

HR and Salary Report **2022/23**



HR trends and salary structures at German, Swiss and Austrian companies in the
United Arab Emirates

A joint project of Departer – The German Headhunter
and the German Emirati Joint Council for Industry and Commerce (AHK)

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Introduction

The **HR and Salary Report 2022/2023** indicates salary structures and HR-related trends in the **United Arab Emirates with a focus on German, Swiss and Austrian companies**.

The following report provides insights into **labour law in the UAE as well as an overview of HR-related subjects in the Emirates**, while also considering the daily business challenges faced by HR departments and those affecting expats living and working in the country.

We present useful information to companies already active in the United Arab Emirates and those planning to start participating in UAE's economy.

The report focuses on existing regional salary structures and levels that differ greatly from the salary schemes in Germany, Switzerland and Austria. Salary structures are divided according to department and the type of position of the candidates surveyed in order to provide a realistic illustration of salary levels and benefits paid by German, Swiss and Austrian companies in the UAE.

Other survey results have been evaluated and used to derive recommendations for different HR-related fields such as retaining high-potential employees, aiding newly immigrated expats and recruiting high-potential candidates in the local labour market.



Foreword by Managing Partner IMEA – Departer – The German Headhunter

Departer - The German Headhunter is proud to publish the fifth edition of the HR & Salary Report for the United Arab Emirates in cooperation with the German Emirati Joint Council for Industry and Commerce.

The year 2021 showed a return in business confidence resulting in a 62% increase in headhunting at German, Swiss and Austrian companies in the United Arab Emirates. This trend has continued into 2022 with high oil prices and a positive business environment contributing to an optimistic labour market outlook.

Significant reforms, such as changes in 100% company ownership, the introduction of different visa types and a focus on increasing Dubai's attractiveness for international investors and job seekers, spiked the number of company foundations in the last two years in the UAE.

'The Great Resignation' also appears to have arrived in the UAE in 2022, with a huge number of candidates intending to change jobs as career prospects improve and salaries increase. Companies need to closely observe market trends regarding monetary and non-monetary benefits as an increasing number of companies are hiring staff in 2022/23. The employment landscape looks very promising with employers likely to continue with their hiring plans.

I am sure this report provides you with some useful insights.



Marie-Christin Gabel

Managing Partner IMEA
Departer – The German Headhunter



About Departar - The German Headhunter

As a leading Executive Search consultancy in the German-speaking economy in Europe, Middle East & Africa and Asia-Pacific, Departar - The German Headhunter - plays an important role in the headhunting portfolio of HR decision-makers who benefit from sustainable recruitment processes. Departar is a well networked and locally represented recruitment partner in several countries where German, Swiss and Austrian companies do business such as the UAE, China and Australia. Our locations in EMEA & APAC give Departar access to internationally oriented professionals and executives of all nationalities with local market expertise.

Our multilingual German Executive Search consultants combine long-standing market and headhunting experience with German quality services and values.

Our team combines agile work and digitised HR processes with personalised and tailor-made HR consulting. Departar is a competent and respected partner for many leading large and medium-sized companies within the German, Swiss and Austrian economies in EMEA & APAC.

Foreword by CEO - The German Emirati Joint Council for Industry and Commerce (AHK)

Welcome to the 2022/2023 edition of the HR and Salary Report. We have successfully teamed up with Departer - The German Headhunter - for the fifth time to conduct a survey among HR decision-makers and employees of German, Swiss and Austrian companies based in the UAE.

Since the last HR and Salary Report back in 2019, the UAE employment market has faced major challenges and changes. The global Covid-19 pandemic had an unparalleled impact on the year 2020, however, from a global perspective, the UAE market has recovered quickly thanks to the outstanding crisis management of the local government and the private sector alike. The country was one of the first to reopen for tourists, which had a positive effect on the hospitality and tourism industry. The attractive economic, business and social environment in the UAE has led to a strong inflow of international professionals, entrepreneurs, start-ups and mid-sized companies. The Expo 2020 was one of the main drivers for this, and new visa regulations will doubtless contribute to this positive trend.

However, with increasing costs of living and a high inflation rate, we will need to keep an eye on the development of local employment market over the next few years.

The HR and Salary Report 2022/23 offers insights into current salary structures in various industries as well as HR trends in the UAE.

Happy reading!



Oliver Oehms

CEO
German Emirati Joint Council for
Industry and Commerce (AHK)



About the German Emirati Joint Council for Industry and Commerce (AHK)

The AHK (Auslandshandelskammer) in the UAE is part of the global network of German Chambers Abroad (AHKs) with 140 offices in 92 countries worldwide. The AHK network advises, supports and officially represents German companies by developing and extending their business relations to and in foreign countries. AHKs are supported by the Federal Ministry for Economic Affairs and Climate Action (BMWK) and are closely connected to the Chambers of Industry and Commerce (IHKs) in Germany.

As a members-driven bilateral trade and investment promotion organization, the AHK in the UAE acts as an effective information and networking platform between German companies and their local peers.



Economy and business environment in brief

The United Arab Emirates is a federal state consisting of the seven emirates of **Dubai, Abu Dhabi, Sharjah, Fujairah, Ras Al-Khaimah, Ajman and Umm Al-Quwain**. Since its inception in 1971, the UAE has achieved significant economic growth through expansion and diversification. The United Arab Emirates belongs **to the top performing countries within the MENA region** and is therefore one of the most attractive places for international companies to set up operations to meet the demand for products and services within the region.

While recording the **highest levels of economic growth in the Middle East** in recent years, the UAE has not been spared the effects of global financial and economic difficulties, including the global Covid-19 pandemic.

Repeated lockdown measures to curb the spread of the virus, coupled with the global and regional economic recession, severely impacted upon the economy of the Middle East's global business hub, hitting the tourism, logistics and retail sectors particularly hard. The UAE government took swift action to support its economy. As part of the post-Covid economic plan, the UAE government approved a **package of 33 initiatives** to provide immediate and medium- to long-term **support for SMEs, tourism, industry and manufacturing and the digital sector**.

The UAE government also organised the rollout of a successful vaccination programme. Capitalising on the protection of its high vaccination rate, the UAE was one of the first countries to reopen its borders and get the economy back on track. **The markets have since rebounded, showing the strength of the economy and confidence of foreign investors.**

The United Arab Emirates launched a ten-year strategic plan called **Operation 300 billion** at the beginning of 2022 **to support and expand the industrial sector** and drive a sustainable national economy.

The plan aims to position **the UAE as a global industrial hub** that attracts talents, developers and experts from around the world by **focusing on industries using advanced technology** and Fourth Industrial Revolution solutions and applications. Future industrial investment will also include **space technology, medical supplies and pharmaceuticals, advanced technologies manufacturing, clean and renewable energy, machinery and equipment, and food and beverages**. Operation 300 billion will have provided support for more than 13,500 SMEs by 2031.

Dubai attracts more and more international tech-based businesses as the government continues to roll out initiatives to boost tech innovation with the aim to becoming the world's smartest city.

Further stimulus for UAE's economy was provided by The World Expo held in Dubai, from October 2021 to March 2022. According to a report commissioned by the Dubai Chamber of Commerce, **more than three out of four companies in Dubai registered business growth during Expo 2020**, while **73.5% of them managed to build new business relations** during the six-month World Expo. Travel and hospitality were positively affected, arrivals at Dubai International Airport recorded a growth of 12.7% in 2021 compared to 2020.

