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## **THE CHALLENGES OF TALENT MANAGEMENT IN A DIVERSE WORKFORCE: THE CASE OF DUBAI**

### **Abstract:**

This paper addresses the key concept of talent management and diversity. Talent management is based on acquiring, motivating and retaining the best suited employees in line with optimal use of human resources. The Talent Management, is widely recognised in debates about managing people, although its inception dates back only to the 1990s, when McKinsey & Company published their report on 'The War for Talent' (Michaels et al., 2001). The scholarly literature on talent management started as a relatively uncomplicated debate on the "war for talent" between corporate organisations seeking to gain a sustained competitive advantage (Chambers et al., 1998; Morris and Pinnington, 2002). In the main, talent management can be defined as the creative and competitive ways by which organisations meet their human capital needs (Tatli et al. 2012). In recent years the notion of talent management has been broadened in order to deal with issues such as talent shortages and surpluses, how talent may be located and relocated, and lastly how talent may be effectively compensated (Schuler et al., 2011; Tarique and Schuler, 2010).

Skills shortages are a global phenomenon, although they impact on economies in different ways across Asia Pacific, Americas, Europe and the Middle East (Manpower, 2010). The UAE relies heavily on its expatriate workers, which has outnumbered its local workers for several decades (Shah, 2008). This is the case in the public sector and the private sector (Forstenlechner and Rutledge, 2011). The effective management of talent is seen as essential for the sustainable development of the economy. This paper will address some of the ways in which Dubai is dealing with this matter. The paper will be based on the theoretical framework and its application to the context.

### **Keywords:**

Talent management, Diversity, Sustainable Development

## Introduction

Talent management has been area of great interest and there has been a number of work carried out to attempt to understand it better. The concept revolves around the fact that talented individuals play a central role in the success of a business (Creelman, 2014). Skills shortages are a global phenomenon, although they impact on economies in different ways across Asia Pacific, Americas, Europe and the Middle East (Manpower, 2010). The UAE relies heavily on its expatriate workers, which has outnumbered its local workers for several decades (Shah, 2008). This is the case in the public sector and the private sector (Forstenlechner and Rutledge, 2011). The effective management of talent is seen as essential for reducing the dependence on expatriate workers and maximizing Emirati local employment in the UAE. However, expatriate workers are vital to the ways in which Gulf economies and societies function. But, expatriate workers are more transient and likely to relocate based on monetary incentives. This became most evident after the economic crisis in Dubai, when numerous expatriate workers left for Abu Dhabi and other places in the world, based on offers of better pay and conditions (Financial Times, 2009). Pay plays an important role in the relocation of expatriate workers to the region, and talent management activities should seek to foster other ways of ensuring effective recruitment and retention.

Therefore, talent management activities in the UAE should contribute to recruitment and retention in ways that ensure the effective and competitive use of both local and global talent. The challenge will be not only to manage talent locally, but also globally. In other words, a competitive economy will require attracting and retaining the best talent in both local and global labour markets. The significance of national competitiveness is particularly salient for economies that have the potential to be highly flexible on their recruitment and retention of expatriate workers. It is necessary to configure talent management efforts in a way to attract the best global talent on the one hand, and to maximise the value of nationals and to retain domestic talent, on the other.

This paper identifies effective talent management policies and practices in Dubai. Talent management is an increasingly popular management approach and academic research field, yet it is understudied in non-western contexts. Understanding the issues of the management of talent is particularly important in the contexts of Dubai as there is a large number of emiratis as well as expatriates in the same work environment.

## Context of Study

Dubai is a buoyant economic city with high investment in infrastructure. The city is a success story and has pulled out of the economic recession in a notable way. At the moment the city is preparing itself to host the Expo 2020 which is believed to further develop the economy. A visit through Dubai confirms that it is a big development site with more and more buildings and infrastructure being set up. The plan is to double the workforce over the next 5 years. The growth of the workforce has got several implications for talent management. First of all this will increase the diversity that exist at the workplace and businesses will need to be able to deal with a more diverse workforce. The diversity of the Dubai workforce has made it essential to have rules, regulations, policies and procedures. The Government is working on an Emiratisation process of the workforce and this is in the form of positive discrimination. Emiratisation programs have been in place in the UAE for over ten years now. The main aim of governmental Emiratisation quotas is to

increase the number of Emiratis employed in all important sectors of the workforce and particularly in the private and semi-government sectors (The National, 2011). Quotas are also seen as a means to address the relatively high unemployment rate of Emiratis, particularly the youth, in the country (Leigh, 2011, Forstenlechner and Rutledge, 2011).

