

# 2022 CEEMEA Inflation and Rewards Actions Survey

UAE

October 2022



# Executive summary

Concerns about possible global recession coupled with tight labour market and inflationary pressures in some economies led us to conduct a recent *pay response* survey across CEEMEA.

The highlights for the UAE are based on 35 participating organisations operating in the emirates, and include:

Business performance in 2022 will be better or remain the same as in 2021 with one third of the organisations expected further growth in 2023.

The median employee attrition stands at around 6.5%. While vast majority see their attrition levels in line with the market, there are segments of talent that are reportedly more difficult to attract and retain than others – most notably digital talent and sales staff.

Companies increasingly reach to alternative approaches to enhance the chance to attract and retain the right talent, including increased workplace flexibility as well as retention bonuses.

This study provide insights on the how organisation in the UAE see and approach current challenges related to attraction, retention and related pay management.

# About the survey & Participants Profile



**35**

Respondents completed the survey for the UAE



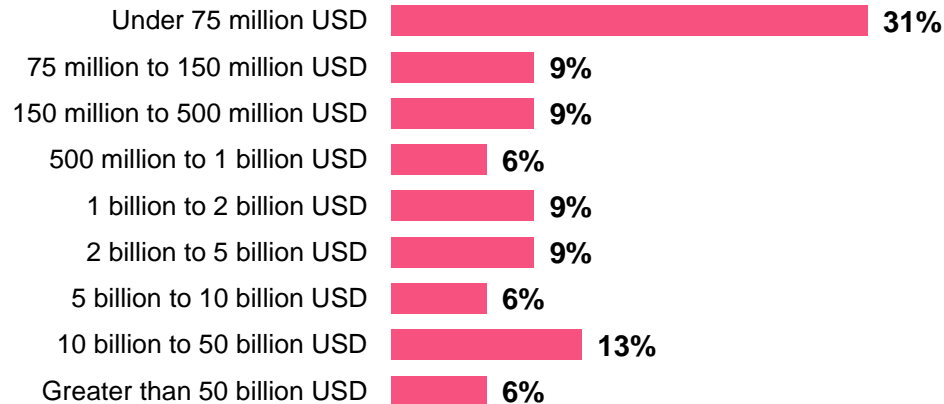
Local company / group

31%

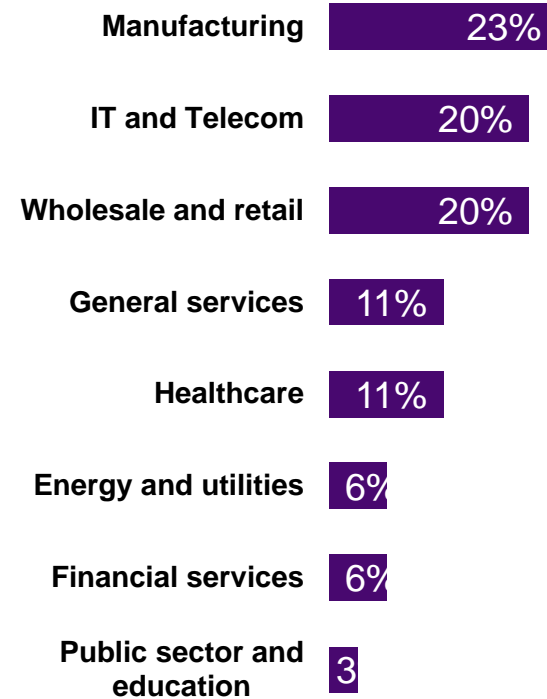
Subsidiary of international company

69%

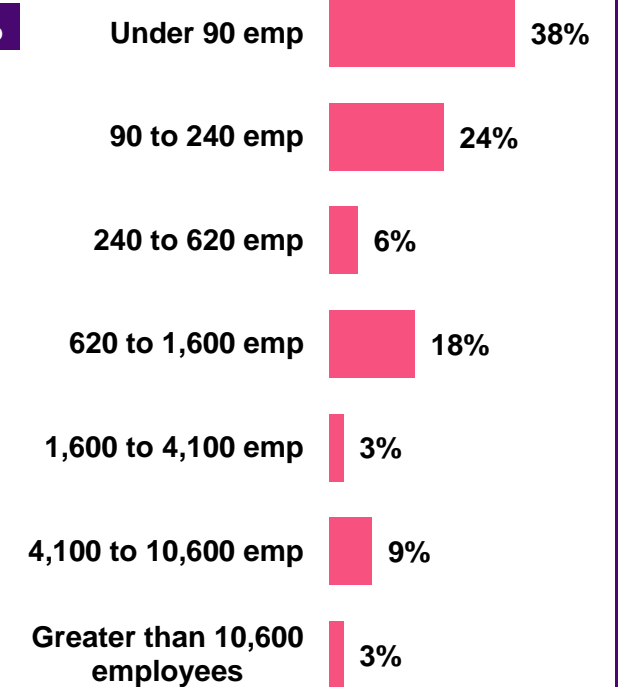
## Annual revenue in 2021



## Participants' Industry Split



## Participants' FTE Split

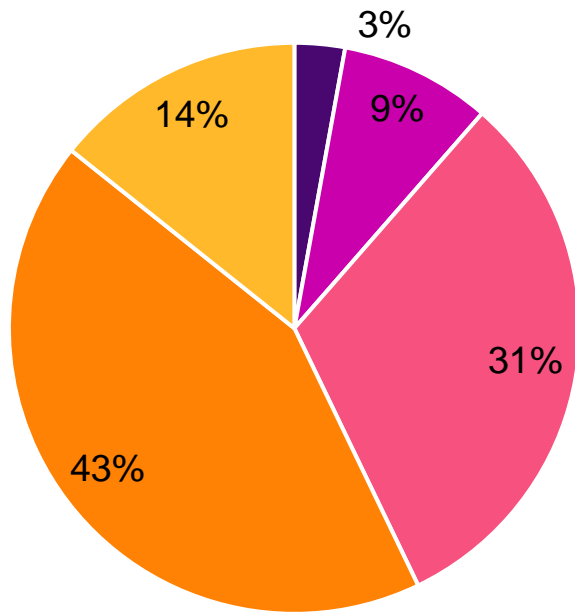


**66%** have a long-term incentive (LTI) plan

Source: 2022 CEEMEA Inflation and Rewards Actions Survey, UAE; note: percentages may not add up to 100% due to rounding

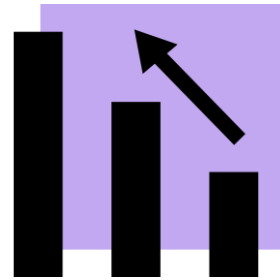
# Nearly half of organizations increased recruitment since the start of the year, with about 50% organizations expecting 2022 performance to be better than 2021.

By end 2022, where will you expect your company performance to be vs. last year's results?



- Substantially below last year
- Slightly below last year
- About the same as last year
- Slightly above last year
- Substantially above last year

Compared to the start of the year, has the hiring/recruitment activity at your company...



