



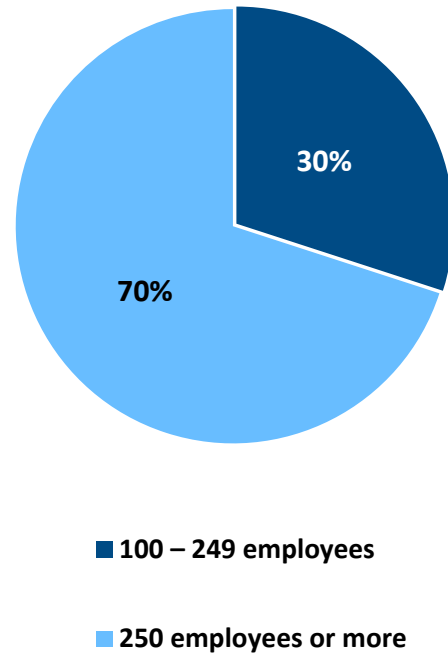
Future of Work Skills Research Findings - UAE - *November 2019*



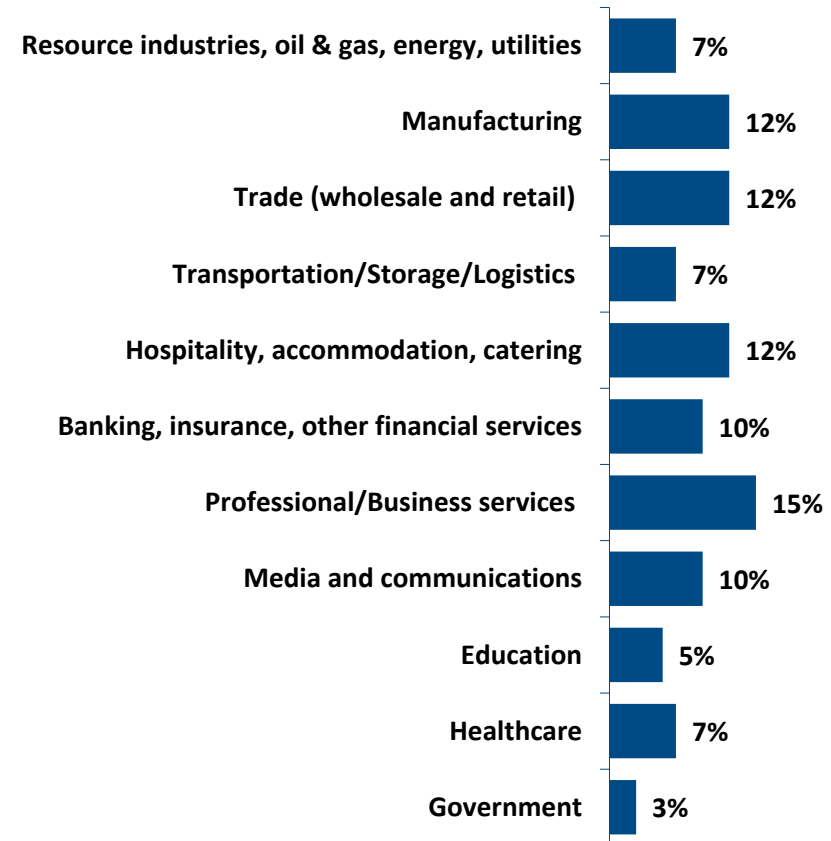
- Among the Gulf countries, UAE stands at the forefront of driving digital transformation (DX) initiatives which are majorly driven by both public as well as private sectors. Due to the ongoing DX initiatives, organization across various industries in the UAE witness an increase in the demand of positions that require deep technology skills and extensive use of digital systems and applications for work.
- Due to the large expat-base of the country, most organizations do not find it difficult to recruit workforce which are digital savvy to support their ongoing organization-wide or department-wide transformation journey. However, there are still challenges to fill the digital gaps, especially within some specific business units and departments, especially within IT, marketing and sales.
- UAE market lacks the deep level of experience in the areas of cloud, networking, and some of the emerging technologies like AI/ML, blockchain. Most of the organizations in the UAE prefer to hire workforce which are already experienced and can be able quickly accelerate their ongoing assignments just after their joining with very limited trainings and development on technologies and more focused orientation on business process and operation.
- Various government led initiatives such as Advanced Skills Strategy by Ministry of Education launched in Nov 2018, Smart Government Virtual Academy by Telecommunications Regulatory Authority, and 'One Million Arab Coders' initiative are major examples which highlights the continuous efforts to train and educate government and business employees, university students and young professionals on digital technologies and platforms.
- In order to support the adoption of these technologies, there are emergence of specific channel partner ecosystem which bring the tech-specific and industry specific expertise which will ultimately help the market grow and fill the skills gap.

Sample Profile

Organization Size



Verticals



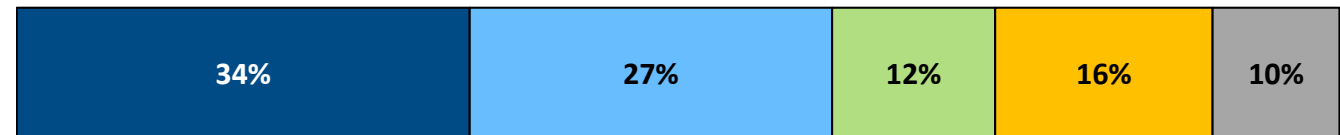
Base (UAE): 73

State of Digital Transformation



- Among the Gulf countries, UAE at the forefront of digital transformation (DX) journey which are almost equally driven by both public as well as private sector.
- The survey result highlights the current state of DX where almost 90% of organizations across multiple industries stated that they are undergoing digital transformation initiatives. In fact, almost 61% of the organizations are running a company-wide wholistic DX strategy out of which almost 34% of the organizations have already witnessed a good progress in implementing it.
- Some of the organizations also highlighted that they are still at the early stage of adopting their digital journey as it has not yet become a mainstream at overall company level and are limited only to a few line of businesses (LoB) and functions level. Similarly, almost 16% of respondents stated that they have limited DX initiatives within their organizations since it is not a topmost priority as of now.

