RECRUITMENT AND SELECTION IN WORKFORCE LOCALIZATION: CHALLENGES AND PRACTICES FROM THE UNITED ARAB EMIRATES

ABSTRACT

Purpose. Research on WL is at an early stage of evolution. This paper seeks to extend the extant literature using exploratory investigation of the recruitment and selection practices in the United Arab Emirates (UAE), as well as exploring effectiveness measures of localization practices in different organizational settings.

Design approach. We review the literature on HRM recruitment and selection practices that facilitate the implementation of WL programs in the Gulf Cooperation Council (GCC), and carry out in-depth interviews with HRM or Emiratisation managers from nine organizations. The authors use multiple case studies to support theoretical sampling from firms differing by size, ownership structure, and industry.

Findings. The results of this study suggest that recruitment and selection practices do not vary much according to the sector of activity, the ownership structure, and the location of the firm. Banks used a wide variety of the most advanced recruitment and selection practices, measuring the effectiveness of these practices through quantitative and qualitative measures. Companies that made the Emiratisation program part of their talent management program achieved better results than those driven by quotas. Private sector organizations using highly skilled labor achieved the least significant results.

Originality/value. The results of this exploratory study extend our understanding of the challenges associated with localization programs and place the recruitment and selection practices of UAE employers in their particular context. Focusing on the UAE allows us to draw lessons that may be applicable in other rapidly developing regions, many of which are hoping to move indigenous workers into roles occupied by expatriates.

Practical implications. By helping to remedy the lack of academic literature on HRM practices in emerging markets, and especially on GCC countries, this research informs HRM researchers and practitioners about the patterns prevalent in one of the most rapidly emerging Arab countries, the UAE. Our approach will also help researchers examine the transferability of HR management systems and practices. By highlighting best practices in recruitment and selection, we hope to support GCC-based organizations with the implementation of their WL programs.

Research limitations. First, this study focuses on only two of the traditional HR functions: recruitment and selection. Second, we use an exploratory, qualitative, interview-based approach. Third, the small sample size is consistent with other studies but remains a constraint. Fourth, we examine practices in a single country, the UAE. Fifth, we targeted only companies that considered Emiratisation to be a strategic HRM initiative. A final limitation is the lack of depth in the literature on HR implications due to the relative novelty of the topic.

Keywords: HRM, Workforce Localization, Nationalization, Emiratisation, Recruitment, Selection, Effectiveness, Arab World, United Arab Emirates, Case study, Middle East.
1. INTRODUCTION

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 United Arab Emirates), with each member country adopting some form of politically-led nationalization initiative (Al–Dosary and Rahman, 2005; Looney, 2004; Rees et al., 2007).

Workforce localization (WL) programs can be described as the recruitment and development of citizens to increase their employability, thus reducing a country’s dependency on expatriate labor (Dave, 2004). These efforts have been defined as “a multi-level process through which dependency on the expatriate labour force is reduced and nationals are prepared to take up jobs performed by expatriates. Such preparation enables nationals to perform their jobs equally as well as, if not better than, expatriates in the shortest possible period” (Abdelkarim, 2001).

In contrast to localization-related HRM practices, diversity management has been an active theme in the HRM literature. However, there has been little evidence to suggest that such an approach is being actively applied to WL in the Gulf countries. In the unique context of employment markets in the Gulf region, GCC national employees are established as a distinct ethnic, cultural minority in the UAE labor market (Al-Waqqi and Forstenlechner, 2010, Forstenlechner and Rutledge, 2010, Forstenlechner et al., 2014). Nationalization policies have already been represented as an attempt to integrate HRM and diversity management practices (Rees et al. 2007, Mellahi and Wood, 2002), so WL programs in the Middle East may be able to draw on the HR diversity management literature and scholarship to facilitate employment of national employees.

We identified six specific gaps in the literature. First, no author has explicitly examined whether application of diversity management practices to recruitment and selection could facilitate localization implementation. Research on HRM diversity management in the GCC is needed as most past studies have been conducted in western contexts. More research in non-western economies would enable a better understanding of the effects of different socio-cultural environments on diversity management (Shen et al., 2009). Second, although anecdotal records and literature on localization exist in most GCC countries—particularly in the UAE, Saudi Arabia and Oman—there is still a lack of academic and empirical research on localization programs (Forstenlechner, 2010; Randeree, 2012) and the HRM practices that support them (Forstenlechner, 2010). Third, most studies on localization in the GCC are conceptual and focus on the causes or the policy aspects of the localization programs. Very few studies have examined empirically the specific HRM practices that facilitate WL (Rees et al., 2007, McDermott and Neault, 2011, Forstenlechner, 2010). Fourth, to our knowledge, no research has specifically examined the recruitment and selection practices used to localize the workforce in the GCC, except the study of Forstenlechner (2010) addressing key HR processes in a context of localization (Forstenlechner, 2010). Fifth, no published article has addressed the evaluation of recruitment and selection practice effectiveness in this precise context. Sixth, to our knowledge, the impacts of ownership structure and industrial sector on recruitment and selection practices have never been examined in the GCC in general, nor in the context of workforce localization in the GCC.

This research focuses on recruitment and selection challenges and practices in the United Arab Emirates in the context of labor localization. Our specific research objectives are:

1) to review the literature on challenges associated with the recruitment and selection of GCC nationals, and on HRM recruitment and selection practices that facilitate the employment of GCC nationals;
2) by using a multiple case study approach: a) to identify the specific challenges related to the recruitment and selection of Emirati employees; b) to describe and analyze the recruitment and selection practices used to overcome these challenges, including the means used to evaluate their effectiveness; and c) to examine the impact of the ownership structure and industrial sector on these recruitment and selection challenges and best practices.

The remainder of this paper is organized as follows: first we review the literature on the challenges to recruitment and selection of GCC nationals, and consider the recruitment and selection practices that facilitate
implementation of these programs. We then discuss the methodology and the case study approach to conducting and analyzing the research data. Next, we present the results of the cross-case analysis and subsequently conclude the paper with a summary of contributions and limitations, while highlighting opportunities for future research.

2. LITERATURE REVIEW

2.1. Rationale for localization programs in the GCC and in the UAE

The six GCC nations, including the UAE, share the following demographic and labor market characteristics: 1) a rapid growth in total population; 2) an extensive reliance on expatriate labor; 3) high rates of unemployment among citizens, 4) low levels of private-sector employment for nationals, and 4) a low participation rate for women in the workforce.

1- **Rapid growth in total population.** The aggregate population in the GCC has increased more than tenfold in little over half a century, from four million in 1950 to 40 million by 2006 (Kapiszewski, 2006). This trend represents the highest population growth rate of any region in the world, representing both the active importation of labour and relatively high birth rates among the local population (Kapiszewski, 2006). The Economist Intelligence Unit (2009) estimates that the GCC population will rise to 53 million by 2020. The UAE has doubled its populations in 5 years, mostly through migration (Forstenlechner & Rutledge, 2011).

2- **Extensive reliance on expatriates.** Sustained increases in wealth since the 1970s have allowed GCC countries to undertake aggressive programs of investment in public infrastructure, which have in some nations paralleled a boom in private property development. Because the small local population had little interest in construction work and lacked skills, most of these relatively young states turned to the use of imported labor and developed relatively tolerant rules governing expatriate employment (Al-Waqqfi and Forstenlechner, 2010; Mellahi and Al-Hinai, 2000). Heavy dependency on expatriate workers exists across the entire GCC and in the UAE; 62 percent and 96 percent of their overall workforces are non-nationals, respectively (Forstenlechner and Rutledge, 2011).

