

Determinants and Strategies of the Retention of Uae Nationals in the Islamic Banks Based In the United Arab Emirates

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Abstract: *This study strived to ascertain the determinants of the retention of UAE Nationals in the Islamic banks in the UAE. It also examined the effectiveness of the strategies deployed by the Islamic Banks to retain UAE Nationals. Three Islamic Banks namely Dubai Islamic Bank, Noor Islamic Bank and Sharjah Islamic Bank were chosen for the study. Data for the study was collected through Interviews with HR stakeholders, Focus Group sessions and Questionnaire administration to UAE National employees. In addition to the above Secondary data was collected from various sources. This study found that Job Satisfaction and Organizational Commitment, Appraisal and Feedback, Pay, Training Opportunities, Team Relationships, Communication, Work Life Balance, individual preferences had a statistically significant effect on the UAE National employee's intention to leave. However Recognitions, Benefits, Development opportunities, Organizational Structure, Job Analysis and Design, Relationship with Managers, Core Values and Culture and Labour Market conditions were found to have no statistically significant effect on the same. Among the prevailing strategies used, Aligning Salary and benefits with Industry, Providing 5 day working week and Ensuring comfortable work environment were chosen as the three most effective ones.*

KeyWords: *Employee Retention, Emiritization, Job Satisfaction, Organizational commitment, Employee perceptions.*

I. Introduction

According to the UAE Banks Federation Special Report (2014) titled "Stable Outlook", 88% of the employed UAE nationals work in the public sector, and just 12% work in the private sector. The Government of UAE is striving to raise the numbers of Emiratis in the private sector to reduce the burden on the already bloated public sector. Ensuring that the Banking sector, a key sector of the economy continues to attract and retain Emiratis is thus a key concern. To achieve this objective, In 1999 the UAE Government implemented laws requiring all banks to increase their UAE National employee head count by four percent each year. While much progress in Emiratising the work force has occurred there is an increasing gap between targeted and achieved rates of Nationalization, Tanmia(2005). This is particularly significant for Islamic Banks as employee turnover in this sector has been high due to the opening of new Islamic banks on a regular basis and employees of existing banks are poached to meet the staffing requirements of the new entrants. As per the UAE Banks Federation Special Report (2014), in 2013, Emiratis still account for only 33.9% of the total work force in the country's banking sector. Apart from the nationalization angle, employee turnover effects organizations adversely in terms of costs, time and employee morale. Though it is highly imperative that the banking sector undertakes studies to understand the factors that affect the retention of UAE Nationals, there is a dearth of research in this area. Authors and researchers have pointed out several determinants that influence the decision of employees to stay with their respective organizations. Conditions of the labor market, Satisfaction towards their job, Commitment towards their organization, their perceptions towards Human Resource practices such as Performance Appraisal, Pay and Benefits, Training and Development etc are some of the key ones. If the Islamic Banks can understand the key factors that effects retention of UAE National staff, they can implement strategies to manage retention challenges effectively.

This study has attempted to help the Islamic Banks in the UAE manage their retention efforts effectively. The study strived to ascertain the determinants of the retention of UAE Nationals in the Islamic banks in the UAE, examine the effectiveness of the strategies deployed to retain UAE Nationals and also suggest innovative strategies for the same.

II. Literature Review

Review of existing research on this subject suggested that Labor Market Conditions, Job Satisfaction, Organizational Commitment, Team Relations, Performance Appraisal and Feedback, Organizational Structure and hierarchy, Training, Development, Relationship with Managers, Core Values and Culture, Pay and Benefits, Work Life Balance, Communication, Recognition and Job Analysis and Design were the key determinants of Employee Retention.

Labor Market Conditions

MetLife (2011) study titled "9th Annual Study of Employee Benefits Trends" found that as the U.S. economic outlook continued to rise, employee loyalty declined. According to the study, 47% of employees reported feeling very strong loyalty to their employer which was down from 59%, reported 3 years ago during the crisis. The fall from 59% to 47% clearly indicates that the intention to stay is more during tough market conditions.