- **Company-wide DX strategy in place; good progress in implementing it**
- **Company-wide DX strategy in place, but at an early stage of implementing it**
- **Do not have a company-wide DX strategy, but have several DX initiatives at the department level (functions)**
- **DX not a high priority for us, but have had some limited DX initiatives**
- **Digitization is not relevant for us, and have not conducted any DX initiatives**

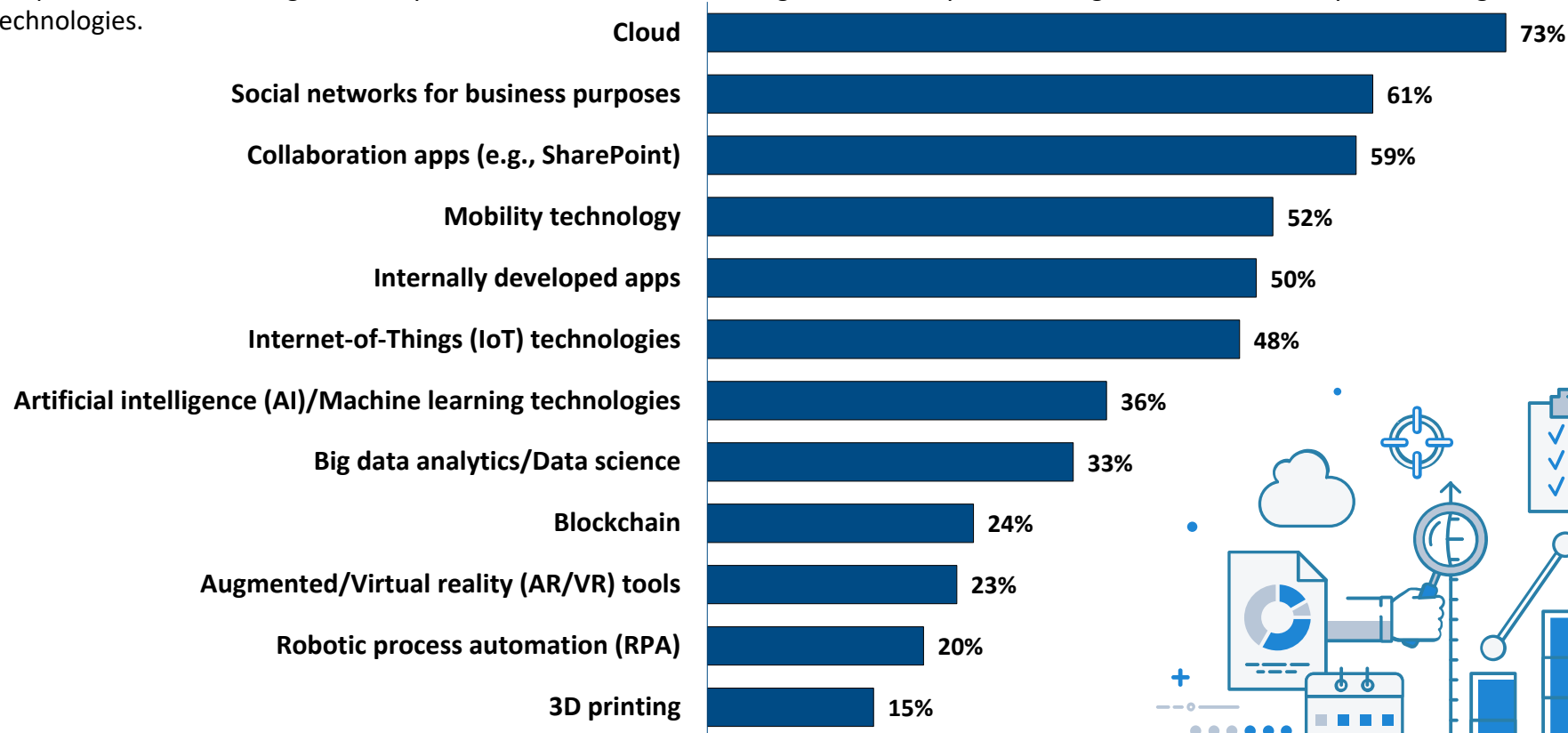


Base (UAE): 73

Technologies/Solutions Deployed



- Cloud serves as a foundational technology to drive the digital transformation for any organizations and the survey exemplifies this very well as almost 73% of UAE based organizations are already using some sort of cloud-based solutions. Undoubtedly in-country datacenters and growing number of notable customers adopting cloud solutions have also bolstered the current adoption in the country.
- With growing focus on customer experience and enhancing the future of work culture, organizations are increasingly adopting social network technologies to deliver omnichannel experience to its customers and various collaboration applications and mobility technologies to empower the workforce into the digital world.
- Adoption of IoT, AI/ML, big data analytics and blockchain is also rising in the country which is aligned with the country’s overall digital strategy to leverage such emerging technologies.

