

A hungry year

While many analysts are calling the end of the global recession, Gulf Business's annual Salary Survey shows it's anything but a return to business as usual. It may be another year of tightened belts for Gulf professionals, **ZARINA KHAN** reports.

Last year's recession ravaged the global economy in a fairly indiscriminant and brutal way. The Gulf, usually cushioned from the ups and downs of the international markets by its petrodollar reserves, felt its shocks rather particularly. The tremors continue even now, and no-where is the impact better-exhibited than in the region's recruitment and hiring practices.

COUNTING CASUALTIES

This year Gulf Business's annual Salary Survey bleakly quantifies exactly what the evaporation of liquidity, loss of revenue and right-sizing of corporate ambition has done to the region and how it seeks, hires and retains its workers. In a sentence that change can be summed up as: it is now an employers' market in the Gulf. And the reasons for that are multiple, as our survey of recruitment and executive search firms reveals.

"The supply and demand has swung [180 degrees]. Jobs are fewer with more quality candidates being available... Right now every vacancy advertised by NADIA receives a minimum of 250 applications. For the position team assistant at an investment bank in Dubai International Financial Centre we received over 3,000 online applications... Employers are firmly in the driving seat, being able to find more alternatives at lower pay scales," revealed Ian Giulianotti, associate director of human resource management consulting at NADIA recruitment.

Fellow sector expert Siobhan O'Reilly, who is the recruitment manager of BAC Middle East, agreed that a retrospective look at 2009 showed the scales were very much tipped to the would-be employee's disadvantage.

"The overall picture in the labour market in 2009 was one of reduced demand and increased supply. In Dubai, salary scales were severely affected





by the slowdown in the real estate and construction sectors and the associated redundancies. In addition, a significant number of international companies instituted hiring freezes or restructuring schemes, which led to reduced hiring and additional layoffs. Business confidence was affected across the region by the international recession, and this impacted on hiring outside the UAE," she said.

The biggest reason for the scales being in the employer's favour is the amount of downsizing that took place in the Gulf when companies saw their returns and access to finance greatly reduced. The immediate result of that were waves of layoffs seen round the



Gulf – with sectors like real estate, construction, advertising, media, and financial services hit the hardest. Employers have used the recession as an opportunity to streamline their operations – shutting down portions of their companies with poor performance, shedding inefficient staff and bulking up the workload on existing

companies as being along the lines of 'if it has a pulse, hire it.'

"During 2009 [our client companies] were more selective of their new appointments. Lengthier interview processes were observed as clients wanted to ensure they were investing in the right people. In the second half of 2009, clients reduced housing allowances in line with real estate market changes as well as luxury benefits such as club memberships, furniture allowances and tightening of business class flights," Jennifer Campori, managing director Middle East & Europe of Charterhouse Partnership.

RESIDUAL RECESSION

Indeed, nearly all the polled recruitment firms agreed that hiring times and benefits packages were impacted across the board in the Gulf last year. And that is a change that is likely to carry on into 2010. While in 2009, Gulf

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staffers. For the first time in the Gulf's modern economic history, the business sector overall stepped back from its expansion phase growth and focused on stability and in some cases, out-right survival.

Last year saw a number of entrepreneurial ventures go-under, like adventure experience provider Blue Banana, while even government-backed entities booked massive losses, including Dubai's Nakheel, which was bailed out by the Abu Dhabi government on the eve of the deadline to pay back a \$4.1 billion sukuk. Layoffs abounded, with Nakheel reportedly shedding at least 500 staffers, and many others putting an indefinite freeze on hiring, promotions and raises.

Those companies that did continue to hire in 2009 showed far more prudence and discretion than has been customarily seen in the Gulf, where in the past recruitment sources have described the hiring process in some

Business reported a likely loss of the "hardship posting" perks typical of executive-level hiring in the region, sources said that sign-on benefits and contracts would likely become even more frugal in 2010.

