



# The future of work is human

Fostering talent is integral to business success and economic growth in the UAE.

**February 2022**



# Introduction

The following study developed in partnership with market research company YouGov highlights the protection of employees as a contributing pillar to overall business competitiveness. Integrating two distinct surveys on workplace savings and life cover, in which over 200 employers and 500 employees (respectively) participated, the study seeks to provide valuable insights into the urgent need for UAE-based employers to place a greater emphasis on protecting the financial health of employees to help attract and retain talent, which will be critical to the future growth and sustainable success of their business and the wider economy.

Talent will be a key differentiator in achieving business competitiveness with recent federal reforms that ensure a steady inbound flow of skilled workers and entrepreneurial talent, with new initiatives and programs actively driving these numbers. The longer such talent stays in the country, pensions and life insurance will become increasing priorities for them.

The paper also captures prevailing attitudes to life insurance and end-of-service benefits (EoSb) at two levels, among employers and employees. The findings shine a lens on the gaps employers must fill to protect the financial futures of their talent, including the effective management of EoSb, with increasing legal implications for organizations. The UAE is also a land of opportunity, which makes the need to invest in employees and their welfare through differentiating benefits even more significant, as companies look to retain talent for longer and wish to be perceived as an employer of choice. Over and above mandated provisions such as health insurance, it is time companies reviewed life insurance cover and employee welfare as necessary and not as a nice to have.

In this war on talent, these benefits will become a crucial deciding factor for the brightest talent to match with an employer that offers the most attractive package, also influencing how long they expect to stay in the job. Despite trends such as digitization and automation that are characterizing the evolving workplace, the future of work will remain human.

Talent will be a key differentiator in achieving business competitiveness.



# 1. The UAE employee benefits landscape

When we asked employees what benefits their employers provided them with, here's what we learned.



## Health insurance

While it is a mandatory provision according to UAE law, health insurance is the most popular benefit to be provided by UAE employers.



## Life insurance

Life insurance is the third most popular benefit to be provided to the employee, though only 2/5 of employers offer it.



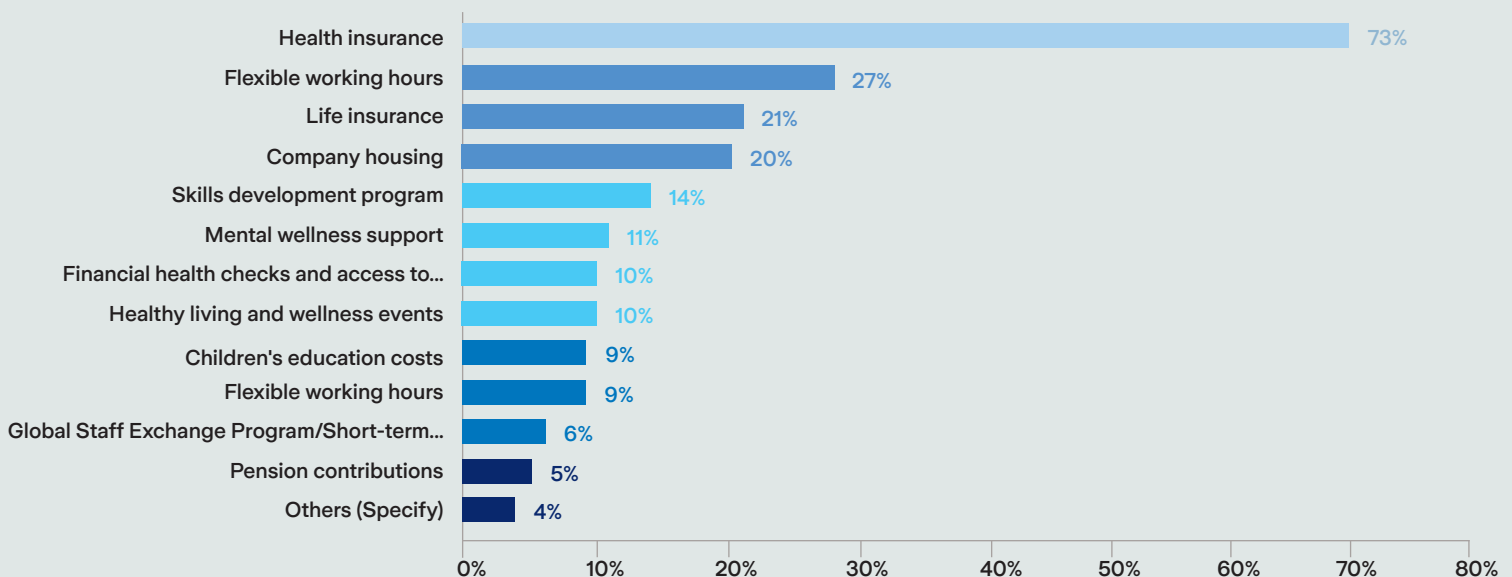
## Flexible working hours

The second most popular benefit provided by UAE employers is flexible working hours, however considering the COVID-19 pandemic, today it is part of the new norm.



