

EMIRATIZATION IN PRIVATE SECTOR: CHALLENGES, BARRIERS AND STRATEGIES

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Abstract

Emiratization policy in UAE has brought drastic changes in both private and public sectors. Discussions have been done on various platforms over a decade on effectiveness of policy and its challenges by the stakeholders and many studies have been carried out to understand and evaluate the challenges posed by private entrepreneurs. This study aims to identify key issues that help organizations in formulating appropriate strategies for maintaining balance among employee performance and create a healthy organizational culture that focuses on achieving organizational objectives. Methodology included a questionnaire with 5 point Likert scale to get responses for qualitative variables. Factor analysis is used to identify the critical factors. To test the appropriateness of data and for conducting factor analysis, Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy and Bartlett Test of Sphericity is performed. Null hypotheses were developed based on chosen factors from literature. A sample population of 126 managers working in UAE's private organizations were selected. Scope of the study includes the challenges in managing employee performance in the context of emiratization. Main focus is on assessing the impact of emiratization in the private sector. This study enables researcher and practitioners to understand approaches of managers in organizations operating in UAE and the impact of strategies on organization and employee performance. Suggestions from the study may help them to overcome the issues and challenges through formulating effective strategies

Key Words: Emiratization, UAE Nationals, Expatriates, Private sector, Challenges, Strategies.

Introduction

UAE has been implementing emiratization policy over a decade during this time the effectiveness of the policy and its challenges have been discussed at various platforms by the stakeholders but no empirical study has been carried out to understand and evaluate the challenges posed by private entrepreneurs. Few works have been carried out on the emiratization program but its focus remained on areas of improving the implementation of emiratization policy strategies that helps to meet the increasing demand for Emirati workforce placement in organizations (Al-Qubaisi, 2012). Few research studies focused on emiratization policy, their challenges and barriers in the implementation of policies. These studies also developed challenges faced by private sectors while recruiting nationals (Rutledge & Al Kaabi,

2023). Few other studies (Bocanet and Grassa, 2023) focus on managing balance between expats and nationals in organizations. But very few or no research is available on what challenges private sector are facing due to Emiratization program, this research attempts to bridge that gap in understanding challenges faced by managers and what best strategies could be adopted to overcome the challenges of post emiratization in UAE private sector.

Since 2009 the UAE Government has emphasized employment of nationals in private sector and to facilitate this process the government made it mandatory for the organizations to employ nationals in government and private sectors (Emiratization in Abu Dhabi, 2012). According to the new rule 30 percent of private sector workforce should be UAE nationals but till now only 15 percent of the target could be achieved. On the other hand Emiratis employed in private sector compare the workload, work timings, compensation and other benefits in comparison with working culture in government organizations. This situation calls for the government and corporate to address this issue on priority. This study aims to identify key issues and may help organizations in formulating appropriate strategies for maintaining balance among employee performance and create a healthy organizational culture that focuses on achieving organizational objectives.

Statement of the Problem

The government of any country adopts appropriate strategies and develops quality of its workforce so as to build a strong base of manpower with varied skills and competencies and reach to higher efficiencies of its economic activities. In the Gulf region and the UAE major part of their nationals are largely employed in government sector, especially in police, army, immigration, service industry like utilities and fully owned manufacturing sectors or semi government organizations. Most of the expatriates are engaged in the private owned businesses like retail, hotels restaurants, banking, trading, transportation, logistics and supply chain organizations. These organizations are mostly owned by expatriates and are operating in small and medium sector. These organizations are mostly owned by expatriates and are operating in small and medium sector.

After the impact of recession on the economy UAE Government in 2009 has re-emphasized the importance of employment of nationals in private sector. In order to facilitate this process the government made this policy mandatory by fixing up certain percentage of nationals to be employed (Emiratization in Abu Dhabi, 2012). Initially it was 2 percent reservation then it was raised to 10 percent followed by 15 percent and the new regulations mandates 30 percent of private sector workforce should be UAE nationals (Rutledge & Al Kaabi, 2023). Cabinet of UAE announced that 2013 will be the year of emiratization and appealed UAE nationals to get prepared to work in all sectors. This also is an indication despite challenges private sector will have to increase the participation of nationals in their workforce. Similar situations of productivity and managing performance of the employees in the government sector the leadership and management in private organizations have adopted technology to resolve the challenges of productivity and performance of national workforce. Using the same philosophy the private sector also can use technology intervention; however its cost is beyond the reach of private sector as most of them are small and medium units.

