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## Understanding the Workforce of the Future in the UAE

Findings from the Qudurat Student Survey

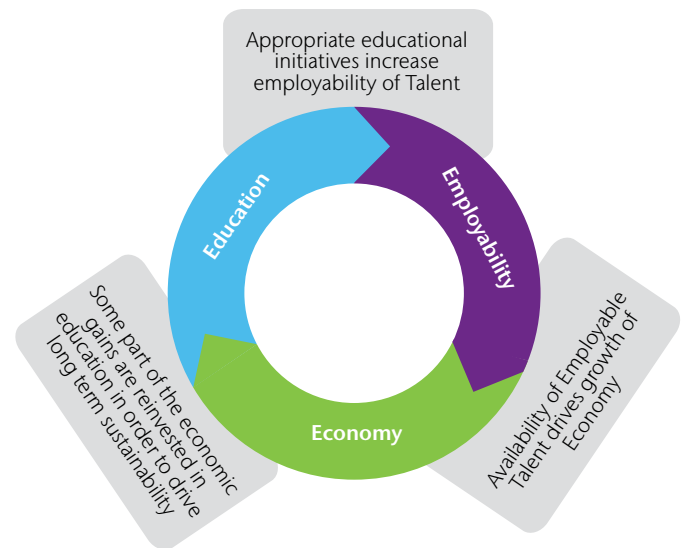


## Introduction

The emerging demographics in the UAE combined with its increasing economic diversification and post-downturn growth, depict a compelling story of the changing nature of the talent market. The under 19 UAE population is growing quickly. Estimates indicate that by 2020, Dubai will see a 42% increase in Emiratis (from 292,000 in 2010 to 416,000 in 2020) below age 19. The increase in Abu Dhabi is expected to be far higher at 64% (from 351,000 Emiratis in 2010 to 576,000 in 2020)<sup>i</sup>. In addition, continued efforts by the government to diversify the economy away from a dependence on energy exports has created an overwhelming demand for a variety of skills that the region's fledgling education system is only able to meet in a limited manner. As the demand for talent increases and becomes more and more varied, an interesting paradox emerges wherein the country continues to import talent to meet its skill requirements, whilst witnessing in parallel, increasing levels of youth unemployment attributable to a lack of the right skills.

The key issue that triggers this paradox is the lack of alignment between economic policy, industry and the education sector, which in turn impacts employability of the local population. In order to achieve sustained economic growth, education and training can no longer be looked at in isolation of industry needs. Rather an integrated approach to talent development is required in order to enhance employability of the current population in sectors identified for economic growth.

The role that the UAE's emerging education sector plays is critical for the broader economic and human capital development agenda of the country. While it fulfills the expectations of its immediate stakeholders such as the students and parents, the sector is poised to play a leading role in shaping, guiding and ensuring preparedness of the workforce in the future.



## A look at the Higher Education Sector in the UAE

In 2007, the UAE released a new master plan for higher education - "Educating the next generation of Emiratis" - highlighting comprehensive reforms focused on improving the quantity and quality of education in the UAE. The strategic direction of the government towards sustainable social development

is evident given that 50.9% of the UAE's Federal Budget 2013 is allocated for infrastructure and social development, of which 22% (AED 9.9 Billion) is allocated towards education<sup>ii</sup>. The increase in government spending on education, complemented by higher income levels of Emirati parents along with increasing populations of Emirati and expatriate students, has translated into greater demand for robust and quality education systems in the country. Private sector educational institutions are poised to see even stronger growth due to the clear preference amongst Emirati and expatriate parents for the private sector owing to the higher quality of education provided.<sup>iii</sup> Additionally, the promotion of educational tourism has increased the number of transnational students enrolling for higher studies in the UAE. The number of students enrolled in private schools, is thus, forecasted to grow at a CAGR of 4.1% in the UAE by 2016, with the number of students enrolled in the higher education, technical and vocational training sectors across the GCC, likely to grow at a CAGR of 4.8% in the same period.<sup>iv</sup>

The UAE is one of the most mature providers for education in the region attracting students from all over MENA and beyond. In the private sector, over the past decade, several international providers have opened campuses primarily in Dubai and Abu Dhabi. While these institutions bring curriculums, professional management and faculty from their parent schools, there is a strong need to localize their approach so that the needs of the regional market are taken into account. This will ensure that their students are prepared to meet requirements of local employers while aligning with preferences of other stakeholders such as parents and regulatory bodies. The UAE public sector institutions also need to align themselves to the needs of the employment market while striving towards building credibility as centers of excellence, thereby successfully supporting the economic and human capital development agenda of the government.

