



**EVALUATING THE SUCCESS FACTORS OF EMIRATIZATION IN THE
BANKING SECTOR**

By

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*To my family, who always supported me
Thank you*

DECLARATION

This work submitted in this thesis is in partial fulfillment of the requirements for the MSc in project Management and is the result of the candidate's purely own investigations, except otherwise indicated. The work embodied in this thesis has not been accepted in substance for any degree, and is not being concurrently submitted for any other degree.

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ABSTRACT

UAE national's society is developing very fast but there are still issues of unemployment. Expatriate workforce occupied most of the jobs in private and government sectors than UAE nationals. Although UAE government, via the Ministry of labor, is trying to encourage different companies to embrace Emiratization process, there are still some banks who failed to do so. This research is to evaluate the factors that might attract UAE nationals to work in banks and similarly encourage the banks to employee them. The research discussed Emiratization process in the banking sector through survey conducted in 11 banks and 13 colleges/universities. Opinions for both national bank employees and students were taken into account. Proper recommendations were placed based on the factors.

CHAPTER 1- INTRODUCTION

1.1 OVERVIEW

"No man eats better food than the one who eats out of the work of his hands."
Furthermore, Prophet Mohammed said, "No doubt, you had better gather a bundle of wood and carry it on your back and earn your living thereby, rather than ask somebody who may give you or not." (Sayings of Prophet Mohammed)

The UAE national's society, through its various people's responsibilities such as family, media, school, colleges, mosques and all other social communities, should promote the positive value and attitude towards work.

"There is a need to instill confidence in the citizens' ability to pursue work successfully and to inculcate a sense of duty and responsibility among the citizens to serve their country to the best of their knowledge and ability. This responsibility is clearly spelled out in the teaching of Islamic values towards positive work ethics."
(Source:http://www.lib.unb.ca/Texts/JCIM/bin/getPrint.cgi?filename=lamki.html&directory=vol3_1/)

A lot of GCC countries started their nationalization programs at about the same time, following the discovery of the oil in the region. Terms such as Saudization, Bahrainization, Kuwaitization, Qatarization and Omanization will be explained along with Emiratization. The strategy of the Ministry of Labor regarding banks will be examined and banking processes in most of the GCC countries will be explored.

The educational background of the UAE plays a major role in the improvement of Emiratization process. The education system is offered freely to all UAE nationals in local schools and Universities. In addition, scholarships are offered to some of the students who wish to study abroad.

The population and demographical structure will be evaluated as it has the effect on the workforce of the country since the majority is expatriates or under-aged UAE nationals. The main factors will be addressed and proper recommendations will be given.

H.H. Sheikh Zayed Bin Sultan Al Nahyan, the former President of the United Arab Emirates, said

"We have realized right from the start that the individual is the basis of any process of civilization and the pivot of real progress. Therefore, we had to build the individual and spare no money or effort in achieving this objective. This conviction derives from the fact that an educated and active person is the pillar on which the Federation depends in its march."
(Source:<http://uae.zayed.com/zayed1/zayed10e.htm>)

Government of the UAE provides jobs to the UAE nationals in order to achieve the principal of a steady and stable life. According to the Ministry of Labor both government and banking sectors succeed in achieving the Emiratization target. UAE is considered to be among the countries with high human development. In April 1999, an agreement was signed between the Ministry of Labor and Higher Colleges of Technology in order to recruit the colleges' graduates in both Government and Private sectors.

There are not many international resources on the nationalization programs of the GCC countries. Emiratization is considered to be a modern act with less interest in the international journals database.

1.2 PROBLEM STATEMENT

The employment demography in the UAE is categorized into three main categories:

1. Work Applicants.
2. Already working and seeking for new employment.
3. Unemployed University graduates who refuse to start from the beginning and are seeking for high positions from the start.

The total number of registered nationals until the end of 2008 in the banking sector only was 840 nationals which were the highest among the other sectors such as semi government with 260, hospitality with 102, insurance with 19 and properties with 26.

As it is observed the most attracted field is the Banking sector but still most of the banks failed to fulfill the 4 per cent per annual Cabinet Decree No. 10/1998.

Emiratization is, unsurprisingly, successful in public organizations, with the majority of agencies reaching their targets. The private sector is, however, expressing difficulty in encouraging a work ethic in young UAE nationals, and thus the government has resorted to direct measures aimed at certain industries. Recognizing that private sector banking and insurance more closely reflected public sector conditions and remuneration levels, these workplaces were selected to groom jobs to be attractive to UAE nationals and encourage their continuation in the labor force. The contrasting cases of UAE nationalization for banks and insurance organizations, and the relative success of quota implementations in each field are discussed below. (Al Ali, 2008)

1.3 AIM OF THE RESEARCH

This paper aims to evaluate the success factors of Emiratization in the banking sector, through evaluating the different HRM programs offered from the different Gulf Cooperation Council (GCC) countries.

1.4 RESEARCH OBJECTIVES

This dissertation examines and evaluates the success factors of Emiratization in the banking sector. Its process is to examine Banking sector contribution to the Emiratization process by conducting surveys to some of the bank's employees. It focuses on the current attitude of the UAE nationals towards banks. The overall objective is to get a proper recommendations and approaches to attract nationals to work in the banks and to encourage banks to employee nationals.

The objectives of the dissertation are:

1. Evaluate the relationship between nationals and nationalization programs in some of the GCC countries
2. Explore the demography of the UAE and its effects on UAE nationals
3. Study Education of the UAE nationals

4. Evaluate the banking sector in GCC countries and the UAE and development programs they offer to UAE nationals
5. Evaluate the success factors for Emiratization in different banks in the UAE

1.5 RESEARCH STRUCTURE

The study is organized in the following order: Introduction chapter is followed by a review of the existing literature on the Emiratization condition, along with other GCC nationalizations programs. Based on the literature, a proper methodology is proposed. This is followed by Analysis chapter for the conducted surveys. In chapter 6 recommendations and conclusion are presented.

CHAPTER 2- LITERATURE REVIEW

2.1 INTRODUCTION

The purpose of the literature review is to explore the different nationalization programs offered by GCC countries focusing on the banking sector in general and Emiratization in the UAE specifically. In addition, the paper aims to exploring the demography of the UAE and study the Education system of UAE nationals.

2.2 NATIONALIZATION IN DIFFERENT GCC COUNTRIES

The last two decades have seen a substantial increase in average unemployment rate in the countries of GCC which consists of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. One of the most important features of the GCC countries is that it possess approximately 45 per cent of the world's proven oil reserves, with Saudi Arabia alone controlling over 25 per cent , estimated at 250 billion barrels (IMF, 2001).

After the discovery of oil, the economies in the GCC countries developed rapidly and after the sharp raises of oil prices in 1970s and 80s, the authorities in these countries recycled the extra oil gains towards the welfare system, public investment programs in infrastructure, utilities and basic industries. (Al-Qudsi , 2005).

Nationalization programs become a key factor of HRM policy throughout the Middle East, to encourage and support the employment of nationals in preference to expatriates. Countries such as Oman, Saudi Arabian and the United Arab Emirates began adopting the different types of programs that would lead initially to nationalization initiatives.

There are not many sources of the nationalization in the GCC countries' topics in the International journals database; an attempt to analyze and research the terms based on International HRM literature is not available at all. Therefore most of the information, data were obtained from contemporary journals, publications dealing with the subject, libraries books and newspapers.

Political leaders throughout the Middle East have long recognized that dependence on an expatriate workforce has serious long-term political, economic and social consequences (Al-Lamki, 1998). As a result titles such as Omanization, Saudization and Emiratization appeared, to represent key policies that influence the employment practices in both the public and private sectors of these countries. While nationalization strategies differ from one country to another, they involve mainstream strategic HR activities such as recruitment and selection, education and training, career management and the design of reward systems. Moreover the nationalization programs are associated with a wide range of considerations such as globalization, economic growth and reform, and competitiveness (Looney, 2004).

Given these considerations, it is important to acknowledge that nationalization is a longstanding and international issue. While Middle Eastern leaders have devised and implemented nationalization policies that are specific to their region, parallels can be drawn with nationalization policies that have emerged in other regions of the world. It is noted that the nationalization policies in the Middle East have been rationalized using variables such as political independence, economic advantages and the conservation of foreign exchange, and the desire to manage one's own affairs (Rees et al, 2007).

Al-Dosary (2004) proposes that Saudization is developed as a result of the 'drawbacks' that arise from employing a foreign workforce. As in terms of the Middle East, the environment surrounding nationalizations is characterized by unemployment, soaring birth rates and political instability. As such, one can recognize the rationale behind the view that the problem of localization (that is the replacement of non-locals with appropriate local manpower) is 'an indisputable threat to the social and political stability' of GCC countries (Rees et al. 2007).

The need for detailed examination of nationalization case studies in the Middle East has risen to review and enhance the strategies. For example, one of the directors of a major Middle East HR Summit that was held in Dubai in September 2005 described the main aim of the conference as a best practice to enhance live debates and also to review the workplace issues

according to the nationalization initiatives. The HR Summit was held to encourage the private sector to embrace nationalized workforce. (Al Bawaba, 2005)

Surprisingly, the coverage of the Middle East nationalization policies and strategies barely exists in the International HRM literature. According to (Rees et al. 2007), in August 2005 an internet search for the words Emiratisation, Omanization and Saudization resulted in 38,000; 12,000 and 24,000 hits. Using the same terms in a general database of international academic business and management literature resulted no results published papers for the term Emiratisation and two papers for each Saudization and Omanization.

Meanwhile a more specific EBSCO electronic search of papers published in the International Journal of Human Resource Management between 1990 and 2005 located just one paper on Omanization (Al-Lamki, 1998) and none which focused on either Emiratisation or Saudization. (Rees et al, 2007).

Regardless of international HRM literature attitude in avoiding Middle Eastern nationalization programs as subjects to research from, the importance of these programs was highlighted in more general HR initiatives. For example, HRD in Oman was depending on foreigner workers and professionals and as a result there were no links between HRD and organizational strategies by national development policies. Then the focus went to include the education and training of Omani women to encourage them to enter the workforce (Rees et al. 2007). Similarly, (Al-Dosary, 2004) offered an analysis of the country's dependence upon foreign labor by identifying nationalization options that could reduce the country's dependency on foreign workers.

Country/ Period	Growth rate of real per capita GDP (%/year)				Average unemployment rate (%)				CPI inflation rate (%/year)			
	1971 - 1980	1981 - 1990	1991 - 2001	1971 - 2001	1971 - 1980	1981 - 1990	1991 - 2001	1971 - 2001	1971 - 1980	1981 - 1990	1991 - 2001	1971 - 2001
Bahr	8.2	-2.8	1.7	2.4	5.0	12.0	14.2	11.0	12.8	2.0	.6	2.3
KSA	6.7	-9.1	-1.2	-1.1	4.3	6.0	9.5	7.0	12.7	-1.1	.7	4.1
Kuwait	-7.4	-6.2	-2.0	-2.5	2.0	1.8	1.9	1.9	4.6	3.8	2.1	3.4
Oman	2.1	-2.5	.8	1.7	...	5.3	12.9	10.3	...	...	.4	.4*
UAE	24.4	-6.7	2.7	4.8	1.7	1.5	5.0	3.0	...	.5	3.4	3.2

Table 2-1: Per capita GDP Growth. Unemployment and changes in CPI. GCC 1971-2001. (Al Qudsi et al. 2005)

The percentage of unemployment rates during 1990s is much better than what it had been in the early decades. The unemployment trends showed a dramatic change during 1970s and early 1980s when the rates ranged from 1.2 per cent in Kuwait to nearly 5 per cent in Saudi Arabian and Bahrain.

Most of the GCC countries had seen a sharp rise in unemployment rate from mid 1980s to the early 1990s. For example Saudi Arabian rate increased from 5.1 per cent in 1974 to 13.4 in 1992. The rate shows a fluctuation as the rate decreased in the late 1990s reaching 8.1 in 1991 and climbed back to 9.7 according to the latest labor force survey of 2002. Similarly the overall unemployment rate in Bahrain increased from under 5 per cent in 1971 to over 11 per cent in the early 1980s and to 12.6 in 2001. In the same period Oman's rate climbed from under 6 per cent to over 15 per cent. As for Kuwait the rate rose from 1 per cent to nearly 4 per cent in 2002 and crept up to 5 per cent in 2004 (Al Qudsi et al. 2005 in (IMF, July 2005)). As for the UAE the rate increased from 1.7 per cent in 1975 to 8.6 per cent in 2001 and increased further to reach 11.4 per cent in 2004 (IMF, August 2005). As for Qatar the rates hovered around 3 per cent (Al Qudsi et al. 2005).

Over the long run, average unemployment rates varied across the GCC countries between 7 per cent in Saudi Arabia, 3 per cent in the UAE and 1.8 per cent in Kuwait. The highest averages were for Bahrain and Oman reaching 11.2 and 10 respectively. The long term growth of unemployment during 1974 to 2002 was 2.1 per cent per year in Saudi Arabia which indicated that the jobless rate exceeded economic growth over the same period and

labor supply grew at higher rates than the long-term growth of jobs. Higher unemployment rates were in Bahrain, Kuwait, Qatar and the UAE (see Table 2-2).

Period	Country	Unemployment Growth rate (percent per year)	Initial value	Ending value
1975-2001	Bahrain	5.0	3.9	14.0
1975-2004	Kuwait	6.9	1.0	5.0
1993-2002	Oman	3.0	13.0	17.0
1974-2002	Saudi Arabia	2.10	5.4	9.67
1975-2004	UAE	7.5	1.9	11.4

Table 2-2: Annual growth of unemployment rates in the GCC countries, 1974-2002. (Al Qudsi et al. 2005)

Existing data suggests that spatial unemployment difference is worse in GCC countries than the overall unemployment rates across countries. Spatial unemployment was clear in small economies such as Bahrain to the larger economies like the Saudi Arabia. The rate of unemployment was above 1 per cent in the capital governorate in Kuwait but reached 2.7 per cent in Ahmadi in 1985. In 2001, the rate widened a bit between 4.6 per cent and 13.5 per cent (see Table 2-3).

Govern	Unemployment Rates 1980			Unemployment Rates 2000		
	Male	Female	Total	Male	Female	Total
Capital	.0166	.0039	.0101	.058	.030	.046
Hawalli	.0245	.0027	.0134	.051	.047	.049
Ahmadi	.0554	.0021	.0276	.066	.067	.066
Jahra	.0508	.0026	.0263	.123	.172	.135
Farwania	...	...	...	.038	.09	.054

Table 2-3: Unemployment rates by governorates and sex, native Kuwaitis 1980 and 2000. (Al Qudsi et al. 2005)

Similarly Bahrain showed remarkable variations between unemployment and spatial unemployment rates in 1991 (see Table 2-4). Likewise the unemployment rate in the administrative area in Riyadh in Saudi Arabia reached 14 per cent while was 24.3 per cent in Hail. In addition, the Labor Force Survey of 2002 resulted in spatial unemployment rates ranging from 9 per cent in Riyadh and 24 per cent in Al-Jouf.

Governorate	Unemployment 1991			Unemployment 2001		
	Total	Male	Female	Total	Male	Female
Capital	15.5	13.4	23.4	13.0	10.4	19.9
Muharraq	12.5	9.7	21.9	10.4	7.7	17.3
Northern	16.7	14.4	31.7	14.6	11.5	24.5
Central	14.7	12.2	24.5	13.0	10.6	19.4
Southern	10.6	7.7	21.8	7.0	4.1	18.1
Total	14.8	12.4	24.8	12.7	10.0	20.5

Table 2-4: Unemployment rates by governorate and sex, native Bahrainis 1991 and 2001. (Al Qudsi et al. 2005)

Adm. Area	Saudis 1992			Saudis 2002		
	Male	Female	Total	Male	Female	Total
RIYADH	12.3	10.2	10.4	6.38	19.83	8.67
MAKKAH	12.48	10.3	12.28	5.90	16.89	7.44
JAZAAN	21.80	14.46	21.36	12.19	30.0	15.84
E PROV	12.86	14.79	13.01	7.10	25.58	9.27
ASEER	13.64	6.92	13.16	4.68	12.03	5.54
QASSIM	12.93	7.72	12.38	8.91	16.56	10.43
HAIL	25.1	13.93	24.25	9.52	11.82	9.97
MADINAH	17.75	12.58	17.34	11.16	26.32	13.11
BAHA	16.50	11.61	15.96	11.10	40.58	17.20
N BORDER	19.95	18.26	19.84	19.41	29.88	21.11
TABOUK	11.67	11.61	11.66	5.52	20.45	6.91
NAJRAN	18.21	10.44	17.88	7.71	17.09	8.74
JOUF	18.73	20.1	18.87	19.26	37.80	23.77
OVERALL	13.59	11.82	13.44	7.57	21.69	9.66

Table 2-5: Regional unemployment of Saudis by sex, 1992-2002. (Al Qudsi et al. 2005)

As for Oman's 1993 population census, it was indicated that spatial differences in unemployment shown ranging between 2.1% to 7.2% in Al-Dakhilya and Al-Wusta respectively. The UAE spatial unemployment rates ranged between 1.4 to 5.8 per cent in Abu Dhabi and Umm al-Qaiwan respectively in 1995. (Al Qudsi et al. 2005)

Governorate	Male	Female	Total
Muscat	5.7	2.5	4.2
Al-Batinah	5.9	0.6	3.3
Musandam	4.9	1.3	3.3
Al-Dahira	6.8	1.1	4.0
Al-Dakhilya	4.4	0.5	2.4
Al-Sharqiya	6.0	1.0	3.5
Al-Wusta	11.4	2.3	7.2
Dhofar	4.8	1.1	3.1

Table 2-6: Unemployment rates by Governorate, native Omani 1993. (Al Qudsi et al. 2005)

2.2.1 Bahrainization

Bahrain is considered to be the world centre of Islamic Banking (Metcalf, 2006). It has a smaller foreign population than the neighbors' countries (Winckler, 2005) with a foreign population of 37.6 per cent according to Bahrain Census in 2001. After the discovery of oil in Bahrain in the late 1930s, an agreement was signed between the British and American oil companies and the rulers of Bahrain to give the priority of employing workers in the Bahrain Petroleum Company (BAPCO) to Bahrainis. Despite that, most of the managerial and higher technical positions were recruited by British and American professionals. This was followed by migrants from Iran and the Indian subcontinent to fill skilled, semi-skilled and clerical positions as Bahrainis were with no experience in industrial employment. Bahrainis were the minority employees working in BAPCO, as a matter of fact, a significant number of those officially registered as Bahrainis were actually Iranians immigrants or their children (Seccombe and Lawless, 1986). According to (Belting, 1959) by 1950s, "Westerners [were] in management positions, Indians and Pakistanis in intermediate positions and Bahrainis at the bottom in lower clerical and labor jobs".

