Exploring Cross Cultural Workforce Management Issues in the UAE

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This paper analyzes the unique challenges that human resources managers in the United Arab Emirates are faced with given the highly multicultural working environment that exists in the country. There is a very high net migration which drives these multi cultural work places. The paper explains the types of problems faced by managers and the approaches that managers have come up with to try and address these problems, such as recruitment and promotion of those with intercultural skills. These are compared with recommendations made by academic researchers in this subject area. It is concluded that the most important aspect of managing a cross cultural workforce is to find ways to promote cross cultural understanding.

**Keywords:** cross cultural work place UAE, HRM management UAE, human resources management of cross cultures UAE, strategies to manage cross cultural workforce.
This paper will review the unique challenges that human resources managers in the United Arab Emirates face with regard to the extremely cross cultural work place that exists there. The United Arab Emirates has one of the highest net rates of migration. This creates work forces that are made up of people from a great many different and diverse cultures. While this can lead to many benefits it can also cause distinct challenges for human resources managers in this country. The paper reviews the strategies and tools that are used to manage the very diverse situation and how effective these may potentially be. Comparisons will also be made with other countries where diverse work forces exist.

According to Rojewski (2004) the workforce in the United Arab Emirates is comprised of a “two tier” system. There is a national workforce which makes up 10 percent of the total. At the same time there is a very large supply of both skilled and unskilled foreign workers that aid with sustaining the economy. In particular, UAE nationals make up a much larger proportion of the public sector. UAE nationals comprise 45 percent of employees in government ministries. They also make up a bigger proportion of employees in the banking sector, where they account for 20 percent of the workforce.

Interestingly Barhem et al. (2011) found in a study of public and private managers in the United Arab Emirates that cultural skills were considered extremely important among these managers, and this is not surprising perhaps, given the extent of foreign workers within the country. The study noted that in particular knowledge of home culture and the ability to comprehend cultural dynamics were considered to be among the most important skills that United Arab Emirates managers should possess. It is likely that if such a study were to be carried out in another less culturally diverse country this would not be the case. This is indicative of the state of the United Arab Emirates workforce that is primarily made up of expatriate workers.
Al-Jenaibi (2012) explains that one of the biggest challenges that organizations in the United Arab Emirates faces is that of managing workplace diversity. It is outlined by Al-Jenaibi that the UAE has one of the biggest net migration rates in the world. There are large numbers of workers in the UAE from many different countries, but in particular India, the Philippines, Indonesia, Australia and the United States are well represented in UAE organizations. According to Al-Jenaibi this has led to the requirement for organizations to be able to operate efficiently and effectively while managing people of very diverse background where language, ethnicity and customs may be very different between employees. This brings with it both benefits and challenges for human resources managers that work in the UAE.

Al-Jenaibi (2012) explains that the United Arab Emirates perhaps has one of the most diverse workforces in the world since it has extremely high net migration rates. It is explained by Al-Jenaibi (2012) that the population of 8.2 million is made up 90 percent of expatriates from countries and regions as diverse as South Asia, Thailand, the Philippines, China, North Africa, Iran and also western nations like Australia and the USA. Al-Jenaibi (2012) argues that some sectors are impacted by this more than others specifically pointing to the construction industry and domestic work as areas that are very heavily impacted. Al-Jenaibi (2012) does also purport that many service industries are affected in some way by this high level of immigration. Al-Jenaibi outlines how tension has been created as a result of this, but that this has not detracted from a high rate of foreign hiring among UAE organizations. In fact, Al-Jenaibi (2012) argues that this has actually increased.

