



**STAKEHOLDER MANAGEMENT AND TALENT MANAGEMENT  
FOR EMIRATIZATION SUSTAINABILITY IN THE UNITED ARAB  
EMIRATES PRIVATE BANKING SECTOR**



**DOCTOR OF PHILOSOPHY**

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**Institute of Technology Management and Entrepreneurship**

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**Omran Ali Hussain Al Blooshi**

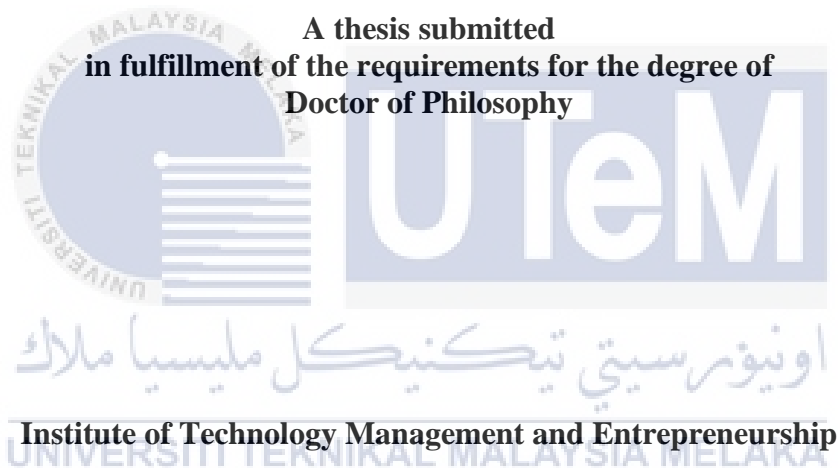
UNIVERSITI TEKNIKAL MALAYSIA MELAKA

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**OMRAN ALI HUSSAIN AL BLOOSHI**



**UNIVERSITI TEKNIKAL MALAYSIA MELAKA**

**2024**

## DEDICATION

To my beloved mother and father.



## ABSTRACT

The Emiratization initiative, a key component of the UAE's workforce development strategy, has encountered ongoing challenges, particularly in the private banking sector. Despite extensive efforts, the sustainability of Emiratization remains uncertain, with existing research focusing predominantly on short-term outcomes and lacking in comprehensive integration of stakeholder and talent management strategies. This study seeks to address these gaps by examining how stakeholder communication, engagement, trust, and social cooperation influence talent management and Emiratization sustainability in the UAE's private banking sector. Additionally, it aims to validate the Stakeholder-Talent Management-Emiratization Sustainability (STMES) Model as a framework for understanding these relationships. A mixed-methods approach was utilized, combining quantitative and qualitative data. The quantitative analysis involved a survey of 397 employees from private national and foreign banks in Dubai, analyzed using Structural Equation Modelling (SEM) to assess the effects of stakeholder management on talent management and Emiratization sustainability. Complementing this, qualitative data was gathered through semi-structured interviews with 10 key stakeholders, including Emirati employees, HR managers, and government officials involved in Emiratization initiatives. Thematic analysis was employed to interpret the qualitative data, which was then integrated with the quantitative findings through triangulation for a comprehensive understanding. Key findings reveal that stakeholder engagement, trust, and social cooperation significantly enhance talent management practices within the private banking sector ( $p=0.000$  for each factor). These factors are crucial in creating an environment that supports the successful integration and retention of Emirati employees. Qualitative insights further emphasized the importance of trust and social cooperation in building strong organizational relationships, essential for sustaining Emiratization efforts. While stakeholder communication did not show a statistically significant direct impact on talent management ( $p=0.177$ ), qualitative data underscored its role as a facilitator of trust and cooperation. The STMES Model was empirically validated ( $R^2 = 0.533$  for Emiratization sustainability and  $R^2 = 0.566$  for talent management), demonstrating strong explanatory power in capturing the essential relationships and mediating roles for the sustainability of Emiratization within the private banking sector. Qualitative feedback supported the model's relevance, with respondents confirming the importance of integrating stakeholder management with talent management for long-term success. This research contributes to the theoretical understanding of the intersection between stakeholder management and talent management in supporting nationalization policies, especially in culturally diverse and economically dynamic settings. Practically, it offers actionable insights for private banks in the UAE, advocating for a holistic approach to stakeholder and talent management to ensure the long-term success of Emiratization. The validated STMES Model provides a structured framework for policy development and strategic planning, applicable not only in the UAE but also in other regions pursuing similar workforce nationalization goals. Future research should explore the STMES Model's applicability across different sectors and cultural contexts and refine strategies to overcome barriers to the effective implementation of Emiratization and similar initiatives.