Due to drastic changes made in the staffing procedures in private sector organization in UAE (Rutledge & Al Kaabi, 2023; Ranadheer, 2009) and focusing on enhancing the performance of

Emiratis, inducted under emiratization process, in private sector organizations is the major challenge for leaders (Forstenlecher, 2010). According to Khan (2012) major challenges from management side include lack of experienced and knowledgeable nationals, increased expenditure on training local staff, increased pay structure and incentives as per emiratization rules etc. Nationals also have some reservations to work in private sectors because of inadequate pay structures, insufficient incentives, long work timings and the barriers in medium of communication. Therefore to evaluate performance of Nationals under this context becomes necessary so that appropriate strategies can be developed that could fulfill the government's policy of emiratization and optimize the human resources contribution in an organization so that both the parties have win-win situation. Following figure 1 depicts internal and external factors effecting emiratization.

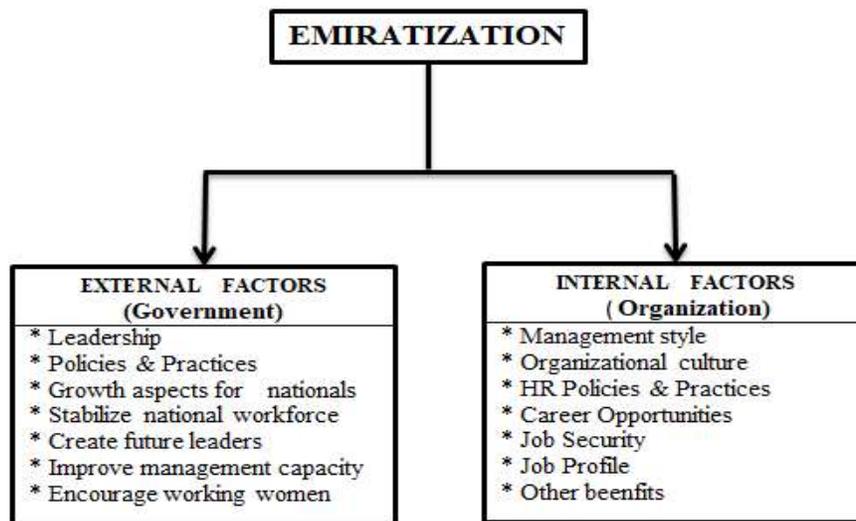


Figure 1: External and Internal Factors Impacting Emiratization

Literature Review

Emiratization

Emiratization is a process which has been implemented by United Arab Emirates (UAE) Ministry of Labour and Social Affairs (MOL) to employ nationals in both private and public sectors. This program has been a success in recent years especially in public sector companies like telecommunication and banking. An agreement has been made in April 1999, giving priority to graduates of the Higher Colleges of Technology (HCT) in recruitment for jobs in both private and public sectors which were signed between HCT and MOL. The ministry is in favor of simultaneous development of the economy and human resources mainly alienating the private sector by forcing a quota of employment of nationals. Nearly thousand members registered with ministry in 1998, most of them are women while that time (Khasawneh and Abake, 2022).

According to Rutledge and Al Kaabi (2023), UAE is largely perceived as having economies of limited competitiveness in a global context, as it faces many challenges including current and future demographic, employment of its national workforce named as Emiratization. Further Emiratization is a most valuable decision taken by the government of UAE, for the welfare of

the nationals to reduce the unemployment and to grow the labour force of the nation. Most organizations have also been getting benefited through this program i.e instead of importing the skilled and talent labour from other nations they can hire nationals. It's a good sign if management hires nationals but an important aspect is to ensure enhancement of performance by nationals as they are less experienced and require sufficient job training which will be a tedious task for management. Meanwhile to increase the number of the national workforce in Abu Dhabi, the government started implementing subsidies for the both workers and organization which could attract large number of locals towards work in the private sectors.

Godwin (2006) stated that emiratization policy is a UAE decree that imposes employment quotas on various business sectors with penalties for non-compliance. In one of the study on "*Attitude to private sector*" showed that 96.5% of students at Abu Dhabi, women of Higher Colleges of Technology want to work after the graduation. However, jobseekers are able to access ministry's site for the job vacancies advertised on the site by registered companies. The service for both jobseekers and companies at free of cost and if any private or public sector recruit the specialized candidates through the data bank of the site. In addition to the recruitment service, the site will also provide information on UAE labour law.

According to a report on (Rutledge & Al Kaabi, 2023) it is stated that percentage of expatriates is larger in private sector when compared to nationals and most of the senior positions in both public and private sectors are been occupied by foreign nationals (especially Europeans, Canada UK and US nationalities). Further the report states that approximately 5,066,000 expats are imported from different countries for different organizations and positions in all the emirates.

