

CFO insights



Will a skills shortage impede growth in the UAE?

The UAE is primed for growth, but do organisations have the finance and accountancy talent they need?

The breakneck pace of economic development in the UAE can be a boon for business, giving organisations the chance to broaden their horizons – in both the Middle East and further afield. But the rapid rate of growth – the International Monetary Fund (IMF) has predicted a 4.4% increase in GDP for 2014 in the UAE – is also presenting a number of logistical challenges. Organisations are aware of the vast potential for expansion, but in many cases are struggling to attract the personnel required to fully capitalise on it.

Research from Robert Half has shed light on a serious skills shortage in the emirates, with 82% of UAE finance leaders finding it difficult to hire professionals of the necessary calibre. Some 29% of respondents claimed it was 'very challenging' to attract finance talent, with another 53% saying it was 'somewhat challenging'. With employers competing for the same individuals in a narrow talent pool, many are paying a premium to acquire the skills and experience they require. This is putting recruitment budgets under pressure, and proving a constraint on organisations' general hiring plans.

So how are CFOs coping?

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More resource equals more recruitment

CFOs would increase headcount if finances permitted ▶

Where will growth come from?

International expansion top driver of growth ▶

Will Expo 2020 bring growth and hiring?

Financial leaders are divided on the impact of the expo on their organisations ▶

'Significant opportunities' in the UAE

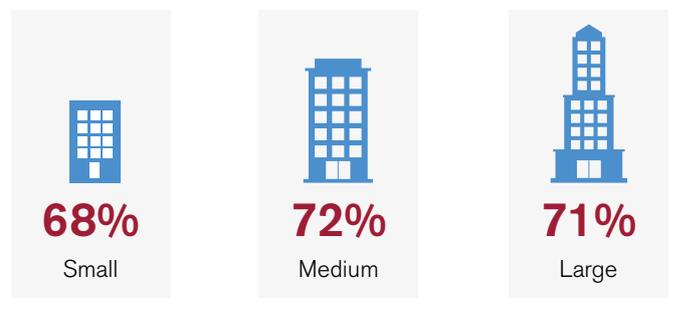
As growth opportunities prevail, what are the hiring implications? ▶

More resource equals more recruitment

Nearly seven in 10 (69%) finance leaders surveyed by Robert Half Middle East said they would increase their headcounts – and add capacity to their teams – if they had additional financial resources.

Two-thirds (67%) of Dubai and Abu Dhabi finance chiefs working for private sector companies said they would carry out additional recruitment, while 100% working in public sector roles would welcome new hires. Almost half the respondents (48%) said they would employ between 11% and 25% more staff in their finance and accounting departments. Another 12% claimed they would expand their teams by 26% or more, should the budget permit.

CFOs were asked, ‘If you had additional budget, would you increase headcount within your finance and accounting team?’



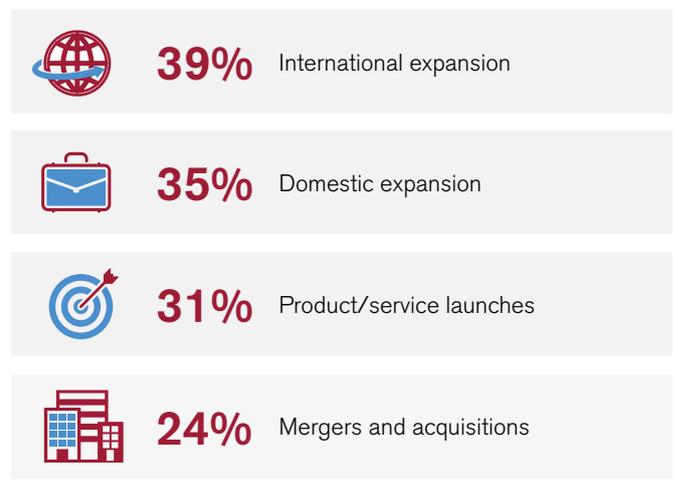
Source: UAE Survey of 75 CFOs/FDs

Where will growth come from?

The IMF has predicted a continuing economic boom in the region, but where is this growth coming from?

When questioned about their own company's prospects, 39% of finance leaders thought international expansion would play a key role in development. This was particularly the case for those working in medium-sized businesses (50%), followed by small (36%) and large companies (29%). Chief finance officers also expected to see growth as a result of domestic expansion (35%), product or service launches (31%) and mergers and acquisitions (24%).