The United Arab Emirates continue to be the first port of call for a market entry in the Middle East. **Political stability, a liberal economic policy and excellent infrastructure make the UAE, and especially Dubai, extremely attractive to foreign investors.** Furthermore, the region combines strategic advantages, operating as a geographical interface between the East and West and financial centre, with successful economic diversification and other investment incentives in the form of **tax exemptions, low customs policies, free trade zones, unrestricted transfer of capital and profits, coupling the UAE currency (Dirham - AED) with the US dollar**, modern health and education systems, broad social and religious tolerance and a high standard of living. This outstanding performance has contributed to making the United Arab Emirates a prosperous location and one of the world's most important international transport hubs.

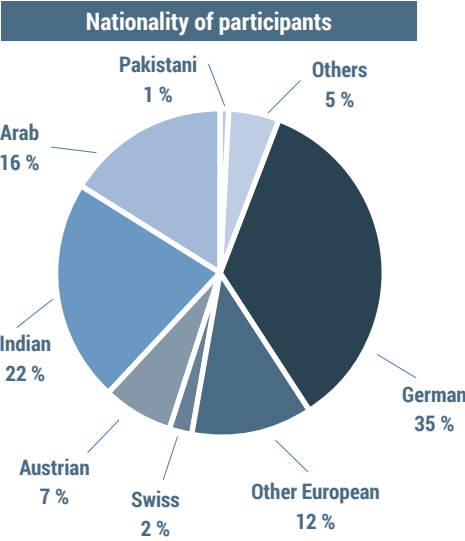
The country's largest legal reform was launched on the occasion of the UAE's 50th anniversary with over 40 laws being newly enacted or amended. These included the **protection of personal data, strengthening of online security, the enactment of a new labour law as well as allowing foreign investors to retain 100% ownership of their companies within national territory**. Rights for individuals in the private sphere have been strengthened, such as the decriminalisation of extramarital relations and the recognition of illegitimate children and their rights to health and education. The continuing development of infrastructure and quick adoption of new technologies has made Dubai one of the most modern cities in the world. **Dubai and Abu Dhabi have been named the most liveable cities in the Middle East and North Africa** for the fifth year in a row by the Economist Intelligence Unit's global survey. They attract travellers and expats from all over the world with a fusion of tradition, modernity and a multicultural population.

Key data of participants

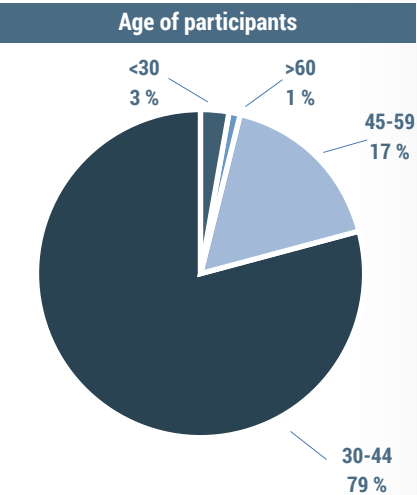
The HR and Salary Report 2022/23 evaluates participants of all nationalities and professions living and working in the UAE, **focusing on employees and HR decisionmakers employed by companies headquartered in Germany (76%), Switzerland (9%) and Austria (15%).**

The chart shows the age distribution of the survey participants. 3% were under the age of 30. The ages of the majority of 79% were between 30 and 44. Participants over 45 accounted for 17% and the number of participants over 60 made up just 1% of the total.

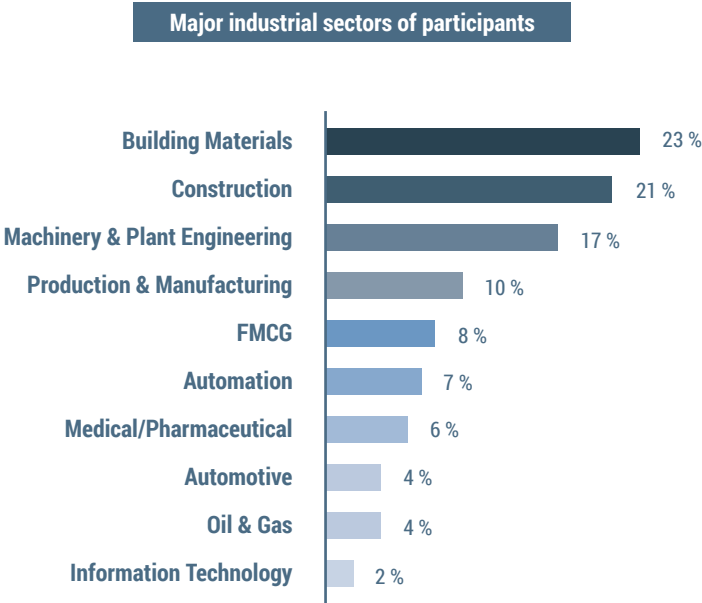
The UAE is **known for its cultural diversity as reflected in the chart below.** Experts from Germany, Switzerland and Austria represent a large proportion of HR decisions-makers in German, Swiss and Austrian companies in the United Arab Emirates.



According to the World Population Review, Emiratis count for roughly 11.6% of the UAE's population, making the country home to one of the world's highest percentage of expatriates. The Emirati workforce at German, Swiss and Austrian companies is consequently still very small. Therefore, the government has started an initiative to increase the number of Emirati workers in public and private sectors (Emiratisation).



Employees from multiple industrial sectors have participated in the HR survey. The diagram shows that **the largest industrial sectors** are represented by **building materials, construction and machinery & plant engineering.**





Living and working in the UAE

The economy of the Emirates holds **great potential for employees and job seekers** from countries around the world. The population of UAE in 2022 stands at 10.08 million, a 0.90% increase on 2021. Almost 88% of the UAE's population is of foreign origin. The emerging economy and the opportunity to meet people from different cultures create a dynamic and exciting atmosphere.

However, the UAE does not only provide opportunities for employees, but also presents challenges that employers need to understand. The high **cost of living** is an issue that affects all residents in the Emirates. In addition to rapidly increasing real estate and rental prices, education represents one of the highest expenditures for a family. Depending on the choice of school and the age of the child, international schools in the UAE charge fees of up to AED 113,000 per child per year. Even school supplies and tuition are much more expensive compared to Germany, Switzerland and Austria.

The UAE's thriving economy has nevertheless unleashed a **great potential for expats** from countries around the world.

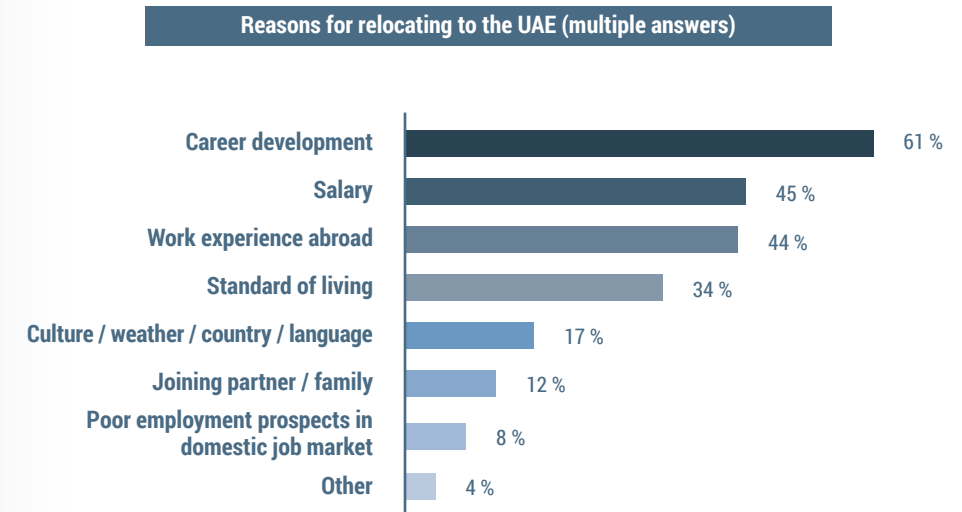
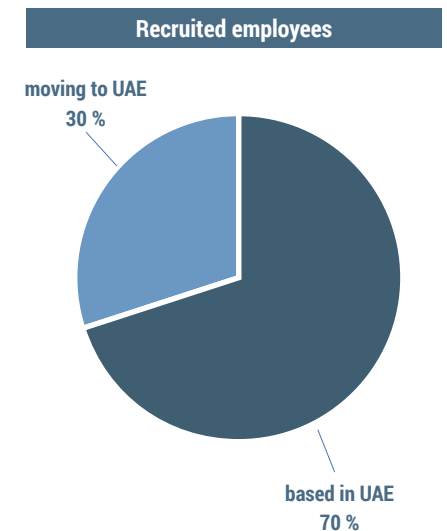
The country has opened up for international expats by introducing or amending laws adapted to Western regulations. As a result, the UAE offers great opportunities to job seekers, especially in the IT and cyber security sectors.

