

Localisation in an emerging Gulf economy

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Understanding the role of education, job attributes and analysing the barriers in its process

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Fauzia Jabeen

College of Business Administration, Abu Dhabi University, Abu Dhabi, UAE, and

Mohd Nishat Faisal and Marios Katsioloudes

College of Business and Economics, Qatar University, Doha, Qatar

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Abstract

Purpose – The purpose of this paper is twofold: first, to understand Emirati nationals' perceptions of the role of workforce localisation policies in their professional aspirations and growth and, second, to determine the role of higher education and job attributes in the achievement of their goals. The study uses a hierarchy-based model/road map to improve localisation efforts by attempting to aid understanding of the relationships and barriers hindering these processes.

Design/methodology/approach – The study follows a two-stage process. In the first stage, a questionnaire-based survey was administered to 207 Emirati postgraduate students from public and private universities based in two major Emirates: Abu Dhabi and Dubai. The sample data were analysed by basic descriptive statistics in the form of cross-relationships and rank correlation tests. In the second stage, an interpretive structural modelling approach was used to develop a hierarchy-based structural model of the barriers to localisation.

Findings – Emiratis younger than 30 years old consider localisation as an enabling factor in their professional success in contrast to those older than 30 years old. The results also indicate that working female Emiratis have significantly more positive attitudes regarding the contribution of localisation towards their professional success than that of their male counterparts. However, both genders see a mismatch in efforts being made to better equip themselves for the workplace. The hierarchy-based model delineates variables that could contribute to making localisation a successful employment programme in the United Arab Emirates (UAE).

Research limitations – The findings of this study relate to the UAE. However, there are similar localisation programmes that have been implemented in other Gulf Cooperation Council states. Hence, while the results of this study are relevant to the UAE, they may not be generalisable to the entire Gulf region.

Practical implications – It is proposed that the research findings and the structural model of relationships may help policy makers develop suitable strategies to strengthen the Emirati localisation programme.

Originality/value – This study makes a contribution to the literature and can serve as a guide to policy makers for localisation programmes. This is achieved by analysing the attitude of UAE nationals studying at higher education institutions. Furthermore, the study presents a hierarchy-based model of the barriers to localisation that explains the root causes of the problem.

Keywords United Arab Emirates, Higher education, Localization, Emiratization, Job attributes

Paper type Research paper

1. Introduction

Currently, most Middle Eastern countries are focusing on localisation policies, i.e., the substitution of expatriate workers with skilled and qualified local labour, due to low rates of native employment in the private sector (Forstenlechner and Rutledge, 2011; Forstenlechner *et al.*, 2012). Localisation strategies in the Gulf Cooperation Council (GCC) region are inevitable given the context of its rising population, increasing unemployment, improving general levels of health, and expanding education systems (Swailles *et al.*, 2012).

Confronted with high unemployment, the fast developing United Arab Emirates (UAE) initiated its localisation programme, which is also known as "Emiratization", in the 1990s. Emiratization is the workforce localisation policy adopted by the UAE and is typical of



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countries in the GCC (Barnett *et al.*, 2015). It recognises the need to place local workers at the heart of the workforce and decision making to ensure the endogenous social and economic development of the country (Goby *et al.*, 2015). However, the population and labour market imbalance between UAE nationals and non-nationals in private and public sector organisations is one of the impediments in its implementation. Despite being in place for several decades, localisation policies in the UAE have had little success in practice (Forstenlechner, 2010). Emiratis hold only 0.5 per cent of private sector jobs and 60 per cent of public sector jobs, and the unemployment rate among Emiratis is 15 per cent (Salem and Dajani, 2013). Emirati youth face an unemployment rate of 21.4 per cent and make up nearly 78 per cent of all unemployed Emiratis (Sayre and Yousef, 2016). Low private sector pay and long hours remain one of the major obstacles (Al-Waqfi and Forstenlechner, 2012; Arnold, 2013; AIDhaheiri *et al.*, 2017). Therefore, the purpose of this study is to understand the perceptions of Emiratis according to the following questions:

- Is workforce localisation an enabling factor in their professional growth and success?
- What job attributes matter most to Emirati students when making career decisions?
- How important is formal education and how well does the current education system prepare them for achieving their professional objectives?
- Can a hierarchy-based model help to understand the relationships among the various barriers to effective localisation?