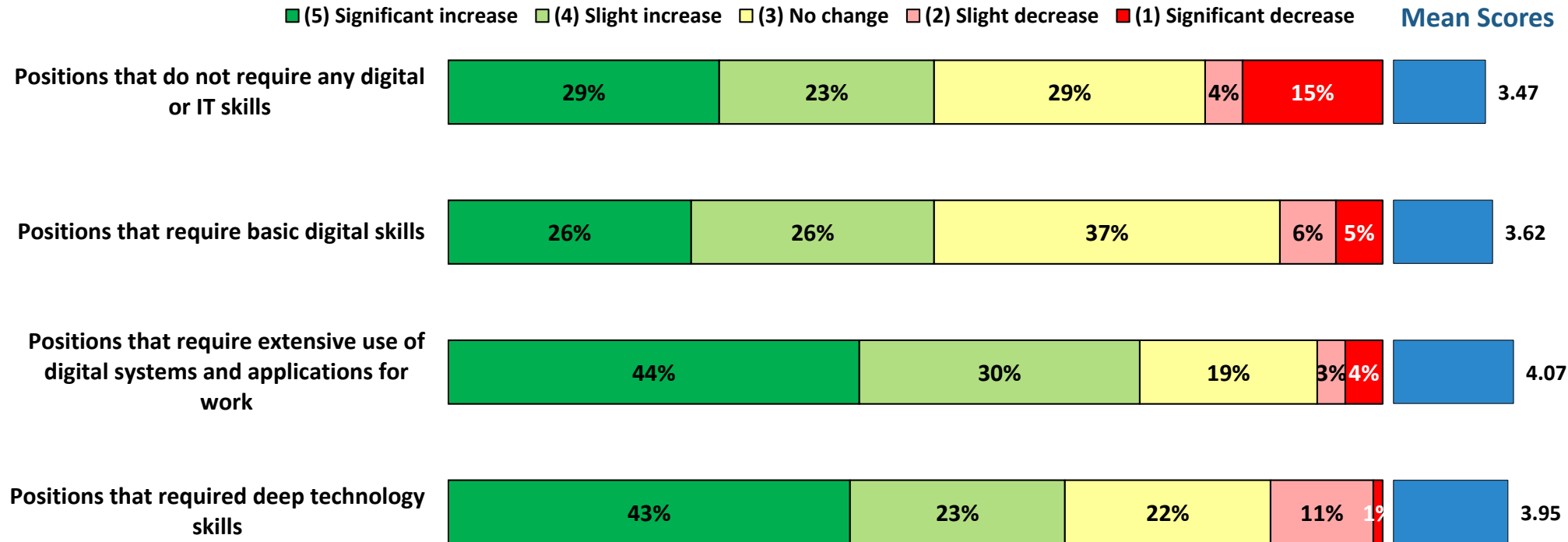


Base (Organizations that have DX initiatives in place): 66

Demand for Positions in Near Future



- Organization across various industries in the UAE echoed their voice stating there would be increase in the demand of positions that require deep technology skills and extensive use of digital systems and applications for work. Especially the requirement of workforce with extensive use of digital systems and modern applications like ERP, CRM, BI, other enterprise applications is strongly highlighted by the respondents representing small to mid-market organizations (100–249 employees). This is indicative of the fact that organizations across various industries are undergoing the digital transformation journey.
- As technology advances and machines or bots perform basic tasks in order to achieve automation, the demand for skills which do not require any digital or IT skills would start fading away. This also reflects from the survey where almost 15% of the organizations believe that there would be a significant decrease in such positions which does not require digital and IT skills.



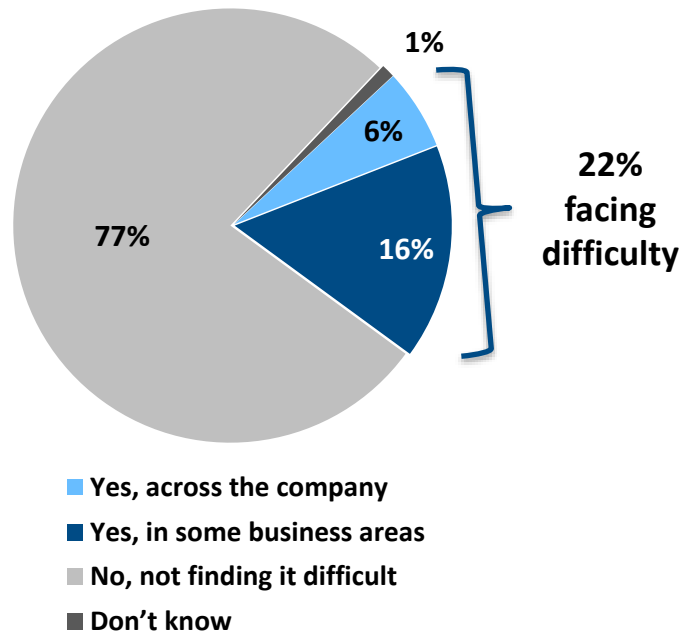
Base (UAE): 73

Difficulties and Growing Departmental Challenges

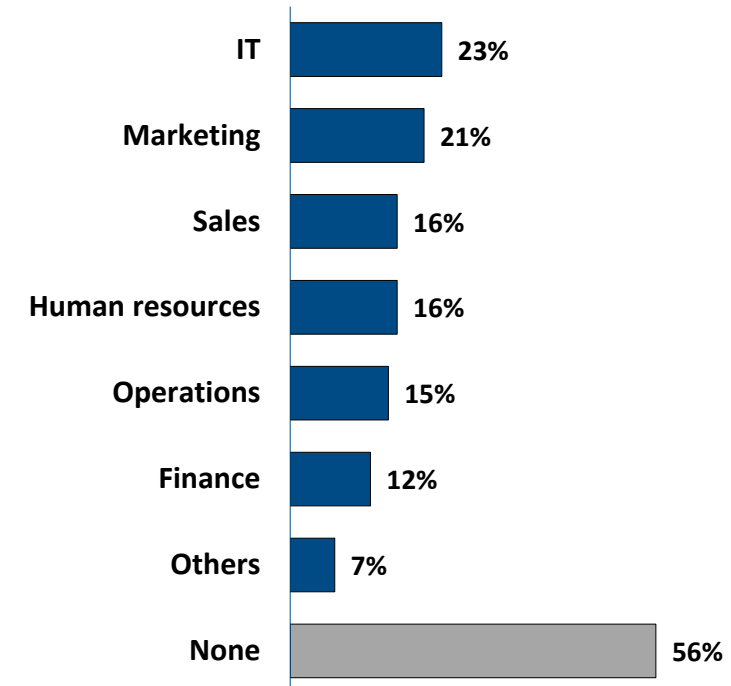


- Due to the cosmopolitan nature of the country, organizations (77%) do not find it difficult to recruit workforce which are digital savvy to support their ongoing organization-wide or department-wide transformation journey. However, there are still challenges to fill the digital gaps, especially within some specific business units and departments where some 16% of the organizations stated the scenario. Gap in the required digital skills at the department level is way to prominent within medium to large organizations (100–999 employees) and less within very large organizations (1000+ employees).
- IT and Marketing departments are the top two line of businesses (LoBs) which are facing challenges due to lack of required digital skills among their current set of employees. Challenges in the IT department is more among the large and very large organizations that the mid-size enterprises.

