



Mastering the Art of

# Recruitment

in the United Arab Emirates





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## Introduction

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UAE is the ultimate destination for big business houses, corporations, MNCs and startups to set up their establishments. It has an environment that attracts investments and trade from all around the world.

To attract such global businesses, UAE offers several deals. The country also offers legal support to business owners along with world-class technology. Talking beyond businesses and trading units, UAE attracts a large number of young talents too.

Before undertaking anything about the best practices to follow while hiring employees in the UAE, let's understand "Why Dubai is an attractive destination for job seekers?"

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# Why is the UAE the **ultimate destination for job seekers?**

Here are the key pointers that makes the UAE an attractive destination for job seekers:

paternity leave, earned leave, casual leave, annual leave, etc.

## **1. Competitive Salaries**

UAE offers competitive salaries to employees. According to a report, Dubai offers 10% more salaries than the UK and America. Apart from the competitive salaries UAE also offers additional benefits such as allowances and perks. High salary is one of the key pointers that attracts job seekers from all around the world.

## **2. Great work culture**

The work culture offered to the employees in organizations in the UAE is comparatively better as compared to other countries. Dubai is known for its modern infrastructure and technological developments.

## **3. Ease in Taxation Policy**

UAE has a very easy taxation policy for earning individuals. The government of UAE doesn't collect any money as tax on the personal income of individuals. No tax policy attracts several job seekers in the UAE.

## **4. Additional benefits to employees**

Along with the competitive salary trends, UAE also offers additional benefits to the employees such as maternity leave,





# Employee benefits in UAE

Organizations and employers in the UAE provide several benefits to employees. Here are numerous benefits provided by the employers in UAE to their employees:

## 1. Mandatory Benefits

In UAE, it's necessary for employers to provide certain benefits to their employees. These benefits are referred to as mandatory benefits. Mandatory benefits include certain benefits such as:

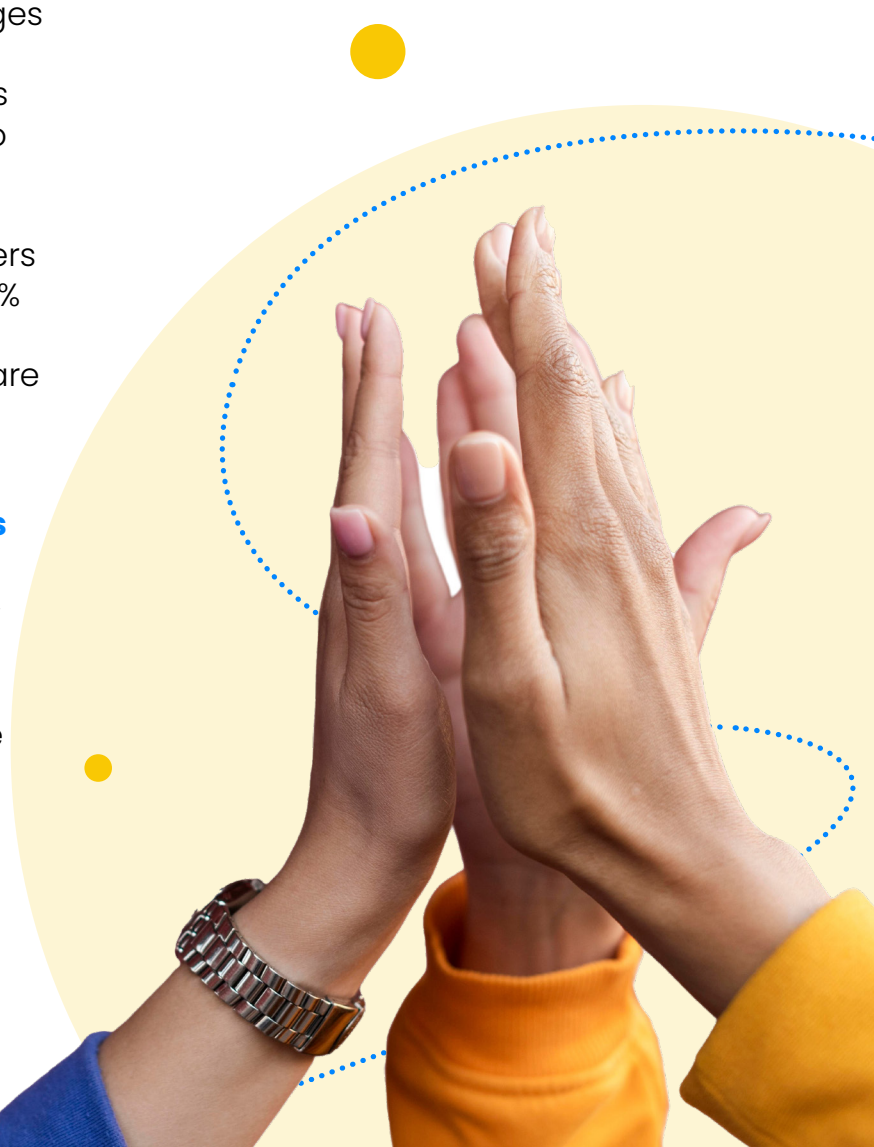
- **Minimum Wages-** In UAE there is no such minimum wage set for employees but the salaries and wages provided to the employees depend on their job profession. So employers should provide the defined wages to their employees timely.
- **Social Security Benefits-** All employers in UAE are required to contribute 12.5% of an employee's salary towards social security benefits. Expatriates are not entitled to these social security benefits.