2. Literature review

Workforce localisation in the GCC

To tackle the unemployment problems and reduce the number of expatriates in the GCC, nationalisation strategies are categorically embedded in GCC countries (Harry, 2007; Forstenlechner, 2010) and share a universal approach of imposing quotas of local employees onto employers in various sectors. Several economic mechanisms affecting national labour markets and promoting the employment of nationals were designed by GCC countries, which includes the UAE. These mechanisms include remuneration subsidies, educating and training of nationals, control on foreign labour, and employment goals for UAE nationals (Al-Lamki, 2000). The UAE's localisation efforts rely on Emiratisation councils, such as the Abu Dhabi Tawteen Council, which is one of the leading authorities involved in providing jobs for UAE nationals (Al-Mutawa, 2010). The objective of these government councils is to increase career opportunities for Emiratis to work in the private sector and to give them the chance to train in large local institutions (Raven, 2011).

Specific literature has emerged on Saudisation (Al-Asfour and Khan, 2014; Sadi and Al Buraey, 2009), Emiratisation (Al-Ali, 2008; Rees *et al.*, 2007; Muysken and Nour, 2006; Al-Waqfi and Forstenlechner, 2012; Al-Waqfi and Forstenlechner, 2014; Goby *et al.*, 2015, 2017), Kuwaitisation (Salih, 2010); Omanisation (Al-Lamki, 2005; Al-Hamadi *et al.*, 2007; Swailes *et al.*, 2012); Bahrainisation (Metcalfe, 2007), and Qatarisation (Williams *et al.*, 2011). Bahrain, Oman, and Saudi Arabia have seen the most intensive efforts to localise, which are ahead of Qatar, the UAE, and Kuwait. Regardless of numerous government efforts to strengthen the national labour market by offering job opportunities in both the public and private sectors, localisation efforts have been hindered by several obstacles.

Barriers to workforce localisation in the UAE public and private sectors

Although the year 2013 was designated by the UAE Government as the year of localisation, barriers are still holding back its success. One of the most perplexing and persistent trends in youth and employment is the preponderance of youth preference for public sector employment.

Previous researchers (Lewis and Frank, 2002) have highlighted the motivational differences between public and private sector employees and their public sector employment preferences. This can be attributed to various factors, such as the structural labour market, attractiveness of public sector employment, and lack of professional skills consistent with the demands of the UAE labour market (Tahseen Consulting, 2015).

The strong preference of Emiratis for public sector jobs has been established through both anecdotal and survey-based evidence (Forstenlechner, 2008; Al-Waqfi and Forstenlechner, 2012). UAE nationals have high job and salary expectations; in addition, employers believe that the types of skills and qualifications they need are in short supply among UAE nationals, particularly in relation to managerial and professional jobs (Al-Qubaisi, 2012; Al-Waqfi and Forstenlechner, 2014; Barnett *et al.*, 2015). Aside from the material benefits, inclinations for public sector employment are reinforced by a range of social and cultural influences (Sayre and Yousef, 2016).

The UAE private sector employment market is not standard because locals find themselves trapped amid twofold conflicting routes, namely, economical and unskilled labour on the one hand and highly skilled labour on the other. Neither of these job markets hire many Emiratis due to their small demographic population and limited number of skilled and well-trained nationals. If they are interested in private sector work, they are not offered the salaries and privileges that meet their ambitions (Rasheed, 2010). Forstenlechner (2008) found that employers were paying “lip service” to the localisation programme by employing the minimum number of Emiratis to meet the formal requirements. The reluctance of Emiratis to enter the private sector and the reluctance of private sector employers to recruit Emiratis are two of the most serious problems currently facing the UAE labour market. The competitiveness of the UAE’s private sector economy still depends heavily on foreign migrant workers who are reportedly better equipped than local workers (Al-Qubaisi, 2012), and also, their monetary expectations are much lower (Waqas, 2013). Although the employment quotas and localisation targets are allocated by the UAE Ministry of Labour by sector, the quotas for particular industries appear subject to change (*The National*, 2010) and are considered as an unattractive way of localising the private sector, particularly given the institutional characteristics of the UAE labour market (Barnett *et al.*, 2015). The key barriers expressed by many UAE organisations in retaining Emiratis in the workplace are the lack of a career progression path, coaching, and mentoring, which includes further development (The Abu Dhabi Emiratization Forum, 2010).