Hills and Atkins (2013) carried out a study in the UAE to look at westernization of local people. While this was not specifically performed in a work-based environment it does highlight some of the unique challenges of the UAE. The study found that people that did not come from western countries thought themselves to be more similar to westerners and more deviant from their home countries’ cultures. It is suggested by Hills and Atkins (2013) that people “acculturate” by taking on board the parts of culture that they think will most benefit them and provide them with the most opportunities in their current setting. However, in the UAE it is very hard to understand what that would be, since 90 percent of the people living there are not from there.
Another significant issue that human resources managers in the UAE face is that of commitment and performance. Yousef (1998) noted that there were differences between cultures with regard to organizational commitment and job performance. This is challenging because in a more homogenous working environment it is not necessary to manage people in a very different manner. However, with aspects as important as commitment and performance being influenced by culture, clearly there are significant implications for human resource managers in dealing with this. Questions arise as to whether human resources managers should have one set of rules for one culture and another for a different culture on that basis, but of course such a solution would be completely unpalatable for people of certain cultures at least. It would be considered discriminatory. These highlights a difficult paradox that human resource managers face generally when trying to handle people of different cultures all under one policy – by their very nature the people are different and have different priorities and varied ways of working, but managing them differently according to that is usually considered to be unacceptable due to discrimination.

Along the same lines as the study by Yousef (1998), or at least heading towards the same conclusions, Tracey and Unger (2012) carried out a study on instructing an unskilled workforce in Dubai, United Arab Emirates. The study reviewed different kinds of instructional aides and the success of each in training this workforce. The aids utilized included situated learning, apprenticeship styles, job aids and coaching. It was noted as a result of the study that the success of different types of training strategies varied depending on the culture of the worker and the sequential steps that were taken during the use of those strategies. Again this demonstrates that different approaches should perhaps be taken with people of different cultures, this time focusing on the training aspect of human resource management. Yet again however, the challenge remains of a discomfort with treating employees differently based on culture due to the wide scope for discrimination that such an activity could introduce. However, in some ways this is already occurring with the dual wage structure differences between expatriates and nationals (Rojewski, 2004).

Leadership behavior was also found to differ between UAE managers and those of other cultures. In a study carried out in the United Arab Emirates by Bealer and Bhanugopan (2013) it was found that leadership styles were distinctly different. This is another aspect of human resources management in the UAE that presents a challenge for human resources departments. The study by Bealer and Bhanugopan (2013) reviewed managers from a number of countries working in the UAE. Expatriate and local managers were found to have significant differences in leadership styles. Of particular importance the transformational nature of the different leaders was found to vary considerably. Those in the UAE that were included in the study were shown to have a less transformational nature and were more likely to be passive avoidant. This indicates that leaders from different cultures behave differently from others in the UAE working environment. This has significant implications for training and development, as it is likely that managers from different cultures would also have different training needs, and indeed would also
leadership

perceive themselves to have different training needs from one another based on their own perceptions of what is important and what is not. This is clearly extremely complex of a factor for human resources departments in the UAE to manage effectively. In addition to that, Bealer and Bhanugopan (2013) conclude by noting that that research in this area is lacking and a greater range of studies are needed to be able to develop a better understanding of leadership in the UAE and in the wider Middle East region. This means that there has been minimal research into the available tools and strategies for HR managers dealing with such issues.

All of this is especially problematic when considering the work of Al-Waqfi and Forstenlechner (2010) whose research demonstrated the worrying factor that Emiratis are negatively stereotyped by foreign workers in the United Arab Emirates. Negative perceptions were found to exist on the part of expatriates towards Emiratis in a number of different areas, including skills and competencies, work ethics, effectiveness and cultural disposition. This emphasizes the depths of the problem that exist and that there is also a requirement to change the perception of foreign workers towards the Emirati work force, if the findings of the work of Al Waqfi and Forstenlechner (2010) is brought in also.
A diverse workforce can create distinct challenges for organizations. In writing about entering new markets, Ghemawat, (2001) states that the concept of “distance” can lead to tremendous problems for organizations, and this can also be applied to working with a diverse workforce of very mixed cultures. Specifically, Ghemawat is not referring to the geographical mileage between people, but rather the cultural differences, among others. Geographic distance is becoming less relevant with the introduction of new technologies such as video conferencing. However, cultural distance between people of different ethnicities, languages, backgrounds and more working in the same organization is becoming an increasing issue in the UAE due to the incredible diversity of people that work in this small country. Cultural differences caused by cultural distance can create conflict and people of different cultures may have a very different mindset. This can include different beliefs, different values, a variety of attitudes and opinions that differ from the “norm” and also different ways of doing business, such as different ways of getting things done or holding meetings. It is this cultural distance that has the potential to wreak havoc in organizations in the UAE due to the extremes of diversity that organizations there have to deal with.