3- **High unemployment rates among citizens.** The steady demand for imported labor creates an interesting paradox as unemployment among nationals increases in all GCC countries, especially among female citizens and young job seekers. In 2009, the unemployment rate among Emirati nationals between 20 and 24 years of age was at 23.9 percent (IMF 2011). In 2011, the unemployment rate among UAE nationals was 13.8 percent, with about 2 percent being unemployed national males and 12.0 percent unemployed national females (Rutledge et al., 2011). Foreign workers who lose their jobs in the UAE are typically required to find work or leave the country within 30 days, suggesting that most reported unemployment is concentrated within the small Emirati share of the populace. However, even if unemployment rates are rising among national citizens, their levels of participation in private-sector employment remain low. 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), with many young graduates waiting for an appealing government job to open up.

4- **Low participation of women in the workforce.** Even though more than two-thirds of graduates from government universities in the UAE are women (Randeree, 2009), many elect not to work. The resulting low level of activity may be a function of failure to find suitable work, but many women indicate a lack of interest resulting from social, familial or cultural pressure not to work.

2.2. Workforce localization (WL) policies in the UAE

By the mid-1990s, shrinking public sector opportunities prompted most GCC governments to focus on more effectively integrating local workers into the private sector. In the UAE, the key mandate of the Emiratisation process is to create and find sustainable and meaningful employment for UAE nationals by minimizing the frictions involved in matching Emirati jobseekers and employers in both the public and the private sector. However, the
emphasis of Emiratization is to place Emirati workers in private sector employment, according to TANMIA (2008), the federal agency in charge monitoring and smoothing the labor market entry of Emiratis nationwide. In general, all GCC countries—including the UAE—with varying degrees of commitment, adopted three types of localization policies: 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. These quotas differ from one industrial sector to another. For example, from 1998 onwards, all banks in the UAE were required to employ UAE nationals at the rate of 4 percent annually (Ministerial Resolution 10 for 1998, Ministry of Labor and Social Affairs Ministerial Resolution 1/254 for 2004). Equivalent annual occupational quotas for insurance (Ministerial Resolution 202/2 for 2003) and trade (Ministerial Resolution 1/254 for 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 indicating that only Public Relations Officers (PROs) who were Emirati nationals would be able to process visas and other immigration paperwork at government offices. Similarly, Saudi Arabia has mandated that the procurement function should be completely staffed by local employees.

Neither the Ministry of Labor nor the Ministry of Social Affairs in the UAE stipulates particular laws with reference to setting a wage premium in favor of Emirati employees. The exception seems to be in banking, where banks were required to offer at least a certain minimum wage 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, a premium exists mainly due to the overrepresentation of locals in the public sector where salaries are well above the equilibrium wage in the private sector.

The National Human Resource Development and Employment Authority (TANMIA) was established in 1999 to facilitate implementation of the government’s Emiratization policies. The relative ineffectiveness of TANMIA in helping to place nationals has led some of the individual Emirates to establish their own organizations to implement the Emiratization policy, such as the Abu Dhabi Emiratization Council and Dubai’s Emirates National Development Programme (Gulf News, 5 June 2009). The Emirates Council for Emiratization was then established to co-ordinate the efforts of these bodies, develop joint policies and standards, ensure that young Emiratis are adequately prepared to enter the workforce, and to establish a national human resources database (Gulf News, 5 June 2009).

In an attempt to introduce market forces into the Emiratization drive, the UAE government has announced in 2011 a ‘tier system’ of targets for all firms regardless of activity, with financial incentives and penalties designed to encourage firms to achieve higher levels of workforce nationalization. Under the new rules, in addition to setting tough minimum levels of Emiratisation, companies achieving higher nationalization levels will be rewarded by paying lower fees to process visas for their expatriate employees (GulfTalent, 2011).

In spite of these policies, Emiratisation efforts have had mixed results with respect to both outcomes and acceptance (Forstenlechner et al., 2012). Emiratisation policy has been successfully implemented in the government, with some agencies reaching almost 100 percent national employment. For example, the Ministry of Labor and the Ministry of Foreign Affairs, reported achieving 98 percent Emiratisation at the end of 2010 (The Federal Authority For Government Human Resources, 2010). Altogether, Emiratisation rates in the federal ministries, reached 67 percent at the end of 2010 (The Federal Authority for Government Human Resources, 2010).

The success of Emiratisation in the private sector has come more slowly. In 2013, only 0.5 percent of the 4 million private sector workers in the UAE were Emiratis (Middle East Online, 2013). One of the main objectives of the Emiratisation program was to gradually increase the participation of Emiratis in private sector employment.
2.3. Challenges to recruitment and selection of GCC nationals

Based on the literature, we identify three clusters of significant challenges to the recruitment and selection of GCC National citizens: 1) demographic, educational and motivational challenges, 2) economic challenges, and 3) social and cultural challenges.

1. Demographic, educational and motivational challenges. First, Emiratis represent a minority in both the public and the private sector workforces, at 27.4 percent and 1.3 percent, respectively (Forstenlechner and Rutledge, 2010), and form a relatively small pool to recruit from. This small pool was identified as a recruitment challenge by UAE HRM managers in both the private and the public sectors (Forstenlechner, 2010). Second, graduating UAE nationals lack market-oriented skills (Renderee 2009, Pech, 2009, Scott-Jackson et al., 2014); language skills in English that are typically required in the private sector (Al-Ali, 2008; Randeree, 2009); relevant work experience (Scott-Jackson et al., 2014a, Al-Ali, 2008); vocational motivation and business-oriented risk (Mellahi, 2007; Rees et al., 2007; Forstenlechner, Madi et al., 2012). Altogether, employers do not trust their work readiness (Al-Ali, 2008). Forstenlechner (2010) finds few points of differentiation in the CVs of fresh UAE graduates. Overall, the lack of qualified candidates among Emiratis creates a pressure on recruiters to lower selection requirements (Forstenlechner, 2010).

2. Economic challenges. The direct salary cost of a national compared to the cost of a similarly qualified and experienced expatriate tends to be one of the first reasons cited by employers to explain why so few nationals work in the private sector (Godwin 2006; Mellahi, 2007). Compensation data from the UAE Banking Forum in 2011 indicated that there is an average premium of 17 percent for national staff, 14 percent for junior management, 11 percent for middle managers and 23 percent for senior management roles held by UAE nationals as compared to expatriates working at the same level (Aon Hewitt, 2011). In addition, nationals bring with them additional costs in the form of payroll taxes, mandatory pension contributions or, in some cases, minimum wage requirements that do not apply to expatriates. Employers often complain that nationals are expensive in part because so many quit during training or leave after their training to take up better offers elsewhere (Forstenlechner, 2010) or move to an expected job in the public sector. Moreover, uncertainties surrounding differences in employment rights are likely to act as a deterrent to hiring national employees (Forstenlechner, 2010). Terminating the employment of unproductive nationals is not easy. A recently-passed law in the UAE bans the firing of Emirati workers except under specific conditions (The National, 2009). In contrast, the legal framework gives employers more control over expatriate workers, who usually have residence permits tied to one specific employer. Although certainly unintended, these policies may tip the balance in labor appeal unfavorably against nationals (Mellahi and Wood, 2002).

3. Social and cultural challenges. Cultural influences and social stigmas also factor into the recruiting and selection process. First, GCC national workers have a strong preference for public sector jobs because of higher salaries, better working conditions and cultural sensitivities. For nationals, a government job often provides a salary several times higher than the equivalent private sector position as well as very generous benefits (Booz and Co., 2009; Abdalla et al., 2010). In part due to high wages in the public sector, GCC nationals often expect a higher level of compensation than private employers think justified by their qualifications and experience (Fusano and Goyal, 2004). Generous social programs also weaken the incentive to accept positions offering less than a desired level of compensation (Fusano and Goyal, 2004). Taken together, these attractions have pulled 85 percent of working Emiratis into the public sector, according to the UAE National Bureau of Statistics (AlIttihad Newspaper, 2010). This public-sector appeal makes it difficult for the private sector to attract and keep young nationals. Moreover, the culture of the workplace plays an important role for attracting local candidates. Emirati graduates are attracted by the prospect of working with other Emiratis and by the feeling that their culture and values are respected in the workplace (Gulf Talent, 2013) which is usually the case in the public sector. This partly explains why Emirati prefer working for the public sector.