From the perspective of UAE policy makers, native workers are as productive as migrant workers. However, from the perspective of private sector employers, native workers are relatively less productive than migrant workers (Toledo, 2013). Developing the nationals’ skills is essential; however, a distinct policy with broad institutional reform is called for to address the local employment issues effectively (Barnett *et al.*, 2015). In recent years, the UAE’s education system was prioritised to the extent that its tertiary educational system now ranks 37th out of the 140 countries surveyed in the latest Global Competitiveness Report (Schwab, 2016). However, the UAE higher education system does not effectively align with job market needs (Morada, 2012), and stress is on the need for educational system reforms and providing skills consistent with the demands of the labour market (Sherif, 2013; Al-Waqfi and Forstenlechner, 2014). Additionally, international research shows that higher education institutions play an important role in combating labour market mismatch amongst graduates (McGuinness *et al.*, 2016).

UAE labour market: theoretical perspectives

Labour market theories are classified into two categories: neoclassical theories, such as human capital theory, and labour market segmentation theories (Leontaridi, 1998). Also, social network theories are relevant to our understanding of labour markets. The lack of success of Emiratisation and patterns of recruitment in the UAE can be linked to human

capital theory. For example, from the viewpoint of human capital theory, a large number of expatriate workers in a country's labour force can be inferred as the consequence of variances between nations in the supply and demand of labour (Al-Qubaisi, 2012). Workforces from nations where labour is abundant and wages are low will be attracted to nations that have high fiscal capital but low labour supply and where decent remuneration is on offer (Suter, 2005), such as the UAE and other GCC states.

Numerous features of a dual labour market can be identified in the UAE. The primary market can be seen as being comprised of the local workforce in steady employment in the public sector, which is known for better pay, favourable working hours, and cultural homogeneity (characteristics of a primary labour market), whereas the secondary market of the private sector has a high expatriate population faced with insecure employment that is characterised by lower pay and unstable jobs – all typical of a secondary market (Oakes, 2004). From the dual labour theory viewpoint (Lachowska, 2005), in the UAE, it is possible to have high wage differentials between similar jobs depending on segment affiliation rather than worker endowments. Also, the position of women in the UAE also reflects the type of institutional discernment that often characterises segmented labour markets and influences their career choice (AlDhaheer *et al.*, 2017). Social network theory can also be used to elucidate several aspects of the UAE labour market and to ascertain effective ways in which the existing labour market glitches might be addressed (Al-Qubaisi, 2012). Social networks play an important role in the process of securing employment through referrals and the communication of labour market information (Budhwar and Mellahi, 2006) (Table I).

3. Research methodology

This study employed a mixed method approach to achieve the research objectives. First, a survey-based method was used to assess the respondents' perceptions of jobs and job attributes, and second, interpretive structural modelling (ISM) methodology was applied to understand the interrelationships among the barriers that inhibit the localisation process. These approaches and their results are discussed in the following sections.

Questionnaire survey

The study employed a descriptive quantitative paradigm using a comprehensive and detailed questionnaire. This type of questionnaire is specifically beneficial when a

Barriers to Emiratisation	Literature
<i>Potential employees' perspective</i>	
Low pay and benefits in private sector	Forstenlechner (2008), Al-Waqfi and Forstenlechner (2012), Waqas (2013), AlDhaheer <i>et al.</i> (2017)
Long working hours	Forstenlechner (2008), Al-Waqfi and Forstenlechner (2012)
Lack of career progression plan	The Abu Dhabi Emiratization Forum (2010), Swan (2014)
Lack of coaching and mentoring	The Abu Dhabi Emiratization Forum (2010)
Lack of adaptability of higher education system	Al Shaiba (2008), Morada (2012), Al-Waqfi and Forstenlechner (2014), Williams <i>et al.</i> (2011)
<i>Employers perspective</i>	
Unrealistic salary expectations	Al Shaiba (2008), Al-Qubaisi (2012)
Skills and job requirements mismatch	Al-Qubaisi (2012), Barnett <i>et al.</i> (2015)
Employer's reluctance	Forstenlechner (2008)
weak institutional framework and inadequate implementation mechanism	Rees <i>et al.</i> (2007), Barnett <i>et al.</i> (2015)
Negative perception of organisational justice in private sector	Al-Obeidli (2016)
Low productivity of locals	Al Shaiba (2008)

