



5

Human Resource Management in the United Arab Emirates: Towards a Better Understanding

Osama Khassawneh
and Mohamed-Osman Shereif Mahdi Abaker

Introduction

The United Arab Emirates (UAE), occasionally known as the Trucial States or the Trucial Coast, is a federation of seven emirates on the Arabian Peninsula's south-eastern corner. UAE is bordered on the east by the Sultanate of Oman and the Gulf of Oman, on the south and west by Saudi Arabia, and north by the Arabian Gulf. The total land area is 83,000 square kilometres (32,278 square miles) (Taryam, 2019). The emphasis of the chapter is on HRM in the UAE. Despite the paucity of literature on HRM in the Middle East in general and UAE in particular, we explicate the salient elements of the UAE's socio-economic status, in addition to examining the contribution of HRM in the existing economic reforms. This chapter elucidates human resources management

O. Khassawneh (✉) • M.-O. S. M. Abaker
Business School, American University of Ras Al Khaimah,
Ras Al Khaimah, United Arab Emirates
e-mail: osama.khassawneh@aurak.ac.ae

(HRM) in the UAE and focuses on the structure of the labour market. The chapter delineates HRM policies and practices within the country's context and analyses the significant challenges and future advances in HRM. Furthermore, the chapter evaluates the possible effects of the unique institutional and cultural settings of the UAE about HRM practice and the latter's ramifications on theory and practice. This chapter concludes with several prominent areas where future studies should be focused. Establishing a reliable HR Information System (HRIS) for personnel departments and creating a professional HR body will support the growth of HRM in the UAE.

Political Background

Abu Dhabi, Dubai, Sharjah, Fujairah, Ajman, Umm al-Qaiwain, and Ra's al-Khaimah are the seven emirates that make up the United Arab Emirates. On 2 December 1971, the UAE declared independence from the United Kingdom (Zahlan, 2016). Its constitution was drafted when the country gained independence and was rendered permanent in 1996. Because the president is chosen from among the absolute monarchs who rule each of the seven emirates, the system is known as a federal presidential elective monarchy (Ulrichsen, 2016). President Khalifa bin Zayid al-Nuhayyan, the ruler of Abu Dhabi, has served as the UAE's top state since 2004. Muhammad bin Rashid al-Maktum (ruler of Dubai) is the Vice President and Prime Minister, while Saif bin Zayid Al-Nuhayyan (since 2009) and Mansur bin Zayid Al-Nuhayyan are the Deputy Prime Ministers (since 2009) (Alsuwaidi et al., 2021). A Cabinet, or Council of Ministers, is appointed by the president. There is also a Federal Supreme Council (FSC), which meets four times a year and comprises the seven rulers of each of the seven emirates. The Federal Supreme Court (FSC) is the UAE's highest constitutional body, establishing broad principles and enforcing federal legislation. The FSC also elects the President (and Vice President) from among its members, convening every five years to confirm or elect the current president (Malit & Tsourapas, 2021). The emirs of Abu Dhabi and Dubai, on the other hand, enjoy effective veto power over presidential elections. The UAE's legal system is built on a dual

Sharia and civil court system. The UAE Constitution guarantees the independence of the judiciary, which comprises the Supreme Court and the Courts of First Instance. The president appoints the judges. Each emirate is governed by its own local and municipal governments. The division of authority for each level of government was defined by the constitution (Yaghi & Antwi-Boateng, 2016).

The UAE Economy

The UAE boasts as one of the world's most open economies. This legacy of inviting business and trade dates back to the early Gulf era when ships travelled to India and as far south as Mozambique along the East African coast. Based on the Organization of Petroleum Exporting Countries (OPEC) production schedule and announcements, the Central Bank of the UAE (CBUAE) projects real Gross Domestic Product (GDP) to recover to positive growth of 2.5% in 2021, with non-oil GDP growing by 3.6% and oil GDP remaining flat (Srouji, 2020). Increased fiscal spending, a pick-up in credit and employment, and relative stabilisation of the real estate market, aided by confidence recovery, are likely to fuel real non-oil GDP growth. In 2022, the economy is predicted to recover completely, with overall real GDP rising by 3.5% and non-oil real GDP rising by 3.9% (Ibrahim, 2019). This will be the outcome of ongoing fiscal spending growth, solid bank credit growth, strong job growth, improved business sentiment, and a portion of Dubai EXPO 2021 taking place in 2022 (Phuong, 2020). Furthermore, the UAE is projected to gain from Qatar's FIFA 2022 World Cup, which will be held throughout the year and held in the UAE, the region's key tourism, transit, and economic hub. Non-oil sectors continued to improve in Q4 2020, as lockdowns were lifted and travel resumed, and the country began the initial stages of vaccine distribution (Shadab, 2021).

Employment has improved, with four straight months of M-o-M growth as of December 2020. In the fourth quarter of 2018, the Purchasing Managers' Index (PMI) fell by only -0.9% on average compared to the same period in 2019, reaching the expansion zone of 51.2 in December. This reflects the improved mood brought on by the

preparations for the Dubai EXPO (Faheem et al., 2021). Due to the resumption of international travel, tourism, and hospitality data in Abu Dhabi in November and December show a comeback in occupancy and revenue, the highest performance since February 2020 (Al-Qasem, 2021). The Oxford Stringency Index increased from 51 at the end of Q3 to 49 at the end of December 2020, indicating that the economy continues to open up. Given its role as a regional commercial, transportation, and travel hub, the UAE benefited from this (Ashraf, 2020). Manufacturing was boosted as well as the supply chain recovered from the earlier interruptions. As a result, the actual GDP growth projection for 2020 has been increased to 5.8% (El-Mahmah, 2017). In 2020, real non-hydrocarbon GDP was expected to have decreased by 5.7%. According to CBUAE, real non-oil GDP growth slowed slightly in the fourth quarter (Abdulkadhim, 2020).

As an oil exporter, the UAE is poised to bear the brunt of lower global oil demand due to a worldwide slowdown in economic activity, particularly transportation and international travel. In keeping with the OPEC agreement, UAE oil production declined 17.7% year on year in Q3 and 18.2% year on year in Q4 (Said, 2019). In 2022, real oil GDP is expected to fall, resulting in average oil output of 2.78 million barrels per day for the year. In 2020, the UAE's entire labour force was 7.384 million people (Elessawy, 2020). A total of 7.219 million individuals were employed. The highest pay was AED 62,857 million for those working in the wholesale and retail trade industry, followed by AED 52,959 million for those working in the construction and building sector (Lambert et al., 2020).