According to (Khassawneh and Abake, 2022) economic development and the relative lack of locally available skills drive the basic need for expatriates in the region. Thus here firms major challenge is to design the competitive HR practices to attract the employees group for work culture, manage their performance, brings integration between them and many more. Apart from this government started encouraging both private and public sector that to increase the role of local in the job area. Language has importance in administration and leadership. There is need for English communication in the emiratisation program. Majority of jobs in UAE require English language (Al Ali, Shee & Foley, 2008) and a certain level of skill in national graduates. Lack of communication system and brainstorming sessions are in fact essential from the point of view of coming to conclusions within the organization (Al-Waqfi & Forstenlechner, 2010). Private sector organizations are therefore recommended to take into account the needs of the employees so as to balance the amount of work and the nature in which it is conveyed to them. This has proved to give excellent results in some of the western countries where outsourcing is commonplace. In his research Mellahi (2007) focuses on the implications of a new legal framework on private sector managers and policy makers. Further (Khassawneh and Abake, 2022); provide extensive background on the growth of the HR function in Middle East in general, discussing the GCC's HRM systems against the background of increasing levels of globalization and internationalization of business. According to Forstenlechner (2010) One topic missing – in both scholarly and practitioner literature – is a focus on practical implications for key HR practices for organizations aiming to start or advance their Emiratization initiatives.

Majority of local population graduates like to work for public sector jobs as they prefer white-collar jobs in managerial roles, regardless of whether they have the qualifications and expectations and accordingly retail and service sector industries “are unlikely to suit the aspirations of nationals” (Emiratization, 2013). The impact of the working environment can be observed in behavior of Emirati nationals as majority of them find the private sector’s working conditions unacceptable. Local nationals are not habitual for the long and irregular working hours and being restricted to spend time on cultural and religious observances. There are differences in private sector as compared to public sector as regards to short periods of leave and a disciplined approach to employee performance (). Private sector employers are also not much keen to employ nationals as they have negative perceptions about local nationals on their levels of productivity, skills, and motivation and being more expensive than non-nationals (Gulf, 2007).

Further Emiratization cannot be compared with quota system prevalent in other countries. In fact quota is just one part of Emiratization process and it includes policies initiated by UAE administration to influence supply and demand (Mashood et. al., 2009). According to Bocanet and Grassa (2023), various policies implemented in UAE are linked to cost of living, apprehension and deportation of over stayers and illegal, stricter regulation of visa issuance, and restrictions on visa trading. These policies have impact on supply of workers in private sector. Emiratization process is supported not only by priority quota for nationals but also imposing ban on public private sector for recruitment of expatriates beyond some limits. To support the implementation UAE administration has taken into consideration the need for creating job opportunities for locals through training. To have competitive edge there is policy for providing incentives for hiring local nationals and charging fee for hiring expatriates. The diversity of employment in private sector can be observed in various non-oil industries. Jobs for locals are targeted in banking, insurance and hospitality sectors, as well as jobs of HR Managers, secretaries, and public relations officers to facilitate Emiratisation. The effect of such policies has been concluded by research study conducted by Boer & Turner (2007), wherein it was informed that the UAE is making immigration policy more rigid and labour market regulations less rigid for example, providing more investment in human capital and less protection against termination. The report will stimulate employers to hire UAE nationals. The employment of nationals has also been supported by increased efforts to educate locals, reforms in education policy, implement education-to-employment programs, and finance private sector organizations to employ and then train locals have not proved.

In spite of all these efforts, the overall observation about nationals being preferred in Private Sector has not found good success. The studies do indicate that there may be various reasons but key issues with private sector management are in the field of human resource management with the lack of career development prospects, relatively standards of education among the nationals as compared to global education standards, low wage in private sector, little or no training facilities, no consistency in promotional policies, lack of English language proficiency, and lack of trust in the competence of Emirati nationals. Additionally, absence of a work culture, attitude to work, and gender issues, which are also important factors in increasing the participation of nationals in the workforce. According to Al Ali, (2008) in general, nationals prefer to work in public sector organizations because these are seen as more secure and rewarding, and there are fewer career development prospects in private sector. This can be

treated as the factors leading to the ineffectiveness of the Emiratisation policy (Khassawneh and Abake, 2022).

Emiratization: Issues and Challenges

According to a recent report given by Bocanet and Grassa (2023) UAE labor law has mandated 35% quota for Emiratis in private sector, but this has become a hurdle and a challenging job for private sector to fill up the gaps and the big challenge is that there should be a good communication to overcome this issue. Ministry has mandated private sector to pay according to government jobs to attract nationals, further it is seen that many organizations are trying to bridge a gap between Emirati work force and private sectors and this will take a long time. The report also states that most of the Emiratis (both male and female) have a favorable opinion on the employing in public sector than in private and some of the reasons were found as

- Private sector is not able to provide alternatives such as high salaries, non-monetary benefits, less working hours etc. It is identified that many private sectors have 10 hrs day, 6 days per week and split shift (which is most common in Al Ain region) in contrast it is understood that public sector works in straight and single shift, 8 hrs day and 5 day week system.
- On the other hand private sector organizations find nationals to be less productive
- Nationals need to be remunerated more than expats, they require flexible work hours due to their religious demands (taking care of family, restrictions women face etc)
- Private firms have a multicultural and multinational work environment where in public sector they have a single one.
- Nationals believe that public sector jobs are more secure than private sector
- Nationals are even not interested to join private sector and they only opt it only when they do not get a job in public sector (rather as a last option) and thus private sector are not willing to employ them.