Table I.
Barriers to
Emiratisation

researcher needs to clarify his/her understanding of a situation or a problem (Robson, 2002). Objective-oriented data were collected through a self-designed structured questionnaire that focused on issues relating to employment status, job expectations, ideal job attributes, training opportunities, and the importance of education and its relevance in career growth. The survey items were adapted from previous studies (Al-Waqfi and Forstenlechner, 2012, 2014; Goby *et al.*, 2017; Williams *et al.*, 2011). Prior to administering the survey, the face validity of these scales was evaluated in a series of meetings with academics. The researchers also conducted a formal “pre-test” of the questionnaire to determine the appropriateness of the items on the questionnaire before final data collection. The pre-testing process included the questionnaire survey administration and focus group interviews, in which the respondents from one of the university filled out the questionnaire and gave their views on localisation. Careful notes were taken during the focus group interviews. As a result of the pre-test, several measures were modified, and a final set was generated. The items demonstrated satisfactory internal reliability with all the measures having a Cronbach’s α of greater than 0.75.

The data were collected from a sample of 207 Emirati postgraduate students belonging to diverse age clusters and gender, who were from different disciplines at four public and private universities based in two major Emirates, Abu Dhabi and Dubai. To better understand the variations in the perceptions of men and women, graduate students working in government, semi-government, and private sectors were selected. The respondents were selected based on their overall CGPA (3 and above), and there was a good representation of male and female respondents as well as those with prior work experience and those without. The researchers contacted the university administration and specified that they should only survey Emirati male and female graduates. Each university’s “Schedule of Classes” was used to identify classes offered within each discipline. A total of 300 questionnaires were distributed in-person and by e-mail, of which, 207 were received with a response rate of 69 per cent. Prior to the data collection, respondents were contacted about the scope and objective of the research. The questionnaire was provided in Arabic for better understanding. Once the Arabic questionnaire was completed, it was back translated into English. The data were analysed by measuring basic descriptive statistics in the form of cross-relationships. A rank correlation test was also conducted to analyse the data.

ISM

As a modelling technique, ISM has gained popularity as it provides a digraph model that makes it easier to understand the implicit relationships among various variables. In ISM, identification of the variables and the type of relationships among them is defined by a group to develop the hierarchical structure.

ISM modelling allows managers to prioritise the resources of the models developed using the ISM technique, facilitate effective planning, scheduling, monitoring, and control, which thereby improves the effectiveness of the strategic process (Faisal, 2010). ISM can be used either as a group learning process or individually; the methodology is widely used to model issues in science, engineering, and social science. The detailed methodology is enumerated in many recent research projects, such as Faisal and Talib (2016), Jabeen *et al.* (2017), and Dubey *et al.* (2017).

4. Survey analysis

Table II provides insight into the profile of the survey respondents. In all, 80 per cent of the respondents were between the ages of 20 and 30 years old, and 20 per cent were 30 years old or older. The sample was comprised of 66 per cent females, of which, 34 per cent were

Table II.
Respondents profile

	Working	Non-working ^a
<i>Female</i>		
Government	32	Government 56
Private	6	Private 13
Semi-government	8	Semi-government 22
Total	46	Total 91
<i>Male</i>		
Government	35	Government 10
Private	5	Private 3
Semi-government	11	Semi-government 6
Total	51	Total 19
Working total	97	Non-working total 110

Notes: *n* = 207. ^aBreakup by sector in which they would like to work

working and 66 per cent were non-working. The sample was comprised of 34 per cent Emirati males, of which, 73 per cent were working in the government, semi-government, and private sectors and 27 per cent were non-working.

Success of and expectations from localisation policies

A high percentage (74 per cent) of the Emiratis surveyed believe localisation has been an enabling and important factor in their professional growth and success. While this is somewhat expected, a more detailed breakdown provides unique insights: 78 per cent of Emirati female respondents consider localisation an enabling factor in their professional success compared to 66 per cent Emirati males. More Emiratis (74 per cent) under the age of 30 years consider localisation an enabling factor in their professional success compared to Emiratis above the age of 30 (58 per cent); moreover, non-working Emiratis (76 per cent) were found to have a more positive attitude towards localisation than working Emiratis (68 per cent). These findings raise several interesting questions as to why Emiratis younger than 30 years of age, non-working Emiratis, and females have a more positive outlook towards workforce localisation. The reasons may be many and varied. For example, the females' positive perception of localisation efforts may be due to the current female empowerment drive that the UAE Government is attempting to promote in all the sectors. Hence, this empowerment initiative in employment may create a positive perception of the localisation policy among non-working females. Also, working female Emiratis were more positive towards the contribution of localisation in their professional success than their male counterparts. This can be attributed to various motivations and problems associated with their employment and education in the UAE. Women live in a family-based, patriarchal, Islamic society, where gender roles are strictly defined and kinship is highly emphasised. Also, one of the major factors that influences women's participation in the workforce is the difficulty of balancing family and work responsibilities (Itani *et al.*, 2011; Jabeen *et al.*, 2015).