## Pension

At an employee level, there is a lack awareness of EoSB management. Our results showed that pension contributions were the least popular benefits.



## Zurich insight

With more than half of respondents changing employers in the last two years, data suggests there are plenty of opportunities in the market from which employees can choose. Accordingly, employers must do more to retain talent and become an employer of choice. Over and above mandated provisions such as health insurance, it is time companies reviewed their employee benefits package to align with shifting market trends.



*With its state-of-the-art infrastructure, technology adoption and forward-looking policies, the UAE is becoming an increasingly attractive destination for the world's brightest minds to set up base and even lay down roots. As part of the country's mission to become a knowledge-based economy, a skilled and stable workforce will be vital to realize the leadership's vision for the future.*

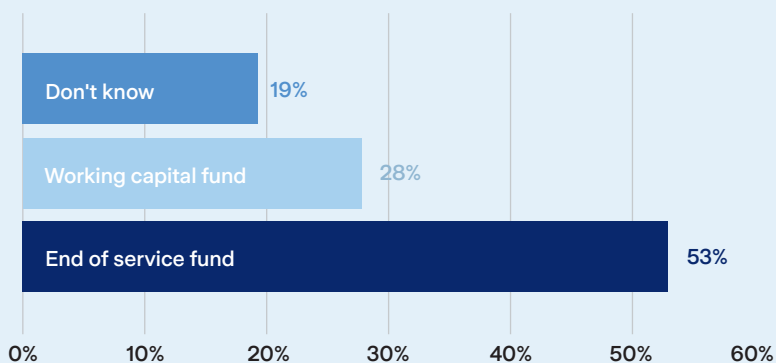
*Further to recently announced workplace reforms, we are witnessing a growing number of initiatives as employers seek to attract and retain top talent. The workplace benefits landscape must evolve to meet the employee's individual physical, mental and digital well-being needs. Employers who acknowledge this and demonstrate care for their employee's welfare are best placed to win the war for talent. The so-called 'Great Resignation' is a wake-up call to put employees at the core of the workplace. Lest we forget, despite advances in technology and AI, humans are and will be at the heart of the future of work."*

**Sajeev Nair**  
Senior Executive Officer  
**Zurich Workplace Solutions**

## 2. Protecting employees' financial health

We spoke to employers and employees to find out about the financial tools in place to protect employee financial health. Our data points to a significant opportunity for employers to put a more comprehensive benefits package in place to protect employees.

**As an employer, do you manage a separate fund for the end-of-service benefit, or is it part of the company's working capital?**



More than **1/2** of employers have an end-of-service benefits fund in place.

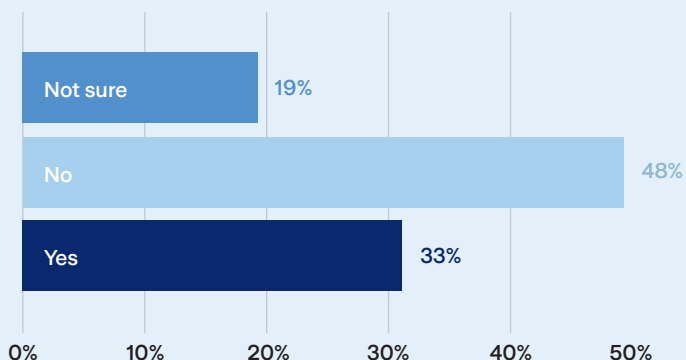
More than half of employers have an end-of-service benefits fund in place.

Among those employers who had a separate end-of-service benefits fund in place, 8 out of 10 had dipped into those funds when they had struggled to make salary payments.