The Demographic Environment in the UAE

The population of the UAE is predominantly Arab, descended from the tribal confederations that dominated the peninsula long before written history. Although Arabic is the official language, English and other languages like Urdu, Malayalam, and Tagalog are also widely spoken. The official religion of the UAE is Islam (Elessawy, 2020). The UAE's population growth had slowed dramatically since 2000 when it increased by more than 5 million people. The population is currently 9.89 million

people and is expected to increase to 10.71 million people by 2033 (Ameen & Anand, 2020). After that, the population is predicted to gently fall and plateau, with roughly 9.03 million people remaining at the end of the twenty-first century. Between 2019 and 2020, the population of the UAE increased by 1.23%, with the addition of almost 120,000 individuals (Zeyad et al., 2020). The population grew at a rate ranging from 5.35% per year to 13.26% per year between 2000 and 2010 (Matsumoto, 2019). With 1.42 births per woman, the UAE has a low fertility rate. The UAE's fertility rate rapidly declines, creating anxiety among government officials (Mahdavi, 2019). The UAE government has implemented programmes to encourage childbirth among its inhabitants, such as providing financial assistance to young married couples. The median age is expected to rise to 32.6 in 2020 if the fertility rate does not increase (Mahdavi, 2019).

The Socio-Cultural Environment in the UAE

The UAE is a forward-thinking social investor, looking for new methods to improve prospects for UAE individuals while also addressing regional and global issues. Educational reform, improved healthcare, extending the role of women, and environmental preservation is among the UAE's key goals (Baroudi & David, 2020). In 1975, males had a literacy rate of 54%, while females had a literacy rate of 31%. Literacy rates for both sexes are now approaching 95%. Emirati women's educational success best exemplifies the UAE's tolerance and openness beliefs. According to de Waal and Frijns (2016), a few women attended school less than 50 years ago. However, The Highness Sheikh Zayed Al Nahyan personally initiated a campaign to ensure that all females had access to learning. Nowadays, more Emirati women than men complete secondary school and continue their education at the under-graduate and post-graduate levels. Seraphim and Haq (2019) claim that females have the same legal rights, access to education, claim to titles, right to practise professions, and right to inherit property as males under the UAE constitution.

The Emirati culture is built on a foundation of sharing and involvement. In the past, the ruling Sheikhs would travel to isolated areas of the

UAE and camp in villages, holding impromptu meetings in big tents. These gatherings were informal, emphasising sharing, discussing, and resolving local issues, including society, agriculture, trade and economics, housing, medical care, and other topics affecting people's health and happiness. These events, known as Barza or Majlis (Arabic for "gathering"), drew large crowds of Emiratis (AlMazrouei & Pech, 2015). The government of the UAE has used its oil fortune to construct a nation with world-class infrastructure. Emiratis now have access to high-quality education, health care, housing, and other essential infrastructures like public works, banks, and telecommunications. The UAE leads the Arab world in most of these fields (Zeineddine, 2017). Emirati families still live together today as a result of their tradition of settling in groups. They represent religious and tribal bonds, as well as traditional principles of cooperation and sharing. Emiratis are gregarious people (Wang & Kassam, 2016). They enjoy meeting new people and continue to host regular get-togethers in their homes or public places. They are kind hosts who treat their visitors with respect (Guéraiche, 2016). An Emirati man shakes hands with another Emirati man by rubbing their noses together. Handshakes, embrace, and peace greetings follow. Economic factors continue to influence social behaviour. One thing that has not yet changed is the Emirati culture's affinity for Islamic principles (Young, 2018).

Human Resources Management in the UAE

In the last few decades of the twentieth century, the UAE entered the global marketplace. The UAE's rapid economic development allowed it to transform from a primarily rural agricultural community to an urbanised society with a lifestyle comparable to that of other civilised nations worldwide in less than half a century. HR departments in Gulf Cooperation Council (GCC) countries in general, and the UAE in particular, have struggled to become professionally structured and acknowledged as valuable in enterprises, both public and commercial, over the previous decade (Awad, 2018). For example, in the UAE's private sector, small- and medium-sized businesses lack clear rules and procedures for HRM concerns, including recruiting, promotion, pay, training, and

development (Farouk et al., 2016). According to Kaleem (2019), pay is not just low compared to the public sector, but a large proportion of private-sector employers either pay employees late or do not pay them at all (Tahir, 2021). There are around 7.384 million UAE employees, with 86.5% of men and 13.5% of women employed. In the United Arab Emirates, the labour market is built on a sponsorship system known as the Kafala system. Every employee must have a sponsor, also known as a Kafael (Zeffane & Melhem, 2017).

Each worker in the private sector must have a local sponsor, whereas, in the public sector, the Kafael is the government department that employs the individual. The government has made it a priority to ensure that each local individual is employed and trained to satisfy the labour market requirements. A reduction in the number of foreign workers in the UAE labour force is also a goal (Pereira et al., 2020). The goal of the UAE National Human Resources Development and Employment Authority (TANMIA) is to provide employment, training, and development opportunities to all UAE citizens. The Emiratisation programme combines the goals of total national employment with a reduction in dependency on foreign labour. If there is a potential of available knowledge in the country, it is decided to hire locally. For example, administrators are frequently hired domestically (Abaker et al., 2019; Singh & Sharma, 2015).

Job postings can be found in local newspapers, social media, and recruitment agencies. In addition, TANMIA is contacted to see if any nationals are available for the position. Face-to-face interviews happen at the firm if an applicant is available locally. According to Abaker et al. (2019), Waxin and Bateman (2016), Emiratisation is a process that aims to increase the participation of UAE nationals in the labour market through a variety of macro- and micro-level instruments, ranging from national policies and regulations to organisational and individual level tools and procedures. As a result, the factors influencing the success or failure of Emiratisation initiatives are likely to be distributed across multiple levels (Alansaari et al., 2019). According to Daleure (2016), Emiratisation is more than just recruiting UAE nationals to replace expatriates; it is a huge process that necessitates training for nationals to obtain the required skills and competencies for the assigned work to assure a

successful Emiratisation process. According to Sarker and Rahman (2020), larger firms are more likely to expand the HR department so that resources may be committed to Emiratisation, which includes factors like recruitment, procedures, rewards, performance appraisal, and training.