## 2. Additional /Supplementary Benefits

Along with the mandatory benefits employers also provide supplementary benefits. These additional benefits are provided to employees to stay competitive in the industry and acquire the best talent for their organizations.

An organization can provide various additional benefits to its employees such as:

- Training and development courses for the personal development of employees
- Appraisals and performance rewards
- Transportation facilities for employees
- Organizing health and wellness events or workshops in the company





# Types of leaves available to employees in UAE

In UAE employees are entitled to various types of leaves. Here are some of the leaves provided to employees in the organization:

## 1. Sick Leave

Employers in UAE can avail sick leave if they are sick or suffering from any kind of injury. It is necessary to report the employer about their sick leave within a maximum of two days. In UAE employers get full pay for the first 15 days and partial pay for the next 15 days and after that all sick leave is unpaid in a particular year. Employees are also required to submit a medical certificate to their employers as proof.

## 2. Maternity and Paternity Leave

Maternity leaves are provided to female employees upon giving birth to a child. Let's understand the maternity leave rules for female employees in the UAE. This leave is applicable for 50 days. Employees are paid in full for the first 45 days and paid half for the next 15 days. Female employees can also avail the maternity leave if they miscarry the baby after six months of pregnancy and the same leave rule will be applicable. Paternity leaves are provided to male employees to look after their newborn child. No paternity leave is provided to male employees under New Labour Law.

## 3. Annual Leave

Employers in UAE provide two days leave for every month they work if they service the organization for more than six months. If their service exceeds one year they are entitled to 30 paid annual leaves.

## 4. Study Leave

Employees who are associated with a company for more than 2 years are entitled to 10 study leaves per year to sit in their examinations. Educational institutions must be associated with the UAE government.

## 5. Compassionate Leave

These leaves are provided in case of death of a near or dear one. Five-day compassionate leave is provided in case of death of a spouse. Three-day compassionate leave is provided in case of death of parent, child, grandparents.





# Labour laws

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## in UAE

It is crucial to understand the labour laws in UAE for both employers and employees. UAE Labour Law has evolved in recent years due to the changing needs of the workforce. Let's understand the labour laws in UAE with certain key pointers:

### 1. Governing body

The Ministry of Human Resource and Emiratisation (MoHRE) regulates labour affairs and governs employers in the UAE. It is responsible for regulating and implementing the labour laws in the whole country.

