



HR Trends and Practices

Annual Report 2022
GCC

The GCC's only Comprehensive Human Resources Report

PROCAPITA

January 2023

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CEO's Message



Mohammad Abu Al Rob
Chief Executive Officer - PROCAPITA

Ladies and Gentlemen,

Since its inception, PROCAPITA Management Consulting has made a significant stride in becoming one of the leading HR consulting companies in the Middle East. Our vision remains steadfast in creating value for our partners and raising awareness through HR excellence while adhering to our core values of commitment, perseverance, and delivering high-quality services. Our continuous passion for delivering exceptional services, investing in competencies, meeting our clients' needs, and striving to satisfy them is the secret behind our continued success.

We look forward to the future and strive to excel in the region. We are committed to contributing to our partners' vision and promoting sustainable HR growth by leveraging our diverse skills and expertise in the HR field through partnerships with our strategic partners ZENITHR for HR intelligence solutions and employee experience and Thomas International, specializing in employee behavioral and professional assessment tools, as we aim to deliver the best and achieve advanced levels of competitiveness and regional leadership.

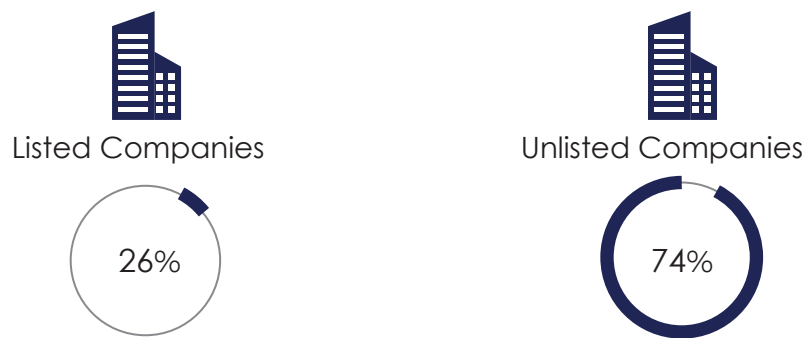
In 2022, we spared no effort to confirm our commitment to implementing our strategy, so we maintained our leadership position in the HR consulting field. Our pride and confidence in our clients' trust have grown and the biggest evidence is that the participation rate this year exceeded three times the participants of the previous year. Our clients now view PROCAPITA's report as a comprehensive report that presents the pulse of HR and hiring trends, as well as the cutting-edge technologies driving talent development and organizational growth, and has become a reference for themselves, business leaders, and HR professionals.

This year's report is the most comprehensive of all reports specialized in human resources and adds a distinctive value to companies and HR experts at all levels. The report was specially developed to shed light on the latest human resources and employment trends, as well as the most important economic indicators and their impact on the GCC labor market. In addition, it includes an analysis of talent management trends, initiatives for digital transformation, employee engagement and happiness rates, and the latest developments in compensation and benefits in the market.



Finally, thank you for your support and trust, of which we are proud, and we strive to achieve the best value for you and all our partners and stakeholders. We hope that next year will witness more achievements that will enable you to succeed in achieving the desired goals for the growth and sustainability of your business.

Report's Overview

PROCAPITA's HR Trends annual report for 2022 sheds light on the economic highlights and analyzes the changes in HR and recruitment trends across the GCC labor markets through the results of our annual survey. In addition, this report examines the remuneration for board members of publicly traded companies in the GCC, as well as the levels of employee engagement and behavioral analysis conducted by PROCAPITA's strategic partners, ZENITHR HR Intelligence Solutions that transform workforce data into real-time analytics and analyze employees' experience, and Thomas International which is a global provider of behavioral assessment tools and services.



PROCAPITA launched its annual survey with the participation of business leaders and HR experts across various sectors in the GCC. Over 750 organizations participated, representing the following sectors:

-  Manufacturing
-  Oil & Gas
-  Food & Beverage (Restaurants)
-  Education
-  Governmental
-  Telecom.
-  Conglomerate (Multiple industries)
-  Retail & E-commerce
-  Construction & Contracting
-  Financial Services (Banking, Insurance, & Capital Markets)
-  Business Professional Services
-  IT Services & Consulting



Section 1: Economic Highlights

This section sheds light on economic metrics across the GCC countries, in addition to strategies and reforms taking place that affect the current and future status of the labor markets.

Sources:

PROCAPITA's Research Center
<https://pro-capita.com>

Economic Highlights







GCC insights and the impact on the labor market

The **GCC economies in 2022** have been **prosperous** despite the Ukrainian Russian war, the worldwide energy crisis, ongoing disruptions in supply chains, and volatile financial markets.

- Numerous regulations underwent **significant reforms in 2022** that **aimed at having a less oil-dependent economy** and a more **mobile labor market** through “**sustainable diversification**.” Those reforms were more prominent in **KSA, the UAE, and Qatar among the GCC countries, inline with their long-term strategic visions.**
- In the coming years, the GCC should be able to **attract higher foreign investment** due to the improvements and developments taking place. This will help to **increase foreign direct investment (FDI)** which will be advantageous for **talents seeking employment and career development opportunities** and, more importantly, to **investors looking for a higher return on investments (ROI) in markets with solid consumer purchasing power.**
- As the GCC economies continue to grow and expand, **hosting successful global events such as the World Cup 2022 in Qatar and developing major tourism projects in cities like Dubai, Jeddah, and Riyadh,** have become a **showcase of their advancements in infrastructure, management, processes, agility and openness, in alignment with their long-term visions to create an optimal business environment for investment.**
- Governments in the GCC are focused on promoting **entrepreneurship** and innovation through investment funds and regulatory support. This is evidenced by **the increase in VC investments and initiatives aimed at fostering innovation. The goal is to empower the entrepreneurship eco-system and infrastructure, leading to the creation of new businesses and job opportunities, diversify the economy and reduce dependence on a single industry or resource.**
- As economies in the GCC continue to flourish and talent mobility increases, **the competition for top national and international talent is predicted to heat up in 2023.** Employers will face a **double challenge of not only attracting skilled talents, but also retaining them. The ongoing war on talent is a pressing issue in the GCC and its effects are expected to escalate in the coming year.**

Economic Highlights

GCC insights and the impact on the labor market

						
Real GDP Growth	7.6%	5.1%	3.4%	8.7%	4.4%	3.4%
Inflation	2.2%	3.7%	4.5%	4.3%	3.1%	3.5%
GDP Per Capita Growth	18.8%	16%	29%	33%	24.1%	9.8%
Stock Market Performance	-7.1%	20.3%	-8.1%	3.5%	17.6%	5.5%
Jobs Vacancies Created	<ul style="list-style-type: none"> • 1.3 million jobs created • 300 thousand were filled by nationals 	<ul style="list-style-type: none"> • 200% increase in the number of vacancies 	<ul style="list-style-type: none"> • 5,000+ jobs in the public sector • 1850 in the private sectors were filled by nationals. 	<ul style="list-style-type: none"> • 13,600 job openings to nationals in the private sector • 12,300 in the public sector up to June 2022 	<ul style="list-style-type: none"> • Provided 35,000 jobs for nationals between both the private and public sectors 	<ul style="list-style-type: none"> • National employment grew by 4.3% in the private and 3.2% in 2022's second half & public sectors respectively
UN's Human Develop. Index D1	<ul style="list-style-type: none"> • 35th global rank, up 5 positions • 2nd in the GCC 	<ul style="list-style-type: none"> • 26th global rank, up 5 positions • 1st in the GCC 	<ul style="list-style-type: none"> • 42nd global rank, • 3rd in the GCC 	<ul style="list-style-type: none"> • 54th global rank, fell 3 places since 2015 • 4th in the GCC 	<ul style="list-style-type: none"> • 54th global rank, • 5th in the GCC 	<ul style="list-style-type: none"> • 35th global rank, • 2nd in the GCC
UN's E-govern. Index D2	<ul style="list-style-type: none"> • 31st global rank • 2nd in the GCC 	<ul style="list-style-type: none"> • 13th global rank • 1st in the GCC 	<ul style="list-style-type: none"> • 78th global rank • 6th in the GCC 	<ul style="list-style-type: none"> • 61st global rank • 5th in the GCC 	<ul style="list-style-type: none"> • 50th global rank • 3rd in the GCC 	<ul style="list-style-type: none"> • 54th global rank • 4th in the GCC
World Bank's Human Capital Index D3	<ul style="list-style-type: none"> • 0.58 score • 5th in the GCC 	<ul style="list-style-type: none"> • 0.67 score • 1st in the GCC 	<ul style="list-style-type: none"> • 0.64 score • 3rd in the GCC 	<ul style="list-style-type: none"> • 0.56 score • 6th in the GCC 	<ul style="list-style-type: none"> • 0.61 score • 4th in the GCC 	<ul style="list-style-type: none"> • 0.65 score • 2nd in the GCC

Sources: 1. IMF, 2. Kamco Invest GCC Equity Markets 2022 3. UNDP 4. World Bank 5. Mubasher (Kuwait employment)
D(1, 2, 3) p.45

Economic Highlights

GCC insights and the impact on the labor market per country



In **2022**, KSA was a beacon of economic prosperity as real **GDP** soared by **7.6%**, and the **GDP per capita recorded 18.8% growth**. The **construction** sector were positively impressive, as it recorded a sky-high growth rate of **8.8%**, totaling a whopping **\$182.2 billion**. Meanwhile, **tourism** and **hospitality** sectors was also flourishing and seeing significant growth. However, the stock market had a negative decline of **-7.1%**. Despite this, the KSA moved up **5 spots** on the Human Development Index (**HDI**) from 40th to 35th, along with Bahrain.

This economic growth and diversification brought about a plethora of **new job opportunities**, with 1.3 million new vacancies of which 300,000 were filled by Saudi nationals. The **services** sector recorded a **21% growth** in jobs. VC investments in the KSA also increased by **72%**, totaling \$987 million, with **24%** (\$239 million) allocated to fintech. The KSA government also implemented various **labor law reforms** and proposed amendments aimed at **protecting employees' rights**, making KSA a more **competitive** work-place **destination**.



UAE, recorded a meteoric rise in economic growth in **2022**, as real **GDP** grew by a staggering **5.1%**, making it the **second-highest GDP per capita** with a **growth of 16% growth**. **Remote jobs postings** skyrocketed by **27.7%**, with Dubai cementing its status as the most popular destination in the world for the second time in a row. **Tourism** revenue reached a record-breaking **\$29.42 billion**, the highest in the Dubai's history so far. The **FSI** and **banking, property, oil and gas**, and **real-estate** sectors also saw significant growth.

Dubai launched the ambitious **D33 vision**, aimed at **diversifying** the **GDP**, **increasing national employment**, boosting labor market competitiveness, attracting foreign direct investment (**FDI**), and supporting the launch of **unicorn startups**. The **number of vacancies increased** by a staggering **200%**. Corporate income tax will come into effect on June 1st, 2023. Abu Dhabi's ADX stock index had the highest growth among all GCC indices at **20.3%**, while Dubai's DFM index grew by **4.4%**.

The UAE moved up **5 spots** in the Human Development Index (**HDI**) from 31st to 26th to be the first in the GCC. The UAE continues to be the **biggest VC investor** in the region, amounting to **\$1,190 million**, **20%** lower than in 2021. Despite this, the country is steadfast in its pursuit of creating a more diversified economy and providing more opportunities for talent employment.

Economic Highlights

GCC insights and the impact on the labor market per country



Qatar reached a peak of **3.4% real GDP** growth in 2022, the highest it had been since 2016, with the **GDP per capita 29% growth**. **National employment was at the forefront as more than 6,850 jobs were filled** by Qatari citizens, and an impressive **69% of those employed in the public sector were women**. A massive recruitment effort was made in preparation for the World Cup to meet the increased demand for labor caused by the event.

Transportation and logistics, digital services, tourism, and hospitality were among the sectors that were thriving in 2022. The **World Cup** was expected to bring in a **revenue of \$20 billion and attract 1.4 million visitors**. Qatar ranks **42nd** on the Human Development Index (**HDI**). However, the Q20 stock index had **negative decline of 8.1%**, the lowest among GCC countries, due to an offset in **insurance, banks, and financial and real estate indices**. Despite this setback, Qatar's economy continues to shine.



In 2022, despite **real GDP growth of 4.4%**, Oman's economy still has a long way to go. The GDP per Capita recorded **24.1% growth**. The government has been implementing strategies to shift employment towards the **private sector**, including **labor law reforms** to protect employees, increase productivity, and boost investment. The Omani stock market has been performing well, growing by **17.6%**, the **second highest among GCC countries**. Oman ranks **54th** globally in the **HDI**, the **lowest among GCC countries**.

To empower the youth, Oman launched a program to **train Omani national job seekers in vocational colleges**. Revising financial securities laws to establish a digital and physical marketplace to **invest in SMEs stocks**. Additionally, they were able to provide **35,000 jobs during 2022** in the **private and public sectors**. Oman has been investing in **transportation and logistics, healthcare, technology and hospitality** sectors through the construction of new ports, airports, and transportation facilities. The government is charting a course towards **self-sustainability and national workforce development** through the Omanization initiatives. Despite the challenges, Oman is poised to vault itself into the ranks of the top economies in the GCC, paving the way for a bright future.