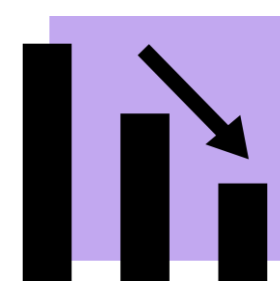
**47%**  
Increased



**44%**  
Stayed the same



**3%**  
Decreased for  
some job roles

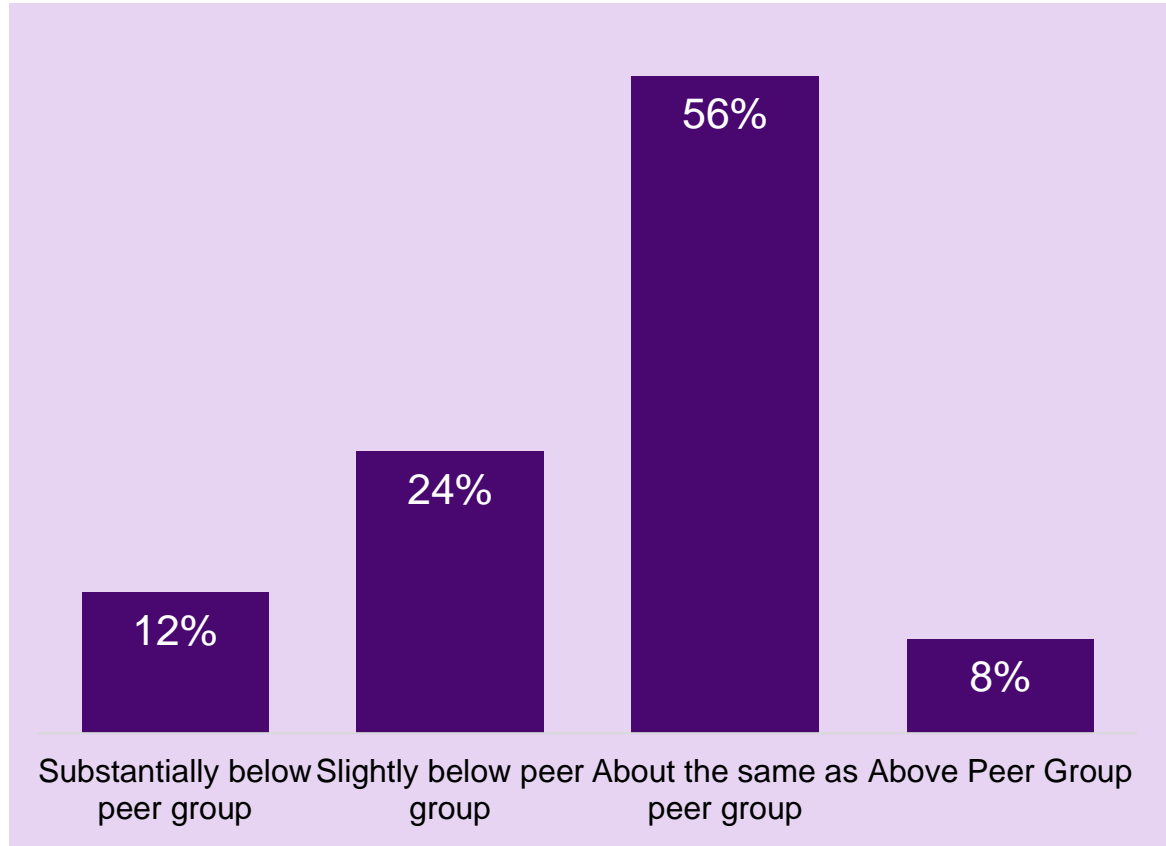


**6%**  
Decreased  
across the board

Source: 2022 CEEMEA Inflation and Rewards Actions Survey, UAE

# In general, participants in UAE do not see attrition as an issue & plan to maintain the current headcount.

How would you consider your company attrition rate within your industry?



**The typical overall attrition rate is about 6.5% at the median**

Is your company planning to add, reduce or maintain headcount in the next 12 months?

Add significantly

0%

Add



Maintain



Reduce

0%

Reduce significantly

0%

Source: 2022 CEEMEA Inflation and Rewards Actions Survey, UAE; note: "Don't know" removed

Four out of five organizations conduct exit interviews prior to the employees leaving.



**85%**

**Yes**

Does your company  
conduct **exit  
interviews** prior to  
the employees  
leaving?



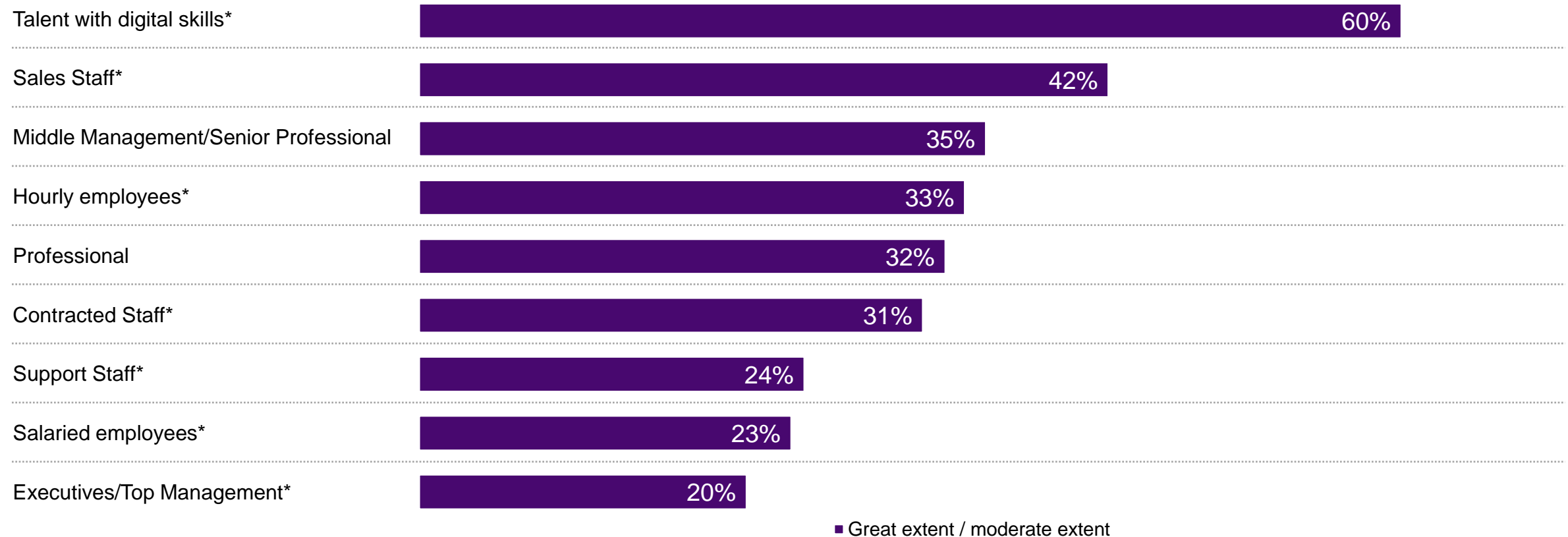
**15%**

**No**

Source: 2022 CEEMEA Inflation and Rewards Actions Survey, UAE

# Organizations are more likely to experience problems attracting or retaining talent with digital skills and sales staff.

