



PROCAPITA_{MENA}

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Executive Summary

Semi-annual Report (2021-2020)

Recruitment and HR Trends in Kuwait

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CEO Message



PROCAPITA Management Consulting launched its semi-annual report on the Recruitment and HR Trends in Kuwait for the year 2020-2021 in light of the consequences of the Corona pandemic. The report sheds light on the latest HR insights and recruitment trends 2020-2021, employment trends; and was developed primarily by **PROCAPITA Management Consulting** using our internal database and in collaboration with **ZENITHR**, our strategic partner, and our subsidiary "**SANAD Business Solution**", which specializes in providing consultancy and professional services for small and medium sized enterprises (SME).

Due to the new trends and increasing movements amongst the highly competent expatriate leaders and professionals working in Kuwait, which was communicated to PROCAPITA's Recruitment Advisory, we have conducted a questionnaire aimed at identifying the main reasons for leaving their current jobs and seeking opportunities outside Kuwait. In addition, **PROCAPITA** developed a second questionnaire addressing the opinions of SMEs' owners and business entrepreneurs on the extent to which their businesses have been affected by the pandemic and their future plans to maintain and grow their businesses.

This report reflected the continuous increased risk of structural imbalances in the Kuwaiti labor market, which will have implications on the labor market, especially the private sector, including impacts on inflation, unemployment, business competitiveness, business environment, investment attraction, and many other factors.






We hope that the insights and analytics presented in this report provide value-added information that contributes to making the right decisions and improving businesses.

Mohammad Abu Al Rob

Chief Executive officer - PROCAPITA



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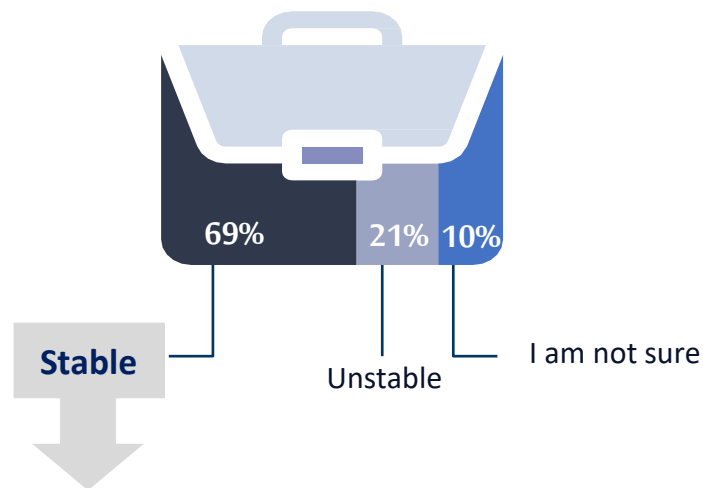
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1. Survey Results of Highly Competent Expatriate Leaders And Professionals

- 69% of the participants confirmed that they are stable in their current job, while 21% expressed job instability.
- 60% of the participants have plans to leave their current jobs and move to another country due to restrictions and regulations imposed as a result of the impact of the Covid-19 pandemic and the instability of the Kuwaiti market.

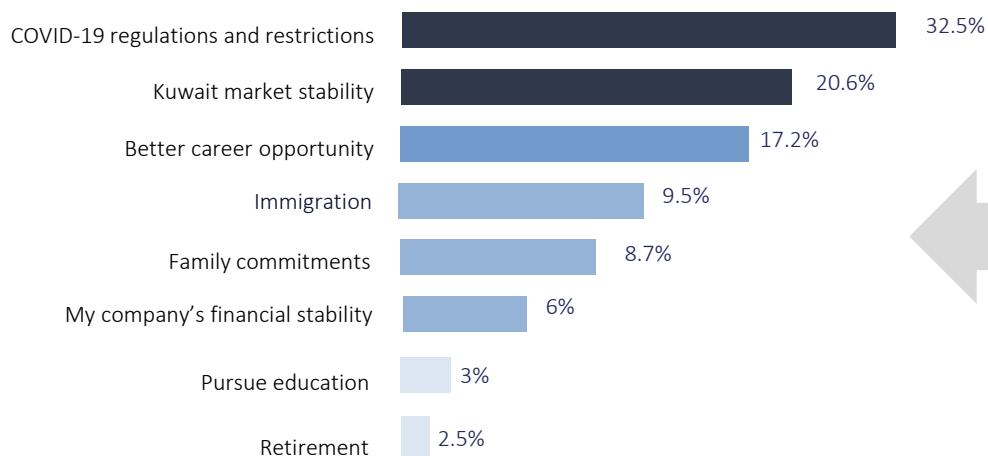
1. What is the level of stability that you have in your current job in Kuwait?



