The Role of Strategic Talent Management (STM) to Enhance Jobs Performances in Oil & Gas Companies in the UAE: A Conceptual Framework

Ibraheem Hasan Thani Al Hammadi, Safiah Sidek, Samer Ali Al-shami

Abstract—Workforce related issues have sustained to fuel the war for talent in Oil & Gas sector, in which the UAE is one of the main players in this industry globally. Most of the local companies are heavily depending on the knowledge and skills of foreign experts for its competitive advantage. In this case, jobs roles localization (Emiratization) has become an imperative and efforts need to be done to lure the local workforce to be part of the local companies. Therefore, there is a need to propose a Strategic Talent Management (STM) so that the local employees can contribute productively to the economic growth of the country. This study aims to address the issues of the shortage of the skilled domestic workforce by proposing a STM practices to enhance job performance among local employees for achieving the competitive advantage of the Oil & Gas companies in the UAE. As the initial stage of the investigation, this paper presents the conceptual framework, highlighting the constructs of the variables to be investigated in this study. Drawn from the analysis of the existing literature, this study is framed by four concepts, which are the STM, job motivation, job retention and job performance. Positioned within a positivist paradigm, eight hypotheses have been formulated in the study. It is expected that the development of the conceptual framework of this study will guide the investigation of the role of strategic talent management that can enhance the job performance of the local employees in the oil and gas companies at the UAE.

Keywords—strategic talent management, job motivation, job retention, job performance, conceptual framework

1. INTRODUCTION

1.1 Human resource in oil and gas industry

In the United Arab Emirates (UAE), Oil & Gas commerce is the most prominent source of the economic evolution where active participation of local workforce contributes positively to both financial growth as well as the productivity of the nation. Since a while, the UAE and the other five Arab Gulf States have made concerted efforts to make the transition into less oil-dependent, and more diversified economies, with varying levels of success (Ewers 2016). With the world’s seventh largest proven crude oil reserves, the UAE is a responsible producer and critical partner in global energy markets (Embassy of The United Arab Emirated 2019). As a mainstay to the economy, oil exports now account for about 25 percent of the UAE’s gross domestic product. Abu Dhabi holds 94 percent of the U.A.E.’s oil reserves, or about 90 billion barrels (2017) which can be found both offshore and onshore (The International Trade Administration 2018).

Nevertheless, the existence of foreign labourers in large numbers in the UAE has many social, political and cultural implications as well as implications on demographics which exceeded all reasonable boundaries when it reached up to 80 percent of the UAE population (Alzaabi 2012). Due to these factors, the UAE is characterised by a heavy dependency on foreign labour and some levels of national unemployment. Besides; Oil & Gas and gas industry in UAE has been facing high employee turnover rate (Harhara, Singh, and Hussain 2015). As oil industry has such a significant role in UAE economy (Alzaabi 2012), the assessment of the impact of the nationalization policy on human capital development is a significant consideration.

According to J. Pegram et al., (Pegram et al. 2018), in the oil & gas industry job role localization becoming an imperative, however, to nationalize job role, it gives big challenges to the industry. S. Hannawi and I. Al Salmi (Hannawi and Salmi 2014) mentioned, UAE faced by morale problems and skill imbalance in the human resource area. Moreover, the oil & gas industry in UAE has been facing a high employee turnover rate (Harhara, Singh, and Hussain 2015; Shamsi et al. 2015). This alters the issues of domestic skill workforce shortage and which require focusing on STM of UAE nationals’ competencies in Oil & Gas industry. A. H. Alkalhaf et al., (Alkalhaf, Zaballero, and Alzahmi 2015) suggested for Oil & Gas organizations to implement a STM utilizing a competency-based approach as an option to close skills gaps within the organisation.

1.2 Strategic talent management in organisation

The shortage of highly skilled and motivated talent in an organization gives big challenges to human resource management globally. The speciality of employees gives the leads for organizations to sustain their marketplace; hence their competitive advantage. Due to that, the development of human capital in organizations should be systematically managed to ensure that employees are developed very well.
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in order to contribute positively to their job performance. To develop a competitive advantage organization, it is important that organizations truly leverage the workforce as a competitive weapon (Cappelli and Keller 2014; Marimuthu, M. Akokiasamy, L., Ismail 2009). Accordingly, it is very logical that company’s strategy determines the competencies that employees should have to help and support successful development. However, there have been very limited works that specifically dealt with the analysis of the relationship between the strategic human resource management on the different competencies developed by individuals in their work (Díaz-Fernández, López-Cabrales, and Valle-Cabrera 2014).

