

EXPO 2020: FUTURE OF TALENT MANAGEMENT

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CASE DESCRIPTION

Dubai expo 2020 win was a major boost for the UAE economy. Sectors such as hospitality, IT, construction and retail witnessed a huge demand for talent in the lead up to the event. Since the economy was dominated by expatriate workers, there was a fierce war for talent. The challenge for retail industries was to acquire the best talent and also retain the existing talent within the organizations. Against this backdrop this case study is an attempt to analyze the future of talent management in retail industry ahead of expo 2020.

CASE SYNOPSIS

“The basic ingredient is opportunity. Talent flows naturally to countries that create an environment for economic growth; that make life easy for enterprise; that attract and welcome investment; and that nurture a culture of achievement. Skills are attracted to challenge and possibility.” His Highness Sheikh Mohammad Bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai.

“With Expo 2020 expected to generate around 275,000 new jobs, recruitment is emerging as one of the most crucial issues surrounding the event. To be prepared for the onslaught, all retailers must address what has been targeted as the biggest threat and challenge for the retail sector building a team of retail specialists with the necessary high standards of skill sets needed to meet the demand.” Prakash “PK” Menon, executive director of Dubai-based Thought Leaders Middle East

Dubai’s successful Expo 2020 win had placed UAE at the focal point of global retail revolution, transforming it into an international shopping and tourism destination. Held every five years, Expo 2020 was estimated to invite exhibitors from around 180 countries to UAE.

Expo 2020 theme “*Connecting Minds, Creating the Future*” draws its reflection from the old name of Dubai “*Al Wasl*” which means “*the connection*” in Arabic. The event was projected to attract 25 million visitors of which 70% would be from overseas. Lasting six months from 20 October 2020 through 10 April 2021, it was expected to coincide with UAE’s Golden Jubilee celebration, acting as a catalyst for innovation and development.

Retail Sector in UAE

Over the years Dubai’s retail sector had grown from unorganized traditional souks to organized hypermarkets, supermarkets and large shopping malls. In the preparation for expo 2020 retailers invested heavily in new technologies and talented manpower to maintain productivity. There was a huge competition between retailers to adopt innovative strategies such as omni-channel retailing to meet the challenges posed by changes in consumer’s buying behaviour, increased disposable income, and competition from international retailers. Omni-channel retailing, provided customers with the convenience to purchase through in-store, online and mobile shopping activities.

In line with Expo 2020 UAE retail industry was expected to grow at a rate of 7% in terms of value from 2015 to 2020, which was much higher than Western Europe and North America (which had a growth rate of 1% and 2% respectively).

UAE ranked fourth in A.T. Kearney Global Retail Development Index (GRDI) in 2014 with a five percent growth in retail sales. In 2014 the retail sector contributed 40% to Dubai's GDP, and was expected to touch Dh160 billion in 2015.

A survey by CBRE (Coldwell Banker Richard Ellis) Dubai was considered to be the second most important international retail destination after London. Of the 323 international fashion retailers surveyed, 53.8 % (174 retailers) had outlets in Dubai.

Talent Management in Retail Sector

As reported by Standard Chartered, around 300,000 direct and a million indirect jobs would be created in the UAE by 2020, majority being in construction, real estate, hospitality, aviation, retail and services sectors.

In retail 57% of companies planned to increase their headcount by 2020. The expected job openings made professionals migrate from neighboring countries to UAE. A global study by LinkedIn in 2014 which traced talent migration among 300 million members on its network revealed that UAE gained 1.3% as a percentage of its total workforce in a 1 year period, dominating the list of 20 nations (which included Canada, Brazil, Switzerland, Saudi Arabia, South Africa, India, Singapore, and Australia among others).

The Workforce Planning Study (2014) conducted by Deloitte estimated the compounded annual growth rate (CAGR) of retail sector employees in UAE to be 2.61%, which was expected to increase due to Expo 2020. This study also highlighted shortage of critical skillsets in retail sector employees. For senior managers the critical skills underrepresented were lean management and mall management (as stated by 24% of the companies surveyed), while 44% of the companies reported category management, customer psychology and buying behavior as the crucial skills lacking amongst middle level managers, and for entry level managers, the skills needed to be imparted were customer service skills. Thus retail industry was facing “talent crisis” due to mismatch in the demand and supply of talent.