To what extent is your organisation currently experiencing problems attracting or retaining employees in the following groups?

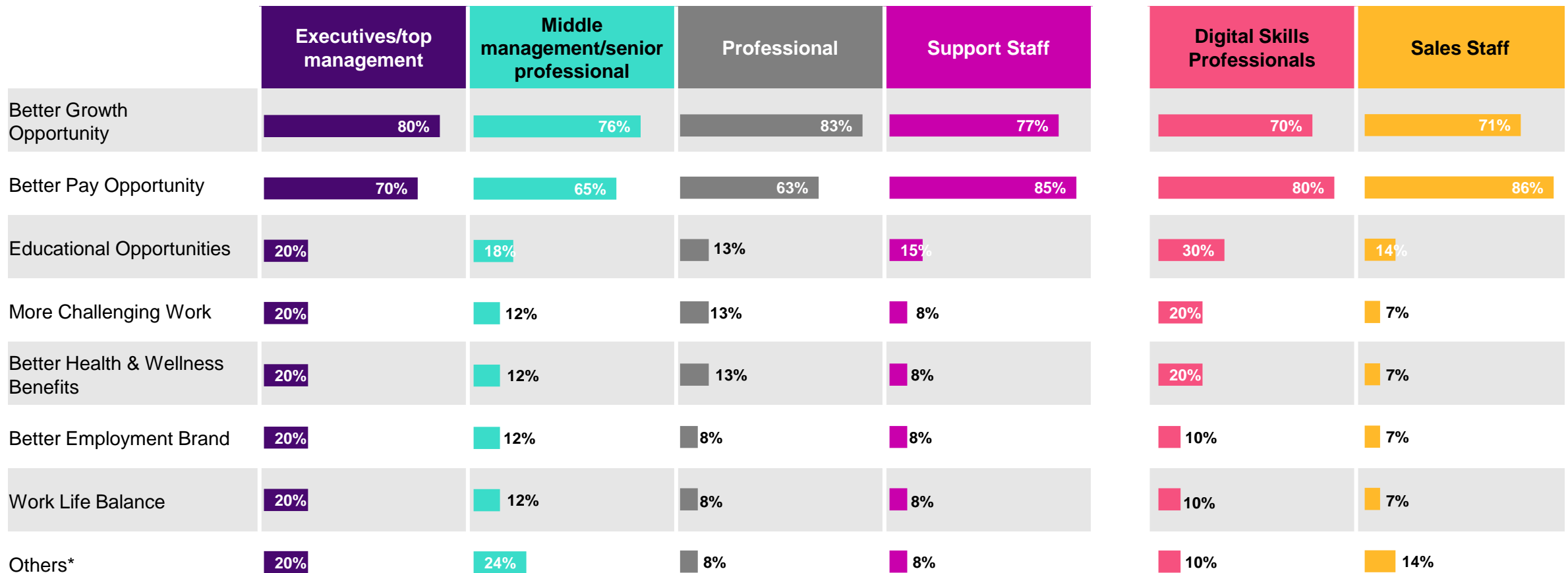


Source: 2022 CEEMEA Inflation and Rewards Actions Survey, UAE

\* (n> 12 but less than 25)

# Better growth opportunity and better pay opportunity are the most commonly cited reasons employees leave.

What is(are) employee's main reason(s) for leaving your organisation over past 6 months?\*



\*Others Include Relationship with Manager, More Job Stability & Security & Better Retirement Benefits

(n > 10 but less than 25)

Source: 2022 CEEMEA Inflation and Rewards Actions Survey, UAE

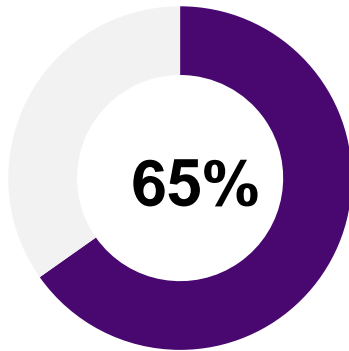


# Firms are using a wide range of compensation tools & activities to attract and retain talent.

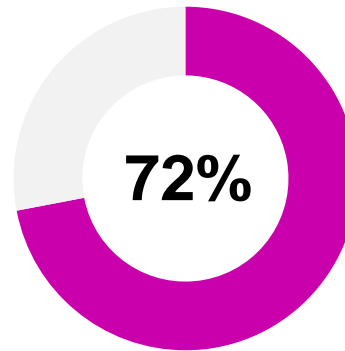
What informal actions do managers at your organisation take to address the attraction, retention of these employee segments in their department?



