensation expectations than non-Emirati candidates. EAs’ expectations are not always met; recruitment is based on merit.
3. Lack of awareness	<i>Similar.</i> Lack of awareness and knowledge of business, industry sector, and career opportunities of EAs
4. Competition from other Employe	<i>Similar.</i> Recruiting from a small pool of qualified EAs, demand outstripping supply. Competition comes mainly from some PSO, but also from all other organisations in the market.
5. Sector and job- person fit considerations	<i>Similar.</i> Preference of EAs relating to specific sectors, jobs, and location, mostly influenced by social and cultural acceptability.
6. Resistance from Expatriates	<i>Similar.</i> Expatriates’ Resistance experienced in both PVOs and PSOs.

Recruitment practices

In this section, we highlight the similarities and differences found in the recruitment practices between the PVOs and PSOs in the study.

1. Development and communication of an attractive employee value proposition. All the participating organizations developed specific recruitment material and website information to communicate their commitment to localization. Some presented clear employee value propositions, emphasizing growth and development for Emirati employees, while foreign owned multinationals tended to focus on diversity and inclusion. A strong employee value proposition and an employer brand matching citizens’ aspirations and motivations are important to attract qualified candidates (Scott-Jackson et al. 2014).

2. Internal targeted recruitment methods. Both PVOs and PSOs across the different industries, used a comprehensive and similar range of internal recruitment methods, including job postings on

internal career sites, active use of internal skill databases, and internal referral systems. This ensured that Emirati employees are aware of job openings, potentially boosting the number of relevant local applications. Internal recruitment practices function well in the highly networked work environment of the Gulf countries (Ali and Al-Kazemi 2007)

“One of our best recruitment practice is the referral program. Employees are encouraged to bring CVs of qualified applicants, and if the CV they brought in was hired they get a bonus.” (BANK1)

3. Diversified, proactive, targeted external recruitment methods. Both PVOs and PSOs used comprehensive, targeted external recruitment methods to increase the number and proportion of qualified EAs. The external recruitment methods common to all organizations in our study included job advertising in Arab language media, participation in targeted career fairs with high participation of Emirati; special workshops held in targeted universities, social media, offering of internships and sponsorship for Emiratis, using specialized recruitment agencies and online web portals for attracting specific skills, and developing relationships with Emirati communities and educational institutions that have a high enrollment of UAE citizens.

We identified a small difference in the approaches used by PVOs and PSOs. PSO participants reported using more intensive targeting and more UAE community-based approaches, such as delivering guest speeches and participating in educational, charity, sports and cultural events - all with a high presence of Emiratis. This accords with research showing that successful localizing organizations develop strong relationships with educational institutions that have a high enrollment of targeted candidates (Forstenlechner 2010, Panaccio & Waxin, 2010). PUB1 and PUB2 noted that they received a large number of spontaneous Emirati applications because of their PSO status, and their collaboration with several governmental agencies.

“We target educational institutions with high Emirati enrollment and exploit all recruitment options there, from attending career fairs, sending guest speakers, attending to University special events, and offering internships. We communicate whenever we can about our employment opportunities.” (BANK3)

The three banks were the most pro-active at targeting and sponsoring under-tapped segments of the Emirati population, such as women, candidates from the remote rural areas, and sub-optimally qualified candidates suitable for training and development.

“...targeting Emiratis in remote rural areas, sponsoring good Emirati students, paying their university fees, so that they work for us after graduation.” (BANK1)

“We attend special workshops on women and careers, target women, try to accommodate their job needs... finding internal auditors is very challenging, so we look for potentially good Emirati auditors that are not completely ready but have potential, and we develop them.” (BANK3)

The consulting companies organized innovative recruitment solutions, such as partnerships with their clients, and international recruitment to increase their intake of internationally experienced EAs.

“Graduate internships and clients secondments work best, for short and long term periods; they are very efficient methods of recruitment for us.” (CONS1)

“Career Fairs abroad, targeting UAE citizens who have studied and worked abroad and would like to come back to the UAE, working for a leading MNE.” (CONS2)

4. Reservation of positions for Emirati. All the PSOs in our sample reserved positions for EA; these were mostly higher-level positions, but also included apprenticeships. Some PSOs created a special recruitment portal for the EAs, such that, from the application stage, local and expatriate candidates would apply to different jobs on different webpages.

“Branch manager and cashier positions are practically reserved for Emirati citizens.” (BANK3)

Rees et al. (2007) also found that, in the large petroleum company in their study, the main focus was on the localization of managerial positions, as a way of adding impetus to the country’s localization process. Three private foreign-owned MNE subsidiaries did not generally reserve positions for EAs, preferring to recruit staff on the basis of merit and fitness for the job. The two remaining PVOs, similarly to the PSOs, followed a policy of reserving positions for EAs, focusing on mid- to senior-level management level positions. It is notable that one of these PVOs had a majority Arab ownership, suggesting a possible stronger leaning towards WL than the multinational subsidiaries.