During this period most of Bahrainis worked daily and without official contracts which resulted in the first and most powerful labor movement in the Gulf. This was followed by the creation of the Bahrain Labor Federation in October 1955 with 6000 members, and to the drafting of labor legislation subsequently

submitted to the rulers (Rumaihi, 1976; Nakhleh, 1976). After the spectacular economic growth of 1970s, the demands for the Bahrainization for the work force were raised (Nakhleh, 1976). After the oil discovery, the investment in Bahrain were in favor of its citizens by providing generous welfare state, health care and housing for the citizens. In addition, the public sector became the prime employer for Bahrainis nationals as the jobs were not demanding and well paid compared to private sector. Total number of expatriates increased with the oil boom as between 1971 and 1981 the proportion of expatriates doubled from 17.5 per cent to 32 per cent of the population. The growth in economy activity entailed a similar growth in labor needs resulting in recruiting workers from different countries such as India, Korea, Thailand and Philippines. In contrast, the number of Arab migrants decreased sharply along with the number of Iranians especially after the Islamic Revolution in 1979 (Louer, 2008). The expatriates share in the workforce increased from 37.6 per cent to 58.8 per cent. While the public sector recruited Bahrainis, the private sector recruited foreigners to fill almost all the newly created jobs. In 1981, Bahrainis represented 33 per cent of the private sector work force and 67 per cent of the public sector work force (Franklin, 1985).

2.2.2 Kuwaitization

According to (Johnson, 2005) the term 'Kuwaitization' refers to " the strategy of oil-exporting developing countries such as Kuwait, which sought, with varying degrees of success, to develop their hydrocarbon industries and utilize the revenues from them to diversify into new economic activities, thereby reducing their over-reliance on this one sector ". Foreign nationals in Kuwait comprise 60 per cent of the population and 78 per cent of the labor force. Thus, the government of Kuwait is in the process of designing several policies to reduce the dependency on the foreign workers. It is indicated that 62 per cent of Kuwaiti males are employed in administrative and social occupations whereas their percentage in sales and production work had decreased during 1970-80.

Kuwaitization process aimed to balance the nationals with foreign nationals in the workforce by providing educational/training programs and changing

Kuwaitis attitudes towards manual work. At the time of Kuwait first census in 1957, Kuwaitis constituted 55 per cent of the total population in Kuwait. This percentage was decreased to 42 in 1980 and to about 40 in 1985. In 1980, Kuwaitis composed less than one fourth of the total labor force due to accelerated level of migration and thus extreme dependency on foreign workers, Kuwait had fewer than one million people in 1975 which increased to 1,35 million in 1980 and 1.7 million by the year 1985 (Shah, 1986).

2.2.3 Qatarization

Over the last five years Qatar has experienced high economic growth and it is now one of the richest countries in the world measured in GDP per head at an estimated 40,400 \$US in 2007. The population of Qatar is around 900,000 of which 25 per cent are Qatari citizens and remaining 75 per cent are expatriates of different nationalities. Many of expatriates are long-term residents with the largest communities from India, Pakistan and Bangladesh. Qatar's economy is expected to remain high performing in terms of economic growth reaching 9 per cent based on the Economist Intelligence Unit's forecasts. Qatar has also invested heavily in education, health, construction and infrastructure projects resulting in obtaining high macroeconomic and growth, and political stability.

Oil and gas is the most productive sector in Qatar's economy followed by the financial services sector. It is also characteristic that 96% of Qataris are employed in either public or mixed public and private sectors and only 4% (reducing from 10% in 1986) are employed in the private sector. This is due to the various benefits and flexible working conditions for Qataris. Moreover, the average wage for employees (15 years and above) per month in June 2005 was QR 3558 in the private sector, QR 9139 in the public sector, and QR 11152 in the public/private sector (mixed). However the overall rate of employment for Qataris increased from 93% in 1986 to 98% in 2004. On the contrast, the average unemployment rate is very low comparing to the percentage of the total labor force (around 1.4 %), but unemployment can be a problem for less educated and young graduates who can't find a job in the public sector. One of the problems that Qatarization is facing to achieve its

goals is the low rate of competition in the labor market (either in terms of public/private or national/expatriate or male/female). This caused basically a low mobility and ineffective allocation of supply and demands of skills. Around 50,000 Qataris excluding 2,200 are employed in the public sector and the overall Qatari/non-Qatari ratio in the labor force is 1 to 8. With the continues of the current employment trends, the future investments will have little employment impact on Qataris. As most of the investments are concentrated in sectors that are not attracted to Qataris or where they can't compete with expatriates' workers due to lack of skills. According to the Qatar Labor Market Strategy, only 25,000 jobs in the private sector are acceptable to Qataris as the education system fails to provide enough qualified Qatari. In addition, education is not appealing to male Qataris as much as it is appealing female Qataris as female workers have 14.1 years of education compared to 10.7 years for male workers. Both education and training institutions are separated in Qatar as there is no linkages between them and most of the training centers lack human and financial resources resulting in weak strategy for workforce development in the country. As for now, Qatar is in the process of developing a National Qualification Framework to improve vocational education as well as post-compulsory training.

(Government of Qatar - Planning Council, 2007)

2.2.4 Saudization

Saudi Arabia's population jumped from 7 million in 1980 to 21 million in 2003. Similarly, Kingdom's per capita income dropped from \$17,000 in 1980s to \$8,200 by 2003, dropping behind the per capita of other Gulf oil producers. Between 1990 and 2000, Kingdom's gross domestic product increased by only 1.6 per cent while the population grew 2.7 per cent annually. The percentage of unemployment reached 20 as the higher percentage of Saudis live below the poverty line and 60 per cent of the Saudi population is under 20 years old. As a result, the percentage of crimes rose up to 320 per cent between 1990 and 1996.

The kingdom's economy depends on foreign technology and due to lack of trained Saudis to manage the high-skilled sectors apart from the oil industry; the foreign workers were hired to handle the jobs.

Nevertheless, the Saudi minister of petroleum and mineral resources, Ali al-Naimi declared in an energy conference in Washington DC in December 2003 that the government of Saudi Arabia intended to expand and diversify the Saudi economy and to create new jobs for Saudis to combat high unemployment in the country.

The idea of Saudization developed from 1995 to 2000 as a series of plans set for one goal which is the creation of nearly 319,500 jobs for Saudis by replacement of foreign workers but instead the number of expatriates grew by 58,400 during the target period.

Saudization is a development strategy to reduce the dependency on foreign workers and replace them with Saudis. The procedure was announced by the consultative Shura Council (Saudi Arabia's appointed legislature) which ordered that by 2007, 70 per cent of workforce must be Saudis. The stereotype of Saudis graduates is that most of the expatriates (around 6 million workers) are filling jobs that are considered for Saudi graduates as menial jobs. On the other hand, for more appealing jobs, it is estimated that only 2 per cent of Saudis graduates are qualified for them.

According to Bremmer (2004), there are two reasons which explain why Saudization has so far failed. Some of the businesses immigrated in fear of losing qualified workers with less qualified and un-skilled Saudis which will effect on their competitiveness. Thus losing the business to other regional banking centers urged some of the best-qualified Saudi workers to emigrate outside Saudi Arabia in search of better jobs. Another reason is that some of the foreign firms think that the Saudization is unpredictable and will puts them at a disadvantage with their foreign competitors, as the rule and quotas on the hiring of Saudis workers might change without warning. The government tries to overcome the issues by reducing the tax burden on foreign investors to encourage investments in the kingdom and prevent capital flight. Apart from that, a sudden urge to overhaul the Saudi education system and the ability to

produce qualified workers who would be capable to stand and compete the foreigner enterprises.

Most of the students in Saudi Arabian are studying in the fundamentals Wahhabi schools where they are mainly instructed in a fundamentalist view of Islam only and are not taught the essentials to compete in a global marketplace which is required as kingdom economy depends on oil. As Saudi education system depends on the root learning of patriotic and religious texts, the students are not well-prepared to join courses that demand technical competence. Between 1995 and 1999 only 8 per cent of 120,000 graduates studied technical subjects such as architecture or engineering accounting only 2 per cent of the total number of Saudis in the job market. In addition, today only 30 per cent of Saudi adult men and half of Saudi Arabia's women are illiterate.

(Bremmer, 2004)

2.2.5 Omanization

Omanization is a term used by the government of Oman in 1988 to replace expatriates workers with Trained Omani employees. The Sultanate of Oman sets quotas for industries for employee a per cent of Omani instead of foreign workers. The percentage in transport, storage and communication were set to reach 60%, for Finance, Insurance and real state to reach 45%. In addition, the percentage in industries were set to reach 35%, in hotels and restaurants to reach 30%, and in wholesale and retail trading to reach 20%. Many of the government ministries have already reached 100%. The companies which successfully reach the government-given goals are given a "green card" which enabled them to receive press attention and preferential treatment in their dealings with the government. Government also provided several of universities to train Omani workers.

National development of Sultanate of Oman and its labor experience is similar to the rest of GCC countries. During most of the twentieth century, Sultanate of Oman faced a shortage of indigenous educated populace due to the lack of modern educational facilities prior to 1970. Al-Lamki, (2000, cited in

Townsend 1977). The Sultanate of Oman experienced major challenges during the process of developing and training Omani people, as there were only three elementary schools for boys, which was the only source for modern education.

Nationality	N	%
Omani	118,720	18.2
Expatriate (Non-Omani)	535,134	81.8
Total	653,854	100.0

Table 2-7: Profile (by nationality) of total workforce in the Sultanate of Oman in 1998. Adopted from (Al-Lamki, 2000)

After His Majesty Sultan Qaboos Bin Said took the reign of power; Al-Lamki (2000, cited in Townsend 1977), policies were issued and were supported by Oil revenues back then, Thus the Oman society witnessed a social and economic development. As a result and in order to implement the country's ambitious development plans, the government necessitated the importation of foreign manpower (primarily from the Indian sub-continent) (see Table 2-7). After some time a sufficient number of educated and trained Omani started to replace the existing expatriates in the filed of labor. The high committee for Vocational Training issued a decision in 1991 to improve Omanization percentage within a specific time period for different employment sectors in the country especially in the private sector. The committee was supported by a number of Omanization schemes and initiatives such as compensation scheme for private sector, salaries and allowances payable to Omanis during the training period.

The rebate scheme is a percentage of the aggregate compensation of foreign (expatriate) employees. There is a percentage of the aggregate compensation of foreign (expatriate) employees which varies from 2% to 6%. In 1998, this was replaced with a work permit that charged an annual flat fee of 120 Omani Rial (US \$ 320) for each expatriate employed in the country. (Al-Lamki, 2000)

2.2.6 Emiratization in the UAE:

Abu Dhabi is the capital of the UAE which shares borders with Qatar, Saudi Arabia and Oman. In 1971, six of the different states which were ruled by sheikhs, which are Abu Dhabi, Ajman, Fujairah, Sharjah, Dubai, and Umm Al Qaiwain, merged to form the United Arab Emirates. Ras Al Khaima followed the union in 1972 and the Supreme Council was presented which include the individual rulers of the seven emirates. As for the President and Vice-President of the UAE, it is selected by the Supreme Council every five years. The election of the council of ministries is also performed by the Supreme Council, apart from an appointed forty –member Federal National Council from all the emirates to review proposed laws.

The population of the UAE reached 4.5 million in 2004, which comprised 20 per cent of UAE nationals and the rest included other Arabs, south-eastern and southern Asians, Europeans and Americans. (Al Ali , 2008). After the discovery of oil in the UAE and the robust economic development, most of investment companies imported their workers from outside due to lack of local resource in the UAE. High positions such as professionals and managers were held by expatriate labor to put in place public services along with social and business infrastructure of the country.

Due to the Emirates open economy policy in regards for employment practice, 91 per cent out of 2.4 million of the labor market are expatriates leaving only 9 per cent of UAE nationals from which 8% per cent (192,000) in the public sector and 1 per cent (70,000) in the private sector(TANMIA, 2006; Freek, 2004; AbdelKarim, 2002)

The annual employment growth rate averaged 7.9 per cent over the last decades, with 8.2 per cent of the UAE nationals. This difference in the percentage is due to earlier government policy to encourage women into employment where the female participants' rates rose an average annual 16.7 per cent while only 6.1 per cent for males. In 2005, the UAE nationals' unemployment rate was 12.6 per cent (35,000) of which 19.8 for females and

8.9 per cent for males and the rate is expected to rise strongly in the next decade (TANMIA, 2006).

Most of the UAE nationals are employed and attracted to the public sectors and as the younger UAE nationals generation is growing up (45 per cent under the age of 15 years), the future generation need to learn leadership and management potential skills as they are suppose to be in the leading positions in the future development, thus forcing them to seek employment in the less beneficial private sectors (Al Ali, 2008). Many of the UAE nationals refuse to work in the private sector due to their attitude toward physical demanding nature of the jobs such as building roads and maintenance for men and domestic and nursing for women. Due to the cultural traditions some of urban UAE nationals Women refuse to work in a gender mix environment and prefer to work in teaching or stay unemployed if possible (Middle East Economic Digest, 1980). The public sector is more flexible in terms of employment, as it offers UAE nationals superior employment conditions, remuneration, job security, hours of work, work content and generous vacations. It also requires lower knowledge and experience requirement for recruiting, Arabic as preferred language and the opportunity to practice "wasta" (using connections to get a job) (Al Ali , 2008). A person who is delivering "wasta" influences a potential employer on behalf of a job applicant and the employment practices in this case is often illegal. Thus the consequences on both the organization and the receiver of wasta are usually unsatisfactory, as there might be better, more productive candidates available if selected and could have contributed more to the organization if given chance. As a result, well-qualified GCC nationals are leaving to seek more transparent and satisfying work in developed countries (Haajenh, 1994).

Based on the World and International Monetary Fund, unemployment is identified as an obstacle in the way of development of the Gulf countries. GCC countries as a whole intruded new policies to enforce nationalization in the labor market. In the early 1990s, the UAE's council of ministers adopted Emiratization in both public and private sectors.

"Emiratization is a movement by the government of the United Arab Emirates to proactively employ its citizens in the public and private sectors to reduce its dependence on foreign workers". (Source: student papers, Sharjah Women's College). Emiratization is the responsibility of the Ministry of Labor and Social Affairs, for policy matters, and the National Human Resources Development and Employment Authority (TANMIA) which provides UAE nationals with jobs, training and development opportunities (Middle East Strategy Advisors, 2006), for implementation.

The Ministry of Labor and Social Affairs pursued the process of Emiratization by signing an agreement with Higher Colleges of Technology (HCT) in April 1999. The agreement gives the priority to graduates of the Higher Colleges of Technology (HCT) in recruitment for jobs in both the public and private sectors.

There are a number of web-based services created by different institutions as a gesture to enhance Emiratization in the UAE. Ershaad is one of the sites that offer the opportunity for job seekers along with the employers to register. Another example would be TANMIA, which is fully dedicated to get job opportunities to the UAE citizens.

The policy of Emiratization was first conducted through structural reform rather than specific measures. Thus, the plans related to reform education system, implement education to employment transit programs and to fund private sectors to employ and train UAE nationals have not been successful. (Al Ali, 2008).

Due to the nature of demands of the UAE citizens which require high salaries, greater benefits, job security and shorter working hours, it has been hard to attract them to work in the private sector. According to a study entitled "Attitude to the Private Sector", 96.5 per cent of students at Abu Dhabi Women's Higher Colleges of Technology wanted to work after graduation from which only 11.5 per cent favored the private sector (UAE Federal e-Government Portal). In order to encourage Emiratization in the private sector and to reduce the unemployment rate among the UAE nationals, the government imposed industry based quotas, which are not obligatory. Apart

from that, policies were issued regarding wage subsidies, wage restraint for government employees, charges as well as quotas on expatriate labor, and employment targets for UAE nationals (Al-Lamki, 2000).

However, another announcement to enhance Emiratization by another employment reform policy was the declaration made by the government that all secretaries and personnel managers must be UAE citizens. Recently, there was a discussion panel which was hosted by Bayt.com (online recruitment leader) in Dubai. With the attendance of representatives from a wide range of private companies from the different sectors the process of requirement in the UAE and Emiratization plans were revealed. According to Abdul Rahim Sultan, employer Relations Manager at TANMIA, the government in the UAE is taking flexible approach to enforce Emiratization as the companies are more cooperated in hiring the UAE nationals rather than foreigners. He also added that the quota system was not imposing the act of Emiratization but rather help young UAE nationals develop their skills and initiate their career.

Bayt.com is an employment site which explores the regional job market to get better service to their clients which are basically job finders and employers companies. It is noticed that the importance of nationalization process either in the UAE or any other GCC country must be focused on improving the education system and training the potential work candidates rather than a sector or position based quota system where penalties involved in case of non-compliance.

During 2005, the percentage of UAE nationals in the trade sector reached 0.019 per cent and it rose two per cent the year after because of the penalty enforcement. The year after that it rose to four per cent but without the penalties as most of the companies realized the benefits they got after hiring the nationals. (Abdul Rahim Sultan- TANMIA)

2.6.6.1 The affects of Emiratization the Business environment

The labor in the UAE is divided into locals and expatriates. Since that most of the expatriates are in the country to work, there is a very low unemployment

rates among them unlike the locals who are suffering to get a job. As it is estimated, 60% of UAE nationals aged 16-24 are unemployed with overall joblessness at around 15%. As a result, the UAE government is trying hard to create jobs where short-term political risk score in the UAE for social stability is 5 out of 10 in the unemployment sub-section.

The governments doubled its efforts to enforce the act of Emiratization in public and private sectors through cutting of fees on companies who followed the rules and freezing all the relations with the Ministry of Labor with those who disobeyed. It is illegal to bring new expatriates workers to the country without the approval of the Ministry of Labor. This came on the back of a June decree that all companies with more than 100 employees should employ only UAE nationals in their human resources departments, and move towards implementing the same rule for secretarial roles.

Most of the job placements agencies of Tanmia stated that UAE nationals are stereotyped as under skilled and unmotivated employees and their salary expectations are higher than the expatriates. This is affecting the business community incense of creating a labor shortage resulting in a crackdown on illegal labor, an amnesty on expired visas, a restructuring of the Ministry of Labor along with establishing a national workforce database. As a result, Expatriates workers are suffering along with the companies who want to employee them but are handicapped because of the labor rules of the UAE. Moreover, high inflation and dollar decline which is pulling down the value of dirham are affecting the expatriate the most as their earnings are falling in terms of their own local currencies.

Governments of the GCC countries in general are aware of the importance of attracting investments to their countries to overcome the labor shortage and fall-out of the business community. Thus, Emiratization is and will remain in the top priority and will remain as a blip on the environment for a while hoping that the UAE nationals labor will become as competitive as the expatriate is up till now.

2.3 DEMOGRAPHY OF THE UAE

The UAE is facing a serious problem of demographic imbalance. It was observed that 8 out of 10 people living in the UAE were born abroad and the estimation is that the percentage of non-citizens will reach 90 per cent by 2015 if the economic growth continues. As a result, by 2025, the citizens of the UAE will become zero per cent (Abdullah, 2007). Out of the total population of the UAE (estimated 4.4 million in 2007) only 15-20 per cent is UAE citizens.