As stated by Matthew Gribble (senior managing director, Middle East and Africa for recruitment firm Page Group) “*Talent is the employee everyone wants, but not everyone has talent is the kind of person you employ that is going to make a difference to your business and do something that hasn't been done before.*”

The Global Innovation Index (GII) revealed in its 2014 report that businesses and governments are continuously searching for individuals or talents who are considered critical for innovation and growth in an organization, giving it a competitive edge in the market. In the global GII ranking, UAE was ranked 36th crediting the country's knowledge based economy.

Recruitment for the event had already started and was expected to continue till 2020. There was an increased emphasis on hiring the “right” talent, as attracting top talent makes it easier to attract people of similar caliber (“*Sanger factor*”). India, UK, US, Qatar and Saudi Arabia were the top sources of talent for Middle East.

The real competitive advantage for retailers would be to win the ‘war for talent’ at all the positions within the organization from directors and senior managers to shop floor assistants and warehouse staff. In the fierce war for talent companies resorted to poaching the best talent from competitors while retaining their existing top achievers.

There was a prominent demand of industry experts and market-savvy leaders for specialized projects, and contract workers for project based workload. Hiring temporary staffs made companies adopt a more cautious approach of “*test and hire*”, thereby minimizing the chances of “*mis-hiring*”.

Exhibit 1		
Top 10 Attributes in High Demand for the Preparation for Expo 2020		
S.No.	Top 10 Mindset and Key Attributes	Top 10 Interpersonal Strengths and Global Orientation
1.	Preparedness and Confidence	Relationship Building - With Customer and Stakeholders
2.	Accountability and Focus on Execution	Collaboration and High Performance Teamwork
3.	Multi-tasking and Dealing with Complexity	Active Listening
4.	Resilience and Change Management	Ability to Effectively Express Point of View
5.	Innovation and Creativity	Authentic Leadership
6.	Decision-Making and Handling Ambiguity	Cultural Sensitivity and Embracing Diversity and Inclusion
7.	Ability to See ‘Big Picture’	Knowledge of Global Trends and Markets
8.	Sense of Conviction, Managing Paradoxes and Balancing Opposing Points of View	Knowledge of Multiple Languages
9.	Learning Agility and Openness to Feedback	Ethics and Values
10.	Drive, Passion and Willingness to go the Extra Mile	Humility

Source: “*The Path towards Human Capital Excellence*”, <http://www.fahr.gov.ae/portal/assets/1113ed92/al-masar-study.aspx>

Retail companies had to ensure that the new recruits are trained and developed to raise the management became a strategic tool for HR managers to ensure longevity of the organizations.

However a well-planned and phased development strategy was required to prevent the price for talent from becoming unduly expensive (Exhibit 2). Organisations could either pay the market rate for talented professionals, or try to move forward with the existing ones. With the huge competition for talent in the market, the second approach was riskier. If they underpaid their employees, than there was a secondary risk that their best people could be tempted to seek new jobs elsewhere. Employers must put in their best efforts overall standard of the company’s workforce and meet the expectations for expo 2020 (Exhibit 1). The talent pool was finite and there was a fierce competition projected in the retail industry for skilled candidates. Talent to identify talent, attract skilled and experienced people and then retain them for long term. This could make business sustainable for a longer period.

Exhibit 2			
PATH FOR HR MANAGERS TOWARDS PREPARING, PLANNING AND DELIVERING HR EXCELLENCE			
	2014 – 2015	2016 – 2017	2017 – 2020
HR Strategy	Pro-actively determine the potential impact of the Expo on employees and talent practices.	Creation of key HR metrics to achieve organizational and business goals, and manage costs.	Being innovative during the final few years leading up to the Expo, and making quick last minute decisions.
Recruitment and Selection	Workforce planning determining skills and roles most in demand, Ensuring that the recruitment processes	Mapping the market to ascertain talent availability and cost of talent. Creating innovative hiring strategies and broadening	Hire top talent from outside, but also focus on growing from within, to provide step-up opportunities for existing