Reasons for relocation to the UAE

The total expat population of the UAE in 2022 stands at 8.92 million. The population of Dubai is currently 3.49 million according to the official Dubai Government website.

Approximately 70% of the interviewees were already living in the UAE when they began working for their current employer while 30% of the participants moved to the UAE for their current employment.

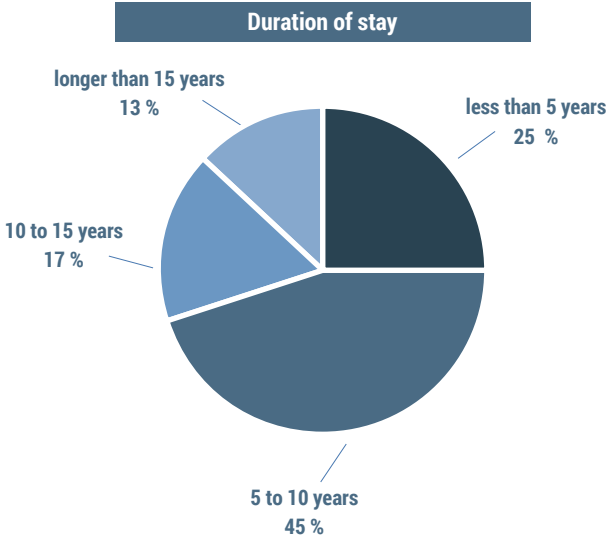
Career development remains the main reason for relocating to the UAE. Interviewees have also reported factors such as **attractive salaries** and **gaining international work experience** as reasons for relocating to the Emirates. The international working environment and a high standard of living further add to the UAE's attractiveness.





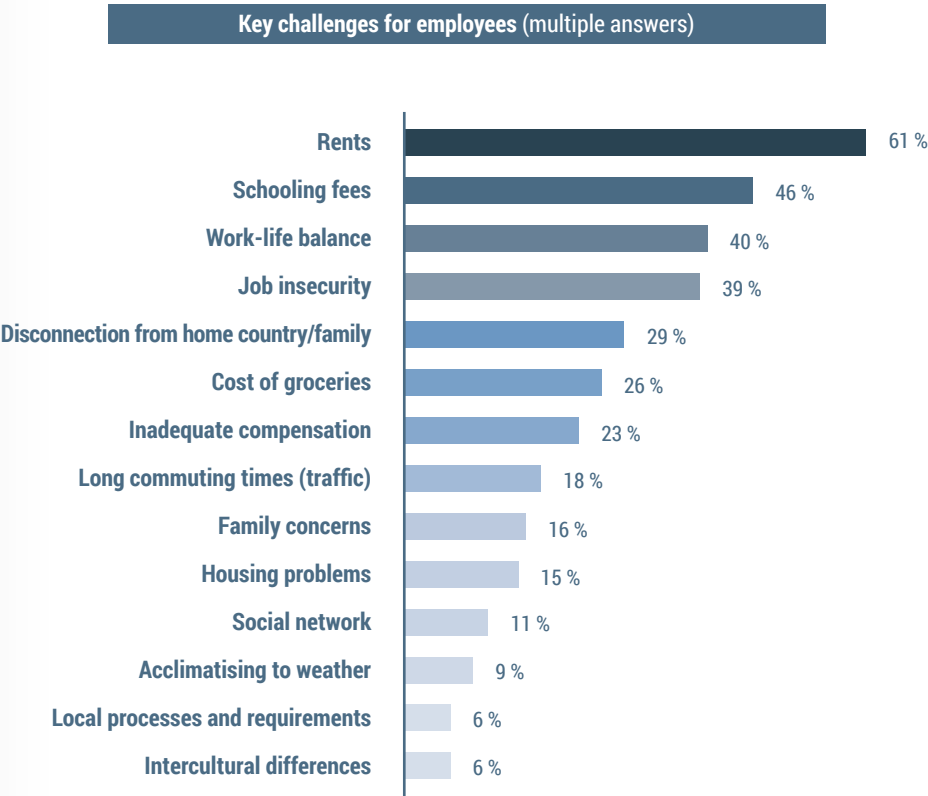
Duration of stay

At 45%, the majority of foreign employees have been living in the UAE for between five to ten years. Just 17% have been living in the country for 10-15 years and 13% for more than 15 years. A duration of stay of **five or more years has increased by 10%** compared to the previous HR & Salary Report 2019. Even during the pandemic, the UAE has continued to become a more attractive place to live and work in on a long-term basis.



Key challenges for employees

Although the duration of stay is increasing, the employees in the survey have also expressed concerns about their employment, company or their life abroad. The table below lists the main challenges facing employees in the UAE. 61% stated that the most challenging factor is **the cost of accommodation** followed by 46% for those who mentioned **the cost of schooling fees** and **work-life balance** as major concerns. In response to the global Covid-19 pandemic, job insecurity now represents a bigger concern for respondents than it did three years ago. The lockdown measures and travel restrictions have added to a sense of disconnection from the home country and family in comparison with pre-pandemic times.

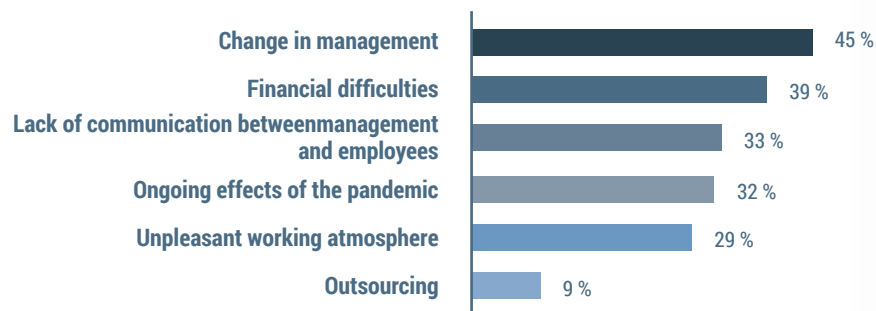




Factors contributing to job insecurity

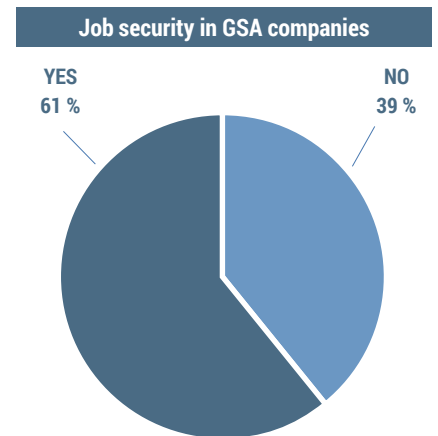
The key challenges and increasing competition in the region has led to changes and financial difficulties. 39% of the respondents started to feel insecure about their jobs. The reasons are listed in the graph below.