**PENGURUSAN PEMEGANG TARUH DAN PENGURUSAN BAKAT UNTUK  
KELESTARIAN EMIRATISASI DALAM SEKTOR PERBANKAN SWASTA  
EMIRIAH ARAB BERSATU**

**ABSTRAK**

*Inisiatif Emiratisasi, yang merupakan komponen utama dalam strategi pembangunan tenaga kerja EAB, telah menghadapi cabaran berterusan, terutamanya dalam sektor perbankan swasta. Walaupun usaha yang besar telah dilakukan, kelestarian Emiratisasi masih belum terjamin, dengan kajian sedia ada yang kebanyakannya tertumpu kepada hasil jangka pendek dan kekurangan integrasi menyeluruh antara pengurusan pihak berkepentingan dan pengurusan bakat. Kajian ini bertujuan untuk menangani jurang ini dengan meneliti bagaimana komunikasi, penglibatan, kepercayaan, dan kerjasama sosial antara pemegang taruh mempengaruhi pengurusan bakat dan kelestarian Emiratisasi dalam sektor perbankan swasta EAB. Selain itu, kajian ini bertujuan untuk mengesahkan Model Kelestarian Pengurusan Pemegang Taruh-Pengurusan Bakat-Emiratisasi (STMES) sebagai kerangka untuk memahami hubungan ini. Pendekatan campuran digunakan dalam kajian ini, yang menggabungkan data kuantitatif dan kualitatif. Analisis kuantitatif melibatkan tinjauan terhadap 397 kakitangan dari bank nasional dan asing di Dubai, yang dianalisis menggunakan Model Persamaan Struktur (SEM) untuk menilai kesan pengurusan pemegang taruh terhadap pengurusan bakat dan kelestarian Emiratisasi. Data kualitatif juga diperoleh melalui temubual separa berstruktur dengan 10 pemegang taruh utama, termasuk kakitangan Emirati, pengurus sumber manusia, dan pegawai kerajaan yang terlibat dalam inisiatif Emiratisasi bagi melengkapi kajian ini. Analisis tematik digunakan untuk mentafsir data kualitatif, yang kemudian diintegrasikan dengan penemuan kuantitatif melalui triangulasi untuk mendapatkan pemahaman yang menyeluruh. Penemuan utama menunjukkan bahawa penglibatan pemegang taruh, kepercayaan, dan kerjasama sosial mempunyai kesan positif yang signifikan dalam meningkatkan amalan pengurusan bakat dalam sektor perbankan swasta ( $p=0.000$  bagi setiap faktor). Faktor-faktor ini penting dalam mewujudkan persekitaran yang menyokong kejayaan integrasi dan pengekalan kakitangan Emirati. Data kualitatif memperkukuhkan penemuan ini, dengan responden menekankan bahawa kepercayaan dan kerjasama sosial adalah asas dalam membina hubungan organisasi yang kukuh, yang penting untuk mengekalkan usaha Emiratisasi. Walaupun komunikasi pemegang taruh tidak menunjukkan kesan langsung yang signifikan secara statistik terhadap pengurusan bakat ( $p=0.177$ ), data kualitatif menegaskan peranannya sebagai fasilitator kepercayaan dan kerjasama. Model STMES telah disahkan secara empirikal ( $R^2 = 0.533$  untuk kelestarian Emiratisasi dan  $R^2 = 0.566$  untuk pengurusan bakat), menunjukkan kuasa penjelasan yang kuat terhadap hubungan dan peranan perantara yang penting untuk kelestarian Emiratisasi dalam sektor perbankan swasta. Maklum balas kualitatif menyokong relevansi model ini, dengan beberapa responden mengesahkan kepentingan integrasi pengurusan pemegang taruh dengan pengurusan bakat untuk kejayaan jangka panjang. Penyelidikan ini menyumbang kepada pemahaman teori mengenai persilangan antara pengurusan pemegang taruh dan pengurusan bakat dalam menyokong dasar nasionalisasi, terutamanya dalam persekitaran yang pelbagai budaya dan dinamik ekonomi. Secara praktikal, penemuan ini menawarkan*