Emiratis younger than age 30 reported higher satisfaction levels towards localisation efforts. Perhaps because the period before age 30 is one of test and trial in a person's employment, where they may be content to gain an entry position in any organisation at a junior level. However, it seems that as careers progress, Emiratis find it difficult to gain a managerial job and thus feel that the localisation policy is not viable. Furthermore, non-working Emiratis were more satisfied with the localisation efforts because the policy is supportive of them at the employment entry level.

A similar type of job-skills mismatch has been reported in other GCC countries, and a strong need has been emphasised to adopt a comprehensive human resource

development framework to align local employees with the demands of the job market (Al-Asfour and Khan, 2014). Detailed studies to identify the reasons behind these issues can help address several of the concerns raised by other groups. Concurrently, the results may also prove useful in understanding what targeted approach must be adopted to meet the ambitious expectations that the under 30 years old population and the non-working group have from localisation.

Current efforts in promoting workforce localisation

Non-working Emiratis were positive about the current efforts made regarding promoting localisation. In all, 79 per cent of them felt that the current efforts were good. However, opinions were more evenly split amongst working Emiratis. While 51 per cent of them felt efforts were good, the other 49 per cent felt that more needed to be done, particularly in improving efforts within the private sector and providing more adequate training to Emiratis to be better prepare themselves for the current jobs on offer. This aspect highlights several of the challenges of the localisation programme. While Emiratis are generally extremely positive about it and recognise its contribution in their professional success, they clearly see a mismatch in the efforts being made to better equip themselves (through industry-relevant training and university courses) to take on the opportunities that may exist:

I wish, TAWTEEN Council (Emiratisation Implementing Authority) also play an active role in identifying the nationals with lower skills and training them to be suitable for good jobs (Female Emirati, Working, Aged 28 years).

Ideal job attributes

Salary, career progression, and benefits (such as accommodation, education for children, and medical insurance) are the top three attributes that Emiratis take into account when deciding on a job offer. Given that 85 per cent of the non-working Emiratis aspire to work in the government or semi-government sector, it is clear that they believe that all of these attributes are better provided for in government and semi-government jobs rather than in the private sector:

I'm happy to work in a semi-government company as I've learned many things that my friends in some government companies are still behind. I want to work and support my government with the knowledge that I own (Female Emirati, Working, Aged 28 years).

Career growth could be considered to be better within government sectors given the emphasis that the government has placed on localisation and the efforts many entities are making towards recruiting and retaining Emiratis by providing them with greater opportunities and faster promotions in these sectors. In contrast, career growth within the private sector may be slower as Emiratis have to compete with global and more experienced talent and do not benefit from localisation programmes because they are generally not emphasised enough.

For any entity that is seeking to recruit Emiratis or improve its localisation rates, it is therefore important to understand what matters to Emiratis based on whether they are recruiting an Emirati male or female who is currently working or seeking his/her first position. An understanding of what matters can help private and public sector employers to tailor their communication and value propositions according to the needs of the target segment. Conversely, poor understanding may lead to companies believing they are offering a lot but not realising that what they offer is not a priority for the segment they are targeting. For example, flexible working hours is an important consideration for Emirati females considering first time employment and matters more than career growth.

Therefore, emphasising flexibility may have a greater impact than long-term career growth opportunities, which tend to be lower priority for Emirati females.

From analysing the detailed findings, it was determined that working Emirati males rated career growth and development as the top job attribute, whereas Emirati females rated salary as the most important (refer Table III). A rank correlation test was conducted in which the correlation coefficient (r : 0.7988, critical r : ± 0.648) was observed and rejected the null hypothesis. The sample provides evidence that the populations are rank correlated and also demonstrates that there is a considerable level of agreement between the two groups in the ranking of their parameters:

Higher salary, less work load and more holidays (Female Emirati, Working, Aged 33 years).

Provide high salaries in the private sector as much as government sector (Male Emirati, working, aged 24 years).