Factors contributing to job insecurity (multiple answers)



The ongoing effect of the pandemic influences the economic decision-making in the region. **International restructuring measures have led to budget cuts and changes in local management.** New management structures can adversely affect communication between management and employees.

Despite this, **the majority** of the participants of the survey stated they **felt secure working for a German, Swiss or Austrian company.** However, the number of respondents who no longer felt secure in their jobs increased by 10% on the results three years ago.



Working for German, Swiss and Austrian companies in the UAE

The experiences of interviewees working at German, Swiss and Austrian companies are illustrated in the graph below. Most of the employees particularly value the **reliable salary payment** followed by the **brand reputation of high-quality products**. The participants also expressed appreciation for the high level of **respectful interaction given to the employees** at German, Swiss and Austrian companies in the United Arab Emirates.

Most valued attributes of German, Swiss and Austrian companies (multiple answers)



Less favourable factors mentioned are that German, Swiss and Austrian companies do not provide their employees with **enough flexibility to react to changing circumstances** quickly. **Long procedures and slow decision** making were viewed less favourably. **A lack of understanding of the local market** regarding working culture and business trends was also mentioned.

Business strategies that apply to European markets are often not applicable in the Arabic world. Flexibility and an understanding of cultural practices are essential for doing business in the region.

The market is volatile with huge international competition and consequently **not comparable to the home markets in Germany, Switzerland and Austria**.



HR departments in the UAE

HR departments play an important role in employee satisfaction in an organisation. Next to the responsibility of providing each department with suitable employees, the **HR's functions also include disseminating the organisation's corporate mission, values and visions**. The relationship between the headquarters and foreign subsidiaries plays a crucial role in efficient HR management.

Around 700 HR field specialists from various industries were questioned about their operations in the UAE in order to analyse local trends and practices in HR departments.

The survey revealed that **68% of the companies interviewed have an HR department** at their UAE subsidiary. At the remaining 32% of companies, HR decisions are taken by the General Managers and Administration Managers.

Companies with more than ten employees need to hire a person in charge of HR (or outsource certain HR tasks) due to the immense amount of time the recruitment process and HR administration requires.

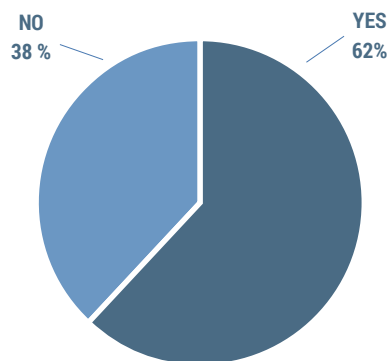


Employment history 2021

Prior to the pandemic, business had matured, and experts expected markets to stabilise in anticipation of Expo 2020. The HR & Salary Report 2019 shows that most companies had maintained their headcount compared to previous years.

The pandemic and the fall in oil prices has influenced the UAE economy since March 2020, severely impacting on living and working conditions. During the initial wave between 2020 and early 2021 most companies reduced their workforces. Lockdowns reduced company revenues, affecting the liquidity of those that could not cut their operating costs. Many employees faced salary reductions or had their employment contracts terminated as companies struggled with the financial impact of the disruptions caused by the pandemic.

Increased workforce in 2021



When restrictions were finally lifted and businesses resumed in 2021, **the UAE economy rebounded quickly and companies began rehiring.** 62% had increased their workforce, even though many companies had faced a challenging year.

HR management challenges

HR decision-makers face different challenges regarding workforce management. The following graph shows the main work-related challenges mentioned by the interviewees. Succession planning due to inability to develop leadership potential in the local market presents the biggest challenge. Talent retention was mentioned by 35% of the respondents. Acquiring key talent and the lack of available talent also represent an on-going concern.

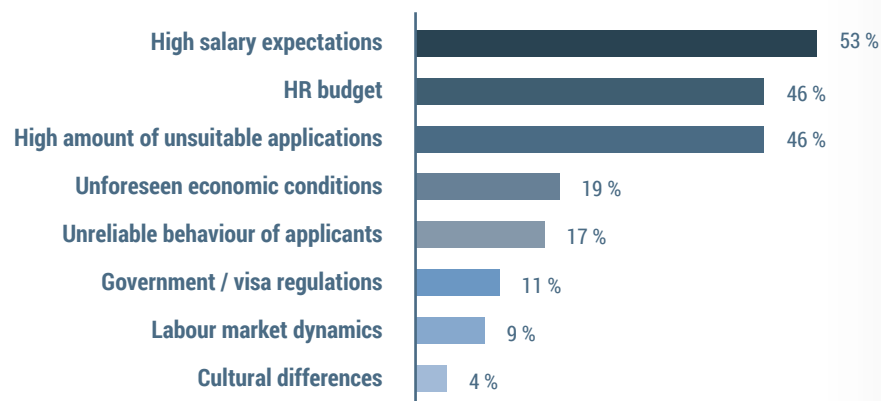
HR management challenges (multiple answers)



Hiring challenges

Increased living costs leading to higher salary expectations on limited HR budgets and the high number of unsuitable applicants add to the daily challenges of HR decision-makers in the Emirates.

Hiring challenges (multiple answers)



Emiratisation

The Emiratisation is another factor HR decision-makers need to keep in mind. **The government has started an initiative to increase the number of Emirati workers in public and private sectors** (Emiratisation).

The aim is to increase the contribution of Emirati workers to economic growth and acquisition of expertise, and to initiate a shift from public to private sector jobs. According to the UAE government, **mainland registered private sector employers with more than 50 employees** will now be required to increase the percentage of Emirati employees by a minimum of 2% annually for skilled occupations with the aim of achieving **10% Emirati nationals in their workforce by 2026**.

Employers must increase their **Emirati workforce by at least 2% for skilled occupations by the end of December 2022 to avoid financial penalties**.



Employment rules and regulations

The following section presents a **short summary of the current regulations between employees and employers in the UAE**. It also includes the biggest changes introduced by the new UAE labour law that came into effect on 2 February 2022. It has been implemented to strengthen employee and employer rights in the private sector onshore and in certain freezones within the UAE. A period of **one year has been provided to companies to adapt to the new regulations**.

1. Employment contracts

Employment contracts must now be limited, meaning that employees on indefinite or permanent contracts will be switched to fixed-term contracts of up to three years. These contracts can be renewed and will be included in total time of service.

Furthermore, new work models have been introduced with the same entitlements:

- Full-time, part-time (for one or more employers), temporary, flexible, self-employment, various trainee work permits (for juveniles, Emiratis and students), job sharing and work permits for golden visa holders

2. Visa Rules 2022

The UAE is striving to become an ideal destination to live, work, study and invest. The authorities have now announced the implementation of new UAE visa regulations. The new regulations will include **three new visa types** to encourage job seekers, investors and entrepreneurs to enter the UAE without a sponsor and consequently remain in the country longer since employment will no longer be tied to employer sponsorship.

There are 10 types of entry visas that fall under three broad categories:

- Golden Residence Visa valid for 10 years
- Green Visa granting a five-year residency
- Visitor visas valid for 60 days

3. Remuneration

The remuneration must be paid in the local currency at the place of work or in other currencies agreed between the employer and the employee. The salary can be paid on a daily, weekly or monthly basis. There is no legal minimum wage for foreigners, however, there are de facto minimum salaries depending on job type (job title) according to the current administrative practice. It should be noted that an employee earning less than AED 4,000 (including housing allowance) is not able to 'sponsor' his or her family (spouse and children).