2. Do you have any plans to leave your current job location in Kuwait and move to another country?

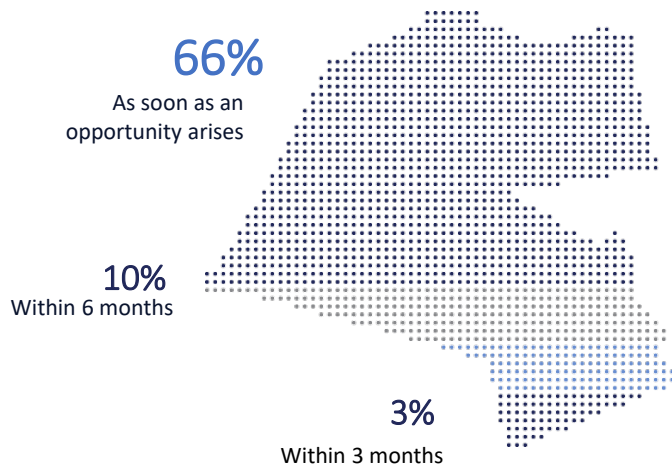


3. Reasons for leaving Kuwait

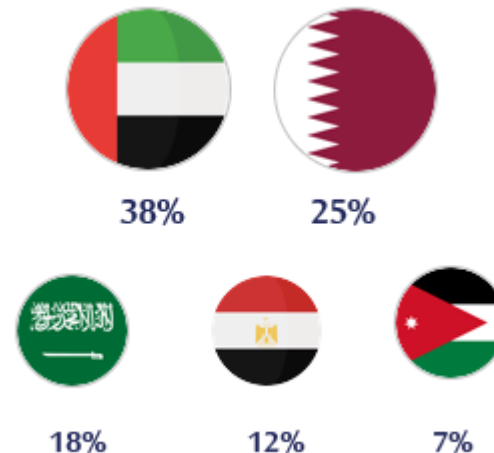


- 66% of the participants planning to leave the country as soon as they get a suitable job opportunity.
- The UAE ranked first in preferred job destinations with 38%, followed by Qatar with 25%.

When are you planning to leave Kuwait?



Preferred job destination





2. Survey Results of SMEs Owners

- Regarding the restrictions and the official procedures related to Covid-19 pandemic, **79%** of SME owners expressed their **dissatisfaction with the impact of the restrictions, official procedures, incentive plans, and financial support programs** provided to them compared to the official procedures offered in the neighboring countries.
- **76%** of SME owners **did not benefit from the incentive plans and financial support packages** provided to them in light of the Covid-19 pandemic.

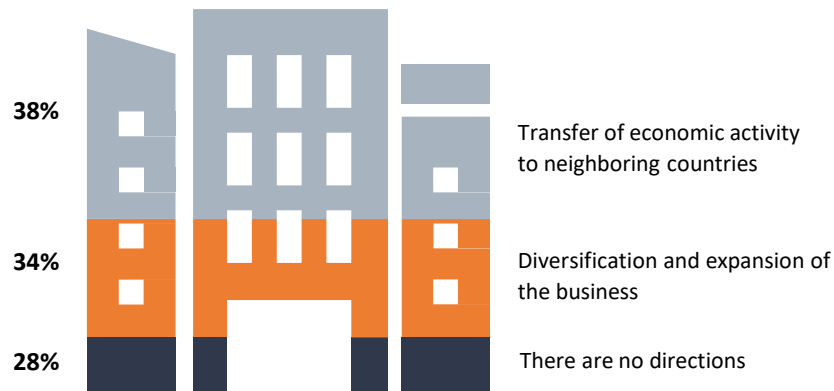
Have you benefited from the incentive plans and financial support packages?