**"The wealth of any nation is its intellectuals and the progress of peoples and nations is judged by the level and extent of education they reach."**

*His Highness Sheikh Zayed Bin Sultan Al-Nahyan*

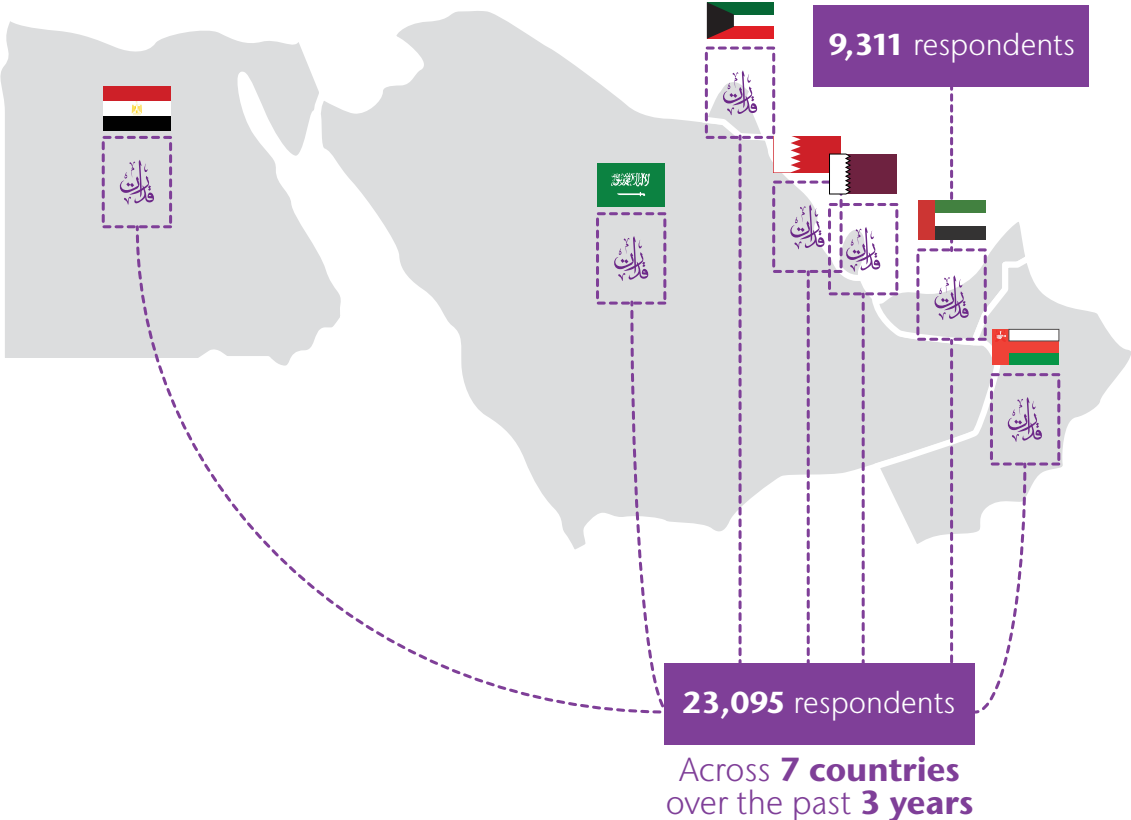
There is therefore a strong need for both public and private sector institutions to understand and appreciate the emerging changes in the UAE's talent market, in order to proactively plan for and devise solutions towards the changing requirements of their students; thereby ensuring sustainable success in the long term.