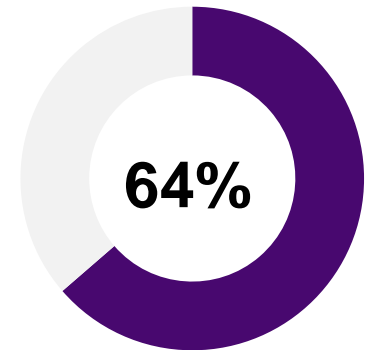
Hiring people high in the relevant salary range\*



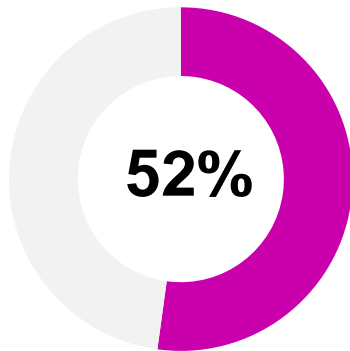
Increased workplace flexibility



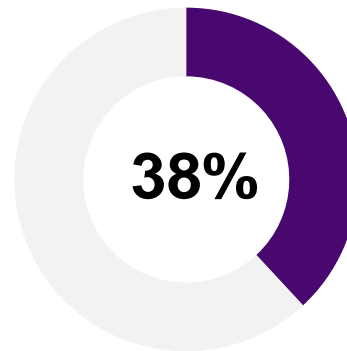
Increased/targeted use of training opportunities\*