Job Satisfaction

In a study conducted by Ahmad Faisal Mahdi, Mohd Roslan Mohd Nor, Mohamad Zaid Mohd Zin, Ahamad Asmadi Sakat, Abang Sulaiman Abang Naim (2012) titled "The Relationship Between Job Satisfaction and Turnover Intention", the researchers studied the effect of job satisfaction on turnover intentions among the employees in XYZ Sdn. Bhd, Malaysia. The results showed that both intrinsic and extrinsic job satisfaction have inverse relationship on employees' intentions to leave. It also further ascertained that Intrinsic Job Satisfaction have stronger inverse influence on Turnover Intention.

Organizational Commitment

The study conducted by Khawaja Jehanzeb, Anwar Rasheed, Mazen F. Rasheed (2013) titled "Organizational Commitment and Turnover Intentions: Impact of Employee's Training in Private Sector of Saudi Arabia" focused on the relationship between organizational commitment and turnover intentions of the employees. The results strongly supported the hypothesis that organizational commitment and turnover intention were negatively related.

Team Relations

In a study conducted by Sayma Zia (2011) titled "Effects of organizational team building on employees' morale & job retention", the researcher studied the effect of team building on employee morale and employee retention. It was clearly established that "Team building as well as Team performance, individual contribution, team evaluation and coordination have long term positive relationship between employee morale and employee retention". This study confirmed that organizational team building efforts are required to improve employee morale which in turn will improve employee retention.

Performance Appraisal and Feedback

In the study conducted by Jurnal Kemanusiaan, Rusli Ahmad and Camelia Lemba (2010) titled "Performance appraisal politics and employee turnover intention", the researchers studied the effect of performance appraisal politics on employee turnover intention. The results confirmed that there is a strong positive relationship between the independent variables (motivational and punishment motives) with the dependent variable (employee's intention to leave). When employees perceived that their ratings were influenced by motivational motive, it lead to low turnover intention. On the other hand, when they perceived their ratings was influenced by punishment motive, it lead to increased turnover intention.

Organizational Structure and Hierarchy

In the study conducted by Waleed Al Naqbi (2011) titled "The relationship between Human resources Practices and Employee Retention in Public Organizations: An Exploratory study conducted in the UAE", the researcher attempts to focus the effect of HRM practices and organizational culture in the UAE on employee retention in public sector organizations in Dubai and Sharjah. In order to improve retention, "Need for decentralization and reduced hierarchy, empowerment and accountability" were emphasized.

Training And Development

In the study conducted by Atif Anis, Ijaz-Ur-Rehman, Abdul Nasir and Nadeem Safwan (2010) titled "Employee retention relationship to training and development: A compensation perspective" the impact of compensation packages after employee receives training and development on retention was explored. Results confirmed that compensation must be increased after giving employees training and development interventions if they have to be retained. If compensation is not increased in line with the new skills and capabilities acquired,

retention would be challenging. Training and Development can also be an important tool, if it also impacts compensation. In the study conducted by Karen Shelton (2001) titled " The effects of employee development programs on job satisfaction and employee retention " at the University of Wisconsin-Stout the researcher analyzed a project titled "Employees Speak Out on Job Training" which was jointly facilitated by Development Dimensions International (Bridgeville, Pennsylvania), Gallup School of Management (Lincoln, Nebraska), and TRAINING Magazine. The results confirmed a clear linkage between Training and Development interventions and retention strategies.

Relationship With Managers: In a study conducted by Michael Haid (2008) titled " Four Key HR Practices That Drive Retention: Insights From India "It was found that four HR practices—"performance management, professional development, manager support and an organizational commitment to a larger social purpose as being particularly important". These practices were proven to have a significant relationship to the employees' sense of pride and satisfaction with the organization which in turn relates to higher engagement and lower turnover.

Core Values And Culture: In the study conducted by Madiha Shoaib ,Ayesha Noor ,Syed Raza Tirmizi ,Sajid Bashir(2009) titled " Determinants Of Employee Retention In Telecom Sector Of Pakistan " the researchers hypothesized that the working environment correlates positively with employee retention. This prediction was supported as shown by the results($r = 0.587^{**}$), which shows that the correlation is significant up to the 0.01 level.

Pay And Benefits: In the study conducted by Eric Ng Chee Hong,Lam Zheng Hao,Ramesh Kumar,Charles Ramendran,Vimala Kadiresan (2011) titled "An Effectiveness of Human Resource Management Practices on Employee Retention in Institute of Higher learning: - A Regression Analysis " it was found that "empowerment, equity of compensation, job design through training and expectancy toward effective performance management" had a significant effect on retention.