Whether Facing Difficulty in Recruiting Staff with Digital Skills



Departments Where Challenges are Faced Due to Lack of Digital Skills



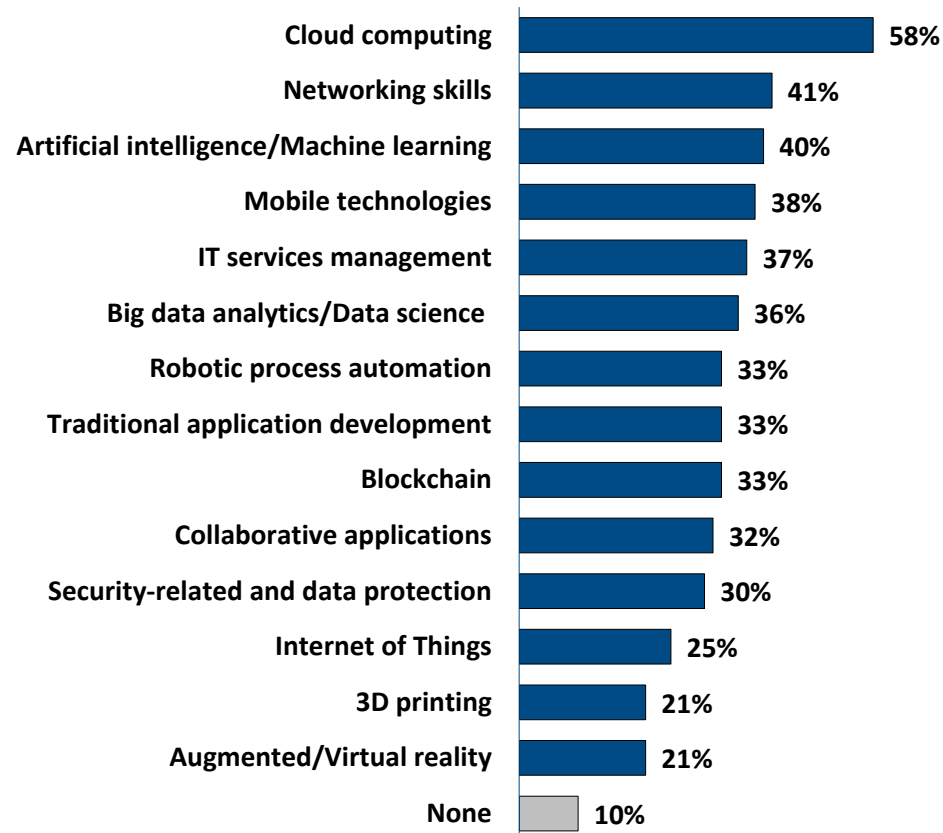
Base (UAE): 73

Currently Lacking and Future Skills Needed

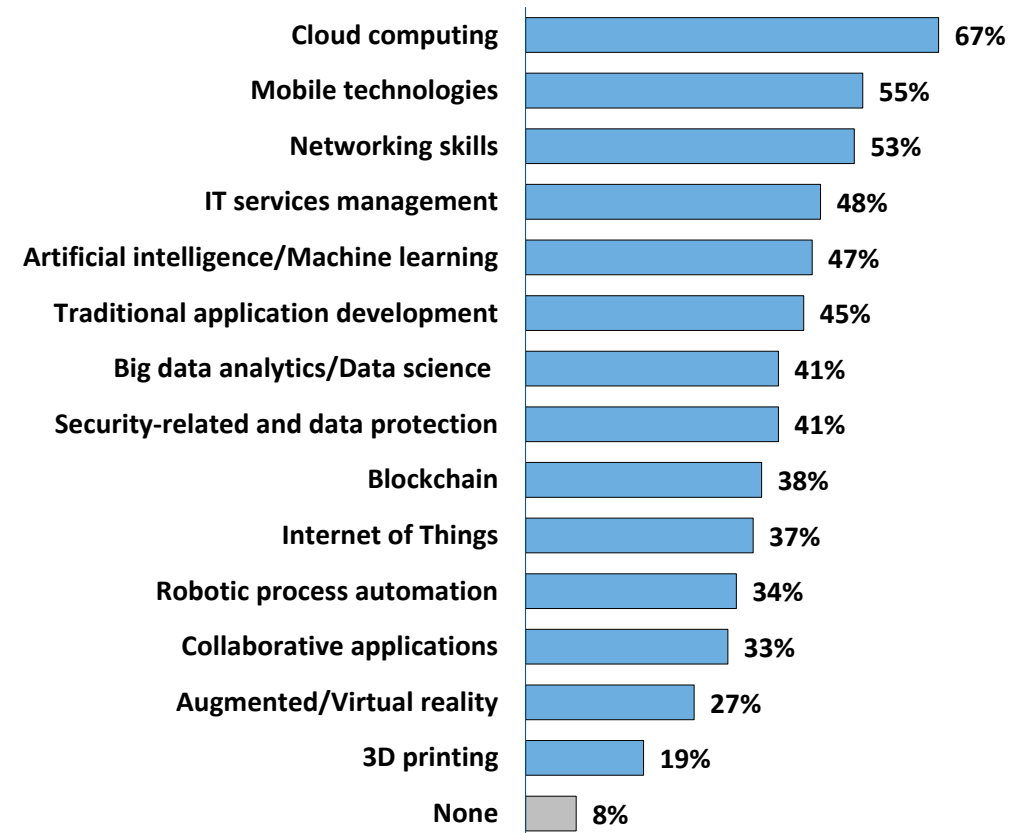


- Cloud computing followed by networking, mobile technologies and AI/ML are the top key areas of technical skills that organizations are currently lacking and would more likely need in the coming years to further accelerate their ongoing digital transformation journey.
- There would be a strong demand of IT service management (ITSM) skills in the future which is increasingly becoming crucial for the organizations as this helps the organizations to discover, track, record, and manage configuration and problem information related to IT end users, devices, infrastructure, and operations. Similarly skillsets around security related and data protection technologies would be in demand.