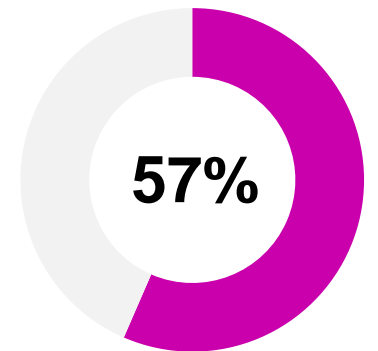
Use of retention bonuses\*



Sign-on bonuses\*



Use of spot rewards\*

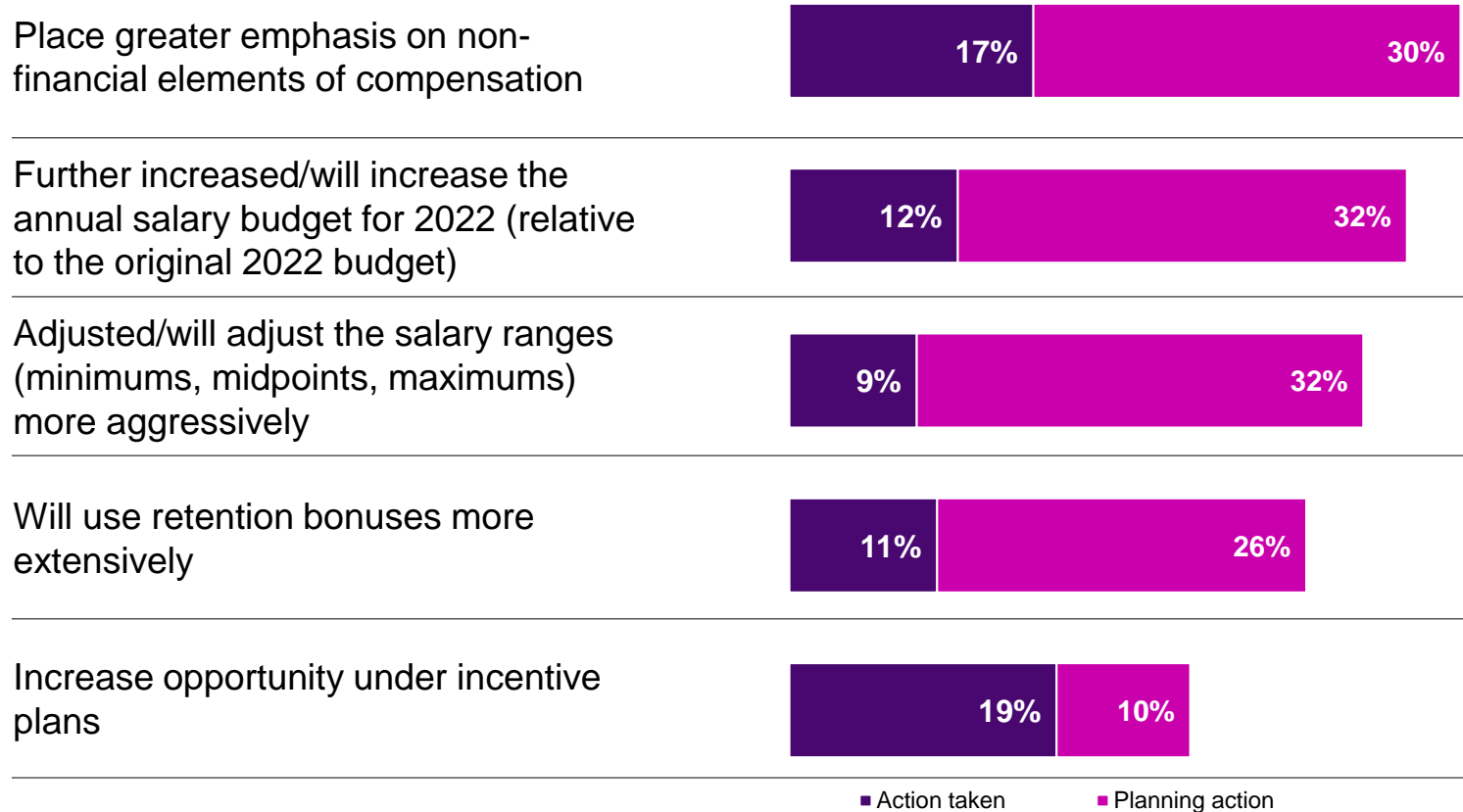


\* (n> 20 but less than 25)

Source: 2022 CEEMEA Inflation and Rewards Actions Survey, UAE; Note: percentages indicate "taking action"

# Organizations are increasing conventional compensation tools along with non-financial elements to improve competitiveness.

What approaches are you taking to address the impact of the competitive labor market and inflationary pressures on compensation management?\*