Work Life Balance: In the survey conducted by Livingstones Australia and on Talent (2010) titled "Solving the people retention problem in the war for talent" the researchers found that "autonomy at work and work-life balance, as the main motivators for remaining with a current employer. It was found that once employees have good managers, they will look for work life balance and organizational flexibility.

Communication: In the study conducted by Naveed Ahmad, Nadeem Iqbal, Muhammad Sheeraz (2012) titled "The Effect of Internal Marketing on Employee retention in Pakistani Banks" the researchers highlighted the effect of internal communication, training and motivation on employee retention. It was found that internal communication has a positive effect on retention.

Recognition: In the study conducted by Abraham Boateng (2010) Titled "the Effect Of Human Resource Management Practices On Employee Retention In Ghanaian Construction Industry "the researcher aimed at finding out the human resource management practices that influenced job retention. "The result of the throws light on the importance of recruitment and selection, training and development, human relationship, employee communication ,health, safety and warfare, recognition and reward, compensation and incentives and performance appraisal on employee retention in the construction industry of Ghana".

Job Analysis And Design: In the study conducted by Waleed Al Naqbi (2011) titled "The relationship between Human resources Practices and Employee Retention in Public Organizations: An Exploratory study conducted in the UAE", the researcher found that among other things there is a need to redesign jobs and provide employees with job descriptions, in order to let each of them understand what tasks they should do and how to achieve them.

III. Objectives Of The Study

1. To find out the determinants of the retention of UAE Nationals in the Islamic banks in the UAE.
2. To identify the strategies for the retention of UAE Nationals in the Islamic banks in the UAE.
3. To examine the effectiveness of the strategies of retention of UAE nationals used by the Islamic Banks in the UAE
4. To suggest innovative strategies for the retention of UAE nationals in the Islamic banks in the UAE.

Hypotheses

Following null hypotheses would be tested on the research subject-determinants and strategies of retention of UAE nationals in the Islamic banks in the UAE

- H01.** There is no effect of Labor market conditions on retention
- H02.** There is no effect of Job Satisfaction and Organizational Commitment on retention
- H03.** There is no effect of the below listed HR Practices on retention
 - Appraisal and Feedback
 - Pay
 - Recognitions
 - benefits
 - Training opportunities
 - Development opportunities
 - Organizational structure
 - Job Analysis and Design
- H04.** There is no effect of Team relationships on retention
- H05.** There is no effect of Communication on retention
- H06.** There is no effect of Relationship with Managers on retention
- H07.** There is no effect of Communication on retention
- H08.** There is no effect of organizational Core Values and Culture on retention
- H09.** There is no effect of Work-Life Balance on retention
- H10.** There is no effect of Individual preferences on retention

IV. Method And Procedure

Three Islamic Banks namely Dubai Islamic Bank, Noor Islamic Bank and Sharjah Islamic Bank were chosen for the study. Data for the study was collected through Focus Group sessions and Questionnaire administration to UAE National employees. Interviews were also conducted with the HR stakeholders of these banks. Over all 248 employees were contacted. In addition to the above Secondary data was collected from the Emirates Institute of Banking and Financial Studies, Sharjah. Relevant statistical tools were used for analyzing the data with the help of SPSS. This includes Descriptive statistics, Cross Tabulation, Ordinal regression and Spearman's rho correlation test. To get further insights into the factors that determine UAE National's intention to leave, exit interview data was analyzed. The comments made by the respondents to the various sections in the survey were recorded and subjected to qualitative analysis. Existing retention strategies deployed by the banks being studied were rated for effectiveness. Turnover figures (average of all three banks), for the years 2008 to 2013 were compared for UAE Nationals, Expatriates and Overall.

Data Analysis, Findings And Interpretation

Analysis of the responses revealed that 59.4% of the respondents agreed that they think a lot about leaving the organization. 55.5% of the respondents agreed that they are actively searching for alternatives to the organization. The fact that more than half the population of employees is actively looking for changing highlights the relevance of the study.

