Chapter 13
Identifying Effective Talent Management Policies and Practices in the United Arab Emirates (UAE)

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ABSTRACT

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 important in the context of the UAE, where talent shortages exist alongside high unemployment of Emirati nationals. Drawing on a larger study titled: ‘Movers and shakers of talent management in the UAE’, this chapter addresses this gap and generates recommendations for policy and decision making in UAE workplaces. We offer a foundation for evidence-based talent management for governmental policy makers and for organisations in the public and private sectors. Particularly, we suggest that focusing on empowerment and employment of Emirati talent is important but insufficient for organisations to tackle the complexity of talent. Legal and voluntary measures should focus on the current dynamics of talent locally and internationally in order to foresee the future of talent needs. This process is called future proofing, which can help organisations to prepare for future talent challenges.

INTRODUCTION

Talent Management (TM) is widely recognised in debates about managing people, although its inception dates back only to the 1990s when McKinsey & Company published their report, The War for Talent (Michaels et al., 2001). The scholarly literature on TM 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 & Pinnington, 2002). Over the last few years, several groups of academic researchers have been developing new frameworks for talent management that seek to integrate a broader range of issues in economics, business, strategic management, and human resource management (HRM).

Consequently, there is less of an argument for claiming that TM is simply a management fashion (Iles et al., 2010); a new name given to ways of managing human resources which already are established in personnel management and HRM as activities of manpower planning, employee resourcing, and succession planning. Rather, TM now is a significant area for management theory and practice with relevance for multinational companies (MNCs), government and employer organisations concerned about national and regional labour markets, education and training institutions, and in general all organisations seeking to obtain competitive advantage through people.

TM can generally 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 & Schuler, 2010).

Since the publication of the 2001 McKinsey report, an increasing number of management practitioners have shown much interest in TM (Scullion et al., 2010). However, McDonnell et al. (2010, p. 150) argue that many organisations still adopt ‘an ad hoc or haphazard approach’ to TM. Moreover, academic research on the subject offers some clarity in specific areas of study but with limited overall consensus on theory and recommendations for practice (Scullion et al., 2010).

Capelli (2008) argues in a Harvard Business Review article that TM practices in the USA have by and large been dysfunctional and have failed to manage uncertainty in the environment. They have relied too much on inflexible and dated concepts of long range planning and have not been sufficiently responsive to changes in markets. Capelli claims that operations researchers and supply chain specialists can provide some ideas on the best way of advancing TM, which he calls “talent on demand”.

It is based on four principles that he argues enable employers to more effectively manage their talent needs; (i) in response to supply and demand in the market; (ii) recoup investments in talent development; (iii) balance employees’ and employers’ interests; and (iv) improve the level of skills in society. While the clarity of his message and attractiveness of the analogy with supply chain management may be appealing to some managers and researchers, it offers little guidance on HRM policies, practices and systems for talent management.

Skills shortages are a global phenomenon, although they impact economies in different ways across Asia Pacific, the Americas, Europe, and the Middle East (Manpower, 2010). The United Arab Emirates (UAE) relies heavily on its expatriate workers who have outnumbered the country’s local workers for several decades (Shah, 2008). This is the case in the public sector and the private sector (Forstenlechner & 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.

Although TM is a relatively underused term in the UAE, Emiratisation quotas can be considered as part of the local lexicon of talent management practices. Emiratisation programs have been in place in the UAE for over 10 years now. The main goal 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 & Rutledge, 2011).