Such expanded divisions can also assist in overcoming expatriate employee resistance to change and actively supporting external organisations such as TANMIA. Before starting the nationalisation projects, the UAE government acknowledged that workforce education must be aligned appropriately with labour market needs; however, many firms attract foreign workers to perform jobs that nationals could never perform well (Aljanahi, 2017). As a result, the government provides training to increase the national workforce's competencies and abilities to boost the labour force's employability in both the public and private sectors. The Middle East and North Africa (MENA) are among the most prominent global consumers of corporate training. Waxin et al. (2015) state that some government-controlled businesses, including thorough assessments using competence models and multi-source comments, individual development plans, education, continuing mentoring or coaching, and rotating tasks in national and international positions, follow many accepted good practices in organisational and executive development.

As the programme proceeds, participants' development is closely tracked, and their career paths are a source of great curiosity. An independent accrediting authority may conduct an external examination of the programme. Additionally, Reddy and Kota (2019) note that nationals employed in the public sector receive substantial training and development support. Emiratis are frequently employed in jobs and then helped in their educational, training, and development needs to satisfy the required qualifications, including receiving full or partial tuition payments or release time to engage in programmes thought to benefit their professional growth. According to Zeffane and Kemp's (2020) study of HRM practices in a UAE-based telecommunications business, the HR department delivers all-inclusive training activities that promote an Emiratisation policy.

The corporation has built an Academy, which is rated as the leading training centre for leadership skills, business, telecommunication, governmental development, and information technology, as a direct initiative of the HR department. Furthermore, the corporation has formed

partnerships with many local institutions and universities to provide training to its employees. The organisation has developed several development programmes aimed at various occupations, from entry-level positions to executive positions (Pereira et al., 2020). The company's career development section's primary goal is to produce the company's future generation of corporate personalities. Almaskari and Marni (2020) discuss the cultural difficulty of employing Western-style training approaches. The findings are based on a survey of 70 Emiratis who have just joined a major bank in the UAE. According to their research, collaborative and competitive behaviours have the most beneficial impact on sales and business performance; accommodating behaviours are neutral; compromise and avoiding behaviours have the most negative impact on sales and business performance.

As a result, the participants' preference for compromising and avoidance approaches negatively impacted the anticipated training outcomes. As seen in the UAE, cultural preferences might pose a significant risk when employing Western-style training programmes. On the other hand, these training programmes need to be tweaked before being used in the Arab world. According to Qasim (2020), some UAE firms hire interns from prestigious colleges to teach them on the job before offering them full-time positions. Furthermore, many firms offer a graduate training programme to provide vocational training to recent graduates before they join the main operations. As part of a cabinet change in October 2017, the UAE established a ministry for artificial intelligence. The 'UAE Strategy for Artificial Intelligence (AI)' was launched by the UAE government. This is the start of the post-mobile era of government, characterised by a diverse array of future services, businesses, and infrastructure projects. This is the first approach of its kind in the Arab world (Qasim et al., 2021).

HR Diversity in the UAE

Due to the extreme constant expansion in the number of expatriates working in various economic sectors in the UAE, diversity in HRM is an essential topic. The huge number of expatriate employees has made it critical

for organisational leaders to find innovative approaches to manage their highly diversified workforce in the last 20 years. The UAE's workforce has a distinctive demographic personality, with over eight million expatriate employees from all over the working world side by side (Alketbi, 2020). In all UAE's economic sectors, expatriates accounted for over 90% of the workforce in 2020. Organisations must develop HR diversity practices capable of retaining a productive staff due to the realities of workforce diversity. In other words, HR diversity should help organisations to perform better. Managing a diverse workforce is critical to ensuring that individual variations do not obstruct business goals (i.e. productivity) (Klaffke & Catalan Oplencia, 2020). According to studies, the UAE has taken small steps to institutionalise diversity initiatives. Essentially, the government's response has been confined to creating new rules that preserve the native workforce's rights, such as the Emiratisation programme. Large private companies adhere to government policies, which state that all employees should be treated equally regardless of personal differences (Pereira et al., 2020). Other private firms manage workforce diversity using a conflict management method, in which the administration only intervenes when workforce differences trigger arguments or problems that threaten the organisation. However, with the influx of foreign personnel and the rise in work-related conflicts, there has been a growing need in recent years for the government and businesses to manage diversity concerns (Waxin et al., 2020; Abaker et al., 2019).

Several investigations have been performed to see how employees evaluate successful human resource diversity practices in their workplaces. Since the UAE's economy is primarily reliant on expatriates, it is critical to understand how employees perceive diversity and interact with co-workers who differ in ethnicity, gender, language, health condition, and religion (Hennekam et al., 2017). Working women's rights should be protected by all organisations in the UAE, according to government rules. Underage and determination have the same legal protection (the UAE Federal Human Resource Law No. 11/2008). Article 14 of the law defines the employment process for people's determination, stating that federal agencies must recruit people of determination based on professional merit. Those with the necessary intellectual and physical abilities to accomplish the job's minimum standards, regardless of handicap,

should be assigned (Warner & Moonesar, 2019). Organisations that discriminate against people of determination or fail to fulfil their requirements are subject to the law. Apart from these specific legal restrictions, people of determination are treated the same as everyone else regarding employment rules, including induction, work tests, appointment procedures, promotions, resignation, and retirements. Additional articles addressing includes working women in the law (Al Jerjawi, 2016). Working women are entitled to a 60-day paid maternity leave under Article 53-1. Article 53-2 permits mothers with a newborn kid (under four months old) to take two hours off work each day to care for their children. The law allows such women to use the flexi-time method to select when they want to leave work; they can opt to arrive two hours late or leave work at any moment for the same amount of time. In a related matter, Article 54 of the law provides fathers with three days of paid leave when their wives give birth to a child within the country. Articles 65 and 66 of the law emphasise that all employees should be treated with high respect and treated equally in all professional affairs, including expatriate personnel. Cultural and racial disparities should be viewed as an organisation's source of wealth. The law prohibits discrimination based on an employee's religion, race, language, or ethnicity (Sergio et al., 2017).