Economic Highlights

GCC insights and the impact on the labor market per country



In 2022, Kuwait's real **GDP** recorded a significant **growth of 8.7%**, and **GDP per capita recorded 33%** growth which is the **highest among the GCC**, yet the country still faces challenges in diversifying its economy, where **91% of 2023's annual budget** is derived from oil, which poses a significant risk to price fluctuations and further emphasizes the need for diversification.

Kuwait's employment has witnessed changes, driven mainly by **high demand for low-skilled overseas laborers in deficit since 2019**. National employment saw a particularly significant surge, with **12,400 and 13,000 new job opening in the public and private sectors** respectively over the past year.

Kuwait ranks **54th** in the **HDI**, the **second lowest in the GCC**, and has **fallen 3 ranks since 2015**. Additionally, Kuwait ranks **61st in the global e-government development index, 15 places down since 2021** despite these challenges, **FSI** and **banking, healthcare, oil and gas, retail, and e-commerce** sectors have seen growth during 2022. Kuwait is investing in various sectors like **healthcare, retail, and construction** to **reduce dependency on oil**.



The Bahraini government invested in creating job opportunities for nationals, and the results were evident in 2022. The **real GDP** recorded a steady growth of **3.4%** while the **GDP per capita grew by 9.8%**. **Employment** levels of Bahraini **nationals** in both the **private and public sectors increased by 4.3% and 3.2%** respectively, and **non-national** employment levels grew by **8%**. This investment also led to an **increase in the average salaries of Bahraini nationals**, which rose by **1.6%** in the **private sector** and **5.5%** in the public sector.

FSI and **banking, real estate, hospitality and manufacturing** sectors were among the sectors that recorded growth in 2022. The establishment of new labor registration centers and online portals to improve the efficiency of registrations and provided a Labor Market Regulatory Authority representative in the event of disputes between laborers and employers. New measures have been put in place to link work permits to occupation and vocational qualifications. Bahrain's **HDI** global rank stood on par with KSA at **35, advancing 7 ranks** since 2020. Bahrain's All Share Index grew by a solid **5.5%**. With its determined efforts to **create more opportunities for national employment**, Bahrain's economy is on a path to growth and stability.



Section 2: Recruitment & Manpower Planning

This section reflects the recruitment and manpower planning trends practiced by organizations in the GCC markets.

Sources:

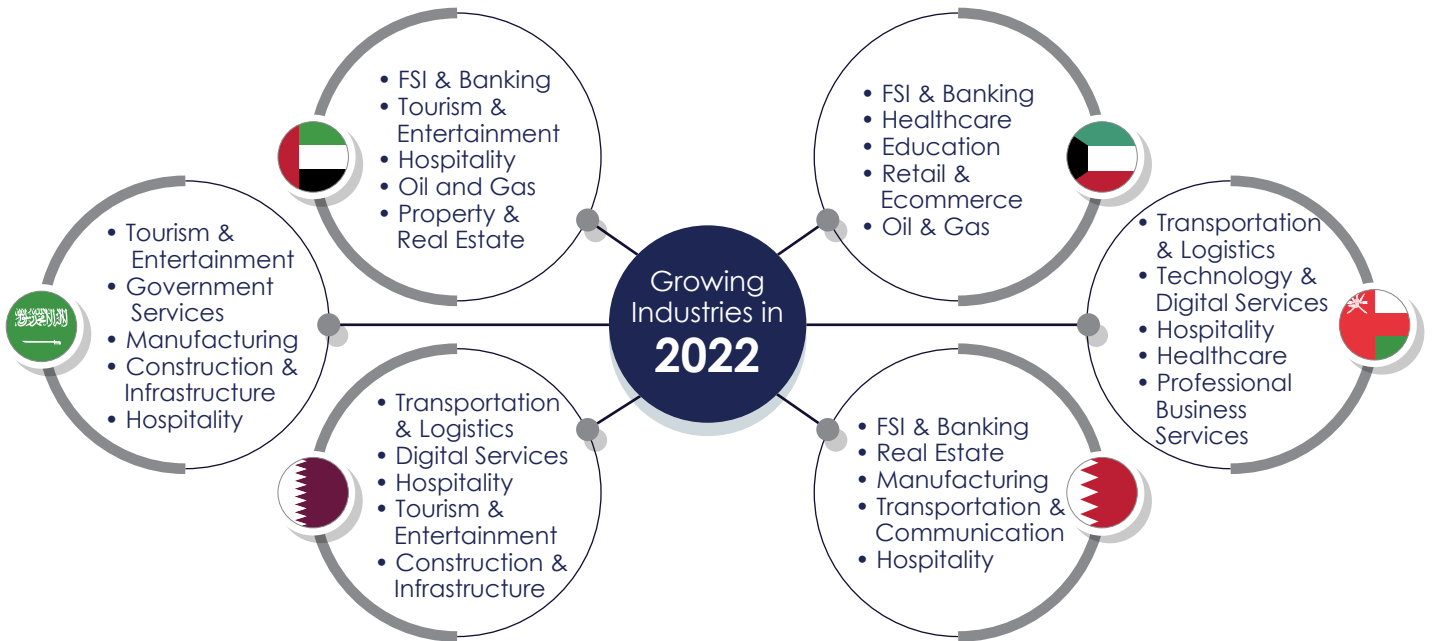
PROCAPITA's HR Advisory and Recruitment Advisory databases and PROCAPITA's Research Center

<https://pro-capita.com>

Recruitment & Manpower Planning

Market recruitment trends by industry

The GCC countries have been diversifying their economies by investing in sectors such as tourism, finance and technology, efforts to promote economic growth have included attracting foreign investment, establishing free trade zones, and developing infrastructure. In 2022, the following sectors have shown the most significant growth:



As we set our sights on 2023, the economic and political landscape will be shaped by the unique strategies of each country, driving growth in different sectors. Market projections suggest that certain sectors will see significant expansion, while others may encounter obstacles. Here are some of the sectors that are expected to experience growth in 2023:



Recruitment & Manpower Planning

Gaps in the demand and supply

The demand for various specialties has undergone adjustments in response to changes in business demand for specific skills and shifts in the overall labor market. Factors such as legislation and regulation across the GCC countries and changes in the sectors being targeted for investment have impacted both the demand and supply of labor. Nationalization policies can affect the demand for certain specialties, while legislation regarding recruitment from abroad can impact the supply.

The visual below illustrates the recent changes in the demand for various job positions:

Changes in demand per speciality

GCC 2022

Jobs with high demand

- Supply Chain and Logistics Specialists
- Compensation & Benefits Specialists
- Software & Applications Developers
- Lawyers and Legal Professionals
- Digital Marketing Specialists
- Social Media Specialists
- Mechanical Engineers
- Cybersecurity Experts
- Investment Bankers
- Data & AI Scientists
- Electrical Engineers
- Project Managers
- Financial Analyst
- Civil Engineers
- Recruiters
- Doctors
- Nurses
- Semi-skilled (drivers, technicians, blue-collar, etc.)

GCC 2022

Job with low demand

- Hotel Front Desk Associates
- Real Estate Sales Agents
- Telemarketing Officers
- Assembly Line Workers
- Bookkeeping Officers
- Machine Operators
- Post Office Workers
- Cashiers
- Data Entry Clerks
- Travel Agents

PROCAPITA notes not to use the above data as a reference for any salary reviews for current employees in any organization as many other factors and practices should be taken into consideration.

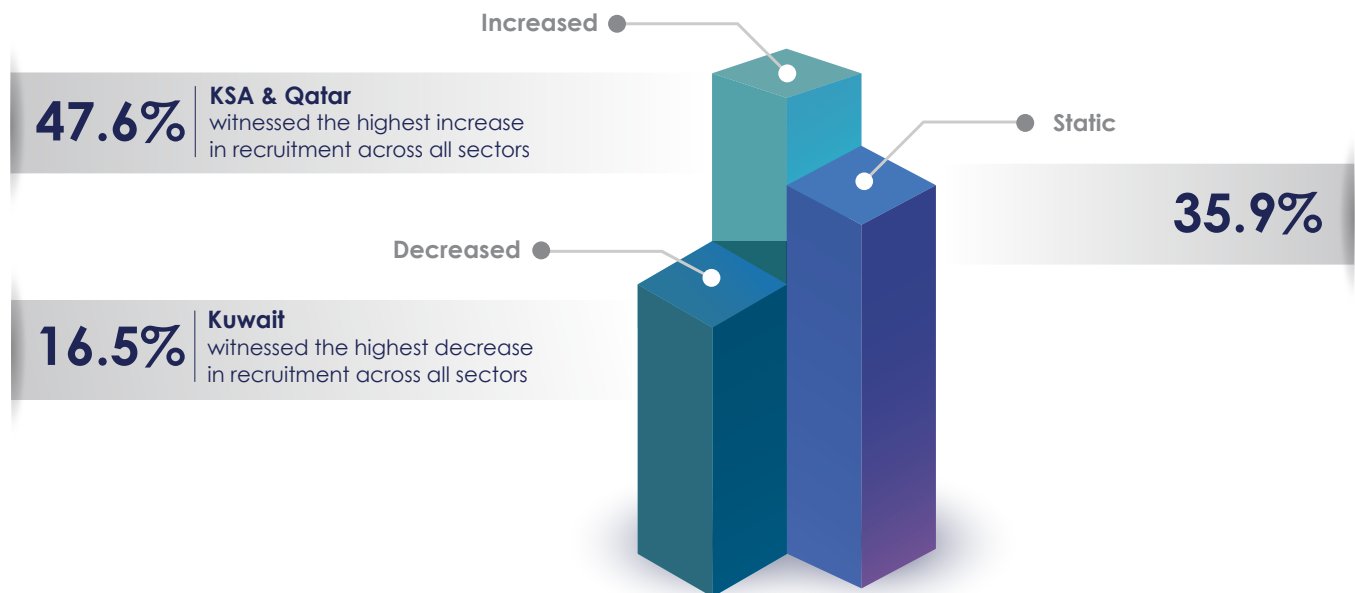
Recruitment & Manpower Planning

Employment growth rate

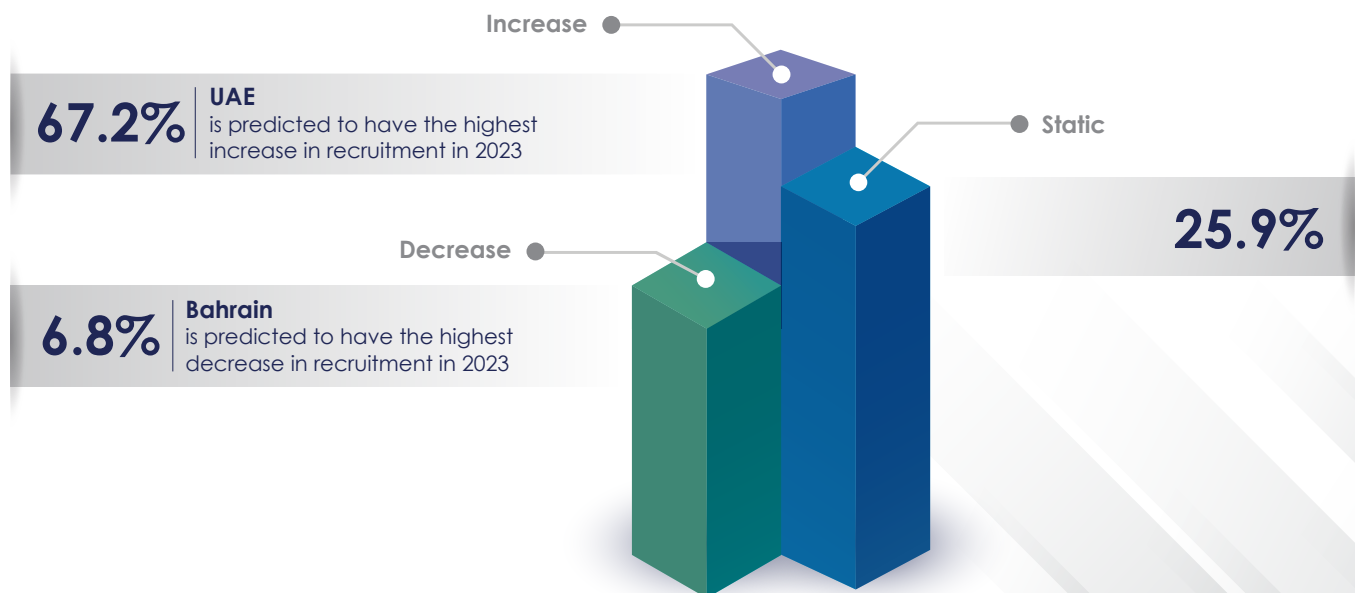
GCC market indicators for 2022 were positive at **47.6%** of the participants reported employment growth, with an average of **12%** increase.

67.2% of the participants expect employment to grow during 2023, by an **11.8%** average increase. The results, however, differ from one GCC participant to other, as efforts to diversify the economy through substantial investments in different sectors are yet to materialize thus hinder this growth, while the UAE's, KSA's, and Qatar's investment would accelerate it.