Chief drivers of growth



Source: UAE Survey of 75 CFOs/FDs.

Will Expo 2020 bring growth and hiring?

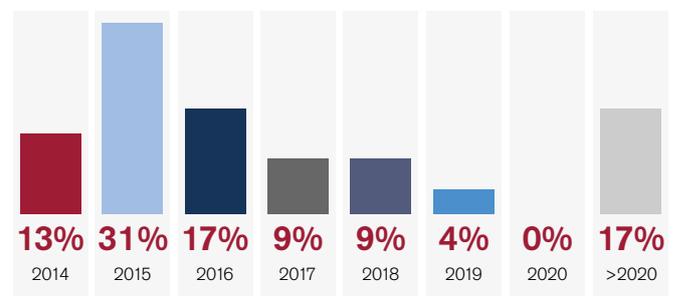
The UAE's staging of the World Expo in 2020 – an event expected to attract millions of global visitors, as well as significant investment – is also likely to be a factor. Economic commentators expect the five-yearly trade convention to bring strong growth and prosperity to the region. Businesses are anticipating increased returns and job creation as a result, particularly in the construction, logistics and tourism industries.

However, finance leaders are divided over whether Expo 2020 Dubai will have a positive impact on their recruitment budgets. While one-third (32%) of chief finance officers expect their companies to benefit financially as a result, the remaining two-thirds believe they will either not prosper (52%) or are unsure (16 %).

One in three (31%) finance leaders is planning to recruit as a result of Expo 2020 Dubai, while another 19% are as yet undecided over hiring plans. The remaining 50% do not expect staging the expo will result in the recruitment of additional permanent headcount.

For those planning to recruit, the majority (60%) intend to do so in the next two years, with 13% expecting to hire during 2014. Some employers are beginning their preparations for Expo 2020 Dubai already, meaning the talent shortage difficulties faced by employers could be exacerbated. This makes it all the more important that organisations can offer competitive remuneration packages to their preferred candidates. Attractive rates of pay will be needed in 2014 and beyond, both to bring in skilled finance professionals and to make sure they remain with organisations in the long term.

When will additional hiring for Expo 2020 take place?



Source: UAE Survey of 75 CFOs/FDs

‘Significant opportunities’ in the UAE

Gareth El Mettouri, Associate Director of Robert Half Middle East, commented that the UAE economic prospects are improving, in no small part due to the World Expo and synchronous property boom.

He described Expo 2020 as ‘a significant opportunity for Dubai’, not only in the economic growth and job creation expected in the lead-up to the event, but in reinforcing the region as a major player on the world stage. ‘While some businesses will benefit more than others, the secondary and tertiary industries will likely also see a positive return, whether before or after the event itself,’ Mr El Mettouri said.

In his view, the challenge will be for employers to secure the talent they need, as job creation continues in a market already short of suitably skilled candidates. ‘Finance leaders are still struggling to find the budget to hire the requisite staff to really take advantage of the upturn,’ Mr El Mettouri said. ‘When

funding prevails, businesses that were already facing staffing shortages are finding the market has tightened further.’ He said this is resulting in higher pay and a virtual ‘war for talent’ as businesses compete for the professionals who are available. ‘Companies will continue to look outside of the UAE to secure expatriate professionals to fill skills gaps and niche roles,’ Mr El Mettouri predicted.

Organisations face a stark choice: they can either pay the market rate for skilled finance professionals, or try to move forward with the personnel they already have. With the UAE economy expanding fast, the second approach carries risks: organisations do not want to find themselves left behind by the field. If they pay lower salaries than their rivals, there is a secondary risk that their best people could be tempted to seek new jobs elsewhere. Employers must do all they can to identify talent, attract skilled and experienced people and then earn their loyalty for the long term. This will help position them for growth over the coming years, as various opportunities for expansion arise in the UAE.

About Robert Half

Robert Half is the world's first and largest specialised recruitment consultancy and member of the S&P 500. Founded in 1948, the company has over 340 offices worldwide, including Dubai, Abu Dhabi and Doha providing recruitment solutions for accounting and finance, financial services, technology, human resources and legal professionals. Robert Half offers workplace and recruitment related resources, available at roberthalf.ae.

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