## Literature Review

There have been many attempts at improving the vision of diversity management through critical lenses of management and industrial relations scholarship. It is suggested that the utilitarian logic of the business case and voluntarist perspectives may have regressive equality outcomes if differences are deemed relevant only when they are compatible with bottom line demands (Jack and Lorbiecki, 2007). For example, Noon (2007) identified the negative consequences of business case driven diversity approaches for race equality (see also Wrench, 2005). He argued that, unlike the universal coverage of legal and ethical cases, the business case for diversity is contingent upon the labour market context and organizational competitive strategies. The contingent nature of the business case arguments, in turn, may lead to a pick and mix approach in dealing with (or omitting) workplace equality and diversity issues. Further adding to such concerns, the evidence on the business case for diversity shows that diversity does not always lead to positive performance outcomes (Williams and O'Reilly, 1998). In his recent article, Noon (2010) proposed the adoption of a legally-driven positive discrimination approach in order to redress historical and structural inequalities and disadvantage at work. Diversity management approaches are also critiqued as a management tool to undermine the identity-based collectivism in organizations and to obscure group-based systematic inequalities (Kirby and Harter, 2003; Woodhams and Danieli, 2000). Tatli (2011), in her study on the diversity practices and discourses in the private sector organizations in the UK, shows that the shift from equal opportunities to diversity management approaches has been only partial. She argues that a shift is evident in the discursive representations of the practice rather than the practice itself. Demonstrating that organizations did not move away from traditional equal opportunities practices, despite the popularity of business case-based managing diversity discourses, Tatli urges equality and diversity scholars to question whether private sector organizations are truly convinced about the business case or rather they use the business case simply as an ideological apparatus to advocate deregulation and voluntarism. Despite the polarization between the mainstream and critical diversity approaches (Dick and Cassell, 2002), there is not a single, consolidated view of equality and diversity, but instead there are competing perspectives in line with the multiplicity of vested interests of multiple stakeholder groups (Tatli and Özbilgin, 2009). As pointed out at the outset of this article, there is a tension between the performance-focused managing diversity approaches (e.g. Brammer et al., 2009; Joshi et al., 2006) and the humanitarian-based equal opportunities approaches (e.g. Ogbonna and Harris, 2006; Pringle 2008). Moving away from this polarization, Jonsen et al. (2011) recently argued that both critical and mainstream variants of diversity research are characterized by a western bias in terms of the choice of categories of difference and the debates for and against the business case. Therefore, the field of equality and diversity accommodates competing interests and actors who uphold them. Choices of different perspectives to equality and diversity are not haphazard. Instead, they are often used as frames for allocating resources, prioritizing certain concerns while silencing others.

## Method

This paper is based on a conceptual framework. The desk research was the prime source of information and secondary data is used. A number of studies have been carried out on emiratization process and diversity management in the UAE and inferences have been made from these previous studies. Also employment in the UAE is highly regulated by the

Government and these rules and regulations have been analysed to further understand the talent management approach used in Dubai.

## Findings

The findings are from a report of the Federal Government on emiratization and policy implications. Talent management is an endeavour which requires the involvement of multiple stakeholders. A federal research on the Emiratization process shows that the Government as the most influential actor in the management of talent in the UAE. Government sets the framework within which businesses have to operate with limited maneuver for employers. In addition, the research emphasised that notwithstanding the key role of governmental and sectoral actors, the organisations are at the heart of achieving successful management of present and future talent. At the organisational level, senior management support and board involvement are seen as crucial:

Talent management is seen as a team effort by the senior management (male, private sector, finance organisation).

The major drive of the talent in the organisation is the board and they are very keen to see more talented people (male, private sector, construction company).

Although talent management is often located under HR, as the responsibility of the HR function and TM and Emiratization managers in many organisations, there was an agreement that support from the top of the organisation determines the effectiveness of talent management efforts.

Organisations may want to consider the links between the local knowledge of the HR manager and his or her approach to, and success in, running an organisational Emiratization program. In addition to the Government and employing organisations (in the government, semi-government and private sectors), our research found that the recruitment agencies and training institutions are seen as important actors in talent management.

The words of this participant show that the governmental level interest in talent management has been rather recent. Conversely, recruitment agencies and training institutions, due to their recruitment and employee development remit, were among the first in attending to talent management issues and leading the talent agenda in the UAE.

Talent management requires interventions on multiple levels of intervention, including the micro-group level interactions, meso-organisational level change processes and macro-national/international regulatory and policy intervention. The following participant's comment outlines some of these levels where interventions are currently taking place in the UAE.

The above example shows that partnership between universities and companies may help to overcome the short-term Emiratization challenges while at the same time help meet

future talent needs by improving the talent portfolio of Emirati nationals. The table below outlines talent management interventions taking place in the UAE at multiple levels of analysis.

Multiple levels analysis of intervention in talent management practices.

Micro level	Meso level	Macro level
HR Practice Committee, Emirates Banking Association	<i>Recruitment:</i> Career fairs and outreach events, apprenticeship programs across different organisations and sectors and orientation visits for Expatriates	National career development is applied in order to align education with labour market requirements
Private sector partnerships with universities and scholarship programs	<i>Retention:</i> Training programs, mentoring programs were individual senior coaches are assigned to trainees and leadership programs for Emirati nationals	Emiratisation quotas

However, a number of participants describe and criticise the missing alignment of these multi-level interventions. There was a general agreement among our research participants that it is crucial to consider organisations' reaction to the macro level talent management policies such as Emiratisation. In that sense, there seems to be a divide between the public and private sector organisations. Our interviews show that the spirit of Emiratisation has been better established in the public sector, becoming more a part of the culture.

On the other hand, in the private sector organisational responses are mixed ranging from proactive to reactive cultures. An interviewee from the private sector believed that there certainly is a purpose for Emiratisation quotas in driving organisations to consider their strategies regarding employing Emirati nationals

The words of this participant demonstrate that the macro-governmental level of intervention needs to be complemented by a proactive and sophisticated organisational talent management approach in order for Emiratisation policies and programmes to lead to genuine empowerment and talent development among the Emirati population.

In other words, the planned governmental talent management policy might be a first valuable step to align and unify the highly diversified spectrum of talent management

practices in the region. However, such policy needs also to consider and cater to the different talent management needs of the different sectors in the UAE labour market.

In order to ensure that present and future talent management challenges are addressed, organisations need future facing strategies. One of point raised by the report emphasised the need to have future facing talent management approaches for both government and organisations.

## Conclusion

This paper has addressed the important topic of talent management in Dubai with emphasis on the emiratization process as well as diversity management. The data presented is mainly from the Federal report which aimed at developing policies for emiratization process. Dubai is known as a city of diversity and the labour force reflects same. This has brought in major challenges in talent management. However in terms of growth and development it is an example to be followed. The study will be enlarged to include a wider perspective of talent management in Dubai.

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