No 76%

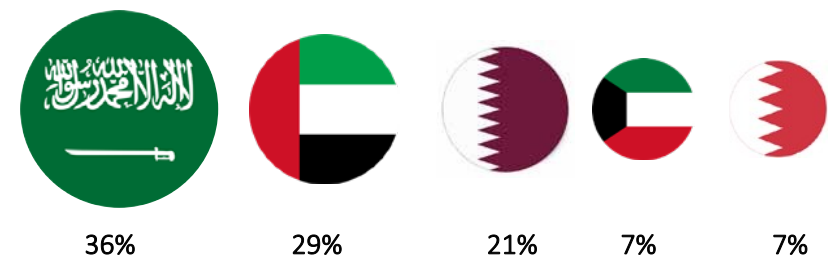
Yes 24%

- 38% of SME owners expressed their desire to transfer their businesses and activities to neighboring countries in case the level of support provided remains the same, while 34% of them look forward to working on diversifying and expanding their business fields.
- In creating a supportive environment for businesses and small and medium enterprises, Saudi Arabia ranked first with 36% among other Gulf countries, followed by the United Arab Emirates with 29%, Qatar third with 21%, while Kuwait and Bahrain ranked last.

Future directions to support Business continuity



Which countries have been at the forefront of creating a supportive environment for businesses and small enterprises under the COVID-19 pandemic.

