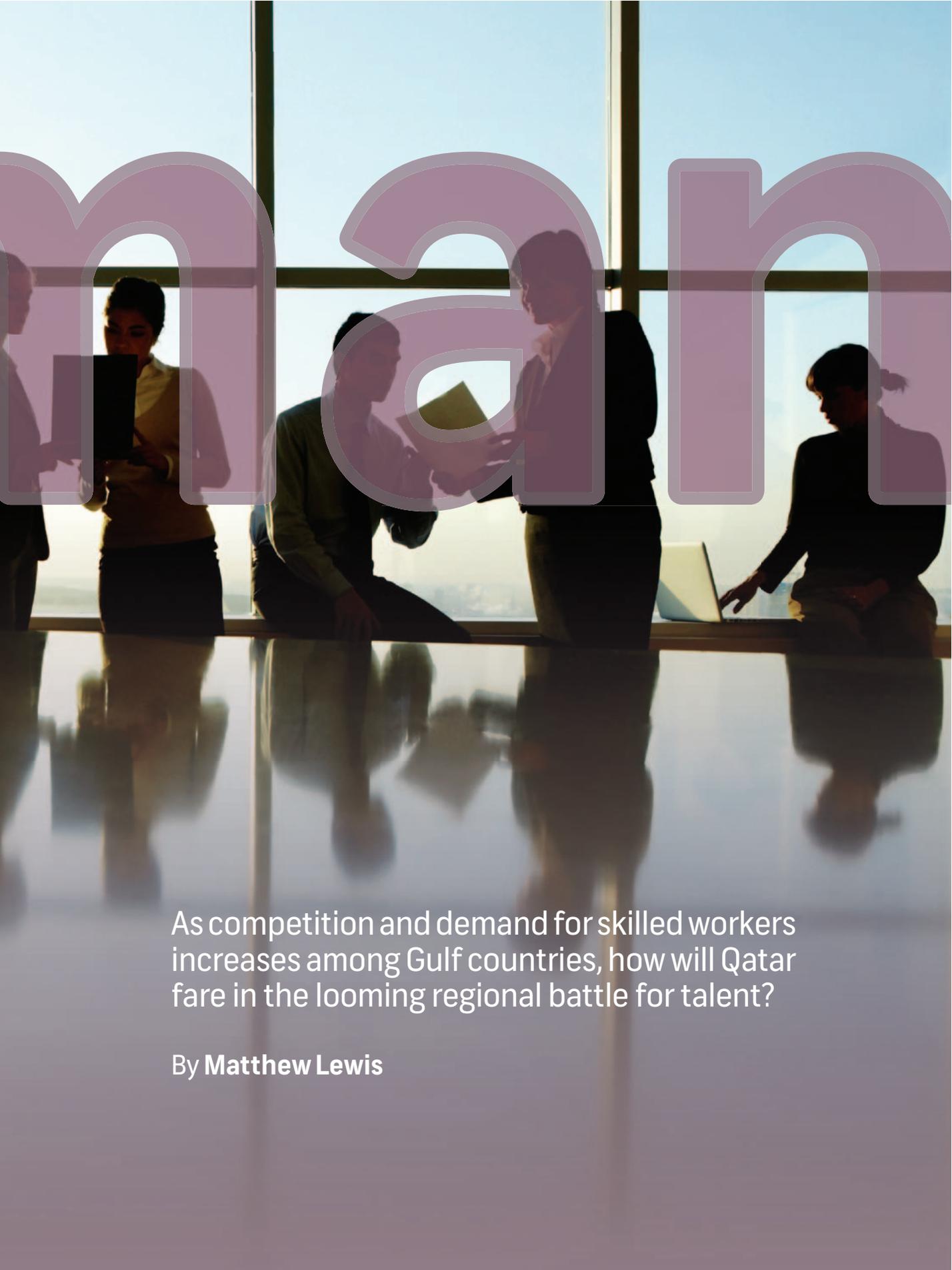




# Human

# Capital

# man

The image features a background of silhouetted business professionals in a modern office environment. The scene is lit from behind, creating a strong backlight effect. In the foreground, large, stylized purple letters spell out the word 'man'. The letters have a white outline and a semi-transparent purple fill. The background shows several people in business attire: one person on the left is looking at a tablet, two people in the center are looking at a laptop, and another person on the right is also working on a laptop. The floor is highly reflective, mirroring the silhouettes of the people and the large letters.

As competition and demand for skilled workers increases among Gulf countries, how will Qatar fare in the looming regional battle for talent?