Employment growth rate in the GCC in 2022



Employment growth rate in the GCC in 2023



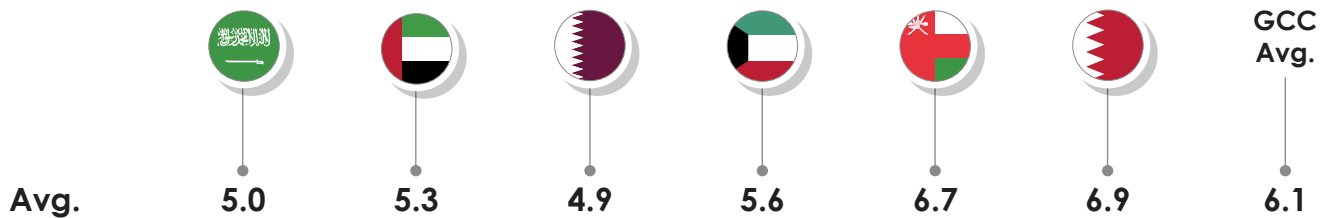
Recruitment & Manpower Planning

Talent in the local market

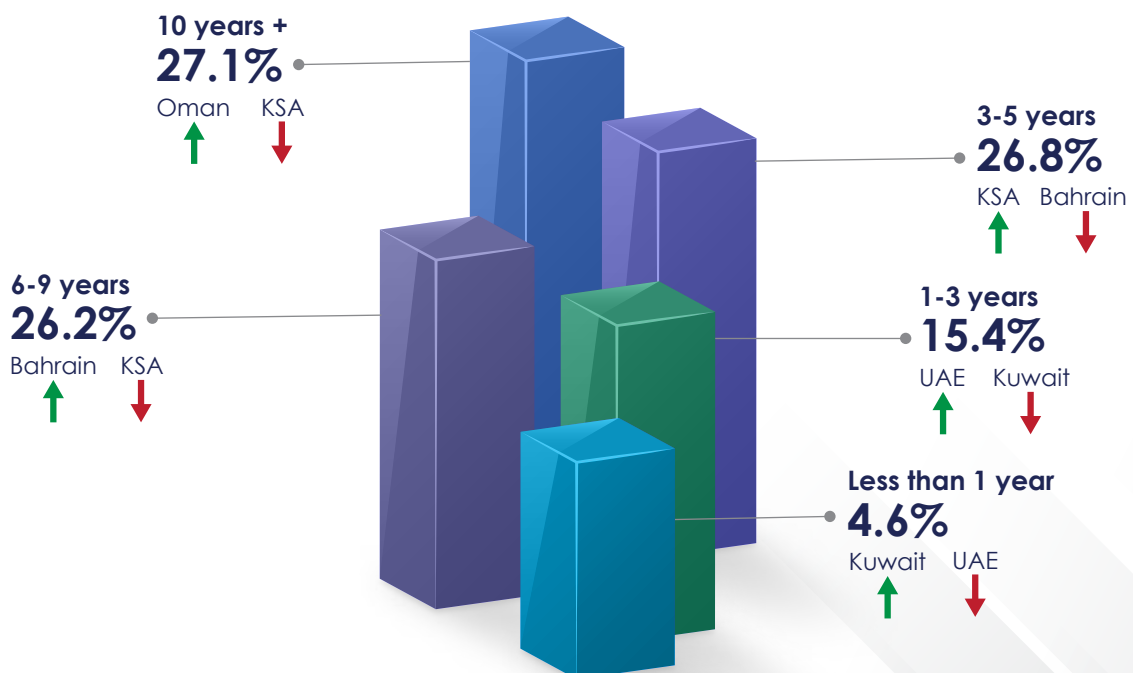
Participants across the GCC reported that **4.6%** of employees held an employment tenure of less than a year on average, while **15.4%** reported a tenure average of 1-3 years.

Average tenure levels are expected to decline during 2023 and 2024 due to a combination of increased business activity and economic growth, nationalization policies, rising talent mobility, and restrictions on overseas hiring. These factors are leading to a more competitive job market, causing employees to switch jobs more frequently and leading to a decline in average tenure levels.

Average Employee Tenure in the GCC per country in 2022



Average Employee Tenure in the GCC in 2022



Recruitment & Manpower Planning

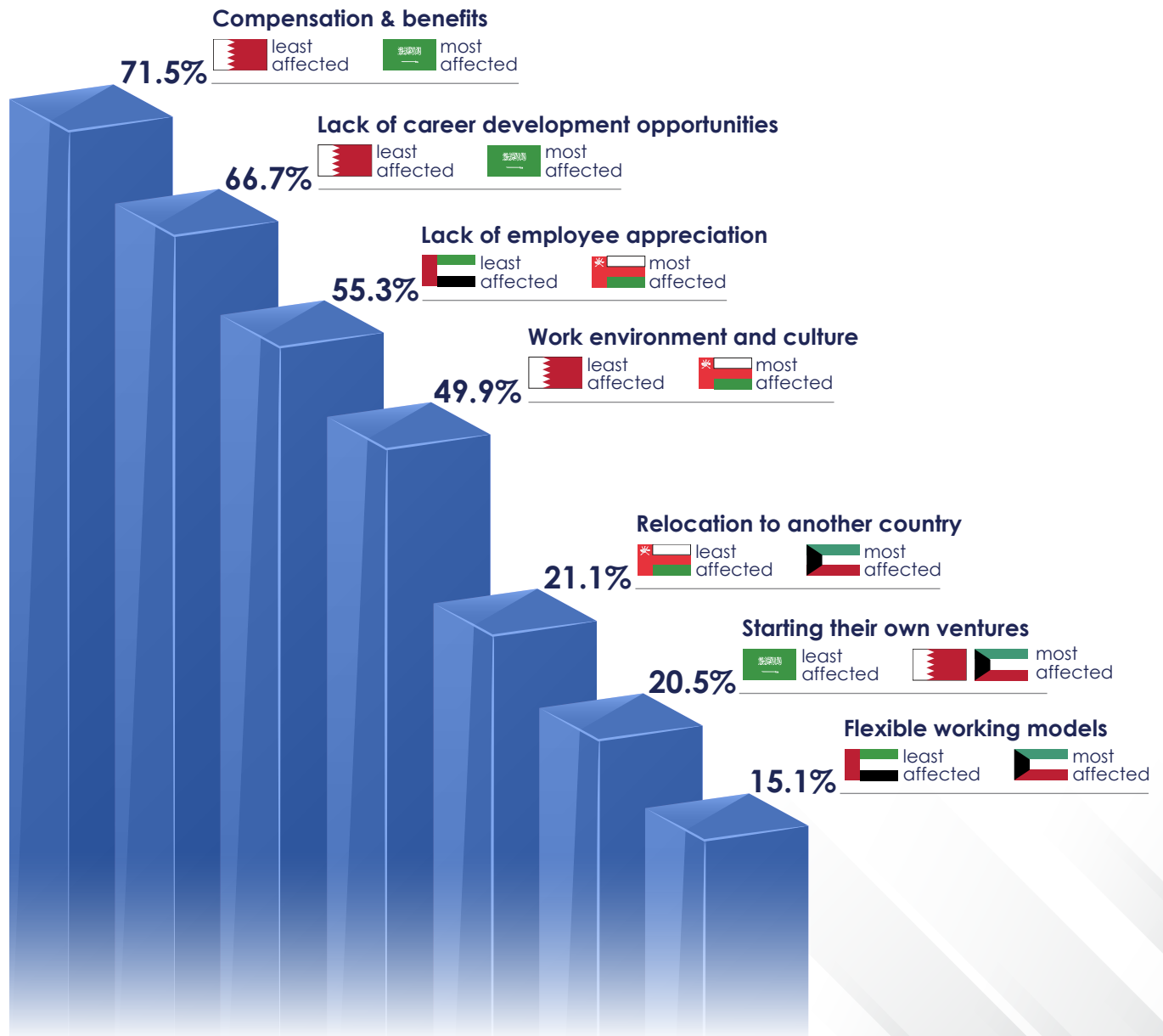
Reasons why employees voluntarily leave jobs

“Compensation and benefits” as a reason for employees to quit jobs were cited the most at **71.5%** by the participants. This further emphasizes the reality of the GCC’s labor markets as they are highly driven by monetary benefits, leading to the war on talent across multiple sectors.

The fact that employees who quit their jobs to “start their businesses” ranked significantly higher than those who quit for “flexible working models” is intriguing as it aligns with the government’s efforts to empower entrepreneurial activity.

Employee Exit Reasons in 2022

(Multiple selection by the participating organizations)



Recruitment & Manpower Planning

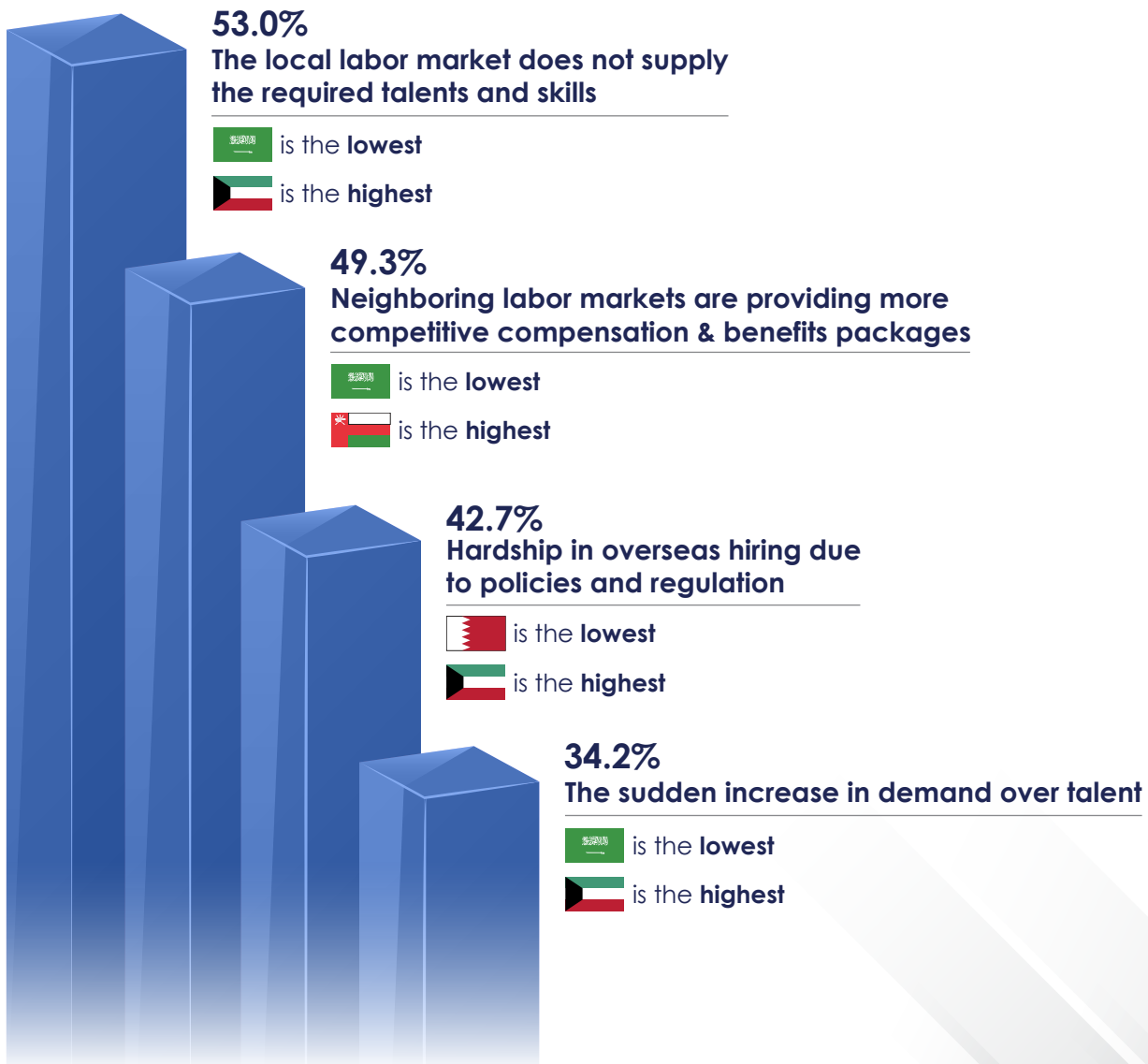
Talent in the local market

53% of the participants across the GCC cited "the local labor market does not provide the required skills" as the most significant challenge they face when recruiting.

The rate of change in business requirements is unprecedented, and labor markets in the GCC are potentially lagging in catering to those changing requirements. This raises the question of how flexible labor markets are except for the UAE, how well educational institutes are supplying the market with the necessary skills, and how adequate the L&D plans are set for workforces by their employers. KSA, Qatar, and Oman, with emphasis on the KSA, are undergoing significant reforms; however, to liberate aspects of the labor law to increase mobility, we expect that further reforms will be implemented in the upcoming period.