TABLE 3. RECRUITMENT PRACTICES OF PVOs AND PSOs

RECRUITMENT PRACTICES	Similarities and differences
1. Development and communication of an attractive employee value proposition	<i>Similar.</i> Both PVOs and PSOs developed and communicated an attractive employee value proposition for local employees and/or stressed their inclusive culture.
2. Active internal recruitment	<i>Similar.</i> Both PVOs and PSOs actively used internal and targeted recruitment approaches.
3. Diversified, targeted external recruitment methods	<i>Similar, with some differences.</i> PSOs reported an even more intensive targeting and use of UAE community-based approaches (such as universities and colleges, career fairs, charity, sportive and cultural events) with high Emirati representation.
4. Positions reserved for EAs	<i>Different.</i> PSOs reserved positions for EAs. Foreign MNEs did not. Local PVOs, did so, in some cases. <i>Different.</i> Some PSOs created a separate application web page for EAs.
5. Evaluating recruitment effectiveness	<i>Similar, with some differences.</i> Although both PVOs and PSOs used an extensive range of quantitative and qualitative evaluation measures, the PSOs tended to use a more extensive range.

5. Evaluating recruitment effectiveness. We identified some differences between PVOs and PSOs in this regard. Although both used an extensive range of quantitative and qualitative effectiveness evaluation measures, the PSOs tended to use a more extensive range of measures. These included the number of EAs, and the number of qualified EAs, assessment center results, scores on tests and competency interviews, number per recruitment source, time required to fill vacancies, job satisfaction of new recruits, satisfaction of the direct supervisor with the recruitment process. Rees et al. (2007) and Panaccio & Waxin (2010) stressed the importance of using both quantitative and qualitative methods for evaluating the effectiveness of localization practices.

Selection practices

Both PVOs and PSOs trained all personnel involved in selection of EAs, and used similar testing, interviewing and effectiveness evaluation practices. However, PSOs used more differentiated, flexible selection processes, and more effectiveness evaluation measures than PVOs.

1. Flexible selection processes for EAs. All PVOs and PSOs indicated that they reviewed the job descriptions and specifications for EAs to ensure that they did not include discriminatory criteria, highlighting the importance of focusing on job content and job relevant criteria.

Beyond this, however, our analysis highlighted a number of differences between PVOs and PSOs. PSOs tended to modify their selection processes to give priority to EA. This ranged from reviewing the EAs' CVs ahead of those of non-nationals, lowering some education and experience requirements, requiring EAs to meet only minimum, rather than exact or maximum criteria (as non-nationals were required to do), modifying the testing process, and having Emirati managers on the interview panel. PUB1 and PUB2 indicated that they might remove criteria that were too demanding, when selecting local employees. The foreign private multinational organizations were not willing to modify their selection criteria, except for the length of required experience. The other PVOs suggested that they would lower the experience and language requirements for specific positions in some cases, where training could be provided.

“EAs apply to a specific web site, and have priority on screening. When the candidate is local, we are more flexible on the required specialization and require less experience. We only use assessment after hiring, for development purposes.” (OIL2).

“We require less experience for an EA, but education and GPA requirements remain the same. Interviewers involved in local recruitment are trained in a Cultural Training Program, which has proved to be very effective.” (CONS1).

Participants from the PSOs emphasized that giving priority to EAs did not equate to lowering standards, contrary to what has been noted elsewhere (Forstenlechner 2010), as additional support and training was provided early to ensure that all criteria were met after a short period of time.

2. Inclusive and trained selection committees. Participants from both PVOs and PSOs trained personnel involved in R&S of EAs and included a local manager in the selection interview panel to ensure that the EAs would feel welcome and to demonstrate that Emiratis were integrated into the organization. Training of selection committee members is important for gaining a better understanding of workforce diversity, cultural differences, existence and effects of stereotypes, together with ways to handle them (Waxin 2008, Panaccio & Waxin, 2010).

3. Selection testing and interviewing. Most of the PVOs and PSOs in our sample, used formal, well-established tests as the primary tools for candidate selection; these included assessment centers including cognitive, personality, competency, language tests, case studies, work samples, simulations and presentations. Several organizations mentioned assessment centers and competency testing as their best practices to facilitate WL. Structured, situational, behavioral, and competency interviews were the most used types of selection interviews. Participants noted that well-structured interviews offered the most objective means of candidate comparison. Situational and behavioral interviews allowed candidates with no previous work experience to respond to questions on how they would handle certain difficult situations, thus giving selectors a clear idea of their problem-solving techniques.

“Some of our best practices are assessment centers and structured competency interviews to find the best fit for the jobs.” BANK1

Research has shown that the structured interview is the best tool to reduce biases in the interview process (Knight 2017) and that structured, situational and behavioral interviews can provide a way to enhance diversity (Waxin 2008).