Gulf Business's survey found that nearly all of the 22 surveyed professions in the six Gulf Cooperation Council countries recorded a reduction in salary rates in 2010 over 2009. The greatest reduction in salary was noted in retail/personal bankers of Asian nationalities – whose average Gulf salary rate in 2010 was 39 per cent lower than 2009 (see table 2). Among Arab expatriate professionals, business development managers recorded a 38 per cent reduction in average Gulf salary in 2010 over 2008 (see table 1) while among Western expatriates, the profession of general manager of a multinational company saw a 31 per cent drop (see table 3). Among the few salary increases reported by the polled recruitment firms, the highest Gulf aver-

TABLE 1 - AVERAGE MONTHLY SALARY IN US\$ FOR AN ARAB EXPATRIATE EMPLOYEE IN THE GULF

	Bahrain	KSA	Kuwait	UAE	Oman	Qatar
CEO/MD with sales \$50m+	28,100	35,846	29,780	31,653	29,833	36,405
CEO/MD with sales \$10-50m	21,207	27,314	23,843	24,007	20,233	24,582
CEO/MD with sales \$1-10m	16,797	20,314	18,301	18,579	14,748	18,714
General Manager – Multinational		26,117	20,513	22,569	17,142	24,163
General Manager – Local Company	16,586	22,816	18,579	19,854	16,232	20,619
Head of Human Resources	10,244	14,232	11,360	12,861	10,474	12,398
Head of Information Technology	10,505	12,752	11,273	10,587	10,692	12,618
Head of Sales/Marketing – Multinational	12,428	13,626	10,863	11,364	10,454	12,766
Head of Sales/Marketing – Local Company	9,295	12,870	9,316	10,040	9,209	10,670
Hotel General Manager	8,262	9,553	9,067	7,813	8,300	9,707
Accountant	5,650	7,882	6,316	6,768	5,209	6,604
Sales Manager	6,199	8,032	6,669	7,099	5,574	7,419
Business Development Manager	7,015	9,376	7,691	8,211	6,390	8,441
Real Estate Manager	10,213	12,267	6,833	8,413	12,500	11,305
Banking – Branch Manager	8,021	10,604	8,652	8,636	7,235	8,652
Banking – Treasury Manager	10,700	12,401	10,513	9,863	9,460	10,339
Banking – Retail/Personal Banking Manager	8,050	10,414	8,776	9,102	7,491	9,531
Media – Advertising Creative Director	9,067	11,983	10,167	10,866	9,400	11,550
Media – Public Relations Director	9,860	12,267	9,783	10,890	9,183	12,040
Media – Publishing Editor	8,204	9,783	8,900	9,281	8,108	9,952
Construction Project Manager/Chief Engineer	7,832	11,595	9,691	10,027	8,207	9,566
Executive Secretary/PA	4,858	5,108	4,725	5,914	4,533	5,239
Executive Secretary/PA	3,838	4,463	3,738	5,475	3,550	5,088

Benefits like Medical, Insurance, etc are additional to the indicated packages

ages for the Asian demographic were in the profession of public relations director with a 12 per cent increase, among Arab expatriates a 31 per cent increase was noted in general managers in international and local companies, and in the Western expatriate demographic executive secretaries/personal assistants saw their pay packets rise 37 per cent on average.

Generally, those looking for a job in the current year will find employers less generous than seen in recent memory. "For companies looking for new hires or replacements in general, salaries were 25 per cent below peak levels," Giulianotti of NADIA said. And the frugality in contract benefits and pay may even grow more severe as the year carries on, recruitment firms warn.

"We expect to see cost of living allowances being reduced as rents lower and more accommodation becomes available. Companies are now taking longer to assess and decide on new hires and negotiation of offers has become almost non-existent," he added.

IQ Selection said there would be other residual legacies from the recession. "Long lead times for recruitment coupled with a continuing regional talent shortage are two outstanding features of the hiring culture in the Gulf that look likely to stay for the foreseeable future," its managing director Christo Daniels told Gulf Business.

from the luxury perks of club memberships, business class travel and guaranteed sign on bonuses are limited to extremely senior appointments," said Campori of Charterhouse Partnership.

She also warned of reduced salary increases in 2010, but said it was not all bad. "[Instead] organisations will invest in their current staff by providing team incentives, advanced

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And those who do make the more exciting hiring cut now will find that their career graph may not rise as quickly as it may have done in the past.

"Clients will look at changing probation periods from three to six months to ensure the employee is the correct fit both culturally and professionally. In regards to package reductions, many businesses are stepping away

and cross training as well as rewarding those that have proven loyalty," Campori hoped.