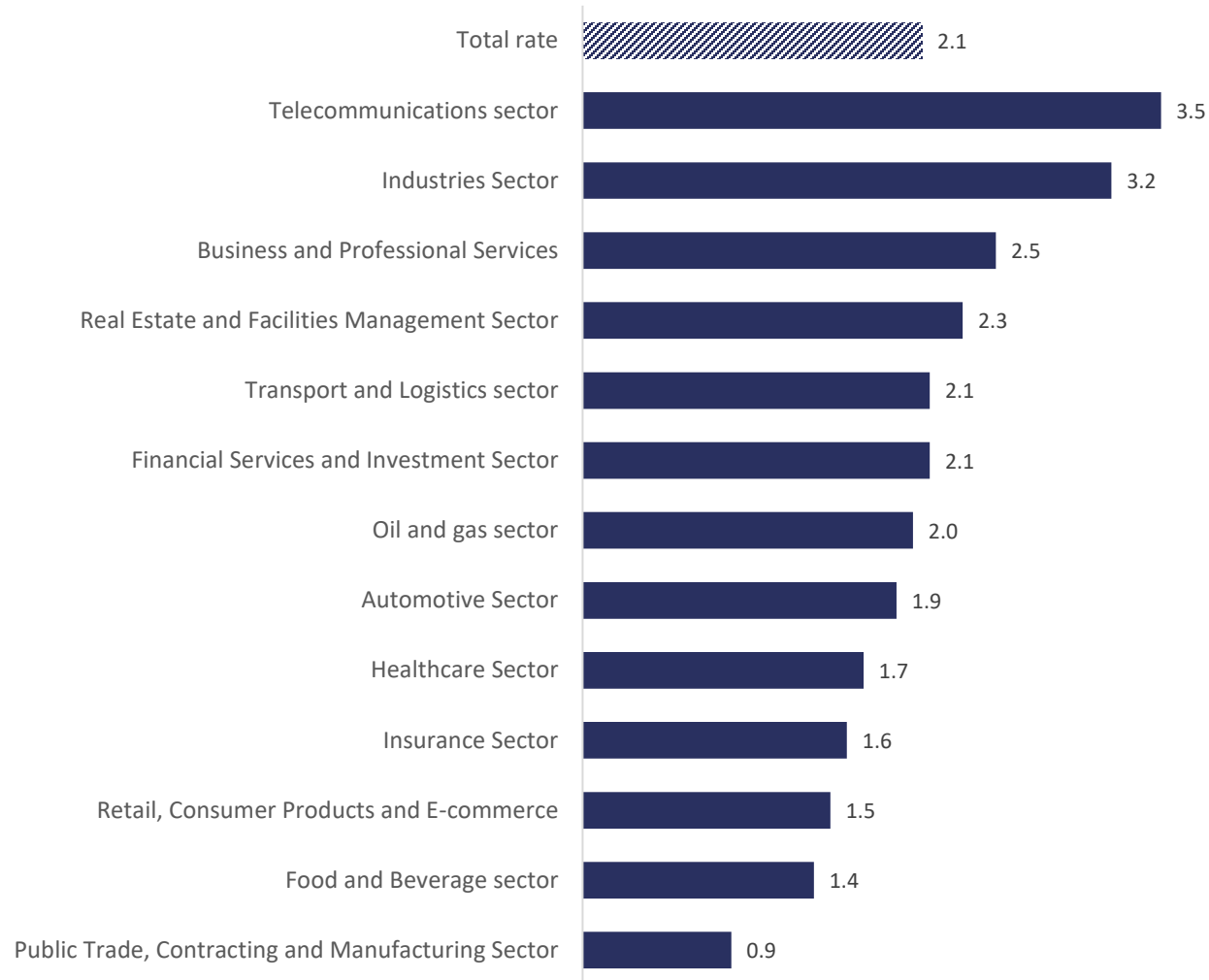




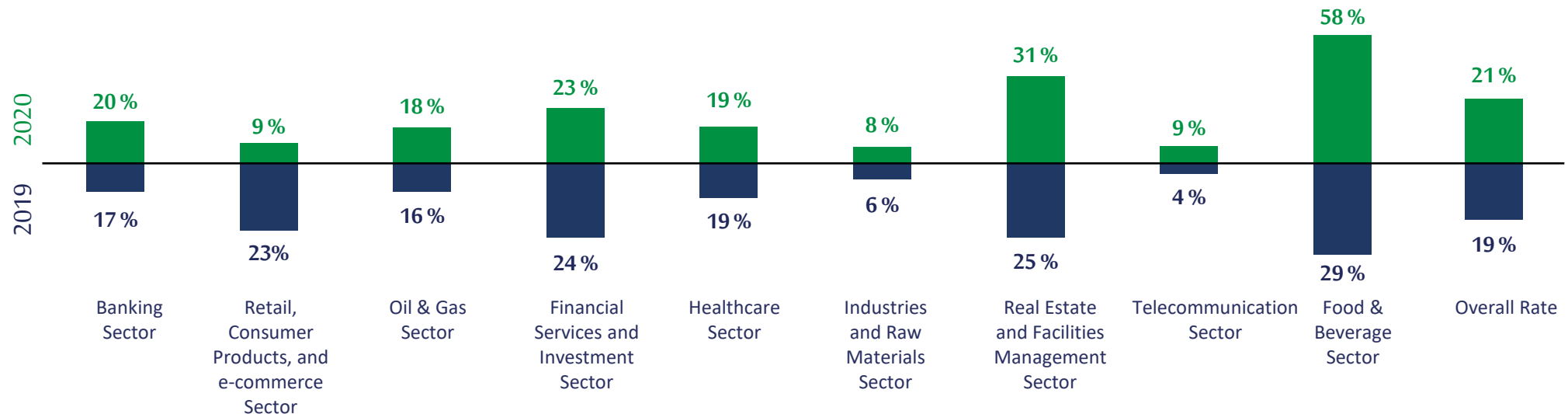
3. Human Resources Insights 2020-2021

(HR- to Employee ratio)