Challenges in the recruitment process in the GCC in 2022

(Multiple selection by the participating organizations)



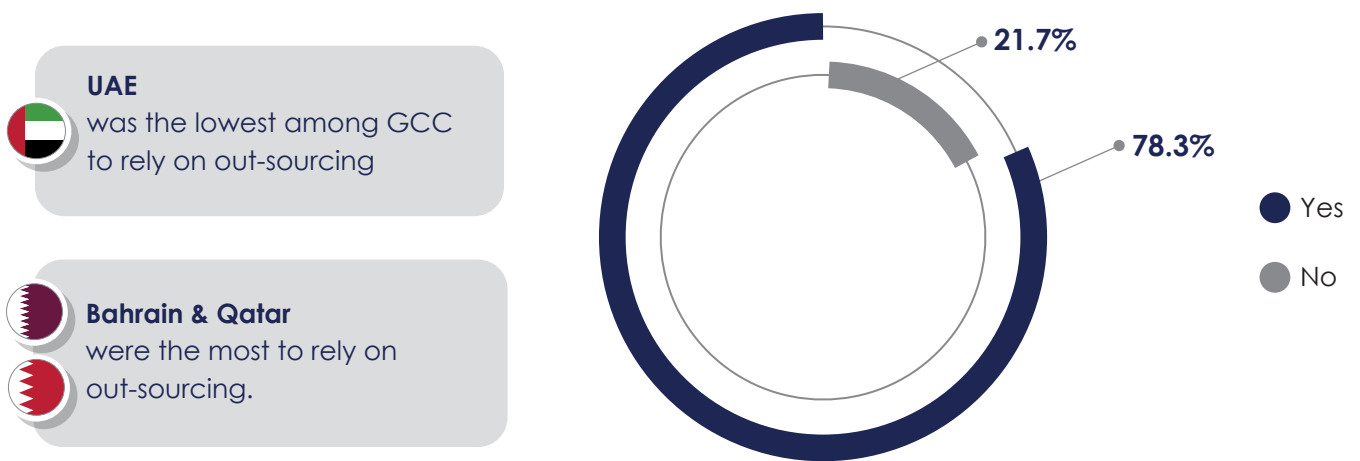
Recruitment & Manpower Planning

Out-sourcing

78.3% of the participants relied on outsourcing due to the labor market lacking particular talents and skill sets. Outsourcing is gaining popularity even among large organizations as it ensures business continuity. Many employers have difficulty finding talents with the necessary qualifications and skills.

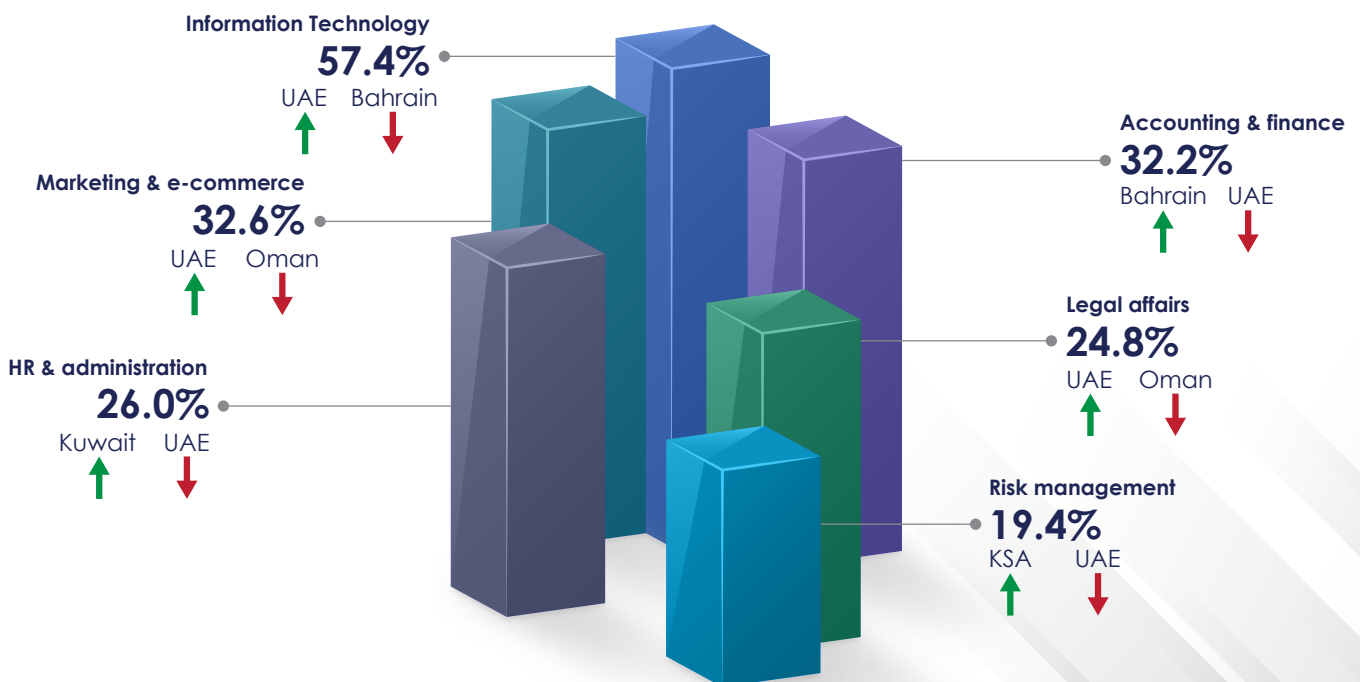
Most of the jobs outsourced revolved around information technology at **57.4%**, followed by marketing & e-commerce at **32.6%**.

Organizations relying on out-sourcing in the GCC in 2022



Organizations relying on out-sourcing in 2022

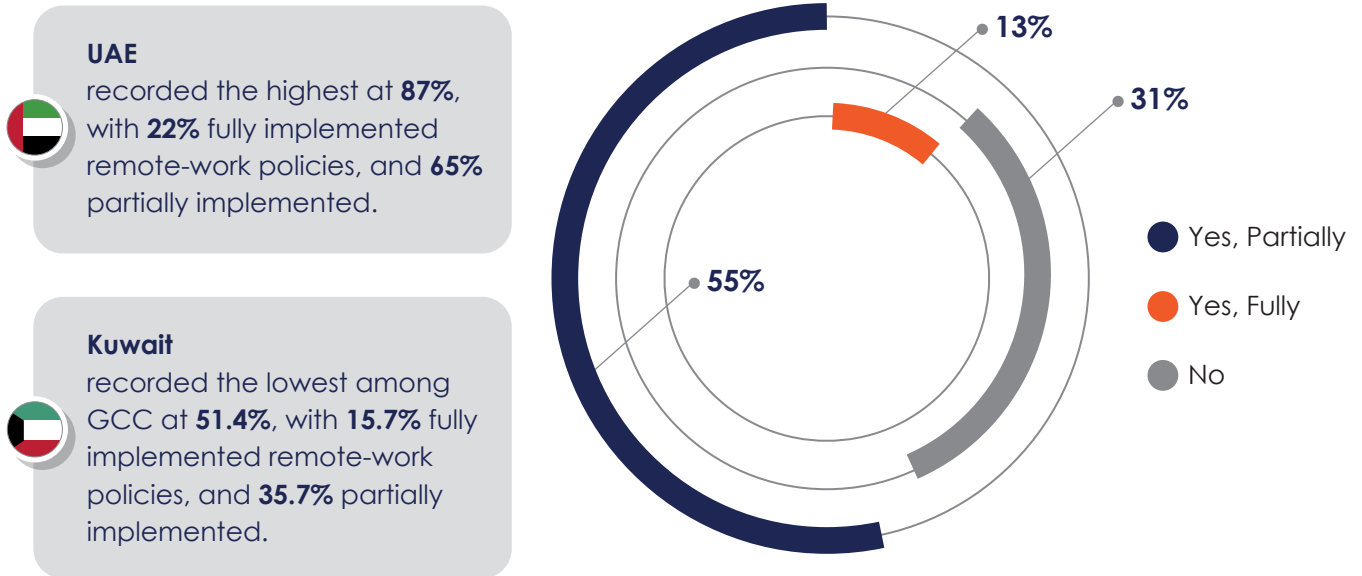
(Multiple selection by the participating organizations)



Recruitment & Manpower Planning

Remote-work policies

Organizations implementing remote-work policies in the GCC in 2022



Labor markets that rely extensively on overseas hiring are highly driven by compensation and benefits packages and other forms of monetary benefits, which urged some organizations to start implementing flexible working policies to hire talents at lower packages and reduce costs.

68% of participants implemented remote work policies either fully or partially.



Section 3: Digital Transformation

This section provides insight into the technology investments made by organizations in the GCC.

Sources:

PROCAPITA Research Center
<https://pro-capita.com>

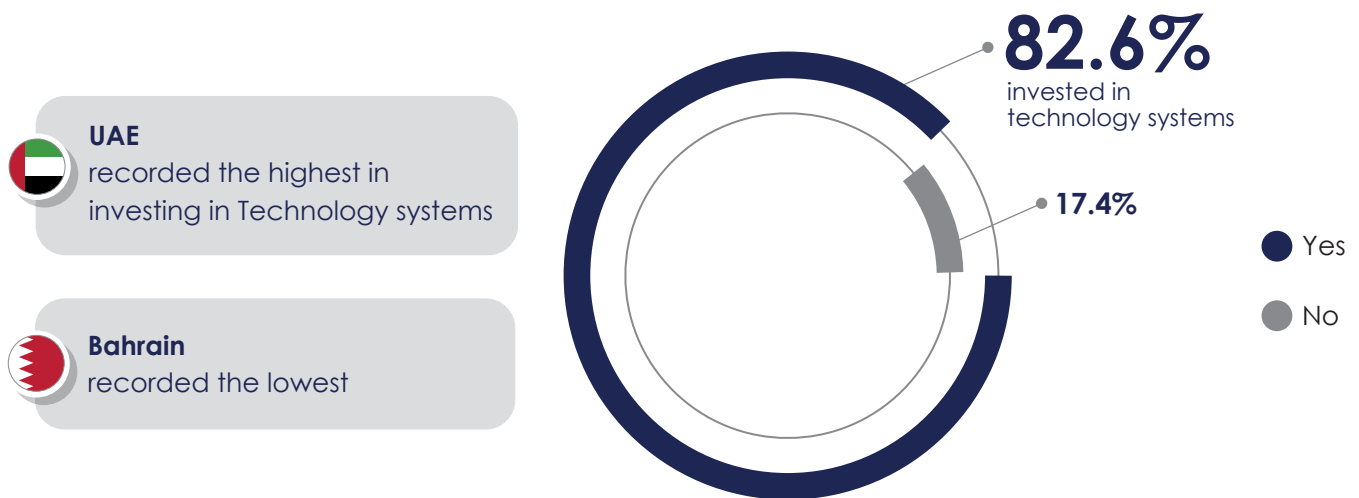
Digital Transformation

Digital transformation initiatives

Digital transformation has been a top priority across GCC countries, and more specifically, efforts are being made to improve e-government services. The impact of digital transformation on the labor market is significant. The initiatives being implemented are expected to create new job opportunities in e-commerce, digital payments, and data analysis fields but also cause redundancy of jobs in traditional sectors. The rapid adoption of technology necessitates employees to acquire the needed skills, thus the need for the GCC countries to prioritize upskilling and reskilling of workforces through designated L&D plans.

82.6% of the participants allocate a specific technology-related budget to improve efficiency and productivity across multiple functions and departments. This is in response to the increasing business needs and the mass shift towards digital adoption for its role in reducing operational costs.

Organizations invested in technology systems in 2022



Digital Transformation

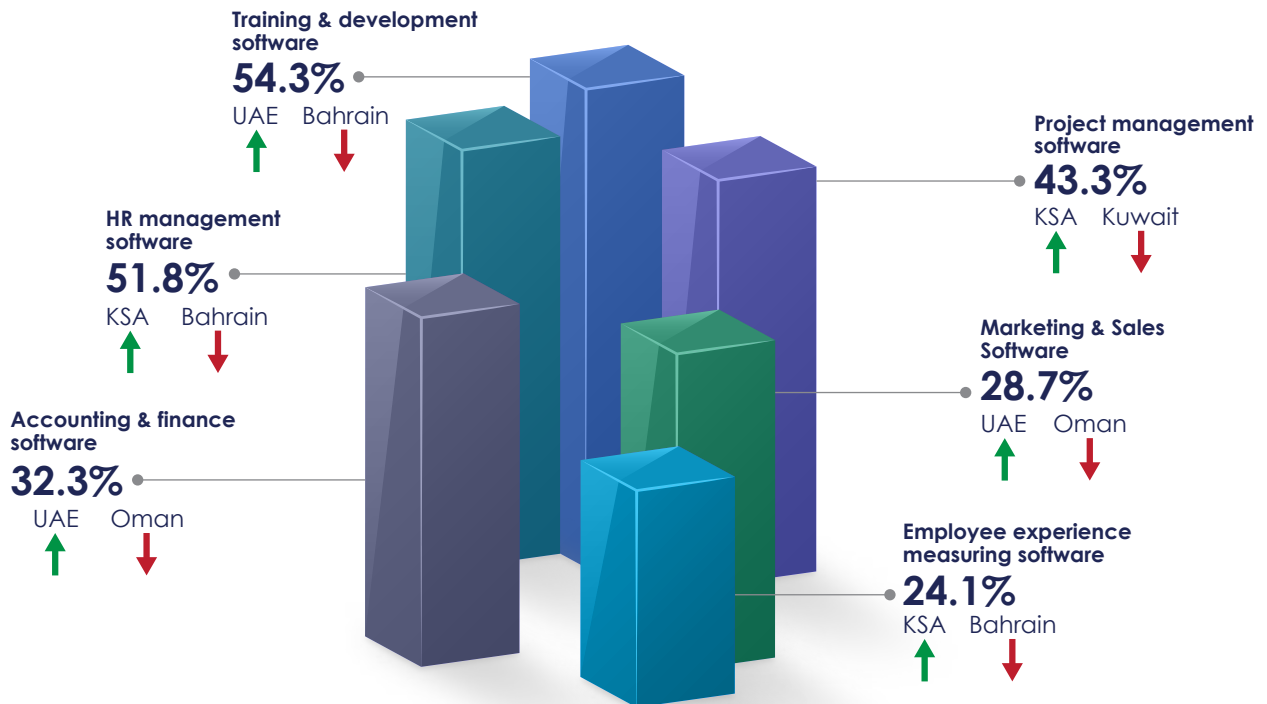
Digital transformation initiatives

Investments in technology systems among participants were mostly directed towards software for training and development at **54.3%**, HR management systems at **51.8%**, and project management systems at **43.3%**.