## Other Options for Considerations..

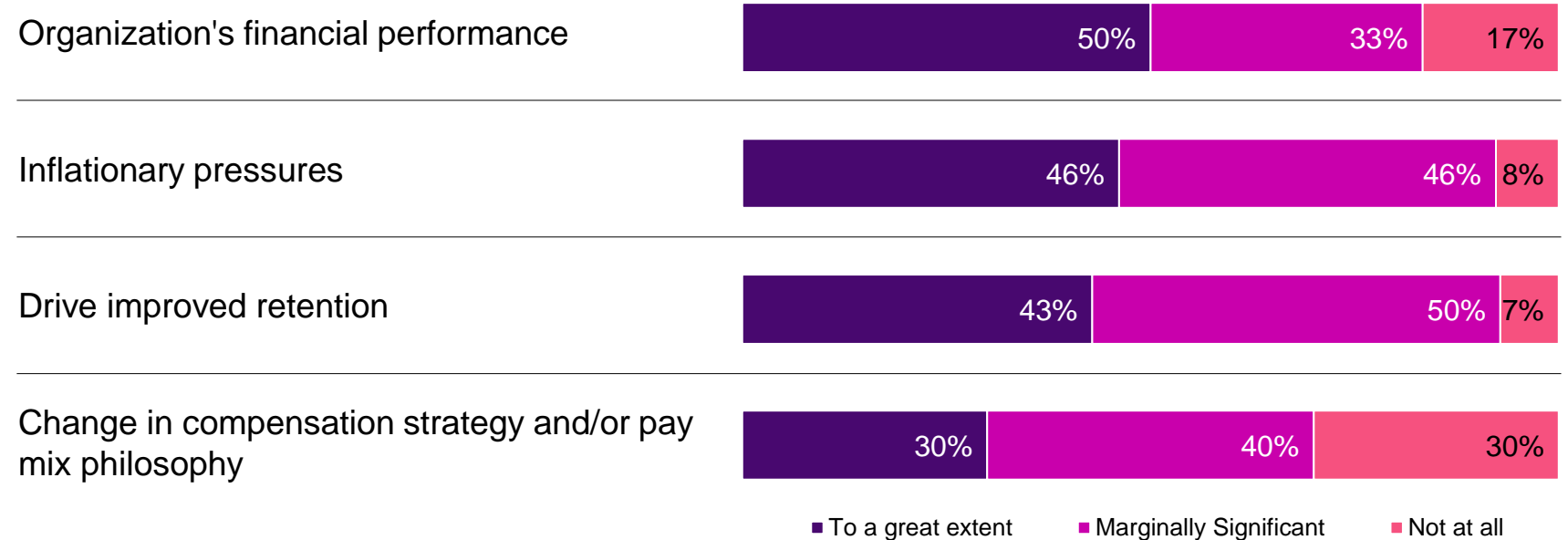
- Greater use of variable compensation
- Offer one-off Cash Payments
- Increase Salary on Targeted basis
- Budgeted/will budget additional funds to make salary adjustments throughout the year on an as-needed basis
- Further increased/will increase the annual salary budget for 2022

Source: 2022 CEEMEA Inflation and Rewards Actions Survey, UAE.