### 2. Working hours in UAE

The working hours of employees in UAE is 48 hours per week which means 8 hours per day. Beyond standard working hours, employees are paid overtime for working more than standard hours.

### 3. Health and Safety

Employers are responsible for providing a safe and healthy work culture to their employees at the workplace. Safety standards and protocols should be followed to ensure that employees are healthy and safe at the workplace.

### 4. Wages and salaries

Employers are obliged to pay timely wages to their employees. There are no such minimum wages but MoHRE has certain laws and regulations to ensure that employees are paid fairly by their employers.

### 5. Contract of Employment

Contract of employment plays a fundamental role in defining the terms

and conditions of employment. It states the agreement between employers and employees. This document can be used if any of the parties violates the contract in any circumstances.

### 6. Leave Policy

As per the leave policy of UAE, employees are entitled to different kinds of leave such as sick leave, annual leave, maternity and paternity leave etc. Employers are required to stay updated with the changes in leave rules.

### 7. Notice Period and Termination Policy

It is necessary for employers to clearly state the notice period that an employee has to serve in case they are planning to leave the organization. Employers cannot ask employees to serve more than the mentioned period in the contract of employment.

### 8. Gratuity Benefits

When employees leave the organization or finish their job they are entitled to end-of-service benefits that are gratuity benefits. Employees will receive gratuity only if they have served more than five years in the organization. The gratuity benefits would be based on the last





# Cost of hiring an employee in UAE

Recruitment is one of the major costs of any business or organization. The cost of hiring an employee not only includes the cost of providing them salaries and payouts but it involves several direct and indirect costs as well. Some of the major elements included in cost of hiring an employee are:

## 1. Recruitment/ Hiring Cost

It is the total of the cost involved in the hiring process including, job posting, advertising, interviewing and candidate screening. Nowadays organizations make use of various software such as **Applicant Tracking System (ATS)** or Recruitment Software. This software helps in automating interview scheduling, resume screening etc. The subscription cost is also included in the hiring cost.

## 2. Cost of Training

It refers to the cost incurred on providing necessary training sessions to the employees. Training is essential to make the employees well-versed on their work and to familiarize them with various procedures.

## 3. Salaries/ Wages

Organizations have to pay monthly salaries or wages to the employees.

## 4. Benefits/ Perks/ Insurances

It involves the amount spent by an organization in providing insurance facilities, perks and benefits to the employees. Appraisals and salary hikes are also involved in employee benefit management costs.

## 5. Miscellaneous expenses

These expenses include travel expenses, house rent allowance and other allowances provided by the employers to their employees.







# Sources of hiring candidates in UAE

Organizations use various sources to hire candidates in the United Arab Emirates:

## 1. Job Portals

Employers can hire candidates through various job portals such as LinkedIn, GulfTalent, MonsterGulf etc. These job portals help employers to reach the potential candidates. These job portals provide a large database of candidates to select potential candidates. Explore the [Top Job Portals in UAE](#).

## 2. Recruitment through social media channels

Employers can hire employees by attracting candidates through social media channels such as LinkedIn. It is a useful tool that helps candidates in job posting and hiring.

## 3. Internal job posting

Candidates can be hired by employees through internal job postings or referrals. Referral hiring is the most prevalent nowadays.

## 4. Campus hiring

In UAE employees also use campus recruitment as one of the means to hire potential candidates in their organizations. Through campus hiring employees can hire interns, apprentices and full-time employees for their organization.

## 5. Recruitment Agencies

There are several recruitment agencies

present in the UAE region that help organizations by providing them candidates according to their demand. Agencies help in the filtering of candidates and eases the hiring steps for organizations.

- 01 Job Portals
- 02 social media
- 03 Internal job posting
- 04 Campus hiring
- 05 Recruitment Agencies

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# How to attract the best talent in the UAE?