Emiratisation

Throughout the GCC's six member states, the necessity to develop more employment possibilities for national residents has grown in importance over the previous 30 years. Bahrain, Kuwait, Qatar, Oman, Saudi Arabia, and the United Arab Emirates have all taken steps towards political nationalisation (Kaabi & Sandhu, 2018). There are significant similarities between these GCC countries regarding demographics and labour markets, such as a firm reliance on expatriates, high local unemployment rates, and low levels of national worker participation, particularly among women (Thompson & Wissink, 2016). Human capability development, particularly among nationals, is acknowledged as a significant strategic objective. Government policy and legislation aimed at increasing nationals' engagement in the workforce have altered the GCC labour market environment.

For international companies operating in this region, Emiratisation has become a vital employment consideration (Qambar, 2015).

Consequently, a body of recent research on Emiratisation in the Gulf Cooperation Council (GCC) countries has arisen, demonstrating that GCC workforce localisation tactics and outcomes differ from those in other regions such as Asia and Africa. The utility of cross-county/region knowledge on workforce localisation is limited due to numerous contextual (including historical, demographic, and cultural) differences among regions (Waxin & Bateman, 2016). Government organisations in the GCC and the UAE have effectively implemented workforce localisation policies, with some agencies employing more than 90% of nationals. Emiratis made up about a third of the workforce at many of Abu Dhabi's largest government-linked enterprises across various industry sectors in 2019. On the other hand, the private sector has had a far lower success rate with labour localisation (Patterson et al., 2020).

In 2019, 54% of UAE citizens were working, with only 9% working outside the state sector. As previously stated, the UAE government recognises the need to manage diversity as an unavoidable reality (Abdulkadhim, 2020). Various regulations, on the other hand, exist to protect the employment rights of Emirati nationals. For example, under Labor Law No. 43/2005, at least 4% of all bank employees must be citizens (public or private) (Al Murshidia & Al Riyamib, 2020). Every insurance firm is required by Labor Law No. 42/2005 to set aside 5% of its jobs for national job searchers (Waxin & Bateman, 2016). According to Labor Law No. 41/2005, commercial businesses with 50 or more employees must increase the number of national employees by 2% each year. The Emirati Labor Law No. 544/2011 establishes a new classification system for businesses based on the number of Emirati employees they employ. The government rewards companies that employ many Emiratis with incentives and preferential treatment (Almarashda & Sarpin, 2020). Because of the country's demographic imbalance, Albloushi (2015) claims that managing diversity is difficult for organisations in the UAE. She discovered that 30% of international employees in the UAE had issues with several HR rules established by their employers. According to the report, over 65% of the foreign workers suspected their businesses' ability to embrace diversity strategies properly.

Education and Employment of Women in the UAE

In the UAE, women account for three out of every five students enrolled in public higher education. The overwhelming majority of these young women (80%) are first-generation college students. Because Emirati men had access to school and various work options much before their female counterparts, their fathers are more likely to have higher educational levels than their mothers. Men's schools first opened their doors in the early 1950s, followed by women's institutions over a decade later (Allagui & Al-Najjar, 2018). Although their slow start, women have achieved significant progress in all areas of education due to two reasons. The first is the rulers of the United Arab Emirates' significant support for education. The second and possibly more powerful reason is the provision of gender-segregated and cost-free primary, secondary, and tertiary education, which allows women from various socio-economic and family circumstances to access higher education (Kharroubi, 2021).

Women's apparent educational success, on the other hand, has not translated into comparable improvements in employment rates. In 2019, just 18.7% of Emirati women were employed full-time, up 5.1% from 9.6% in 2010, with the bulk of women working in the public sector as teachers or as clerical workers (Allagui & Al-Najjar, 2018). Male foreign workers have dominated private-sector employment, with less than 6% of Emirati natives (both male and female) involved in that sector (Ahmad et al., 2021). Women's employment is a big issue in the MENA area, which has the world's lowest female workforce participation rates. According to Al Matroushi et al. (2020), women in the public domain in February 2004 report that the regional governments have spent an average of 5.3% of GDP on education over the past decade, the highest allocation in the world. This massive investment in education has closed the gender gap in higher education institutions, with women outnumbering males in numerous nations. It has resulted in the highest growth in the employment rate over the last decade. Despite this improvement, the region's female labour force participation rate in 2018 was 32%, the

lowest in the world. Emirati women's low labour force participation rates can be attributed to three issues (Heath, 2021).

The first factor concerns the family, which is frequently referred to as the Arab world's basic socio-economic unit (Marmenout & Lirio, 2014). The family is the only institution through which individuals inherit their religion, social class, and cultural identities, and it plays a crucial role in both men's and women's lives. Individual interests are prioritised over family interests, and the family has a significant impact on an individual's attitude and decisions. Family attitudes on female employment and a woman's capacity to balance work and family commitments are frequently cited as essential factors in obtaining and maintaining employment. The second part, which is closely related to the first, concerns the social conditions that women must adhere to under the "code of modesty," which requires men and women to be separated to protect family honour. This code is followed to differing degrees by various groups in society, and it restricts women's employment opportunities to mostly female labour areas, such as schools. The third and last factor concerns women's rivalry for public-sector jobs and their strong preference for positions in the civil service. Civil service statutes protect indigenous people and make it difficult for companies to fire them without a lawsuit. Emirati women can also count on public-sector jobs to keep them employed even if they are absent for long periods owing to illness in their immediate family or paid maternity leave. However, falling oil prices caused the government to experience lower revenues throughout the 2000s, prompting the implementation of policies limiting the expansion of public-sector employment through automation and privatisation, resulting in a sharp reduction in the number of new hires and the possibility of jobs in that sector (Sandhu et al., 2021). The private sector has the highest rate of job growth. Except for the banking sector, where government laws mandate banks to maintain a 5% national workforce quota, Emirati women have limited access to private-sector positions. Emirati women are not in a good position for the future because of the restrictions placed on them by their families and communities and their preferences, in addition to the lack of network linkages within the commercial sector (Prager, 2020).