\* (n> 10 but less than 25)

# One third of organisation recently updated their compensation strategy & philosophy, thereby triggering salary increases.

To what extent are the following **primary reasons** for budgeting for salary increases?\*



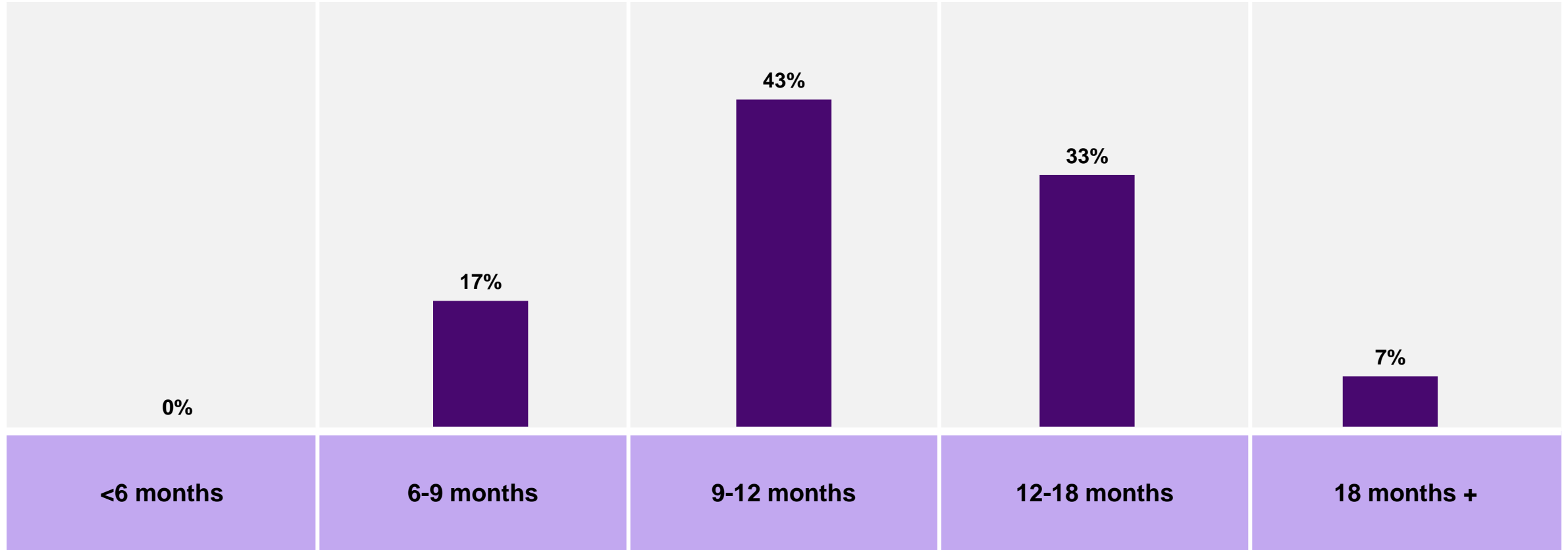
Note: Based on respondents shown on page 13 that have budgeted or plan to budget for salary increases (i.e. increase the focal annual salary budget, budget additional funds to make salary adjustments throughout the year on an as-needed basis, deliver salary adjustments more frequently, adjust salary ranges more aggressively, increase salary on a targeted basis)

\* (n> 9 but less than 25)

Source: 2022 CEEMEA Inflation and Rewards Actions Survey, UAE

# Most of respondents do not expect any changes to the current level of inflation in the coming months.

How long do you expect the period of current inflation levels to last?