Non-working males and females ranked salary as the number 1 job attribute, followed by benefits, such as accommodation, education for children, and medical insurance. A rank correlation coefficient of $r = 0.5167$ and a critical $r \pm 0.700$ were observed, which failed to reject the null hypothesis. Also, in the case of non-working males and females, the population subgroups were not rank correlated. There is a different set of priorities between non-working males and non-working females. Apart from salary and benefits, which rank as the top priority, the importance of other job attributes amongst both the subgroups was found to vary considerably. Males gave more importance to career growth and job security, whereas non-working females consider flexible working hours and the availability of resources as more important job attributes. Similar findings were reported by Al-Asfour and Khan (2014) in the Saudi context, where job security as well as educational and training opportunities appeared to be the prime motives for many Saudis wanting to work for the public sector.

Role and importance of education

In all, 91 per cent of Emiratis believe that education is extremely important for their professional success, particularly in preparing them for their first job or in improving their skill sets for the current job. The reason for this may be attributed to the recent efforts made by the UAE Government that heavily emphasises education as one of the key enablers to deliver the 2021 vision. These initiatives are a huge stride forward for developing an outstanding educational infrastructure and workforce (UAE Interact, 2014). However, despite the many government efforts, a portion of the Emirati population felt that while education was important, the current education system did not prepare them well enough for the requirements of today's organisations. This is in spite of the fact that in the UAE, the

Rank	Working		Non-working	
	Males	Females	Males	Females
1	Career growth	Good salary	Good salary	Good salary
2	Good salary	Career growth	Benefits	Benefits
3	Friendly work environment	Benefits	Career growth	Flexible work hours
4	Benefits	Friendly work environment	Friendly work environment	Availability of resources
5	Job security	Location	Job security	Career growth

Table III.
Ranking of ideal job
attributes (Top 5)

Notes: $n = 207$. Benefits includes aspects such as accommodation, education allowance, and medical coverage; availability of resources includes IT, support services, administration, etc.

number of licensed higher education institutions has increased sharply over the last two decades and now stands at approximately 71 (UAE Ministry of Higher Education, 2014).

On the one hand, the education system does not effectively mirror the needs of the public and private sector organisations, which therefore leaves students somewhat unprepared to contribute rapidly once they are in the work environment; on the other hand, the education system does not adequately emphasise developing new courses that will allow students to take advantage of new job opportunities within sectors that will dominate in the future, particularly in line with Abu Dhabi's Vision 2030. Hence, a greater degree of synergy between university curricula and industry is required (Jabeen *et al.*, 2017).

Educational goals of Emiratis attending university

"Improving skills for the current job" was ranked as the number 1 factor by both male and female working respondents. For Emirati non-working females, the most important educational goal was to prepare themselves for their first job. Other important reasons were to improve their basic skills and help in self-enrichment. Most of the non-working females were also pursuing education to explore a new academic or career area.

Importance of education among working Emiratis

Approximately 94 per cent of the Emirati females believe that education plays an important role in their professional career. In all, 87 per cent of the Emirati females attribute education as an important factor in their job selection and performance. A lesser share of 74 per cent agrees that courses offered at a university help in job performance, though only 33 per cent of respondents strongly agreed with this statement. The trend was similar amongst the working Emirati males, though to a lesser degree. Various UAE researchers have reported that Emiratis often lack soft skills, such as leadership skills, critical thinking skills, punctuality, high attendance, teamwork, and the ability to link learning to practice – these are major concerns of private sector employers (Al-Ali, 2013; Alshaiba, 2014; Behery, 2009; Daleure, 2017; Shallal, 2011; Sherif, 2013; Toledo, 2013). In another study, Samulewicz *et al.* (2012) reported various barriers, such as job-skills mismatch, lack of awareness of job demand, lack of women role models, and the bias found in a mixed-gender environments that Emirati women face in STE (science, technology, and engineering) fields.

Previous studies (Muysken and Nour, 2006; Jabeen *et al.*, 2017) have reported that although the government has invested significantly in educational reforms, the educational structure in most Gulf countries has so far been unsuccessful in providing sufficient education as per the needs of the actual job market, particularly in the case of private sector employment. Hence, it is important for the UAE Government to assess to what extent and how accredited higher education institutions in the UAE incorporate curricula in their programmes and the national strategic priorities in terms of workforce localisation. Apprenticeship schemes with strong dual education systems, which combine work-based learning with theoretical learning in universities, can help to better meet the skill needs of companies (Kampelmann and Rycx, 2012) and can thus help improve the role of higher education in enhancing and contributing towards workforce localisation efforts.