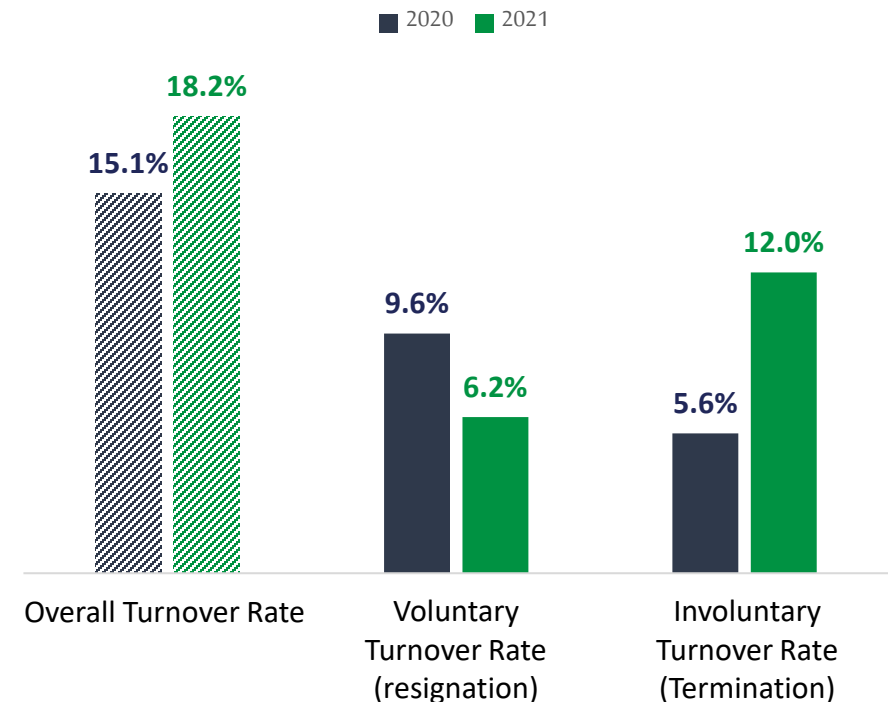
- It was found that the standard indicator for the average number of the human resources employees is (2.1) per 100 employees across multiple sectors in the Middle East.



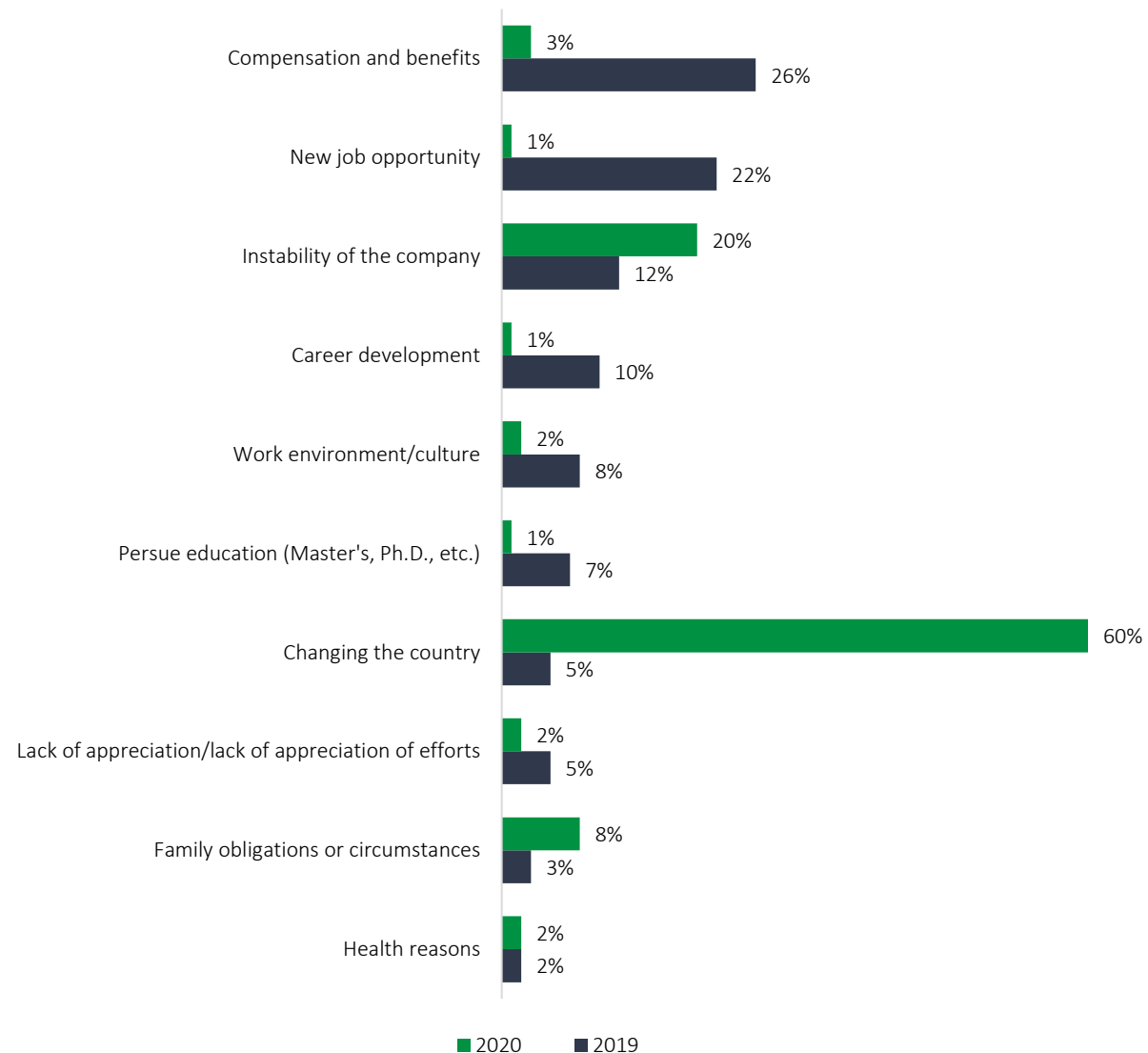
- As for comparing employee cost versus revenue between 2019 (before Covid-19 pandemic) and 2020 (the emergence of Covid-19 pandemic), the **employee cost ratio in the food and beverage sector (restaurants) increased to an exceptionally high rate of 58% compared to revenue**, due to the continuous closures and business interruptions for long periods. The **retail, consumer products, and e-commerce sector** also witnessed a **significant decrease** in employee cost versus revenue to reach **9%** in 2020.