4. Evaluating selection effectiveness. All PVOs and PSOs used similar quantitative selection effectiveness measures focused on job performance, retention rate, as well as the number of candidates selected vs those interviewed. One company used post-selection testing to assess the effectiveness of their selection decisions. PVOs and PSOs also used similar qualitative measures including employee and supervisor’s satisfaction regarding the staffing process, supervisor’s satisfaction regarding the hire’s performance, behavioral and attitudinal measures of employees, as well as their general fit with the organizational culture. However, we noticed more targeted, intensive evaluation activities from the PSOs.

TABLE 4. SELECTION PRACTICES OF PVOs AND PSOs.

Selection practices	Similarities and differences
1. Modified and flexible selection processes for EAs	<p>Similar. All organizations reviewed the job descriptions and specifications to ensure they did not include discriminatory criteria.</p> <p>Differences. The PSOs using flexible, modified selection processes and criteria for EAs (e.g. lowering requirements for education, skills and experience, or removing some criteria. PVOs, in some cases, lowered their experience requirements.</p>
2. Inclusive and trained selection committees	Similar. Personnel involved in R&S of EAs are trained, and a local manager is present on the selection interview panels.
3. Selection testing and interviews	Similar. Similar range of selection tests and interviews used.
4. Evaluating selection effectiveness	Similar, with some differences. Similarities in the range of measures used to evaluate the effectiveness of the selection processes, but even more precise and numerous measures from the PSOs.

CONTRIBUTIONS AND IMPLICATIONS

The objectives of our study were to explore the R&S challenges and practices in PVOs and PSOs in the context of WL in the Arab Gulf region, a key emerging market

First, we found that both PVOs and PSOs face six common challenges related to the R&S of local candidates: 1) the lack of relevant education, skills and experience of EAs, 2) their high compensation expectations, 3) their lack of business, industry and career awareness, 4) competition from other employers, 5) some sector- and job-person fit considerations and 6) resistance from expatriates. It is particularly interesting to note that both PVOs and PSOs reported the same challenges. Overcoming these R&S challenges is key to any successful WL and SHRM strategy. This is especially important for foreign MNC subsidiaries, which often face the dual, opposing pressures of local adaptation and global integration (Kostova and Roth 2002) of their workforces.

Second, we found that both PVOs and PSOs have dedicated practices to attract EAs: they developed and communicated employee value propositions for EA, used proactive, targeted, diversified internal and external recruitment methods, and used established quantitative and qualitative measures to evaluate the effectiveness of their recruitment practices. We also found some differences: PSOs tended to reserve specific positions for EA, used more targeted external recruitment methods and more numerous effectiveness evaluation measures than PVOs.

Third, at the selection stage, we found that all organizations reviewed their job descriptions and selection processes to avoid any discriminatory items, and that most of them organized inclusive, culturally trained staffing committees. Most of the PSOs intensely modified their selection processes (e.g. using modified screening, selection criteria and standards, and selection steps) to facilitate WL, whereas PVOs only modified experience requirements for EAs. Both PVOs and PSOs used similar testing, interviewing processes and effectiveness evaluation measures, although PSOs generally utilized a greater range and number.

Our study contributed to expanding the scope of understanding of the staffing processes in a non-Western context, adding to the empirical literature on localization, R&S and public sector HRM in the Gulf region. By comparing PVOs and PSOs, we provided a finer-grained perspective to the existing literature, which is predominantly concerned with PVOs. The PSOs in our sample took a lead in designing and implementing specific R&S processes to hire EAs. The sample organizations tailored their R&S practices to a local process that takes into account the specific local context. Contrary to some literature that reports public sector HRM practices as unprofessional (Iles et al. 2012), our findings show that for the majority of R&S practices in both PVOs and PSOs demonstrate a high level of quality and rigor when it comes to recruiting and selecting Emirati citizens in their workplaces.

From a practical perspective, our findings inform WL managers on the R&S practices that are most commonly used, and most likely to succeed, and stress the importance of adopting differentiated R&S practices to implement WL.

From a policy perspective, our study highlights similarities and differences in the implementation of the WL program between PVOs and PSOs, which policy-makers can utilize in the monitoring and evaluation of WL, and ongoing policy development. Our findings also highlight the importance of aligning education and training systems with the skills and productivity requirements of effective employment of local citizens across specific industrial sectors.

LIMITATIONS AND FUTURE RESEARCH

We acknowledge a number of limitations of our study. First, the participant organizations reflect a sub-set of large organizations with well-established and well-performing WL programs. This could potentially explain the differences that we found for the PSOs, in terms of the high quality of their practices, relative to that reported in the literature. Second, we exclusively relied on the HR/WL managers' interviews. Future research could involve Emirati employees, as their perspective would offer valuable insights. Third, we used a qualitative, exploratory methodology, which provided the opportunity to explore the topics of interest in some depth. Future research could include a quantitative approach to explore possible correlations between R&S practices applied and outcomes, such as employment achievement, organizational productivity or profitability. Finally, future research could further study the similarities and differences between private and public sector WL practices, and the other HRM practices that facilitate WL, such as training and development, performance management and compensation practices.

ENDNOTES

¹ Localization in the UAE is referred to as Emiratisation. We use the terms Emirati and local interchangeably to represent Emirati citizen.

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