Second, the status of the job matters for GCC nationals. The type of work, sector of employment and related social interactions are important determinants of the social status of a person in GCC societies (Mellahi, 2007). Culturally speaking, many job categories are deemed socially unacceptable for GCC nationals, particularly those that have traditionally been filled by low-skilled foreign labour. The aversion to such positions is even more acute for female citizens (Baud and Mahgoub, 2001; Adam, 2003). In much of the Gulf region, many nationals may
consider remaining unemployed preferable to taking up undesirable employment in the private sector (Achoui, 2009; Harry, 2007; Forstenlechner and Rutledge, 2010; Williams et al., 2011). Some authors argue that nationals see themselves as a natural middle class that should only accept white-collar and managerial positions (Mashood et al., 2009).

Third, UAE nationals might suffer from expatriates’ resistance. Expatriate employees resist to the successful integration of national workers into the private sector, particularly when successful integration leads to the replacement of the expatriates themselves. The tensions are exacerbated when expatriates are asked to train their national replacements (Mellahi and Wood, 2002; Rees et al., 2007; Forstenlechner, 2010). Often, there are perceived inequities when nationals receive higher compensation and experience faster career progression, a reality in many private sector organizations that may encourage resentment toward national employees (Forstenlechner, 2010).

Fourth, UAE nationals suffer from negative stereotypes. Al-Waqfi and Forstenlechner (2010) found that both nationals and expatriates shared negative stereotypes about Emiratis’ lack of relevant skills, competencies and work ethic. These authors presented UAE citizens as a minority in need of acculturation to their own country’s work environment: local citizens born and raised in a traditional, conservative, tribal society become foreign in their own country and have to adapt to a culturally different work environment in order to function in the workplace (Al-Waqfi and Forstenlechner, 2010).

2.4. Recruitment and selection practices that facilitate WL in the GCC and the employment of minority employees

A search of the literature on WL in the GCC and diversity management in HRM identified recruitment and selection practices that facilitate the intake of GCC nationals and designated employees.

2.4.1. Recruitment practices

Internal recruitment practices. XXX (XXX) identifies three practices that facilitate internal recruitment of minority employees. The first of these best practices is the systematic use of internal job postings for all openings. The establishment of a clear job posting policy allows all current employees including the designated ones, to be aware of the internal job opportunities. A second practice is the creation of an internal pool of candidates, using an HR database or a skills inventory. A database containing the information on employee qualifications, competencies, skills, experience, performance records and motivation helps recruiters to identify internal candidates for promotions or job openings and those who best fit the job specifications, including those who were not considering applying for the job. The third practice consists in redesigning the referral system. For example, if the organization is already using a reference or a recommendation system, it is important to make certain that these systems are not discriminatory. Although referral systems can easily lead to direct or indirect discrimination, the highly networked work environment in the Gulf countries makes referrals a useful tool (Ali and Al-Kazemi, 2007; Harry, 2007). In this regard, organizations can purposely ask their employees to refer Emirati candidates.

External recruitment practices. The first set of best practices involves the use of external job-advertising campaigns oriented towards the targeted communities (Avery and McKay, 2006). According to the diversity management literature, organizations that are willing to increase their intake of targeted employees have to review all advertisements in order to eliminate any signs of ethnic or cultural discrimination, add a statement confirming that the company supports diversity, publish the advertisement in media available to the targeted groups, and include designated employee images in promotional recruitment material and advertisements (XXXX, XXXX). The second best practice emphasis is the development of strong relationships with educational institutions that have a high enrollment of the designated individuals (Doverspike, 2000; Forstenlechner, 2010). Developing contacts with educational institutions showing high enrollment of Emirati students (Mathias, 2006), sending Emirati representatives to these institutions during career fairs, and training all company representatives involved in these events facilitate the recruitment of Emiratis. A third group of useful practices includes offering internships, summer jobs or part-time employment for designated individuals (Laurie and Laurie, 2000; Chicha, 2002, Forstenlechner, 2010). Several authors point to a fourth concept, that of having special induction schemes for new graduates in the GCC, including for those who lack experience (Al-Dosary, 2005; Al-Lamki, 2000; Randeree, 2009; Forstenlechner,
2010). A fifth best practice is to develop relationships with communities of minority members (XXX, 20XX). Direct contacts with targeted communities are effective ways of delivering job information. The implementation of these initiative requires developing a network of connections with targeted groups and communities; broadcasting employment opportunities throughout these communities, and organizing various activities to build rapport with targeted groups, such as student mentoring or offering scholarships. Moreover, organizations could arrange conferences and meetings with Emirati employees, or join radio and television shows that are popular among Emiratis. A final best practice to facilitate the recruitment of UAE nationals is the development of a strong employee value proposition and employment brand that match citizens’ aspirations and motivations (Scott-Jackson et al., 2014b). These authors suggest that employers spend less time advertising high salaries and favorable work conditions, instead highlighting their contribution to the development of the country, while promoting their sponsorship of further academic qualifications, training and professional development to attract the best national talent (Scott-Jackson et al., 2014b).

2.4.2. Selection practices

Our review of the HRM diversity literature allows us to identify five useful principles that could be applied to support the selection of diverse or minority employees in a context of WL. The first principle consists of ensuring that the selection criteria are non-discriminatory (Schreiber et al, 1993). For each job opening, there must be a clear job description and job specification, using selection criteria that are clear, fair, valid, relevant and job-specific. Some selection criteria could even be relaxed for nationals as mentioned in the localization literature (e.g. Forstenlechner, 2010). A second notion consists of training and educating staff members involved in the selection process on the current legislation and the importance of workforce diversity (Chicha, 2002). Employees involved in the selection process should be made aware of cultural differences and the best ways to handle those differences, the existence and effects of stereotypes and ways to avoid them (XXX, 20XX). As a third rule, selectors should ensure before proceeding with the interviews that at least one candidate is from a minority group (Thomas and Wetlaufer, 1997). A fourth notion is to make sure that the selection panels that are responsible for identifying and evaluating the best candidates include representatives of minority groups (Thomas and Wetlaufer, 1997, Avery and McKay, 2006; Thomas and Wise, 1999). The implementation of this initiative would require identifying current Emirati employees, setting goals for the representation of Emirati employees in the selection panels, and training them for such service. The manager responsible for Emiratisation initiatives could also take part in the interviews. Finally, organizations can adopt effective selection interview techniques to enhance diversity such as structured interviews and situational and behavioral interviews. Well-structured interviews offer the most objective means of candidate comparison. Situational and behavioral interviews allow 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 (Samuel et al. 1997).

2.4. Effectiveness evaluation of recruitment and selection practices

Rees et al. (2007) stress the importance of using both quantitative and qualitative methods for evaluating a program with WL objectives. However, no research so far has examined how organizations evaluate the effectiveness of their recruitment and selection practices in a context of WL or studied how organizations evaluate the effectiveness of recruitment and selection practices applied to designated minority employees. Recruitment and selection practices of an organization reflect its overall HRM strategy; therefore ongoing assessment of these functions is essential (Magnus, 1987). Rynes and Boudreau (1986) point that human resource programs are more effective to the extent that they are based on ongoing feedback and evaluation. Yet few organizations formally evaluate their recruitment efforts (e.g. Davidson, 1998; Grossman, 2000) or selection processes (e.g. Tenopyr, 1981; Schmidt and Hunter, 1981). The most popular measures to evaluate the effectiveness of recruitment practices are quantitative. They include the total number and quality of applications received, the time required to receive applications, the time elapsed before filling positions, the ratio of qualified applicants to the total number of applicants, and the ratio of offers to applicants (Schwind et al., 2007).