HRM Institutional Perspective

The institutional viewpoint provides a single point of entry into the UAE's HRM setting. The function of social organisations as external influences shaping company policies and practices emphasises this theoretical approach. It provides a theoretical foundation for assessing various fundamental difficulties that organisations face in a given context. The main point is that most businesses are influenced and pressured by social forces to adopt appropriate methods for their surroundings (Karam & Kitana, 2020). Al Bastaki et al. (2020) argue that HRM practices are context-specific and that both culture-free and culture-bound variables influence national HRM practices in their attempt to draw a link between institutional arrangements and HRM policies and practices. In other words, institutional and cultural arrangements are likely to impact HRM policies and practices in firms in a specific environment. More recently, the impact of institutions on HRM and how essential HRM practices are still embedded in the respective institutional environments have received much attention (Haak-Saheem & Festing, 2020). Organisational decisions, policies, and practices, according to institutional theory, are impacted not just by rational decision-making procedures aimed at optimising effectiveness but also are affected by the institutional context in which they operate. According to Rezaei Zadeh et al. (2020), organisations are institutionally constituted entities that must conform to the rationalised and institutionalised expectations of their environment and adopt expected structures and management methods to survive. Previous research (e.g. Haak-Saheem & Festing, 2020; Pereira et al., 2020) emphasises the UAE's indigenous management conceptions and paradigms, as well as their impact on human resource management. According to Wilkins and Emik (2021), organisations acquire diverse behaviours through three types of isomorphism: coercive, mimetic, and normative isomorphism. According to Haak-Saheem et al. (2017), national institutional configurations are durable, whereas organisational-level practices within individual countries are route-dependent, reflecting specific historical circumstances.

Haak-Saheem et al. (2017) examine how Multinational Enterprises (MNEs) operating in the UAE are largely depending on International Human Resource Management (IHRM) rules and strategies. The existing research on institutions indicates that the MNEs are influenced and pressured to pursue HR practices that are deemed acceptable for an environment and a situation. Previous research has ignored the UAE's unique institutions and their effects on MNEs' HRM. Instead, they investigate the influence of home-country institutional determinants on IHRM in overseas subsidiaries, with a specific focus on institutional theory. The research shows that IHRM activities based on institutional framework are unstable, reliant, and ambiguous situations, rather than the substantial and secure institutional foundations existing in industrial nations. Singh et al. (2017) examine the prevalence and influence of distinct HR management on firm performance across various types of firms in a developing market scenario, including UAE. According to comparative capitalism research, official and unofficial laws in advanced nations are mutually beneficial and supported by HR network systems. In environments where institutional structures are poor, there are limited opportunities to disseminate mutually beneficial HR bundles. Nevertheless, even if they do, they are unlikely to produce superior results.

Challenges and Future Perspective

Despite the consistent increase over time, as previously said, growing female participation in the labour force remains one of the UAE's primary HR problems, particularly in the private sector (Budhwar et al., 2019). Some companies are still hesitant to hire women because they are seen as less efficient, demanding more and offering more petite, and unable to operate under pressure. Furthermore, as previously stated, some women refuse to accept specific positions and prefer to remain job seekers. Teaching occupations, for example, are preferred over nursing jobs. The government must raise awareness among women and their families about the critical role that women play in all aspects of life and that they are equally vital in education, agriculture, health, and other fields. Misalignment of talents and education is another issue (Saeed et al.,

2015). In the UAE's labour market, the incidence of skills and educational mismatch is expected to increase. Even though the UAE labour market is in demand, the educational system in the UAE is not adapting and delivering the skills and qualifications that graduates require to seek new jobs or excel in their existing ones. This emphasises the need to align graduates' abilities during their formal education with those required by particular employment (Al Nuaimi, 2020; Raji, 2019).

There is a lack of coordination between the various stakeholders participating in the education-to-employment process in the UAE, which is increasing the influence on skill and education mismatches in the country. Furthermore, in this digital age, future academics are recommended to explore the possibilities of sophisticated technology and design a framework that can be applied to the country to dynamically modify levels of a mismatch as supply or demand changes (Goher et al., 2020).

Furthermore, new regulations and processes are required to reform the private sector's job. Even if it meant waiting a long time for a job, most job seekers prefer government work. HRM concerns such as recruitment, promotion, remuneration, training, and development are not well-defined in the private sector, particularly among small- and medium-sized businesses. Wages are one of the most prominent factors that deter citizens and expatriates from working in the private sector. Compensation is not just low compared to the public sector, but many private-sector employers postpone or refuse to pay employees' pay cheques. Alternatives such as higher salary, non-monetary perks, shorter working hours, and so on are not available in the private sector. Many commercial sectors work ten hours per day, six days per week, and split shift (which is most frequent in the Al Ain region), whereas the public sector works in a straight and single shift, eight hours a day, and five days per week system (Al Ali & Ahmed, 2017).

Since the beginning of this year, the total number of labour disputes submitted with the Ministry of Labour and Social Affairs has been set at 9674, with unpaid salaries being the greatest in number (Tahir, 2021). Using wages as an example, the entire reform of the private sector would not only inspire national women and men to seek employment in this market, but it will also develop and increase their participation in society's welfare. Even though the UAE has the greatest population growth

rate in the Arab world and one of the highest rates in the world, the most severe difficulty it faces on a national level is the population imbalance mentioned previously. To deal with this problem, the government needs to adopt a precise approach. As previously indicated, the government introduced Emiratisation to bridge the gap between locals and non-locals (Budhwar et al., 2019). It is thought that as expatriates who are laid off depart the country, this problem would be alleviated in the long run. Meanwhile, the Emiratisation program's effectiveness is significantly contingent on the country's supply of qualified and equipped human resources. Waxin and Bateman (2016) investigated the elements that influence HR in the UAE in this context. They stated that about 10% of the workforce is made up of nationals. In other words, expatriates account for 90% of all employees in the country (Waxin & Bateman, 2016). Even though the UAE government is making a determined effort to strengthen the country's human resources, this is a shared goal. This objective must be shared and carried out by all community members, whether individuals or groups, private or public organisations.

Keeping in view the critical role that HRM plays in organisational success, the current serious efforts are likely to lead to many developments in the field of HRM. HRM efforts such as computerising major HR activities as a reflection of the information technology revolution that is booming in the UAE, as well as increasing the degree of partnership in HRM in most companies in the country (Zahran et al., 2016). Furthermore, a few points need to be addressed in this section that is directly relevant to the future of HRM in the UAE. First and foremost, organisations must broaden their understanding of the HR department's function in the workplace. For example, HRM departments are not involved in critical HR activities such as selection, hiring, and assessment in many firms. Their responsibilities are confined to minor tasks such as payroll preparation and sick leave management. The majority of top-level and line managers are unaware of HRM's critical function. As a result, workshops, conferences, seminars, and meetings are essential for orienting these organisations on this subject (Singh et al., 2016).