As well as Ghemawat, Hofstede (2001) outlines the importance of different cultural factors that influence the way that people from different parts of the world work. The differences and similarities between people can make it either easier to work together or harder, depending on the combination of people and their cultural backgrounds. Extremes of cultural differences may exist, and Hofstede highlighted the differences between people of different cultures that make it hard for them to work together. Hofstede (2001) outlined five cultural differences between people from different countries that create challenges in the workplace. He called these differences “dimensions”. The different dimensions that are included in Hofstede’s model are Power/Distance, Individualism, Masculinity, Uncertainty/Avoidance and “long-term orientation”. The model is relevant given the context of this paper because it demonstrates the cultural components that make it easier or harder for people to work together with those of different cultures of certain types.
The model is not without its challenges and is not entirely comprehensive. For example, the model does not consider how religious persuasion, a defining feature of culture impacts cultural differences between different people in the workforce. The model assumes that all cultural factors can be narrowed down to five different components, yet cultural influences are manifold. Nonetheless the model does shed some light on the kinds of problems that can exist between people of different cultures in the workplace, and why conflict can occur. For example, if someone with a “long term orientation” is surrounded by those with a short term view, this person may find it very challenging in the workplace. Additionally, a manager that does not expect to be challenged due his or her position on the Power/Distance dimension may find it very alien to be surrounded by those that continually challenge him or her on business decisions that are made. It is not hard to see how continual conflict and difficulties can occur in multi cultural work places. Ultimately these sorts of challenges could have a very negative impact on the organization, and this is the situation that companies in the United Arab Emirates face. Companies in the UAE have to get employees of a wide variety of different cultures to work together collaboratively to achieve goals for the organization. This can be very difficult to achieve.

Specifically in a paper produced in 2011, research analyst organization Herman Miller argued that Emiratis have an indirect style of communication which means that a direct answer of “no” is unlikely in a business meeting. Emiratis operate in this way because it works within the cultural concept of “saving face”. However, in western cultures this idea does not exist, and it is perfectly acceptable to say no to certain types of requests, and this is done very directly. Obviously this is going to cause challenges between the two cultures, and this is just one of the very many examples of similar types of issues that exist between different cultures in multi cultural work places. Another different issue that can lead to discomfort between Emirati and western cultures working together is that, according to Herman Miller (2011), Arabic cultures leave less personal space between themselves and the other person when talking. It is thought to be quite rude to step backwards. However, the natural reaction for a westerner who feels that someone is invading their personal space is to step back away from that person, instantly appearing rude. Again, this is just one more small issue that helps to demonstrate the range of different kinds of problems that can exist in cross cultural work places. Nurturing cultural understanding is essential to overcoming that.
Of note, Willemyns et al. (2011) carried out a study into the cross cultural communication challenges that exist between Emiratis (nationals of the United Arab Emirates) and expatriates from western countries. It was noted that cultural distance caused a number of different communication issues between the two different types of cultures. In particular Emiratis were reported by Willemyns et al. (2011) to feel social distance from their western colleagues. However, this was also influenced by personal opinions of different colleagues too. The outcome of the research was that as a result of the rapidly globalizing range of workers in the Middle East, individuals need to get better at communicating with those of different cultures. It was argued by Willemyns et al. (2011) that employees need to have a common identity and purpose when working at an organization so that they work towards goals that are shared.

This has interesting implications for human resource managers. In one regard the work of Willemyns et al. (2011) can be criticized in the sense that it is not just that individuals need to get better at communicating with those from other cultures, but also that organizations need to drive this change if they want to be successful with their diverse workforces. The emphasis should be both on the individuals themselves but also on the senior management of the organization to drive cohesion throughout the company in this regard. It might be argued that the senior management of the organization and especially the human resources teams should be responsible for encouraging employees to put individual differences based on culture aside at the door and focus on organizational culture when at the work place, yet it seems that this is easier said than done. However, one area where this can be addressed more effectively is that of providing a common identity and shared purpose. By ensuring to communicate organizational goals and visions, it seems that according to Willemyns et al. (2011) it might be possible to close the gap somewhat between the cultures during the time at work.