Indices used to evaluate the effectiveness of the selection practices may be qualitative or quantitative. Qualitative measures might include the satisfaction of supervisors with new hires and the contentment of the new employees themselves. Other quantitative measures include the cost per hire, variation of the selection criteria across similar jobs, the training costs of new hires, absenteeism and turnover rates of new employees, the ratio of offers accepted
to the total number of offers extended, and the performance ratings of new workers (Schwind et al., 2007; Lord, 1987; Jackson, 1999). All these measures can be adapted to the targeted population, national candidates in this case.

3. RESEARCH DESIGN AND METHODOLOGY

3.1. Case selection

This research focused on analysis at the organization level. Case studies in selected firms and government entities targeted their recruitment and selection practices in a workforce localization context. To enhance external validity theoretical sampling was used in the selection (Yin, 1994). Cases were chosen to represent variety on a number of theoretically defined factors. Accordingly, cases were expected to produce contrasting results but for predictable reasons, resulting in theoretical replications (Yin, 1994, pp. 46-53). Decisions about the number of cases to use as part of this study were made following Eisenhardt (1989) and are consistent with similar published studies (e.g., Forstenlechner, 2010).

Prior findings showed that localization programs are implemented in private and public sector organizations, in the service sector and in manufacturing industries with different success rates (Forstenlechner, 2010). Companies of differing sizes, types of ownership, and industry segments were selected to create a sample width from which the authors could generalize. This mix allowed for consideration of the research questions in a broad spectrum of settings. The multi-industry nature of the data might be viewed as a strength in that the observed behaviors occurred across multiple contexts. We decided to include organizations from the following industrial sectors: banking, petroleum and gas, real estate, and public sector. We look for different ownership structures and sizes.

The authors visited two well-established career fairs featuring a total of 65 distinct employers. During these visits, 32 organizations were pre-selected based on their belonging to our targeted sectors, and assertions of their HR representatives that the organization satisfied the following criteria: 1) Emiratisation was included in the organizational objectives; 2) the company had an Emiratisation officer or manager, or a designated person in charge of emiratisation; and 3) the company had formal Emiratisation objectives, strategies, policies, and practices. Of the 32 establishments meeting these standards, 16 agreed to participate. Two were removed from consideration after the interviews, once the authors had ascertained that their Emiratisation policies were still embryonic. Others organizations were removed to avoid likely redundant observations. Overall, eleven organizations were selected. Table 1 uses the criteria suggested by Yin (1994) to summarize the process followed to insure validity and reliability in this exploratory study.
Table 1: Measures Taken to Ensure Validity and Reliability of the Research Criteria (based on Yin’s (1994))

<table>
<thead>
<tr>
<th>Reliability/validity criterion</th>
<th>Research Phase</th>
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<tr>
<td><strong>Reliability</strong> (demonstrates that the operations of a study can be repeated, with the same results)</td>
<td><strong>Design</strong></td>
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<td>Develop case study protocol</td>
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<tr>
<td><strong>Internal validity</strong> (establishes a causal relationship, whereby certain conditions are shown to lead to other conditions, as distinguished by spurious relationships)</td>
<td>N/A</td>
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<tr>
<td><strong>Construct validity</strong> (establishes correct operational measures for the concepts being studied)</td>
<td>Adapt constructs from previous works in HRM including diversity management</td>
</tr>
<tr>
<td><strong>External validity</strong> (establishes a domain in which the study’s findings can be generalized)</td>
<td>Sample a variety of industries and organizations/Replicate the logic of multiple case studies</td>
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</table>

All 11 organizations agreed to continue to the next stage. At their recommendation, generic product/service descriptors were used to identify each organization and any case details were removed that would allow readers to identify the organization. We refer to the resulting nine firms as the consulting firm (CONS1 and CONS 2), banking firms (BANK 1, BANK 2, BANK 3), the real estate companies (REAL 1 and REAL 2), the oil and gas companies (OIL 1 and OIL 2), and public sector organizations (PUB 1 and PUB 2). Table 2 provides the case study breakdown, along with profiles of key information for each of the nine organizations.
Table 2: Case study breakdown by industry sector and type of ownership, with company profiles

<table>
<thead>
<tr>
<th>Company</th>
<th>Ownership</th>
<th>Industry</th>
<th>Size</th>
<th>Country of origin</th>
<th>Emiratization rate</th>
<th>Target Emiratization rate</th>
<th>Managers Interviewed</th>
</tr>
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<tbody>
<tr>
<td>CONS 1</td>
<td>Private</td>
<td>Audit, advisory, and tax services</td>
<td>750</td>
<td>UK</td>
<td>2%</td>
<td>20%</td>
<td>Associate HR Director, People and Change Advisory (UAE)</td>
</tr>
<tr>
<td>CONS 2</td>
<td>Private</td>
<td>Audit, advisory, and tax services</td>
<td>750</td>
<td>US</td>
<td>8%</td>
<td>20%</td>
<td>Associate HR Director, HR specialist</td>
</tr>
<tr>
<td>BANK 1</td>
<td>Mixed</td>
<td>Banking services</td>
<td>3500</td>
<td>UK</td>
<td>40%</td>
<td>42%</td>
<td>Deputy Head of HR (UAE), HR specialist</td>
</tr>
<tr>
<td>BANK 2</td>
<td>Public</td>
<td>Banking services</td>
<td>800</td>
<td>UAE</td>
<td>49.5%</td>
<td>55%</td>
<td>Emiratization Head (UAE)</td>
</tr>
<tr>
<td>BANK 3</td>
<td>Private</td>
<td>Banking services</td>
<td>800</td>
<td>UAE</td>
<td>45%</td>
<td>55%</td>
<td>VP, Learning and development Head, office manager.</td>
</tr>
<tr>
<td>REAL 1</td>
<td>Private</td>
<td>Real Estate</td>
<td>1200</td>
<td>UAE</td>
<td>21%</td>
<td>30%</td>
<td>T&amp;D manager, HR manager</td>
</tr>
<tr>
<td>REAL 2</td>
<td>Public</td>
<td>Construction and real estate</td>
<td>1500</td>
<td>UAE</td>
<td>18%</td>
<td>25%</td>
<td>Head national development (UAE), HR specialist</td>
</tr>
<tr>
<td>OIL 1</td>
<td>Mixed</td>
<td>Oil and Gas</td>
<td>700</td>
<td>UAE</td>
<td>11%</td>
<td>NA</td>
<td>HR advisor (UAE), HRM manager</td>
</tr>
<tr>
<td>OIL 2</td>
<td>Public</td>
<td>Oil and Gas</td>
<td>22500</td>
<td>UAE</td>
<td>45%</td>
<td>75%</td>
<td>Human resource manager, REC&amp;Planning (UAE)</td>
</tr>
<tr>
<td>PUB 1</td>
<td>Public</td>
<td>Governmental agency</td>
<td>180</td>
<td>UAE</td>
<td>57%</td>
<td>62%</td>
<td>Human resource director (UAE)</td>
</tr>
<tr>
<td>PUB 2</td>
<td>Public</td>
<td>Municipality</td>
<td>1820</td>
<td>UAE</td>
<td>68%</td>
<td>None Specified</td>
<td>Employee services advisor (UAE)</td>
</tr>
</tbody>
</table>

3.2. Data collection and analysis

Data were collected through multiple semi-structured interviews with relevant HR representatives at each organization. The questionnaire included two parts: 1) questions on the specific recruitment and selection challenges with respect to UAE nationals, 2) and the recruitment and selection practices used to facilitate the implementation of
localization, including measures of recruitment and selection effectiveness. The questionnaire was pretested and validated by a panel of three experts in the field of HR.