Ranking the Satisfaction figures (Combining responses of "Strongly Agree" and "Agree")

Table 1: Ranking of Satisfaction Figures

S. No	Independent Variables (Satisfaction Towards..)	Rank
1	Increments in line with market: 22.5%	20
2	Pay: 25.5%	19
3	Alignment of Pay with performance: 31.3%	18
4	Org Structure: 45.1%	17
5	Recognitions: 48%	16
6	Development: 53%	15
7	Empowerment: 53%	15
8	Org Commitment: 53.7%	13
9	Performance Appraisal: 55.9%	12
10	Benefits: 58.8%	11
11	Job Analysis and Design: 60.8%	10
12	Opportunity to make a Difference: 62.8%	9
13	Communication: 63.7%	8
14	Learning: 65.7%	7
15	Overall Job satisfaction: 67%	6
16	Relationships with Managers: 71.6%	5
17	Work Life Balance: 73.3%	4
18	Make Suggestions: 73.5%	3
19	Org Values and Culture: 75.5%	2
20	Team relationships: 85.3%	1

Upon ranking the Satisfaction figures, it can be seen that only Team Relationships and Organization Values and Culture was accorded figures above 75% which is the benchmark set by these organizations. It should be noted that the 5 factors that scored the least were.

1. Increments in line with market: 22.5%
2. Pay: 25.5%
3. Alignment of Pay with performance: 31.3%
4. Org Structure: 45.1%
5. Recognitions: 48%

This shows that the majority of respondents expressed dissatisfaction towards the alignment of rewards and recognition systems with performance, Increments received, pay received, access to decision makers and speed of approvals and recognitions given for good performance.

Correlation Between Dependent And Independent variables

To determine whether a relationship exists between the dependent variable (The intention to leave) and each of the independent variables, Spearman's rho correlation test between the dependent and independent variables was conducted. The Correlation tables for those variables that were found to be statistically significant ones are presented below

Table 2: Correlation Between Dependent And Independent Variables

Dependent variable	Independent variables	R Correlation Coefficient	N	Sig. (2-tailed)	Significance of the Correlation
I am actively searching for an alternative to the organization	Mean Job Satisfaction	-.641**	101	.000	** Correlation is significant at the 0.01 level (2-tailed)
	Mean of Org Commitment	-.584**	101	.000	** Correlation is significant at the 0.01 level (2-tailed).
	Mean of Performance Appraisal	-.499**	101	.000	** Correlation is significant at the 0.01 level (2-tailed).
	Alignment of Pay and Benefits systems with performance	-.403**	101	.000	** Correlation is significant at the 0.01 level (2-tailed).
	Mean of Pay	-.541**	101	.000	** Correlation is significant at the 0.01 level (2-tailed).
	Mean of Increments	-.437**	101	.000	** Correlation is significant at the 0.01 level (2-tailed).
	Mean of benefits	-.252*	101	.011	* Correlation is significant at the 0.05 level (2-tailed).
	Mean of Recognitions	-.590**	101	.000	** Correlation is significant at the 0.01 level (2-tailed).
	Mean of Learning oppts	-.366**	101	.000	** Correlation is significant at the 0.01 level (2-tailed).
	Mean of Dev oppts	-.566**	101	.000	** Correlation is significant at the 0.01 level (2-tailed).
	Empowerment to take decisions	-.403**	101	.000	** Correlation is significant at the 0.01 level (2-tailed).
	Mean of Org Structure	-.570**	101	.000	** Correlation is significant at the 0.01 level (2-tailed).
	Opportunity to work and make a difference	-.543**	101	.000	** Correlation is significant at the 0.01 level (2-tailed).
	Mean of Job Analysis and Design	-.603**	101	.000	** Correlation is significant at the 0.01 level (2-tailed).
	Mean of Team relations	-.197*	101	.048	* Correlation is significant at the 0.05 level (2-tailed).
	Mean of Communication	-.489**	101	.000	** Correlation is significant at the 0.01 level (2-tailed).
	Opportunities to make suggestions and give feedback	-.433**	101	.000	** Correlation is significant at the 0.01 level (2-tailed).
	Mean of Relationship with Managers	-.385**	101	.000	** Correlation is significant at the 0.01 level (2-tailed).
	Mean of Org Culture and Values	-.499**	101	.000	** Correlation is significant at the 0.01 level (2-tailed).
	Mean of Work Life Balance	-.267**	101	.000	** Correlation is significant at the 0.01 level (2-tailed).