In an article published on Emiratisation (*Rethink of Emirati workforce quotas*) many private organization expressed that it is difficult to find suitable candidate for the job and that these employees often have unrealistic expectations in terms of pay and promotions. The government wants to close the wage gap between the public sectors and private sectors. The UAE was simply aiming for high quality governance that needed proper compensation, this quota system requires some business sectors to employ certain percentage of Emiratis, the government officials also recommending companies try to attract Emiratis, many of young educated people showing interest to work in public sectors instead of private sectors, so government started Emiratisation website of employment information exchange that would make information on careers and job openings in the private sector easily available to nationals (Khassawneh and Abake, 2022).

According to (Godwin, 2006) it is reported that replacing the foreign workers with local national workers is present challenge for government and creating a lot job opportunities. Recently, women in Abu Dhabi are participating significantly in the private sector companies. UAE nationals prefer to work in government sector for the betterment of life and higher salaries, which has resulted in very small percentage accepting employment in private sector. Even though nationals are employed in private sector that are to be paid more as per the Emiratisation policy with basic pay and other HR incentives which is causing a large gap between nationals and expats compensation levels. Further this is causing overburden to private

organizations who hire expats at a very low cost when compared to what they have to pay off to nationals for the same position. Further there is a threat to expatriate work force who are been issues pink paper (terminating from their job with one month notice) with no reason and are facing low levels of job security (Randeree, 2009). On the other hand Figliolini, Hofmann & Kanjirath (2008) state that talent management is critically important to companies operating in the UAE because of the substantial opportunities and challenges these organizations face today. With the challenge of attracting and retaining qualified and affordable talent in the UAE is so daunting, employers in the region must do everything they can to cultivate a powerful, persuasive reputation for talent management. This is because most of the UAE nationals are not experienced and have less work knowledge and processes when compared to expats. In this process it is costing the private companies in imparting training programs for nationals. Identifying talented nationals is a big task for companies instead they prefer to hire talented and experienced expats for their organizations.

Aim & Objectives of the Study

Aim of the study is to identify the impact of emiratization on UAE private sector. Objectives of the study are (i) To examine the impact of emiratization in UAE private organizations (ii) To analyze the challenges faced by HR managers in context of emiratization (iii) To identify suitable strategies for meeting challenges in context to emiratization. A Questionnaire was developed using a 5 point Likert scale (highly agree, agree, neutral, disagree, highly disagree [1-5]) to get responses for qualitative variables. Factor analysis is used to identify the critical factors. To test the appropriateness of data and for conducting factor analysis, Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy and Bartlett Test of Sphericity is performed. Null hypotheses were developed based on chosen factors from literature. This study was conducted on a sample population of 126 managers working in UAE’s private organizations.

Research Hypothesis

- H01: HR Managers do not face challenges with local employees
- H02: HR Managers do not face any challenges due to Emiratization
- H03: Suitable strategies employed in context of emiratization have an impact on employee performance

Table 1: Hypothesis Statements

HYPOTHESIS – H01	
H01: HR Managers do not face challenges with local employees	
	H01A – HR managers are not able to find local candidate with expected educational qualification
	H01B – HR managers are not able to find local candidate with expected work experience, knowledge and job skills
	H01C – HR managers are not able to find local candidate with communication skills and English language proficiency

✚ H01D – Local employees do not have acceptance and competency towards given task
✚ H01E – Local employees performance and productivity is not satisfactory
✚ H01F – Local employees are not able to integrate easily with expatriates
✚ H01G – Local employees do have un realistic demands in relation to pay
HYPOTHESIS H02
H02: HR Managers do not face any challenges due to Emiratization
✚ H02A – National employees do not need more training and motivational programs before they get into the job
✚ H02B – There is no need to make changes in the academic system so that national could meet future challenges
✚ H02C – There is no need for specialized education and vocational guidance for nationals to take up challenging jobs currently
✚ H02D – Training programs are not needed for local employees in finding suitable jobs
✚ H02E - Emiratization policies are not favorable and are not helping private sector management in finding suitable candidate
HYPOTHESIS – H03
H03: Suitable strategies employed in context of emiratization have an impact on employee performance
✚ H03A – Motivation does not have an impact on employee performance
✚ H03B – Communication does not have an impact on employee performance
✚ H03C – Training and guidance programs does not have an impact on employee performance
✚ H03D – Having good relationship with subordinates does not have an impact on employee performance
✚ H03E – Encouraging teamwork does not have an impact on employee performance
✚ H03F – Remuneration, promotion and rewards does not have an impact on employee performance
✚ H03G – Bi-annual or annual performance appraisals does not have an impact on employee performance

Research Methodology

Data for the study is collected through a survey carried out by distributing questionnaires to managers in selected organizations. For the ease of managers questionnaire is prepared in English and Arabic languages (as managers included nationals and expatriates) enabling them fill in details after having clear understanding so that biases are minimized. Language was a barrier at the time of data collection, to overcome it personally communicating and explaining about the questionnaire when managers had any doubt, in some situations researcher took the help of other managers who were bi lingual and were able to communicate in English and they helped the researcher to explain others.

