Managing Talent for Competitive Advantage: Perspective from Gulf Cooperation Council Nationals

LIZA M. GERNAL
lizagernal@yahoo.com
United Arab Emirates

ROMMEL P. SERGIO
rommelsergio@yahoo.com
Canadian University of Dubai

SAUD MOHAMMED HAMEDAL-RAWAHI
s_alrawahi@hotmail.com
Sultanate of Oman

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Abstract - In managing the new age, talent management serves as the bloodline of organizations to cope with the labor market and to compete globally. This study threshed out the lived experiences of respondents (n=4) who are Corporate Executive Officers (CEO) in multinational organizations within the Gulf Cooperation Council. Part of the selection criteria, all respondents are locals and within the age of 45 and above. The researchers employed the descriptive approach with case study as the method via in-depth personal interview. It was found out that many challenging workforce issues within GCC confront the organizations today including: low levels of employee engagement, self-organizing scheme, high turnover rates, managing diversity, succession planning programs, and leadership investment. To be competitive, specific interventions were also shared by the respondents.
Keywords - Talent management, low levels of employee engagement, high turnover rates, managing diversity, and succession planning programs.

INTRODUCTION

In a nutshell, we are all in the talent age as we find ourselves within the boundaries of the new millennium. Due to diversity of workforce especially in the GCC areas, the challenge for the current organizations is to utilize the talent of individuals and eventually grow by implementing programs for competitive advantage. Strategy is moreover a fundamental element of success.

Employee retention is an inherent problem in the Gulf countries because of the high number of expatriate workers. Employers will have a difficult balancing act between encouraging the right expatriates to stay and developing sufficient local talent.

In this study, the researchers used the Nationalization to refer to the efforts to ensure Nationals are employed in roles that are worthwhile to themselves, their employers and their country. Various country specific programmes of ‘Emiratisation’ for United Arab Emirates, ‘Saudisation’ for Saudi Arabia, ‘Omanisation’ for Oman, ‘Kuwaitisation’ for Kuwait, ‘Bahrainisation’ for Bahrain, and ‘Qatarisation’ for Qatar comprise the Gulf Cooperation Council (GCC) ‘Nationalisation’ but their meaning can sometimes be seen as limited to the quota system imposed by the various governments. Unfortunately, nationalisation is also used elsewhere to describe the process of taking a private sector company into the public sector - as in ‘nationalising the banks’.

Talent management is a complex collection of connected human resource processes that delivers a simple fundamental benefit for any organization. Teams with the best people perform at a higher level. Talent management is the strategy. Analyst research has proven that organizations using talent management strategies and solutions exhibit higher performance than their direct competitors and the market in general. From Fortune 100 global enterprise recruiting and performance management to small and medium business eRecruiting, leading companies invest in talent management to select the best person for each job because they know success is powered by the total talent quality of their workforce. With this view, talent management may be defined as the implementation of integrated strategies or systems.
designed to improve processes for recruiting, developing and retaining people with the required skills and aptitude to meet current and future organizational needs. Talent management is often defined as performance management, incentive compensation, or talent acquisition. Talent management is also often confused with leadership development. Although leadership development is a crucial function of your organization, focusing on it exclusively is a legacy of the last century. Our modern service and knowledge economies in the talent age require a broad and holistic view. A high performance business depends on a wide range of talent (Taleo 2011).

It has been propounded that talent management as a strategic management issue is a relatively a new concept to those management practitioners. It is like an abstract concept that requires more explanation, some definition and high order thinking. According to Davis et. al (2007), talent management is the recruitment, development and retention of individuals who consistently deliver superior performance.

The study focused on the workforce issues confronted by CEOs of selected multinational organizations in GCC areas, particularly in United Arab Emirates, Oman, Saudi Arabia, and Qatar. Also, the researchers aimed at ascertaining the interventions or strategies for competitive advantage based on their lived experiences. With the limited studies and literature on talent management being a new concept, the researchers found it relevant to pursue the baseline information for further empirical studies.

**FRAMEWORK**

Organizations have made huge expenditures in developing talent management strategy processes to attract and retain key employees who hold the silver bullet to organization success. However, in reality there has been a significant disconnect between the investment in talent management processes and the reality of the success of “talented” individuals in organizations. The developed world is facing significant issues around demographic change, the retirement of the baby boomer generation, and the lack of new graduates in science and engineering (Berger and Berger 2008). Furthermore, the authors of such script emphasized that it is hard to overrate the importance of attracting talent into an organization. Changing demographic issues, particularly around the retirement of key management and the falling numbers of younger people seeking degrees in high demand
areas, have led 42 percent of organizations in the United States to believe that the aging workforce issue is significant to their future success. They highlight in particular the departure of senior management and the technical and talented individuals, and the issues of transferring their knowledge and skills through the organization.