*pandangan yang boleh dilaksanakan untuk bank swasta di UAE, dengan mencadangkan pendekatan holistik dan bersepadu kepada pengurusan pemegang taruh dan pengurusan bakat untuk memastikan kejayaan jangka panjang Emiratisasi. Model STMES yang disahkan menyediakan kerangka kerja yang berstruktur untuk pembangunan dasar dan perancangan strategik, yang boleh diaplikasikan bukan sahaja di EAB tetapi juga di rantau lain yang mengejar matlamat nasionalisasi tenaga kerja yang serupa. Penyelidikan masa depan harus meneroka kesesuaian Model STMES dalam pelbagai sektor dan konteks budaya serta memperhalusi strategi untuk mengatasi halangan kepada pelaksanaan Emiratisasi dan inisiatif yang serupa dengan lebih berkesan.*



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اوتنور سیتی تیکنیکل ملیسیا ملاک

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## LIST OF ABBREVIATIONS

AED	-	United Arab Emirates Dirham
ANOVA	-	Analysis of Variance
AVE	-	Average Variance Extracted
CR	-	Composite Reliability
COVID-19	-	Coronavirus Disease 2019
DIFC	-	Dubai International Financial Centre
<i>EAB</i>	-	<i>Emiriah Arab Bersatu</i>
ES	-	Emiratization Sustainability
FAB	-	First Abu Dhabi Bank
FAHR	-	Federal Authority for Government Human Resources
GCC	-	Gulf Cooperation Council
GFCI	-	Global Financial Centres Index
GDP	-	Gross Domestic Product
HSBC	-	Hong Kong Shanghai Bank Corporation
IC	-	Internal Consistency
JAFZA	-	Jebel Ali Free Zone
KPMG	-	Klynveld Peat Marwick Goerdele
MENA	-	Middle East and North Africa
MOHRE	-	Ministry of Human Resources and Emiratization
PwC	-	Price Waterhouse and Coopers & Lybrand
NBD	-	National Bank of Dubai
HARI	-	Human Resource



SC	-	Stakeholder Communication
SE	-	Stakeholder Engagement
SCP	-	Social Cooperation
SEM-PLS	-	Structural Equation Modeling- Partial Least Squares
STMES	-	Stakeholder-Talent Management-Emiratization Sustainability
TM	-	Talent Management
TR	-	Trust
<i>UTeM</i>	-	<i>Universiti Teknikal Malaysia Melaka</i>
UAE	-	United Arab Emirates
VIF	-	Variance Inflation Factor
WAM	-	Emirates News Agency



## LIST OF SYMBOLS

$R^2$  - Coefficient of Determination



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## LIST OF PUBLICATIONS

The followings are the list of publications related to the work on this thesis:

Al Blooshi O. A. H. M., and Robani A. B., 2023. Stakeholder Management Towards Emiratisation Talent Climate In UAE: A Proposed Conceptual Framework. *Sci.International (Lahore)*,35 (5), pp.629-634.

Al Blooshi O. A. H. M., and Robani A. B., 2024. Sustainability and Emiratization in the UAE Private Banking Sector: Opportunities, Challenges, and Future Directions. *International Journal of Academic Research in Business and Social Sciences*, 14 (19), pp. 1278-1288.



# CHAPTER 1

## INTRODUCTION

This chapter presents an overview of the research investigating the sustainability of Emiratization in the banking sector of the United Arab Emirates (UAE). As the UAE continues its rapid economic development, the need for a skilled and sustainable national workforce has become increasingly paramount. The Emiratization policy, designed to increase the participation of Emirati nationals in the workforce, particularly in the private sector, plays a critical role in this context. However, the banking sector, a cornerstone of the UAE's economy, faces unique challenges in implementing and sustaining Emiratization initiatives.

This chapter begins by contextualizing the research within the broader framework of the UAE's economic and labor market dynamics, highlighting the importance of Emiratization as a strategic national policy. It then presents the problem statements, followed by research objectives and research questions. The subsequent section focuses on scope of research, significance of research and operational definitions. It ends with an outline of the thesis.

### 1.1 Background

The background of this study sets the stage for understanding the broader context and importance of this research. It provides a comprehensive overview of the United Arab Emirates' (UAE) dynamic economic landscape, emphasizing the significance of its labor market, the critical role of Emiratization policies in shaping the workforce, the impact of

Emiratization policies on talent management and talent management in private banking sector.

### **1.1.1 The United Arab of Emirates and its Economic/Business Landscape**

The United Arab Emirates (UAE), a federation of seven emirates, was established in 1971 and is strategically located in the southeast of the Arabian Peninsula, bordering Saudi Arabia and Oman, with coastlines along the Arabian Gulf and the Gulf of Oman (Amer QuickPlus, 2023). The country spans an area of 83,600 km<sup>2</sup> and is a federation of seven emirates: Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al-Quwain, Ras Al Khaimah, and Fujairah (Amer QuickPlus, 2023). The federation was officially established in December 1971 with six emirates, and Ras Al Khaimah joined in 1972. The UAE is governed by a single advisory body, The Federation Supreme Council (Gulf News, 2023). Each emirate retains substantial autonomy, particularly in natural resource management and economic policy formulation.