Here are some of the best ways to attract and retain quality talent in the United Arab Emirates organizations:

## 1. Providing career advancement opportunities

Employers can provide opportunities for career development to the candidates. According to several reports, more than 75% of the candidates want to join an organization which provides opportunities for career advancement.

## 2. Building a strong brand image

A strong brand image attracts top-tier candidates. Brand image plays an integral role in hiring. Candidates want to join an organization which has a strong brand image in the market/ industry.

## 3. Healthy work culture and fair policies

A healthy work culture and fair policies made by the organization attract the best talent in the organization. So an organization should promote a healthy work culture and keep their policies fair to everyone.

## 4. Develop a growth and success vision for the future

An organization must have a clear growth vision for the future. Candidates want to be a part of an organization which has a clear vision for future growth. This inspires young talent to stay with the organization.

## 5. An effective referral program

To attract the best talent, organizations can implement an effective referral program for the existing employees of the organization. The referral program attracts existing employees to hire suitable candidates for their organization.





# Legal obligations

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## while hiring candidates in the UAE

Hiring employees in the UAE is not a cake walk for employers. Both employers and employees have to fulfill certain requirements. Here are some of the requirements to be fulfilled at the time of hiring employees in UAE:

### 1. Employment Visa

Employees who are joining from other countries are required to obtain work permits and residence visas. Employers are responsible for verifying both the documents of the foreign candidates.

### 2. Contract of employment

A contract of employment is a term sheet between the employer and the employee, stating working hours, job responsibilities, monthly payout, and or additional perks etc.

### 3. Approval from MoHRE

Before hiring an employee it is necessary to get approval from the Ministry of Human Resources and Emiratization. Without this approval, an employer cannot hire employees.

### 4. Normal working hours and overtime

In UAE, the standard working hours are 48 hours per week. Beyond this, if an employee is working it is considered overtime. For overtime, employees will be paid overtime pay.

### 5. Certificate of medical fitness

Before hiring an employee, an employer has to ensure that the employee is

medically fit. They are required to obtain a medical certificate from a reputed medical center.

### 5. Rules for termination

MoHRE has made certain rules for termination of employees. An employer has to follow certain guidelines while terminating an employee. Know more about [Termination of employment in UAE](#).

### 6. Probation period

The probation period for employees in UAE varies from three to six months. Any time exceeding six months is considered unlawful by the employer. Read about the [Probation period in UAE](#).





# How is the job market in the UAE evolving?

The UAE market is open to several opportunities for job seekers around the world for professional growth and development. The UAE job market is ever-evolving due to several factors including advancements in technology, and changing trends of the industry. Let's understand various factors that are contributing to the evolution of the job market in UAE:

## 1. Technological advancements and innovations

Advancements in technology serve as a great factor that creates job opportunities in the UAE. It attracts several investors and big business houses to invest in the UAE. The entrepreneurial ecosystem attracts several startups and corporations.

## 2. Focus on sustainability

Along with the economic growth UAE has a major focus on sustainability. To promote sustainability, the UAE is undertaking several projects. For this purpose, they are also looking for employees who have

relevant knowledge in renewable energy, environment sustainability, agriculture etc. This helps to broaden the job opportunities in the UAE.

## 3. Emerging culture for startups

In recent years UAE has witnessed a great surge in startup culture. Dubai is one of the biggest hubs for startups in the world. It attracts people from all over the world. Moreover, the UAE provides support to emerging startups in the form of easy taxation rules, economic support, access to mentorship and venture capitalists for funding. The rise in startup culture creates several job opportunities for people around the world.

## 4. Economic Diversity

The development of the UAE in several sectors has opened new opportunities for job seekers. These sectors include finance, technology, tourism etc. It offers opportunities for individuals to upskill themselves as they're available in several avenues.





# What is EOR in UAE and its uses?

An Employer of Record (EOR) is a company or service that takes on the responsibility of being the legal employer for workers in UAE. This includes handling payroll, benefits, taxes, and compliance with local employment laws.