With four generations in today’s workplace, most companies are struggling to create an employee experience that appeals to individuals with diverse needs, preferences and assumptions. Erickson (2008) pointed that today’s top talent management challenges lie on 1) attracting and retaining enough employees at all levels to meet the needs of organic and inorganic growth, 2) creating a value proposition that appeals to multiple generations, 3) developing a robust leadership pipeline, 4) Rounding out the capabilities of hires who lack the breadth of necessary for global leadership, 5) transferring key knowledge and relationships, 6) stemming the exodus of Gen X’ers from corporate life, 7) redesigning talent management practices to attract and retain Gen Y’s, 8) creating a workplace that is open to Boomers in their “second careers”, 9) overcoming a “norm” of short tenure and frequent movement, and 10) enlisting executives who don’t appreciate the challenge. The researchers subscribe to the assumptions the author posted above as the challenge of enlisting the support of all executives for the transition from a talent culture that has traditionally operated with a “buy” strategy to one that places more emphasis on “build” is widely shared.

On the other hand, Taleo (2010) specified the challenging workforce issues that confront organizations, including: heightened competition for skilled workers, impending retirement of the baby boomers, low levels of employee engagement, acknowledgement of the high cost of turnover, arduous demands of managing global workforces, importance of succession planning; and off-shoring and outsourcing trends.

**Baseline Studies: A peep through talent management**

The results of the bayt.com ‘Career Reinvention and the MENA Workplace’ poll showed that Middle East professionals would not switch to their dream career mostly because of financial considerations (23.9%) while 16.8% blamed this inertia on their risk-averse personality or their fear of the unknown; 16.2% believed that today’s market companies would simply not take the risk of hiring them; 14.5% said it was due to a lack of
training or education opportunities required to effect this change; 9.9% said the lack of access to jobs in the desired new career was the main problem; and 9.4% stated that the move wasn’t likely to happen because of their lack of knowledge about job opportunities in the new career. Furthermore, 3.1% of the poll participants felt a shift in their career path is unlikely to happen because of culture and social prestige considerations and 6.2% said no change was necessary as they love their current jobs (Baugh 2005).

In such study posted above, when asked what new industry they would choose if a career switch was possible, 21.5% of participants said Oil & Gas; 16.5% said Telecom/IT, 14.6% chose tourism and hospitality; 9.9% said financial services; 8.2% chose management consulting; 7% voted for advertising and marketing; 6.6% said FMCG, 3.7% stated healthcare, while 1.2% chose publishing. However, 7% said they would not care to join any of the above stated industries and 3.7% said they were unsure as to what their new industry would be. Respondents were also asked what they feel most passionate about in their career. Some 21.4% expressed that they are most passionate about their current job and another 21.4% said it was their current industry. Few 15.6% felt that their existing team and environment was an intrinsic factor; 8.3% said their current company was what motivated them to stay on; and, 5.1% indicated they didn’t want to leave because they appreciated working for their current manager. Nonetheless, a staggering 28.1% voted for none of the above elements. When asked what they are most dissatisfied about in their career, 20.5% indicated their current job, 20.1% indicated their current company, and 15.7% indicated their current manager while 9% indicated the industry itself was the main issue. Only 11.3% believed that their current team and environment were not working out for them and the rest (23.3%) said none of the above bothered them.

Currently, all of Standard Chartered Bank’s 11 branches in the UAE are managed by UAE Nationals and more than 42% of its 2400 employees in the UAE are Emiratis. Hassan Jarrar, Head of Wholesale Banking, Standard Chartered UAE, launched the programme at a ceremony attended by 150 of the Bank’s staff including Senior Management.

Mellahi (2003) explored in his study and explained the programme and the Standard Chartered Bank’s Emiratisation strategy. Accordingly, in the field of Emiratisation, Standard Chartered is the leading international bank operating in the UAE. In line with this, the National Development Programme aims to provide structured and focused development and career plans for
UAE Nationals with a view to ensuring personal and professional progress and increase the Bank’s UAE National retention.

As a form of talent management, the 12-month development programme is customized and structured based on the individual areas of focus of each candidate. It begins with an assessment of each UAE National, to understand the areas of focus to develop relevant skills. The programme provides a holistic approach towards learning and includes class room training, on the job training and job rotations. In addition, each candidate will be assigned a mentor who will provide ongoing advice and support to ensure his/ her success in achieving the desired outcomes of the development plan and help monitor progress against it.