4. Wage Protection System (WPS)

As of September 2009, **salaries for employees working for companies registered with the Ministry of Labour must be paid exclusively through the so-called Wage Protection System (WPS)**. The WPS ensures that workers receive their right wages/salaries on time. Freezone companies and their local offices have so far been exempted from the WPS, but the Jebel Ali Free Zone introduced the WPS in October 2012 for all companies registered there. Failure to comply with WPS requirements incurs various fines and penalties.

5. Probation period

A probation period should always be agreed upon at the beginning of an employment relationship. The duration of the probation period remains limited to a maximum of six months.

However, employees must give

- 14 days' notice to resign if they are leaving the UAE
- 1 month's notice to resign if they are leaving to join another employer in the UAE

The previous employer could claim the costs of recruitment from the new employer if the employee joins another UAE company **during the probationary period**. This is also the case if the employee returns to the UAE to work within three months.

6. Working hours

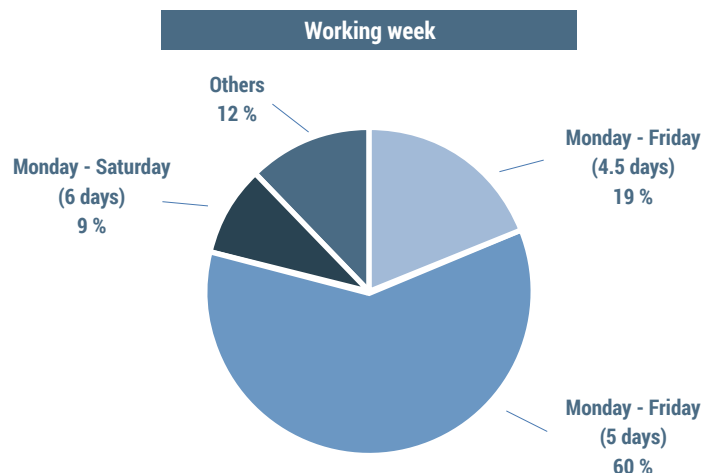
The UAE authorities announced that Federal Government departments were reducing their **working week to four and a half days** from 1 January 2022. The weekend covers a period from Friday afternoon to Sunday night. **Schools in the UAE are open from Monday to Friday**. Private companies have the discretion to maintain a 6- or 5-day workweek and restrict the weekend to Saturday and Sunday.

Employees may **not work for more than eight hours per day** (exceptions are made for retail, hotel and catering industry with a maximum of nine hours a day).

A maximum of 48 hours can be worked six days a week overall, although the way to and from the workplace is not included in the working hours. The regulations mentioned above do not apply to executives with employer functions.

Breaks must be granted after a maximum of five hours of continuous work per day and must not be shorter than one hour in total during the day.

During the month of Ramadan, the normal working hours for all employees (Muslims and non-Muslims) **need to be shortened by two hours on full pay**.



At 60%, the majority of respondents changed their working week to the international standard, meaning that they work five full days from Monday to Friday with a two-day weekend on Saturday and Sunday.

7. Overtime arrangements

Managers/Executives are expected to work longer hours without additional remuneration when necessary. **Overtime should not exceed two hours a day** for all other employees. **A further cap of 144 total working hours** (including overtime hours) **over a 3-week-period** also applies. The rate of pay for overtime is remunerated as follows:

On the rate of basic pay employees receive

- an additional 25% during daytime hours
- an additional 50% at night
(Only applies for hours worked between 10PM and 4AM)

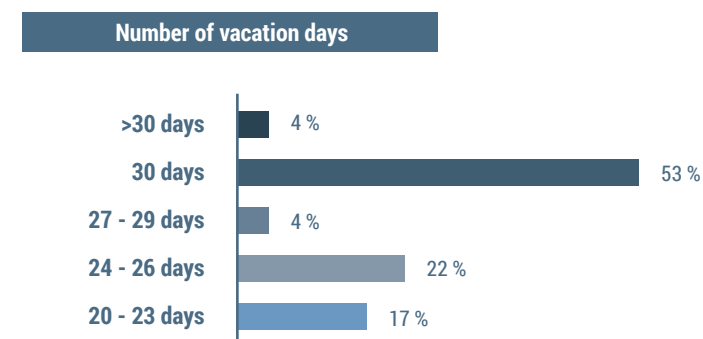
One additional day off or at least 50% overtime remuneration is granted for work on public holidays. Working on more than two consecutive holidays is not permitted.

8. Leave and holidays

Employees are entitled to **two days of leave each month** in the first year of employment, which becomes valid after six months of continuous work. **30 calendar days of paid vacation** are granted in the following years.

83% of companies calculate their annual leave days on working days. This means weekends and public holidays do not count as used leave.

53% of the German, Swiss and Austrian companies offer a paid vacation of 30 working days per year.



9. Public holidays

An employee in the UAE is entitled to the following paid holidays:

Public holiday	day
New Year	1 January
Eid Al Fitr	29 Ramadan - 3 Shawwal
Arafah Day	9 Dhu al-Hijjah
Eid Al Adha	10 - 12 Dhu al-Hijjah
Islamic New Year	30 July
Prophet Mohammed's Birthday	8 October
Commemoration Day	1 December
UAE National Day	2 - 3 December

10. Study leave

An employee studying at one of the UAE's certified educational institutions is entitled to **10 days leave per year for examinations**. The employee must have completed more than two years of service with the employer.

11. Sick leave

Incapacity to work because of illness must be reported to the employer within two days. An earlier notification of the illness and proof provided by the employee can and should always be agreed in the employment contract. **After the end of the probation period** (during the probation period there is no entitlement to paid sick leave) **employees have the right to continued sick pay as follows:**

- 15 days full pay
- 30 days with 50% pay
- employees receive no remuneration after 30 days

If the inability to work/sickness is found to be self-induced, the employee is not entitled to paid sick leave.

12. Maternity leave

Every female employee is entitled to maternity leave:

- 45 calendar days at 100% pay plus
- 15 calendar days at 50% pay.

These days include the time before and after birth. **In the case of illness of the mother because of pregnancy or childbirth, an additional 45 days of unpaid leave is available.** An additional 30 days paid leave and 30 days unpaid leave is available if the employee's child suffers from a disability. Maternity leave is now available to female employees who had a miscarriage or still birth after six months of pregnancy.

Each mother is also entitled to two daily breastfeeding pauses (not exceeding half an hour) during the first 18 months after the birth of her child. These are regarded as working hours and must therefore be remunerated accordingly.

13. Compassionate leave

The law also grants compassionate leave in the event of a death of a family member:

- death of spouse - 5 days leave
- death of parent, child, grandparent, grandchild, sibling – 3 days leave

14. Termination of an employment relationship

Employment contracts can be terminated by both the employer and the employee.

- During the probation period - 14 days for employer or 1 month for employee
- After the probation period - The minimum notice period for a permanent employment contract after completion of probationary period remains 30 days. However, a maximum of 90 days' notice period has been introduced.

The employment contract can be terminated at any time extraordinarily and without notice for good cause. The main reasons for the employer are listed below:

If an employee

- submits false documents
- fails to follow the instructions of the employer
- fails to perform the duties
- reveals business secrets of the employer to third parties
- is found in a state of drunkenness or under the influence of drugs
- commits immoral activities at the workplace
- verbally or physically abuses the employer or colleagues
- is absent from work for seven consecutive days or 20 non-consecutive days

The employee may terminate the employment contract without notice if the employer does not fulfil the conditions laid down in the employment contract, assaults the employee or assigns the employee to other work without his/her consent.