A case protocol was developed for face-to-face interviews to ensure consistency. Data were collected by several interviewers, with a total of 20 interviews conducted at the 11 organizations. The protocol called for multiple respondents from the HR functional area; usually the HR manager and the Emiratisation manager or the recruitment and selection specialist dealing with localization issues. Thus, most interviews included more than one respondent. Interviewees were selected by the organization, based on relevance of role and availability (Table 1). Interviewing multiple respondents allowed us to examine different perspectives about Emiratisation. In general each interview lasted between 60 and 75 minutes, with several interviews lasting about 90 minutes. The interviews were recorded and later transcribed. Data collection stopped when we reached a saturation point (Eisenhardt, 1989) where responses began to be repeated and the interviewers felt that additional data would not provide new information to our understanding of the research questions.

To code the collected data, we applied a content analysis framework (Krippendorff, 2004). For this purpose, category systems were developed for recruitment and selection challenges, practices, and effectiveness evaluation measures. The category systems were initially guided by existing theories and concepts. For instance, the literature on localization identified several challenges to recruitment and selection of Emiratis, and specifically to several recruitment and selection practices (e.g., lowering selection standards, Forstenlechner, 2010). Nevertheless, to comply with the requirements of grounded theory research, our inductive and qualitative research approach relied on open-ended questions and a flexible data collection strategy. This allowed us to probe emerging themes and leave open the possibility of discovering constructs beyond those identified by prior literature. In effect, we employed qualitative data as a basis for theoretical insights and theory development, rather than systematically developing and testing formal hypotheses. Hence, the inductive aspect of the coding system reflects the exploratory nature of the study. The coding was conducted iteratively; each case was individually coded, then the authors discussed the coding results to assure consistency. Coding was only considered complete when a consensus had been reached on each construct. Thus, inter-rater reliability was forced to be 100 percent.

Cross-case analysis identified similarities and differences among the nine organizations with regard to recruitment and selection challenges and practices. In this approach the analyses served as a form of replication following Yin (1994) in that the constructs of interest in one context were tested in alternative contexts. Development of summary tables (Miles and Huberman, 1994) led to an analysis of recruitment and selection challenges and practices that might be used to guide future research.
4. RESULTS

4.1. Within sectors’ analyses

4.1.1. The Consulting Firms

Among the organizations in our sample, CONS 1 and CONS2 achieved the lowest Emiratisation rates (2 and 8 percent respectively). These consulting companies faced specific recruitment challenges. Operating in knowledge-intensive industries, they experience difficulty attracting even a limited pool of Emiratis and face competition from many other organizations with lower demands for expertise. HR managers at CONS 2 also point out that retention is difficult because of the perceived difficulty of the jobs in this industry. Neither CONS1 nor CONS 2 have any positions reserved for Emiratis.

Recruitment. CONS1 offers graduate internship and client secondments, allowing clients to send their employees to work and get trained in the organization for a short to long period of time. CONS 2 did not implement any specific internal recruitment methods to recruit Emiratis, but uses a modified external approach. CONS 2 establishes relationships with the very best universities in the GCC, uses social media extensively, and develops relationships with GCC clients and a network of GCC citizens in North America. It also offers internships to UAE students and participate in events to educate UAE students about job opportunities in the consulting industry. CONS1 has a nationalization page on its web site, and CONS2 do not mention Emiratisation or diversity on their website. Both EVP are centered on learning opportunities, talent, challenges and performance.

Selection. The most important selection challenges for CONS 1 and CONS2 are related to the local candidates’ lack of communications skills and relevant technical qualifications (no PA or CFA, for example; low GPA). CONS1 requires less work experience for Emiratis than for other candidates, but the selection process is very intense for all—including a demanding assessment center. CONS2 did not change any of its selection requirements, and all employees including Emiratis go through the same selection process. In CONS1 and CONS2, evaluation measures related to selection included quantitative metrics such as job performance scales and scores on cognitive tests, together with qualitative measures such as supervisor feedback and employee engagement surveys.

4.1.2. The Banking Sector Organizations

BANK1 is a multinational financial organization, BANK2 is a state-owned Islamic bank, and BANK3 is a private Islamic institution. Both of the Islamic banks are headquartered in the UAE. All three achieved high Emiratisation rates of 40, 49 and 45 percent, respectively. Each has received multiple awards for success in its Emiratisation efforts. Bank 3 is particularly known for Emiratising managerial and executive positions. In contrast, the high Emiratisation rates in BANK1 and BANK2 might reflect the fact that large numbers of Emirati candidates are hired to fill front and back-office jobs. These role are very common in the banking sector, especially in personal banking divisions. All three banks report challenges finding Emirati candidates suitable for managerial positions, technical corporate banking assignments and auditing positions.

Recruitment. Due to the limited availability of highly skilled Emiris in the job market, BANK1 relies heavily on internal development and recruitment (70 percent) to fill available positions. BANK2 and BANK3 rely on internal recruitment methods, for 40 and 20 percent, respectively, giving priority to internal Emirati candidates for promotions. BANK1 increases its external recruitment by offering a bonus for relevant referrals and by paying for college tuition fees to attract potential job candidates. BANK1 mentions that its apprenticeship program and the prospect of a global career are advantages for the recruitment of well qualified Emiratis. Has several types of recruitment and induction programs, for UAE new graduates and experienced professionals who want to join the bank. BANK2 and BANK3 are able to attract many well-qualified Emirati candidates who prefer their Emirati and
Islamic cultural orientation. BANK3 mentions word-of-mouth, referrals and specialized search agencies as their best recruitment methods. All three banks developed specific recruitment material showcasing Emiratis. On their website, they clearly explain in both English and Arabic their commitment to diversity (for BANK1) or Emiratisation (BANK2 and BANK3) and local talent management (all three). The three banks offer clear employee value propositions on their website, emphasizing employee growth, development and potential rewards. BANK3 specifically targets women, whereas BANK1 targets rural areas to increase their pool of UAE candidates. BANK3 sponsors many community events, which also helps external recruitment.

Selection. BANK1 and BANK2 face different specific selection challenges: BANK1 mentions that some UAE candidates do not show up or simply drop out of the selection process. Some are worried about the multinational nature of a career, others are lost to competitors. BANK2 mentions expatriate resistance as an obstacle to Emiratisation. BANK1 only lowers its education standards for Emiratis hired for front- and back-office jobs. BANK3 reportedly does not lower any selection requirements. In contrast, BANK2, the state-owned bank, lowers both education and experience requirements when selecting Emirati candidates. All three banks have adopted multiple, specific and up-to-date recruitment and selection methods to attract and hire Emirati candidates. Each has multiple and active relationships with educational institutions, uses different specialized agencies, attends many career fairs, and employs specialized data banks to target Emirati candidates. All mention in-depth assessment centers, with competency testing, and structured competency interviews as their best selection practices.

All banks use multiple and precise measures, qualitative and quantitative, to evaluate the effectiveness of their R&S practices. These include job performance, fit with the job and the organization. BANK1 and BANK2 include the perspectives of both the employee and the supervisor. The demanding quota system imposed on the banking sector has led the three banks to design professional recruitment and selection practices, along with sophisticated training, development and career management programs to improve the skills and abilities of their Emirati employees. In the three banks, Emiratisation is a special part of the talent management program. Emiratisation in these three banks is not perceived as a program to provide jobs to a minority but as tool to enhance citizenship and invest in the community.

The banks mention several KFS of their high Emiratisation rates: clear Emiratisation strategies and plans (BANK 1, BANK3), top management involvement, employees’ continuous development (BANK1, BANK 2 and BANK 3), high competency of the HRM and Emiratisation team (BANK1 and BANK 3), expatriates collaboration and clear managerial accountability (BANK3), sufficient budget (BANK1 and BANK3).