The second issue is inextricably linked to the first. There is a need to elevate the HR profession. Many HR department managers in the UAE are not HRM specialists, which means they are ill-equipped to manage

employees. HR jobs in the UAE appear to be a job for people who do not have work. Unfortunately, many executives believe that all it takes to run an HR department is a ten- or fifteen-hour training course on preparing wages and creating sick leave and vacation applications (Lim, 2014). As previously discussed, the bulk of HR professionals are not HRM specialists. This could be one of the reasons why HR departments are not interested in some HR matters. This phenomenon is also linked to the scarcity of specialist HRM degrees and certificates addressed earlier in this chapter. Consequently, professionalising HR positions and graduating students with a specialisation in HRM will significantly improve HRM's status in the UAE (Abdelhamid & Sposato, 2019). Finally, the establishment of HR partnerships between firms will have a favourable impact on their performance and the development of personnel management. This will necessitate creating a reliable information system for personnel departments to communicate HR-related issues and exchange best practices. Establishing a professional HR body (at the national scale) in the UAE will support the growth of HRM in the country (Naqbi et al., 2018).

References

- Abaker, M. O. S. M., Al-Titi, O. A., & Al-Nasr, N. S. (2019). Organizational policies and diversity management in Saudi Arabia. *Employee Relation*, 41(3), 454–474.
- Abdelhamid, M., & Sposato, M. (2019). The role of organisational learning in creating an agile workforce in Dubai. *International Journal of Work Organisation and Emotion*, 10(3), 262–279.
- Abdulkadhim, H. H. (2020). Trade openness and economic growth: A lesson from United Arab Emirates. *The Scientific Journal of Cihan University–Sulaimaniya*, 4(2), 115–129.
- Ahmad, S. F., Hermayen, A., & Bhavani, G. (2021). March. Knowledge discovery in surveys using machine learning: A case study of women in entrepreneurship in UAE. In *2021 International Conference on Computational Intelligence and Knowledge Economy (ICCIKE)* (pp. 514–518). IEEE.
- Al Ali, A., & Ahmed, A. (2017). *Managing organizational change in the UAE: A study of select organizations* (Doctoral dissertation). Abu Dhabi University College of Business.

- Al Bastaki, S., Haak-Saheem, W., & Darwish, T. K. (2020). Perceived training opportunities and knowledge sharing: The case of the United Arab Emirates. *International Journal of Manpower*, 42(1), 113–130.
- Al Jerjawi, K. (2016). Cultural dimensions' impact on performance management in the UAE market. *Innovative Journal of Business and Management*, 5(3), 62–71.
- Al Matroushi, H., Jabeen, F., Matloub, A., & Tehsin, M. (2020). Push and pull model of women entrepreneurship: Empirical evidence from the UAE. *Journal of Islamic Accounting and Business Research*, 11(3), 588–609.
- Al Murshidia, G., & Al Riyamib, R. (2020). Emiratisation policy: Factors affecting job satisfaction and intentions to continue jobs in the public sector. *International Journal of Innovation, Creativity and Change*, 14(1), 1043–1057.
- Al Nuaimi, A. (2020). Low employee engagement in the UAE: Causes and solutions to overcome the issue. In *Human capital in the Middle East* (pp. 51–72). Palgrave Macmillan.
- Alansari, O., Yusoff, R. B. M. D., & Ismail, F. (2019). The mediating effect of employee commitment on recruitment process towards organizational performance in UAE organizations. *Management Science Letters*, 9(1), 169–182.
- Albloushi, I. (2015). *Exploration of the challenges of Emiratisation in UAE in the 21st century* (Doctoral dissertation). University of Salford.
- Aljanahi, M. H. (2017). Challenges to the Emiratisation process: Content analysis. *Human Resource Development International*, 20(1), 9–17.
- Alketbi, S. (2020). *The impact of including cultural difference courses within the police academy in Dubai, UAE, and its implications on crisis management* (Doctoral dissertation). Nova Southeastern University.
- Allagui, I., & Al-Najjar, A. (2018). From women empowerment to nation branding: A case study from the United Arab Emirates. *International Journal of Communication*, 12, 65–85.
- Almarashda, A. H., & Sarpin, N. (2020). Stakeholder perspectives on labour nationalization in UAE education sector. *Psychology and Education Journal*, 57(9), 5545–5550.
- Almaskari, M. S. N. S., & Marni, N. B. (2020). Human resource management role in improving employees' performance in the United Arab Emirates' Health Sector. *Journal of Southwest Jiaotong University*, 55(3), 1–9.
- AlMazrouei, H., & Pech, R. J. (2015). Working in the UAE: Expatriate management experiences. *Journal of Islamic Accounting and Business Research*, 6(1), 73–93.