"The demographic trends within the country are driven by the emirates reliance on foreigners to provide the workforce for their growing economy. The UAE population increased by some 86% between 1975 and 1980 following the influx of foreign workers after the 1973-74 oil boom. Some of these workers left during the 1982-83 recession but the 1985 census showed a population of 1.62m, compared with 1.04m in 1980, a 55.8% increase in five years. During the 1990s, the population grew by an average of 5% a year." (Background Note: United Arab Emirates, 2007).

The population in the UAE represents one of the most socially, ethnically, religiously and socially mixed to be found anywhere (Heard-Bey, 2005). As population and employment are related strongly, the Ministry of Economic conducted surveys to identify the gender age and geographical distribution of the population, the labor force, and other demographic characteristics.

	Total	Male	%	Female	%	Nationals	Male	%	Female	%
1995										
Population	2,411,041	1,607,361	66.7	803,680	33.3	587,330	297,060	50.6	290,270	49.4
Labour Force	1,335,894	1,180,104	88.3	155,790	11.7	121,291	105,562	87.0	15,729	13.0
2003										
Population	4,041,000	2,745,000	67.9	1,296,000	32.1	788,210	397,950	50.5	390,260	49.5
Labour Force	2,485,000	2,120,000	85.3	365,000	14.7	205,410	153,830	74.9	51,580	25.1

Table 2-8: UAE Population and Labor Force. Adopted from (Nelson, 2004)

Table 2-8 demonstrate that total number of population was 2,411,041 in 1995 comprising 24.4%. Estimates for 2003 indicate that the number of total population at 4,041,000, with Nationals accounting for 19.5%.

Items	Citizens		Non-Citizens		Total	
	%	No.	%	No.	%	No.
Number	100	825	100	3279	100	4104
Males	50.7	418	75.1	2464	70.2	2882
Females	49.3	407	24.9	815	29.8	1222

Table 2-9: number of citizens and non-citizens who are in working age based on the gender. Adopted from The Annual Economic and Social Report, 2005.

The percentage of those who are in working age group was 57.8% among citizens, and 83.7% among non-citizens. As noticed the percentage of non-citizen is particularly high than the citizens. (Based on The Annual Economic and Social Report, 2005)

Moreover, based on the population statistics, estimated from the Ministry of Information and Culture (2005), the overall population reached 5 million which is 20 times greater than in 1971. But only 21 per cent of the population are nationals and 74 per cent are non-nationals with an age group of 15-64.

In the beginning of 2005, the major area of employment in the UAE, was the public sectors due to its high wages and job security features offered for nationals and because the private sectors have not compelled to recruit nationals back then. In addition, UAE nationals only captured 2 per cent of the total workforce in the private sector. In addition private sector occupied nearly 52 per cent of the total jobs in the UAE.

	1977/78	1997/98	2002/03 ^a
Total	502	14,911	16,128
Female	189	11,812	12,391
Percent female	37.6	79.2	76.8
Male	313	3,099	3,737
Percent male	62.4	20.8	23.2

Table 2-10: Enrolled National Students in UAE University, 1997/78, 1997/98 & 2002/03. Adopted from (Nelson, 2004)

Table 2-10 shows that over 20-year period 1977 to 1997, the share of female students enrolled at UAE University (UAEU) rose from just over one-third to almost 80%.

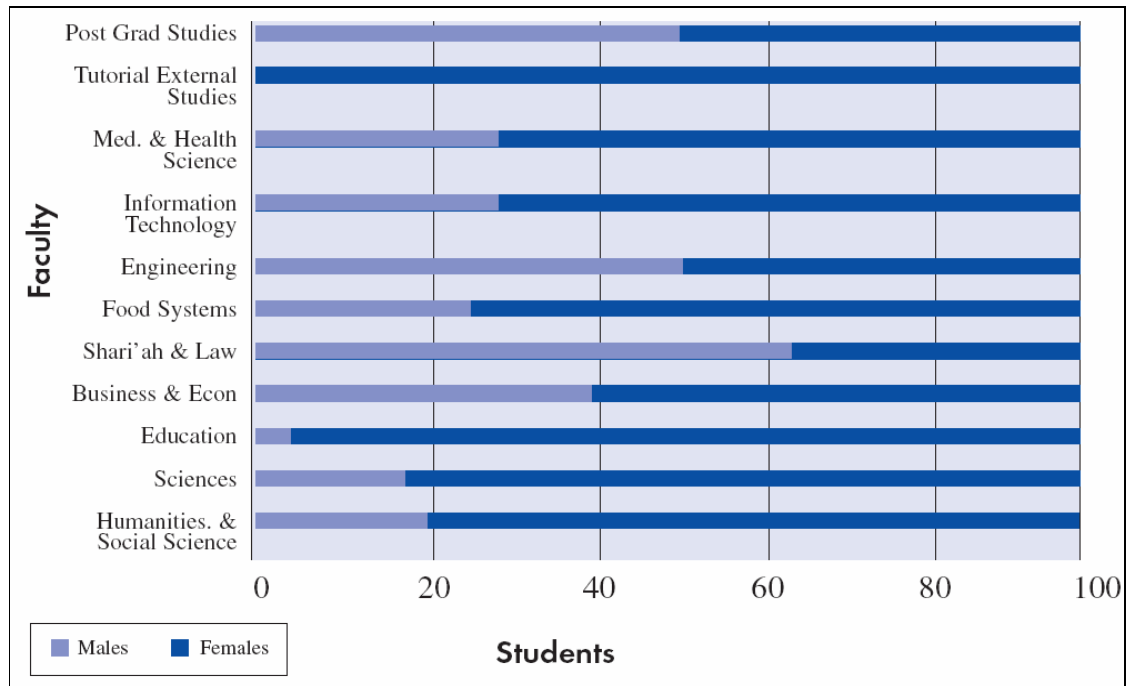


Figure 2-1: Proportion of Male and Female Students Registered at UAE University 2002/03, by Faculty Source: Adopted from Nelson, 2004

Figure 2-1 displays that while reference to the output of educational institutions (and especially higher educational institutions) shows that UAE nationals women have been improving their human capital, it is the labor force data that demonstrates that they are choosing to work rather than merely seeking higher education "as an end in itself" Nelson, 2004. The 1985 census indicates 3,997 National women in the labor force. By 1995, this figure had risen to 15,729, a near quadrupling over this 10-year period, while CLMRI's estimates for 2003 indicate some 51,580 National women participating in the labor force. Women's overall share in the UAE labor force rose from 9.6 per cent to 11.7 per cent between the 1985 and 1995 Population Censuses and, based on CLMRI estimates, they commanded a share of 14.7 per cent in 2003. National women accounted for a greater share of all female labor force participants, moving from 6.1 per cent in 1985 to 10.1 per cent in 1995. The 2003 estimates indicate continued increase, with a 2003 share of 14.1 per

cent. Increasing number of women in employment based on (Olmsted, 2005), is an economic improvement taking in the point that the UAE female society was a very traditional, rural, Islamic society.

2.4 EDUCATION IN THE UAE

Education is one of the necessities rights of each citizen in the UAE and it is provided free at all levels starting from kindergarten to university.

Government also provides free scholarships for several thousands of students, of both sexes, abroad.

Almost ninety-five per cent of females and 80 per cent of males who are enrolled in the final year of secondary school apply for admission to universities or study abroad. There are a number of educational institutions for higher education in the UAE which are based on the government funds such as the United Arab Emirates University (UAEU) in Al Ain, Higher Colleges of Technology and Zayed University. In addition there are also a number of private universities such as American Universities of Sharjah and Dubai, Sharjah University and Ajman University of Science and Technology.

As a result, government focused on ensuring the right skills and capabilities of the youth to meet the challenges in the workplace of the United Arab Emirates in twentieth first century. To make sure that there are enough jobs for graduates of the UAE citizens, Emiratization of the workforce started by the government especially in the private sector where UAE nationals hold a very small percentage of the total workforce.

2.4.1 Education in the past and present:

As in the ancient civilizations in many countries, the education started in the UAE as a self-educating process by imitating and communication with others. Afterwards, the education developed by teachers who are specialist in one science only. Education went through circles starting from Mutawaa ending to the developed modern systems used in the schools now. the education , for a long time, was based on memorizing the Holly Quran, the profits Hadeeth

and teaching Islamic principles like praying and Wodoo(which is a term refer to the process of washing before performing any prayer)by many males and females teachers called "Mutawaa". This type of education continued till the discovery of oil when it was replaced with scholars who had knowledge basically in religious education, history and grammar. The education process was held then by either in mosque's corners or in the scholars' houses. Between 1907 and 1953, pearl merchants started to built and open schools and scientists were brought to manage and supervise lessons and process of education in these schools. Taimia Mahmoudia school was established in 1907 in Sharjah, followed by Al Ahmadia , established in 1912 ,Salmia 1923 ,Alsada 1925 and Al Falah 1926 in Dubai. The establishment of the foundation of knowledge department was a sign of an evolutionary of Education in Dubai. Many other schools were started by then such as Al Otaiba School in Abu Dhjabi in 1930. The evolutionary education started to get effected by many factors such as the appearance of artificial pearls and the effect of second world war on commercial exchanges in the Gulf, leading the schools to suspend their operations. The first systematical education school was Al Qassemia School which was founded in Sharjah-1953/1954. The education was organized and provided in the schools along with classes and certificates given to the students at the end of every school year. The systematic education started by depending on local government and knowledge departments that were founded in the sixties and then after December 1071, the Ministry of Education and youth was in charge of the education in the country. Teachers from different Arab countries were called to come to the UAE to teach in its schools and the development of the system. As a result this leads to increase numbers of literates and wiped off illiteracy.

After the establishment of the federation during 1970s, the chances for getting education for urban population have increased rapidly. Today, government invests in Educational programs to train and educate the UAE citizens for the upcoming challenges that might face the country. The education level is divided into Primary and Secondary level. Education in the UAE is compulsory for all UAE citizens till ninth grade and it is divided into four-tier process over 14 years. The age of 4 to 5 years attends kindergarten and the

age of 6 to 11 attends primary schools and finally till the age of 17 the students attend secondary school. In order to maintain Islamic principles and traditions, Emiratization of government schools' teaching staff is scheduled to reach 90 per cent by 2020.

Women had given more concern regarding their education and one of the most social changes has been the expansion of schooling for girls. Thus increasing rates of female in education and employment have affected the structure and size of the family along with women's gender consciousness. (Moghadam, 2004)

HH Sheikh Khalifa established Abu Dhabi Educational Council (ADEC) in 2005, which's main task is to develop educational institutions in Abu Dhabi. The council of ADEC works closely with the Ministry of Education to formulate the emirate's education plan along with the framework of the country's general education policy. One of the plans adopted by ADEC to improve the quality of public education is "Public-Private Partnership School Management". Where a number of selected public schools in Abu Dhabi were treated and provided with the best private education in a three-year pilot program in September 2006

"ADEC has already announced a new initiative to improve the quality of public education. The project entitled 'Public-Private Partnership for Public School Management' enables leading local and regional private education providers to manage selected public schools in the Emirate of Abu Dhabi in conjunction with ADEC. Launched as a three-year pilot program commencing in September 2006, selected Abu Dhabi schools, including kindergarten and primary schools for boys and girls in the three educational zones of Abu Dhabi, Al Ain and the Western Region, will be involved in the project. It is hoped that participating schools and their students will enjoy a richer educational environment, including better school facilities, efficient and less bureaucratic school administration systems, modern teaching and assessment methods, up-to-date curricula, more intensive use of information technology and additional extra-curricular activities. Principals and teachers, including national staff, will experience improved working conditions and professional development opportunities. ADEC issued a decree in 2006 abolishing fees at model

schools in Abu Dhabi. ADEC will be responsible for all costs at the model schools, which will be directly involved in the development and evaluation of the educational process. ADEC and the Model Schools Committee are setting new standards for admission of students."

ADEC has also entered into an agreement in which Zayed University will assist in developing the English language skills of elementary level students at four model schools. Thirty faculty members from ZU will work with the first and fourth grade students at these schools, observing and evaluating English language teaching methods, and designing modern academic program. The initiative will be extended to all schools at a later stage. (UAE Education Centre - General information)

2.4.2 Higher Education

UAEU Al Ain- is the first United Arab Emirates University (UAEU), which was opened in the academic year 1977/78 after the federal union of seven emirates. It is still considered as a leading teaching and research institution in the UAE. UAEU offers over 70 undergraduate bachelor degrees and a number of graduate programmes in a wide range of disciplines.

"The number of students enrolled at UAEU has increased from 502 in 1977/78 to 14,741 in the first semester of the academic year 2006/07. Enrolled male students represent 21 per cent of the total, while female students constitute 79 per cent. The total number of faculty members in the University was 700. This rapid growth has necessitated the building of a new campus at Al Maqam, Al Ain that will provide 280,000 square meters of additional educational and residential facilities." (UAE Education Centre - General information)

"The Higher Colleges of Technology, a network of technical-vocational colleges, opened in 1989 with men's and women's campuses in each emirate. Zayed University for women opened in 1998 with campuses in Abu Dhabi and Dubai. Zayed University will establish separate male campuses for the 2007- 2008 academic year. American University Sharjah had over 4,500 students enrolled in 2007. Many foreign universities, including ones from the U.S., U.K., and Australia, also have campuses in the U.A.E." (Background Note: United Arab Emirates, 2007).

Krueger and Lindahl (1999) find that education is one of the most effected factor while implying Emiratization as better-educated people are more likely to be employed and are less likely to suffer unemployment. Therefore, it is clear that UAE nationals who are less educated (high school and diploma)

have less opportunity to find, in their view, an “appropriate job” compared to those who attain higher education qualifications, such as bachelor’s and master’s degrees.

2.5 BANKING IN THE GCC COUNTRIES

There are big similarities between the GCC economies as the boom of oil discovery started at the same time in most of these countries along with geography, longstanding cultural and political ties, a common language, high living standards and coordinated policies.

The banking sector in the Middle East is relatively young as the oldest bank dating goes back to 1950s. Although the majority are private banks but the role of the public sector continues to be substantial in the banking industry of the GCC countries.

Figure 2-2 shows the total assets of banks distributed in the different GCC countries.

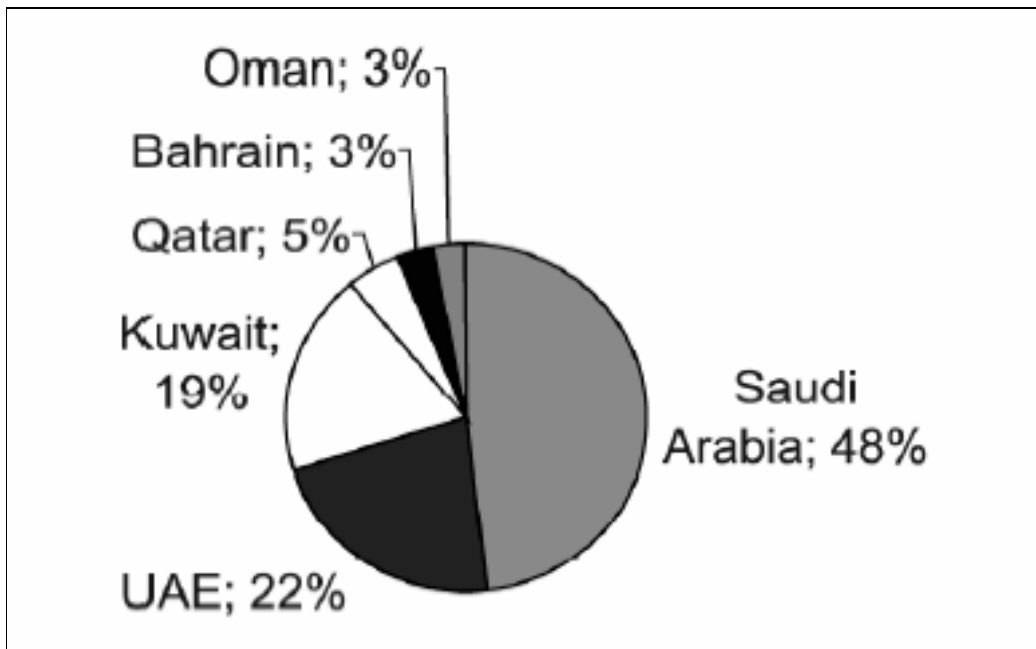


Figure 2-2: Relative size of the total assets in 2002. Adopted from Al-Muharrami, 2007.

In 2002, the total assets of 52 banks is US\$ Billion 283.2. Saudi Arabian comes first with 48 per cent of the total assets followed by the UAE with 22

per cent then Kuwait with 19 per cent, Qatar with 5 per cent and both Bahrain and Oman with 3 per cent.

	Year		%
	1995	2002	
Bahrain	61	77	26
Kuwait	123	176	43
Oman	181	296	64
Qatar	41	71	73
Saudi	1,116	1,181	6
UAE	255	333	31

Table 2-11: Growth of banks' branches in the GCC markets. Adopted from Al-Muharrami, 2007.

As for Table 2-11, it shows the growth in number of branches from 1995 till 2002 in the GCC countries. Even though Saudi Arabia comes at the first place in the number of the branching network, UAE, Oman, Kuwait, Bahrain and Qatar come in the following ranking respectively. However, in terms of the per cent wage growth of the branches over this period, Qatar comes with highest growth rate of 73 per cent; Oman comes at the second place with 64 per cent followed by Kuwait with 43 per cent. UAE, Bahrain and Saudi Arabia come at the fourth, fifth and sixth with rate of growth of 31 per cent, 26 per cent and 6 per cent respectively.

Sectoral establishment	Omanization ratio
Banks	90%
Establishment engaged in transport, stores and communication	60%
Finance, insurance and real estate	45%
Industry	35%
Hotels and restaurants	30%
Wholesale and retail trade	20%
Contracts	15%

Table 2-12: Government mandate on Omanization to be achieved by the end of 1996. Adopted from Al-Lamki, 2000

Table 2-12 shows the Omanization targets set by the government for each establishment in the government and private sectors for the end of 1996. Results have indicated that the Banking Industry is the only establishment that

has almost achieved the targeted Omanization ratio of 90%. Other establishments have been given a postponement to the end of the year 2000 (Al-Lamki, 2000).

As Al-Muharrami, 2007 stated that the workforce nationalization programs seem to not working efficiently. Starting from Bahrainization, Saudization, Kuwaitization, Qatarization, Omanization till Emiratization, all these policies have a quota-based approach for increasing the number of nationals in the private sector, including banks and reducing the reliance on foreign labor. This is due to the education systems within the GCC which are not producing the right skilful workforce in the first place to even make that approach.