4.1.3. The Real Estate Sector Organizations

REAL1 (Dubai, private) and REAL2 (Dubai, state-owned) have achieved average Emiratisation rates of 30 and 25 percent, respectively. Equivalent retention rates were 21 and 18 percent. REAL reserves HR and finance positions for UAE nationals, whereas REAL 2 reserves all managerial and supervisory positions for Emiratis.

Recruitment. Both organizations have difficulties staffing technical and specialized positions (e.g., architects, database managers, engineers, project managers) with Emiratis. REAL1 has a specific recruitment challenge: attracting women, who are reportedly prefer working for a public sector employer. REAL2 pointed to specific HRM challenges. These included the lack of expatriate cooperation, incompetency in using specific recruitment and selection methods, difficulty in targeting the right candidates, difficulty in setting selection criteria, and inability to correctly assess candidates. Although it operates in the private sector, REAL1 explains that salary and benefit packages can be increased to attract specific, wanted Emirati candidates. However, despite these efforts, the company attracts fewer Emirati candidates than it requires. This challenge caused the company to lower all selection requirements to attract Emiratis.

Selection. The selection practices used in REAL1 reflect its desire to increase its attractiveness to UAE nationals as a good place to work. The active involvement of REAL1 senior management reflects a desire to increase the company’s attractiveness for local candidates. These executives take part at different stages of the selection process: in candidate briefing sessions, orientations, and tours to showcase the past, actual and future projects of the company. They also coach and mentor newly recruited Emiratis. At REAL1, the need for communication skills
training is evaluated during the selection process. The organization established a leadership development program to advance and promote the Emiratis to managerial positions. As a state-owned real estate company, REAL2 does not invest much effort or resources to grow or promote its Emiratisation program. The company expresses satisfaction with the results of an apprenticeship program offered to Emiratis, using this as a recruitment method. Its selection process has not been modified specifically to increase Emiratisation. In fact, the program was expressly established only to meet the quotas imposed by the government. However, it did host a training program for internal candidates and conducted competency tests for selection purposes, but this was not specific to Emiratis.

Both organizations rely solely on quantitative measure of internal and external recruitment and selection effectiveness. REAL1 reports using monthly performance evaluations of new recruits by the assigned coach or mentor to evaluate the impact of its selection efforts.

4.1.4. The Oil and Gas Sector Organizations

OIL1 is a small oil company, owned by the Dubai government. Its Emiratisation rate of 11 percent is oddly low. OIL2 is a large state-run organization controlled by Abu Dhabi. It plans to increase its current Emiratisation rate of 45 percent to 75 percent in the future. Despite its efforts to retain good employees, however, its retention rate averages only 46 percent. OIL1 has different entry positions reserved for Emiratis; OIL2 targets the Emiratisation of all positions in the organization, at all levels, including the most demanding positions.

Recruitment. Both oil and gas companies face difficulty filling technical positions, core engineering roles and offshore assignments. Overall, the oil and gas sector suffers from a lack of awareness of the career perspectives that the sector offers to Emirati job candidates. Its efforts are also hampered by the inability of the higher education system to meet the needs of the sector in terms of candidate preparation. The OIL2 employee value proposition is based on intense training and development, competitive salary and benefits, and professional talent management. UAE nationals and expatriates apply through different sites. UAE nationals must meet the minimum prerequisites for positions, whereas expatriates are expected to meet the maximum requirements. OIL2 uses advanced internal recruitment techniques compared to the other companies in our pool. These include individual and precise competency development plans, succession planning, cross functional mobility and promotions. The company established strong ties with the Technical Training Institute and the Petroleum Institute, both located in the Emirate of Abu Dhabi. These relationships helped to increase the pool of suitable candidates. With more resources, a better brand, a better location, and by being a key player in the oil and gas industry, OIL2 is able to achieve better results in terms of recruitment and selection than OIL1.

Due to its relatively small size, OIL1 believes it is not able to compete effectively against larger companies in the industry to attract suitable local candidates. It has achieved a low Emiratisation rate; offers salaries and benefits that cannot match what the competition offers; has no development program for new recruits; and did not identify any best practices in this regard. Despite its lack of investment in proper recruitment and selection practices, OIL1 claims to achieve high retention rates despite a low level of Emiratisation overall.

Selection. OIL1 was not able to point to any specific selection practices that are used consistently. In contrast, OIL2 applies several elements that it considers best practice: recruitment at all degree levels, flexibility on the degree of specialization, focus on personality and commitment, verification of degree authenticity, and thorough background reference checks. Post hiring competency based assessment is used for development purposes.

Both organizations use several quantitative ratios to measure the efficiency of their recruitment and selection practices. OIL2 also uses several advanced qualitative measures. It points to the use of a clear plan, management commitment, the HRM and managerial competence of its Emiratisation team, collaboration between expatriates and Emiratis, and a suitable supporting budget as key success factors.

4.1.5. The Public Sector Organizations

Public sector organizations PUB1 and PUB2 achieved the highest Emiratisation rates of all the entities considered in the study, 57 and 68 percent respectively.
Recruitment. Although PUB 2 has no special training program for Emiratis, it achieves high Emiratisation rates through a high percentage of placements in both back- and front-office jobs. Attractive working conditions, loans, special salary packages, and flexible working hours appeal to many candidates. PUB1, a specialized agency much smaller than PUB2, adopted several best practices in recruitment, using TANMIA databases, specialized recruitment agencies and specialized online career fairs for UAE nationals to source qualified Emiratis. None of the public administrations mentions anything about Emiratisation, diversity, or employee development on their website. PUB1 has not posted its EVP on its web page. PUB2 includes “develop our people” in its core values, and its EVP includes “world class administration”, “transformation”, “talented, bold employees”, and “career opportunities”.

Selection. PUB1 is ready to lowers both education and experience requirements. PUB2 maintains its minimum education standards, but is more flexible about experience requirements. Both also accept to remove certain other criteria to increase Emiratisation. Both receive many spontaneous, qualified applications. Both organizations mention as best selection practices phone interview to test English skills and the use of precise assessment centers. PUB 2 focus on attitudes and customer service orientation. With a graduate training program and periodic employee gatherings to help improve the organization’s culture, PUB1 is able to achieve high retention rates among local recruits. PUB1 also has an ambitious plan for the implementation of a continuous performance evaluation program to assess the effectiveness of its Emiratisation efforts. Both organizations use similar and relatively basic quantitative measures to evaluate the effectiveness of their practices. Key performance indicators are used in PUB2 to facilitate weekly and monthly HR discussions about the effectiveness of different recruitment and selection practices.

4.2. Cross Case Analysis

42.1. Recruitment and selection challenges.

All interviewees, regardless of sector, acknowledged the shortage of Emirati applicants in the job market and recognized their general lack of qualifications, experience and market-oriented and English skills. Local candidates have limited relevant work experience (Scott-Jackson et al., 2014b, Al-Ali, 2008) and lack the needed language skills typically required in the private sector (Al-Ali, 2008; Randeree, 2009). The lack of career awareness and career orientation were also identified as a major drawback to successful recruitment of local candidates, especially in the private sector. Limited vocational motivation was mentioned frequently, as it has been in the literature (e.g. Forstenlechner, Madi, Selim, and Rutledge, 2012).