The research by Willemyns et al. (2011) also focused on perception of Emiratis and Westerners of each other. It might be argued that perceptions can be changed by getting to know each other better and by building a mutual and shared understanding. The upcoming sections of this paper review how organizations in the United Arab Emirates are working on achieving this by looking at the strategies and the tools that they are employing to assist in this area.
Swan (2013) explains that one strategy being actively used to address cross cultural issues in organizations is that of recruitment. Swan reports that according to a study carried out by the British Council, UAE companies are focusing specifically on hiring people that have intercultural skills. Indeed, Swan argues that this is the first quality that employers look for in candidates for job roles with their companies. Good communication skills are deemed as particularly important, and language skills are not necessarily a part of that, though they are important. In particular Swan argues that so-called softer communication skills are highly sought. The study by the British Council found that 57 percent of UAE companies are specifically seeking intercultural skills through their hiring policies.

Intercultural skills are not just valued at the recruitment stage. Swan (2013) argues that people with intercultural skills are also more likely to be promoted in UAE firms. On this point, almost 60 percent of the organizations surveyed for the British Council study reported that those individuals with intercultural skills were more likely to be promoted more quickly in their companies. The types of skills being sought, specifically, were defined as being an ability to relate to and comprehend different cultural contexts, being open minded regarding ways of thinking, ability to work well in diverse employment environments and being flexible and adaptable as well as at ease with complicated circumstances.

Employers in the UAE are also feeding back to the education system regarding their requirements of new graduates for the workforce, according to Swan's 2013 report on the British Council study. By approaching universities where future employees build up the skills that they need for work, UAE organizations are using a push strategy of presenting the types of skills that they need. Specifically 71 percent of employers reported wanting more communication skills and 25 percent want mandatory language skills in future employees. Some universities have responded. For example, the Middlesex University in Dubai has noted that 70 percent of the employers of its students look for not just technical skills but also intercultural skills.

Aside from the study by the British Council, there have also been other commentaries on strategies adopted by UAE managers to handle the cross cultural differences that exist. Similarly to Swan's report (2013), Budhwar and Mellahi (2006) describe the need for cross culturally-friendly employees. However, Budhwar and Mellahi (2006) are more specific than just suggesting that the goal is to make sure that all employees have cross cultural skills. Rather, Budhwar and Mellahi (2006) suggest that the emphasis in the first instance should be on making sure that managers have these capabilities for managing the foreign work place. They also remark that managers that are able to handle both the task and the employee aspects of leadership are likely to do best at managing teams where cultural differences exist, though no further evidence is presented to support the reasons for this assertion. In fact Budhwar and Mellahi (2006) argue that there has been insufficient research into management of cross cultural work forces in the Middle East, and maybe this is why no evidence is forthcoming.
In terms of the inability to treat people differently due to discrimination issues even though they come from different cultures and have different beliefs, needs and perceptions, Yousef (2000) presents a solution based on his study carried out in the United Arab Emirates. Yousef (2000) argues that in these types of environments when leaders are demonstrating themselves to be participative or consultative in terms of their style of leadership, they are more likely to be able to manage these types of situations more effectively. Perhaps this is because under such types of leadership styles employees of all cultures feel that they are being consulted and collaborated with regardless of their background and this maybe helps them to feel motivated to work towards the unified organizational goals that Willemyns et al. (2011) discuss at length.

Of course, as noted earlier, this is hardly surprising given the corresponding lack of academic or practitioner studies into this area as highlighted by Bealer and Bhanugopan (2013). With limited research having been produced in this area there are few widely available recommendations available for HR leaders to draw on in managing these complex human resources issues. Ultimately very few examples of research were uncovered that provided documentary evidence of strategies and tactics specifically being used by human resources management practitioners in the UAE, and so it is perhaps difficult to tell if strategies are indeed being used for this purpose and whether such strategies and tactics have been effective or not.