Providing training and development opportunities will help employees acquire new skills and knowledge, leading to improved performance and productivity.

Investment in technology systems in 2022

(Free response answers by the participating organizations)





Section 4: Talent Management

This section highlights the different tools adopted by organizations in the GCC to measure and analyze employees' experience and behavioral assessment to enhance the organization's culture and work environment.

Sources:

PROCAPITA HR Advisory database and Research Center, ZENITHR for Employee Experience, Thomas International.

<https://www.thomas.pro-capita.com/>

<https://pro-capita.com/>

<https://ex.zenithr.com/>

Talent Management

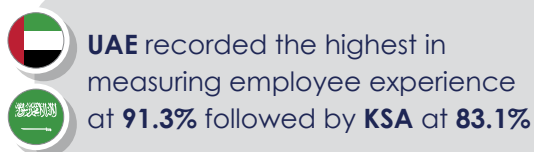
Employee Experience

80.3% of the participants are aware of the importance of measuring employee experience, and they conduct at least one method for assessment. The participants believe that the employee experience will enable them to maintain a healthy environment that retains valuable talent.

Employee satisfaction is the most common method for assessing overall experience, as reported by **63.5%** of the participants.

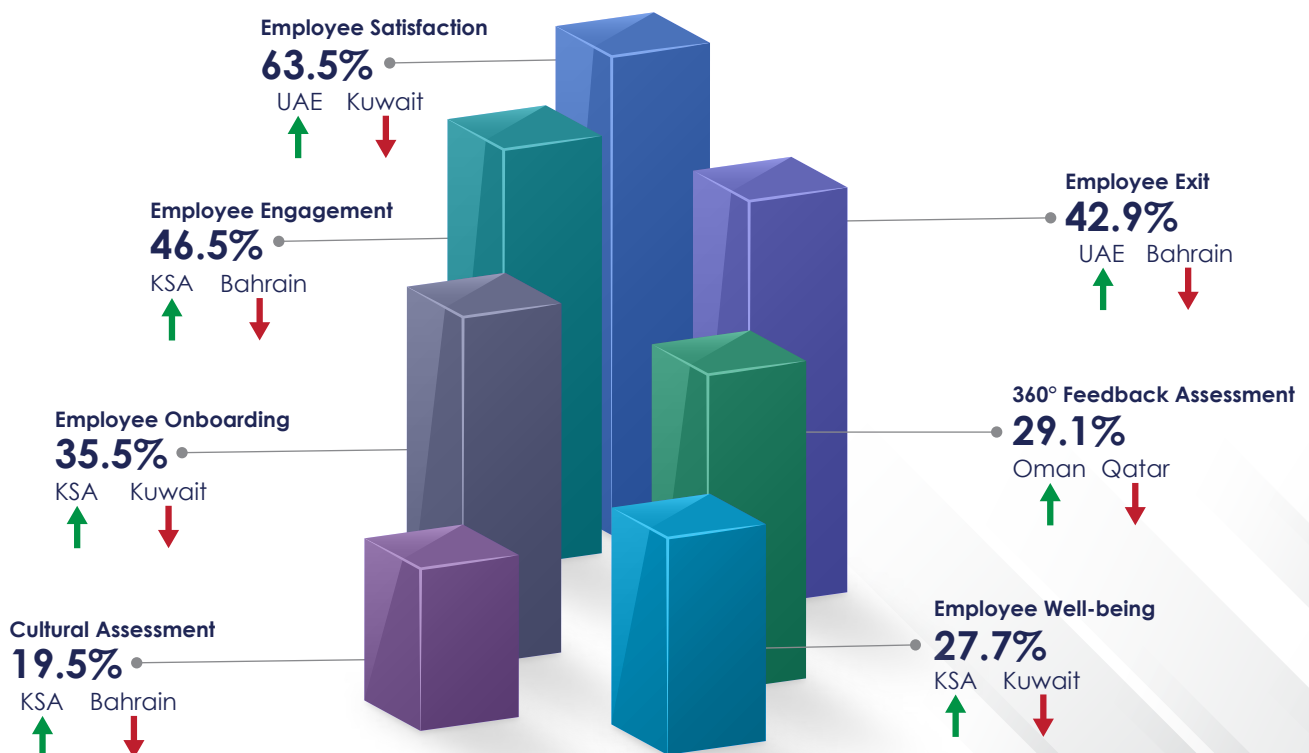
Several employers are focusing on newer measures for employee experience, as **27.7%** conduct well-being surveys periodically and assess their organization's culture at **19.5%** to sustain a healthy environment that retains valuable talent.

Organizations measuring employee experience in 2022



Employee experience tools in 2022

(Multiple selection by the participating organizations)



Talent Management



Employee Experience

47.5% of employees, as per PROCAPITA's survey participants, are considering leaving their current employer. Rather than simply acquiring talent, organizations must ensure that talented people are retained and have a comfortable workplace to do their jobs.

With rapid advancements in technology and its adoption by businesses, specifically during the pandemic and work-from-home enforcement, employers are looking for ways to unlock a sense of involvement, connection, and proactiveness in their workforce. The dynamics of employment have shifted substantially over the last decade, with employees' productivity, loyalty, and work ethic not being primarily generated from and depending on how satisfying their jobs are. It requires a deeper understanding of how committed and engaged they are with their job and the workplace, their interpretation of what and how their leaders communicate, and by what level they evolve through learning as individuals; that is where employee experience enters.

Many factors influence the employees' experience and willingness to work for an organization. Still, employee engagement and happiness are considered the most crucial factors in retaining talents and promoting the workplace by the participants in the GCC.

Lately, employee well-being and culture assessments are the topics of interest in the market. Employers are incorporating initiatives to enhance workplace culture and employees' experience.

“Happiness represents the employees' stepping-stone towards engagement.”

Talent Management



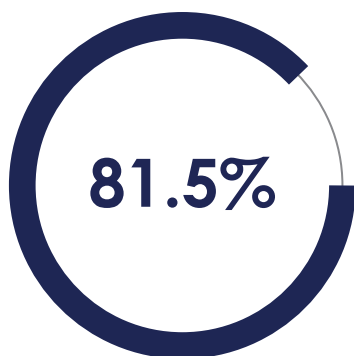
Employee Experience

Employee Engagement

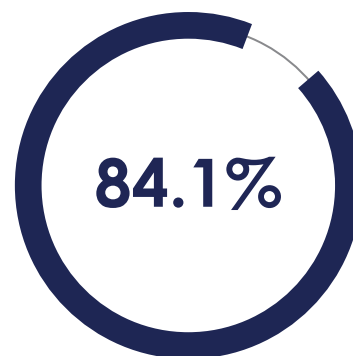
Employee Engagement looks at the intensity with which employees are inspired, motivated, and dedicated to working toward achieving the organization's mission and goals. Organizations depend on Employee Engagement to drive several crucial outcomes like productivity, innovation, customer satisfaction, and employee retention.

According to ZENITHR, a leading employee experience provider, the average scores across sectors in the MENA region for Employee Engagement recorded **81.5%**; at the same time, the top 90th percentile recorded an average of **84.1%**. Hence, most employees across the MENA Region are engaged with their workplace and show a high level of commitment toward their work.

MENA Region Score



Top Performer Score



Talent Management

Employee Experience

Employee Engagement

High scoring per Industry



Retail



Investment &
Financial Services

High scoring per Driver

Transformational Leadership

84%

The common reasons for such a high score is having an effective management style, and clear company goals.

The employee engagement scores were also compared to the organization's eNPS (Employee Net Promoter Score). The Employee Net Promoter Score is a method to calculate employees' experience based on a single survey question. eNPS measures employee loyalty by identifying them as promoters, passives, or detractors of your brand.

Low scoring per Industry



Real Estate



Manufacturing

Low scoring per Driver

Motivation

77.6%

The common reasons for such a low score are poor motivation and recognition programs, low compensation & benefits, and poor incentive plans.



+26.7% in eNPS

Most employees are more likely to promote their work as an employer of choice, and employers have the scope to improve loyalty among their employees.

Talent Management

Employee Experience

Employee Happiness

Employee Happiness indicates if employees are satisfied with their current job and the employer.

As reported by ZENITHR, the Employee Happiness average across sectors in the MENA region is **78.3%**; at the same time, the top 90th percentile recorded an average of **80.8%**. Hence, most employees across the MENA Region show high satisfaction and happiness in their workplace.



Top Performer Score



MENA Region Score

High scoring per Industry



Investment & Financial Services

High scoring for **continuity & culture** with **79.5%**

The common reasons for such a high score are granting employees stability and security, a promising career path, and motivating them to be more productive.

Low scoring per Industry



Business Professional Services

High scoring for **compensation** with **66.6%**

The common reasons for such a low score are poor compensation & benefits, and poor incentive plans.

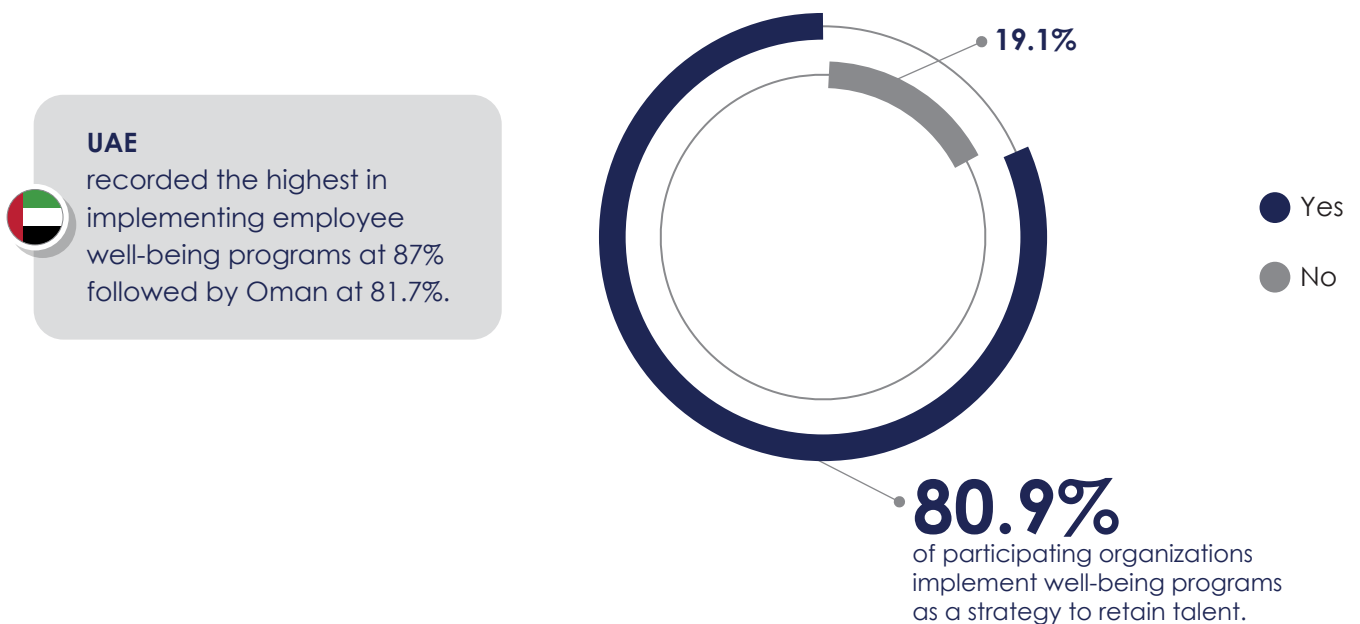
Talent Management

Employee Well being

Employee burnout is a global issue that directly impacts organizations. Many of today's HR challenges, such as employee disengagement, the great resignation phenomenon, and quiet quitting, are caused by burnout. These factors hinder business operations, quality control, costs, employee productivity, and loyalty when employers are pressured to retain and acquire talents.

The shift in power from employers to employees prompted organizations to reconsider employee well-being retention strategies. While many organizations are implementing flexible working policies to meet the preferences of their employees, others are going a step further by implementing comprehensive well-being programs that cater to their psychological, physical, and financial needs.