**8/10** employers used end-of-service funds for working capital.

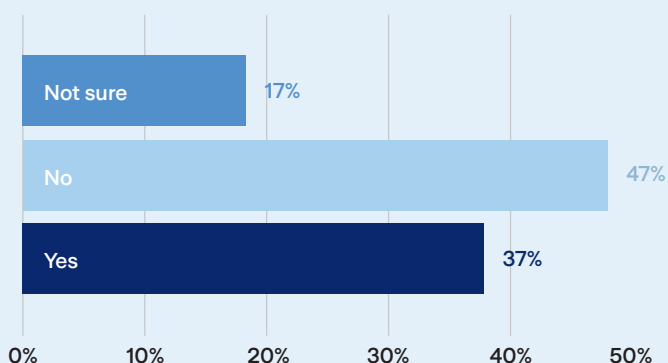
## Are you provided with income protection cover from your company if you are unable to work for more than two months due to a medical condition, partial disability or permanent disability?



Almost **1/2** of employees claimed they had no income protection provided by their employer.

In total, almost half of employees claimed they had no income protection provided by their employer, revealing a lack of financial safeguards in place for employees and their families in the case of a severe medical condition, partial disability, permanent disability or death.

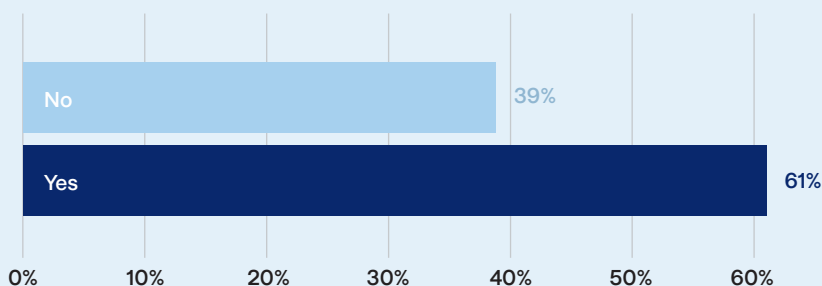
## In the case of an unexpected death, does your current company have the provision to protect your family or loved ones through Life Insurance cover?



More than **6/10** employees don't have life cover.

The survey has shown that only 4 out of 10 employees claimed to have life cover in place. This means that 60 per cent of employees are not provided with life cover by their employer, meaning that in the case of their death, their families would not be provided for.

## Has there been any instance where your salary payoff was delayed at your current workplace?



**6/10** employees reported concerns over whether their salaries would be paid on time.

With 6 out of 10 employees reporting concerns over whether their salaries would be paid on time, there is a definitive need for employers to keep end-of-service benefits separate through a secure third party to avoid its misuse as working capital.

## Zurich insight

One of the insights that stood out was that many employees were concerned about payment delays and protecting their and their family's financial future. Therefore, by introducing employee benefits such as income protection and life cover solutions, employers can offer a critical point of differentiation among businesses and organizations.

*With more expatriates settling long-term in the UAE, financial tools such as life cover and pension plans are increasingly important. Benefits such as life cover are essential to making sure employees feel taken care of. These are prerequisites for employers to ensure business stability and long-term talent retention. Protecting your talent's financial future can help ease stress for both employers and employees in the case of a tragic event.*

*As employees' priorities change and an increasing number plan for their future financial health, the workplace benefits landscape must evolve. Employee benefits will become a crucial influencing factor for talent in selecting their next employer or deciding how long to stay in a job. Long-term financial health presents specific opportunities for employers to set themselves apart from market competitors, provided that those benefits are clearly communicated.*