High salaries and benefits were a common candidate request according to interviewees, across all sectors. These are often offered by companies to attract and retain the best Emirati candidates, but private sector organizations had difficulty matching the salary and benefits levels offered by public sector organizations. Salaries in the public sector are often several times higher than those offered for equivalent work in the private sector and generous pension plans are common as well (Booz and Co., 2009; Abdalla et al., 2010). Due to this salary and benefits gap, private sector organizations were also under pressure to increase wages to levels that are not justified by qualifications and experience (Fusano and Goyal, 2004). A respondent at OIL2 mentioned the attraction of Emiratis to jobs that offer big titles as jobs are perceived primarily as a source of prestige. The challenge comes because employers, especially those in the private sector, link high-profile positions to job performance. All entities in the sample, except PUB1 and PUB2, faced strong competition from public sector organizations that offered better salaries and better working conditions. Moreover, private companies were also competing against other private sector organizations to attract and retain qualified Emiratis. Real estate companies and companies operating in the oil and gas sector faced particularly difficulties in their efforts to recruit Emirati women, who are not naturally inclined to apply for in-the-field jobs that are typical in these sectors. Emiratis see themselves as a natural middle class that should only accept white-collar and managerial positions (Mashood et al., 2009). In this regard, the type of work, sector of employment, and related social status are determinants of social standing in GCC and in the UAE (Mellahi, 2007).

Our results show that the fit of selected candidates with company culture is a major selection challenge, especially for companies in the banking sector and in the consulting sector. Interviewees mentioned the resistance to change
and the negative perception from other employees toward Emiratis as major challenges faced during the recruitment and selection processes. Emiratis can experience adaptation problems due to a lack of acceptance by employees from other nationalities or because they do not want to adjust to the culture of the workplace and to the culture of the “majority.” It must be noted that these cultural issues are less predominant in public sector organizations that have achieved high Emiratisation rates, though some continue to focus on improving the culture of the workplace as in the case of PUB1. Expatriate resistance was highlighted as a challenge to selection by BANK2 and REAL1 respondents. OIL2 and BANK 3 interviewees mentioned that collaboration with expatriates was a key success factor which points to differences among the respective organizational cultures in the individual companies. Differences regarding their integration practices were also noteworthy. OIL2, a major player in the oil and gas industry, developed a multicultural work environment that has led to successful integration of both expatriates and local employees. Expatriate resistance apparently occurs most often in companies that segregate between local employees and the expatriate workforce, which reserve positions for Emiratis, which lower selection standards, and which visibly reward locals over expatriates through rapid salary increases and promotions. CONS1, CONS2, BANK1 and BANK3 did not report any cultural clash, but these enterprises recruit based on competencies and skills, do not lower requirements, and profess to treat all employees equally. There are often perceived inequities when Nationals receive higher compensation and experience faster career progression, a reality in many private sector organizations. These practices may encourage resentment toward Emirati employees (Forstenlechener, 2010, Rees et al, 2007). Interestingly, our respondents did not mention the uncertainties around national employment as a recruitment challenge.

REAL2 and OIL1 have mentioned HRM competency challenges. They point to difficulty designing, implementing and evaluating strategic recruitment and selection practices that efficiently enable Emiratisation in their organizations. Some HRM and localization managers in the UAE are not familiar with the concepts that could be employed to achieve their organization’s strategic objectives in general nor do they have much training on best practices to facilitate localization. In the literature, several authors mentioned the challenges and opportunities of the HRM function in the GCC. According to a number of studies, a key challenge is to better align HR strategies and practices with strategic organizational goals (Scott-Jackson et al., 2014a; Zahi, 2013; Suliman, 2006). Another need is to improve the effectiveness of HR processes generally (Suliman, 2006; Zahi and Khanfar, 2009; Zahi, 2013; Al Ariss, 2014). Clearly, the lack of professionalism, education and training of HR practitioners is an issue (Scott-Jackson et al., 2014a; Suliman, 2006).

According to our results, organizations operating in the public sector and banking sector were able to achieve relatively higher Emiratisation scores, as was OIL2. The three banks and OIL2 used the most advanced and up-to-date list of recruitment, selection and talent management practices among all the entities considered in this study.

4.2.2. Recruitment practices

In terms of common internal recruitment methods, our results show that all organizations used general internal job posting to make sure all of their Emirati employees are aware about job opportunities in the organization. All actively used their skills inventories, and internal databases to identify internal Emirati candidates that are ready for promotion. They also solicit applications, and use referrals recruitment schemes. CONS1, BANK1, BANK2, BANK3, REAL2, OIL1, PUB1, and PUB2 rely on both formal and informal referrals with BANK1 providing even bonuses for valid referrals leading to the selection of referred candidates. Referral techniques were used as a competitive tool to attract suitable Emirati job candidates.

As for the common and best external recruitment methods, organizations used multiple, very specific external recruitment methods targeting Emirati candidates. They used different advertisement methods such as media ads, targeting Arabic speaking journals and magazines, as well as radios and TV programs. Establishment of relationships with educational institutions with high Emirati enrollment is used by all organizations, and has been cited by OIL2 as one of the best practices. All companies rely on one or more options, including active participation in careers fairs, guest speaker events, speed-mentoring, internship programs, or establishing contact with the different placement center of these education institutions. Successful organizations use special “recruitment and training” programs, for UAE nationals at different career stages, from fresh graduates to experienced professionals (BANK1, OIL2, CONS1). Both public service organizations and BANK3 use carefully selected search agencies specialized in Emirati recruitment and cite them as best practices. Internship programs were also cited as one of the best practices by BANK1, CONS1, REAL1, OIL1, OIL2, PUB1, and PUB2 respondents as they allow to evaluate potential employees before making a definitive job offer.
BANK1, BANK2 and BANK3 and OIL2 have in common to communicate very well about their structured diversity and inclusion/Emiratisation plans on their websites and recruitment material, and to emphasize talent development in their employment branding, and all of them mention employee development as key attraction to qualified Emiratis, and also a way to retain them. Many interviewees mentioned the importance of their T&D scheme to develop Emirati and promote them to managerial and executive positions, but and BANK1, BANK3 and OIL2 all considered their Emiratisation as a special talent management program. Adequate employment branding and seeing Emiratisation as local talent management were identified in the literature as a key factor of success (Scott-Jackson et al., 2014a).

4.2.3. Selection practices

The lack of punctuality of UAE candidates, and their tendency to drop out from the recruitment process anytime and not to show up for interviews were among the most cited challenges to selection, especially for foreign, private organizations.

As for the selection practices used in our pool of companies, all organizations except CONS 2 and REAL2, have critically reviewed their job description and checked for any discriminatory criteria. All organizations, except PUB1, PUB2, REAL2 and CONS2 trained the staff involved on Emiratisation, and UAE cultural specificities to encourage expatriate collaboration and to reduce communication barriers. All organizations (except REAL2 and CONS2) appointed an Emirati manager or the Emiratisation manager on interview panels to facilitate communication with the Emirati candidate, and to send a positive message about Emiratisation being taken seriously. The use of assessment centers was a common selection practice in all organizations.

Our study did not show any major differences across companies or industries regarding the use of different selection methods. All organizations, except BANK3 and CONS2 lowered the required experience for Emirati candidates. Less than half of the organizations accepted to lower the specialization or education requirements to accommodate Emiratis: BANK2, REAL1, and OIL2, PUB1. The public sector organizations also accept to remove some criteria. The most successful Organizations at Emiratisation had established well developed training and development schemes to compensate for the lower requirements at the selection stage (BANK1, BANK2, BANK3, OIL2).

The use of assessment centers is very common across organizations. The best selection practices in BANK1, BANK2 and BANK3 included the use of competency testing and competency interviews to match the right candidate with the right position. Top managers’ involvement in candidates’ briefing to increase their motivation was identified as one of the best selection practice in OIL1 while OIL2 focuses on personality and commitment, and accepts to train Emiratis on the technical aspects of the job. Consequently, the training needs had to be assessed at the selection stage.