- Concerning the **involuntary turnover**, it increased by **6.4%** in the first half of 2021 than in 2020, due to organizational or administrative reasons that necessitated the **termination of employees' services who were unable to return to the country**, as well as the need to **reduce costs to maintain business continuity and minimize damage**.
- In the same context, it was noted that the **voluntary turnover rate** (based on the employee's desire) **decreased by 3.4%** in the first half of 2021 compared to 2020.



(Reasons for leaving work - Voluntary)



- Covid-19 pandemic and its consequences changed the reasons and motives for leaving work. The most prominent reasons became the desire to **leave the country** by **60%**, followed by the **company's instability** by **20%**.



4. Recruitment trends 2020-2021

- Confirming what was issued in PROCAPITA's Annual Special Report of December 2020 on human resources' practices in the Kuwaiti labor market, the labor market witnessed a noticeable rise in employment rates in the first half of 2021.
- Despite the increase in job applications, the extent of compatibility between job applicants and the requirements of vacant jobs (matching score) was only 14%-17%, which is a **very low percentage**.



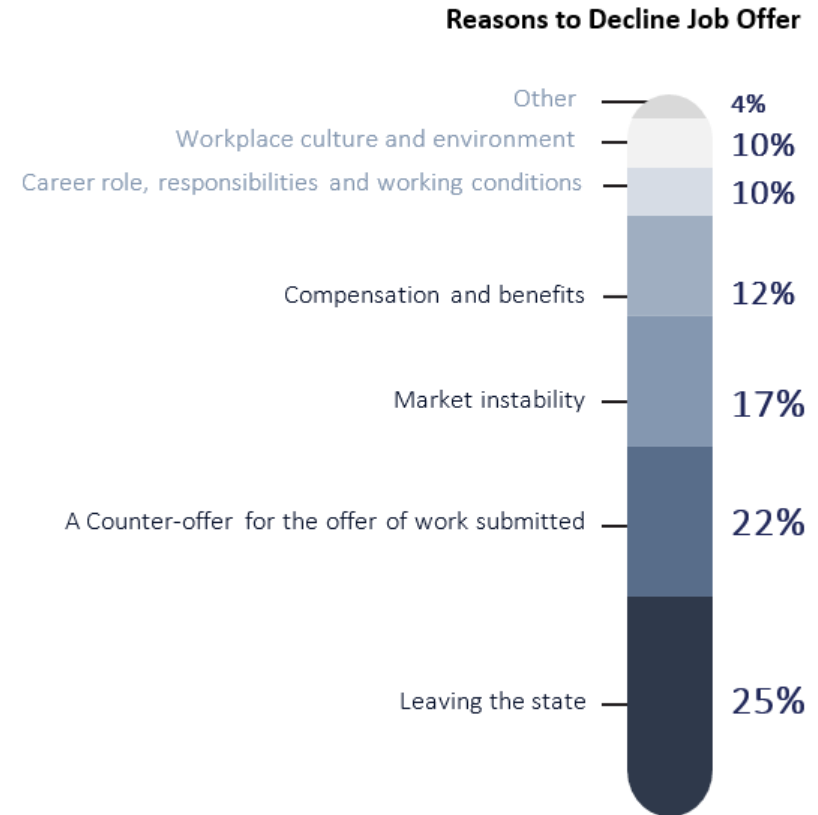
Avg. Number of applicants per
vacant Position

120 Applicant

17% -14%

Matching Scores

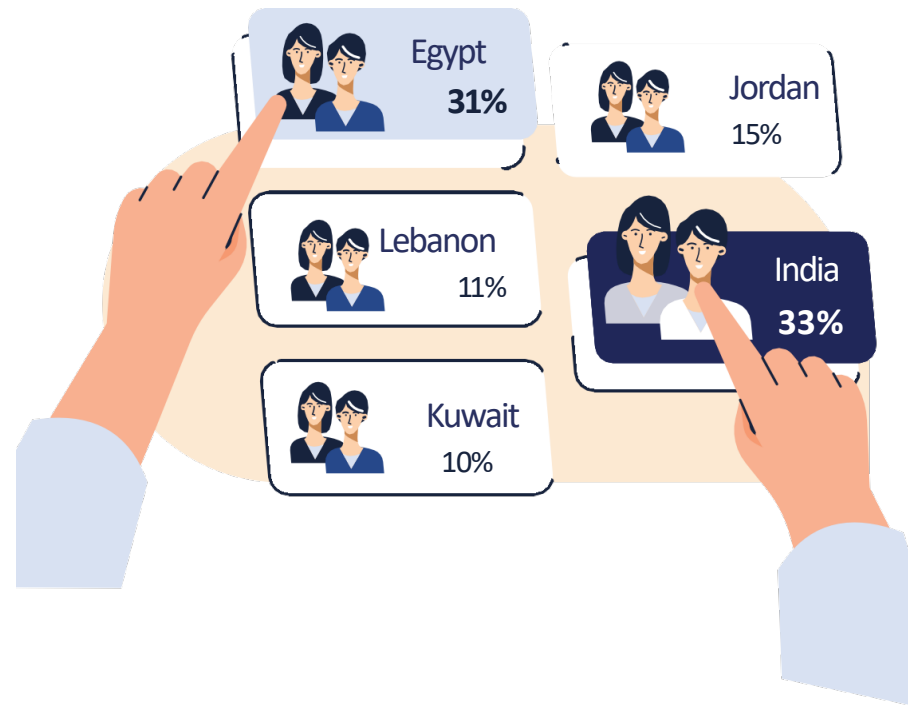
- Employment rates increased in the first half of 2021 in some sectors, namely the retail sector, consumer products, and e-commerce, by 27.1%, followed by the food and beverage sector (restaurants) by 25.3%, and then the general trade and manufacturing sector by 15.7%. On the other hand, many other sectors such as the automotive sector, the telecommunications sector, and the oil and gas sector witnessed stagnation in employment rates.
- As for the reasons for rejecting job offers, it was found that leaving the country was one of the most prominent reasons with a percentage of 25%, followed by the retention offer, i.e., the counteroffer submitted by the current employer with a percentage of 22%.