To develop a competitive advantage in organizations, many researchers argue that strategic talent management (STM) is a mechanism to help organizations achieve objectives. This is why many organizations and managers are seeking to develop a talent management strategy (Naulleau 2018). The talent mind-set has helped organizations in recruiting the best talents (Rutledge et al. 2016; Sharma and Bhatnagar 2009). However, talent competencies proved very difficult to incorporate across the institution without significant administrative support and commitment to long-term sustainability (Rutledge et al. 2016). Human capital management can be used to promote the majority of employees' talents through attraction, development, deployment, and retention practices (M. Christina Meyers, van Woerkom, and Dries 2013). In fact, talent management includes a complete set of processes in order to identify, employ and manage individuals to implement business strategy successfully (Tafti, Mahmoudsalemli, and Amir 2017).

Nevertheless, there is a lack of study in the area of human capital competency (Tripathi and Agrawal 2014). A study by M. T. Beamond et al. (Beamond, Farndale, and Härtel 2016) identified generic talents management issues such as difficulties in replicating local tacit knowledge and skill shortages. Currently, the study stressed a lack of effective talent management strategies and particularly empirical research (Beamond, Farndale, and Härtel 2016; Gallardo-Gallardo and Thunnissen 2016; Skuzá, Scullion, and McDonnell 2013; Thunnissen 2016). Furthermore, research on STM has not kept pace with the research on multinational companies (MNCs) (Ahammad et al. 2018). Likewise, it is crucial to understand, analyze and strengthen STM practices in the organizations for sustainable competitive advantage (Schuler and Tarique 2012).

Thus, this paper aims to present a conceptual framework to investigate the role of a strategic management to enhance the job performance of the local employees in oil and gas companies in the UAE. Drawn from the analysis of the existing literature, a conceptual framework consisting of four constructs, namely the strategic talent management, job retention, job motivation and job performance has been developed. The presentation of this paper is organized into four sections. After the introduction section, the second section presents methodology for the conduct of the literature review. This is followed by the third section that presents the literature review, highlighting on the evidence for the selection of the four variables. The fourth section discusses the construction of the conceptual framework and the relevant hypotheses that will be tested. The last section concludes this paper with comments for the limitations and future works.

2. RESEARCH METHOD

To propose a conceptualize STM, the study reviewed the journal articles published between 2014 – 2018. First, the search terms were defined. The keywords used in the search process were 'talent management' and 'human capital'. Second, various academic databases were utilized to identify the journal articles including Scopus and Google Scholar. Third, several criteria were determined and used to filter the articles. With respect to the criteria, abstract of articles were examined to check if they cover one or more of the talent management topics. Fourth, the reference lists of the shortlisted articles were also carefully evaluated to ensure that there were no other articles of relevance which were omitted in the research. Finally, the content of each article was thoroughly reviewed to ensure that the articles fit into the context of talent management. This study has found 170 articles in the field of talent management, however only 23 articles related to the study.

According to the review, the most STM practices is often linked with career development (Alias, Noor, and Hassan 2014; Awang and Farhan 2016; Khilji, Tarique, and Schuler 2015; Lacey and Groves 2014; Pobst 2014; Rabbi 2015; Vnoučková 2016) and mentorship and coaching (Corner 2014; Foster, Ooms, and Marks-Maran 2015; James, Rayner, and Bruno 2015; Lacey and Groves 2014; Pobst 2014; Subramaniam et al. 2015; Vnoučková 2016). Meanwhile, STM also linked to talent attraction and selection (Awang and Farhan 2016; R. Lyria, Namusonge, and Karanja 2017; Maria Christina Meyers and van Woerkom 2014; Rabbi 2015), talent acquisition (Khilji, Tarique, and Schuler 2015; Montgomery and Oladapo 2014; Rudhumbu and Maphosa 2017; Sahay 2014; Wu and Issa 2014; Zhang et al. 2015) and talent recruitment (Cooke, Saini, and Wang 2014; Cui, Khan, and Tarba 2016; Dutta 2014; Pobst 2014). Figure 1 show the STM dimension was cited by authors since the year 2014 - 2018. While, table 1 shows the attributes of dimensions of STM founds from literature reading.