Data Collection

Survey questionnaire for HR managers

First the researcher has conducted survey with HR managers from selected organizations in UAE. Survey questionnaire consisted of two parts. Part one focused on identifying various challenges HR managers are facing with respect to recruiting national employees, managing national employee performance and challenges managers are facing in restructuring HRM policies and practices especially due to Emiratization. Part two focused on the strategies employed by the organization to manage national employee performance.

Research Design

Research design for the study is based on empirical study focusing on descriptive, and statistical analysis. In this study descriptive research provides accurate and valid representation of the chosen factors (or variables). Statistical analysis aims at providing conclusive evidences based on hypothesis testing. Statistical analysis included planning, designing, data collection, analyzing results which helped the researcher in drawing meaningful interpretations of the collected numerical data. Descriptive statistics was used to examine the relationship between the chosen factors in the chosen sample population. Researcher was able to map out important research variables, emiratization factors and leadership and management as interventions as shown in the figure 2

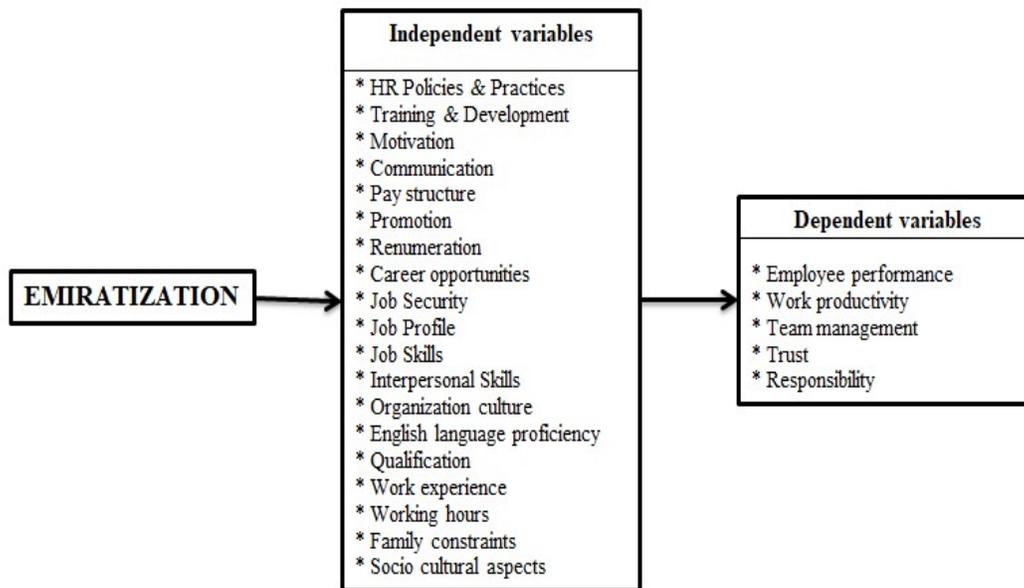


Figure 2: Independent and Dependent Variables in Emiratization Process

Instrument

Major goal of this study is to determine the challenges faced by management in managing employee performance. Understand managers perspectives of challenges emerging due to Emiratization, understand the impact of strategies employed in managing employee performance in private sector. Instruments aimed at collecting data on three areas; viz: demographic information of respondents, perceptions of HR managers working in private organizations in UAE. Questionnaires for managers have three parts. Part one covers perspectives of challenges due to Emiratization focusing on objective one of the study (To examine the impact of Emiratization in UAE private organizations). Challenges in managing

employee performance, focused on covering the requirements of objective two (To analyze the challenges faced by managers in managing employee performance in context of Emiratization). The third part covers strategies employed for managing employee performance focusing on objective three of the study (To identify suitable strategies for meeting challenges in context to Emiratization).

The Questionnaire used a 5 point Likert scale (highly agree, agree, neutral, disagree, highly disagree [1-5]) to get responses for qualitative variables. As a first step factor analysis is used to identify the critical factors. To test the appropriateness of data and for conducting factor analysis, Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy and Bartlett Test of Sphericity is performed. Four different null hypotheses were developed based on chosen factors from literature, H01A – H01G indicating challenges to HR managers with local employees, H02A-H02E) indicating challenges to HR managers due to Emiratization and H03A – H03G indicating suitable leadership strategies employed in context of Emiratization.