For companies to build a sustainable future, there has to be significant changes in the way in which talented individuals are attracted, retained, and rewarded. The “prevailing wisdom” in managing talented individuals has extensively focused on developing strategies in career management, building a compelling future, and linking development and job opportunities for individuals. This perception of what attracts and retains the cohort has been the case for many years. However, with the generational changes in the workforce, new research challenges that reviews the success of talent management strategies, particularly when linked to reward.

The CIPD (Chartered Institute of Personnel and Development) UK, in August 2007, has developed a definition stating: Talent consists of those individuals who can make a difference to organization performance either thorough their immediate contribution or in the longer term, by demonstrating the highest levels of potential. By using the above as our working definition of talent, we can consider how to build a strategic pay and reward framework around these key individuals, rather than the tactical knee-jerk relation which often characterizes organizations’ response to rewarding talent. It is clear that those individuals who make a difference to the organization “right here, right now” may need to be treated differently in pay terms than those who have the potential in the future to effect change. Hay, in their report “Talent Management – what the best organizations actually do”, make the point that “divergent notions of what talent management looks like across the organization” are a barrier for effective talent management. For pay and reward strategies to work there has to be clarity about the strategic requirements of the organization, and how this links to individual people who can deliver what (Berger and Berger, 2008).
In another study of Berger and Berger (2008), they also cited that across the UK and Europe some of the issues in talent management emerged several years ago. Early retirement ages, favorable pension conditions, and discrimination by employers in employing men and women over the age of 50 led to a decline in the net retirement age. The consequence of this, not unforeseen, was fewer individuals at a senior level and possessing senior technical and specialist skills. As a result, the focus on talent management has shifted in several ways. The stereotypical talented individual, a white male, has now been replaced by a broader approach. It has become clear that the effect of wider acceptance of different working practices such as flex time, immigration, embracing diversity, and tackling age discrimination are approaches that have been successful in widening the talent pool. The United States faces significant issues between the years 2008 and 2015 and beyond as the baby boomer generation reaches the historic retirement age. Many of these aging workers are in senior management positions and there are insufficient employees with the developed competencies to succeed them. Simply put, many indicators of talent management have been noted but not fully concretized. Having seen these, the researchers were prompted to magnify the specific intervention or strategies experienced by the respondents being the CEOs of their organizations.

**OBJECTIVE**

The study determined the lived experiences of the corporate executive affairs in managing talent for competitive advantage.

**MATERIALS AND METHODS**

The study used the descriptive design employing qualitative techniques. The respondents (n=4) who are CEOs in multinational organizations within the GCC countries such as United Arab Emirates, Oman, Saudi Arabia, and Qatar were considered in this study. Selection criteria were drawn as all respondents were nationals of GCC and within the age of 45 and above. The researchers employed the descriptive approach, particularly case study as the specific method via in-depth personal interview. A semi-structured interview was also given to the respondents prior to the interview. Content analysis was used in the study to filter main ideas in line with the lengthy statements provided by the respondents.
RESULTS AND DISCUSSION

The researchers have answered two major research inquiries as discussed below.

*Common issues and concerns in talent management.* As to the common issues confronted by the respondents in their more than 20 years of managing their organizations, table 1 depicts two common major difficulties that are being addressed by their organizations in GCC.

<table>
<thead>
<tr>
<th>Major Classification of Issues</th>
<th>Specific issues/concerns</th>
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</thead>
<tbody>
<tr>
<td>Group/Organizational</td>
<td>• High turnover rates</td>
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<tr>
<td></td>
<td>• Managing diversity</td>
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<tr>
<td></td>
<td>• Succession planning</td>
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<td></td>
<td>• Leadership Investment</td>
</tr>
<tr>
<td>Individual</td>
<td>• Low levels of engagement</td>
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<tr>
<td></td>
<td>• Self-organizing scheme</td>
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</tbody>
</table>

Table 1 presents the result of content analysis drawn from series of in-depth interviews from the respondents. As can be gleaned from the table, in the group/organizational level, the following are the highest concerns of these CEOs in GCC: high turnover rates, managing diversity, succession planning, and leadership investment.

