

# Migrating to skills based nationalisation

## Applying lessons from the UAE's Emiratisation strategy

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**SINCE** the early 1990s the United Arab Emirates has adopted a strategy commonly known as Emiratisation.

The strategy aims to use the country's human resources optimally in the economic process and to transfer skills and knowledge from expatriates to UAE nationals. It both applies to government agencies and private sector companies, where expatriates still make up the vast majority of the work force.

The match between job supply, that is, the skills of the available work force, and job demand created by quotas is a challenging balancing act. Now is the time for companies to reconsider their Human Resource strategies and to take up skill-based nationalisation.

The main challenge companies are facing today is how to efficiently integrate Emiratisation targets set by the government into their overall human resources strategy. Skill-based Emiratisation is all about matching the demand for national employees with existing supply in the most efficient way.

Complications arise from the relatively young and inexperienced UAE workforce and also from the common misconception that expatriates in general have the better work attitude, that is to say, are more willing to work long hours and at a substantially lower wage.

In general, many UAE nationals prefer to seek employment in the public sector due to better conditions, namely more attractive compensation packages, job security and often

shorter working hours. The main issue for private firms remains how to attract the high potential UAE nationals and subsequently how to ensure knowledge transfer from expatriates to nationals.

Most of the UAE's leading companies are engaged in various Emiratisation activities



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– recruitment fairs, training programmes and corporate universities.

Companies recognise the need to adapt their human resources strategy, however, many engage in costly one-time initiatives with questionable outcome. What companies really need is a comprehensive step-by-step approach on how to roll out their Emiratisation strategy.

To deal with Emiratisation in the most efficient way, companies need to identify existing skills and knowledge gaps and subsequently set the right incentives for employees nearing the end of their careers, to transfer knowledge effectively to the next generation. They furthermore need to implement internal structures that support organisational changes and constantly monitor their success in order to migrate from

Emiratisation to skill-based Emiratisation.

In order to be a productive resource for an employer, candidates need a set of required skills that can result from their educational background as well as prior work experience. Companies aiming at skill-based Emiratisation essentially have to

assure that employees possess both.

On the one hand we can assume that the level of general education is sufficient for the jobs in question. Experience, on the other hand, is something that one cannot expect from a nation that was formed some 30 years ago and whose population is extremely young with 45% of UAE nationals under the age of 15 years.

Consequently, one of the main challenges companies are facing is to transfer accumulated knowledge from expatriates to nationals.

First, they need to identify functions where the firm intends to strategically increase the number of UAE nationals as well as the key knowledge holders that are essential in the subsequent knowledge transfer process.

Second, companies need to set the right incentives to encourage knowledge transfer. The core of a skill-based Emiratisation strategy is to assure that expatriates transfer crucial parts of their knowledge to UAE nationals.

Naturally, there is little incentive to do that – expatriates might fear putting their own jobs at risk when sharing proprietary knowledge with young UAE nationals that are designated to eventually take over their jobs. Therefore, clear-cut incentives must be set to align the overall Emiratisation strategy with individuals' incentives.

Commitment to develop nationals has to become part of a high-calibre expatriate's job description. This is an essential part of the process since it focuses on the implementation.

Third, the newly gained knowledge needs to be applied in practice. This includes putting into place a transparent approach so that expatriates as well as nationals have a very clear understanding of their respective career path, which includes constant knowledge sharing.

Fourth, the progress and success of knowledge transfer needs to be monitored on a constant basis. This can be done by integrating knowledge transfer targets into the key performance indicators or other types of scorecards.

The success of Emiratisation strategies depends on a structured and holistic approach. Single initiatives are not sufficient. Since the overall process takes a while companies should not expect to reap the benefits immediately.