15. Non-competition restrictions

Another major change in the new law is the non-competition clause to strengthen the rights of the employer.

Non-competition clauses have now been expanded to a maximum length of two years after the expiration of the contract. **The employee is not allowed to work for a new employer which competes with the previous employer if the non-competition terms are mentioned in the employment contract.** The clause must determine the location, time and scope of work necessary to protect legitimate business interests.

The employee shall be exempted from the non-competition clause under the following conditions:

- the employer terminates the employment contract in violation of the labour law
- the new employer or the employee pays compensation of up to three months of the employee's wage to the previous employer (written consent is required for this from the previous employer)
- the contract is terminated during their probationary period
- it is deemed appropriate according to the requirements of the UAE labour market

16. End of service gratuity

End-of-service payment is compulsory in the UAE. The table below gives an overview of gratuity payments.

1 - 5 years	21 days basic salary per year of employment
More than 5 years	Additional payment of 30 days basic salary (total amount should not exceed two annual salaries)

Dismissed employees now retain their entitlement to end-of-service gratuity, and no reductions apply if the employee resigns.

The payment of end-of-service gratuity and all other termination payments must be made within 14 days of the termination date.

17. Potential liability

The new laws prohibit employers **from discriminating against applicants and employees based on race, colour, religion, sex and national or social origin or disability.** It also protects employees against sexual harassment and any psychological or physical violence.

The UAE court also maintains a limited right to issue fines up to one million Dirham against employers for breaches of the labour law.

18. Repatriation costs

Upon termination of the employment relationship, the employer is generally obliged to pay the employee for the return flight or return journey to his/her home country.

Exceptions to this rule appear when the employee takes on a new job and is already based in the UAE or is responsible for terminating the employment relationship. If the employer has provided accommodation to the employee, the employee is obliged to leave it within 30 days of termination of the employment relationship.



Overview of salary levels

The next section presents an overview of salary levels at German, Swiss and Austrian organisations operating in the UAE.

The evaluation provides insight into today's labour market for professionals in the following fields:

- Accounting & Finance
- Human Resources
- Information Technology
- Legal
- Management
- Marketing
- Manufacturing & Engineering
- Administration
- Supply Chain & Logistics
- Sales & Service

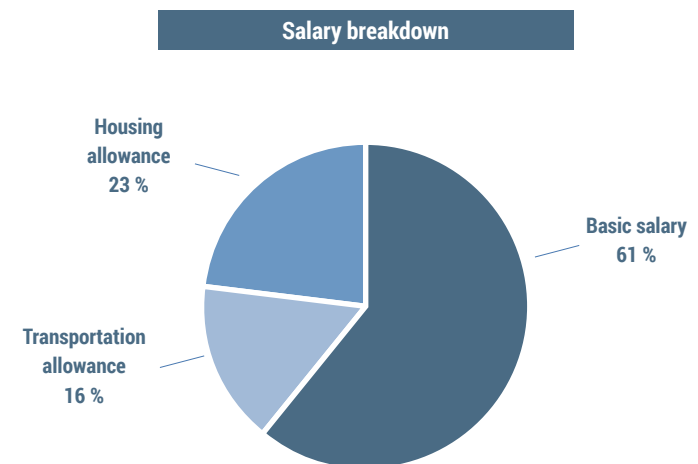
The most frequently placed jobs at German, Swiss and Austrian companies operating in the UAE labour market were selected according to the long-standing experience of Departar's Executive Search consultants.

Our evaluation includes the salary ranges for permanent, full-time positions in various industrial sectors in the UAE and is divided into three categories of professional experience in years.

The salary ranges are the result of the survey conducted by Departar and the German Emirati Joint Council for Industry and Commerce. It also corresponds to the experience of our Executive Search consultants who observe the UAE's labour market as part of their daily business.

Starting salaries can vary greatly depending on the candidate's experience and expertise, as well as market demand for the role and company size. These salary guidelines apply to the broad salary ranges in the United Arab Emirates for German, Swiss and Austrian companies.

UAE's common salary packages cannot be compared with other labour markets, which is partly a result of the high number of expatriates. A salary package is generally divided into **three parts – basic salary, housing allowance and transportation allowance**. The following graph shows the average breakdown of common salary packages at German, Swiss and Austrian companies in the UAE.



The salary ranges presented in the next section provide **an orientation for German, Swiss and Austrian companies** and enable them to evaluate whether their salary policies are in line with the market. The salary ranges are just an orientation and can vary according to industry, size of the company, availability of similar talent in the labour market and other factors.

Salaries by department and position

The salary amounts are given in thousands of United Arab Emirates Dirham (AED) per month and include the basic salary, housing allowance and transportation allowances. Other benefits and bonuses are not included in the salary indications given.

ACCOUNTING & FINANCE

Role / Seniority	Up to 5 years	5-10 years	> 10 years
Finance Director	–	51 - 62	> 62
Finance Manager	29 - 32	32 - 47	> 47
Financial Controller	26 - 30	30 - 45	> 45
Internal Auditor	16 - 20	20 - 25	> 25
Chief Accountant	11 - 16	16 - 25	> 25
Business Analyst	11 - 17	17 - 25	> 25
Accountant	9 - 13	13 - 19	> 19

*

HUMAN RESOURCES

Role / Seniority	Up to 5 years	5-10 years	> 10 years
HR Director	–	45 - 60	> 60
HR Manager	22 - 28	28 - 39	> 39
Compensation & Benefit Manager	15 - 19	19 - 26	> 26
HR Assistant	10 - 15	15 - 19	> 19

*

INFORMATION TECHNOLOGY

Role / Seniority	Up to 5 years	5-10 years	> 10 years
Chief Information Officer	–	55 - 69	> 69
IT Director	–	47 - 58	> 58
IT Manager	16 - 23	23 - 35	> 35
Software Developer	12 - 16	16 - 25	> 25
IT Systems Administrator	12 - 15	15 - 22	> 22

*

LEGAL

Role / Seniority	Up to 5 years	5-10 years	> 10 years
Head of Legal	–	55 - 68	> 68
Legal Counsel	19 - 26	26 - 37	> 37
Legal Assistant	10 - 15	15 - 21	> 21

*

MANAGEMENT

Role / Seniority	Up to 5 years	5-10 years	> 10 years
Chief Executive Officer	–	65 - 80	> 80
General Manager / Managing Director	–	59 - 75	> 75
Chief Financial Officer	–	59 - 73	> 73
Chief Operations Officer	–	58 - 72	> 72

*

* Salary ranges in AED (1 = 1,000) per month

ADMINISTRATION

Role / Seniority	Up to 5 years	5-10 years	> 10 years
Office Manager	19 - 25	25 - 32	> 32
Executive Assistant	17 - 24	24 - 30	> 30
Personal Assistant	12 - 18	18 - 25	> 25
Administration Assistant	7 - 10	10 - 15	> 15
Receptionist	6 - 9	9 - 13	> 13

*

MARKETING

Role / Seniority	Up to 5 years	5-10 years	> 10 years
Marketing Director	–	42 - 55	> 55
Marketing Manager	22 - 26	26 - 35	> 35
Product Manager	18 - 24	24 - 32	> 32
Brand Manager	14 - 24	24 - 32	> 32
Social Media Manager	11 - 15	15 - 19	> 19
Marketing Assistant	10 - 14	14 - 18	> 18