Findings Of Spearman's Rho Correlation Test

As the data was ordinal, Spearman's rho Correlation was conducted. It was found that the independent variables Mean Job Satisfaction, Mean of Org Commitment, Mean of Performance Appraisal, Alignment of Pay and Benefits systems with performance, Mean of Pay, Mean of Increments, Mean of benefits, Mean of Recognitions, Mean of Learning opportunities, Mean of Dev opportunities, Empowerment to take decisions, Mean of Org Structure, Opportunity to work and make a difference, Mean of Job Analysis and Design, Mean of Team relations, Mean of Communication, Opportunities to make suggestions and give feedback, Mean of Relationship with Managers, Mean of Org Culture and Values, Mean of Work Life Balance had statistically significant Negative correlation with the dependent variable which is the intention to leave.

While the Mean of Team relationships and Mean of benefits had a negative correlation with the intention to leave that was significant at the 0.05 level (2-tailed), all the other independent variables had a negative correlation with the intention to leave that was significant at the 0.01 level (2-tailed).

Correlation Between Independent Variables

The correlation between every pair of independent variables in the model was checked. This was done to check whether the correlation between two independent variables was large enough to cause multi co linearity. In the Correlation table, no statistically significant correlation in excess of 0.8 was observed between the different pairs of independent variables. Hence Ordinal regression was carried out between the dependent and independent variables.

Ordinal Regression

To determine whether a relationship exists between the dependent variable and each of the independent variables, correlation test between the dependent and independent variables was conducted. Ordinal regression is a type of regression analysis used for predicting an ordinal variable, i.e. a variable whose value exists on an arbitrary scale where only the relative ordering between different values is significant. The most common type of ordinal regression models is ordered logit.

The intention to leave (responses to the question "I am actively searching for an alternative to this organization") was taken as the dependent variable. Gender and Location of work were taken as factors (as they had only two values) and the rest of the independent variables were taken as covariates.

Ordinal Regression Analysis

This table contains the estimated coefficients for the model. Two predictor variables (Gender and Location) were considered as factor while all other predictor variables were considered as covariates while conducting the Ordinal regression analysis. This was because Gender and Location had only two values (Male, Female and Branch, Head Office) while the others had five values each (Strongly Agree to Strongly Disagree). The coefficients of each of the predictor variables considered in covariates are given in the Estimates column. For the predictor variables considered as factor, the number of coefficients displayed is one less than the number of values in the variable. In this case, the coefficient is for the value 0. Value 1 is the reference category and has a coefficient of 0.

The predictability of the variables is ascertained from the Significance Values (given in the column Sig.).

Table3: Parameter Coefficients

Final Threshold	Estimate	Std. Error	Sig.
[Ret57NEW = 1]	-14.600	2.663	.000
[Ret57NEW = 2]	-11.669	2.472	.000
[Ret57NEW = 3]	-10.322	2.419	.000
[Ret57NEW = 4]	-6.854	2.278	.003
Q3 (Position)	-.541	.353	.126
Q4 (Years of Experience)	-.199	.389	.608
Q6 (Age)	-.134	.326	.681
Q7 (Educational Qualification)	.152	.210	.469
Mean of Job Satisfaction***	-1.114	.425	***.009
Mean of Organizational Commitment*	-.650	.380	*.087
Mean of Satisfaction towards Performance Appraisal*	-.689	.411	*.094
Mean of Satisfaction towards Pay**	-.819	.356	**0.021
Mean of Satisfaction towards Recognition systems	-.125	.317	.693
Mean of Satisfaction towards Learning Interventions**	.848	.398	**0.033
Mean of Satisfaction towards Development Opportunities	-.369	.426	.387
Satisfaction towards Empowerment given	.001	.276	.996
Mean of Satisfaction towards Organizational Structure	-.411	.319	.198
Mean of Satisfaction towards Job Analysis and Design	-.866	.530	.102
Mean of Satisfaction towards Relationship within Teams*	.798	.450	*.077