In the context of the United Arab Emirates (UAE), an Employer of Record is a third-party entity that helps foreign businesses or individuals navigate the complexities of employing people in the UAE without having to establish a legal entity there. This can be particularly useful for companies or individuals looking to expand their operations or hire employees in a foreign country without setting up their own legal entity.

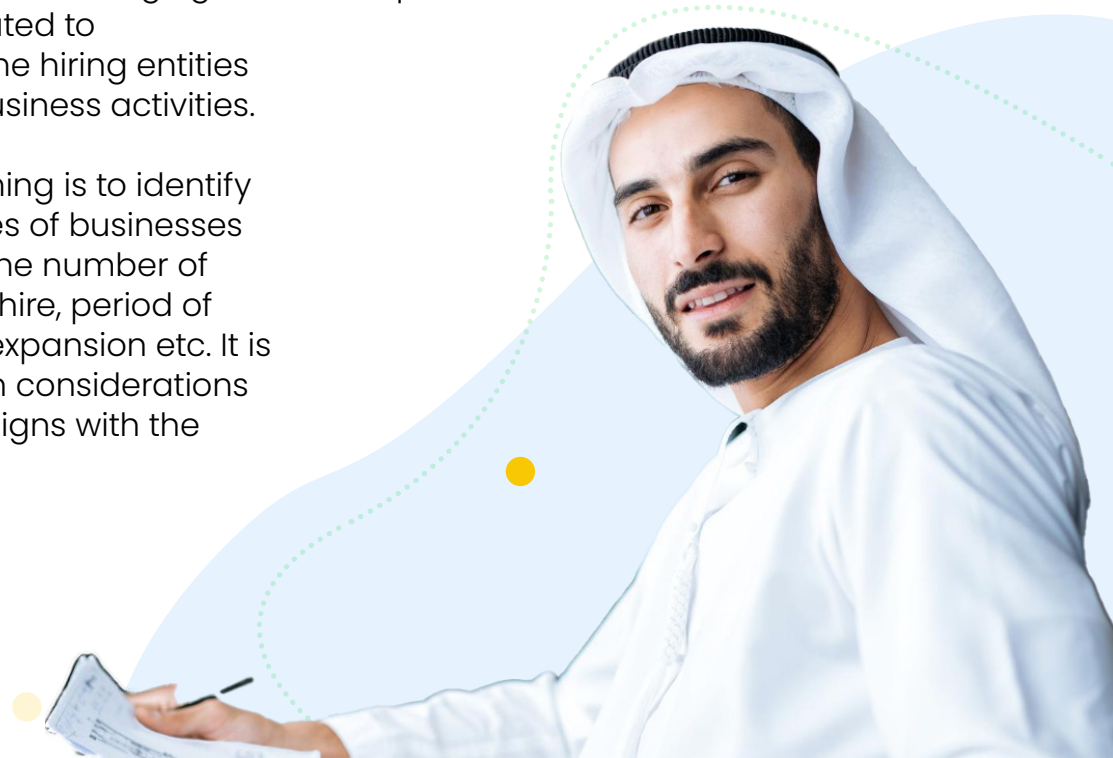
By utilizing an Employer of Record in the UAE, businesses or individuals can benefit from the expertise of the EOR in navigating local labor laws, ensuring compliance, and managing administrative tasks related to employment, allowing the hiring entities to focus on their core business activities.

The first and foremost thing is to identify the needs and objectives of businesses in the UAE. Understand the number of employees you want to hire, period of employment, scope of expansion etc. It is necessary to make such considerations so that EOR ultimately aligns with the specific requirements.

Once the need is identified, research and look for a suitable EOR. While looking ensure that the provider of EOR has prior knowledge of the employment laws, a proven success record and provides a range of services. It becomes necessary to partner with a suitable EOR so that all local laws and regulations along with legal requirements of businesses are fulfilled.