*

MANUFACTURING & ENGINEERING

Role / Seniority	Up to 5 years	5-10 years	> 10 years
Operations Director	–	49 - 60	> 60
Technical Director	–	48 - 57	> 57
Project Director	–	47 - 58	> 58
Commercial Manager	35 - 43	43 - 53	> 53
Production Manager	30 - 38	38 - 46	> 46
HSE Manager	24 - 30	30 - 38	> 38
Operations Manager	23 - 30	30 - 38	> 38
Quality Manager	20 - 25	25 - 30	> 30
Project Manager	19 - 23	23 - 35	> 35
Technical Manager	19 - 24	24 - 33	> 33
Workshop Manager	18 - 24	24 - 31	> 31
Civil Engineer	16 - 22	22 - 28	> 28
Site Manager	15 - 20	20 - 26	> 26
Design Engineer	11 - 15	15 - 21	> 21

*

* Salary ranges in AED (1 = 1,000) per month

SALES & SERVICE

Role / Seniority	Up to 5 years	5-10 years	> 10 years
Sales Director	–	52 - 62	> 62
Service Director	–	52 - 62	> 62
Country Manager	36 - 42	42 - 51	> 51
Branch Manager	32 - 39	39 - 46	> 46
Regional Sales Manager	28 - 32	32 - 43	> 43
Area Sales Manager	24 - 28	28 - 39	> 39
Business Development Manager	23 - 28	28 - 38	> 38
Sales Manager	21 - 25	25 - 34	> 34
Key Account Manager	21 - 27	27 - 34	> 34
Service Manager	19 - 24	24 - 30	> 30
After Sales Manager	18 - 24	24 - 29	> 29
Customer Service Manager	18 - 21	21 - 26	> 26
Sales Engineer	11 - 15	15 - 19	> 19
Service Engineer	10 - 13	13 - 16	> 16
Sales Executive	8 - 11	11 - 15	> 15
Inside Sales Coordinator	8 - 11	11 - 13	> 13
Customer Service Executive	8 - 10	10 - 13	> 13

*

SUPPLY CHAIN & LOGISTICS

Role / Seniority	Up to 5 years	5-10 years	> 10 years
Supply Chain Manager	26 - 32	32 - 41	> 41
Procurement Manager	24 - 30	30 - 40	> 40
Logistics Manager	20 - 26	26 - 30	> 30
Trade Lane Manager	19 - 23	23 - 29	> 29
Warehouse Manager	10 - 15	15 - 20	> 20
Logistics Coordinator	8 - 12	12 - 15	> 15
Procurement Coordinator	8 - 12	12 - 15	> 15

*

* Salary ranges in AED (1 = 1,000) per month



Employee benefits

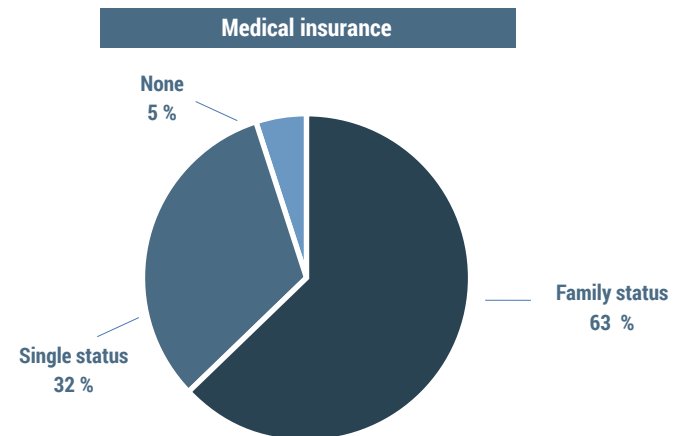
Most German, Swiss and Austrian companies offer **individual benefits** on top of the common salary package, depending on an employee's position and personal situation. Benefits can also help to **cement a company's brand and increase a company's attractiveness** within the highly competitive labour market.

Medical insurance

Since the beginning of 2007, employers operating in Abu Dhabi have been required to insure their employees (and their families with up to three children under the age of 18) with a health insurance provider licensed by the Abu Dhabi Health Authority. A residence visa can no longer be issued without proof of health insurance.

Since June 2016, all companies operating in both the national territory and the free trade zones in Dubai have also **been required to provide health insurance to their employees**. There is no legal obligation on the employer to co-insure the employee's family members. Health insurance is required to apply for or renew a residence visa.

The chart shows that **63% of the German, Swiss and Austrian companies provide medical insurance for the family** and 32% for the employee only. 5% do not provide medical insurance at all.

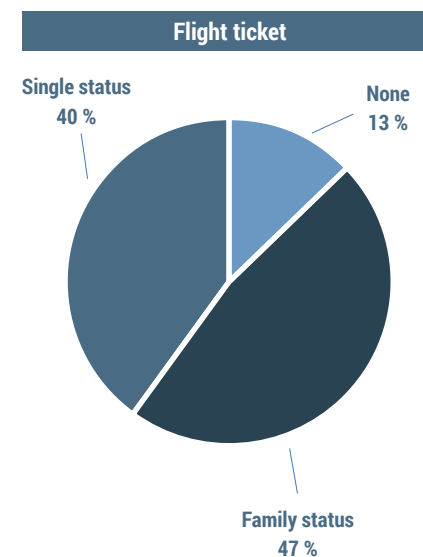


Apart from Dubai and Abu Dhabi, the other Emirates do not have a compulsory insurance system and employers are often only able to provide a health card obtained from one of the government hospitals. As this form of health cover does not sufficiently correspond to European standards, additional private health insurance is always advisable.

Flight ticket

Employees of German, Swiss and Austrian companies are provided on average with one return flight ticket to their home country for each year of service.

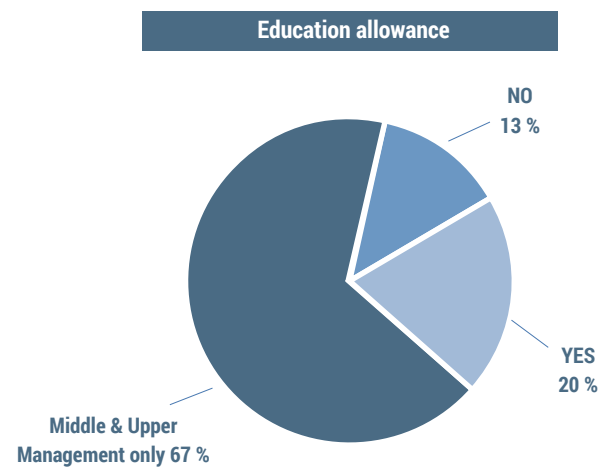
Some companies, however, prefer to provide a standard flight ticket allowance in order to avoid booking formalities. 47% of employees receive return flight tickets for their whole family. 40% of the interviewed companies provide air tickets for their employees only. 13% of the respondents do not receive any yearly flight tickets as it is not mandatory.