By **Matthew Lewis**

During the economic crisis – and with the awarding of the 2022 FIFA World Cup – the appeal of Qatar for global job seekers rose, just as projects and jobs elsewhere in the Gulf began to disappear. But as business confidence is now back in countries such as the United Arab Emirates, demand for human capital is returning. Will this spur a regional recruitment war, asks **Matthew Lewis**, and if so how will Qatar attract and retain much needed talent?

**R**egionally, nobody doubts that Qatar has the vision, willpower and financial and political clout to deliver on its ambitions. However, one part of the equation less discussed is how will Qatar attract, recruit, retain, house and school the significant numbers and requisite calibre of highly talented people required to deliver on that vision.

An added dimension of complexity is that many of the soon-to-be-booming sectors in Qatar require expertise that was not previously needed. Excellence in sports, medicine, education, food security and transportation infrastructure are not arenas that the Gulf has previously excelled in or developed local talent in.

Moreover, the traditional sectors of the economy such as hydrocarbons, security, trade and government do not nearly develop the requisite specialist knowledge and expertise in the numbers that the future Qatar economy will depend on. In addition to this mismatch, the numbers of graduates from both domestic and international universities will arguably not enter the market fast enough or at a senior enough level to impact on the country's development plans, as per its National Vision 2030 and beyond.

But there may be one issue that is key above all others: Qatar's neighbours. Attracting specialist skills and experience into the Qatari economy is an already formidable challenge that could be compounded by a resurgent broader Gulf market economy, driving demand for human resources again in other expanding markets, such as Saudi Arabia and the United Arab Emirates (UAE).

A great example is the railways sector. Not since colonial times has there been a regional need for expertise in what is essentially – despite advances in technology – arguably now a traditional industry, and a shrinking sector for many decades in developed countries. Most of these economies have long built their rail infrastructure, and the expertise in this respect historically was located in the Europe or North America.

Now major economies in the Gulf require this critical infrastructure. The expertise that used to exist in abundance is in short supply and thus is in high demand and at high cost. A similar scenario can be said to exist in healthcare and education, as well as food security and production, which are all just coming to the fore regionally. Securing the right people in sufficient numbers at the right time for Qatar in all of these sectors will be dependent on Qatar's ability to attract talent ahead of neighbouring Gulf states.

### What are expatriates looking for?

What do expatriates consider when making a commitment to move to the other side of the world? Tax-free salaries are common across the Gulf, so there is no competitive edge there to be gained for

Qatar. Very often it is the other elements of a job offer or location that can make the difference:

- The availability, quality and affordability of accommodation is a key consideration and a lack of supply in the Qatari market is compounding already inflated prices. This can put pressure on housing allowances and could make Qatar less attractive.
- The availability and cost of high-quality education is another concern. School places are already in short supply and a long waiting list the norm. This may discourage families from moving, meaning they may take a shorter-term view on Qatar.
- The cost and overall standard of living is a major factor, especially when someone maybe moving to the region for the first time. Qatar scores highly on quality of life, but perhaps less so on cost of living, recreational facilities and things to do, both for single people and families.

According to Qatar Statistics Authority's data for 2012, Qataris form only six percent of the country's total employed population of 1,341,193. This is compared to 1,258,380 expatriates who fill the remaining 94 percent of the job pool. So while Qatar has managed to avoid any boom and bust cycles, a tiny Qatari population, with around 80,000 in employment, means that Qatar could need more than 500,000 professionals, workers and consultants over the coming years to ensure a successful 2022 World Cup and create the diversified economy and thriving nation it is striving to become.

### Lessons to be learned

When it comes to rapid development – and emerging challenges, failures and success and parallels – Dubai in the UAE is the obvious example of a nearby location from where real lessons can be learned for Qatar.

Dubai grew dramatically and explosively from 2004 to late 2008. In 2007, at the peak of its rise, 15,000 professionals were moving into Dubai from all over the world every month for more than a year. Thus the UAE faced major labour and people issues. The city-state had to rapidly revise and revamp its labour law from 1982 and adapt and react to allow a free market economy for

# 94%

*Of the employed workers in Qatar are expatriates.*

## Attracting specialist skills and experience into the Qatari economy is an already formidable challenge compounded by regional competition.



*Qataris form six percent of the country's employed population filling approximately 82,000 out of more than 1,333,426 jobs in 2012, according to the Qatar Statistics Authority. (Image Arabian Eye)*

its most critically needed and fluid resource – human capital. Until 2007, a six-month ban on people changing jobs still existed.

However, the establishment of free zones effectively made this ruling largely redundant, so it was dropped. This allowed people in the country to move much more freely and choose where and whom to work for. It forced employers to work harder and smarter to attract and retain staff. Human resources (HR) became a 'strategic function' and top-level talent and human capital were traded in with a reference akin to gold and pearls.