Set a meeting with the EOR provider to discuss the requirements of the business, terms of employment, and any other specific requirements from the EOR provider. EOR provider plays a crucial role in understanding local labour laws, benefits and obligations associated.

It's necessary to stay in touch with the EOR during the onboarding of employees. This ensures that your business is complying with the local laws and legal requirements.





# Steps to avail work visa in UAE (For non-residents)

It is recommended to check and consult with any legal authority before applying for a work visa as the rules may change. Here are the steps to get a work visa in UAE:

## 1. Avail a job offer from the organization

The first step is to avail an offer letter from the organization. It is the initial step to avail a work visa. The offer letter acts as the legal proof for the employee.

## 2. Labour approval from MoHRE

Employers are required to obtain labour approval from MoHRE as soon as they send an offer letter to the individual.

## 3. Contract of employment

After labour approval is obtained from MoHRE, the employer has to send a contract of employment that complies with UAE Labour Law. The contract of employment serves as proof of the agreement between employer and employee.

## 4. Obtain an entry permit

An entry permit is issued to a foreigner who joins the UAE for job-related purposes. This entry permit is issued by the immigration department of the UAE.

## 5. Health examination

Health examination acts as proof that an employee is not suffering from any contagious or severe disease. This medical examination certificate can be obtained from any of the registered medical centers in the UAE.

## 6. Emirates ID

It is one of the necessary documents required by any employee. After an individual joins they are required to apply for an Emirates ID.

## 7. Residence Visa

After reaching UAE an employee gets an entry permit. But this permit is valid for a specific period. They are required to get this visa converted into a residence visa during that period. To do so certain documents must be submitted to the immigration department.

## 8. Additional work permits

Along with a work permit, some other permits may be required by employers in different professions. These permits are obtained from relevant authorities.

## 9. Sponsorship of family members

If an employee wants to sponsor their family they are required to meet certain salary and accommodation requirements.





# Taxes imposed in UAE

Here are several taxes imposed in the UAE:

## 1. Income Tax

The UAE government does not impose any tax on the income of salaried individuals and business owners. However, some of the regions in the UAE have certain taxes. So it is always advisable to check with the state tax authorities for tax-related information.

## 2. Value Added Tax (VAT)

VAT was introduced in UAE on January 1, 2018 by the Government of UAE. The standard rate of VAT is 5% for tax registered businesses and they have to pay it on taxable supply of goods or services at each step of the supply chain. This tax is mandatory for businesses with annual supplies above a certain limit (currently AED 3,75,000) and voluntary for businesses with taxable supplies (currently AED 1,87,500). FAT (Federal Tax Authority) is responsible for collecting these taxes in the UAE.

Some category of goods and services are exempted from paying VAT in UAE:

- Bare land or property
- Local transport
- Residential properties
- Supply of some financial services

## 3. Corporate Tax

As such there is no corporate tax defined by the Government of UAE but some free states have their own rules for corporate tax. Except in these states there is no corporate tax. The standard corporate tax rate is 9%. Some businesses are considered under the tax slab of 0% while some fall under the criteria of 15% as they do not do business in the main UAE.

Income slab for corporate tax

- 0% for taxable income up to AED 37,500
- 9% for taxable income above AED 37,500
- Different tax rate for large multinational companies





## Exemptions in Corporate Tax

Some institutions/category of people are exempted from paying corporate tax in UAE:

- Individuals engaged in extractive activities
- Individuals engaged in non-extractive natural resource businesses
- Government entities
- Government controlled entities
- Some investment funds
- Some public entities
- People who receive public pension or social security funds

## 4. Custom Duties

In UAE custom duties can be imposed on certain products that are imported to UAE. The rate of custom duty can vary according to the type of product. On most goods in UAE, freight and insurance charge flat 5% as custom duties. While on alcohol the custom duty is 50% and 100% on cigarettes.

On some products an anti-dumping duty is charged which is as high as 106% of some ceramic imports.