Its capital, Abu Dhabi, holds the majority of the country's oil reserves, while Dubai, the largest city, has become an international business hub known for its diverse economy and innovative initiatives (Gulf News, 2023). Since its formation, the UAE has rapidly developed, transforming from a region primarily reliant on nomadism and pearl fishing to a wealthy nation due to its oil resources (World Bank, 2023). The UAE has embraced a free trade regime and has continuously achieved high economic growth rates. Known for its modern architecture, vibrant culture, and economic prowess, the UAE has become a global symbol of rapid development and innovation.

The UAE's business landscape is characterized by its dynamic and innovative nature. Dubai and Abu Dhabi, the two largest emirates, serve as major financial and commercial

hubs. Dubai, in particular, has established itself as a global city with state-of-the-art infrastructure, a conducive business environment, and a strategic location that bridges the East and West (KPMG, 2023). The establishment of free zones, such as the Dubai International Financial Centre (DIFC) and Jebel Ali Free Zone (JAFZA), has been pivotal in attracting international businesses by offering tax incentives, full foreign ownership, and simplified regulatory frameworks.

The UAE is currently regarded as the most diversified economy in the Gulf Cooperation Council (GCC) (Shadab, 2023). Over the years, the UAE has managed to significantly reduce reliance on the hydrocarbons sector for Gross Domestic Product (GDP) growth and government income. The UAE initiated its economic diversification efforts in the late 1980s and early 1990s, focusing on building a resilient economy less dependent on oil revenues (Antwi-Boateng and Al Jaber, 2022; Crupi and Schilirò, 2023). This strategic shift was marked by the establishment of free zones, infrastructure projects, and comprehensive economic plans such as Vision 2021, which aimed to transition the UAE from resource-based economy towards a knowledge-based economy and innovation-driven growth (Turkama 2019; Redman, 2020; Sharafi, 2022; Crupi and Schilirò, 2023).

These initiatives have led to significant growth in non-oil sectors like trade, tourism, real estate, financial services, and technology (Cherian, 2020; Antwi-Boateng and Al Jaber, 2022; Crupi and Schilirò, 2023). As a result, the non-oil GDP has shown remarkable growth, particularly evident from 2020 to 2023. Table 1.1 illustrates the real Gross Domestic Product (GDP) growth in the UAE over the period 2020-2023.

Table 1.1 Real GDP growth in the UAE (%)

	2019	2020	2021	2022	2023 (prediction)
Overall GDP	1.11	-5.0	4.4	7.9	3.1
Non-oil GDP	2.7	-5.4	6.5	7.2	5.9
Oil GDP	-2.6	-3.8	-1.1	9.5	-3.4

Source: Focus economics [online], accessed 20 May 2024

As shown in Table 1.1, the oil GDP, used to be the main contributor to UAE's economy, has shown significant volatility, with negative growth in 2020 and 2021, a strong recovery in 2022. This growth was not sustained, as the sector contracted again in 2023 with a growth rate of -3.4%, reflecting ongoing fluctuations in global oil markets.

Despite the global economic downturn in 2020 due to the COVID-19 pandemic, the non-oil GDP rebounded strongly with growth rates of 6.5% in 2021 and 7.2% in 2022, continuing robust performance at 5.9% in 2023. The sustained growth in non-oil sectors highlights the success of the UAE's diversification strategy, contributing to a more stable and dynamic economic landscape driven by knowledge and innovation. The increasing importance of the non-oil sector is a testament to the UAE's forward-thinking economic policies and commitment to creating a diversified and resilient economy. The sector's growth has not only cushioned the impact of oil market volatility but has also positioned the UAE as a global business hub.

The growth in UAE's non-oil GDP has significantly impacted the labor market by creating numerous job opportunities across different industries (UAE Central Bank, 2023). The expansion of key industries such as trade, tourism, real estate, financial services, manufacturing, and technology has created a multitude of job opportunities across various sectors. This economic diversification has not only reduced the nation's reliance on oil but also promoted a more sustainable and resilient job market (El Anshasy and Khalid, 2023; Crupi and Schilirò, 2023). The increased activity in these sectors has driven demand for a