Schooling fees

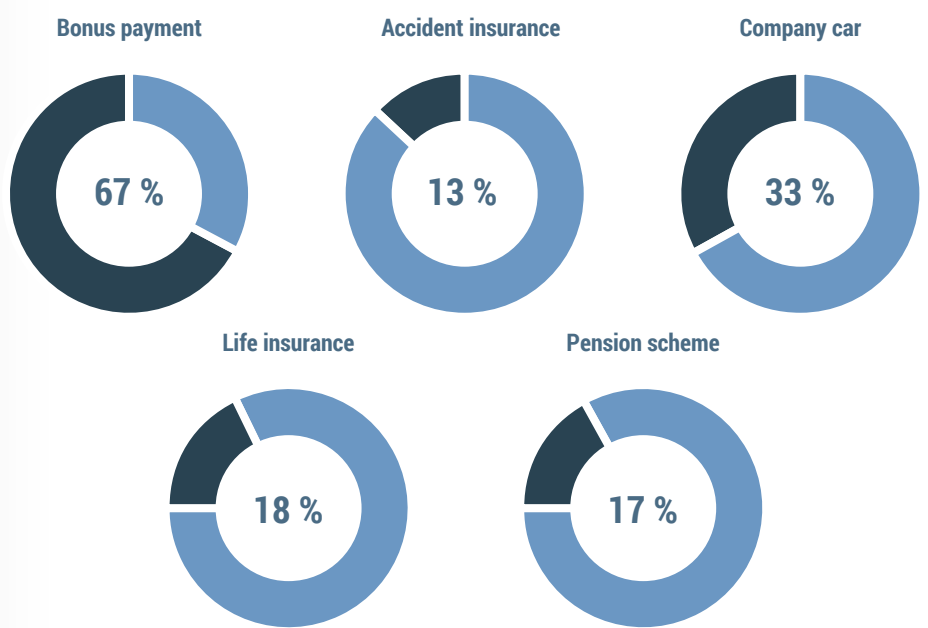
High schooling fees are one of the most challenging factors for foreigners living and working in the UAE. Families often accompany employees who work for prolonged periods in the UAE.

87% of the companies surveyed support employees with children by offering a schooling allowance as part of the salary package. This amounts to an average of AED 39,000 yearly per child and up to two children per employee. However companies mainly provide an education allowance to middle and upper management positions.



Additional benefits

Other benefits provided by German, Swiss and Austrian companies in order to acquire or retain key talent are shown in the overview below.



Monetary benefits:

Bonus payments are the most popular monetary benefit within German, Swiss and Austrian companies. Usually at the end of the year, a predetermined amount is granted in addition to the actual salary, which can vary depending on KPI's, personal performance, length of service or profit/success sharing. The average bonus pay in the UAE is two to three months of employees' basic salary for managerial positions.

Nonmonetary benefits:

These incentives include a company car, extra time off, work flexibility and experiential rewards.



Working from home

Long commuting times present one of the biggest challenges of working in the UAE. Working from home and mobile working are particularly suitable for office work that can be done remotely.

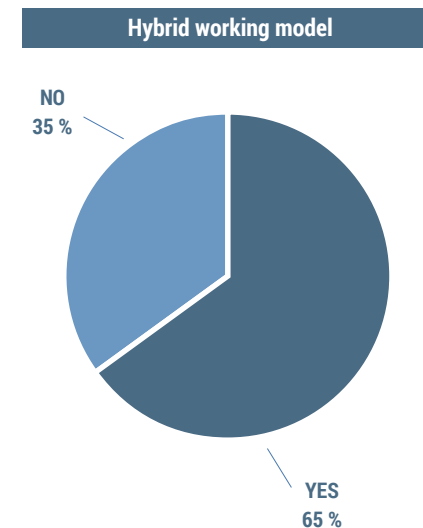
The Covid-19 pandemic has resulted in a record number of people working from home in order to contain the spread of the virus and to ensure health protection. According to the survey, more than **90% of participants were very satisfied with their employer's behaviour during the crisis.**

The remaining 10% of participants felt their company did not react efficiently and that poor decisions influenced their work relationship in the following negative ways:

- Budget cutting and salary decrease
- Non-transparent decision making by management / lack of communication
- Work overload due to staff reduction

In 2022 the share of employees working from home has increased dramatically. Today, more than 65% of German, Swiss and Austrian companies offer home office solutions, enabling employees to organise their working day with more flexibility, avoid peak traffic times and improve their work-life balance.

Most companies surveyed have reported that hybrid working increases the productivity of their employees as well as their satisfaction, happiness and mental health. Giving employees the flexibility to decide where they work creates an environment in which employees are most productive and one which motivates them to work more efficiently.



As companies continue to adjust to changing times and expectations, the hybrid working model offers an important way to manage personnel management efficiently and retain key talent.

70% of employees currently offered a hybrid working model have said they require this as long-term opportunity to maintain a work-life balance.

According to the results of the survey, **employers now offer an average of two days per week for working from home.**



Human resources trends

There are several global HR and recruitment trends that will affect the UAE's labour market in the coming years.

Challenges in retaining talent

Companies in the UAE face challenges in retaining qualified key talent. **Incentives, attractive bonus payments and work-life balance measures provide a boost in motivation.** Quick and dynamic decision-making processes are becoming more important. Managers trust in their employees, demonstrated by handing them greater autonomy, has been directly linked to increased employee motivation, satisfaction and long-term commitment.

Companies are also advised to **invest in training and workshops** to develop employees and their career opportunities.

Hybrid working model

The Covid-19 pandemic has significantly affected the way companies and their employees work. A hybrid working model allows employees to work at the physical workplace and remotely from home or another workspace. **Hybrid working models will continue to play a significant role** and companies will regularly need to clarify which ones are acceptable without compromising daily business, cooperation and workplace norms.

The reasons most often mentioned in favour of hybrid working are:

- A better work-life balance for employees
- Reduction of office costs for companies
- More flexibility

Hybrid working is a global discussion that is not suitable for all industries. Employees working in blue-collar jobs like construction, manufacturing, nursing, retail and food service are typically required to be on-site.

Companies that do not evolve now will simply have to evolve later as the flexible working model is here to stay. The new working model will be more present in the near future. Companies that decide to implement **hybrid working need to begin now in order to retain talent.**

Increasing labour costs

High salary expectations of employees due to increased living costs remain one of the main challenges in the local labour market. Changing approaches to global market and restructuring measures initiated by headquarters have left their mark on the UAE's labour market. Limited HR budgets and rising costs in the region have resulted in **back-office functions being outsourced to other countries** and a reduction in the local workforce in the Emirates.

Even higher salaries can be expected for certain jobs in the coming years, as well as adaptations in payment of allowances. In order to reduce administration and HR costs, many companies have started paying lump sums, e.g. for annual flight expenses and schooling allowances, rather than refunding the actual amounts.

To cope with rapidly changing accommodation prices, **many companies tend to pay housing allowance according to market conditions**, evaluating local accommodation rates on an annual basis and adapting their allowances accordingly.



Digitisation of HR processes

The pace of global digitisation changes HR requirements and companies are advised to adapt their processes to keep up with these new recruitment standards.

More IT-related workshops and training should be provided to keep up with digitisation, and special in-house HR practices need to be developed in order to keep up with global digitisation practises. The UAE's intention of becoming the digital hub of the Middle East region **means digital growth, increasing automation and artificial intelligence** will continue to provide promising job opportunities in the future.

Investing in local employer branding (e.g. company websites with a clear vision regarding the regional strategy and local career opportunities) can help a future employer standout from the competition and create a better recruitment experience for the candidate.

Social recruiting - **recruiting candidates through social platforms** - remains important and businesses can implement social recruiting strategies to increase their external digital company presence.

Training and career development

Qualitative training, education opportunities and a career path need to be provided to retain the existing workforce. Long-term succession planning for expat C-level executives at the end of their contracts is a challenge in the quickly changing regional labour market.

Training and career development programs are necessary to cope with increasing international competition throughout the region. Learning and development programs need to focus more on individual requirements rather than large groups.

Companies need to quickly adjust to a changing workforce and update their strategies to accommodate the younger, digitally connected generation entering the global workforce.

Focusing on diversity and creating a work environment that engages people and establishes a culture of collaboration, innovation and empowerment remains a significant challenge for the future. The company vision and mission need to be regularly communicated to the team to increase brand identification.

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