Data Analysis and Interpretation

Primarily factor analysis is undertaken after checking for the eligibility of the data by .KMO (Kaiser-Meyer-Olkin) analysis and Bartlett's test was performed for testing the adequacy and eligibility of the data. KMO and Bartlett's Test of sphericity is conducted because if the identity matrix in the dataset is not suitable for factor analysis thus these tests are conducted and the results are shown below in the table 2

Table 2: Results Of KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.929
Bartlett's Test of Sphericity	Approx. Chi-Square	22205.625
	Df	1378
	Sig.	.000

Demographic Profile of HR Managers

Connell (2013) states there are few factors such as population, age, gender, education, employment and socio economic status are predictable and relevant to understand the impact of demographic factors on HR related issues.

The sample nationality mix is closely similar to the nationality mix in UAE indicating the appropriateness of sample selection for the research. Nationality mix of HR managers indicates that 23.8% of the Managers are foreign nationals, whereas 76.2% are UAE nationals working as shown in table 3. Age also has an influence on the decision making of the managers therefore this factor is considered for the analysis. Broadly, the data on age groups is collected in four categories classified into 25-35, 36-45, 46-55 and 56 and above. Distribution of HR managers is 57.9% of the managers are between the age of 35 - 45 years and about 16.6 % are between 25 - 35 years of age. Work Experience of the respondents is an important factor which could further help in improving the efficiency of employee and organization as well. Demographic information on experience of HR managers indicates that majority (57.1%) of the managers have an experience of 6 - 10 years and 26.1% of the managers have 11 years and above of

experience. About 81% are highly experienced and the remaining managers are young and have an experience up to 2 years. Salary is an important component to attract industry experts to the organization and has an impact on the performance. Demographic information of salary of HR managers indicates that 62.8% of the managers draw salaries ranging from AED 11000 to 15000 and the highly experienced lot gains over AED 20000. About 3.9% of the managers are paid AED 20000 and above. This indicates that the pay packages of the managers are almost uniform irrespective of nationality and are at par with the standard pay scales.

Hypothesis Testing

The following analysis and results on impact of emiratization in UAE private sector is done based on two major aspects. First this study analyzed the management perspective of challenges due to emiratization in UAE private sector. Further this study has also collected the views of HR managers working in UAE private organizations and based on the results this study puts forward the following analysis.

Impact of Emiratization on UAE Private Organizations

The following table 3 indicates five major factors (pre job training, changes in academic systems, special and vocational guidance, on job training and emiratization policies) identified with regards to HR managers perception towards challenges due to Emiratization through literature review. To understand the challenges to HR managers are facing in context to employee performance the following hypothesis has been developed.

Table 3: Results of Chi Square and P Values of Hypothesis 1

Hypothesis 1	Number of valid cases	Chi sq value	P values	Degree of Freedom	Accept/Reject
H01A – National employees do not need more training and motivational programs before they get into the job	126	578.645	0.003	12	Reject
H01B – There is no need to make changes in the academic system so that national could meet future challenges	126	423.344	0.000	12	Reject
H01C – There is no need for specialized education and vocational guidance for nationals to take up	126	420.856	0.000	12	Reject

challenging jobs currently					
H01D – Training programs are not needed for local employees in finding suitable jobs	126	422.800	0.000	12	Reject
H01E - Emiratization policies are unfavorable and are not helping private sector management in finding suitable candidate	126	412.989	0.016	12	Reject

From the above table 3 chi square value of H01A is 578.645 and significance is 0.03 which indicates that sig. value is < 0.05 , thus reject stated hypothesis. It means national employees need training and motivational programs before they get into job. Chi square value of H01B is 423.344 and significance is 0.00 which indicates that sig. value is < 0.05 , thus reject stated hypothesis. It means that there is a need to make changes in the academic system so that national could meet future challenges. Chi square value of H01C is 420.856 and significance is 0.00 which indicates that sig. value is < 0.05 , thus reject stated hypothesis. It means that there is a need for specialized education and vocational guidance for nationals to take up challenging jobs currently. Chi square value of H01D is 422.800 and significance is 0.00 which indicates that sig. value is < 0.05 , thus reject stated hypothesis. It means that there is a need for training programs for local employees in finding suitable jobs. Chi square value of H01E is 413.989 and significance is 0.016 which indicates that sig. value is < 0.05 , thus reject stated hypothesis which indicates that Emiratization policies are unfavorable and not helping private sector management in finding suitable candidate.