THE BRIGHT SIDE

In fact, there were a number of positive outcomes predicted in recruitment and employ in the Gulf in 2010. The recession has been a dose of reality to what has often been criticised as being an

TABLE 2 - AVERAGE MONTHLY SALARY IN US\$ FOR AN ASIAN EXPATRIATE EMPLOYEE IN THE GULF

	Bahrain	KSA	Kuwait	UAE	Oman	Qatar
CEO/MD with sales \$50m+	27,817	29,747	25,907	27,347	26,250	30,542
CEO/MD with sales \$10-50m	21,617	21,411	24,875	20,295	15,739	19,628
CEO/MD with sales \$1-10m	13,755	16,727	18,325	15,288	13,187	15,289
General Manager – Multinational	14,367	15,702	13,426	13,967	10,552	13,797
General Manager – Local Company	9,787	11,608	10,231	10,194	9,007	10,811
Head of Human Resources	8,252	11,061	9,247	9,735	8,789	9,546
Head of Information Technology	8,098	10,570	8,820	9,396	8,261	8,892
Head of Sales/Marketing – Multinational	9,123	11,951	9,474	10,461	9,267	11,319
Head of Sales/Marketing – Local Company	7,780	10,363	7,724	8,577	8,212	9,049
Hotel General Manager	6,775	7,108	7,350	6,161	7,158	7,741
Accountant	3,888	4,622	4,018	4,361	3,763	4,095
Sales Manager	4,879	5,655	5,107	5,271	4,379	5,248
Business Development Manager	5,618	7,074	5,951	6,374	5,511	6,480
Real Estate Manager	7,925	8,975	7,592	4,397	8,117	9,462
Banking – Branch Manager	7,675	9,882	7,460	7,583	6,648	7,775
Banking – Treasury Manager	9,433	10,818	8,965	9,036	8,766	9,408
Banking – Retail/Personal Banking Manager	6,333	8,599	7,034	6,548	6,172	6,837
Media – Advertising Creative Director	7,350	8,258	7,567	7,599	7,400	8,040
Media – Public Relations Director	7,467	9,092	7,542	7,944	7,017	8,452
Media – Publishing Editor	5,725	6,250	5,917	5,959	5,725	6,064
Construction Project Manager/Chief Engineer	6,349	7,617	6,498	7,141	5,868	6,536
Executive Secretary/PA	2,533	2,458	2,725	3,279	2,725	2,809
Executive Secretary/PA	2,300	2,638	2,438	4,081	2,588	3,438

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unrealistic market. And those professionals who've managed to dodge the falling axes are likely to now enjoy some security and perhaps even rewards – relative though they may be.

“We think 2010 will be a true test to many businesses that have fought their way through 2009, protecting their brand, taking calculated risks, retaining their best possible staff and making sure the business has a

Another positive change to the Gulf's hiring market due to the recession has been in the still noticeable discrepancy in pay scale according to nationality. Companies can no longer assume certain origins guarantee quality and will be looking more to performance rather than passport to determine employee value. But it may be a few more years, recruitment insiders warn, before the practice is done-away with completely.

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true leader in place. 2010 will see a stronger movement towards rewarding staff who have been loyal and assisted in keeping businesses positive,” said Campori.

“Given the stabilisation in the market, we do not expect employers to utilise strategies such as paycuts and mandatory unpaid leave at the same levels as in 2009,” O'Reilly seconded.

And for those seeking to shift sectors to stay ahead of the downturn, the experts highlighted a number of professions still doing well, and markets still hiring.

“The core functions of a business still needed to recruit people. So accounting, legal, information technology and operations staff, whilst not untouchable, are generally considered fundamental

to operating a business. Additionally, technical or niche skill sets will always be in demand regardless of market conditions, and those employees should use the new year and 2010 budgets to renegotiate packages with their employer. Employees with a more common skill set should keep a close eye on salary surveys such as this one to assess their current market value. These employees will in all likelihood need to wait until the market picks up - there is a fine line between being paid their 'market rate' and pricing themselves out of the market,” said Daniels of IQ Selection.