2.6 EMIRATIZATION IN THE BANKING SECTOR IN THE UAE

The banking sector in the UAE is one of the robust sections in terms of it's huge contribution to the Gross Domestic Product (GDP). Banking is one of the main employers for the nationals in the UAE and thus a progressive employment quota system was applied to all the banks in the UAE. By 2003, a total of 47 independent banks and 454 branches were in operation across the seven emirates (Central Bank of the UAE, 2004).

In 1999 Cabinet Decree No.10/1998 was introduced requiring banks to increase their representing UAE nationals' employees by 4% each year along with requiring the banks to report the results annually to the Human Resources Development (HRD) Committee in the Banking sector. Immediately after introducing the four per cent quota 11.9 per cent of nationals were hired in the banks out of the total workforce and by December 2003, the number of nationals increased to 4,435 an increase of the total of 26 per cent (see Table 2-13).

Year	(1) Total No. of Employees	(2) Actual No. of UAE Nationals	(3) *Targeted No. of UAE Nationals	(4) Gap between Targeted and Actual (3)-(2)
1998	13,710 (100)	1,637 (11.94)	–	–
1999	13,592 (100)	1,920 (14.13)	2,167 (15.94)	247 (1.81)
2000	14,459 (100)	2,446 (16.92)	2,883 (19.94)	437 (3.02)
2001	15,192 (100)	2,987 (19.66)	3,637 (23.94)	650 (4.28)
2002	15,843 (100)	3,700 (23.35)	4,427 (27.94)	727 (4.59)
2003	17,060 (100)	4,435 (26.00)	5,449 (31.94)	1,014 (5.94)

Figure 2-3: Actual and targeted number of UAE national employees in the banking sector, 1993-2003 (CLMRI, 2004).

Table 2-13 indicates the actual and targeted number of UAE National Employees in the Banking Sector between 1998 and 2003. While examining the data, not all the banks successfully complied with Cabinet Decree No.10/98. As the figure shows 26 per cent instead of the planned 31.9 per cent and thus the total number of UAE Nationals should have reached 5,449 instead of 4,435. Moreover, the gap between actual UAE nationals employed in the banking sector and targeted increased each year.

The compliance rate with the quota system differed in each bank. Based on data provided by EIBFS, only one bank met the target and five other banks exceeded the four per cent in 2003. In addition, six banks had a gap of less than three per cent, 12 had a gap between three and 10 per cent, and 19 missed the target by 50% or more (see Figure 2-16).

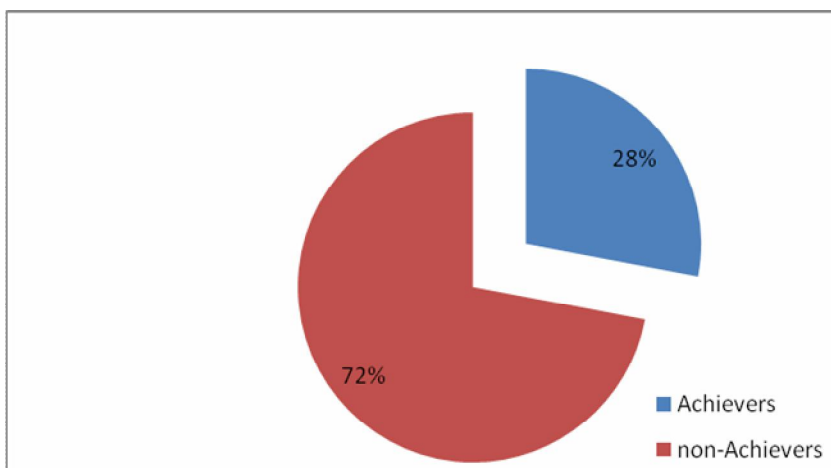


Figure 2-4: Comparing Results of Banks in Achieving Quota, 2003 (CLMRI, 2004).

Banking sector in the UAE is increasing dramatically. The Human Resources Development Committee in Banking & Financial Sector (HRDCBFS) has been formed by the Cabinet Decree no.(6/62) 1996, dated 4/3/1996 to increase the number of the UAE nationals in the Banking Sector. The committee is chaired by H.E. Ahmed Humaid Al Tayer, along with the committee members who include: representatives of ministry of labor and social affairs, UAE central Bank, UAE Banks, Higher College of Technology, Abu Dhabi Investment authority, and Emirates Institute for Banking and Financial Studies (EIBFS).

According to HRDCBFS, number of the UAE nationals in banking sector has increased from 1278 in 1997 to 8712(from 9,38 % to 32.36%) in December 2006. Number of the UAE nationals in the top and senior positions has increased from 162 in 1997, to 561 in December 2006. The percentage of the branch manager position has reached almost 246%.

By 2001, 19.66 per cent of the total banking staff of 15,192 employees in the UAE was Nationals (Emirates Institute for Banking and Financial Studies, EIBFS 2004). This increased to 26 per cent of a total 17,060 employees by December 2003. During 2003 there was a net gain of 627 National employees and a net loss of 170 non-National employees (TANMIA survey 2004).

Most of the UAE banking sectors set a rate of 50% vacancies to be occupied by UAE nationals in the year 2008 which was seen as an ineffective, short

term solution for the employment of the UAE nationals. Moreover the concept of "Emiratization and Levy Payroll Fees" raises which required every expatriate resident in the UAE to donate AED 8.50 a month as a mean of funding a national human resource development programme which is designed to help UAE nationals for job security in many sectors. So in most cases scenario, the employer is given a choice to either select to fund the recruitment and development of the UAE national employees or paying a levy for employing full trained expatriates.

CHAPTER 3- METHODOLOGY

3.1 INTRODUCTION

A description of the theoretical framework conducted in the study is described along with qualitative and quantitative research methods applied. The research questions are based on the Banking sector in the UAE.

The main focus of the study was the college graduates and bank employees. As mentioned in the Introduction section, the employment demography of the UAE are categorized into: work applicants, already working and seeking for new employment and the unemployed university graduates. The first two categorized were the bank employees and the third category is the college/university employees. The main objective is to examine the opinions of the graduates regarding their future career and to examine the experience of the bank employees to aid the main purpose of the research paper.

3.2 RESEARCH METHOD SELECTION

3.2.1 Research Design

Research design 'deals with a logical problem and not a logistical problem' (Yin, 1989). Research Design can be categorized into: Descriptive Research, Exploratory Research and Casual Research. The Descriptive Research provides accurate description for the subject study where the focus is to explain, monitor or test hypotheses using criteria such as age groups and how many percentages agree with the statement. Exploratory Research approach attempts to discover general information about a topic which is not well understood or which is unknown. It also follows a format which is structured and more flexible than descriptive research indicating the key decision makers in a particular research study. As for the Casual Research, it is used to determine if the manipulation of one variable, called the independent variable, affects another variable, called the dependent variable. Thus it is highly structured and controlled so that other factors will not affect the ones that are being studied. This type of approach is mainly used for the purposes of

prediction, discovery and explanatory and also to test hypothesis. If casual research is performed well, the results might be used to forecast what might happen if the changes are made.

The most appropriate design for the proposed study is Descriptive research Apart from that, Data Analysis-using autoethnographic methodology for the research paper where the analysis is based on the subjective researchers identification of themes. Both narrative inquiry for Clandinin & Connelly (2000), and an inductive process are used. Both the processes of collecting and analyzing data are overlapped, so when a piece of data is contributed to develop the analysis part will properly guide the focus to more data collection. The research was based on questions of meaning, social significance and different thematic categories extracted directly from the pilot test. Analysis techniques involves impressionistic, informal pattern and thematic recognition where adopting narrative approach (rather than using grounded theory in it's pure form) prevented the nature of the social setting and the lived experience/stories. (Clandinin & Connelly, 2000)

Autoethnographic methodology-is the best to be used with qualitative research. It is composed of personal and social space, a blending of autobiography and ethnography. It varies from traditional ethnographic methods because the writer is no longer an objective outsider in the texts. It also argue that to understand others one should understand the self (Bochner, 1996). Autoethnographic methodology seeks to reveal one's experience to oneself and to understand the self and the environment of the self rather than to generalize. Given that an Autoethnographic perspective promotes analysis of the self through lived experiences in context, as a result it is possible to learn about the general from the particular (Church, 1995)

The use of narratives of self- This is based on the researcher workplaces, disciplines, friends, family and self including personalities, histories and relationships in the field. Narrative inquiry is a form of narrative experience that allows the complexities, challenges and ambiguities of our individual and organizational life experiences to be linked to experiential inquiry.

3.2.2 Research Instrument

The questionnaires and interviews approach were used to capture and analyze data for the study paper. Questionnaires are generally recommended to elicit information on background and demographic questions which can be answered speedily and objectively (borg and Gall, 1983). Merriam (1988) suggested that interviewing is the best investigatory technique when conducting intensive case studies of individuals.

There are three types of questionnaires such as Structured (closed-end questions), semi-Structured and un-structured questionnaires. Highly structured, closed questions enable comparison to be made across groups in the sample (Oppenheim, 1992). Unstructured questions use the form of 'open-ended' or 'open' questions pitching at open directions. As for semi-structured questionnaires is more formal than unstructured where there are a number of specific topics around which the questionnaire is built. The semi-structured style is adopted in the research paper.

3.2.3 Collection of Data

Data Collection is an important step in the research process. It involves gathering information about the study paper, facts such as personal details, organization background and opinions of individuals on the study's subject. This process can be performed on a large or small scale and can involve both qualitative and quantitative data. Data might range to feedback on behaviours, perceptions, needs, attitudes, and opinions. Methods such as questionnaires, interviews are considered to be an effective tool for data collection.

Data Collection is divided into two main categories: qualitative and quantitative. Qualitative data collection requires researchers to interpret the information gathered, most often without the benefit of statistical support. Personal interviews, focus groups and observational research are some of the methods used for qualitative category. Quantitative data collection involves the use of numbers to assess information. This information can then be

evaluated using statistical analysis which offers researchers the opportunity to dig deeper into the data and look for greater meaning resulting in structured and well-controlled scientific research design. In some senses, all data are qualitative; they refer to essences of people, objectives, and situations (Berg, 1989)

Data are divided into primary and secondary data. Primary are the data that are collected from the first time (original data) while secondary are the data extracted from a previous study. The study paper inquiries data gathered from the questionnaires and personal interviews.

The following methods can be used in order to research and prepare the field text (book to write all the notes) of paper:

- Search using Internet sites (emails, reports and publications) to come up with the different topics enlightening the concept of nationalization programs in the GCC countries in general and Emiratisation in the banking sector specifically.
- The personal observations at everyday work environment starting from training sessions, meetings, chit chatting with work follows.
- Discussion with friends who already have knowledge in the concept of Emiratisation in general either by writing or employing in TANMIA.
- Distributing surveys.

This research paper was based on Online journals mainly along with personal interviews and newspaper. In addition, survey was used for the analysis part. The study included a number of banks in the UAE such as Abu Dhabi Commercial Bank, Abu Dhabi Islamic Bank, Ajman Bank, Commercial Bank of Dubai, Dubai Islamic Bank, HSBC, National Bank of Abu Dhabi, National Bank of Umm Al Quwain, Sharjah Islamic Bank, Union National Bank and Arab Bank. The Survey was distributed to the employees of the banks in order to collect data about their perspectives towards working in the banking sector. Moreover, a different survey was given to the colleges and universities students' to gather their views about working in the banking sector after the graduation as they are considered to be the next generation. The

colleges and universities included Ajman University of Science and Technology, Al Ghurair University, American University of Sharjah, British University in Dubai, Higher Colleges of Technology (Abu Dhabi Men's College, Dubai Men's College, Dubai Women's College, RAK Women's College, Sharjah Men's College, and Sharjah Women's College), Sharjah University, UAE University Al Ain and Zayed University- Dubai.

Thus two different questionnaires were used to gather data for the research paper, a questionnaire for bank employees and a questionnaire for graduates.

3.3 SAMPLE SIZE

Sample size was determined based on the past research examination as a few number of surveys were distributed prior to the actual distribution to gather the gaps and opinions about the survey. The dissertation aimed to investigate and evaluate the success factors of Emiratisation in the banking sector. The targeted audience for investigation were graduates in their third or final year of college/universities and employees working in the banking sector. The sample included the distribution of 100 surveys for college /universities students to express their views about working in the banking sector after graduation. In addition, a sample size of 120 surveys was distributed in the different banks.

3.4 QUESTIONNAIRE

Two questionnaires were prepared for the bank employees (see appendix II) and the students (see appendix I) to test the stated hypothesis. The bank employee's questionnaire consisted of three sections: Personal Information, Career Information and Emiratisation in the banking sector. In the Personal Information section, subjects were asked to provide information about their age, gender and nationality. In Career Information, questions related to work were asked such as the bank name the subject is working in, bank category if local or international, work position, years of experience, attraction factors in the work and the percentage of UAE nationals in the selected bank. Then in the last section there were a number of statements to capture the subject's perception regarding Emiratisation in the banking sector.

As for the student's questionnaire, the first section related to personal information such as age, nationality and gender. The second section, the subject were asked about the name of the college or university the subject is studying in, their chosen sector to work in after the graduation and the subject's interested industries. The last section is about the student's perspectives regarding working in the banking sector.

The questionnaires were distributed via emails and would usually take about 5 to 10 minutes to complete. In addition to the questionnaires, there was an interview conducted with one of the banks employee (the Head of Emiratization) for the proposed research study.

3.5 PILOT TEST

A pilot test was conducted in order to add more validity to the research paper. One of the purposes of the pilot test was to help define the appropriate criteria for the research paper. Surveys samples were developed from past research and personal interviews. It was necessary to make sure that questions were appropriate and suitable for potential subjects. The pilot test also helped in developing proper wording of the questions in the survey.

3.10 ETHICAL ISSUES

There are many ethical issues related to research methods. Even while participating in a survey questionnaire or conducting interviews, there are several elements that need to be observed and taken into account. Some people are reluctant to participate in a study due to their sensitivity to express views or attitudes to the investigated topic. Others find the topic is not of interest to them and therefore refuse to participate. Flinders (1992) idea of relational ethics emphasizes issues of attachment, caring, and respect. Each selected participant must have the freedom of staying anonymous.

CHAPTER FOUR- RESEARCH FINDINGS AND DISCUSSION

4.1 INTRODUCTION

This chapter delineates the results of data analysis. Starting with investigation of the pilot test conducted prior the actual distributions of the surveys among the subjects, followed by the results and the analysis.

4.2 RESULTS OF THE PILOT TEST AND SURVEY DISTRIBUTION

A convenient sample of 23 employees participated in the pilot test resulting in some useful information which was obtained for the final study.

4.2.1 Sample Profile of the Pilot Test

The pilot test was conducted in Sharjah Islamic Bank due to the availability of the subjects. 10 participants were selected randomly to fill in the survey from two different departments and with different positions (excluding 30 surveys which were distributed later as displayed in table 4-1). The surveys were distributed manually and were collected afterwards.

4.2.2 Findings of the Pilot Test

1. The subjects' interest in participating in the survey was very low as it was noticed from the pilot test and that's why the number increased from the total of 90 surveys to 130 surveys distributed among the different banks.
2. The language used in the survey was altered and some types of the questions were irritating for some subjects as they prefer short sentences with selection rather than questions which require short answers. Accordingly the last section was updated to statements rather than questions.

4.2.3 Summary of the Pilot Test

The pilot test provided some useful information for the final study. First of all, the number of subjects increased to avoid inadequate information. Secondly, the questions were replaced with short statements in the last section as the subjects didn't like to stay long in filling the survey. This was followed by a follow up approach with the subjects to note down their feedback regarding enhancement of the survey. Accordingly, some of the subjects raised up

some issues related to their experience while working in the HR department. For example, two of the subjects raised the concept of "Wasta" (the term was elaborated in the Literature Review's section) while expressing their thoughts on hiring employees in the banks in general. As a result, a couple of statements were added to capture the subjects' views on the issue. Another point that was decided after the pilot test is the way for distributing the surveys. As it is a lengthy process to distribute the surveys among the subjects, collecting them and manually switching the results into quantitative data for analysis process.

Based on the overall feedback of the pilot test, it was decided that the survey will be calculated automatically using a web-provider "surveymonkey.com" to distribute and collect the results. This will reduce the effort of monitoring from the experimenter and the subjects will freely fill the surveys whenever they are free and the results will be saved in the website database improving the study's external validity. On the contrary, some of the banks had firewall against some websites which limited the access to the survey site. Thus, the number of subjects increased and a follow up was conducted with them to fill in the surveys.

Time was the most critical factor as all the analysis part depends on the survey results. Conducting the survey and then rechecking the questions to make sure that it doesn't contain any improper or biased-related statements was time consuming. One of the statements in the last section of employee's survey contains the word "Wasta" (using connections to get a job) and then it was substituted with two different statements representing the same idea but in more proper way. The statements are: Emarati in charge of recruiting prefers Emarati employees over expatriates and Expatriates in charge of recruiting prefers expatriates employees over Emaratis.

Most of the college/university students were in work placement during distribution of the surveys where most of them had limited access to their emails. In addition, some of the subjects (students and bank employees) found the survey too long as it contained three sections, the last section of

which is the most critical section for the study. Thus, some of the questions were skipped.

Some of the Arab subjects found the survey too difficult to understand due to the language as the written language used is English, resulting in limited response. Distributing the surveys via email especially for bank employees was difficult as most of the banks have firewalls against the unfamiliar sites or have restrictions against the employee using the website, which was required to access the survey. In addition, there was no control in the nationality while distributing the surveys as some of the respondents were expatriates. Thus the survey results were filtered for Emirati employees only. Table (4-1) shows the total number of surveys distributed and the total number of responses received from the bank. Table (4-2) shows the total number of distributed and received surveys from the college/university students.

Banks	# of surveys distributed	# of surveys received
Abu Dhabi Commercial Bank	10	1
Abu Dhabi Islamic Bank	10	2
Ajman Bank	10	3
Commercial Bank of Dubai	10	2
Dubai Islamic Bank	10	0
HSBC	10	2
National Bank of Abu Dhabi	10	2
National Bank of Umm Al Quwain	10	0
Sharjah Islamic Bank	30	18
Union National Bank	10	1
Arab Bank	10	1
Total	130	32

Table (4-1): Survey Distribution in Banks in the UAE

College/University	# of surveys distributed	# of surveys received
Ajman University of Science and Technology	10	1
Al Ghurair University	10	1
American University of Sharjah	10	2
British University in Dubai	10	2
HCT-Abu Dhabi Men's College	10	1
HCT-Dubai Men's College	10	1
HCT-Dubai Women's College	10	3

HCT-RAK Women's College	10	1
HCT-Sharjah Men's College	10	8
HCT-Sharjah Women's College	10	10
Sharjah University	10	2
UAE University Al Ain	10	2
Zayed University- Dubai	15	11
Total	130	45

Table (4-2): Survey Distribution in colleges/universities in the UAE

4.4 RESULTS OF THE FINAL STUDY

4.4.1 General Profile of the students

A sample of 46 Emirati students, 10 males and 35 females, in some of the UAE colleges and universities; were surveyed. Of these students, 17.4 per cent were in their first year, 73.9 per cent in their final year and 8.6 per cent were studying at post graduate level. They were informed that the purpose of the research was to collect data on their perspectives toward working in the banking field in the UAE after graduation and they were asked to remain anonymous and encouraged to respond honestly. Eleven of 46 students were working as part time employees. According to the results, 76% of the subjects prefer to work in the public sector after the graduation for a number of reasons. Some of the reasons specified by the subjects were as follow: high salaries and better job security. The respondents were also questioned regarding the Emiratisation process in the banking sector.