## Evidence Based Advice: About the Qudurat Student Wave

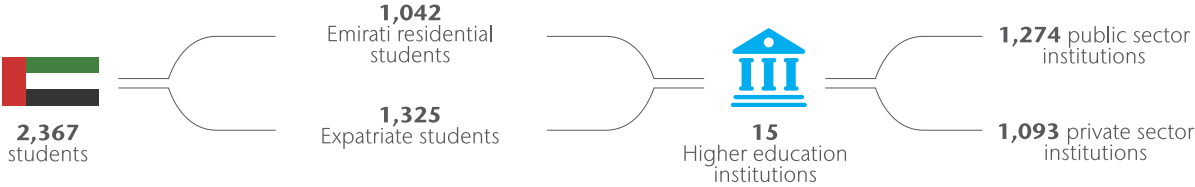
The Qudurat Student Wave is the largest research study of its kind in the UAE, dedicated to understanding the personal strengths, preferences and orientation of higher education students towards the future world of work. The study is part of a larger, comprehensive study that Aon Hewitt launched across the region to understand both the demand (employers within the private and public sector) and supply (students) sides of the regional labor market. The aim of the Qudurat research is to appreciate and identify regional solutions, dialogue and actions in order to develop talent in the region. The student wave endeavored to examine the key strengths that enable future student success in the region, career influences and choices as well as key aspects of the relationships they form in the broader academic environment. The survey comprised of 57 questions, including 13 demographic questions and was administered in English & Arabic online to students during October 2012.

Aon Hewitt partnered with Dubai International Academic City (DIAC) for the Student Wave in Dubai. With the support of DIAC, Aon Hewitt achieved participation from some of the leading private sector higher education institutions in Dubai.

### Key Coverage Statistics:



#### Student wave:



## Findings from the Qudurat Wave II Student Survey

The UAE emerges as an attractive employment market for expatriate students, with a majority of both expatriate residential (62.4%) as well as transnational students (51.4%) preferring to stay in the country post completion of their studies. In addition, for Emirati residential as well as expatriate students, the campus placement services are the most likely source to find a job with approximately one in every three students reporting high reliance on the same.

**Table 1: Campus placements emerge as the most popular source for finding jobs amongst students**

My main source for finding a job is likely to be:	Overall	Emirati Residentials	Transnationals	Expatriate Residentials
Personal contacts	22.1 %	21.7 %	16.9 %	26.3 %
Online job portals	12.9 %	6.9 %	22.3 %	19.7 %
School/College/Campus placement cell	32.8 %	33.3 %	41.6 %	26.3 %
Advertisements/newspapers	6.3 %	3.5 %	5.4 %	12.8 %
Recruitment consultants	5.9 %	4.7 %	7.2 %	7.7 %
Government agencies	13.7 %	21.5 %	1.8 %	4.4 %
Others	6.3 %	8.3 %	4.8 %	2.9 %

Finding the right job is critical, with approximately one in every two students (47.1%) being willing to wait for the right job if he/she is unable to find a suitable job immediately after completing his/her studies. Surprisingly, this trend emerges as the same for both Emirati residential and expatriate students. When reviewing jobs preferred by students, interesting differences emerge between Emirati residential students, transnationals and expatriate residential students. While one in every two Emirati residential student plans to work in the public sector, transnational and expatriate residential students report a stronger preference for the private sector. In addition, while Emirati residential students reported a stronger preference for support and general management roles, transnational students reported a stronger preference for operational and technically oriented roles; and expatriate residential students reported a balanced preference for both.

**Table 2: Emirati residential students report stronger preference for support & general management functions**

Which department would you like to work in?	Overall	Emirati Residentials	Transnationals	Expatriate Residentials
Operations and technical Fields (Doctors, Engineer, Teacher, Pilot, Architecture, Research & Development, Sales, Technical Operation, Banker etc.)	42.0 %	37.8 %	54.8 %	43.1 %
Support and general management (Administration, Audit, Finance, HR, IT, Legal, Marketing/PR, etc.)	49.2 %	53.0 %	39.2 %	47.4 %
Don't know	8.8 %	9.2 %	6.0 %	9.5 %

Examining the key criteria or aspects of jobs that make them appealing to students, the study found key differences for Emirati residential students and their expatriate counterparts. Emirati residential students denoted that “Pay & Benefits” were the most important criteria when selecting a job. This criteria was closely followed by “personal convenience”, “growth opportunities” and “suitability for educational qualifications”. However, for expatriates, “growth opportunities” available to them emerged as the single biggest criteria. Emirati residential students also reported significantly higher importance for attributes such as ‘contribution to community’ and the job’s alignment with their religious beliefs and values compared to their expatriate counterparts. Overall, students reported strong growth and progress expectations from their respective jobs with 44.7% students expecting to see themselves as departmental head or above in the next decade and 10.9% seeing themselves as a CEO in the same time frame.