Currently Needed Lacking Skills



Skills Likely to be Needed in Near Future

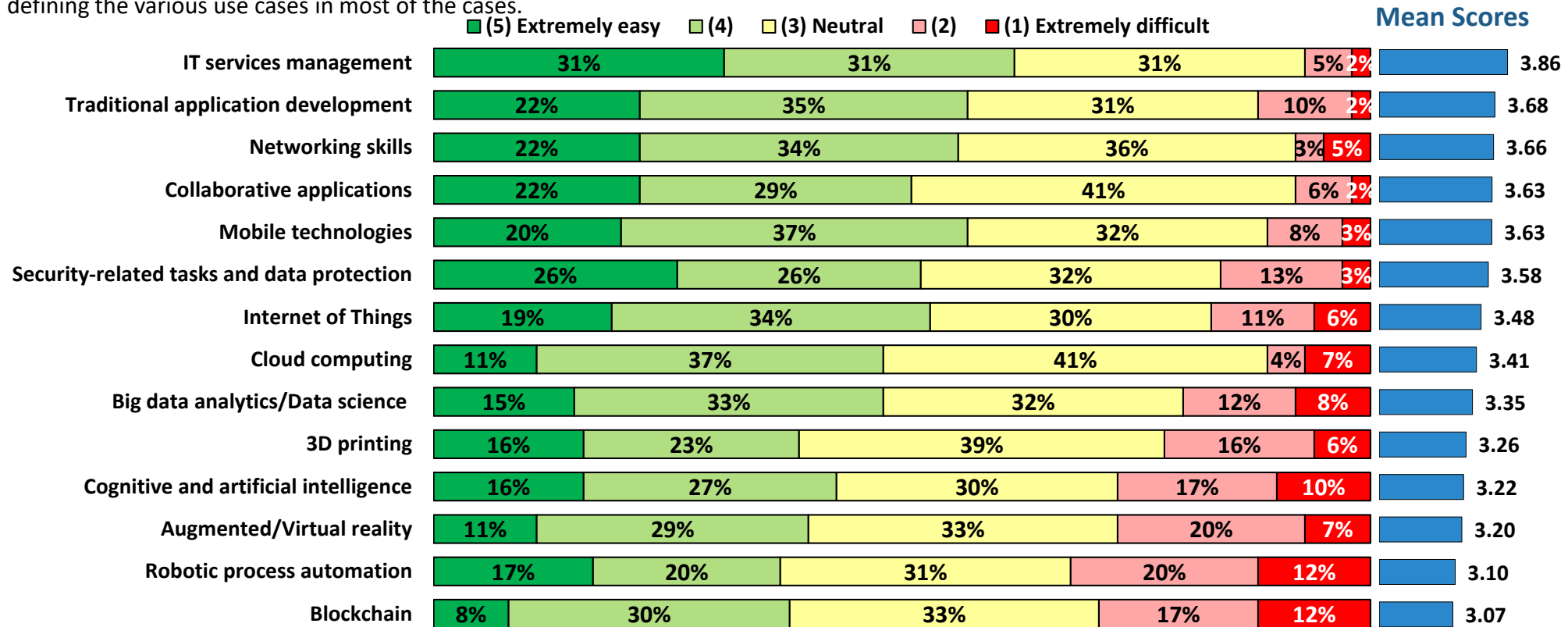


Base (UAE): 73

Ease of Acquiring Digital Skills



- Skills around IT service management (ITSM), applications development, networking and collaborative applications are easier to acquire in the UAE which is indicative of the fact that there are a lot of expatriates who bring these skills which had been there traditionally. Skills such as ITSM is high in demand, but highly available as well due to vast presence of managed service providers in the market which organizations can easily leverage to get outside support.
- Growing adoption of cloud-based solutions in the country has expanded the overall ecosystem where finding a required skills around the cloud technology is not as difficult as it would have been a few years before. Due to in-country datacenter build-outs, market has witnessed the emergence of “born-in-the-cloud” channel partners.
- Getting the right set of skills around some of the emerging technologies such as blockchain, RPA, AR/VR and AI/machine learning is a challenge. However these challenges are not driven by the complexities of the technologies itself, but with the fact that these are not yet matured, and organizations are still at experimentation phase, defining the various use cases in most of the cases.

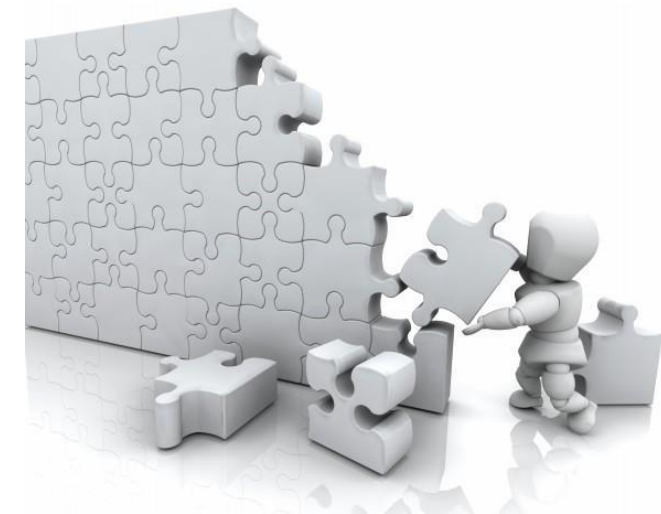
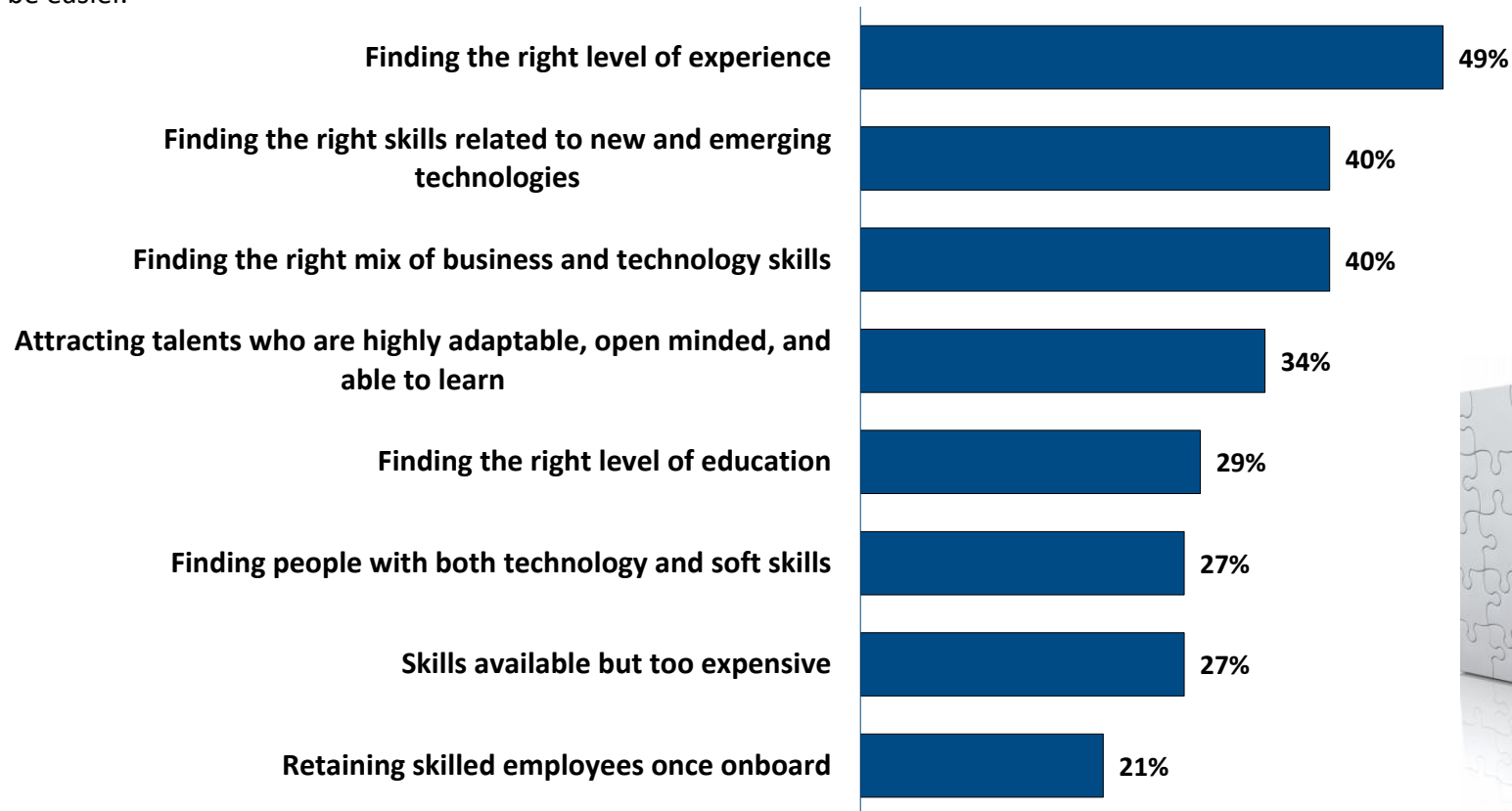


Base (UAE): 73

Challenges in Acquiring Digital Skills



- Looking at the types of skills which are required to drive the ongoing digital transformation strategies at organization level, the market lacks the deep level of experience. Technologies such as cloud, mobility, analytics, AI/ML, and IoT have not reached the maturity curve which would have been a major factor to produce highly experienced professionals. These are exactly the challenges that organizations face in the UAE in terms of finding the right skills related to these emerging technologies.
- There are some government led initiatives in collaboration with the Private sector with the universities and educational institutes to provide technical courses and offer certification courses, develop coding skills and other similar initiatives. These initiatives are poised to make an impact where finding the right level of education would be easier.



