

such low wages are high in relation to the potential income at home. The personnel clerk on \$8,000 a year may be able to save and send money home to Bangladesh and his Filipino colleague, who is the personnel officer on \$15,000, will also be able to save, even though these are not high salaries in terms of European or North American standards or even in relation to the expectations of the local citizens. The national head of HR will expect to be paid 15 or more times as much as the clerk.

In most GCC countries labour law requires that employment be offered to local citizens, then to nationals of other GCC countries, then other Arabs and finally to other foreigners. However in states such as the UAE foreigners from south Asia are probably over half the total population. Some of these will have been born in the country and spent their whole lives there. It is not unusual to find three generations of expatriates living and working in many of the GCC countries.

Once employed, it becomes very difficult for expatriate staff to move to other employers because of government restrictions on transfer. Most expatriates are forbidden to change employers and - in the categories of staff allowed to move - the expatriate often has to pay a fee to his sponsor to let him change. It is also difficult to find employment in banks back home for those staff who come from India, Pakistan and other countries where strong trade unions control recruitment and re-employment. Such workers are thus 'trapped' and willingly work for lower salaries than nationals. They will often do all they can to keep their job and are reluctant to share, or increase, knowledge or to move out of a narrow area of expertise. Some who lose their jobs drift into day labour, which is paid less than \$3 a day, or they stay on illegally and risk heavy jail sentences.

These expatriate workers make up 30 per cent of the labour force in Saudi Arabia and over 80 per cent of those in the UAE - probably more than 95 per cent of the workers in the private sector. Having lots of cheap foreign labour was fine when the population of the Gulf States was low, but for three decades the national populations have been expanding at an annual rate of 3 to 4 per cent. Now there is severe unemployment among citizens of many states. Saudi American Bank estimates that youth unemployment in Saudi Arabia is over 15 per cent for males.

There are also high levels of under-employment, particularly in government departments and state-owned organisations. In the days of high government surplus income, creating 'jobs' was a means of passing wealth to the indigenous population; productivity and performance were not required. A UN advisory mission has estimated that over 40 per cent of civil service jobs in some GCC countries are not needed.

Levels of unemployment will rise as, for example in Saudi Arabia, over 100,000 male graduates enter the employment market each year. This has caused governments to impose quotas on employers, particularly banks, to employ a specific percentage of nationals and send back foreign workers. Some job categories are now reserved for nationals - including human resource management in Oman. Oman also insists that banks employ a minimum of 95 per cent Omanis, while the UAE has ordered banks to increase the proportion of nationals by 4 per cent a year. But some banks still only employ 5 per cent citizens. Saudi Arabia has insisted that companies employ a minimum of 10 per cent Saudis. Many banks meet and exceed the targets but all struggle to select the good from the not-so-good performers among the national candidates applying.

Human resource professionals have to deal with these changing demands and supplies of labour and with the social impact of the changes. They have to be adept at dealing with social issues, government regulations, networks of relationships and diversity. The technical abilities in analysing and designing job requirements, selecting most suitable candidates, managing performance, reward and staff development have to be supplemented by change management and persuasion skills. And all the time the organisational objectives, and in the commercial sector profit generation, have to be at the forefront.

Professional societies and organisations such as Saudi Arabia's Arab Society for Human Resource Management, the Bahrain Society for Training and Development and the Dubai Human Resource Management Forum offer support and guidance to HR practitioners in the region. Those who relish a challenge, enjoy having responsibility and are able to mix well with people from widely different backgrounds have a demanding but interesting time in the Middle East.

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At the HR SIG meeting in January, Dr John Mackness, Director of Management Development Division at the Lancaster University Management School (LUMS) spoke about the initial success and future challenges of programmes in Saudi Arabia. LUMS is represented in the Kingdom by SDT.