4.4.2 Results of 45 students

The Factor Analysis of the statistical results for the first question in Personal Information's Section was to determine the age group of the future employees. The age group 20 to 29 represented the majority of the respondents with a percentage of 65 followed by 19 and below with 18.5 per cent. Thirty to 39 represented 10 per cent leaving only 6.5 per cent for the age group of 40 and above.

Choice	Frequency	Percentage
19 and below	8	18.5%
20-29	33	65.0%
30-39	2	10.0%
40 and above	1	6.5%

Table 4-3: Results for Question 1 in Personal Information Section

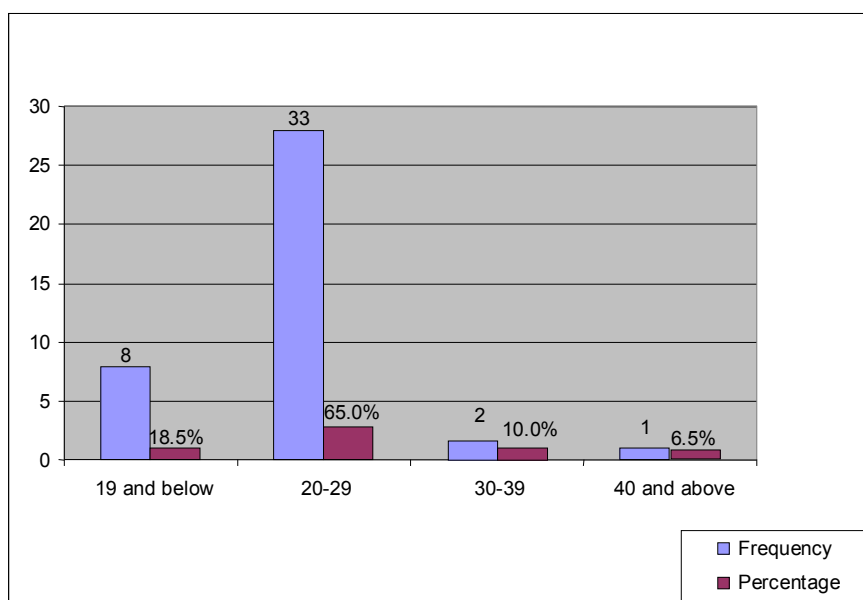


Figure 4-1: Results for Question 1 in Personal Information Section

The age group has a large effect on the responses for other questions such as question number 3 in Career Information's Section and question number 2 in Emiratisation in the Banking Sector's Section and this can be investigated through correlation between the different questions data. For example, for respondents aged 19 and below private sector is more attractive than the government sector (66.7% for Private and 33.3 % for Government) whereas the opposite goes for the respondents aged 20 and above.

	Government	Private
Frequency	19	8
Percentage	74.1%	25.9%

Table 4-4: Results for Question 3 in Career Information

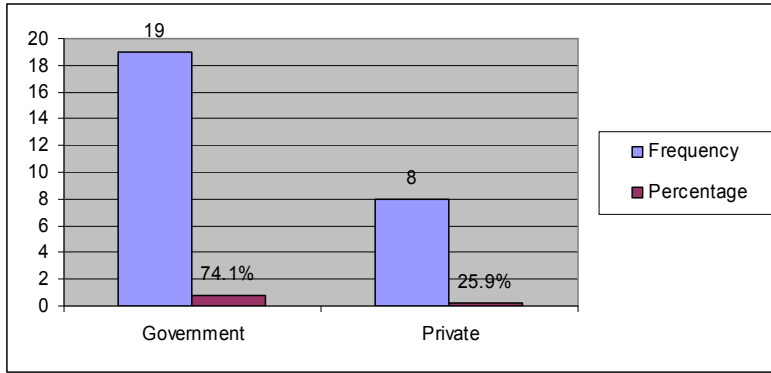


Figure 4-2: Results for Question 3 in Career Information

In Career Information's Section question 1, the respondents were asked to indicate if they are working beside the study. The results were that only 33.8 per cent are part time employees and the rest are full time students.

	Yes	No
Frequency	11	34
Percentage	33.8%	66.2%

Table 4-5: Results for Question 1 in Career Information

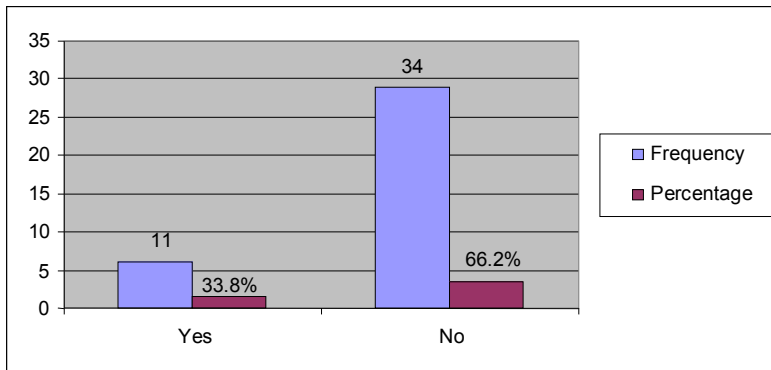


Figure 4-3: Results for Question 1 in Career Information

In addition, question 3 in Career Information's Section was to select which sectors is the most appealing sector for the respondents. It was noticed that 74.1 per cent of the respondents were interested to join Government sector and only 25.9 per cent were interested in the private sector. This is among one of the most important questions for the study as the students are representing the next batch that will join the job market and hence require their perspectives on working in the private sector and similarity the banking sector.

	Government	Private
Frequency	19	8
Percentage	74.1%	25.9%

Table 4-6: Results for Question 3 in Career Information

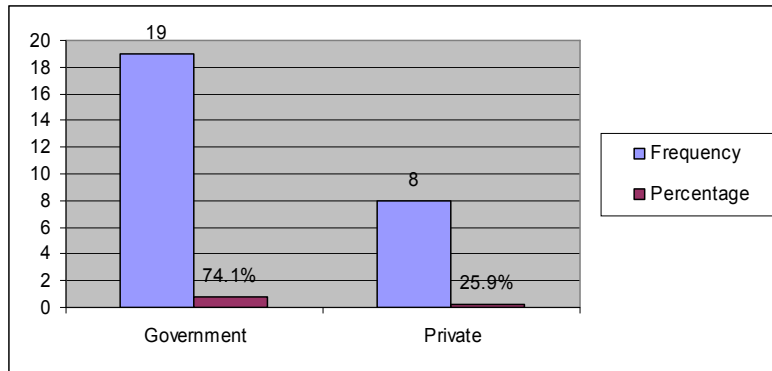


Figure 4-4: Results for Question 3 in Career Information

As for question number 4 in Career Information's Section, it was asked to know the industry that the Emiratis are interested in working in. The results showed that the majority are interested in working in the bank representing 22.6 per cent. This was followed by HR scoring 21.2 per cent. The rest of the respondents didn't specify any preferred section which indicates that they are not interested in working after graduation or they might open business by their own. Sectors such as Police and security, Law and justice, and Interior design were omitted due to no selection.

Choice	Frequency	Percentage
Oil and Gas	1	5.0%
Banking and Finance	8	22.6%
Aviation	1	5.0%
Education	9	13.6%
Health	2	6.5%
Transportation	1	5.0%
Media	5	7.6%
Travel & Tourism	1	5.0%
Telecommunication	2	6.5%
HR	10	21.2%
Accounting	1	5.0%
Industrial	1	5.0%

Table 4-7: Result for Question 4 in Career Information

Question number 1 in Emiratisation in the Banking Sector's Section indicates the percentage of Emiratis students who prefer to work in the banking sector after the graduation. Only 25 per cent showed interest in working in the Banking sector after the graduation as the rest preferred a non- financial sector to work in.

	Yes	No
Frequency	8	22
Percentage	25.0%	75.0%

Table 4-8: Results for Question 1 in Emiratisation in the Banking Sector Section

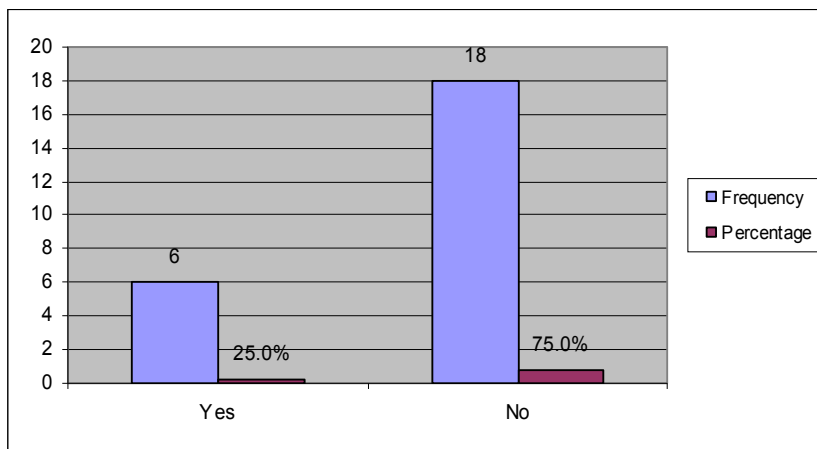


Figure 4-5: Results for Question 1 in Emiratisation in the Banking Sector Section

Question number 2 in Emiratisation in the Banking Sector's Section is related to statements and to what extent the students agree or disagree to each point. This question is related to question 1. This is consider to be one of the most important section in the overall survey as the students perspectives regarding Emiratisation as a whole process and working in the bank as a specific subject by its own can be captured through it. Basically this question is designed for the students who are interested in working in the banking sector. The statements from 1 till 4 are related to working in the Banking sector as an average of 39.77 per cent agreed on working in the Banking sector and think that the banking sector is the most demanding sector among Emiratis graduates and it offers more growth and opportunities to its employees. On the contrary just almost the similar average percentage of 33.3 % disagreed to the above statements leaving 27.75 per cent in the neutral side.

Agree	Frequency	Neutral	Frequency	Disagree	Frequency
39.77%	10	27.75%	6	33.3%	6

Table 4-9: Result for Statement 1 to 4

As for the statement number 5, it is related to working in a multiculturalism environment where 22.20 per cent selected "Strongly Agree" to the statement of working in a multiculturalism environment. 40.70 per cent selected "Agree" whereas 22.2% neutral, 11.1% Disagree and 3.70 per cent Strongly Disagree.

Strongly Agree	Frequency	Agree	Frequency	Neutral	Frequency	Disagree	Frequency	Strongly Disagree	Frequency
22.2%	6	40.7%	11	22.2%	6	11.1%	3	3.7%	1

Table 4-10: Result for Statement 5

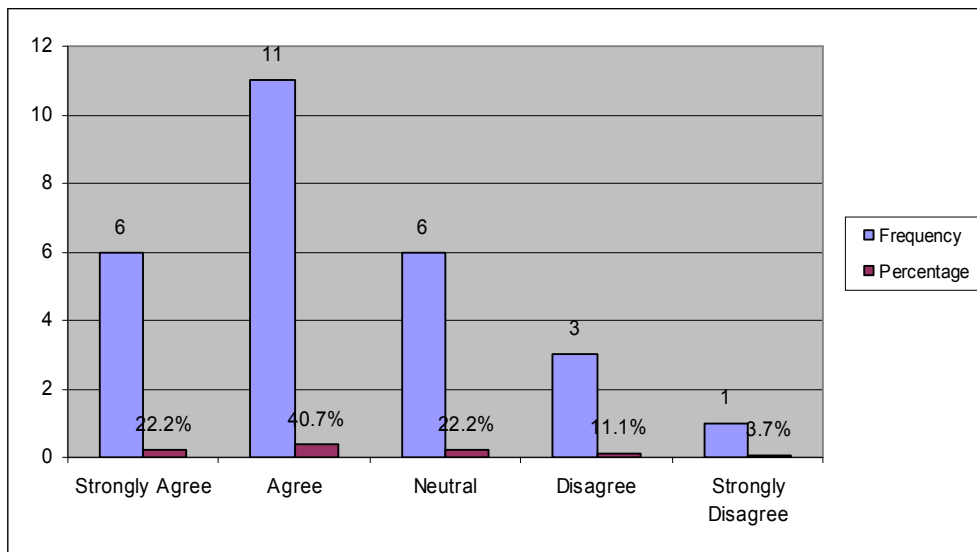


Figure 4-6: Result for Statement 5

In addition statement number 6 and 9 are related in since that the communication and dealing with people are related to each other. Thus the percentage of respondents who disagreed to the statements reached zero. This is an indicator that the Emiratis graduates will mostly fit in Customer Services positions in the bank rather than any other positions.

Strongly Agree	Frequency	Agree	Frequency	Neutral	Frequency	Disagree	Frequency	Strongly Disagree	Frequency
42.9%	12	46.4%	13	10.7%	3	0.0%	0	0.0%	0

Table 4-11: Result for Statement 6

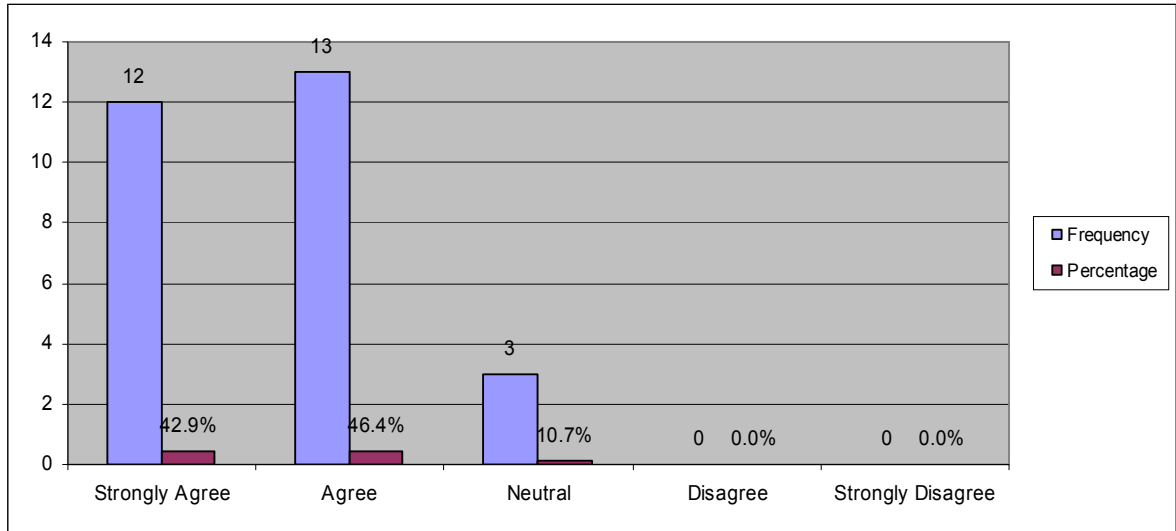


Figure 4-7: Result for Statement 6

Strongly Agree	Frequency	Agree	Frequency	Neutral	Frequency	Disagree	Frequency	Strongly Disagree	Frequency
28.6%	8	53.6%	15	17.9%	5	0.0%	0	0.0%	0

Table 4-12: Result for Statement 9

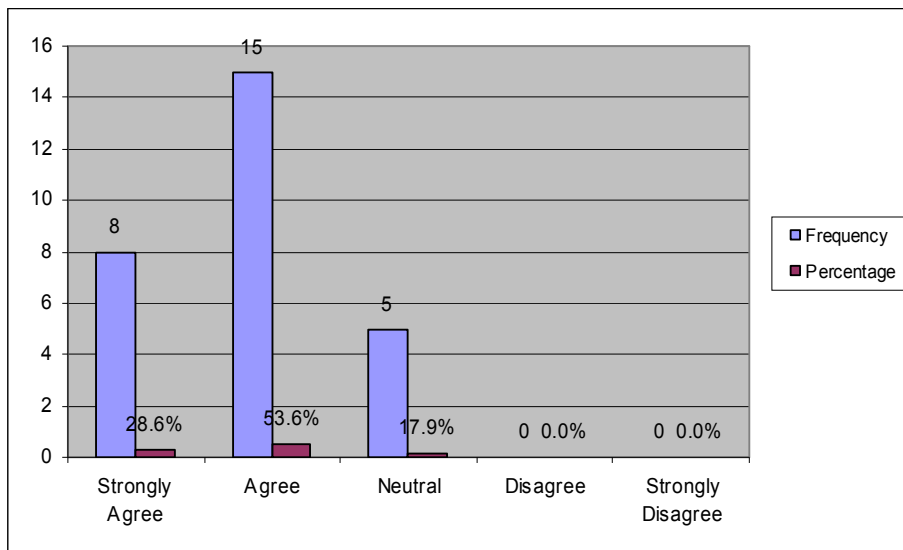


Figure 4-8: Result for Statement 9

Statement 7 indicates that it is difficult for fresh graduates to have a job in the bank due to lack in experience. This statement was placed due to the feedback received from the pilot test that experience is considered to be an obstacle in the face of recruiting fresh Emirati graduates. Most of the respondents disagreed the statement (around 35.7 per cent) where only 28.6 per cent agreed and 35.7 per cent selected neutral.

Strongly Agree	Frequency	Agree	Frequency	Neutral	Frequency	Disagree	Frequency	Strongly Disagree	Frequency
0.0%	0	28.6%	8	35.7%	10	28.6%	8	7.1%	2

Table 4-13: Result for Statement 7

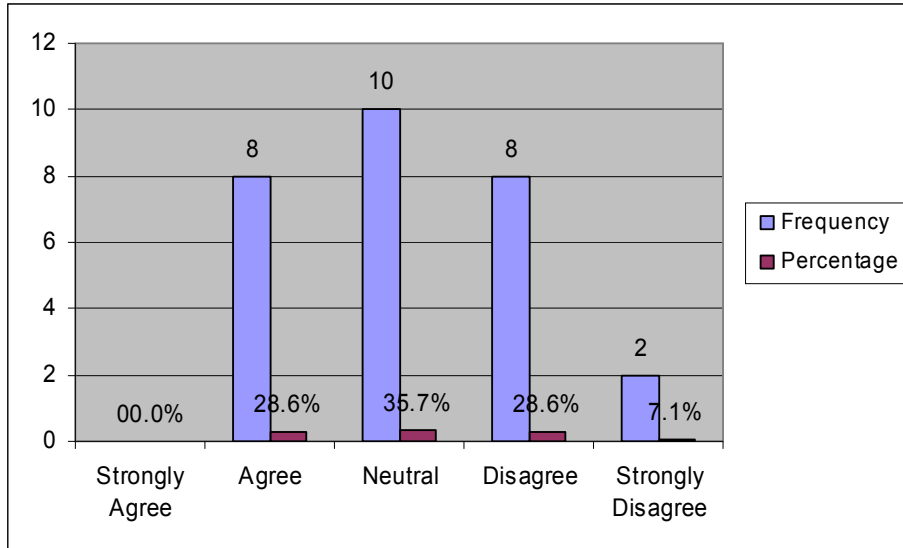


Figure 4-9: Result for Statement 7

As for statement 10 which says that Emirati graduates will quit in not promoted fast and often, 22.20 selected "Strongly Agree", 33.30 per cent selected "Agree, 11.10 selected "Disagree" and 3.70 per cent selected "Strongly Disagree": leaving 29.60 per cent as neutral. Thus more than half the respondents agree to the statement which reveals one of the reasons for attracting fresh graduates to the banking sector.