5. Analysis of barriers to localisation using ISM

The ISM technique uses experts' opinions to develop relationships among variables. Thus, in the present study, seven experts, two from government, two from the private sector, and three from academia, were consulted. A consensus was built with regard to the relationships among the barriers. Then, a binary matrix was created that resulted in the reachability set and antecedent set for each barrier. The reachability set consists of the barrier itself and the other barriers that it may impact, whereas the antecedent set consists

of the barrier itself and the other barriers that may impact it. Thereafter, the intersection of these sets is derived for all the barriers. The barriers for whom the reachability and the intersection sets are the same occupy the top level in the ISM hierarchy. Once the top-level element is identified, it is separated out from the other elements, and the process is continued until the level of each element is found. After removing the transitivity as described in the ISM methodology (Faisal, 2015), the digraph is finally converted into ISM, as shown in Figure 1. These levels help build the digraph and the final model (Figure 1).

The relationship model developed using ISM (Figure 1) helped delineate and understand the root causes of the problem. A widely cited study on localisation by Wong and Law (1999) suggests that the future of multinational corporations is dependent on localisation of the management team and can only be considered as effective when a local fills a required job with required competence to fulfil organisational needs (Potter, 1989). The most significant barrier to the localisation process as enunciated by the ISM model is “weak institutional framework and inadequate implementation mechanisms”. In cases where localisation is mandated without garnering the cooperation of locals and expatriate managers, there is a high likelihood that the localisation programme would not achieve the desired outcomes. Al-Waqfi and Forstenlechner (2010) found that there is a lack of detail in requirements, rationalisation, compliance, and criteria applicable to both employers and jobseekers in the case of Emiratisation.

The ISM model developed in this research suggests that the “lack of coaching and mentoring of local talent” is a significant barrier to the localisation process. This result is supported by Wong and Law (1999), who suggested that an important human resource concern related to the localisation programme is effective selection and training of suitable expatriates and the need for clear directives regarding the localisation objectives to expatriates.

The reluctance of expatriate managers in the private sector to employ locals is also an important barrier due to the ethnocentric beliefs of expatriates (Banai, 1992). The downside of ethnocentric beliefs is a vicious cycle of underestimating the performance and competency of locals that subsequently decrease locals’ commitment, loyalty, and motivation, which leads to strengthening of expatriates’ ethnocentric beliefs and impact future recruitment. Al-Waqfi and Forstenlechner (2010) found a strange fact: top management, which includes expatriates and locals and are considered well-informed and

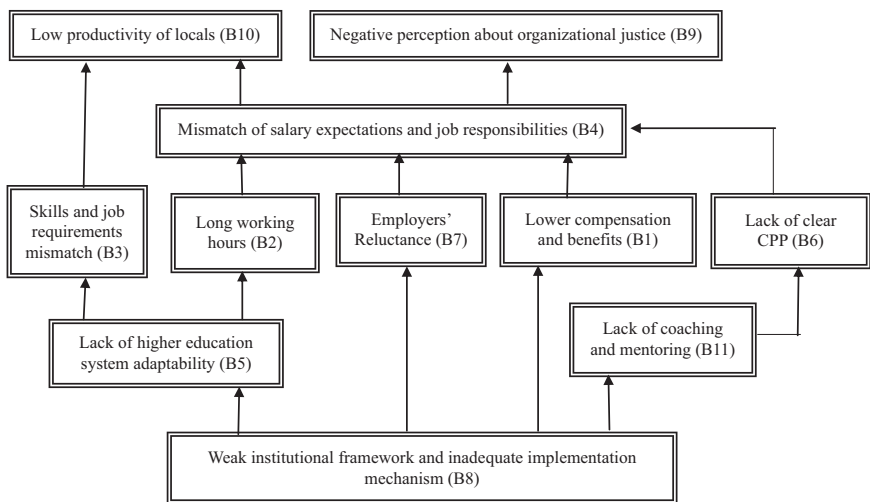


Figure 1.
ISM-based model
for the barriers to
localisation
(Emiratization)

decision makers, have more entrenched beliefs regarding their stereotypes of citizens than that of middle management. The study by van Dijk and van Engen (2013) proposes that when highly educated employees obtain an appropriate level of power and status, they show greater commitment and performance. However, this correlation might not hold true in organisations where higher management is ethnocentrically motivated, and thus, highly educated locals find difficulty in moving higher within an organisation, which hampers the commitment among highly educated locals (Reiche, 2007). However, this barrier can be overcome by greater career support for locals by expatriates by increasing locals' identification of expatriates as "one of us" (Toh and Denisi, 2007).