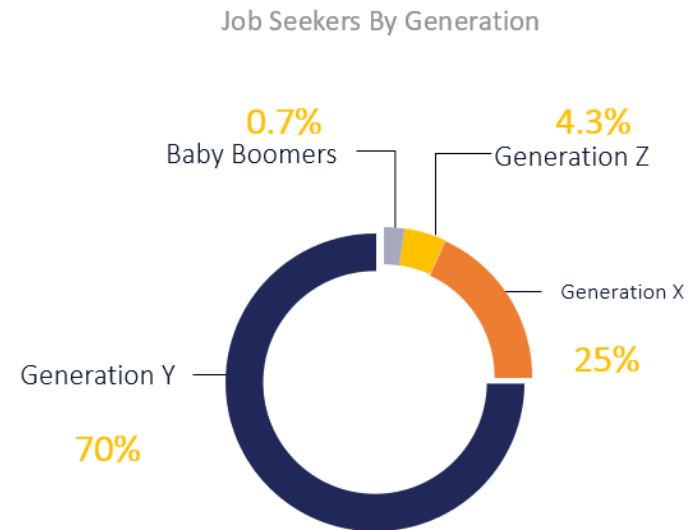
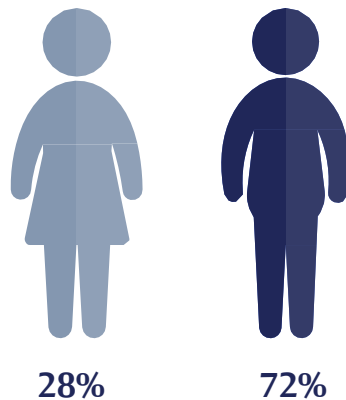


5. Demographic Analysis of Job Seekers Data

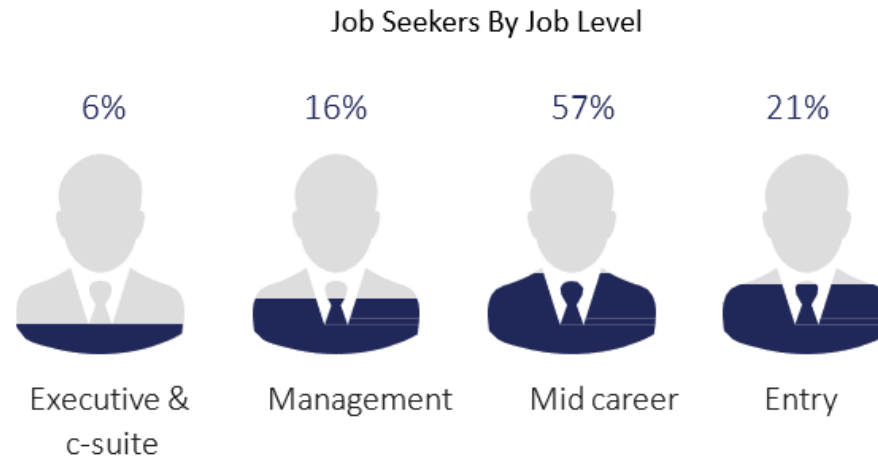
- It was found that the **highest percentage** of those looking for job opportunities is for individuals of **Indian and Egyptian nationalities (33% and 31%, respectively)**, while **Kuwaiti citizens** constituted the **lowest percentage** of all nationalities with only **10%**, which in turn is due to their desire to work in the government sector as a first choice.



- The percentage of **male** individuals looking for job opportunities in the Kuwaiti market reached **72%**, compared to **28%** of **females**. As shown, the **Millennium Generation (Y)**, the youth group between the ages of 25-40 years, constituted **70%** of job seekers, while **Generation X**, the category of individuals over the age of 40 and under the age of 56, constituted **25%** of the total.



- Job seekers' demand for **supervisory jobs** in the Kuwaiti market is **higher** than the need for administrative or senior executive jobs or new jobs for recent graduates due to the higher requirements and qualifications required by administrative or senior executive jobs, which provides stability and alternatives.



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