Mean of Satisfaction towards Communication in the Organization**	-.906	.445	** .042
Satisfaction towards opportunities to make suggestions	-.185	.388	.634
Mean of Satisfaction towards Managers Relation	.376	.350	.283
Mean of Satisfaction towards Organizational Culture and Values	.231	.470	.623
Satisfaction towards alignment of Pay and Performance	.169	.285	.553
Satisfaction towards Increments	.274	.303	.367
Satisfaction towards Benefits	-.024	.234	.918
Satisfaction towards opportunities to do meaningful work	-.024	.376	.949
Mean of Satisfaction towards Work- Life Balance in the Organization**	.667	.312	** .032
[Q1=0] Gender**	1.172	.564	** .038
[Q1=1]	0 ^a	.	.
[Q2=0] Location	.483	.519	.352
[Q2=1]	0 ^a	.	.

Link function: Logit.

Table 4: Independent Variables That Are Statistically Significant Predictors Of The Dependent Variable

Final	Estimate	Std. Error	Sig.
Mean of Job Satisfaction***	-1.114	.425	.009
Mean of Organizational Commitment*	-.650	.380	.087
Mean of Satisfaction towards Performance Appraisal*	-.689	.411	.094
Mean of Satisfaction towards Pay**	-.819	.356	.021
Mean of Satisfaction towards Learning Interventions**	.848	.398	.033
Mean of Satisfaction towards Relationship within Teams*	.798	.450	.077
Mean of Satisfaction towards Communication in the Organization**	-.906	.445	.042
Mean of Satisfaction towards Work- Life Balance in the Organization**	.667	.312	.032
[Q1=0] Gender**	1.172	.564	.038
[Q1=1]	0 ^a	.	.

Link function: Logit.

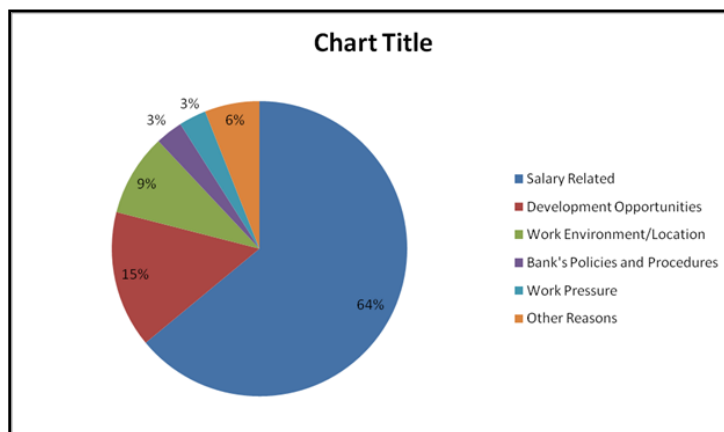
The results above revealed that 9 out of the 26 variables were good predictors of the employees intention to leave. Out of the 9 predictor variables, Job satisfaction (-1.114, .425, .0009) was the most potent predictor. This was followed by Gender, satisfaction towards pay, learning interventions, communication and work life balance. Organizational commitment, satisfaction towards performance appraisal and relationship within teams were found to be the least potent predictors.

Position, Years of Experience, Age, Educational Qualification, Satisfaction towards Recognition systems, Development Opportunities, Empowerment given, Organizational Structure, Job Analysis and Design, Opportunities to make suggestions, Relation with Managers, Organizational Culture and Values, Alignment of Pay and Performance, Increments, Benefits, Opportunities to do meaningful work and Location were not found to be statistically significant predictors of the intention to leave.

Analysis Of Secondary Data And Qualitative Data

To get further insights into the factors that determine the intention to leave of the UAE Nationals in the Islamic Banks, the exit interview data was analyzed. Reasons cited were found to come under the following categories

1. Salary Related that included Salary, benefits and increments.
2. Development Opportunities included promotions, Career path, linkage of performance appraisal with promotions and coaching support from managers.
3. Work environment and location included profile of work, attitude of Managers and values and culture of the organization.
4. Bank's policies and Procedures included access to decision makers and empowerment
5. Work pressure included working timings and holidays



The analysis shows that the three main reasons cited of leaving are Salary, Development Opportunities and Work Environment/Location. It is to be noted that a vast majority (64%) cited salary as the reason for leaving. Hence it is imperative that organizations benchmark the salaries paid with best in class organizations and ensure that the salary is in line with market standards.