4.2.4. Recruitment and selection functions effectiveness evaluation and key factors of success

All of the firms evaluate the effectiveness of their recruitment and selection practices using quantitative methods. The number of qualified candidates attracted, the number of candidates employed, and the number of relevant referrals received were among the most popular measures used to evaluate the effectiveness of external recruitment practices. Qualitative measures such as successful integration and satisfaction, motivation as perceived by the new recruits and by the other employees were used by CONS1, REAL2, OIL1, PUB1, and PUB2. BANK2 and PUB1 used qualitative methods such as the assessment of the candidate’s capacity to achieve high levels of creativity and innovation. REAL2 preferred to measure the success of its selection initiatives through employee satisfaction and through the quality of the service provided to customers. OIL1 used employee engagement level as a measure of success of selection practices. Our results did not show any major impact of the company size on the success of the recruitment and selection processes except in the oil and gas sector. Moreover, the location of the firm might attract or deter potential Emirati job candidates. For example, CONS1 managers mentioned that Abu Dhabi branch was much more successful with its Emiratisation efforts than Dubai’s branch.

The managers from the most successful organizations at Emiratisation (BANK1, BANK2, BANK3, OIL2) agree on at least four common key factor of success of their different recruitment and selection initiatives: a clear Emiratisation strategy, plan and deadlines, strong support of top managers throughout the process, HRM competence of the Emiratisation team, and a sufficient budget dedicated to the program. Some of the same organizations also add expatriates’ collaboration (OIL 2 and BANK3 ), continuous local talent development (CONS1, BANK1, BANK2, BANK3), clear accountability, clear understanding of Government thinking and
direction, clear appreciation of the UAE culture (BANK3), and creativity in problem solving (BANK 2). Other KSF identified by other organizations were smooth integration of Emiratis into the organization, and constant monitoring and evaluation of the Emiratisation program.

Top managerial support and their obvious involvement in the recruitment and selection, but also in orientation and development programs, can distinguish the company from its competitors and increase its attractiveness among national citizens. At BANK3, top managers do have Emiratization targets embedded in their annual objectives; these targets have a significant impact on their variable pay. A clear emiratisation plan, with a clear HR planning map allows to schedule participation to fairs, and major recruitment events. The ongoing selection and placement of highly skilled leaders and managers in general, and HRM managers in particular, can make a big difference in effectiveness.

5. CONCLUSION

5.1. Summary.

The results of this exploratory study extend our understanding of the specific challenges associated with Emiratisation and place the recruitment and selection practices of UAE employers in this particular context. Our research has 1) identified the key recruitment and selection challenges faced by employers in their Emiratisation efforts, 2) described the recruitment and selection practices used to hire Emirati employees along with methods used to evaluate these practices, and 3) established that practices proven to promote diversity elsewhere are indeed used by UAE employers, with some adaptations.

5.2. Managerial recommendations.

From the detailed within-sector and cross-sector analyses, we derived below some Managerial Implications, or best practices to localize the workforce.

1. The development of a strong employee value propositions and clear employment brand that match citizens’ motivations help the organizations to attract the best candidates, and compete with government jobs. Employers should spend less time advertising high salaries and favorable work conditions, but instead promote their commitment to continuous training and professional development to attract the best national talent (Scott-Jackson et al., 2014c).

2. The use of multiple, specific, targeted external methods allows to augment the organization’s share of the small pool of candidates, such as using specific media-advertising, specialized data-bases, agencies and special web sites. Scott-Jackson et al. (2014c) recommended a version of executive research to target lower-level nationals, involving careful identification of the social communities containing the most likely candidates, then making connections through mutual contacts and approaching likely candidates personally and pro-actively.

3. Development of special relationship with targeted educational institutions with enrollment of Emirati students. Best practices include participating in career fairs, guests speakers’ events, monitoring events, organizing information and recruitment events, using placement centers.

4. Organizations can also organizing sectoral or joint initiatives to attain a mass effect. For example, the UAE insurance sector has developed a joint vocational training program with one of the UAE’s largest education providers (Gulf News, 2006), and a major bank has established strong ties with a government-run university (Khaleej Times, 2007).

5. Strengthening the relationships with local communities: sponsoring UAE career fairs, participating to forums and special events on workforce localisation.
6. Enlarging the recruitment base targeting UAE women, lower qualified or non-graduates, nationals in rural areas, and overseas expatriated citizens. Recently, GulfTalent (2013) found that Female graduates (34%) are more willing than males (14%) to consider a career in the private sector. National women are an interesting recruitment target for private sector organizations willing to recruit educated national employees. Employers could also specifically target different and under-tapped talent pools such as disabled and special needs nationals. If these nationals lack the skills necessary for specific roles, employers can create intensive training centers and be more proactive by finding ways to accommodate those under-utilized nationals who do want to work (Scott-Jackson et al., 2014c).

7. Based on the shortcomings of the educational system and the lack of market-related skills and experience, effective training and development programs are key for successful integration of national citizens in the workforce, and also for further internal recruitment, and promotion. Aon Hewitt (2011) identified “career growth” and "learning and development" as the principal factors behind the engagement of national employees, with pay and benefits in third place. The implication here is that employers may be too simplistic in relying on compensation as the key motivator. Best organizations at Emiratisation internally develop local talent to increase internal recruitment in managerial and executive positions.

8. At the selection stage, best practices include checking job specification for discriminatory criteria, including Emirati managers in the selection process, Clear competency requirements and assessments, structured, behavioral interviews.

9. Emiratisation should be managed as a special form of talent management. Companies should manage their localization programs strategically. Organizations aiming to utilize national talent to achieve important objectives should see nationalization as a form of talent management and should develop effective talent management processes to ensure that: 1) capability gaps are defined, identified and planned for in terms that meet the organization’s strategic intent; 2) roles are staffed using sound databases of continuously maintained external and internal talent; 3) nationals, once recruited, are helped to develop themselves effectively in ways that understand and leverage cultural differences; 4) regular, useful information is maintained so that retention interventions can be targeted at high-potential nationals; 5) the local talent management process itself is monitored and audited to ensure it is achieving the required results (Scott-Williams et al., 2014b)

5.3. Limitations

We identify at least six important limitations of this research. First, our study focuses on only two of the traditional HR functions: recruitment and selection. Future research should examine other HR practices that facilitate work force localization, such as training and development, performance management, and compensation. Second, we use an exploratory, qualitative, interview-based approach. The information collected should not be considered definitive, but can serve as a necessary preparation for further, more quantitative work in future. Third, the small sample size presents another limitation, but its use is appropriate for an in-depth exploratory study and the pattern is consistent with previous studies having similar sample sizes (Eisenhardt, 1989; Forstenlechner, 2010). Fourth, data collection was limited to one country, making this study primarily relevant to the UAE. However, Forstenlechner (2010) argues that wider applicability to the GCC environment can be seen in the similar cultural and economic approaches towards localization and in similar legislation regarding employment of Nationals. Fifth, we only and purposely interviewed companies that considered Emiratisation as a strategic organizational objective. A final limitation, identified earlier, is the relative novelty of the topic in scholarly literature dealing with localization and the resulting lack of depth specifically regarding implications for HR.
5.4. Contributions

Theoretical contributions. This research helps to remedy several crucial lacks of international academic literature on HRM, diversity management, recruitment and selection practices in the emerging markets in general, in the GCC countries in particular, and on recruitment and selection in Arab and GCC countries, and on the HRM aspects of workforce localization. Our study will also help researchers examine the transferability of HR management systems and practices (Budhwar and Debrah, 2001).

Practical contributions: This research will inform the world’s HRM practitioners about the pattern of HR systems prevalent in one of the emerging Arab countries. Our findings may be useful to UAE and GCC managers in their localization efforts. Focusing on the UAE allows us to draw lessons that may be applicable in other developing regions, many of which are hoping to move indigenous people into roles occupied by expatriates.

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