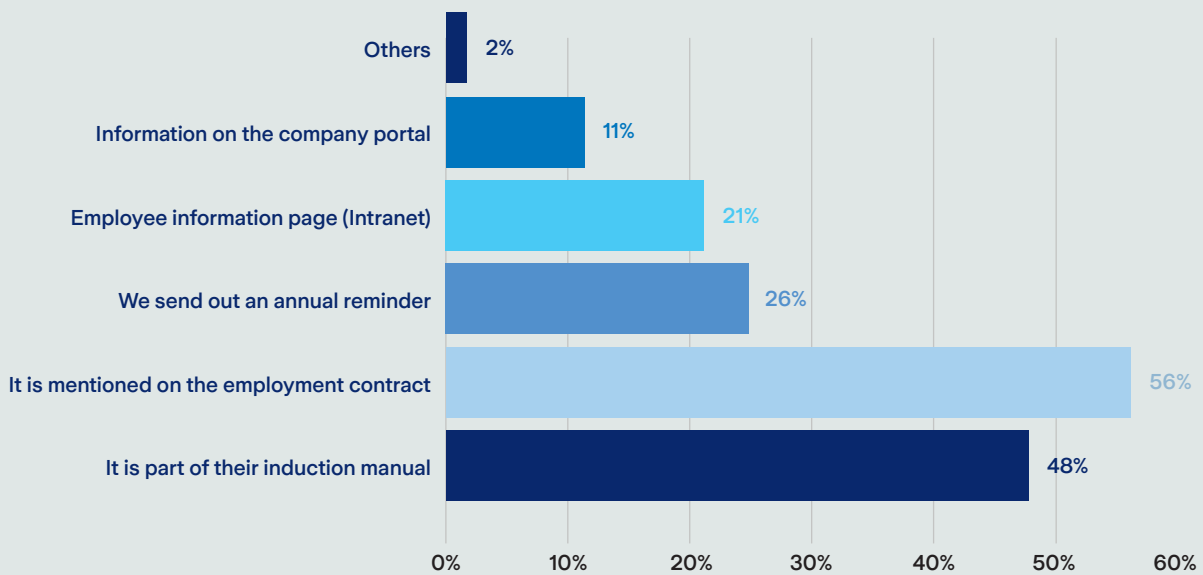
**Swarnaleka Shetty Vyas**  
*Head of Corporate Life & Pensions*  
**Zurich International Life Middle East**



### 3. Workplace conversations on financial health

We surveyed employers and employees on their attitudes and behaviors on financial health in the workplace. From financial initiatives to benefits negotiations and internal communications, we found out what more employers could be doing to support financial health.

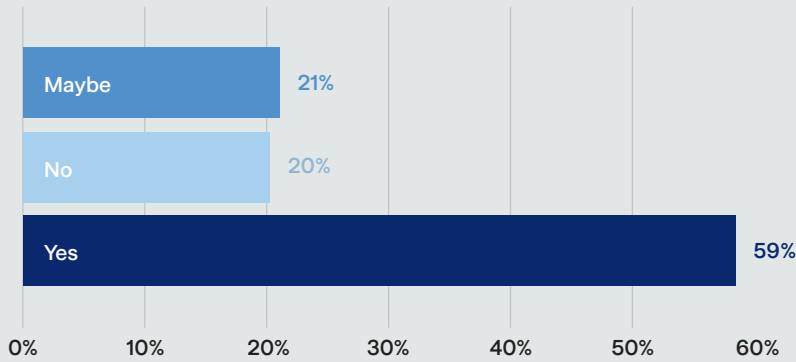
How do you create awareness amongst your employees on their life insurance cover? Select all that apply



When employers were asked about the communication tools used to generate employee awareness about life insurance provisions, most claimed it was detailed in the employment contract. The following most popular tool was the induction manual.

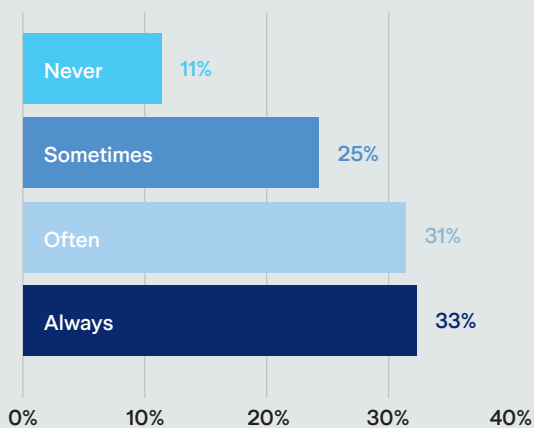


## Do you intend to give any financial wellness support to your employees, e.g., training or counselling?



Our data suggests that financial health and wellness is becoming an increasingly important focus for businesses. Almost 6 out of 10 employers state that they plan to provide financial wellness support to their employees this year.

## How often, if at all, does the subject of life insurance cover come up in discussions/negotiations with employees on benefits package?



Only **1/3** of employers claimed the topic of life insurance was raised in discussion on employee benefits.

When negotiating with prospective or existing employees on employee benefits, only a third of employers claimed the topic of life insurance was always raised in discussions.

## Zurich insight

Our data suggests UAE-based businesses could be doing more in their communications with employees to discuss and leverage employee benefits. During hiring, on-boarding, and at regular intervals during employment, employers should communicate their employee benefits package to ensure talent attraction and retention and position themselves as employers of choice.

To find out more, visit [www.zurich.ae](http://www.zurich.ae)

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