![Figure 1: Strategic Talent Management Cited by Authors](image-url)
Table 1: Dimensions of Strategic Talent Management

<table>
<thead>
<tr>
<th>No.</th>
<th>Talent management practices</th>
<th>Author(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Career development</td>
<td>(Alias, Noor, and Hassan 2014; Awan and Farhan 2016; Khilji, Tarique, and Schuler 2015; Lacey and Groves 2014; Pobst 2014; Rabbi 2015; Vnoučková 2016)</td>
</tr>
<tr>
<td>2.</td>
<td>Talent attraction and selection</td>
<td>(Awan and Farhan 2016; R. Lyria, Namusonge, and Karanja 2017; Maria Christina Meyers and van Woerkom 2014; Rabbi 2015)</td>
</tr>
<tr>
<td>3.</td>
<td>Acquisition</td>
<td>(Khilji, Tarique, and Schuler 2015; Montgomery and Oladapo 2014; Rudhumbu and Maphosa 2017; Sahay 2014; Wu and Issa 2014; Zhang et al. 2015)</td>
</tr>
<tr>
<td>5.</td>
<td>Mentorship and coaching</td>
<td>(Corner 2014; Foster, Ooms, and Marks-Marlan 2015; James, Rayner, and Bruno 2015; Lacey and Groves 2014; Pobst 2014; Subramaniam et al. 2015; Vnoučková 2016)</td>
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3. RESULTS AND DISCUSSION

3.1 Conceptualisation of Strategic Talent Management Practices

Talent management practice within organization is an international human resource strategy that seeks to identify, develop, deploy and retain talented and high potential employees (Dixit and Arrawatia 2018; Mangusbro, Mure, and Nelima 2015). There is little doubt that the area of talent management has become one of fastest growing areas of academic work in the management field over recent decades (Collings, Scullion, and Vaiman 2015; Gelens et al. 2014; Vnoučková 2016) while in contrary the strategic importance of talent management research shows it increasing at a slow rate (Kontogiorghes 2015). Moreover, many articles on talent management are rather descriptive in nature, mostly attempting to define what talent management is, or distinguish it from traditional human resource management practice (Thunnissen, Boselie, and Fruytier 2013). Additionally, many leaders attach great value to talent and talent management, but there are still little known about how and how well talent management really works in practice (Thunnissen 2016).

Among the 170 reviewed journal articles, 23 articles discussed talent management practices as presented in table 1. Eight of these articles simply identified the career development (Alias, Noor, and Hassan 2014; Awan and Farhan 2016; Khilji, Tarique, and Schuler 2015; Lacey and Groves 2014; Pobst 2014; Rabbi 2015; Vnoučková 2016); five articles discussed talent attraction and selection (Awan and Farhan 2016; R. Lyria, Namusonge, and Karanja 2017; Maria Christina Meyers and van Woerkom 2014; Rabbi 2015); six article discussed talent acquisition (Khilji, Tarique, and Schuler 2015; Montgomery and Oladapo 2014; Rudhumbu and Maphosa 2017; Sahay 2014; Wu and Issa 2014; Zhang et al. 2015); four articles discussed talent recruitment (Cooke, Saini, and Wang 2014; Cui, Khan, and Tarba 2016; Dutta 2014; Pobst 2014); and seven articles discussed mentorship and coaching (Corner 2014; Foster, Ooms, and Marks-Marlan 2015; James, Rayner, and Bruno 2015; Lacey and Groves 2014; Pobst 2014; Subramaniam et al. 2015; Vnoučková 2016) as a talent management practice in the organisation.

3.2 Strategic Talent Management and job Performance

STM is required to bridge the gap (Schreuder and Noorman 2019). It is emerged as a result of the efficient recruitment based system (Schreuder and Noorman 2019; Ugwu and Osisioma 2017). According to sub-section 3.1, the study identifies STM practices from past study of talent management. These practices will measure the extent of job performance when the entities apply the practice. It is a core functional unit of an organization to enhance performance (Dixit and Arrawatia 2018). Study by J. Mwanzi et al., (Mwanzi, Wamitu, and Kiama 2017) found that, talent management program was important in organisational growth because of its effectiveness in daily operations in order to determine right talents. Furthermore; a study by M. Mahjoub et al., (Mahjoub et al. 2018) shows the same result of above literature indicates that STM makes company succession and STM practice on recruitment, training and development are directly linked with the job performance in oil sector (Alaraqi 2017). The learning by S. A. N. Tabatabaei and M. Mami (Tabatabaei and Mami 2015) indicated that talent management is the main core of human resource management and the main factor of organizations success where STM are related to job performance. Therefore the study formulate below hypothesis:

H1: STM has significant positive relationship with job performance

3.3 Strategic Talent Management and Job Motivation

Job motivation can be powerful vehicle for learning and development, for maintaining and enhancing employees’ physical and mental health, and for achieving control and flexibility simultaneously (Ashraf 2017; Parker 2014). A study by P. Kumari & P. Bahuguna (Kumari and Bahuguna 2012) and R. Gopal & R. Chowdhury (Gopal and Chowdhury 2014) founds STM practices significantly contribute to job motivation in oil & gas industry in India. Furthermore; these practices have direct impact on employee motivation in the service industry (Hitu and Baroda 2016). Another study by M. Vinodkumar and M. Bhasi (Vinodkumar and Bhasi 2010) found out employers who facilitate with good environment of work such as management safety is also contributing to the job motivation of the employees. S. Antonsen et al., (Antonsen, Skarholt, and Ringstad 2012) argue, if low motivation among employees, it can affect the safety negatively in the oil &

International Journal of Innovative Technology and Exploring Engineering (IJITEE) ISSN: 2278-3075, Volume-8, Issue- 6S4, April 2019

Published By: Blue Eyes Intelligence Engineering & Sciences Publication

Retrieval Number: F11520486S419/19©BEIESP DOI: 10.35940/ijitee.F1152.0486S419

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gas industry. J. Mwanzi et al., (Mwanzi, Wamitu, and Kiama 2017) recommend, company should enhance job motivation towards employees by enhancing talent management programs and therefore; can contribute to organizational growth. Meanwhile, F. Froese (Froese 2012) found out, the workers are motivated for expatriate by international experience and job environment. A case study by S. Shortland (Shortland 2018) found out, women workers are motivated to the STM more than men as they easily accept to have expats assigned for their career development in oil & gas industry where STM are related to job motivation. As a result; the study formulates hypothesis as below:

**H2: STM has significant positive relationship with job motivation**

### 3.4 Strategic Talent Management and Job Retention

Employee turnover is a problem faced in international human resource management at this time. Moreover; the knowledge transfer issue due to the aging workforce and talent crisis is more acute in developed countries as compared to developing countries especially in upstream sector which is suffering the most (Sumbal et al. 2018). As an employer, the STM plays crucial factor in order to ensure employee retain in the company. A. Harhara et al., (Harhara, Singh, and Hussain 2015) stated, organisational environment contributes as a main factor for ensuring employee retention. Furthermore, qualities of training and recruitment strategies increase employee’s retention and reducing turnover of employees (Deery and Jago 2015; Smith, Oczkowski, and Smith 2011). Meanwhile, N. Jefri and N. Daud (Jefri and Daud 2016) propose STM practice in order to retain employees in oil & gas company in Malaysia via work environment, work-life balance, career development along with compensation and benefits. As well a study by J. Mwanzi et al., (Mwanzi, Wamitu, and Kiama 2017) shows that, talent management programs promote high retention rate of employees in the companies. According to C. Osaro (Osaro 2016), STM practice of talent attraction is significantly contributing to job retention of employees and career growth in oil firms. N. Dhanpat et al., (Dhanpat et al. 2019) also found, STM practice (training and development) was the stronger factor for job security that contributed to job retention among workers. Meanwhile, STM practices as a whole were positively related to employee’s retention in Oil & Gas company (Fathany 2011). Hence, the study argues that STM are related to job retention which formulates hypothesis as below:

**H3: STM has significant positive relationship with job retention**

### 3.5 Job Motivation and Job Retention

A study by Y. Mangusho et al., (Mangusho, Murei, and Nelima 2015) found out, competitive salary packages and rewards give motivation to employees to retain in the organisations. Furthermore, M. Sarmad et al., (Sarmad et al. 2016) founds, practical handling of compensation in company motivates employees in order to retain. M. Ahammad et al., (Ahammad et al. 2012) and F. Adzei & R. Atinga (Adzei and Atinga 2012) found out, a financial benefit is a motivational factor that drives the employees to retain in their companies. A study by A. Osibanjo et al., (Osibanjo et al. 2014) founds financial benefits such as compensation packages given by employer provide motivation to employees and contribute to job retention in the company. C. Richardson and H. Wong (Richardson and Wong 2018) found, poor motivation which is disappointment with work has contributed to reducing retention plans among workers. Henceforward, the study argues that job motivation are related to job retention that formulates below hypothesis:

**H4: Job motivation has significant positive relationship with job retention**

### 3.6 Job Retention and Job performance

Talent retention aims to take measures to encourage employees to remain in their organization for maximum period of time (R. K. Lyria, Namusonge, and Karanja 2014). Retaining talented employees is a predicament often faced in fast developing countries due to the highly competitive nature of their business environment (Idris 2012). Oil & Gas industry business leaders who fail to implement adequate talent retention strategies are experiencing reduced profits and sustainability challenges (Nwoye 2017). Job retention is a field of talent management to ensure organizations achieve their objectives. A study by D. Gberevbie (Gberevbie 2010) found out, it is more profitable for organizations to put in place appropriate employee-retention strategies such as good organization’s image, staff participation in decision making, enhancing regular salary packages and humane treatment of employees as strategies for job performance. Meanwhile; another study by M. Chiboiwa et al., (Chiboiwa, Samuel, and Chipunza 2010) found out, poor in managerial system administration such as reward system turn the employees either to quit the job or not contributing to their organizational goals. Hence, the study argues that job retention are related to job performance which formulates below hypothesis:

**H5: Job motivation has significant positive relationship with job performance**
formulates hypothesis as below:

**H6: Job retention has significant positive relationship with job performance**

3.7 Strategic Talent Management, Job Motivation and Job performance

A study by M. Mahjoub et al., (Mahjoub et al. 2018) found that, job motivation mediated relationship between STM and organization performance whereby the result shows that the succession of the projects has been implemented in the industry. G. Ashraf (Ashraf 2017) derived literature of STM and the study conceptualised talent management can give positive impact to the organization performance and mediated by job motivation of employee in the company. Meanwhile, a study by M. Vinodkumar and M. Bhasi (Vinodkumar and Bhasi 2010) found out, job motivation of the workers contributed as a mediator factor between safety management practice and safety performance of the organisation. Therefore; the study formulates the hypothesis as below:

**H7: The association between STM and the job performance is mediated by job motivation**

3.8 Strategic Talent Management, Job Retention and Job performance

In competitive market place, talent retention is a primary driver for organisational success. Study by A. Ali et al., (Ali, Zumrah, and Samah 2017) found an empirical evidence of mediating roles of job retention to STM and organizational citizenship behaviour. Furthermore, F. Aldamoe et al., (Aldamoe, Yazam, and Ahmad 2011) concluded from literature, job retention is likely to mediate in the relationship between STM and job performance. Therefore; the study formulates the hypothesis as below:

**H8: The association between STM and the job performance is mediated by job retention**

3.9 Conceptual Framework

4. CONCLUSIONS

With the world’s seventh largest proven crude oil reserves, the UAE is a responsible producer and an essential partner in global energy markets. Nevertheless; the UAE is categorized by a heavy dependency on foreign labour in Oil & Gas industry with high employee turnover rate which resulted in managing this industry particularly in the area of human resources and talent management with challenges. Moreover; according to the statement of problem, there is real lack of study as STM practices has not been widely researched empirically to present the real impact if expats in critical positions leave the country. Therefore, this study is conceptualised the framework to measuring the level of implementation STM practices in the industry.

This study will contribute to the existing knowledge on talent management by examining how the concept of talent will be understood through STM. What talent management practice is in place? What talent management challenges might be confronting Oil & Gas companies in UAE through the view of non-HR managers? The most important part of this study is arguing about the existence of correlations between talent management and organizations performance. The link between talent management and organization performance has been proven as it significantly contributes to the existing theoretical and practical gaps (Lepak & Shaw, 2008; Tarique & Schuler, 2010; Bethke-Langenegger et al., 2011; Holden & Vaiman, 2013). The positive relationships between well-developed talent management and company performance confirm the relevance of talent management implementation (Latukha, 2014).

Thus, case study research is recommended to validate the conceptual framework in the oil & gas industry. This will also allow for testing the research hypotheses as formulated.

ACKNOWLEDGEMENT

The authors would like to express their gratitude to the Universiti Teknikal Malaysia Melaka for the assistance and support in this publication.

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