**Table 3: Career opportunities is the single most important criteria for expatriate students when selecting a job in the country**

<b>My most important criteria for choosing a job will be:</b>	<b>Overall</b>	<b>Emirati Residentials</b>	<b>Transnationals</b>	<b>Expatriate Residentials</b>
Pay/HR policies and benefits	<b>18.7 %</b>	18.9 %	13.3 %	21.5 %
Brand image of the employer	<b>1.9 %</b>	0.7 %	3.6 %	3.3 %
Position/ Title	<b>4.9 %</b>	5.4 %	4.8 %	4.0 %
Opportunities to progress in my career	<b>26.7 %</b>	15.5 %	50.0 %	36.1 %
Friends/ Family recommendations	<b>1.9 %</b>	2.4 %	1.8 %	0.7 %
Recommendation from my industry connections	<b>0.8 %</b>	0.7 %	1.8 %	0.4 %
Personal convenience	<b>12.2 %</b>	18.1 %	2.4 %	5.8 %
Passion	<b>5.9 %</b>	2.4 %	7.8 %	12.0 %
Contribution to community	<b>7.9 %</b>	11.5 %	3.0 %	3.3 %
The job is in line with educational qualifications	<b>11.1 %</b>	14.1 %	9.0 %	6.2 %
The job is in line with religious and personal beliefs/values	<b>8.1 %</b>	10.4 %	2.4 %	6.6 %

Some noteworthy differences also emerged amongst Emirati residential students’ and their expatriate counterparts’ preferences with respect to the criteria that merit pay differentiation in their future jobs. Whilst Emirati residential students reported that their pay should be differentiated from others based on their academic qualifications, their expatriate counterparts indicated that the differentiator should be the quality of experience. Interestingly, differentiating pay based on nationality did not emerge as a significant criterion for students, nor did their school or college brand.

**Table 4: Academic Qualifications should be the key differentiator for pay as per Emirati students**

When I work, my earnings should be differentiated from others based on:	Overall	Emirati Residentials	Transnationals	Expatriate Residentials
The academic qualification that I bring	<b>40.5 %</b>	46.4 %	38.6 %	29.2 %
The school/college I belong to	<b>13.7 %</b>	16.5 %	7.8 %	11.3 %
The quality of experience that I bring	<b>34.5 %</b>	27.3 %	42.8 %	44.9 %
My nationality	<b>3.8 %</b>	4.3 %	2.4 %	3.6 %
None of the above	<b>7.5 %</b>	5.6 %	8.4 %	10.9 %

When asked about the key influencers that guided career preferences and decisions, students irrespective of their backgrounds, reported that their families and friends were the primary sources of career advice. On the other hand, when asked about their preferred support for obtaining career advice, students mentioned career counselors, teachers and their families to be the preferred source, clearly highlighting a latent need for stronger career support and advisory services at their institutions.

Probing support available to students through their campuses, the study found that while information on available job opportunities is provided to them, other information such as pay offered by different companies and information on pros and cons of different jobs, was not as readily available to them. In addition, significant differences in student responses from public and private sector higher education institutions could be traced when asked about training received on specific employability skills, with private sector institutions faring better than their public sector counterparts. Overall, while “presentation skills”, “teamwork” and “time management” emerged as the more prevalent skills being provided; training on “interpretation of complex data”, “preparation for job interviews” and “building entrepreneurial skills” were the least prevalent skills.

**Table 5: “Presentation Skills”, “Teamwork” and “Time Management” emerged as the three most prevalent training programs being provided to students**

During my studies I have participated in formal or informal training and awareness sessions on:	Overall	UAE Private Sector Institutes	UAE Public Sector Institutes
Presentation skills	<b>48.6 %</b>	63.4 %	35.9 %
Teamwork	<b>51.4 %</b>	61.5 %	42.7 %
Interpretation of complex data	<b>16.2 %</b>	23.3 %	10.1 %
Time management	<b>42.4 %</b>	48.3 %	37.4 %
Preparation for job interviews	<b>19.1 %</b>	20.8 %	17.7 %
Language skills	<b>28.9 %</b>	37.1 %	22.0 %
Work Ethics	<b>27.5 %</b>	29.3 %	25.9 %
Life skills (dealing with stress, staying positive, etc.)	<b>36.5 %</b>	39.0 %	34.3 %
Entrepreneurial skills	<b>19.8 %</b>	23.8 %	16.3 %
None of the above	<b>23.0 %</b>	13.6 %	31.0 %

## Conclusion

The study findings indicate a strong need for alignment and collaboration between industry and higher education institutions as they work together towards the broader objectives of economic growth and human capital development. Support from the government, in setting the future direction as well as facilitating avenues for partnership, will help in driving initiatives that support the growth of the country through its people.