Strongly Agree	Frequency	Agree	Frequency	Neutral	Frequency	Disagree	Frequency	Strongly Disagree	Frequency
22.2%	6	33.3%	9	29.6%	8	11.1%	3	3.7%	1

Table 4-14: Result for Statement 10

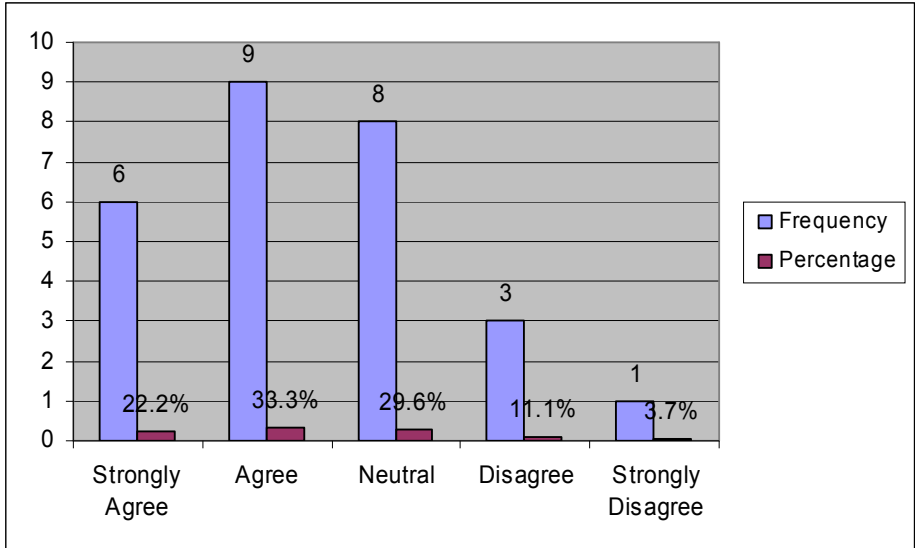


Figure 4-10: Result for Statement 10

Statement 8 was placed to check the mentality of the respondents towards some low level jobs as sales representative, call center agents. 17.9 per cent strongly agreed to the statement, 46.4 per cent Agreed and only 14.3 per cent Disagreed to work in these positions.

Strongly Agree	Frequency	Agree	Frequency	Neutral	Frequency	Disagree	Frequency	Strongly Disagree	Frequency
17.9%	5	46.4%	13	14.3%	4	7.1%	2	14.3%	4

Table 4-15: Result for Statement 8

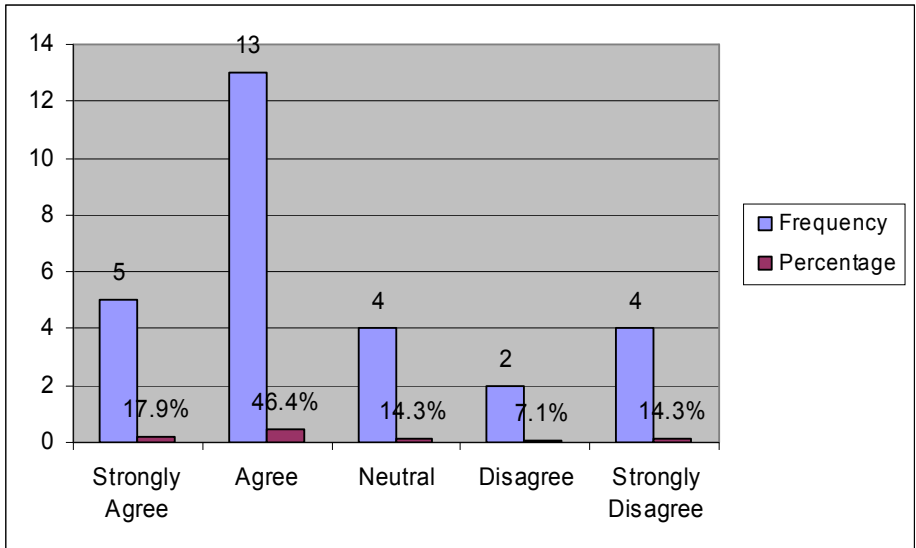


Figure 4-11: Result for Statement 8

Statement 11 was placed to check the students' knowledge about the labor laws related to Emiratization process in the UAE. Strangely most of the

respondents turned out to know about that, only 35.7 per cent said that they don't know about the laws.

Strongly Agree	Frequency	Agree	Frequency	Neutral	Frequency	Disagree	Frequency	Strongly Disagree	Frequency
17.9%	5	39.3%	11	35.7%	10	3.6%	1	3.6%	1

Table 4-16: Result for Statement 11

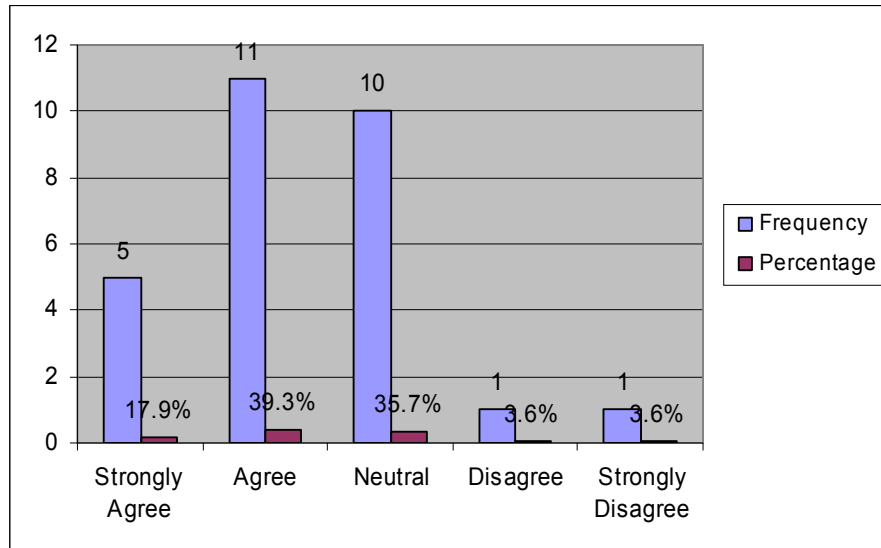


Figure 4-12: Result for Statement 11

The last statement is linked with the unemployment issue in the UAE as the statement declares that setting employment quotas in the banking sector is an efficient solution for unemployment. 53.5 per cent agreed to the statement while 39.3 per cent stayed neutral.

Strongly Agree	Frequency	Agree	Frequency	Neutral	Frequency	Disagree	Frequency	Strongly Disagree	Frequency
21.4%	6	32.1%	9	39.3%	11	7.1%	2	0.0%	0

Table 4-17: Result for Statement 12

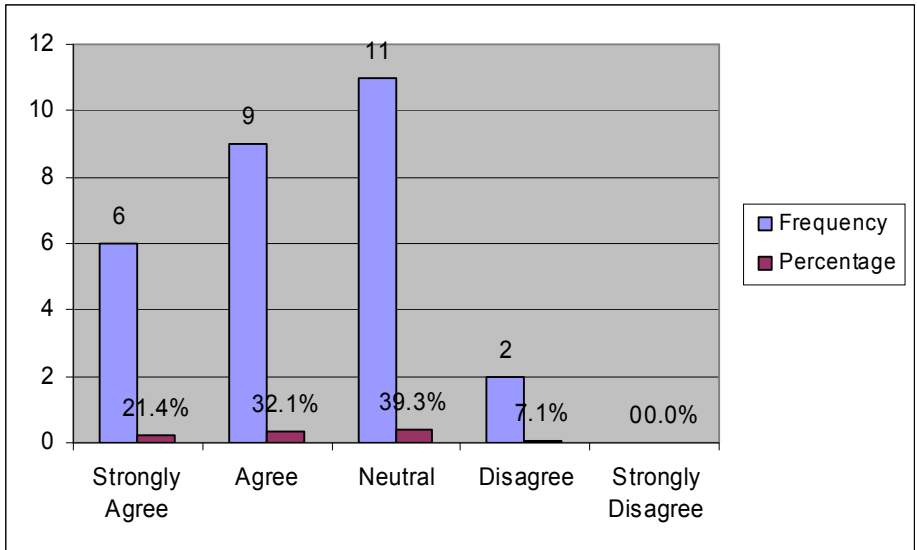


Figure 4-13: Result for Statement 12

4.4.3 General Profile for the Banking Sector Employees

The survey tested the results of 32 Emirati subjects (see Appendix II) working in the banking sector in the UAE, 22.2 per cent males and 77.8 per cent females. The subjects were from different banks (See Table (4-2)) selected randomly to have enough contribution to the survey. For each question in the survey there is an explanation to its existence given in the analysis part. Some of the questions are the same used in the college/university student's survey

4.4.4 Results of 32 Emirati employees working in the Banking Sector

The first question in the Personal Information section is regarding the age group of the respondents. The majority are among the age group of 20-29 representing 81.3 per cent followed by the age group of 30-39 representing 18.8 per cent.

Choice	Frequency	Percentage
19 and below	0	0.0%
20-29	26	81.3%
30-39	6	18.8%
40-49	0	0.0%
50 and above	0	0.0%

Table 4-18: Banking Employees Results for Question 1 in Personal Information Section

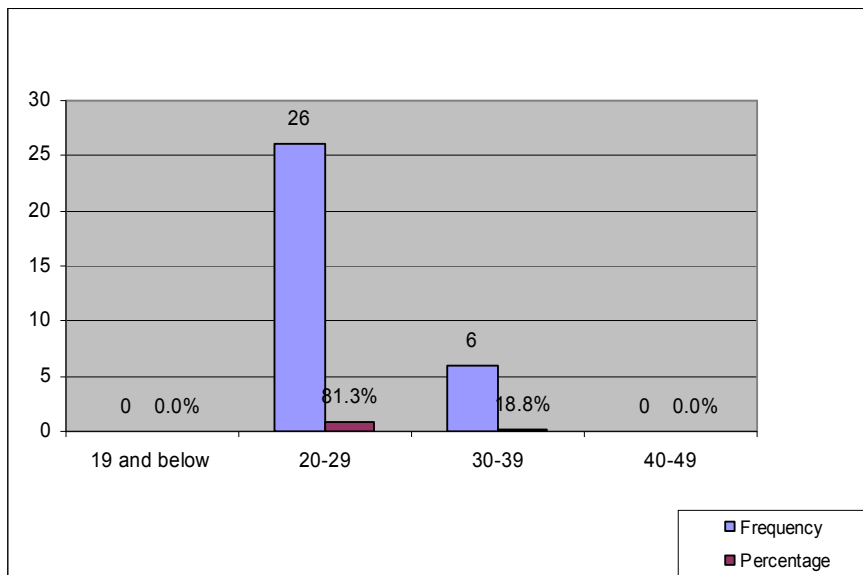


Figure 4-14: Banking Employees Results for Question 1 in Personal Information Section

Question 2 is related to the demographical structure of the country where 22.2 per cent males and 77.8 per cent females. The second question in Career Profile section indicates about type of bank the employee is working in. 96.4 per cent are working in local banks and 3.6 per cent working in International banks. This is due to the fact of the increased number of local banks and which was included in the survey.

	Local	International
Frequency	27	1
Percentage	96.4%	3.6%

Table 4-19: Banking Employees Results for Question 2 in Career Profile

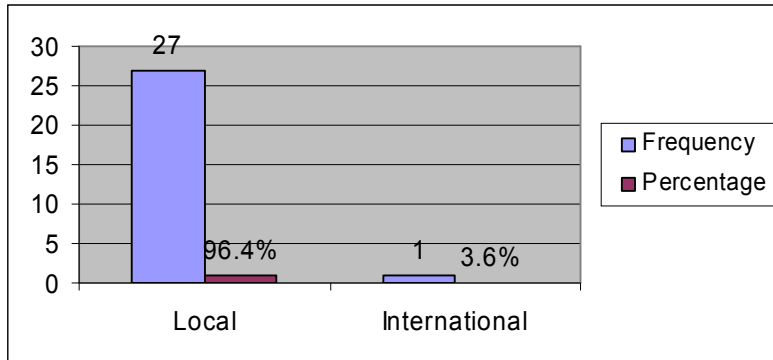


Figure 4-15: Banking Employees Results for Question 2 in Career Profile

The third question in Career Profile section is regarding the positions each respondents hold in their banks. The majority goes to the position of Officer representing 48.3 per cent followed by Manager Assistants holding 27.6 per cent. Customer Services represented 10.3 per cent and Manager representing 6.9. Both Head of Department and HR officer represented 3.4 per cent. The head of department was Emiratisation department's head in one of the banks.

Choice	Frequency	Percentage
CEO/Head of Departments	1	3.4%
Manager	2	6.9%
Manager Assistants	8	27.6%
HR Director	0	0.0%
HR Manager	0	0.0%
HR Officer	1	3.4%
Officer	14	48.3%
Customer Services	3	10.3%

Table 4-20: Banking Employees Results for Question 3 in Career Profile

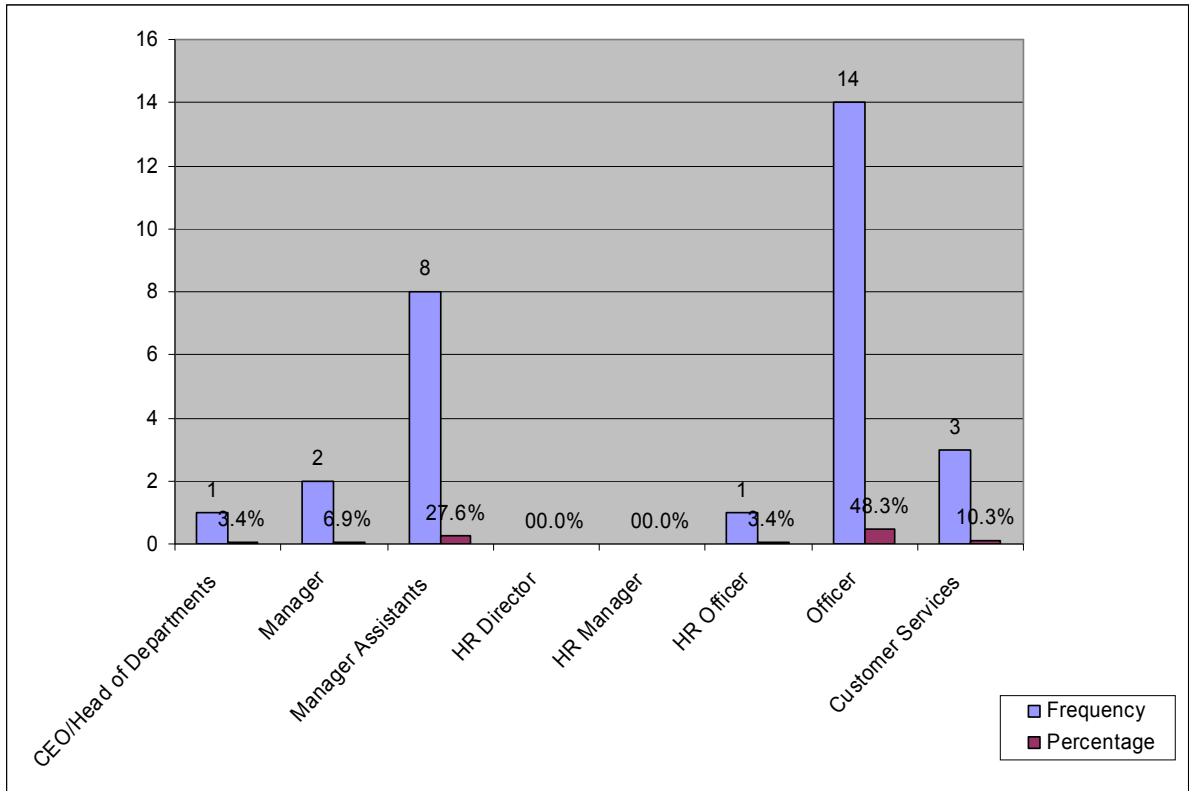


Figure 4-16: Banking Employees Results for Question 3 in Career Profile

Question 4 is related to the years of experience in the current bank where the majority spent 1 to 5 years representing 70.4 per cent. The rest was divided into: 6 to 10 years representing 18.5 per cent and less than one year representing 11.1 per cent. This indicates that the experience is not a major factor for getting a job in the banks.

Choice	Frequency	Percentage
Less Than 1 year	3	11.1%
1 to 5 years	19	70.4%
6 to 10 years	5	18.5%
More than 10 years	0	0.0%

Table 4-21: Banking Employees Results for Question 4 in Career Profile

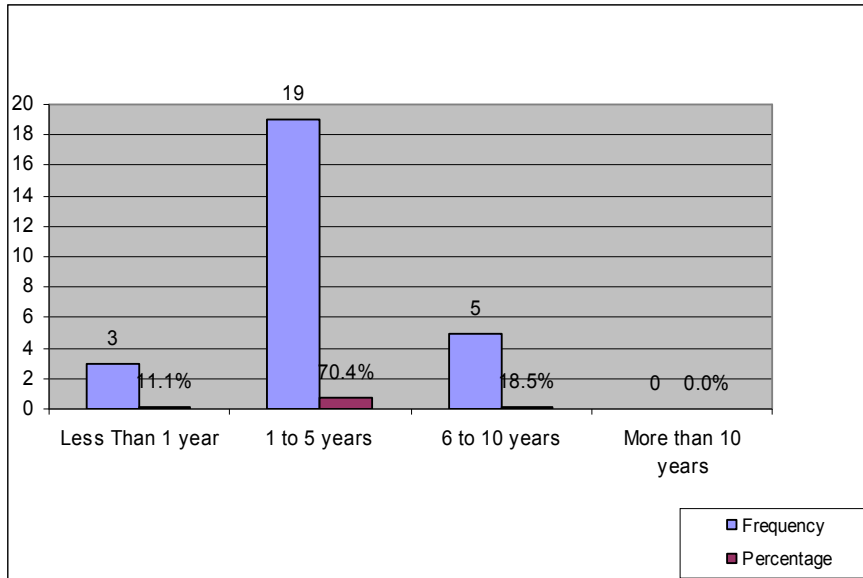


Figure 4-17: Banking Employees Results for Question 4 in Career Profile

Question 5 is consider the critical question for the research paper as it indicates the success factors of working in the bank for Emirati employees. 46.4 per cent of employees selected work environment as an attraction to work in the bank followed by 42.9 per cent indicating the relationship between supervisors and colleagues. Salary Packages was selected by 32.1 per cent indicating their satisfaction regarding it. Management support gained 28.6 per cent followed by Experience gained which represented only 25%. Work Schedule only gained 17.9 per cent which shows the employees dissatisfaction regarding the long working hours. Promotion scheme and job security gained only 14.3 per cent considering them as weak factors. This was followed by Leave balance representing 10.7 per cent Training offered and Reputation represented 7.1 per cent.