However, Al-Jenaibi (2012) argues that:

“As might be expected however, like many organizations, companies in the UAE have, at best, inconsistent policies and methods regarding diversity and intercultural communication”.
Haghirian (2011) provides one example of how cross cultural workforces can better be managed by looking at different cultural dimensions. Some aspects can be managed for the benefit of all cultures without detrimentally impacting anyone. For example, Haghirian (2011) describes how, for example, the speed of a message can be a cultural issue between different cultures. A fairly simple change that can be made for this to be alleviated would be for the faster communicators to slow down just a little bit to meet the needs of the slower message receivers. Compromising in this way could help to reduce some of the problematic cultural issues that exist. The challenge with this approach as identified by Brett et al. (2006) is that cultural differences can be “subtle and difficult to recognize until significant damage has already been done.

Brett et al. (2006) argue for intervening very carefully in the case of cultural differences in organizations. It is explained by Brett et al. (2006) that the cultures must understand each other and how they work in order to achieve this. An example is provided of how instead of asking a direct question such as, “why is this broken?” it is better to adopt with indirect cultures and approach of, “what would happen if a part of this system was to break?” Of course, ultimately this approach is arguing for the same type of approach as advocated by Swan (2013) that the different cultures really need to understand each other and how they operate in order to succeed. In that case, the UAE managers that are hiring and promoting those that understand differences in culture may already be doing the best job that they can to promote cross cultural understanding in human resources management.

Managers that deliver well in a home environment will not necessarily do well in a cross-cultural environment (Javidan et al., 2010). Javidan et al. (2010) present an example of a manager performing well at home that was sent to China to turn around performance issues. In fact, Javidan et al. (2010) found that those with a poor level of understanding of cultural differences may find it hard to manage and deliver high performance with cultures with which they are not familiar.
At the same time, their study showed that those that embrace cultural differences and are able to understand them and operate within them are likely to do better in cross cultural working environments. Again, this supports the findings of the British Council survey which showed that UAE HR managers are trying to proactively fill their organizations with people with good cross cultural skills.

Another critical indicator of success noted in the Javidan et al. (2010) study was the level of enjoyment of working with other cultures. This was found to be an indicator of success with working in cross cultural environments. It perhaps seems obvious, but it is thought to be extremely important in driving success in this area. In fact, Javidan et al. (2010) found that having what they called a “global mindset” leads to the best management of cross cultural work places. They determined that such a mindset was made up of intellectual capital (an interest in or knowledge of international business), psychological capital (an interest in or openness to different cultures and the ability to change) and social capital (the ability to get people to work together and influence others even if those others are unlike themselves). These may be recommendations that the UAE HR managers may wish to implement into their recruitment strategies. These indicators may be possible to test through recruitment tactics like psychometric testing. This might make the process of finding cross cultural managers and employees that will work well in a cross cultural setting more scientific in nature, rather than just asking questions about it in interviews, or sensing whether the person will be good at it or not.

Molinsky (2012) developed a set of recommendations for human resources managers to better be able to handle cross cultural teams and the issues that they bring. Many of these too are grounded in developing cross cultural understanding. For example, his number one recommendation is, “Increase awareness of the challenges faced by team members from other
cultures”. However, other recommendations are included that are also extremely helpful. One is “Make the team norms explicit”. This is especially helpful as if norms are clear then behavior can be developed regardless of culture to meet the needs of the work place environment. For example, if it is expected that communication should be direct, then those of cultures where communication is not direct understand that they are expected to be direct and can try to adapt their working styles. Of course, this is much easier said than done, and training would probably be needed to help people from different cultures to act in unfamiliar ways in order to meet the requirements of the team norms. Indeed, another recommendation of Molinksy (2012) is to make sure that there is time and energy put into the building up of skills, and it is likely that this is essential. The other important recommendation of Molinksy based on studying cross cultural teams is that leaders in these environments should, “Work hard to create a psychologically safe and inclusive team environment”. This is not so far different than the earlier recommendation of being participative in leadership approach.