Organizations implementing employee well-being programs in 2022



Talent Management

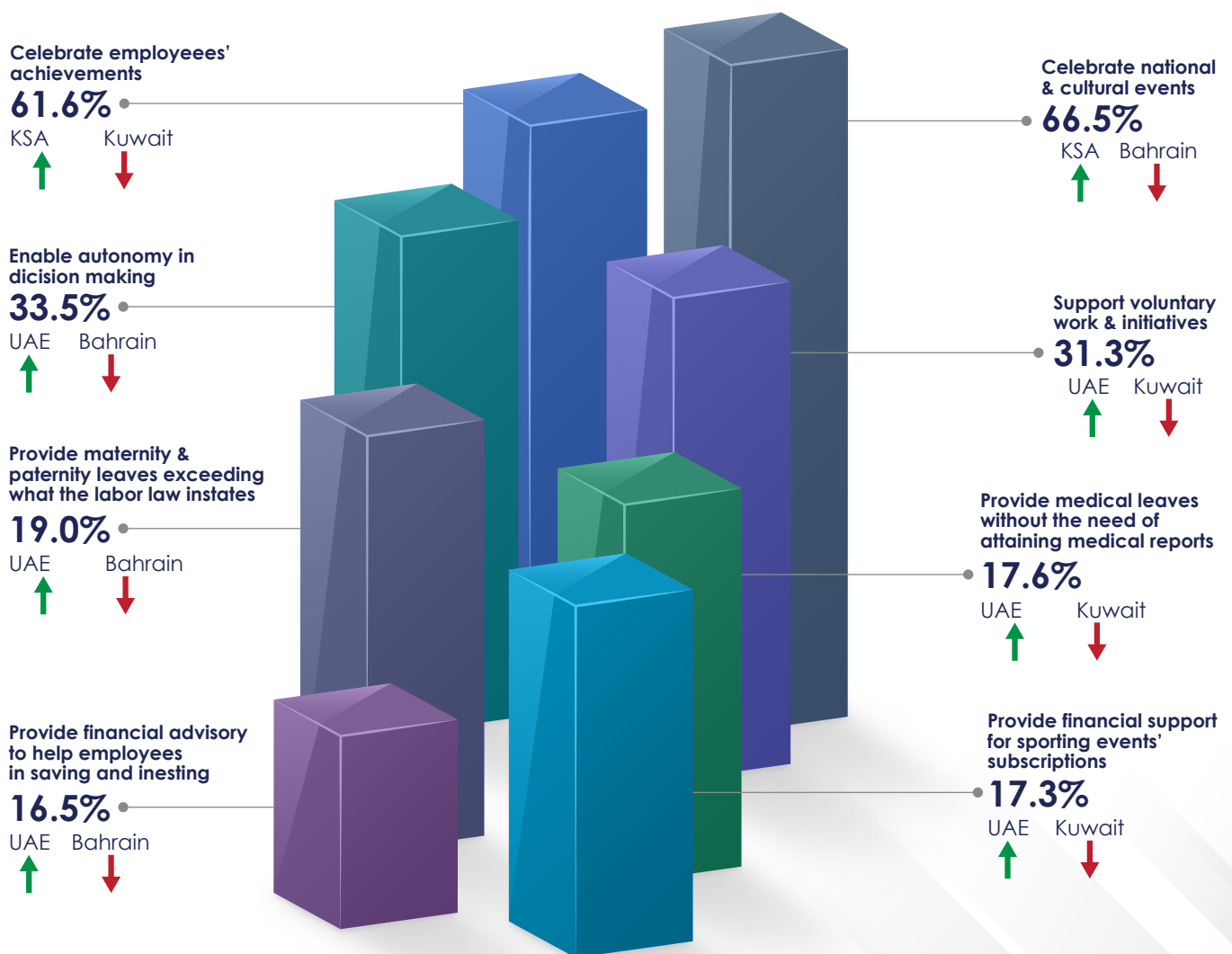
Employee Well being

Celebrating national and cultural events is the most cited form of the initiative by the participants to improve well-being, followed by celebrating employees' achievements at **66.5%** and **61.6%**, respectively.

Organizations, however, should cater to other methods of improving the workforce's overall well-being by enabling autonomy in decision-making, which was recorded at a remarkably low rate by **33.5%** of the participants across the GCC.

Employee Well being in 2022

(Free response answers by the participating organizations)



Talent Management

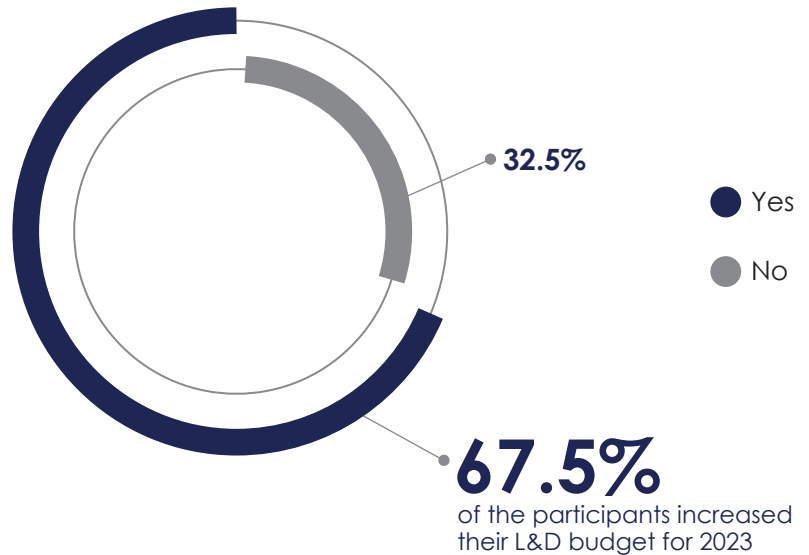
Learning & Development

Organizations investing in Learning and Development in 2023

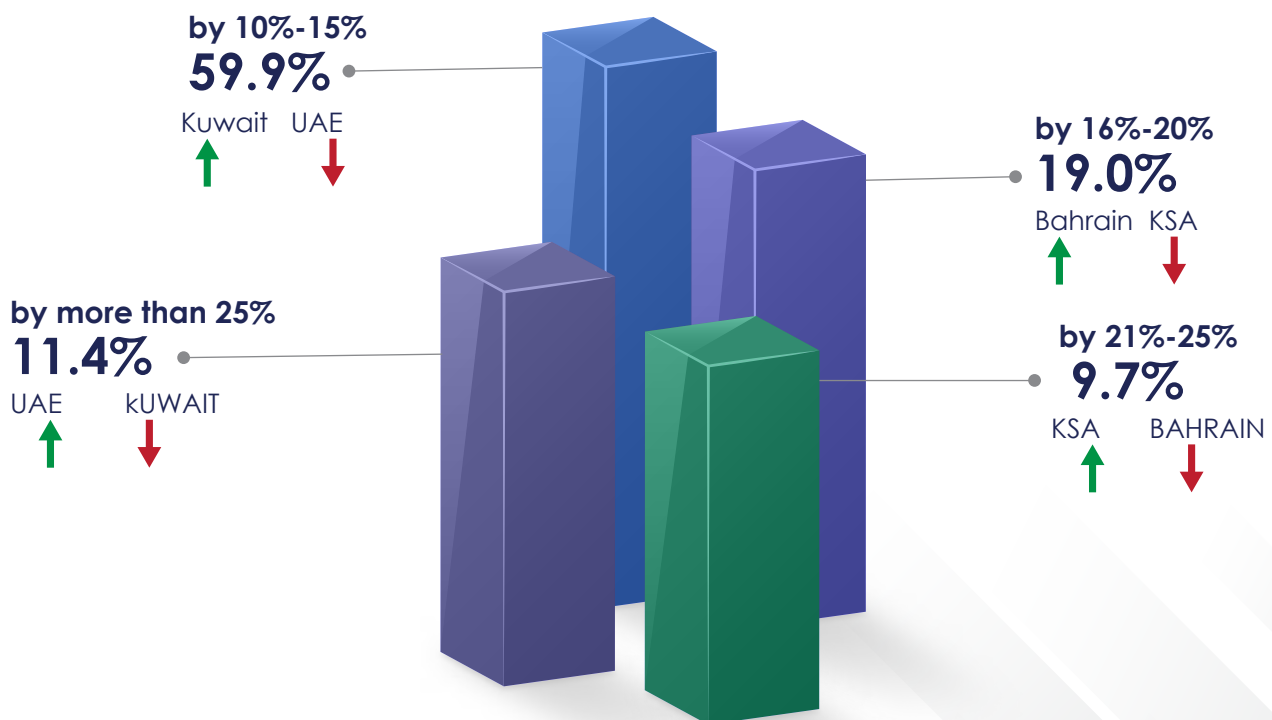


Participants in **Oman** ranked the highest to increase their L&D budget at **71%** followed closely by **KSA** at **69.5%**

21.4% of organizations increased their training and development budgets by more than **20%**.



Increase in Learning and Development budget in 2023



Talent Management

Behavioral Profiling - PPA by Thomas International

The Personal Profile Analysis “PPA” is a behavioral assessment that assesses a candidate's ability to fit into your organization and match their behavioral profile to a suitable job.

PROCAPITA's research center in collaboration with Thomas International profiled 100,000 + employees and job seekers in the GCC across multiple sectors. This collaboration is represented by our exclusive partnership with Thomas International as their sole distributor in the MENA region.

The PPA allows organizations to empower their existing employees by pinpointing their key strengths, potential areas for development, understand what engages them, and improve their overall communication with their colleagues. The PPA shows the behavior of employees through a DISC Graph which represents 4 behavioral characteristics an individual can possess:

D: The D of the DISC Graph illustrates how much Dominance an individual possesses expressed in characteristics such as drive, competitiveness, assertion, directness and independency. An individual who scores lower in the D Range will be more reserved, conservative, cautious or hesitant.

I: The I of the DISC Graph illustrates how much Influence an individual possesses expressed in characteristics such as empathy, charm, persuasiveness and communication. An individual who scores lower in the I Range will be more logical, quiet, reflective and impassive.

S: The S of the DISC Graph illustrates how much Steadiness an individual possesses expressed in characteristics such as patience, self-control, deliberation, calmness and stability. An individual who scores lower in the S Range will be more animated, vigorous, energetic and restless.

C: The C of the DISC Graph illustrates how much Compliance an individual possesses expressed in characteristics such as logical thinking, being systematic, perfectionism, conformity and self-discipline. An individual who scores lower in the C Range will be more adventurous, courageous, bold, independent or strong willed.

Talent Management



Behavioral Profiling – PPA by Thomas International

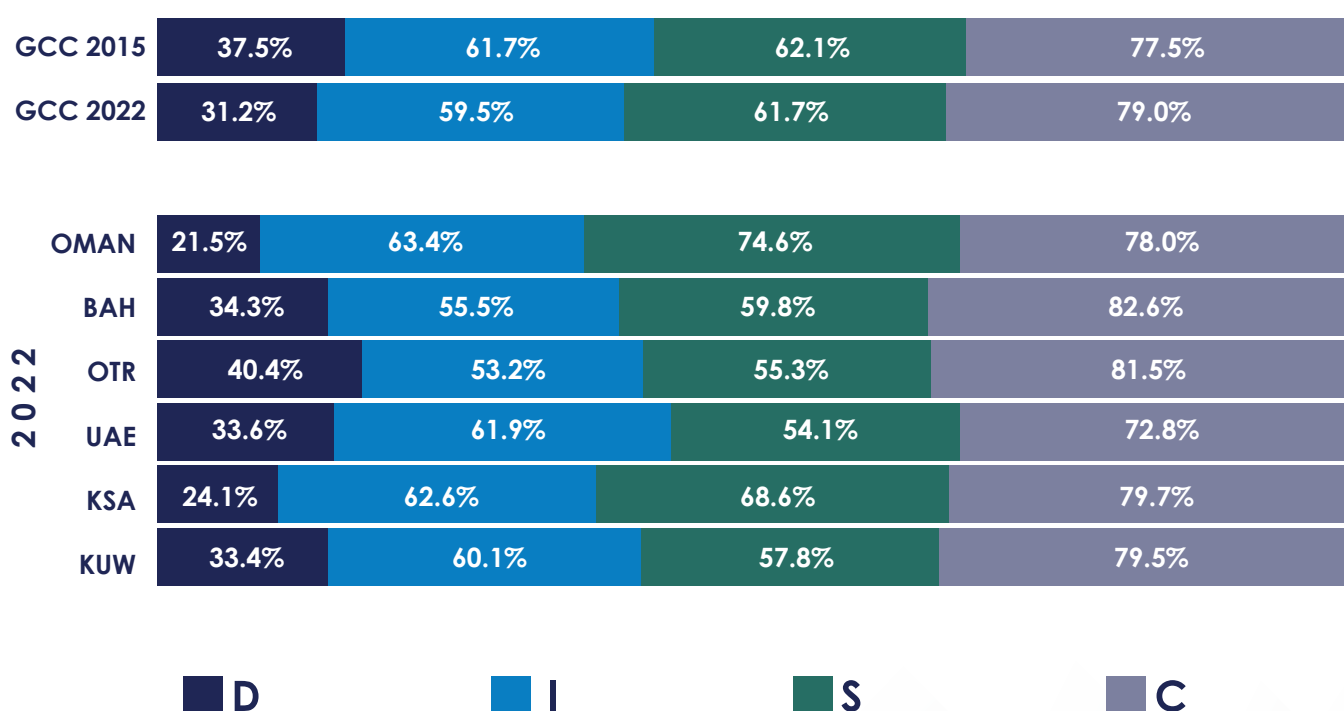
The list below clarifies the results obtained from profiling **100,000 +** employees and job seekers across the GCC

The highest factor was Compliance, with an average of **79%** followed by Steadiness at **61.7%**, while Dominance is the least at **31.2%**.

However, the results of higher levels of Compliance & Steadiness would suggest that individuals demonstrate more adaptability, composure, persistence and precision in their approach to work.