Effectiveness Of Strategies Used To Retain UAE Nationals

HR stakeholders from the banks who are included in the study were asked about the strategies they deployed to retain UAE Nationals, the following conclusions were derived. While approaches were in place to retain UAE Nationals, they were not linked to specific Key Performance Indicators and targets. The effectiveness of these approaches were not being studied with clear cause and effect analyses. Hence there was no quantitative data to rate the effectiveness of the approaches. Due to these limitations, the approaches mentioned by the banks were presented in a questionnaire and 57 UAE national employees were asked to rate the effectiveness of these strategies.

Table 5: Mean And Standard Deviation Of Strategies Used To Retain UAE Nationals

Ranking	Strategies	Mean	SD
5	Enrolment in Career development Strategies	1.84	0.702
6	Providing certification trainings to improve technical skills	2.07	0.651
4	Supporting UAE Nationals, especially new joiners through Coaching and Mentoring programs	1.77	0.802
2	Providing 5 day week	1.37	0.587
1	Aligning Salary and benefits with Industry standards	1.26	0.444
7	Communicating regularly with UAE Nationals through surveys and one to one meetings	2.33	0.809
3	Ensuring work environment including relationships with managers and team is comfortable and friendly	1.68	0.686
8	Providing plenty of social and community gatherings	2.49	0.805

It can be seen that **Aligning Salary and benefits with Industry standards** (M=1.26, SD=0.444) is most preferred strategy by the respondents followed by **Providing 5 day week** (M=1.37, D= .587) and **Ensuring work environment including relationships with managers and team is comfortable and friendly** (M= 1.68, D= .686) whereas **Providing plenty of social and community gatherings** was rated as the least effective (M=2.49, SD=0.805) and thus were not preferred by the respondents.

Exploring The Effect Of Labor Market Conditions And The Retention Of UAE Nationals

Study1: Survey was conducted among 57 UAE National staff from the 3 banks

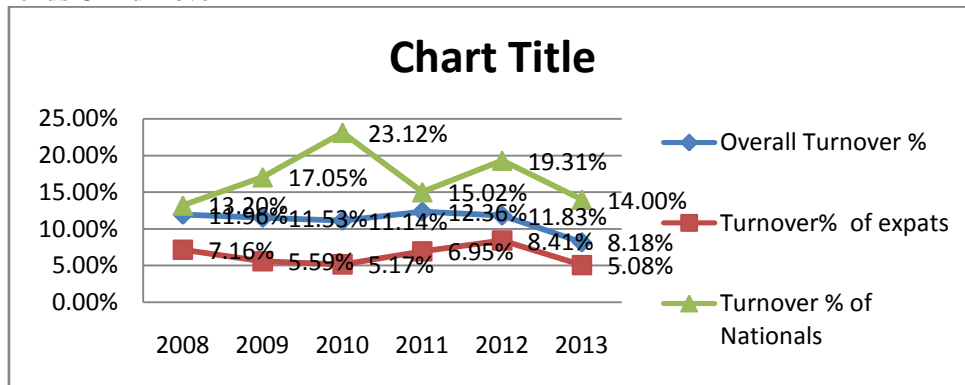
Question: Has the Economic Crisis influenced the UAE Nationals to stay in their job without moving?

Table 6: Survey on the effect of economic crisis

Answer	Number of responses	% of Responses
Yes	9	19.14%
NO	47	80.85%

Study 2: Analyzing Turnover rates (average of all three banks). Turnover figures for the years 2008 to 2013 were compared for UAE Nationals, Expatriates and Overall. However it can be clearly seen that while turnover of Expatriates and the overall turnover dips in 2009 and 2010, turnover of UAE Nationals climbs in 2009 and 2010. This validates the survey results given above. Hence the Hypotheses stand proven.

Graph: Trends Of Turnover



V. Conclusions And Recommendations

This study recommends that Organizations start calculating turnover of UAE Nationals in a systematic manner. Figures should be segmented into relevant constituents like Gender, Location, Position, Number of years in the organization, Age and Educational Qualifications. This could be further segmented based on Previous performance and potential. Based on historic data, appropriate targets must be set for retention. Targets must be benchmarked with best in class organizations and increased every year. Actual vs. Targets must be monitored regularly by the Human Resources Function and communicate the same up and down stream. Cascading Retention targets to Managers and including this factor in there appraisal could help in ensuring that retention efforts are taken seriously. In order to achieve set retention targets, Organizations must identify approaches which must be deployed systematically and reviewed and improved regularly. Organizations must also proactively identify employees who must be retained on a priority basis. The identification can be done based on a variety of factors such as performance, potential, job profile, availability of substitute etc and then implement retention strategies to ensure that high retention priority employees are covered.