HR Managers challenges with local employees

To understand the challenges to HR managers are facing in context to employee performance the following hypothesis has been developed. Following hypothesis is been developed (H02A – H02G) considering the various aspects of challenges identified through literature review such as education qualification, work experience, knowledge and job skills, communication skills and English language proficiency, acceptance and competency towards given task, performance and productivity, nationals integrating with expatriates and finally unrealistic demands in relation to pay. The same is show in table 4 below

Table 4: Results of Chi Square and P Values of Hypothesis 2

Hypothesis 2	Number of valid cases	Chi sq value	P values	Degree of Freedom	Accept/Reject
H02A – HR managers are not able to find local candidates with expected educational qualification	126	17.933	0.518	12	Accept

H02B – HR managers are not able to find local candidate with expected work experience, knowledge and job skills	126	11.565	0.441	12	Accept
H02C – HR managers are not able to find local candidate with communication skills and English language proficiency	126	4.801	0.434	12	Accept
H02D - Local employees have low acceptance and competency towards given task	126	13.503	0.334	12	Accept
H02E - Local employees performance and productivity is unsatisfactory	126	17.728	0.327	12	Accept
H02F - Local employees are not able to integrate easily with expatriates	126	11.034	0.026	12	Reject
H02G - Local employees have unrealistic demands in relation to pay	126	22.670	0.541	12	Accept

From the above table 4 chi square value of H02A is 17.933 and significance is 0.518 which indicates that sig. value is > 0.05 , thus accept the stated hypothesis. This indicates that HR managers are not able to find local candidates with expected educational qualification' and hence their disagreement towards availability of educated national man power. Chi square value of H02B is 11.565 and significance is 0.441 which indicates that sig. value is > 0.05 , thus accept the stated hypothesis. It means that HR managers are not able to find candidates' with sufficient work experience, knowledge and job skills. Chi square value of H02C is 4.801 and significance is 0.434 which indicates that sig. value is > 0.05 , thus accept stated hypothesis. It means that HR Manager's agreement towards non availability of locals with appropriate English proficiency and communication skills to the need for exclusive education to increase the national's fit to challenging jobs. Chi square value of H02D is 13.503 and significance is 0.334 which indicates that sig. value is > 0.05 , thus accept stated hypothesis. It means that there is a need for training to find suitable jobs and the locals competency and acceptance towards given task. Chi square value of H02E is 17.728 and significance is 0.327 which indicates that sig. value is > 0.05 , thus accept stated hypothesis. It means that there is a need for education and vocational guidance for challenging jobs currently to the agreement of HR Managers towards the low productivity and performance of the local employees. Chi square value of H02F is 11.034 and significance is 0.026 which indicates that sig. value is < 0.05 , thus reject stated hypothesis which states that there is significant association between the HR Managers towards the national employees mingling with Expats. Chi square value of H02G is 22.670 and significance is 0.541 which indicates that sig. value is > 0.05 , thus accept stated hypothesis. It means that HR Manager's perception towards unrealistic National Employee pay demands and Emiratization policies and their favorableness to national employees in private sector.

Strategies Employed For Managing Employee Performance

To test this objective a hypothesis has been developed (H03A – H03G) by selecting various HR strategies from the literature review. This hypothesis aims at identifying different strategies such as motivation, training, communication, having good relationship with employees, teamwork, remuneration, promotions, rewards and performance appraisals adopted and practiced by managers to improve national employee work performance and see which of the stated strategies help managers to improve employee performance. Chi square test is been performed to understand the significant values. The following table 5 shows the results obtained.

Table 5: Results of Chi Square and P Values of Hypothesis 3

Hypothesis 3	Number of valid cases	Chi sq value	P values	Degree of freedom	Accept/Reject
H03A – Motivation has no impact on employee performance	126	11.034	0.05	12	Reject
H03B – Communication has no impact on employee performance	126	22.670	0.031	12	Reject
H03C – Training and guidance programs have no impact on employee performance	126	22.670	0.027	12	Reject
H03D – Having good relationship with subordinates has no impact on employee performance	126	22.670	0.029	12	Reject
H03E – Encouraging teamwork has no impact on employee performance	126	22.670	0.028	12	Reject
H03F – Remuneration, promotion and rewards have no impact on employee performance	126	22.670	0.032	12	Reject
H03G – Bi-annual or annual performance appraisals have no impact on employee performance	126	22.670	0.028	12	Reject

From the above table 5 chi square value of H03A is 11.034 and significance is 0.05 which indicates that sig. value is = 0.05, thus reject stated hypothesis which indicates that 'Motivation always has an impact on employee performance. Chi square value of H03B is 22.670 and significance is 0.031 which indicates that sig. value is < 0.05, thus reject stated hypothesis which indicates that Communication strategy has significant impact on employee performance.

Chi square value of H03C is 22.670 and significance is 0.027 which indicates that sig. value is < 0.05 , thus reject stated hypothesis. This indicates training and guidance programs have significant impact on employee performance. Chi square value of H03D is 22.670 and significance is 0.029 which indicates that sig. value is < 0.05 , thus reject stated hypothesis which indicates that having good relationship with subordinates has a significant impact on employee performance. Chi square value of H03E is 22.670 and significance is 0.028 which indicates that sig. value is < 0.05 , thus reject stated hypothesis which indicates that encouraging teamwork has a significant impact on employee performance. Chi square value of H03F is 22.670 and significance is 0.032 which indicates that sig. value is < 0.05 , thus reject stated hypothesis which indicates that 'Remuneration, promotion and rewards have an impact on employee performance'. Chi square value of H03G is 22.670 and significance is 0.028 which indicates that sig. value is < 0.05 , thus reject stated hypothesis which indicates that 'Bi-annual or annual performance appraisals have significant impact on employee performance'.