It can be observed that most of the GCC countries outsource manpower from different countries in Asia and in other western countries. Turnover rate is still high, according to the respondents because of the climate, management support/culture. Also, knowing that the GCC countries are populated with more than a hundred of different nationalities, managing diversity (especially on issues of discrimination) ranked second in the concern. Also, according to the respondents, succession planning is a career planning method that has to be in operationally in place so that the organization will retain its manpower. As the last in the rank, leadership investment focuses not only on budget allocation and its constraints but also the on-boarding and transition support. In this regard, the management can analyze task-based
competencies that can create success in leadership positions. These results have a resemblance with that of Taleo (2010) which identifies that succession planning and turnover rate are but some of the major issues an organization typically experiences when managing their talent.

In terms of individual level, two dominant issues surfaced: low levels of engagement and self-organizing scheme. According to the respondents, they have encountered a lot of individuals who have low levels of engagement (or cooperation) and this is the reason why organizationally, they force individuals to resign while self-organizing scheme is somewhat connected with low levels of engagement in a way that individuals lack the capacity to participate in career planning as they themselves do not set career goals to effectuate in the process.

Outside the individual and group/organizational levels, the researchers also synthesized that there was a perceived mismatch between some (Western) organizational models of work and the underlying culture of Gulf Arab Nationals. As such culture wise, it will not fit to them as it is not customized based on the corporate culture of the nationals.

For the GCC nationals to be acquainted and prepare themselves for the future job, the government is obliging the educational institutions to teach not just theory based by learning by doing. The respondents found it irrelevant to the job that the graduates will be doing particularly the theories that have been thought in the classroom are at far from the practice and real – life situation.

**Interventions as strategies in line with the common issues and concerns in talent management.** The content analysis of the interviews conducted point to resemblances of organizational strategies manifested in table 2 as shared by the respondents in their organizations in GCC.

<table>
<thead>
<tr>
<th>Specific issues/concerns</th>
<th>Interventions/Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group/Organizational</strong></td>
<td></td>
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<tr>
<td>▪ High turnover rates</td>
<td>▪ Retention Strategy</td>
</tr>
<tr>
<td>▪ Managing diversity</td>
<td>▪ Managing diversity programs</td>
</tr>
<tr>
<td>▪ Succession planning</td>
<td>▪ Succession planning refinement</td>
</tr>
<tr>
<td>▪ Leadership Investment</td>
<td>▪ Financial appropriation/competence inventory</td>
</tr>
<tr>
<td><strong>Individual</strong></td>
<td></td>
</tr>
<tr>
<td>▪ Low levels of engagement</td>
<td>▪ Individualized coaching</td>
</tr>
<tr>
<td>▪ Self-organizing scheme</td>
<td>▪ Values enhancement programs</td>
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Table 2 showcases the interventions that the CEOs implement to combat the issues and concerns they are experiencing.

In the group/organization concerns, the following are being considered as organizational interventions by the respondents: retention strategy, managing diversity programs, succession planning refinement, and financial appropriation/competence inventory.

The retention strategy has been introduced in their respective organizations solely because the turnover rate is considerably high. This makes sense as the organizations in GCC as experienced by the respondents need to retain individuals who are already trained. On the other hand, according to one of the CEOs interviewed, “Managing diversity programs have been introduced to meet the challenging issues of discrimination.” On the issue of succession planning, since most of the organizations have started to provide policies and programs, career development can be best understood of the succession plans will be re-evaluated and polished. In terms of leadership investment, results indicate that an inventory system has to be done to determine leadership competencies; hence, requires some budget appropriation.

In the individual level, individualized coaching has to be provided for those individuals who lack engagement and cooperation while values enhancement programs, respondents have shared, need to be implemented due to self-organizing issues.

These organizational interventions support Butterfield (2008) when she identified that talent management is to identify investments, and to design development required to fully deliver on its role in total quality management. Also, the ability of the organization’s decentralized leadership to implement local or unit-based actions required to close identified talent gaps are important. Organizations need to assume that one initiative will be to retain high performers in strategic and core roles.

CONCLUSION

The interviewed CEO’s have a specific policy or plan for nationalization as necessitated by the government’s programs, particularly in larger organizations. These includes recruiting locals against a target, recruiting locals into specific targeted roles with associated development paths, recruiting locals with a view to developing into management roles, recruiting
locals and developing into international roles, policy of recruiting locals first, other Arab Nationals second and other expatriates working closely with external agencies, such as Educational institutions, to develop a pipeline of suitable candidate.

The GCC government takes a leading role by developing their GCC National job-seekers and wider society for a future generation of world-class GCC National leaders and skilled employees, who make a demonstrable contribution to the bottom line. The issues and concerns noted in the study also paved the way for the CEOs to customize their strategies to eventually resolve issues and concerns.

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