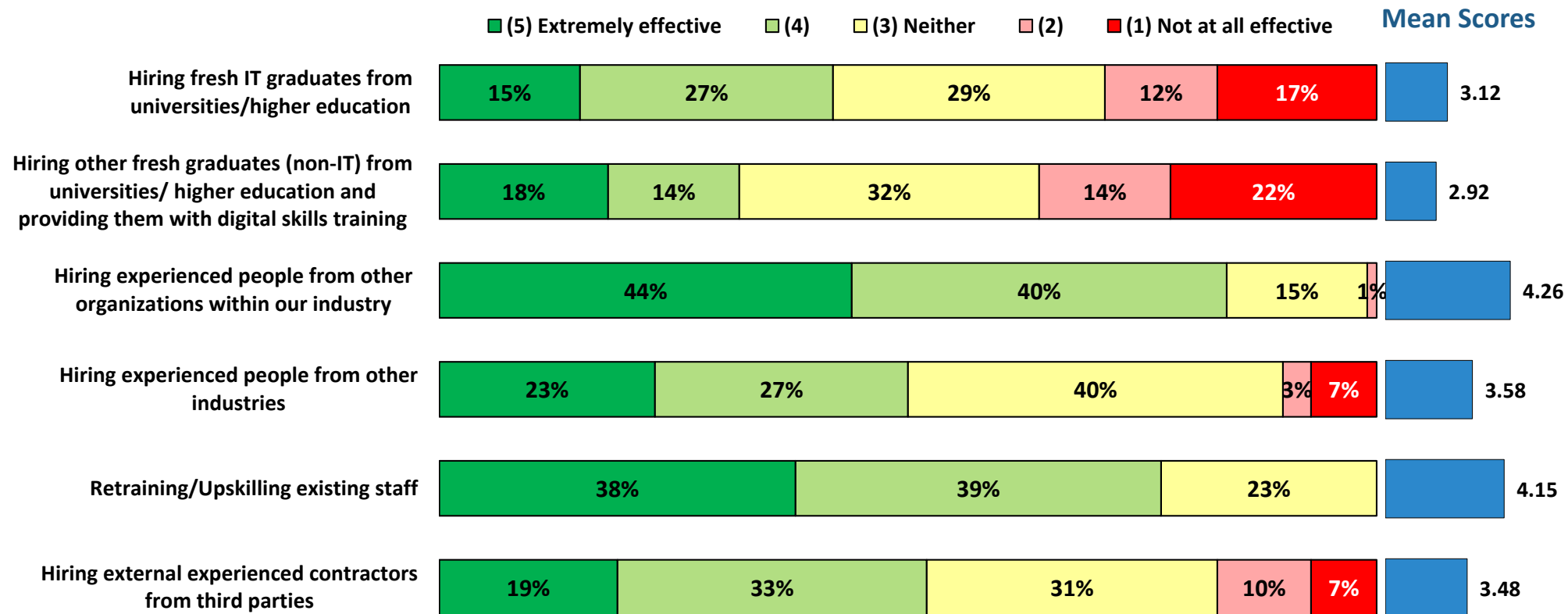
Base (UAE): 73

Q9. What are the top-three challenges in acquiring the digital skills necessary to execute digital transformation strategies in your company?

Effective Approaches to Acquire Digital Skills



- 84% of organizations in the UAE market prefer to hire workforce which are already experienced and can be able to jump-start with their new assignments just after their joining with limited trainings and development on technologies where the key focus shifts towards process and operation orientation.
- Similarly, retaining and upskilling their existing employees is also a key strategy for organizations. This makes a perfect sense to avoid additional cost and time spent on any new hires.
- Hiring fresh IT graduates and non-IT graduates are the least preferred approach to acquire digital skills.