- Al-Qasem, A. (2021). Impact of pandemic coronavirus disease (COVID-19) on United Arab Emirate tourism industry. *PalArch's Journal of Archaeology of Egypt/Egyptology*, 18(7), 2556–2570.
- Alsuwaidi, A. R., Al Hosani, F. I., ElGhazli, G., & Al-Ramadi, B. K. (2021). The COVID-19 response in the United Arab Emirates: Challenges and opportunities. *Nature Immunology*, 22, 1066–1067.
- Ameen, N., & Anand, A. (2020). Generation Z in the United Arab Emirates: A smart-tech-driven iGeneration. In *The new generation Z in Asia: Dynamics, differences, digitalisation*. Emerald Publishing Limited.
- Ashraf, B. N. (2020). Economic impact of government interventions during the COVID-19 pandemic: International evidence from financial markets. *Journal of Behavioral and Experimental Finance*, 27, 1–9.
- Awad, A. (2018). The effect of human resources competencies on a firm performance: A marketing perspective (with reference to firms located in UAE). *Asian Business Research*, 3(1), 60–68.
- Baroudi, S., & David, S. A. (2020). Nurturing female leadership skills through peer mentoring role: A study among undergraduate students in the United Arab Emirates. *Higher Education Quarterly*, 74(4), 458–474.
- Budhwar, P., Pereira, V., Mellahi, K., & Singh, S. K. (2019). The state of HRM in the Middle East: Challenges and future research agenda. *Asia Pacific Journal of Management*, 36(4), 905–933.
- Daleure, G. (2016). *Emiratization in the UAE labor market*. Springer.
- de Waal, A., & Frijns, M. (2016). The influence of the UAE context on management practice in UAE business. *International Journal of Islamic and Middle Eastern Finance and Management*, 9(2), 236–253.
- Elessawy, F. M. (2020). The consequences of population growth on the demographic characteristics of Abu Dhabi City in the United Arab Emirates. *Advances in Economics and Business*, 8(5), 268–276.
- El-Mahmah, A. S. S. I. L. (2017). *Constructing and economic composite indicator for the UAE*. UAE Central Bank, Research and Statistical Department. Available at <https://centralbank.ae/sites/default/files/2018-10/WP19062017.pdf>
- Faheem, M., Azali, M., Chin, L., & Mazlan, N. S. (2021). Does oil price spur public expenditures in Saudi Arabia, Kuwait and United Arab Emirates? *Journal of Public Affairs*, e2604.
- Farouk, S., Elanain, H. M. A., Obeidat, S. M., & Al-Nahyan, M. (2016). HRM practices and organizational performance in the UAE banking sector: The mediating role of organizational innovation. *International Journal of Productivity and Performance Management*, 65(6), 773–791.

- Goher, G., Masrom, M., Amrin, A., & Abd Rahim, N. (2020). UAE's labor market snapshot| skills and educational mismatch during industry 4.0. *International Journal of Recent Technology and Engineering*, 8(6), 1332–1340.
- Guéraiche, W. (2016). *The UAE: Geopolitics, modernity and tradition*. Bloomsbury Publishing.
- Haak-Saheem, W., & Festing, M. (2020). Human resource management—A national business system perspective. *The International Journal of Human Resource Management*, 31(14), 1863–1890.
- Haak-Saheem, W., Festing, M., & Darwish, T. K. (2017). International human resource management in the Arab Gulf States—An institutional perspective. *The International Journal of Human Resource Management*, 28(18), 2684–2712.
- Heath, V. (2021). Women and the fourth industrial revolution: An examination of the UAE's national AI strategy. In *Artificial intelligence in the Gulf* (pp. 203–245). Palgrave Macmillan.
- Hennekam, S., Tahsain-Gay, L., & Syed, J. (2017). Contextualising diversity management in the Middle East and North Africa: A relational perspective. *Human Resource Management Journal*, 27(3), 459–476.
- Ibrahim, C. (2019). Government spending and non-oil economic growth in the UAE. *Economics and Business*, 33(1), 82–93.
- Kaabi, K. A., & Sandhu, M. (2018). The role of workforce skills development for entrepreneurship: An Emiratisation perspective. *International Journal of Business Excellence*, 14(1), 101–120.
- Kaleem, M. (2019). The influence of talent management on performance of employee in public sector institutions of the UAE. *Public Administration Research*, 8(2), 8–23.
- Karam, A. A., & Kitana, A. F. (2020). An exploratory study to identify the impact of leadership styles on achieving institutional excellence in the public sector: United Arab Emirates. *International Journal of Business and Management*, 15(6), 16–30.
- Kharroubi, D. (2021). Global workforce diversity management: Challenges across the world. In *SHS web of conferences* (Vol. 92, p. 02026). EDP Sciences.
- Klaffke, M., & Catalan Opulencia, M. J. (2020). Engaging multigenerational human capital: Evidence from an emerging economy. *Talent Development & Excellence*, 12(3), 598–609.
- Lambert, L., Karabchuk, T., & Joshanloo, M. (2020). Predictors of life satisfaction in the United Arab Emirates: Results based on Gallup data. *Current Psychology*, 1–15.

- Lim, H. L. (2014). Managing young professional talent in the UAE: Work motivators and gender differences. *International Journal of Economy, Management and Social Sciences*, 3(12), 874–882.
- Mahdavi, P. (2019). The personal politics of private life in the United Arab Emirates (UAE): Sexualities, space, migration and identity politics in motion. *Culture, Health & Sexuality*, 21(12), 1381–1393.
- Malit, F. T., Jr., & Tsourapas, G. (2021). Migration diplomacy in the Gulf–non-state actors, cross-border mobility, and the United Arab Emirates. *Journal of Ethnic and Migration Studies*, 47(11), 2556–2577.
- Marmenout, K., & Lirio, P. (2014). Local female talent retention in the Gulf: Emirati women bending with the wind. *The International Journal of Human Resource Management*, 25(2), 144–166.
- Matsumoto, A. (2019). Literature review on education reform in the UAE. *International Journal of Educational Reform*, 28(1), 4–23.
- Naqbi, R. A. K., Yusoff, R. B. M., & Ismail, F. B. (2018). Supply chain integration and sustainable supply chain performance: A case of manufacturing firms from UAE. *International Journal of Engineering & Technology*, 7(4.7), 424–429.
- Patterson, L., Pandya, B., & Cho, B. (2020). Exploring the motivators to satisfy UAE employees. *Polish Journal of Management Studies*, 22(2), 402–413.
- Pereira, V., Neal, M., Temouri, Y., & Qureshi, W. (Eds.). (2020). *Human capital in the Middle East: A UAE perspective*. Springer Nature.
- Phuong, T. T. (2020). Restructuring and economic diversification in the United Arab Emirates. *International Journal of All Research Writings*, 2(3), 40–49.
- Prager, L. (2020). Emirati women leaders in the cultural sector: From “state feminism” to empowerment? *Hawwa*, 18(1), 51–74.
- Qambar, A. S. O. (2015). *Human capital development in the UAE Islamic banking sector: Addressing the challenges of Emiratisation* (Doctoral dissertation). Cardiff Metropolitan University.
- Qasim, A. (2020). The impacts of high employee turnover in the UAE hospitality industry. In *Human capital in the Middle East* (pp. 73–91). Palgrave Macmillan.
- Qasim, A., El Refae, G., & Eletter, S. (2021). Embracing emerging technologies and artificial intelligence into the undergraduate accounting curriculum: Reflections from the UAE. *Journal of Emerging Technologies in Accounting*. <https://doi.org/10.2308/jeta-2020-090>
- Raji, B. (2019). Significance and challenges of computer assisted education programs in the UAE: A case study of higher learning and vocational education. *Education and Information Technologies*, 24(1), 153–164.