This was not necessarily a bad thing for those being recruited, though it had a detrimental impact overall. Salaries rose rapidly, as did property prices and inflation moved into double digits. Newcomers and existing staff in Dubai began expecting and demanding 20 percent annual pay rises to move or stay, and they got it, and more. Greed took over and hiring became ruthless and mercenary.

Senior executives around the globe were promised amazing career opportunities in companies and projects that a year earlier did not even exist. For all of the good intentions, and good hires, some mistakes were made, much money was wasted – and Dubai also attracted some dubious people best rather forgotten. What it did mean for Dubai though, is that the vision that was promised and planned largely was delivered.

### Tips for HR managers and employers

- Understand the career and personal needs of your current and potential employees.
- Look to retain staff for the right reasons and not out of fear of not being able to find other employment.
- Ensure that current staff have personal development plans, regular appraisals and are being developed to their highest potential.
- Pay, benefits and long-term incentive plans are all critical but equally important is someone's ability to develop their careers and commit to Qatar for the long term.
- When hiring from outside the country, be honest and transparent about current regional and local labour laws and practices, and paint a realistic picture about earning potential, cost and living standards.

Despite the global financial crisis, or in fact due to it, many expatriates decided to make Dubai their permanent home and take a long-term view by purchasing property, setting up businesses and schooling their children, many of whom will ostensibly grow up to remain in the only home they have ever known.

### What next for Qatar?

If inward immigration at Doha airport is a measure of economic prosperity, it is boom time already. Tellingly, numerous flights into Doha on a Sunday morning and leaving on Thursday are packed with suitcase bankers, consultants and commuting workers and the traffic continues to worsen. This would suggest that the demand for the skills and expertise required in Qatar is not available in sufficient numbers within the country or indeed within the Gulf region.

However, Qatar also features many positives for for local recruiters:

- Major projects such as Hamad International Airport will assist with access into the country and allow Qatar Airways to expand at a pace and attract international employees.
- Qatar is developing a high-end tourism market with high quality hotels and restaurants on a par with the best in the world.
- The real estate sector is booming and has already attracted many gulf expatriates. The Pearl and the Lusail projects will become fantastic luxury developments in which to live.
- Local entities such as Qatar Airways and Qatar Foundation are fast becoming globally recognised brands and world-class organisations.
- Domestic development in culture, retail, sports, education and healthcare make Qatar a very

## Number of employed workers in Qatar in 2012

Agriculture, forestry and fishing	18,014
Mining and quarrying	83,065
Manufacturing	102,511
Electricity, gas, steam and air conditioning supply	7,665
Water supply, sewerage, waste management and remediation activities	1,271
Construction	496,967
Wholesale and retail trade; repair of motor vehicles and motorcycles	167,022
Transportation and storage	37,732
Accommodation and food service activities	32,084
Information and communication	11,417
Financial and insurance activities	11,277
Real estate activities	9,093
Professional, scientific and technical activities	24,970
Administrative and support service activities	41,234
Public administration and defence; compulsory social security	81,419
Education	30,087
Human health and social work activities	23,293
Arts, entertainment and recreation	7,746
Other service activities	4,975
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	139,904
Activities of extraterritorial organisations and bodies	1,680
<b>Total</b>	<b>1,333,426</b>

appealing place to carve out a career.

- The growing social infrastructure developments in Qatar provide opportunity for individuals to accelerate their career and work alongside bright, educated Qataris in rapidly growing and dynamic companies.

As long as the prospects, opportunity and income exist, people will come. But how will this evolve for Qatar as it faces a similar conundrum? How does Qatar fulfil all of its potential and ambitious plans, whilst still retaining its charm and heritage? How does Qatar learn from – and compete with – its Gulf neighbours and develop its own centres of excellence? And do all of this in the context of a reliance on historic visa, passport and labour law practices designed for a different pace of development in another era? To attract the best human capital in sufficient numbers and retain them beyond their initial employment, there needs to be a system of modern labour practices that allows people to be confident in the long-term aspirations of the country and to support them and their families.

For example, for how much longer will the two-year employment ban continue, especially considering that countries competing for top calibre recruits, such as the UAE and Bahrain, no longer perform this practice?

Free movement of labour and talent does not always come at a great price, but is more of a great return on investment in the talent that a company or country has already invested in attracting, which then remains with the country

and continues to add value to the economy.

This is where Qatar can excel and provide attractive long-term career and living prospects to a regionally or globally mobile workforce. **e**



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