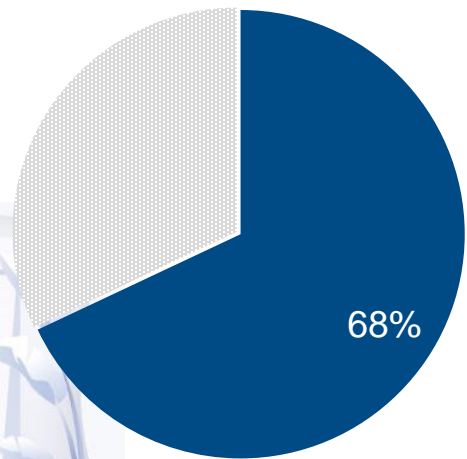
Base (UAE): 73

Effective Approaches to Acquire Digital Skills



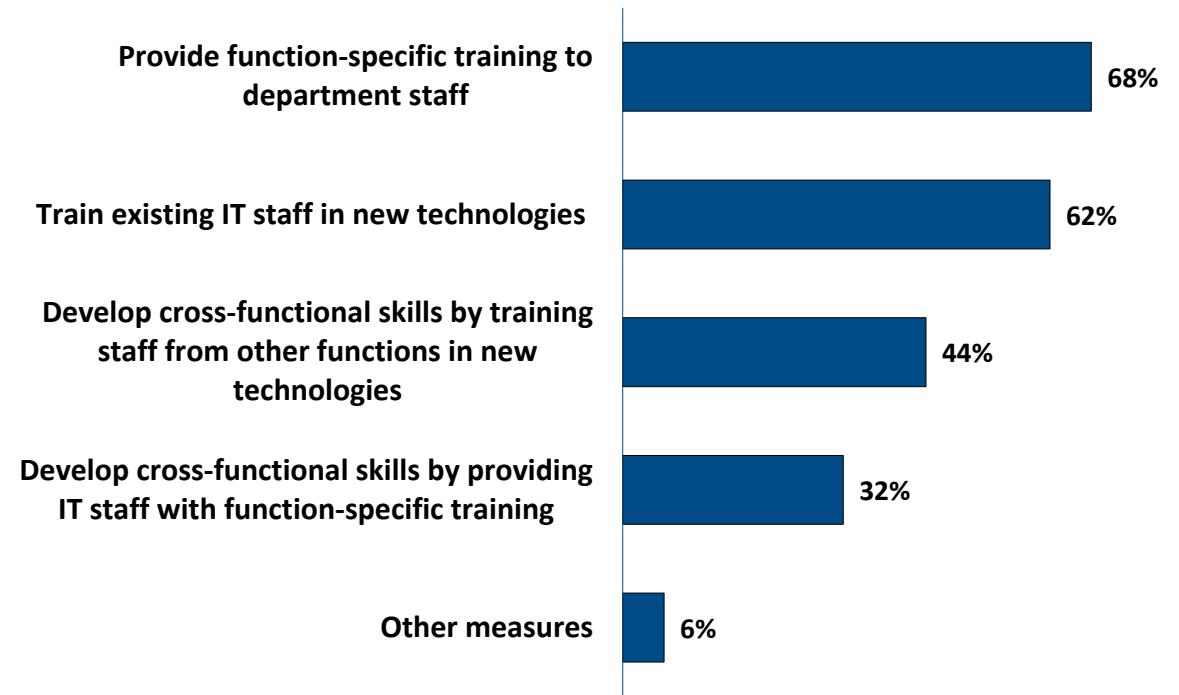
- In line with their best approach to acquire digital skills, almost 68% of organizations have employee retention and/or employees upskilling programs which helps organization solve two major issues in the longer run—one, it helps the organization to prepare future ready workforce which is built on the foundation of digital skills, and two, it helps them save additional cost of hiring, training, and educating about organization processes to a new resource.
- The topmost method of re-training and re-skilling their existing employees is by providing them regular functional and department specific training (68%) which empowers them to use digital skills to bring operational and departmental efficiency and agility.
- Similarly, some 62% of organizations highlighted that training their existing IT staffs on new and emerging technologies also helps them retain their employees who are well-versed to do a great job.

Organizations that Have Retraining/Reskilling Programs



Base (UAE): 73

Methods of Retraining/Reskilling Existing Employees

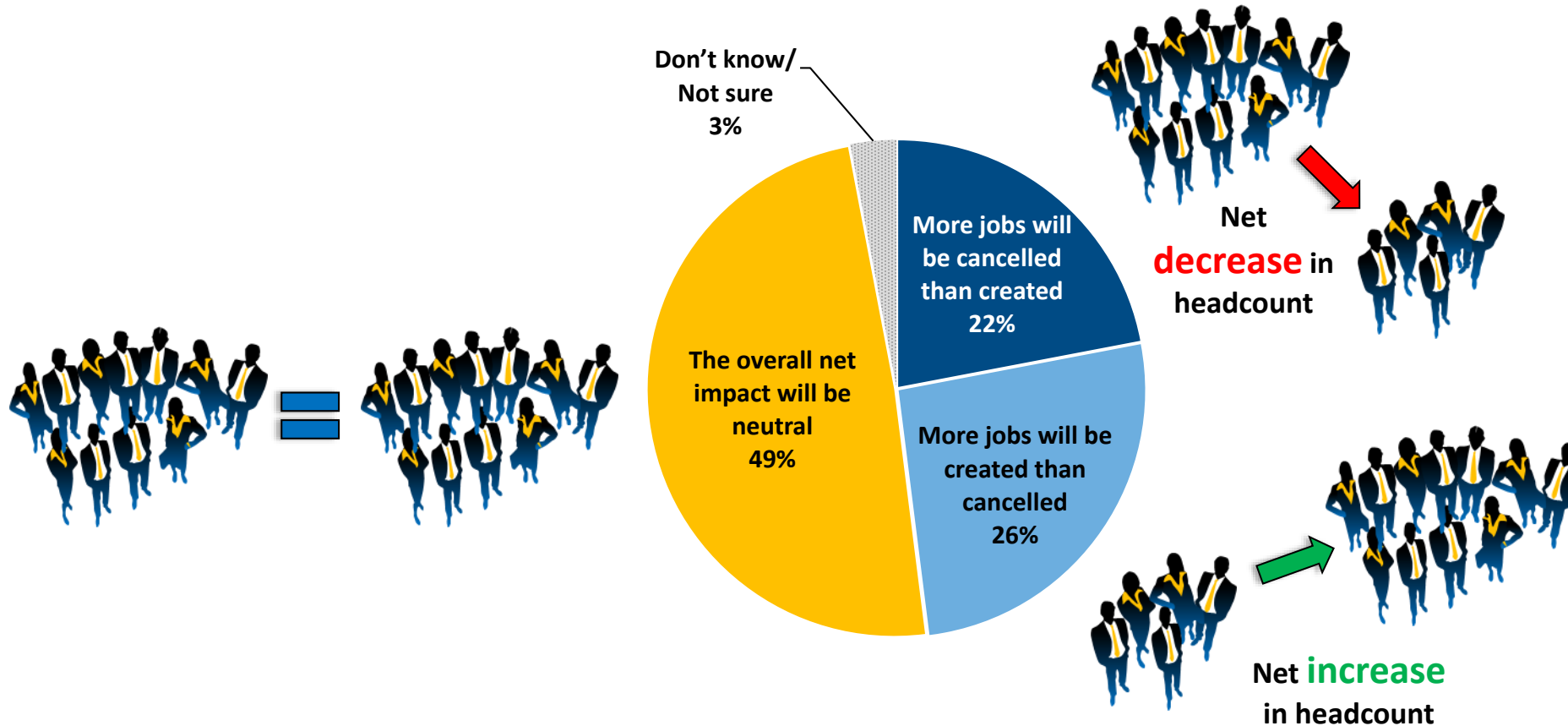


Base (Companies that have retraining/reskilling programs): 50

Perceived Effect of Digital Transformation on Headcount



- Almost half of the organizations surveyed were neutral about the overall impact of digital transformation on the headcount. Remaining half of the organizations were almost equally divided with the view that DX would have impact on the headcount where 22% of the respondents perceive a decrease in the workforce whereas 26% believe it would add more jobs rather than removing.
- One thing is clear that as the advancement of DX initiatives progresses, the less skilled jobs would be redundant and would be the first to be automated by using technologies such as cloud, RPA, and AI/ML. At the same time, demand for highly skilled jobs such as data scientist, software developers/coders, advanced analytics experts and architects would continue to grow to drive the DX initiatives at organizations.