## 5. Social Security Tax

There is a social security regime in the United Arab Emirates that is applicable to certain qualifying employees in UAE and other GCC countries. For employees in UAE the rate for social security tax is 20% of gross remuneration of employees. Out of the total of 20%, 5% is payable by that employee, 12.5% by the employer and the rest 2.5% by the government of UAE. But for Abu Dhabi the applicable rate is 26% where the contribution of the employer stands at 15%, employee's contribution is 5% and the rest 6% by the government.







# Employee Onboarding and Training imposed

Employee onboarding and training are critical processes for organizations as well as employees. Onboarding includes several processes such as background checks, preparing a checklist, assigning jobs and responsibilities, providing them with necessary assets etc.

## 1. Orientation program

Job orientation refers to the process of making the new employee aware of the company's culture, vision, policies and other information that the organization feels the employee should know.

## 2. Training sessions

Training sessions are useful for employees to understand their job roles and the functions they have to perform in the company. It is the responsibility of the HR of the organization to organize training sessions for employees.

## 3. HR policies training

HR policies training is also organized for new employees to make them aware of various HR policies applicable in the organization. Employees must be aware of HR policies.

## 4. Cultural awareness training

This kind of training is necessary for employees in the organization as different employees belong to different cultures. Every employee must respect the culture of every other culture.





# Best hiring practices that every employer should follow

Hiring employees in the UAE is not an easy practice. It involves a series of strategic decisions which includes hiring the right talent. Here are some of the practices that every employee should follow:

## 1. Providing competitive compensation

It's recommended that every organization should provide competitive compensation to their employees. Providing competitive salary packages to the employees helps in employee retention. Hiring is one of the significant costs for almost every business in the world.

## 2. Compliance with local labour laws

Before hiring, employers must understand the UAE labour laws of the particular region. Only understanding is not enough, employers must stay compliant with these labour laws otherwise they have to incur huge costs.

## 3. Employee benefit program

Along with a competitive salary package, organizations must provide employee benefit programs to employees including, house rent allowance, conveyance allowance, perks, overtime pay etc. These programs play a vital role in employee retention.

## 4. Knowledge of the local market

An organization must possess knowledge of the local market conditions where they are hiring. It provides a rough idea of the employment trends of that region.

## 5. Employee engagement

Employee engagement plays an important role in achieving the overall goals of the organization. Employers must stay in touch with their employees.

## 6. Performance evaluation

Performance evaluation is necessary for organizations to achieve goals on time. Individual performance evaluation of employees contributes to the success of the organization.

## 7. Employee Retention

It is necessary to retain employees in the organization for long as hiring is one of the major costs of every organization. So employees can be retained in the organization by offering them incentives, competitive salaries and a healthy work environment.





# Summing up

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As we know the UAE is an attractive destination for business houses and corporations. So if you are someone who is looking to set up their company or business in UAE or you are currently running an organization in UAE it's necessary to understand the hiring process in UAE along with the labor laws. The whole guide revolves around the best practices to be followed while hiring employees in the UAE. As an HR professional, CHRO or an employer in any organization in UAE you come across several challenges while hiring the right employees for your organization.

Starting from employee benefits, to leaves available to employees in UAE this guide covers it all in one go. Recruitment is not a one-time process for any organization in the UAE. It is ever-evolving and continues till the organization exists.

The best hiring practices in UAE include complying with the prevalent labor laws, providing appropriate compensation to the employees as per the industry trends, providing additional employee benefits along with the basic pay etc. While onboarding new employees in an organization there are several processes which an HR has to perform including orientation programs, training sessions, cultural awareness training etc.

Moreover, organizations must comply with local laws as well as labour laws. These laws are related to the number of leaves provided to employees, work permits, employee labor cards etc. Failing to abide by these laws can result in various complications for the organization as well as the employer. So anyone who is working as an HR professional in the United Arab Emirates, can use this guide to improve the quality of their hiring process.

[Schedule a demo](#)