These specific regional outcomes could potentially be challenging to some countries that empower and encourage entrepreneurship. Also, the result might show some challenges in the future for companies that encourage leadership and ownership as both requires high dominance.

% of employees who have a certain DISC factor PPA



Talent Management

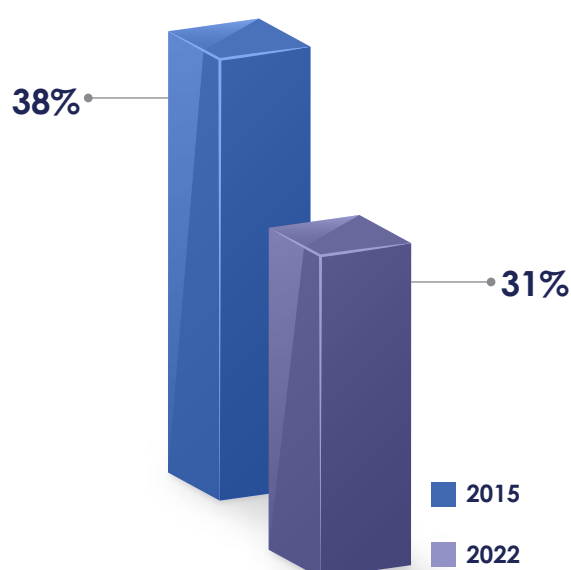
Behavioral Profiling – PPA by Thomas International Key Insights

A worrying indicator, is the measurable decrease in the dominance factor combined with a slight increase in the compliance factor when benchmarked against 2015. This acts against the GCC's visions, thus emphasizing about the necessity for decision makers to consider the below.

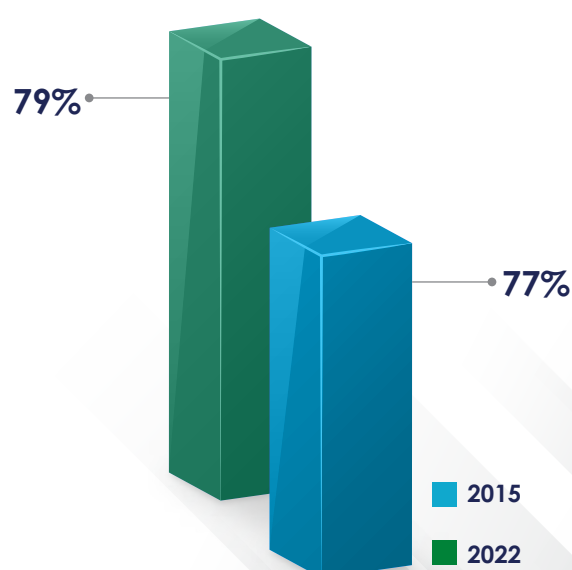
- Employees should have a competitive edge in their personality by accepting ambiguity and develop their abilities to lead.
- Increase dominance and lower compliance traits among the labor force through:
 - Educational institutes should prioritize empowering dominance among students at an early age through specific learning methodologies and modules.
 - Employers should focus on implement L&D plans that contribute to developing the employees' dominance by providing trainings related to: Decision making, problem solving, delegating, strategic planning, critical thinking.
 - Employers should enable autonomy, by delegating which channels responsibility and accountability, this will drive change and innovation among the workforce.

When an economy possesses communities with higher levels of dominance traits and lower one's of compliance, entrepreneurship flourish. This drives people's innovation towards starting their ventures thus increasing the number of SME's that is essential to the economy's growth, development, and sustainability. It drives employees' innovation within their organizations by improving upon existing products, services, and processes. Governments of the GCC's countries are supporting the SME's and the entrepreneurship eco-system as they realize their importance in improving employment levels and its role in pivoting the economy away from oil as a source of income.

Dominance Factor in the GCC over the years



Compliance Factor in the GCC over the years



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Section 5: Compensation & Benefits

In this section, we shed light on the latest trends in the Compensation and Benefits across the GCC labor market by reviewing the methods deployed to attract and retain talent.

Sources:

PROCAPITA's Research Center
<https://pro-capita.com/>

Compensation and Benefits

Increments and bonuses for 2022

Approximately **84.6%** of the participating organizations provided salary increments to their employees for **2022**. The increments are derived from multiple factors; the sudden surge in business activity in a post-pandemic economy, the enlarging war on talent, and global inflation.

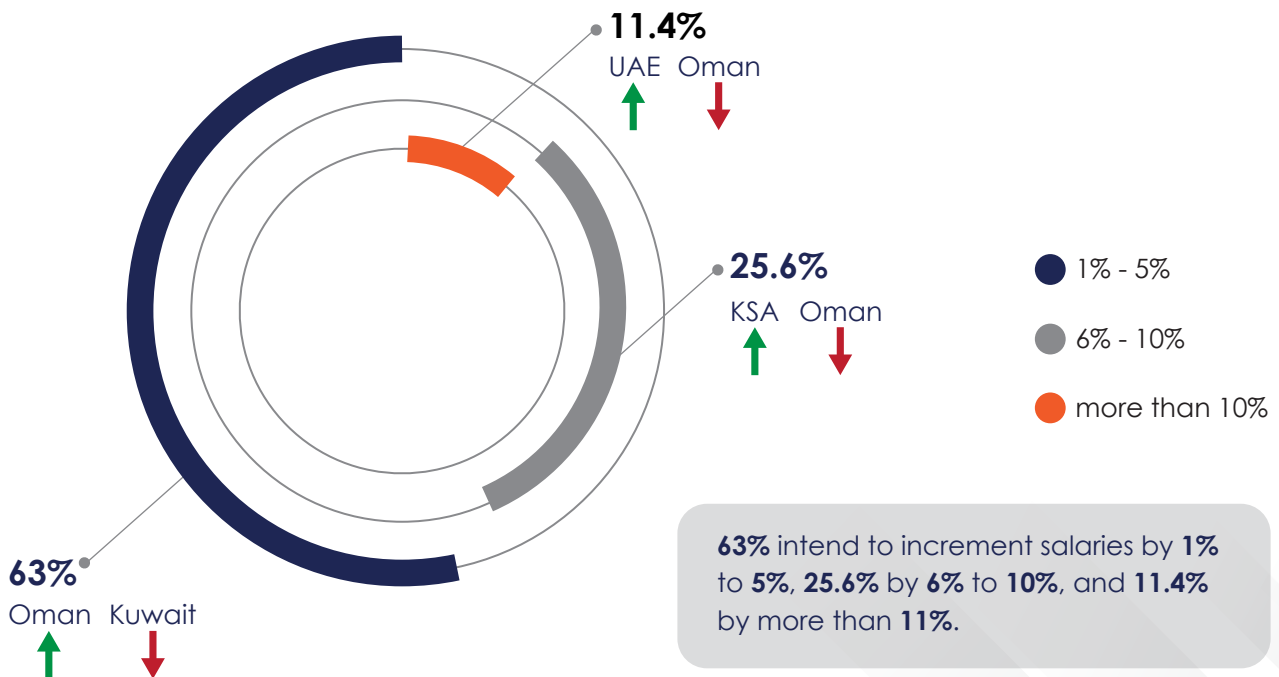
Salary Increments for 2022



Participants in **KSA** were the most to provide salary increments at **88%**, while **Kuwait** reported the least to provide salaries increments at an average of **63.1%** of the surveyed organizations.

84.6%

Average salaries' increments for 2022

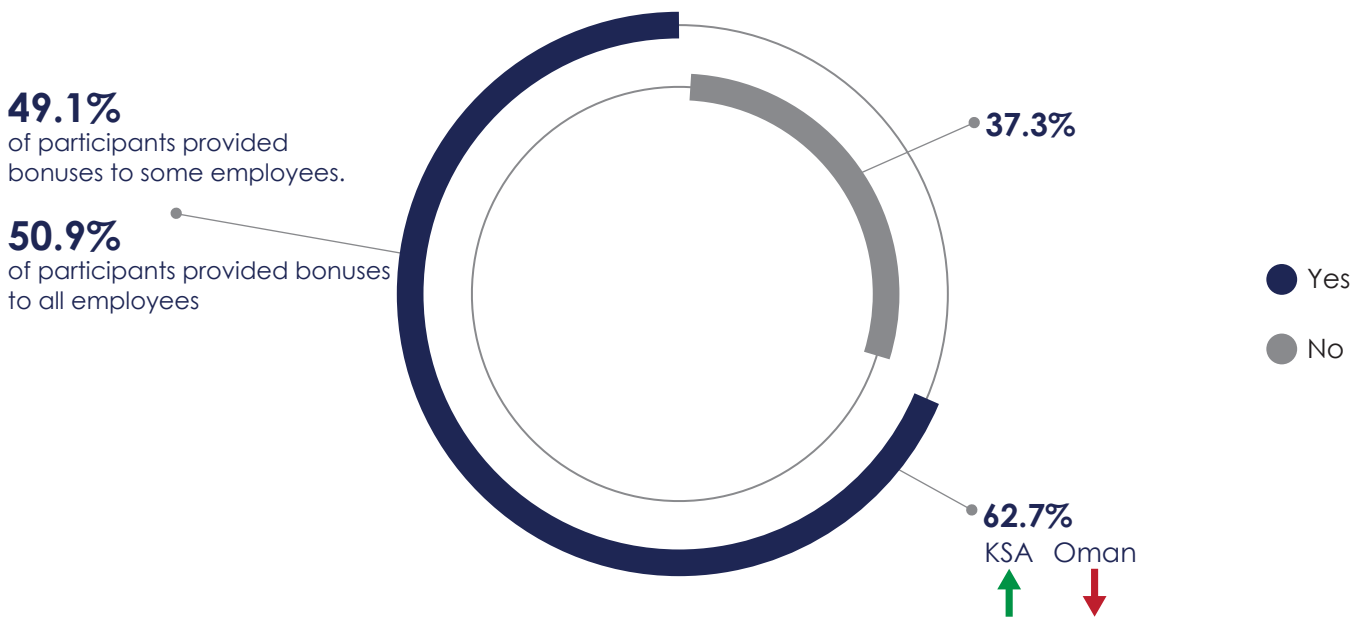


Compensation and Benefits

Increments and bonuses for 2022

In a labor market that is highly driven by monetary benefits, **62.7%** of the participants provided annual bonuses to their employees for 2022 compensation.

Organizations that provided annual bonus for 2022



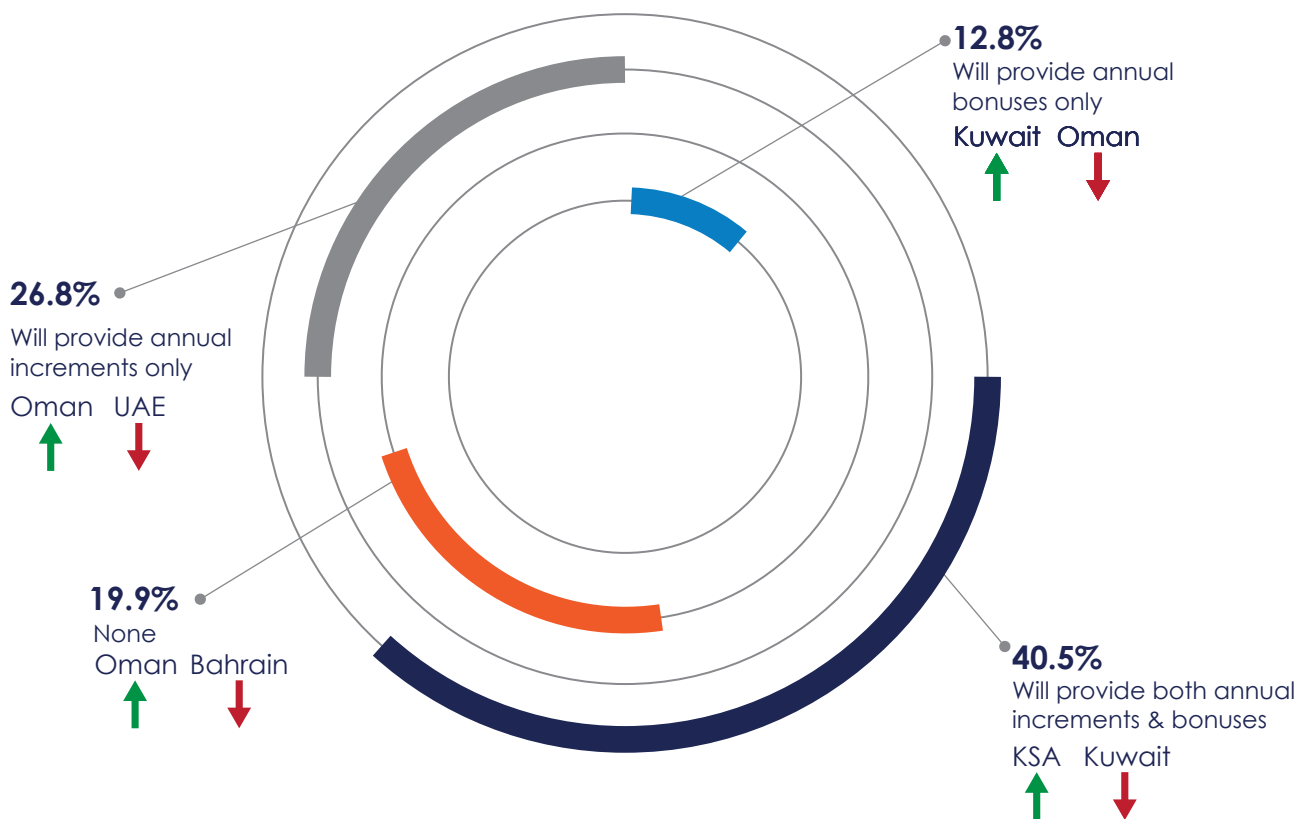
Compensation and Benefits

Projected Increments and bonuses for 2023(Projection)

39.6% of the participants will provide either a salary increment or a bonus, while **40.5%** will provide both to their employees.