Conclusions and Recommendations

Inferences of hypothesis 1 indicate that management is facing challenges with respect to emiratization policies and believe that there is a need for pre job and on job training for nationals. Apart from this management is of the view that nationals should be given special and vocational training and there is a need for changes to be made in academics so that they can meet the future job challenges which resulted low significance values ($p = 0.000$). This clearly indicates that private sector management is facing challenges due to emiratization policies. There is a stronger appeal from all the HR Managers that Local employee would easily mingle with the expatriates in the company and at work floor. Almost all the HR managers feel that the employee attitude has been the key in creating a positive work culture at the work place. All the HR managers are not satisfied with the Productivity and Job Performance of the employees. HR Managers opined that all the employees do not have the competency to meet the set targets. There was a strong agreement from all the HR Managers in this context. HR Managers feel that there is a low level acceptance to the task allocated to the employees. HR Managers feel that national employee's demands towards pay are unrealistic. Almost all the managers were in agreement with this statement. HR Managers opined that the local employees get with the expats and form highly productive teams. Hence, most of them were in agreement to the fact that locals show interest to work in teams with expats. From the analysis it is clearly evident that HR managers face hurdles in identifying right candidates to the jobs and there is a lack of local talent pool with expected qualification, work experience and enough job skills. It is evident that most of the local employees mingle with expats and are interested in forming teams with expats to create a productive and positive work environment. HR Managers experience the job performance and productivity of the employees to be promising and their acceptance to the target and work allocated is low. HR Managers also felt that their demands on pay packages are unrealistic. Inferences of hypothesis 2 indicate (challenges faced by HR managers in managing employee performance in context of emiratization) that the significance values are for two major aspects HR managers are not able to find local candidate with expected educational qualification ($p = 0.518$), work experience, knowledge and job skills ($p=0.441$) and local employees have unrealistic demand towards pay' ($p = 0.541$). Another attributes communication skills, English language proficiency ($p = 0.434$) and acceptance towards given

task shows a significance value of ($p = 0.334$) which seems to be moderate thus it indicates that these aspects also have an impact. It is a good sign that national employees are able to integrate easily with expatriates ($p = 0.026$). There has been a stronger appeal from all the HR Managers that Local employee would easily mingle with the expatriates in the company and at work floor. Almost all the HR managers feel that the employee attitude has been the key in creating a positive work culture at the work place. All the HR managers are not satisfied with the Productivity and Job Performance of the employees. HR Managers opined that all the employees do not have the competency to meet the set targets. There was a strong agreement from all the HR Managers in this context. HR Managers feel that there is a low level acceptance to the task allocated to the employees. HR Managers feel that national employee's demands towards pay are unrealistic. Almost all the managers were in agreement with this statement. HR Managers opined that the local employees get with the expats and form highly productive teams. Hence, most of them were in agreement to the fact that locals show interest to work in teams with expats. From the analysis it is clearly evident that HR managers face hurdles in identifying right candidates to the jobs and there is a lack of local talent pool with expected qualification, work experience and enough job skills. It is evident that most of the local employees mingle with expats and are interested in forming teams with expats to create a productive and positive work environment. HR Managers experience the job performance and productivity of the employees to be promising and their acceptance to the target and work allocated is low. HR Managers also felt that their demands on pay packages are unrealistic. Inferences of hypothesis 3 indicate that suitable HR strategies employed in context to emiratization has impact on employee performance. HR strategies such as remuneration, promotion and rewards and bi-annual or annual performance appraisals resulted low significance values ($p = 0.031$) which clearly indicate that these strategies have high impact on employee performance when considered to communication, training and guidance programs ($p = 0.027$), having good relationship ($p = 0.029$) and encouraging team work ($p = 0.028$) has an impact but considerable less. It is understood that almost all the HR managers felt that there is a need for proper training and motivation programs to properly guide and groom the locals to right jobs. Managers strongly recommend that there is a need for regular development practices through training on updated technologies in order to increase employee's productivity and there by organization's productivity. Managers are of the opinion that the need for proper performance appraisal policy to assess the employees develop them and reward them to boost their performance and retention. Number of studies have suggested regarding performance appraisals as a tool for providing feedback, deciding promotions or termination, determining compensation, identifying strength and weakness or areas for change and identifying development needs that can help with career planning. This is the methodology used by majority of the organizations to enhance the performance of employee and the organization. Significant concept is the type of appraisal that is used in line and the requirements and structure of the organization in order to reap the benefits.

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