As Male staff are more prone to resigning, retention strategies must focus on their specific needs. Surveys to assess Job satisfaction and Organizational Commitment must be conducted regularly. Relevant targets must be set after benchmarking with best in class organizations. Results of the same must be segmented and analyzed for. Approaches to address gaps must be implemented effectively.

As the turnover of UAE nationals have not been effected by the crisis, retention efforts must not be slackened even during recession years. As the likelihood of losing a UAE nationals is the same during the crisis, focus on retention must be maintained even during lean times.

Performance Appraisal must be conducted in a systematic manner. Objectives must be set jointly by the employees and the respective managers. UAE National staff must be given regular feedback and must be assigned coaches and mentors to improve performance. Organizations must benchmark their pay and benefits systems with the best in class organizations. Inputs must be taken from Government and Private sector organizations that could potentially attract their staff. Benefits and increments must be in line with economic conditions and industry standards. Efforts must be taken to ensure that rewarding is aligned with Performance. Performance Management systems must be tightly aligned with rewarding systems. Awareness building sessions and periodic audits must be conducted to ensure that these systems are run in a fair way. In order to cater to the unique and individual requirements and expectations of UAE nationals, one to one sessions, focus groups or surveys must be conducted. Based on the findings customized retention strategies must be deployed for high retention priority employees.

Training interventions must be integrated with Performance Management systems. UAE national employees must be given the latest and best interventions based on identified gaps to ensure that they develop their functional and general competencies. Technical trainings must be provided to ensure that UAE Nationals can take up responsible positions in the critical areas of banking. Career development and Succession Planning programs must be deployed , assessed and improved to meet retention targets. The coverage of Career Development programs must be broadened to ensure that they include all segments of the UAE National workforce.

It should be ensured that the Vision, Mission, Values, Strategic Objectives and achievements must be routinely informed to the UAE national workforce. HR policies and procedures, Job descriptions, Compliance guidelines and Code of conduct must be regularly communicated. UAE Nationals must be given access to senior managers and decision makers.

The Management and Human resources function must ensure that a warm, friendly and supportive environment is maintained in the Organization by identifying, communicating and measuring Corporate Ethos. These ethos must be aligned with the cultural and religious values of UAE nationals. Facilities to pray, observe fasts and maintain privacy are essential to the effective functioning of UAE National staff. Tools like 360 degrees, appraisal of Managers by their UAE national subordinates must be implemented. Easy to access Grievance handling and whistle blowing units must be implemented to ensure that the ethos are made part of the Corporate culture.

Efforts must be made to ensure that the 6 day week system in the branches does not impact retention objectives. Performance and People caring objectives must be balanced to ensure that UAE Nationals are retained. Special benefits can be offered to branch staff. Organizations must stay sensitive to the needs of UAE National staff in general and women employees in particular.

In addition to Pay and Benefits a reward system that has monetary and non monetary rewards must be implemented to keep motivational level ups. These can be designed after studying the specific interests and requirements of UAE National staff.

Organizations must review their organizational structure to ensure that UAE National staff have access to decision makers and can get quick approvals and feedback for their work. It is advisable to have systems in place to ensure that value adding work is delegated to UAE Nationals. Establishment of approval matrices can help in empowering UAE Nationals. Moreover UAE nationals must be encouraged to embrace approaches like Suggestion schemes and Quality circles.

It is advisable to hold Managers accountable for the retention of UAE nationals. Managers must be trained to provide effective coaching support to their UAE National staff. Regular motivational and team building sessions can help in improving team cohesiveness and morale.

During Performance Appraisal it would be worthwhile to check and ensure the alignment of the Job and the Strengths and Areas of Improvements of UAE Nationals. By ensuring a best fit between the employee and the job, satisfaction and commitment which are drivers of retention can be improved.

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