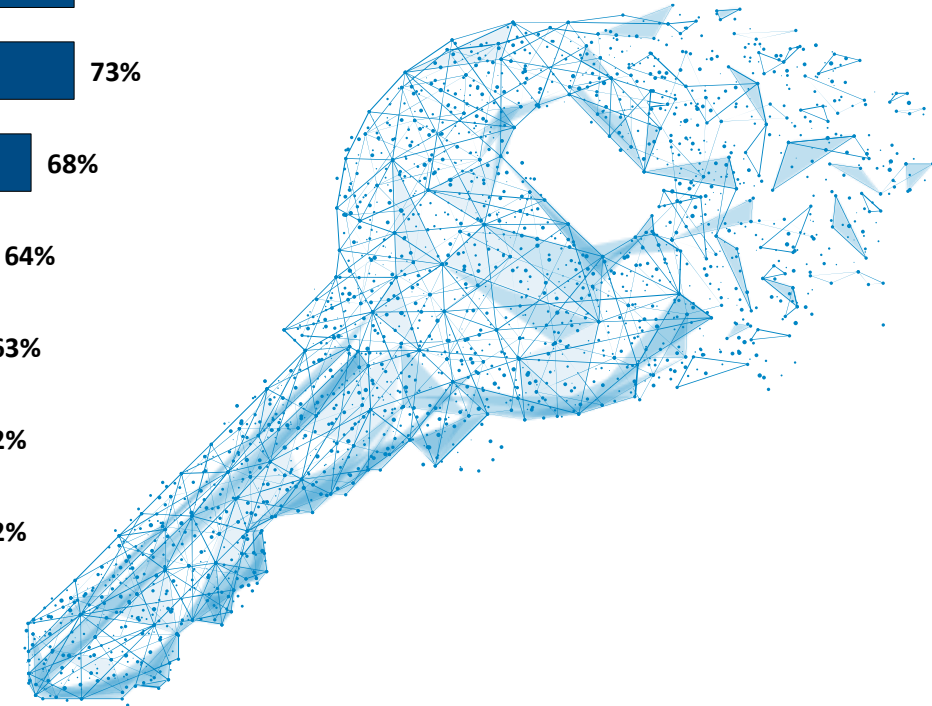


Base (UAE): 73

Benefits From Improved Digital Skills



- Unsurprisingly, there are some clear benefits which organizations see from improved digital skills and technically empowered workforce.
- 81% of respondents in the UAE market ranked greater effectiveness of operational and business processes as the topmost benefit followed by organizational ability to achieve greater revenue growth (73%).
- Digital skills also empowers the workforce of every organizations to stay connected at customer's every touch-points to address their queries, grievances and offer additional support services which helps the organizations to achieve greater level of customer experience and helps them improve overall reputation due to good word-of-mouth.



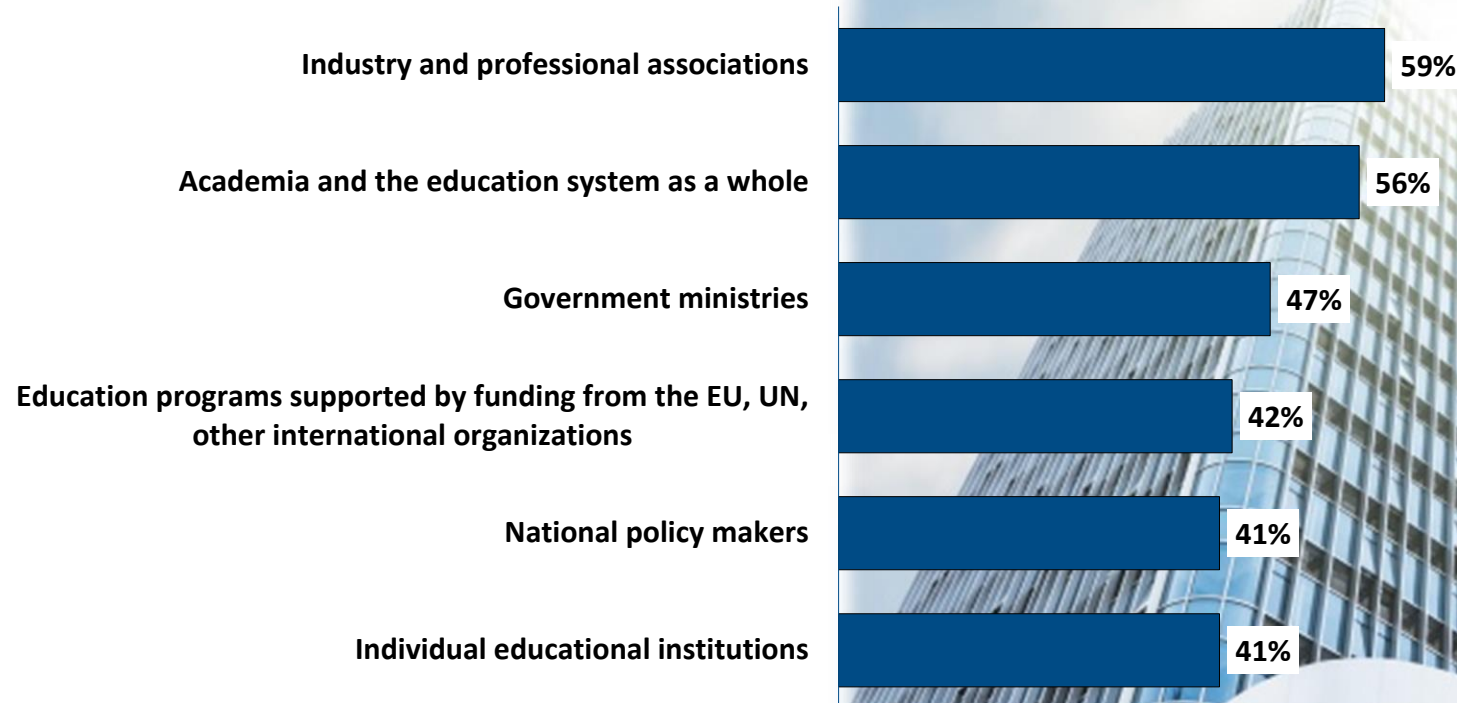
Base (UAE): 73

Q14. How do you think your company could benefit from the improved digital skills of your employees?

Organizations That Can Support with Digital Skills



- In the UAE market, industry and professional associations are considered as a major driver of digital skills development which are closely followed by academia and government sectors.
- In fact, all of these top three set of bodies/organizations work very closely together in the UAE to drive the level of required digital skills and further fuel the digital transformation both at organization level as well as overall country level.



Base (UAE): 73

Q15. Which of these organizations do you think should primarily work with companies to help them overcome their difficulties in recruiting digitally skilled employees?