The model developed in our research also confirms previous findings from Gulf countries – citizens preference for a job in the public sector is due to better employment conditions, greater job security, and often shorter, more flexible working hours (Mellahi, 2007). In the Gulf, over the years, governments have supported the public sector by continually increasing salaries and benefits to nationals. This support is primarily driven by welfare rather than performance considerations. Thus, the neglect of productivity and performance in the public sector in determining pay raises to locals generally leads to similar expectations by new entrants in the labour markets, which are considered unrealistic by the private sector (Al-Waqfi and Forstenlechner, 2010).

6. Implications

Understanding student perceptions of future employment opportunities is important to educators, recruiters, and policy makers (Al-Waqfi and Forstenlechner, 2012). Knowledge of student perceptions can be used to guide instruction, advice, and recruiting tactics (Warrick *et al.*, 2010). To ensure country-wide progress, nationals must not only have a job but need to do a job. There is a dire need for vibrant policies that will motivate employers in a positive way instead of applying measures that are only punitive in nature.

The practical implications of the findings will influence existing localisation schemes and educational training. This study provides insights about the job attributes that matter most to Emirati male and female graduates making a career decision and can assist practitioners and policy makers in formulating appropriate strategies that will motivate Emirati nationals to join private sector jobs. This study reveals that the majority of the respondents attribute education as an important factor in their job selection and performance. However, very few of them were of the view that courses offered at universities help in their job performance or career growth. Hence, tertiary institutions can use the outcomes of this study to plan vital courses to nurture and enhance the skills of nationals as per the market requirement, which will help them gain employment in competitive sectors. Also, the findings explicitly affirms the early exposure to skill building training and vocational development that can help develop abilities and outlooks, which could enable them to approach their careers with better potential and prospects.

Developing a productive and competitive Emirati labour force in the UAE will continue to challenge UAE policy makers (Barnett *et al.*, 2015). The ISM model presented in this study will give an impetus to UAE policy makers to improve the variables with high driving power and hence, will improve the overall localisation programme in the UAE. The hierarchy-based model delineates variables that are of strategic orientation and require maximum attention to make localisation a successful employment programme in the UAE. The likely impact of this study extends beyond the UAE because the majority of the GCC countries face related problems due to their similar cultural, demographic, and economic backgrounds.

7. Limitations and scope for future research

Despite the fact that this study has provided prolific discernments of Emiratis on localisation programme success, ideal job attributes, and the role of education in

employment, the study still has a number of limitations. The data were collected from only two Emirates; therefore, the results, while relevant for the UAE and the Gulf region, may not be generalisable to countries in other regions. More in-depth insights into what Emiratis are looking for in their professional careers may help in developing and fine tuning several of the initiatives and improve the effectiveness of localisation programmes. It may be stimulating to replicate this research in other Emirates and also in other GCC nations.

8. Conclusion

Localisation has been an effective instrument in promoting employment opportunities for UAE nationals, and as a result, the programme has gained recognition amongst Emiratis. This study states that younger Emiratis consider localisation as an enabling factor in their professional success as compared with the older ones. Working female Emirati graduates were more positive towards localisation programme than their male counterparts. However, both genders see a mismatch in the efforts being made to better equip them. Also, both working and non-working male and female graduates' ranked salary as the key job attribute. The majority of the nationals were of the opinion that education plays a crucial role in their professional success, particularly in case of their first employment opportunity. Furthermore, tertiary institutions do not offer job readiness training or guided job searches to Emiratis to help graduates become more work ready or help them apply for jobs.

However, there are a few areas that this survey has highlighted where Emiratis believe greater efforts need to be made to further improve the effectiveness of the localisation programme. These are, first, to ensure that the university education that is currently provided in the country is better aligned to the current requirements of the job market. Second, universities must offer new and more relevant courses to attract young Emiratis to more technical fields and to industries that are going to be the cornerstone of the economy in the next few decades. Third, there should be a greater focus on developing a more streamlined approach in the recruitment process to help the Emirati youth find suitable jobs. Finally, localisation efforts within the private sector must be significantly improved; this is likely to happen only when the various disparities in salary, work-life balance, etc., between government and private sector jobs are reduced and/or eliminated.

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Corresponding author

Fauzia Jabeen can be contacted at: fauzia.jabeen@adu.ac.ae