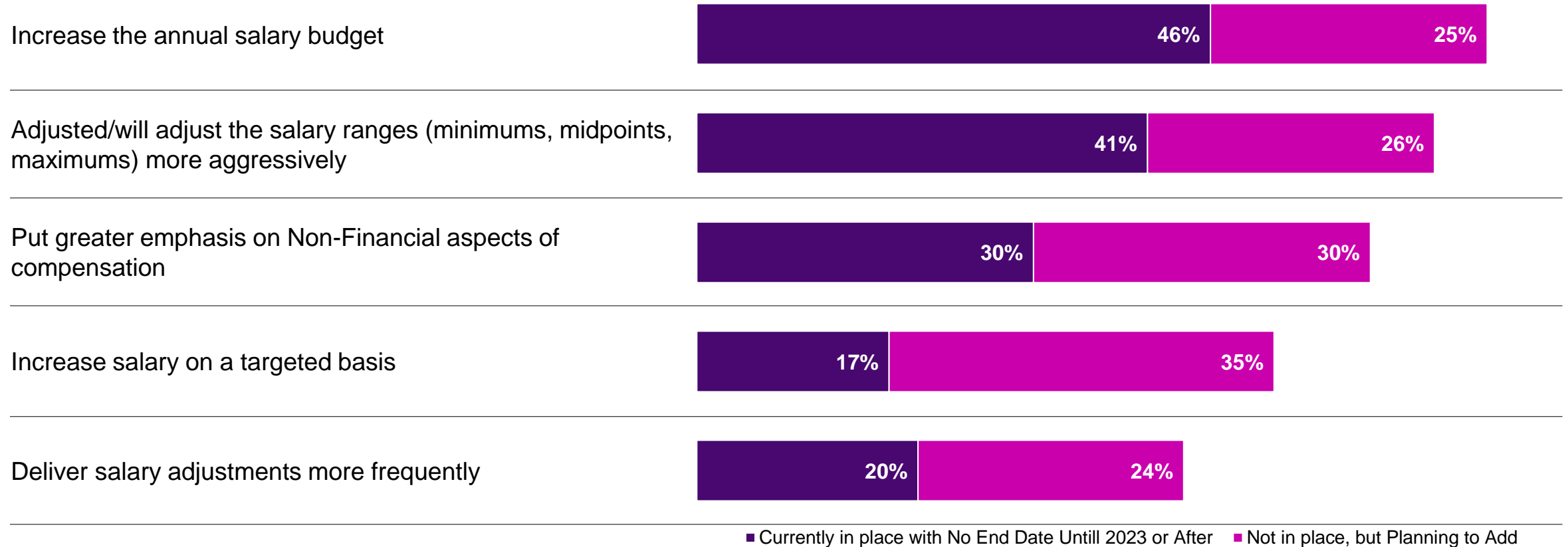


Response as collected as of September 2022

Source: 2022 CEEMEA Inflation and Rewards Actions Survey, UAE; note: percentages may not add up to 100% due to rounding

# Changes introduced to pay management in 2022 are expected to last beyond 2023.

**Do you anticipate these changes to be temporary or are you considering implementing these programs for 2023 and beyond?**



\* (n> 21 but less than 25)

Source: 2022 CEEMEA Inflation and Rewards Actions Survey, UAE

# Most organizations already had pre-existing policies on common allowances. While some updates are taking place, no significant changes is observed.

If your company has (temporarily) planned to / introduced new / reviewed existing allowance(s) in the context of addressing the impact of the competitive labor market and inflationary pressures on compensation management, which allowance(s) has/have been or will be introduced / affected?



	Pre-existing Policy	Planning to / Newly Introduced in 2022	Planning to / reviewed existing in 2022	Planning to introduce / review in 2023
Children's Education	64%	11%	6%	24%
Mobile Phone	64%	0%	0%	0%
Transportation	64%	22%	0%	12%
Housing	60%	10%	7%	12%
Remote/Home Working**	48%	15%	8%	12%
Company Car Benefits	32%	0%	0%	8%
Consolidated*	24%	0%	0%	4%
Cost of Living	20%	5%	0%	4%

\*The consolidated allowance provided on top of basic salary

\*\*This is an allowance provided by the company to support employees with home/remote working

Due to limited sample of participants, the prevalence % of existing allowances may differ from other WTW's surveys

Source: 2022 CEEMEA Inflation and Rewards Actions Survey, UAE

# Actions companies to consider.



## Refine and enhance the organization's reward philosophy

Revisit reward levers and determine the purpose and eligibility of each within the context of the broader career and employee experience



## Optimize reward spend

Conduct Total Rewards  
Prioritization/Optimization exercise to define optimal reward spend and increase employee retention and attraction



## Review market data and update salary structures

Analyze pay relative to market, also confirming areas of pay pressure (hot in demand roles) and determine where salary structure ranges have not kept pace with actual pay increases



## Enhance manager capability and accountability in work and rewards decisions

Educate managers on the full set of monetary and non-monetary programs to enable their autonomy in driving talent retention

Source: 2022 CEEMEA Inflation and Rewards Actions Survey, UAE



Thank you