Exhibit 2			
PATH FOR HR MANAGERS TOWARDS PREPARING, PLANNING AND DELIVERING HR EXCELLENCE			
	are transparent, efficient and scalable Using relevant psychometrics as part of recruitment and selection process	potential candidate pool, including universities and educational institutes would be crucial with an extremely competitive labor market.	employees. Use innovative and relevant assessments and psychometrics to hire the 'right' talent. Flexibility in hiring part-time employees.
Talent Management and Talent Development	Identify and design key skills attributes and strengths that are required in the lead up to the Expo. Ensure that a robust performance management system is in place.	Focus on strengthening entire talent pipeline. Put together succession plans in place and manage attrition. Design and deliver qualification based vocational and skill based programs, based on your organization's requirement.	Leadership crucial to inspire workforce and lead change efforts. Emphasize long term plans and career paths after the Expo. Ramp up employee recognition programs.
Total Rewards Policies and Benefits	Review key policies and benefits, such as housing allowance, transportation and children's education. Propose plan for more flexible benefits, instead of having a one size-fits-all approach. Progressive policies and benefits for blue collar workforce -ensuring their welfare, health and safety.	Design and launch long term incentives (with 3 to 4 years vesting cycles) to retain top talent during and after Expo.	Build in premiums for key roles and hot skills. Manage costs via flexible work arrangements, such as part-time working, traineeships etc. Retain compensation positioning in market.
Engagement and Retention	Assess and evaluate employee engagement	Schedule 'save' conversations with those most at risk of leaving.	Communicate, communicate, and communicate! Celebrate achievements!

Source: "The Path towards Human Capital Excellence", <http://www.fahr.gov.ae/portal/assets/1113ed92/al-masar-study.aspx>

INSTRUCTOR'S NOTE

Purpose

Talent management is a critical issue facing UAE as the organizations compete for talent ahead of Expo 2020; the event is expected to generate around 300,000 direct jobs and a million indirect jobs across different sectors, majority being in construction, real estate, hospitality, aviation, retail and services sectors. In retail 57% of companies planned to increase their headcount by 2020. It is not the shortage of people that the organizations are facing but a shortage of key skills and talent. The primary aim of this case study is to analyse how UAE meets its demand for experienced talent or is it on the verge of a regional talent war?

Design

This case study is based on secondary data that has been gathered from various published print materials to study the talent scenario of UAE and the demand generated by expo2020 for certain key skills in the market.

Findings

The key findings of the case study were:

1. Dubai's successful Expo 2020 win had placed UAE at the focal point of global retail revolution, transforming it into an international shopping and tourism destination.
2. In line with Expo 2020 UAE retail industry was expected to grow at a rate of 7% in terms of value from 2015 to 2020, which was much higher than Western Europe and North America (which had a growth rate of 1% and 2% respectively).
3. In a survey by CBRE (Coldwell Banker Richard Ellis) Dubai was considered to be the second most important international retail destination after London. Of the 323 international fashion retailers surveyed, 53.8 percent (174 retailers) had outlets in Dubai.
4. In the preparation for expo 2020 retailers invested heavily in new technologies, talented manpower and innovative strategies such as Omni-channel retailing to meet the challenges posed by changes in consumer's buying behavior, increased disposable income, and competition from international retailers. Omni-channel retailing, provided customers with the convenience to purchase through in-store, online and mobile shopping activities.
5. The expected job openings made professionals migrate from neighboring countries to UAE. A global study by LinkedIn in 2014 which traced talent migration among 300 million members on its network revealed that UAE gained 1.3 percent as a percentage of its total workforce in a 1 year period, dominating the list of 20 nations (which included Canada, Brazil, Switzerland, Saudi Arabia, South Africa, India, Singapore, and Australia among others).
6. In the fierce war for talent companies resorted to poaching the best talent from competitors while retaining their existing top achievers.
7. There was a prominent demand of industry experts and market-savvy leaders for specialized projects, and contract workers for project based workload.
8. Hiring temporary staffs made companies adopt a more cautious approach of 'test and hire', thereby minimizing the chances of "mis-hiring".

Originality

The study highlights that Talent management has become a strategic tool for HR managers to ensure longevity of the organizations. However a well-planned and phased development strategy was required to prevent the price for talent from becoming unduly expensive. Retail companies had to ensure that the new recruits are trained and developed to raise the overall standard of the company's workforce and meet the expectations for expo 2020.

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