Giulianotti of NADIA added: “Legal and accountancy professionals will always have opportunities in both good and bad times. Within the financial sector there will be a demand for risk management and compliance professionals. Fast moving consumer goods and food manufacturers will see steady growth and I believe that as confidence and cash flow returns to the market we will see the employment sector start to grow albeit at a slow but steady pace. After 2010 I also believe that an over-

TABLE 3 - AVERAGE MONTHLY SALARY IN US\$ FOR A WESTERN EXPATRIATE EMPLOYEE IN THE GULF

	Bahrain	KSA	Kuwait	UAE	Oman	Qatar
CEO/MD with sales \$50m+	27,193	35,367	29,729	32,698	30,438	32,973
CEO/MD with sales \$10-50m	22,649	28,727	24,540	26,963	21,964	24,213
CEO/MD with sales \$1-10m	18,087	23,224	20,412	22,419	17,717	20,683
General Manager – Multinational	18,738	24,081	20,358	23,354	18,805	21,624
General Manager – Local Company	15,575	18,876	17,079	18,275	15,584	17,677
Head of Human Resources	11,680	16,177	14,080	15,542	10,677	13,927
Head of Information Technology	10,086	11,076	11,625	13,474	9,301	11,942
Head of Sales/Marketing – Multinational	13,325	15,671	14,168	14,960	11,865	15,213
Head of Sales/Marketing – Local Company	11,788	15,836	12,731	15,197	10,741	15,071
Hotel General Manager	9,388	11,668	10,750	11,095	9,356	10,780
Accountant	5,788	8,171	6,659	7,868	5,788	7,068
Sales Manager	6,427	9,441	7,612	8,558	6,012	7,971
Business Development Manager	8,327	11,651	9,812	10,658	7,912	10,071
Real Estate Manager	10,088	11,788	7,875	9,225	7,838	9,538
Banking – Branch Manager	11,267	13,126	11,151	11,979	10,039	11,791
Banking – Treasury Manager	13,975	14,723	13,588	14,157	12,934	14,201
Banking – Retail/Personal Banking Manager	11,469	11,637	10,689	10,876	9,488	10,970
Media – Advertising Creative Director	10,281	13,488	13,113	13,464	10,550	11,438
Media – Public Relations Director	11,300	13,575	11,663	14,864	10,194	13,096
Media – Publishing Editor	6,017	8,679	7,642	9,418	6,375	8,040
Construction Project Manager/Chief Engineer	11,825	15,927	14,350	14,744	11,382	13,160
Executive Secretary/PA	5,179	6,325	6,192	7,215	6,000	5,489
Executive Secretary/PA	3,625	4,088	3,838	5,863	3,650	5,588

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supply of accommodation and the ensuing rental reductions will see Dubai become once more an attractive business centre for companies."

For those professionals in the Gulf who want to make a shift now, or have already fallen victim to the recession, the experts had a couple recommendations on where to direct parallel career movement.

"A lot of retail relationship bank-

"There has been a major shift within the banking and finance industries from sales and business development towards risk, compliance and audit," she revealed of her company's core client sector.

And as the recession has not hit all Gulf countries equally, job seekers could consider widening their search horizons. Qatar and Saudi Arabia both continue to hire on good packages, while the wider

nate who are currently satisfactorily-employed should work hard to maintain their competitive advantage.

"For those already working, stay focused and show your employer what you can achieve. Those who are loyal and consistently achieving good results will be recognised and rewarded...Employees need to try and stand out from the crowd in terms of performance and always be prepared to highlight extra efforts and experiences. As a rule, businesses reward hard work, motivation and loyalty," Campori of Charterhouse Partnership advised.

And even though the economy is fairly unpredictable even now, one thing that has been learned from last year is that no one should consider themselves irreplaceable and contingency plans are never a bad idea to have.

"Every candidate needs to make sure their CV is up to date, accurate, and targeted towards the area they are specifically seeking employment. With many job seekers in the market, your CV needs to make an immediate impression," she added. ■ zarina@motivate.ae

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ers, sales representatives, call centre agents, corporate relationship bankers, real estate and mortgage sales agents would be expected to shift from banking and real estate towards anything that would be available to a multi skilled roles in order to survive," said Noha El Shazly, managing partner of GulfBankers UAE, Egypt & Lebanon.

Middle East saw relative recessionary resilience in Jordan, Egypt, Lebanon and Libya, El Shazly added.

AHEAD OF THE PACK

Lastly, the recruitment firms reminded professionals that the international and regional economy is still in a state of flux, and it was best to be safe rather than sorry. Even those fortu-