	Frequency	Percentage
Salary packages	9	32.1%
Work schedule	5	17.9%
Leave balance	3	10.7%
Promotion scheme	4	14.3%
Experience gained	7	25.0%
Management support	8	28.6%
Job security	4	14.3%
Training offered	2	7.1%
Work environment	13	46.4%
Relationships(supervisor/Colleague)	12	42.9%
Reputation	1	7.1%

Table 4-22: Banking Employees Results for Question 5 in Career Profile

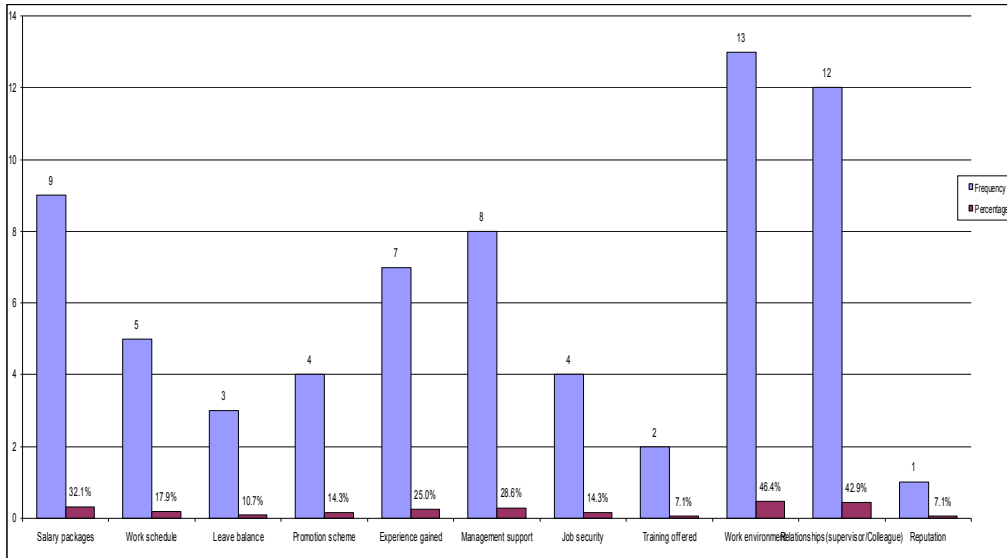


Figure 4-18: Banking Employees Results for Question 5 in Career Profile

Question 6 is related to the percentage of UAE nationals in the respondents' bank. The majority selected 31 to 50 representing 41.4 per cent which is somehow good indicator. 51 to 70 represented 20.7 per cent followed by another huge number of 71 to 100 representing 13.8 per cent. Only 10.3 per cent selected 1 to 30 and 6.9 per cent selected 0 to 10 per cent. 6.9 per cent selecting "Don't know".

Choice	Frequency	Percentage
0 to 10	2	6.9%
1 to 30	3	10.3%
31 to 50	12	41.4%
51 to 70	6	20.7%
71 to 100	4	13.8%
Don't know	2	6.9%

Table 4-23: Banking Employees Results for Question 6 in Career Profile

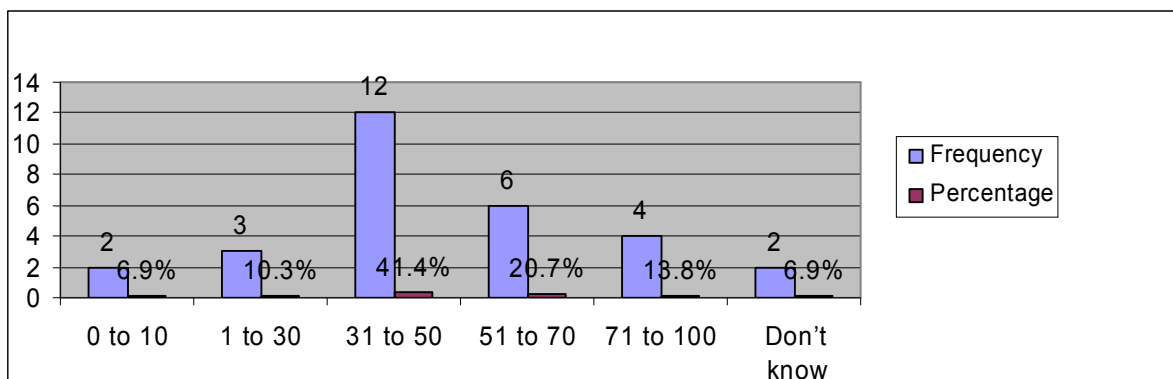


Figure 4-19: Banking Employees Results for Question 6 in Career Profile

Question 1 in Emiratisation in the Banking sector section includes many statements which represent subjects' opinions regarding Emiratisation process in the Banking. Banking sector as most demanding sector and offers more growth and opportunities to its employees. An average of 55.2 per cent agreed to the statements and another average of 21.8 per cent disagreed. An average of 26.2 per cent selected neutral.

Statement 4 is related to working in multiculturalism environment as 70.4 per cent selected Agree along with 14.8 per cent selected Strongly Agree indicating employees enthusiastic towards working with foreign employees. The resistance was only 7.4 per cent.

Strongly Agree	Frequency	Agree	Frequency	Neutral	Frequency	Disagree	Frequency	Strongly Disagree	Frequency
14.8%	4	70.4%	19	7.4%	2	7.4%	2	0.0%	0

Table 4-24: Statement 4 Results

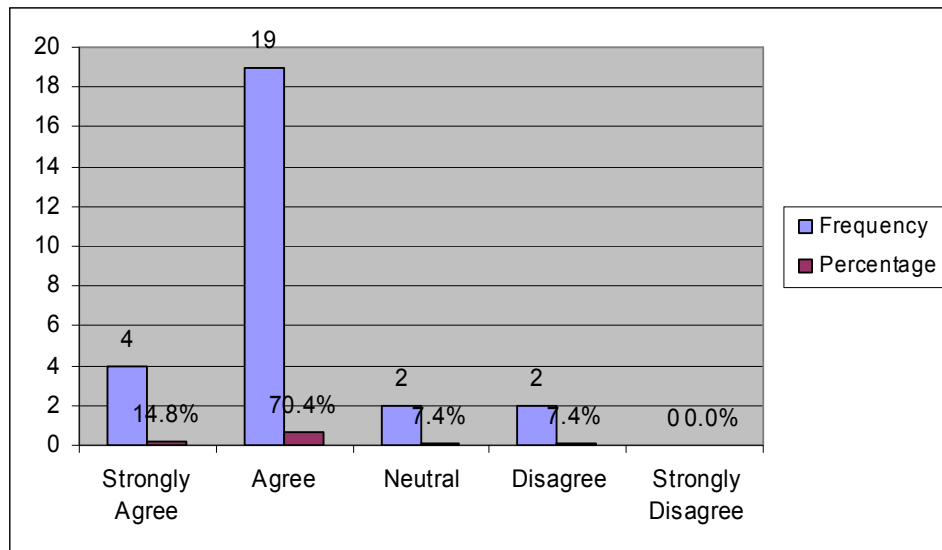


Figure 4-20: Statement 4 Results

Statement 5 is related to one of the criteria for question 5 regarding promotion. As the statement declares that the UAE nationals will quit if not promoted fast and often. More than half the percentage (around 51.8 per cent) agreed indicating the promotion as one of the success factor for Emiratisation in the banking sector.

Strongly Agree	Frequency	Agree	Frequency	Neutral	Frequency	Disagree	Frequency	Strongly Disagree	Frequency
7.4%	2	44.4%	12	18.5%	5	22.2%	6	7.4%	2

Table 4-25: Statement 5 Results

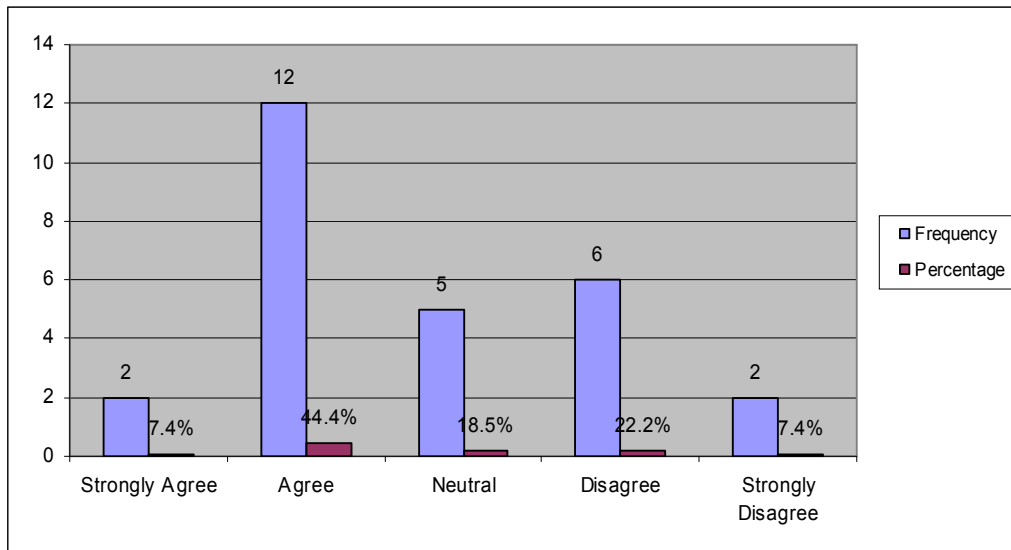


Figure 4-21: Statement 5 Results

Statement 6 is about the knowledge the employees have of Emiratisation laws where majority of 50 per cent Agreed and 11.5 Disagreed to the knowledge leaving 38.5 per cent as neutral.

Statement 7 is also related to Emiratisation laws which state that setting employment quotas will reduce the percentage of unemployment. Surprisingly, 55.5 per cent Agreed to the statement and a percentage of 40.7 per cent reminded neutral.

Strongly Agree	Frequency	Agree	Frequency	Neutral	Frequency	Disagree	Frequency	Strongly Disagree	Frequency
18.5%	5	37.0%	10	40.7%	11	3.7%	1	0.0%	0

Table 4-26: Statement 7 Results

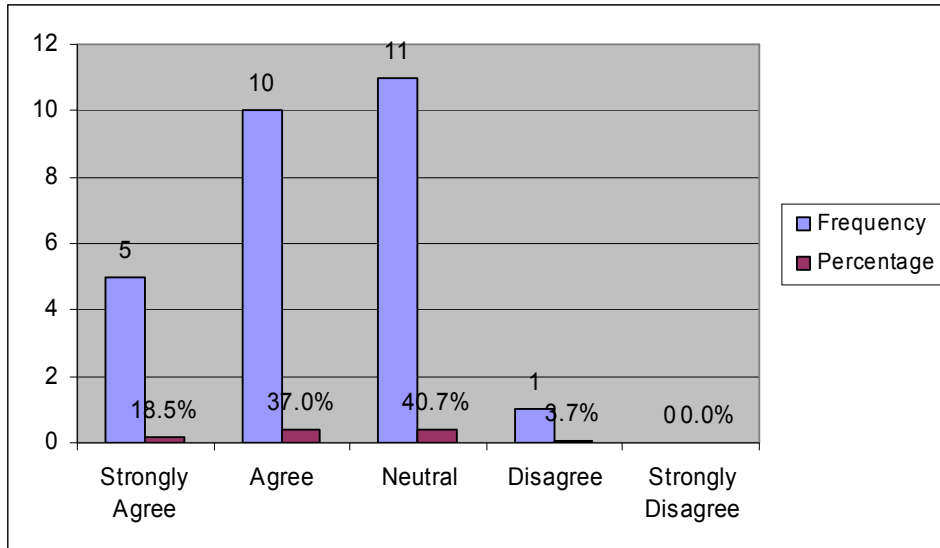


Figure 4-22: Statement 7 Results

Statements 8 to 11 and 13 to 14 are related to the recruitment process in the banks. Statement 8 says Emiratisation entitles Emiratis to get jobs regardless for their qualifications which was Agreed by 48.1 per cent of the respondents (which is not a small per cent). On the contrary, only 22.2 per cent disagreed to the above statement. 29.6 per cent preferred to be Neutral.

Similarly, statement eleven indicates that Emirati graduates with a degree from abroad are more attractive employees to the bank. 66.6 per cent Agreed and only 3.7 disagreed. This might raise a question if the Education system in the UAE is not as effective as the abroad ones.

Both statement 9 and 10 are preferences statements where Emiratis prefer to recruit Emiratis and expatriates prefer to recruit expatriates. For both the Agree percentage is more than half (55.5 per cent for Emirati and 69.2 for Expatriates). The results for this particular question are in conflict with statement 4.

Strongly Agree	Frequency	Agree	Frequency	Neutral	Frequency	Disagree	Frequency	Strongly Disagree	Frequency
7.4%	2	48.1%	13	33.3%	9	7.4%	2	3.7%	1

Table 4-27: Statement 9 Results

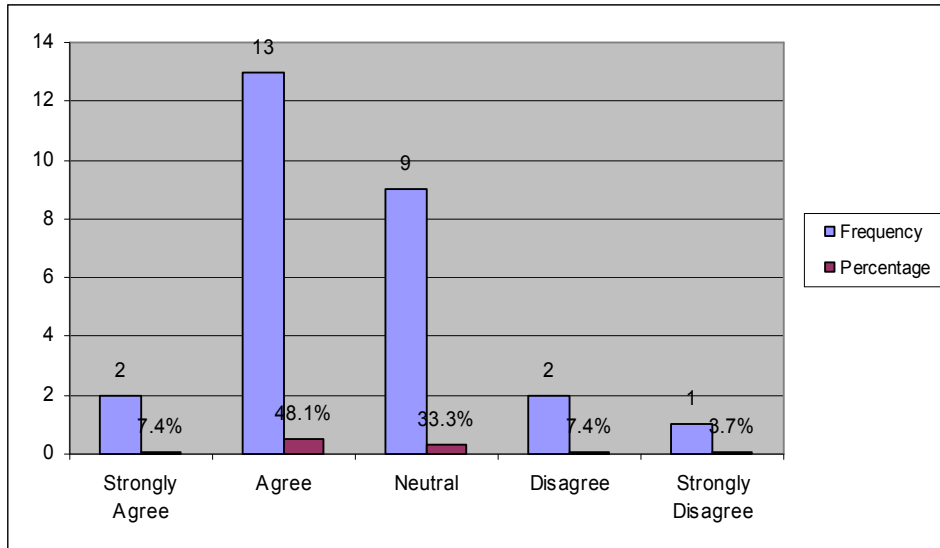


Figure 4-23: Statement 9 Results

Strongly Agree	Frequency	Agree	Frequency	Neutral	Frequency	Disagree	Frequency	Strongly Disagree	Frequency
26.9%	7	42.3%	11	23.3%	6	3.8%	1	3.8%	1

Table 4-28: Statement 10 Results

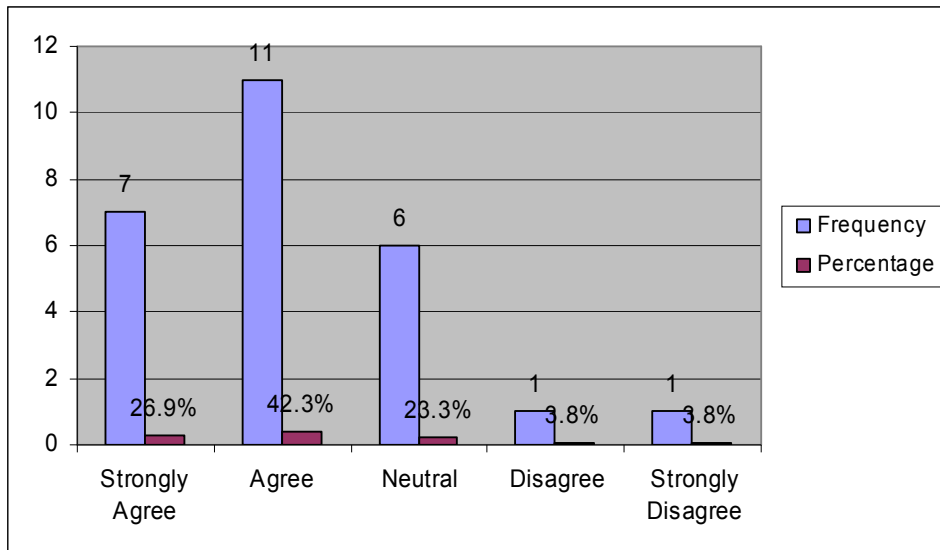


Figure 4-24: Statement 10 Results

Statement 13 says that the employment of Emiratis is based on the quotas rather than the need of the bank where more respondents agreed rather than disagreed (a ratio of 42.3 per cent and 19.2 per cent). Another statement (number 13) indicates that qualified Emirati male are hard to find where 42.3 per cent agreed and 19.2 per cent disagreed. 38.5 per cent stayed neutral.

This suggests that the male are harder to recruit in a bank than female. The statement was added after the feedback received from the pilot test.