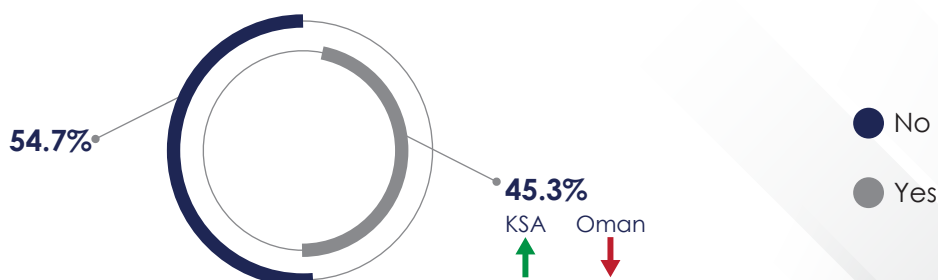
Only **19.9%** will not provide a salary increment or a bonus for **2023** as organizations realize that the war on talents requires them to offer competitive overall financial compensation and benefits packages.

Organizations planning to provide bonus for 2023



As inflation has witnessed an increase in the past years across the GCC, 45.3% of the participants plan to adjust salary scales to inflation in 2023.

Organizations planning to adjust salary scales for 2023



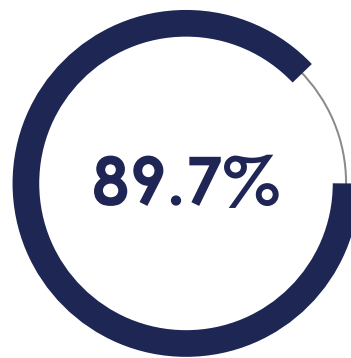
Compensation and Benefits

Non-monetary benefits

The majority of the participants are providing non-monetary benefits as 89.7% also provide at least one type of non-monetary benefits.

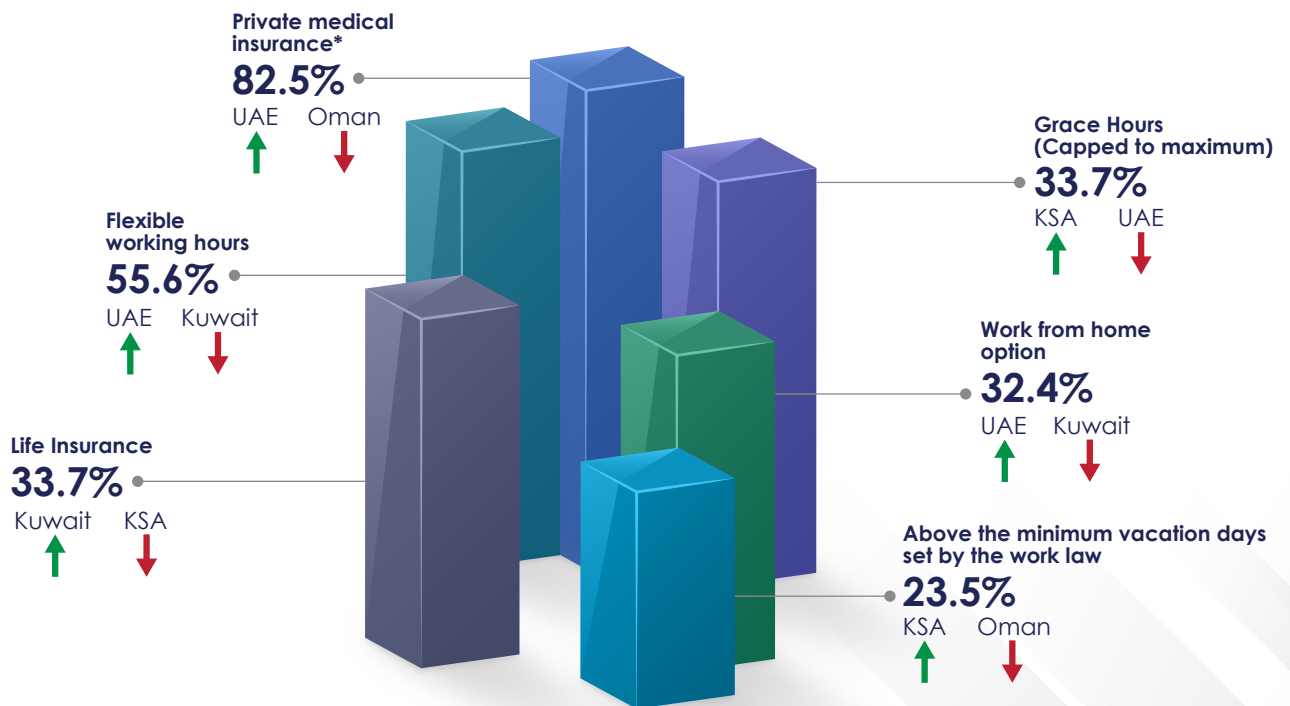
Private medical insurance remains the most common form of non-monetary benefits provided to employees at **82.5%**, followed by flexible working hours at **55.6%**.

Organizations provided non-monetary benefits for 2022



Non-monetary benefits for 2022

(Free response answers by the participating organizations)



* Private medical insurance is a benefit offered by organizations to cover medical expenses, this coverage is in addition to any national health insurance the employees may be entitled to, and provides the employees with access to private healthcare facilities and specialists and offers more comprehensive coverage than that provided by public health insurance programs

Compensation and Benefits

Long term incentive plans

Only **29.3%** of the participants provide long-term incentive plans to their employees.

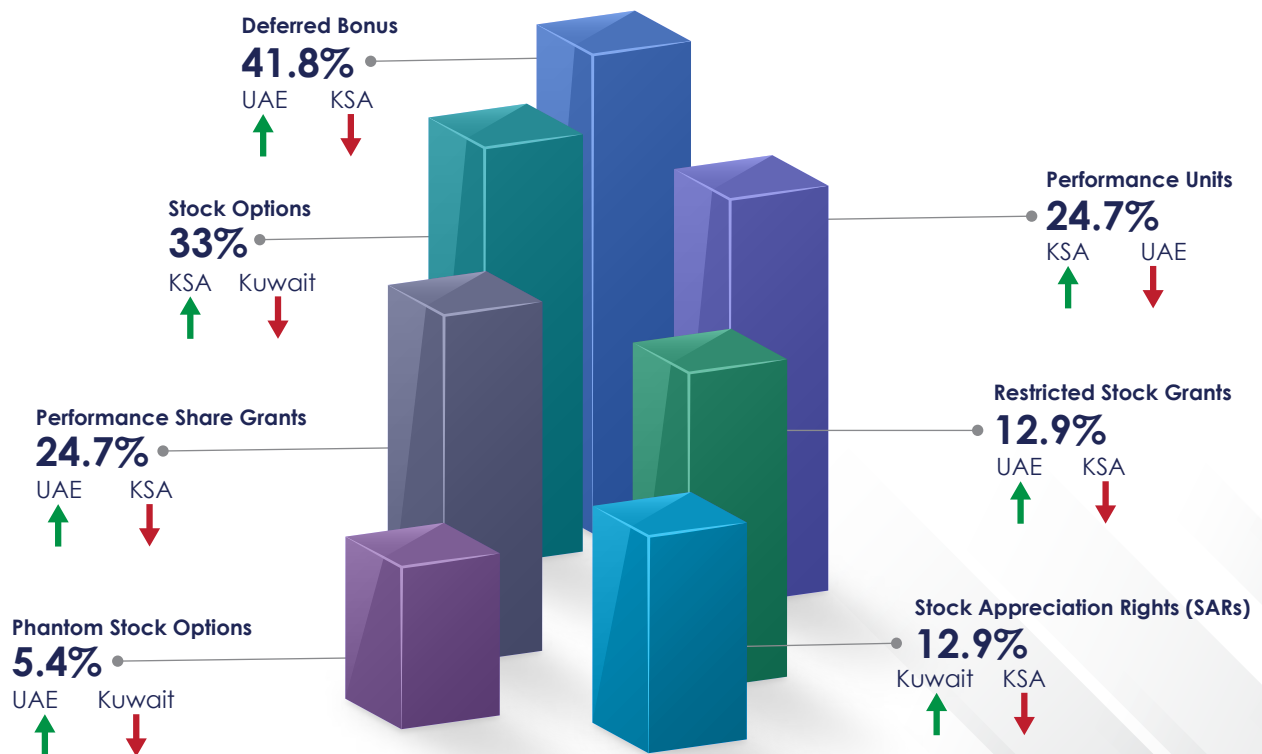
Organizations in the UAE were the most to provide LTIPs to their employees at **52.2%**. The most frequent type remains the “Deferred bonus/cash” at **41.8%**, followed by “Stock options” at **33%**.

Organizations provided LTIPs for 2022



LTIPs Types for 2022

(Free response answers by the participating organizations)





Section 6: BOD Remuneration

In this section, we examine the Board of Directors (BOD) compensation in the GCC in 2021.

Sources:

PROCAPITA's Research Center
<https://pro-capita.com/>

BOD Remuneration

Board of Directors (BOD) remuneration in the GCC refers to the compensation paid to the members of an Organization's board of directors for their services. This compensation can include fees for attending meetings and performance bonuses. The specific practices for BOD remuneration in the GCC may vary by country and by sector, but overall, the BOD remuneration in GCC is generally high compared to other countries, where the **global average** stood at **\$292,863**.

The average number of **board members** in the GCC for 2021 are **10**, and their total compensation averaged **\$3,168,000**. Listed companies distribute on average of **1.45%** of their profits as BOD compensation, sustaining an **average member cost of \$337,000**.

Total Board Remuneration for the GCC 2021

	Average Board Members	Average Total Remuneration	Average Net Profit (Loss) 2021 (Thousands USD)	Average BOD Remuneration Percentage of Net P/L	Average Remuneration per Board Member
GCC Average	10	3,168,000	2,048,653	1.45%	337,000

- The above figures are the net remuneration paid for members excluding any other expenses such as (accommodation, travel, etc.).
- All figures above represent the average of top 100 public limited companies by net profit for 2021 in accordance with data availability.
- Remuneration includes committees' members' sitting fees and other benefits provided.
- Remuneration excludes remuneration/compensation/benefits disbursed to executive directors.
- All values are exchanged from domestic currency to USD using Xe Currency Converter on 21/12/2022.

For more detailed information regarding BOD remuneration, please contact PROCAPITA HR Advisory team: Surveys@pro-capita.com

BOD Remuneration

Bahrain has the highest remuneration as a percentage of total profits at **4.42%**. However, Qatar has the highest board remuneration at **\$633,000** due to high profit margins and lower average number of board members.

Total Board Remuneration per GCC's Countries 2021

Country	Board Members	Total Remuneration	Average Net Profit (Loss) 2021 (Thousands USD)	Average BOD Remuneration Percentage of Net P/L	Average Remuneration per Board Member
QTR	8	5,539,000	862,496	0.84%	633,000
UAE	10	5,770,000	792,166	0.93%	593,000
KSA	10	2,757,000	10,052,100	0.37%	301,000
BAH	11	2,698,000	152,321	4.42%	248,000
KUW	9	1,631,000	316,355	0.81%	180,000
OMAN	9	613,000	116,000	1.33%	67,000

- The above figures are the net remuneration paid for members excluding any other expenses such as (accommodation, travel, etc.).
- All figures above represent the average of top 100 public limited companies by net profit for 2021 in accordance with data availability.
- Remuneration includes committees' members' sitting fees and other benefits provided.
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Definitions

D1. The Human Development Index (HDI) is a composite statistic that assesses the level of human development in a country by taking into account three dimensions: health, education, and standard of living including the gross national income per capita. The HDI ranking is used to classify countries into four categories of human development: very high, high, medium and low with ranges between 0 and 1, with higher scores indicating higher levels of human development. The ranking can be used to evaluate the human development status of different countries, compare them, and assess the progress over time.

D2. The UN E-Government Index evaluates the utilization of technology by governments for service delivery and citizen engagement. UNDESA developed the Index to provide a thorough evaluation of a country's e-government development level and track its progress. The Index is based on three aspects: online services, telecom infrastructure, and human capital. It ranges from 0 to 1, with higher scores indicating a more sophisticated e-government development and greater technology utilization by governments. The Index is based on a survey of 193 countries and is updated biannually.

D3. The World Bank's Human Capital Index (HCI) assesses a country's human capital productivity, which encompasses the knowledge, skills, and abilities of its population. Moreover, the labor force participation rate which is the proportion of adults who are working or seeking work. The HCI gauges the amount of human capital a child born today can expect to achieve by age 18, considering the potential risks of poor health and insufficient education in the child's country. The HCI scores range from 0 to 1, with higher scores reflecting greater human capital and improved prospects for economic growth and sustainable development. The World Bank updates the HCI annually, making it a widely used tool for comparing human capital progress between countries.

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