- Reddy, A., & Kota, S. (2019). Impact of Emiratization on UAE private sector. In *The 7th International Research Symposium of the SGBED*.
- Rezaei Zadeh, M., Haak-Saheem, W., Darwish, T. K., & Singh, S. (2020). The impact of leadership on absorptive capacity: New insights from the UAE. *Canadian Journal of Administrative Sciences/Revue Canadienne des Sciences de l'Administration*, 37(4), 448–458.
- Saeed, H., Younis, S., & Hossan, C. (2015). Gamifying recruitment process: A qualitative study aimed at bridging the skills gap in UAE jobs market. *Journal of Business and Management*, 4(2), 7–27.
- Said, R. R. (2019). A quantitative assessment of the role of the private sector in economic diversification in UAE. *Research in Applied Economics*, 11(4), 23–35.
- Sandhu, M. A., Farooq, O., Khalid, S., & Farooq, M. (2021). Benchmarking entrepreneurial intentions of women in the United Arab Emirates. *Benchmarking: An International Journal*, 28(9), 2771–2785.
- Sarker, A. E., & Rahman, M. H. (2020). Social engineering and Emiratization in the United Arab Emirates. *Public Administration and Policy*, 23(2), 173–186.
- Seraphim, J., & Haq, F. (2019). Challenges for promotion of heritage tourism: Case study of the UAE. In *Conservation and promotion of heritage tourism* (pp. 35–56). IGI Global.
- Sergio, R. P., Moyalan, L. J., Al-Ali, H. R., & Al Bannai, M. M. (2017). Human resource management practices: A case of telecommunication company in the United Arab Emirates. In *Leadership, innovation and entrepreneurship as driving forces of the global economy* (pp. 437–444). Springer.
- Shadab, S. (2021). An analysis of the relationship between financial development and economic growth: Evidence from the United Arab Emirates. *Saudi Journal of Economics and Finance*, 5(2), 56–61.
- Singh, A., & Sharma, J. (2015). Strategies for talent management: A study of select organizations in the UAE. *International Journal of Organizational Analysis*, 23(3), 337–347.
- Singh, A., Singh, S. K., & Khan, S. (2016). Job characteristics model (JCM): Utility and impact on working professionals in the UAE. *International Journal of Organizational Analysis*, 24(4), 692–705.
- Singh, S., Darwish, T. K., Wood, G., & Mohamed, A. F. (2017). Institutions, complementarity, human resource management and performance in a South-East Asian Petrostate: The case of Brunei. *The International Journal of Human Resource Management*, 28(18), 2538–2569.
- Srouji, J. (2020). Digital payments, the cashless economy, and financial inclusion in the United Arab Emirates: Why is everyone still transacting in cash? *Journal of Risk and Financial Management*, 13(11), 1–10.

- Tahir, R. (2021). Flexpatriates: Issues and challenges for short-term assignments in the United Arab Emirates. *International Journal of Management Practice*, 14(3), 283–305.
- Taryam, A. O. (2019). *The establishment of the United Arab Emirates 1950–85*. Routledge.
- Thompson, P., & Wissink, H. (2016). Political economy and citizen empowerment: Strategies and challenges of Emiratisation in the United Arab Emirates. *Acta Commercii*, 16(1), 1–9.
- Ulrichsen, K. (2016). *The United Arab Emirates: Power, politics and policy-making*. Routledge.
- Wang, Y., & Kassam, M. (2016). Indicators of social change in the UAE: College students' attitudes toward love, marriage and family. *Journal of Arabian Studies*, 6(1), 74–94.
- Warner, R., & Moonesar, I. A. (2019). Diversity management: The case of the United Arab Emirates. In *Diversity within diversity management*. Emerald Publishing Limited.
- Waxin, M. F., & Bateman, R. E. (2016). Human resource management in the United Arab Emirates. In *Handbook of human resource management in the Middle East*. Edward Elgar Publishing.
- Waxin, M. F., Belkhdja, O., Bateman, R., & Zhao, F. (2015). Recruitment and selection in workforce localization context: Challenges and practices, evidence from the United Arab Emirates. Proceedings of the Australasian Conference on Business and Social Sciences 2015, Sydney (in partnership with The Journal of Developing Areas). *Australian Academy of Business and Social Sciences*, 602–609.
- Waxin, M. F., Kumra, S., & Zhao, F. (2020). Workforce localization in the Arab Gulf countries: How do organizations socialize the members of a powerful minority? *Sustainability*, 12(14), 5847.
- Wilkins, S., & Emik, S. (2021). Explaining the success of UAE companies globally: The benefits of possessing a 'can-do' culture. *Middle East Journal of Management*, 8(4), 319–343.
- Yaghi, A., & Antwi-Boateng, O. (2016). The role of efficacy, optimism, and political networks in legislative elections: The case of United Arab Emirates. *Digest of Middle East Studies*, 25(2), 409–428.
- Young, K. E. (2018). The UAE: Geopolitics, modernity and tradition by William Gueraiche. *The Middle East Journal*, 72(1), 167–168.
- Zahlan, R. S. (2016). *The origins of the United Arab Emirates: A political and social history of the Trucial States*. Routledge.

- Zahran, R., Pettaway, L. D., & Waller, S. (2016). Educational leadership: Challenges in United Arab Emirates. *Educational Leadership*, 5(1), 2–8.
- Zeffane, R., & Kemp, L. (2020). Emiratization: Benefits and challenges of strategic and radical change in the United Arab Emirates. In *Case studies in work, employment and human resource management*. Edward Elgar Publishing.
- Zeffane, R., & Melhem, S. J. B. (2017). Trust, job satisfaction, perceived organizational performance and turnover intention: A public-private sector comparison in the United Arab Emirates. *Employee Relations*, 39(7), 1148–1167.
- Zeineddine, C. (2017). Employing nation branding in the middle East-United Arab Emirates (UAE) and Qatar. *Management & Marketing*, 12(2), 208–221.
- Zeyad, T., Adam, A., Alghafri, R., & Iratni, R. (2020). Study of 27 Y-STR markers in United Arab Emirates population. *Forensic Science International: Reports*, 2, 100057.