Strongly Agree	Frequency	Agree	Frequency	Neutral	Frequency	Disagree	Frequency	Strongly Disagree	Frequency
3.8%	1	38.5%	10	38.5%	10	19.2%	5	0.0%	0

Table 4-29: Statement 13 Results

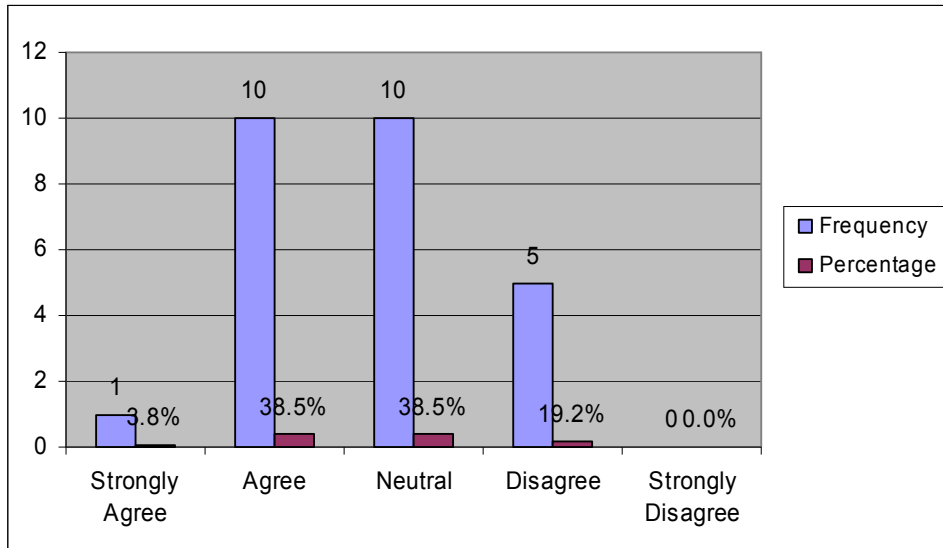


Figure 4-25: Statement 13 Results

Another recruitment statement is that (statement 14) Emiratis are more expensive to be recruited in the bank than Expatriates. 44.4 per cent disagreed while only 40.7 per cent agreed leaving 14.8 per cent in neutral. This was asked as some believes that an Emiratis expectation about the salary is too high and thus the expatriates are the opposite. On the contrary, statement 15 was added due to some HR concerns about the newly joined Emiratis employees. The statement suggests that Emiratis is not as hard worker and dedicated as the expatriates. 48.1 per cent "Strongly Disagreed" to the statement, 22.2 per cent disagreed, 22.2 selected Neutral and only 7.4 per cent agreed. Statement 16 suggests that the expectations of Emiratis employees towards their positions are exaggerated in terms of salary, responsibilities and experiences. 33.3 per cent agreed, 29.1 per cent disagreed and 37.5 per cent selected Neutral. Statement 17 declares that employees dislike sharing knowledge with Emirati trainees. 48.1 per cent agreed and 37 per cent disagreed. 14.8 per cent selected Neutral.

CHAPTER FIVE- ANALYSIS

5.1 INTRODUCTION

The Factor Analysis technique was used for analyzing the surveys result. This technique was useful for shaping out the commonalities between different employees/graduates perspectives regarding working in the banking sector. It was useful for analyzing the responses and breaking them down into percentages to be used in the analysis part of the research. Employee's questionnaire consists of 10 questions and the Graduates questionnaire contains around 9 questions.

5.2 GRADUATES ANALYSIS

5.2.1 Analysis for the result of 45 students

Throughout the survey analyzing part, it was noticed that most of the graduates prefer to work in the government sector rather than the private sector. They believe that the private sector is more demanding and less appreciated towards its staff and due to long hours compared with the government sector. Also they believe that the promotion scheme is too slow compared with the government sectors. Some expressed their dissatisfaction to work under the supervision of non Emirati employees. As other nationalities feel more secure in the private sector as they consider it their sector apart from the government sector where the majority are Emirati nationals. As for the minority of 25.9 per cent, they consider private sector as a challenge especially a financial institutions like banks, some are fascinated with the attractive packages that banks provide to their staff along with health insurance coverage and tickets encashment. Apart from that, they believe that Banks are providing proper training programs to newly joined staff and also it provides more learning to its employees.

As for the reasons of reluctance towards working in the banks, it was specified as the following:

- Difficulty in managing the social life due to lengthy working hours.
- Less holidays offered

- More pressure and more responsibilities.
- working in the bank sector was specified as "bored"
- Religious reason as the restriction Islam has towards non-Islamic bank and the concept of "Riba"- (interest, usury), which is basically not allowed.

17.6 per cent of the respondents are part time employees where some of them joined induction programs offered by some banks such as HSBC and Dubai Islamic Bank to attract the young Emiratis to work with them after the graduation. The majority of part time workers were male which indicate their work oriented mentalities due to the nature of the male being the source of income for the family and also to feel independent.

Education is consider to be the most attracted sector for female students due to some families restriction regarding working in mixed sector with the opposite sex. Education was and still is the sector where female and male are separated. The second preferable sector is Human Resources, representing 21.2 per cent for female. As it was decided in June degree that all the companies with more than 100 employees should employ only Emiratis in their human resources departments (refer to Literature Review). Thus many job vacancies for Emiratis in the field.

The majoring field for male students was banking and finance sector for the following reasons:

- 1-High Packages along with insurance/tickets facilities.
- 2-Prompt promotion for Emirati male nationals
- 3-Training and Development programs provided to the bank employees
- 4- Challenging environment.

Multiculturalism is one of the important elements especially for private sector employees. Almost 62.9 per cent agreed to work in a multiculturalism environment as it provides the opportunities to learn from different cultures, treat with different personalities which will add a unique value to their own personalities. Some of them also stated that it will help them with learning new languages and enrich their experiences. The resistance was because of the different language and different culture, thus different way of thinking.

Some of the working female's responses declared that the resistance is from the other nationalities to deal with Emiratis rather than the other way around, most properly because they are afraid that the Emiratis will take their jobs (feeling unsecured).

Experience is one of the most obstacles that the fresh graduates faces while seeking an employment. Some of the respondents indicated that it is one of the success factors if you are working beside the study as the experience gained plays a fatal rule in the recruiting process and the promotion schemes afterwards. On the contrary, some respondents revealed that there are some induction programs given to college students by the bank, where they can study and work with the bank in their off days. Thus, gaining experience and also granting a position in the bank after the graduation. More than half of the respondents agreed that Emiratis employees will quit if not promoted fast and often. This shed some light on the mentality of some Emiratis regarding their career. Surprisingly, female students are more open to work in low level jobs such as Call Center agents and Sales representative in the banks. It is difficult to find a job these days (due to the last year crisis) let alone a job in the bank which is consider a prestige for some of the respondents. Some would like to start from the low position to get learn more as promoted gradually.

Most of the respondents know about the laws of the labor related to Emiratisation due to the uniqueness of the topic as it is the main concern for the UAE graduates to help them look for a job. They are familiar with the different institution that applies the process of Emiratisation such as TANMIA. The knowledge is gained from the daily newspaper articles and news about National employments programs for fresh graduates.

As much as female students believe that they fit well in customer services positions where communication skills is required, half of the male students who expressed their views either Agree or Disagree think not. In addition, having experience as an obstacle, was Disagreed by most of male and also female students. As they stated that most of the banks encourage college students to join development programs offered by some banks. Male

students are less appealing to start their career in low level jobs than the female students. Some of the male respondents will start their own business and some will work in the family business acquiring as high position as they can.

Promotion scheme is consider a major reason for both male and female to stay in the banking sector along with salaries and compensation packets. It is revealing that the future employees of the market know about the law and regulations related to Emiratisation process and particularly in the banks. The huge number of neutral in some of the statements such as statement 11 and 12 indicates that not many Emiratis students are familiar with the quotas set by the government as a gesture to help young students to get jobs.

5.2.2 Summary

To summarize, a majority of female respondents were interested to work in the government sector rather than private sector. This is due to their mentalities regarding the lengthy working hours and harsh conditions related to the private sector. Younger female respondents showed more interest in working in the private sector.

As for the male students, they are consider the main future representatives of the UAE labor market and thus it is important to take their comments into account. The majority showed interest in working in the Banking sector which is a good signal for the ministry of labor to enhance the rules in favor of attracting them into the field.

5.3 BANK EMPLOYEES ANALYSIS

5.3.1 Analysis for the result of Bank Employees

The majority of bank employees are among the age group of 20-29 which considered natural. This is due to the nature of the banking sector which is hectic, tiring and requires much effort and that's why it is more youth-oriented. 96.4 per cent of respondents are working in local banks rather than International banks which indicate their interest in serving the country rather than following reputation.

More than half of the respondents selected the percentage for the Emiratis working in their bank to be 50 per cent or above. This is an indicator that the Emiratisation process is successful in most of these banks and the employees are aware of it.

More than an average of half per cent of respondents declared that they prefer working in the Banking sector and that the banking sector is demanding sector providing growth opportunities to Emirati employees. Banks employees (70.4) are enthusiastic towards working with foreign employees due to the help these majority provided for some Emiratis when first joined the bank. In addition some of the banks prepare field trips to employees with their families to meet and enjoy away from the work pressure. These types of trips tighten the bonds between Emirati employees and foreign employees. The majority of respondents hold Officer positions in their banks followed by Manager Assistants 27.6 per cent which is somehow satisfactory (taking in mind the small number of respondents of the survey) for the Emiratisation process in the banking. Customer Services represented 10.3 per cent which is a good sign for students with communication skills and who are people-oriented to join the bank. As for the experience, the majority of the respondents had between 1-5 years of experience. This signifies that experience is not a major need to join the bank. Employees enjoy working in the bank due to several reasons specified by the respondents where work environment topped the other reasons (46.4). Reasons given for this choice are that most of the respondents spent long time at work (some considered it a second home), so it is critical to have the right work environment for the employee's productivity. Some banks offers nursing rooms for female employees' kids and some give them less working hours (basically for new mothers). Relationships with co-workers and supervisors considered the second highest criteria for success.

In most of the banks the work require team effort, so employees need to work together to accomplish the objectives and meet the yearly target. This was followed by Salary packages, still scoring high percentage of 32.1, which is a very important element for anyone, anywhere. Management support is

related to Relationships criteria in sense of co operation between the team members. Unsupported employees are the least productive employees in the banks. In addition, gaining Experience by learning new things everyday is a privilege not only to the bank but to the employee. As for the criteria which gained less than 23.2 per cent (less than the half of the highest percentage of 46.4) they might be called failure factor of Emiratisation in the banking sector. This failure factors require a special attention as it will affect the process of Emiratisation. Factors are as the following:

1-Work Schedule (17.9) – most of the respondents complained about the lengthy working hours especially females with kids.

2-Promotion scheme (14.3) – as the process of getting promoted is difficult and lengthy. Some respondents expressed that the qualification they hold has nothing to do with their degrees in the bank and were dissatisfied.

3-Job security (14.3) – Due to the last global economic crisis, many private companies and banks (like Emirates Islamic bank) fired Emirati employees and as a result, some of the respondents are feeling insecure.

4-Leave balance (10.7) – as some of the bank's branches offers only one day weekend instead of the usual two which affect the employee's performance.

5- Training offered (7.1) – as much as some of the banks deal with some of the well-known institutions such as Emirates Institute for Banking and Financial Studies to provide training and courses to its employees, some doesn't. A percentage of respondents stated that their banks offer in-house training but not as often as it is required. Some spent almost 5 years in the bank without attending a single training session.

6- Reputation (7.1) – a portion of respondents declared the reputation of the bank as an attraction factor to work there. Due to some unsatisfied customers, the reputation is effected immediately. One of the respondents declared that she quit her previous job (as a customer services) in the bank because of her friends' opinions about the low quality services offered by the bank.

Lengthy working hours in the banks seems an issue for bank employees also (apart from male and female students). This need to be checked and proper solutions are required from the authorities.

Promotion, salary and compensations issues need to be revised in some of the correspondents' banks. These are some of the main factors that might have an impact in the Emiratisation process in the banking sector. Apparently Banks are recruiting Emirati employees to fill in the quotas set by the Emiratisation process rather than the bank's need for it. An interview was conducted with one of respondents who hold the position of Emiratisation Head in Emiratisation department of one of the banks (who preferred to stay anonymous). She declared that, the process of finding qualified Emiratis employees became a nightmare for them. She stated that not money Emirati are attracted to work in the bank. The major reasons are:

- 1-Resistance to start the career with low level jobs in order to gain experience.
- 2-Resistance to work under non-Emirati supervisors.
- 3-Not flexible working conditions offered from the banks to the employees as not all banks provide two-day weekends.
- 4-No attractive salary packages as a starter, even though she declared that the UAE nationals get higher salaries compared with other nationalities.

As for the requirements process, she suggested the following steps for the bank she is working in:

- 1-Recruitment process must start in the summer when the students seek work after the summer of their graduates.
- 2-Bank employees in general and Emiratis employees specifically are treated well inside the bank to avoid any bad publicity due to poor treatment. Thus, keeping the reputation of the bank clean.
- 3-Follow the law, by recruiting Emiratis with the intension on embracing them as productive employees.
- 4-Competiting with other banks to win Dubai Human Development Award.

It is noted that a majority of respondents feel a resistance from the expatriates employees. This is for the following reason:

- 1 – General fear that they would be replaced by Emiratis, resulting in hiding skills and knowledge.
- 2 –Resentment toward Emiratis due to perceived higher status in workplace, greater compensation and benefits

3 – Language, ethic and cultural divides.

5.3.2 Summary

The results of the subjects were very interesting in terms of recruiting and the loyalty shown for their respective banks. Most of the bank employees are familiar with the labor laws regarding Emiratisation. They understand their rights regarding the employment in the banks.

CHAPTER SIX – RECOMMENDATIONS AND CONCLUSIONS

6.1 INTRODUCTION

This chapter provides some recommendation that might help in attracting Emirati people to work in the banking sector based on the factors mentioned in the Analysis and Discussion's section.

6.2 STATED RECOMMENDATIONS

Number of factors was stated and which are of success factors for Emiratis employees and students.

6.2.1 Work Conditions (Work Time, Shifts and Salaries)

The banking industry is known to participate every now and then with the salary surveys (like the ones delivered by Hay and Hewitt consulting firms). Banks participating in these types of surveys suggests that the wage market in the UAE is well defined.

Many Banks across the UAE lag behind other employers (private and public) who provide two-day weekends, making the industry less attractive to Emiratis. There need to be an alignment between the banking sector and any other sector in the UAE in term of pay scale and working environment.

The working hours must not exceed 8 hours per day in all the Banks. As reduction will improve the employment of Emiratis in the banking sector as it is consider the main concern currently. In order to facilitate that, an award can be created by the government for the banks who adopt less working hours.

Also the banks can introduce solutions such as shift system, shift rotation, two day weekends and flexible work hours. For married female employees with other responsibilities a part-time work needs to be offered.

6.2.2 Training, Development and Experience

Banks need to provide Emiratis staff external and in-house training sessions. Thus, upgrading the skills of Emirati nationals to create competent and highly qualified professionals who can stand in the face of challenges and responsibilities in the Banking Sector. This will also raise the productivity of Emirati employees which will reduce the number of expatriates.

Provide career development programs for the college/university's students to help them decide on the career. One-Stop Service System is established to provide job referral, job counseling and job guidance services through Tanmia and ENDP.

Also Banks require to provide training program for the employees to gain experience

6.2.3 Promotion Scheme

Change the traditional evaluating performance method with a new defining and measuring technique to evaluate individual performance.

As for the high expectations for promotion and salary increases, Emiratis employees need to have awareness about long term career prospects in the banking sector. Increased wages are earned through seniority and merit.

6.2.4 Recruitment

Recruitment efforts need to be conducted through out the whole year (as some of the banks purposely delay recruiting Nationals until the third or fourth quarter of the year-when they have to report on their Emiratization achievement). It might be suggested to study banks' recruitment campaigns and plans and compare the results with the study of behavior of job seekers after graduation periods or career fair events.

Banks need to recruit more nationals in their different departments; Emiratis need to be in large numbers in all the departments. This can strengthen their position and achieve desirable sense of cultural affinity at the workplace. As it can be argued that a wide base of Emiratis in a bank allows more Emiratis to climb the career ladder (holding more senior positions).

A large proportion of Emirati in different positions support the process of Emiratization. This is true if the banks have a fully representative of Emirati nationals in human resources department.

6.3 COMPLIANCE WITH THE QUOTA SYSTEM

Tanmia, the supervisor of the quota system (Session No.15, April 2004), is prepared to set a plan of action to attract more Emiratis to work in the banks. Based on Tanmia, there are two potential approaches to achieve that.

6.3.1 Plan One- Interventionist Approach

Tanmia gives banks a period of time to achieve their Emiratization target. It provides individual agreements with the banks along with guidance, training services to help achieving the target. Banks would be encouraged to retrain Emiratis employees through improving the work environment and enhancing the career development program for Emiratis.

On the other hand, non achievers' banks will pay a penalty such as imposing restrictions on new work visa applications through the Ministry of Labor.

6.3.2 Plan Two- Market Approach

Tanmia addresses medium to long term supply and demand challenges affecting Emiratization. Creating campaigns to:

- 1 – Increase the level of corporation from the banks
- 2 –Achieve Emiratization goals
- 3 –Make greater effort to Emiratis job seekers to recruit into banks.

6.3.2.1 Employer demand

Tanmia continues to monitor the Emiratization performance on the banking industry through recruitment and retention results. It also seeks to promote it's employment and provide training services to job seekers. The data for job seekers is forwarded, reported and analyzed.

6.3.2.2 Supply of Nationals

Through exploring ways to increase skilled, motivated Emiratis to join banks.

6.3.3 Immediate adopted plans

- 1 –Tanmia's Center for Career Guidance and Planning implements campaigns for Emiratis along with banks
- 2 –Awareness campaigns regarding careers in banks for school students
- 3 –Encourage colleges and universities to approach ways to encourage Emiratis to get enrolled in Banking and Finance courses
- 4 –Bank's requirement is shared with Tanmia and both can filter success and failure information.

6.4 LIMITATIONS OF RESEARCH AND FUTURE WORK

The research was divided into many sub subjects. For example, different nationalizations for GCC countries were discussed instead of concentrating on the Emiratization. Topics such as Education in the UAE, Saudization, Omanization and Bahrainization can be considered an individual topic each individually. Thus, each topic has not takes its full right to be discussed; otherwise the dissertation will become more generic.

In addition not many online journals covered the topic of Emiratization. Resources need to be improved and published online, the government need to consider the nationalization programs in the GCC countries seriously.

6.5 CONCLUSION

It is important for all UAE stakeholders to understand and appreciate the government efforts for ensuring that the leadership of key economic sectors is leading toward Emiratis nationals. Thus, ensuring work conditions and demands reflected by Emirati employee's expectations.

The dissertation reviewed Emiratization as leading current subject of the UAE's labor market. The focuses were on the opinions of the students who are the next generation work force of the UAE and the banking employees.

UAE national students from different colleges and university, through surveys, reflected their concern regarding working in the banking sector. Their main obstacle was the lengthy work time that some of the banks demand.

Emiratization process requires improving more as it is still the first phases (according to the results). However, efforts taken from the government to improve the work condition and to create jobs for nationals.

There must be a follow up process from the government to track down the recruiting process of the banks throughout the whole year.

The government is the most powerful authority to control the Emiratization process in the UAE. It should fully be aware of the consequences and must practice it's authority to reduce the level of unemployment of UAE nationals especially in the banking sector.

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**APPENDIX I
GRADUATE'S SURVEY**

**APPENDIX II
BANK EMPLOYEE'S SURVEY**