Importantly, Gallo (2011) argues that the manager of the future will not be a manager who is only able to manage people just like themselves. Managers that deal with cross cultural environments, and there will be increasingly more of them as time goes on, have to expect to be outside of their culture zone. They need to be aware of what they are saying and doing and how it is affecting the other person. This does not sound so different to the principles of emotional intelligence. At the same time, Gallo argues that acknowledging and recognizing cultural differences is important – once again this goes back to the idea of building up an understanding of cultural differences. Returning to the idea of making team norms explicit, Gallo (2011) suggests that the home culture should be the one that the organization opts for, but that this will depend on power, seniority and a number of other factors. Ultimately Gallo suggests that the best approach is flexibility and so organizations would be well placed to hire people that are able to be flexible and adaptable in this regard. Gallo (2011) specifies that it is not only about being adaptable though, but also about knowing when to be adaptable. As Gallo explains, cultures are not better or worse than one another, they are just different from each other, and understanding this and avoiding stereotypes is important.

Future research might also consider the work that has been carried out in the area of mergers and acquisitions. One comparison that may prove helpful is to consider the work of Fabbi (2011) who claims that despite clashes of culture, in the event of mergers and acquisitions one of the main activities is often a heavy focus on managing cultural differences to reduce conflict and costs that occur. While cross cultural studies of this nature tend to focus on organizational cultures rather than cultures grounded in nationality and upbringing, this could still be an interesting perspective to use. This could be a useful approach to take in the future.
As can be seen from this research, handling the situation of a highly cross cultural workforce in the United Arab Emirates is an extremely challenging one for human resources professionals. It has implications at both a macro and micro level of management. It impacts critical areas such as leadership and training down to the smaller details of how everyone interacts with each other day to day and whether that is considered to be rude or not. The area becomes even more complex to handle when it is considered that everyone’s perception of what is “good” – good management, good training and so on is influenced by culture too. An important finding of this study is that in many ways different people from different cultures benefit from culture-appropriate management. However, this is not possible due to the inherent risk of discrimination that would occur if such a strategy were adopted. It is better to look for areas of overlap, where research has shown that one style of activity works for all – such as the example provided where participative leadership was found to work for all of the cultures. This is challenging because there is insufficient research that has been carried out into this area at all, let alone specifically in the United Arab Emirates. In the meantime, while human resources managers await further research, excellent inroads are being taken to utilizing hiring and promotion to favor those with excellent skills of working with those from different cultures. It is perhaps only through promoting this type of cultural understanding that success will be achieved in human resources management in the cross cultural business environment in the UAE. Global research by academics at major institutions also support that rather than tools and strategies, understanding is the best way towards achieving success in a cross cultural working environment. Recommended best practice from elsewhere than the UAE suggests that the UAE is taking the best approach possible by hiring candidates that understand the importance of cultural understanding and who are able to be flexible. If not already doing it, organizations in the UAE may want to be more scientific in their approach to hiring people with these skills by utilizing tools such as psychometric testing to identify candidates that can really succeed in this area.
References


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Winner of the Human Resources Executive of the Year 2017 - SILVER STEVIE AWARD, and GCC HR Leadership Award 2017, Ali Khaled Alhashmi is a Human Resources specialist with more than 20 years of leadership and professional development experience. Brings a rare ability to apply an entrepreneurial approach to organizational challenges, delivering transformational and sustainable change to large and small businesses alike. Well known as a catalyst for transformational change, spearheading the use of innovative human resources management techniques combined with digitalization to deliver lasting results, particularly with employee engagement. A published author, written several groundbreaking leadership and management titles, including “Success Through Employees – Employee Engagement Strategies”, “TEEM – A Model for Growth in Business and Government”, “The Winning Edge”, and “Understanding the Workplace” series. Also published numerous white papers and management articles in the areas of expert authority including Human Resources, Strategic Planning, Leadership and Market Research.
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