### Key Takeaways for Higher Education Institutions

- With increasing market preference to study in the private sector and stronger student expectations regarding job placement through their campus, stronger imperatives for strategic collaboration between industry and the education sector will be critical in driving longer term partnerships and placement opportunities for students, especially for those without any prior work experience. Different touch points including internships, scholarships, and guest lectures are avenues that can be explored.
- Given the saturation of employment opportunities in the public sector, stronger inclusion of the Emirati students in the private sector will be a necessity in the future. Higher education institutions can play a stronger role in building acceptance amongst Emiratis for private sector jobs, by providing more information, career counseling opportunities and exposure to the private sector work-life through internships. In addition, students' families can also be informed about opportunities in the private sector in order to support career related decision-making for Emiratis. Strong career support and advisory services provided through structured career advisory services or through faculty may help provide greater exposure to students, not only regarding available opportunities, but also about current market realities to help temper pay and career expectations.

### Key Takeaways for Industry

- Stronger collaboration with higher education institutions including hiring fresh graduates and nurturing them within the organization provides a strong and cost-effective alternative to importing talent from other countries. Inclusion of fresh graduates in the organization's hiring strategy is beneficial for long-term organizational sustainability.
- Attracting Emirati national talent to work for the private sector has always been a key challenge for the industry. A more holistic Employee Value Proposition grounded in providing a more fulfilling employment experience, rather than just focusing on pay, will help support the private sector's endeavors to attract Emirati employees.
- Partnering with higher education institutions including providing curriculum advice to make programmes more relevant to industry requirements, and increasing year-round visibility on campus as well as providing internship opportunities, will help establish a robust foundation for attracting and retaining Emirati employees in the long term.



## Glossary and Notes

1. **UAE:** United Arab Emirates
2. **CAGR:** Compounded Annual Growth Rate
3. **GCC:** The Cooperation Council for the Arab States of the Gulf comprising United Arab Emirates, Saudi Arabia, Bahrain, Oman, Kuwait and Qatar
4. **DIAC:** Dubai International Academic City
5. **Emiratis:** Citizens of the United Arab Emirates
6. **Emirati Residentials:** Emirati students studying in the UAE
7. **Expatriate Residentials:** Expatriate students living and studying in the UAE
8. **Transnationals:** Students coming to the UAE solely for the purpose of studying

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<sup>i</sup>Booz & Co. Report: A decade of opportunity: The Coming Expansion of the Private-school Market in the GCC, 2011, Exhibit 5

<sup>ii</sup>ECSSR, UAE's Federal Budget 2013: An Analysis, by Mohammed Abdel Rahman Al-Asoomi, 2012

<sup>iii</sup>Booz & Co. Report: A decade of opportunity: The Coming Expansion of the Private-school Market in the GCC, 2011, Exhibit 8

<sup>iv</sup>GCC Education Industry, Alpen Capital Investment Banking, June 2012

### About Dubai International Academic City

Dubai International Academic City (DIAC) is the world's only Free Zone dedicated to Higher Education. Established in 2007 as part of TECOM Investments, DIAC aims to develop the region's talent pool and help establish the UAE as a knowledge-based economy through the provision of multi-tiered academic institutions that are internationally accredited.

DIAC is located on a fully-appointed 18 million sq ft. campus with state-of-the-art facilities. It is currently home to 21 of the UAE's 37 International Branch Campuses from 11 countries, offering more than 400 internationally recognised degree programmes to over 20,000 students of 125 nationalities.

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### About Aon Hewitt

Aon Hewitt empowers organizations and individuals to secure a better future through innovative talent, retirement and health solutions. We advise, design and execute a wide range of solutions that enable clients to cultivate talent to drive organizational and personal performance and growth, navigate retirement risk while providing new levels of financial security, and redefine health solutions for greater choice, affordability and wellness. Aon Hewitt is the global leader in human resource solutions, with over 30,000 professionals in 90 countries serving more than 20,000 clients worldwide. For more information on Aon Hewitt, please visit [www.aonhewitt.com](http://www.aonhewitt.com).

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