



# Radford 2014 Middle East Tech Forum

*25 March 2014  
Dubai, United Arab Emirates*

# Agenda

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- 09:45 Tea/Coffee
- 10:00 Introduction by Radford and high-level GCC trends by Robert Miller
- 10:45 Network demonstration by Anton Marinovich
- 11:00 GCC Allowances & Benefits Survey – preliminary results and discussion by Robert Richter
- 11:45 Case study: job architecture and career paths by James Seechurn
- 12:15 Lunch
- 13:45 Polling and open discussion
- 15:00 Close





# Welcome

*Robert Miller*

# The World According to the Headlines

- **The talent reality...**

***If you're looking to recruit an engineer right now, be prepared for a dog-eat-dog world.***

“Recruiters say it now takes twice as long to hire engineers compared to other jobs, and salaries are spiking. For the lucky few who chose engineering all those years ago, the payoff is huge...Employers trying to poach talent from their competitors are offering massive salaries and incentive plans.”

— [Engineers Get Rich As Talent War Heats Up](#) CNN Money, July 2013

- **Big Pay...Big Expectations**

***Twitter pays engineer \$10 million as Silicon Valley tussles for talent.***

“Welcome to Silicon Valley where a shortage of top engineering talent amid an explosion of venture capital-backed startups is inflating paychecks...The number of A-list players in Silicon Valley hasn’t grown...but the demand for them has gone through the roof and ***The Lore of 10X*** - a person so talented that he or she does the work of 10 merely competent engineers. Having 10X engineers at the top is the only way to recruit other 10 X engineers.” -- The Economic Times, October 13, 2013

- **What CEO’s Say...**

***What’s going to happen in the next 5 years: I have no idea and neither do you...***

“But what is important is the right attitude about change and reinvention...CEO’s need to expect the unexpected and develop resilience...balance efficiency with agility...cut costs without cutting value. It’s a move from risk management to resilience. The way forward is to build organizations that are agile and adaptable, able to cope with disruption and emerge stronger than before.” — PWC 16<sup>th</sup> Annual Global CEO Survey



# And Locally....

## HOME > </> IT & Technology

There is an increase in demand for I.T. and Technology professionals in the UAE due to the surge in new projects, ecommerce growth, and development of cloud computing in the country according to the latest Robert Half salary guide. Emirates 24/7 revealed that there has been an increase of 5.3% in UAE I.T and Technology salaries on average in the year 2013. A recent article from The National reported that I.T and Technology professionals would benefit highly from the projected 3.5% increase in the UAE economy for 2014; with an expected 4.6% salary increase for I.T and technology professionals.

### Top hiring companies for IT & Technology

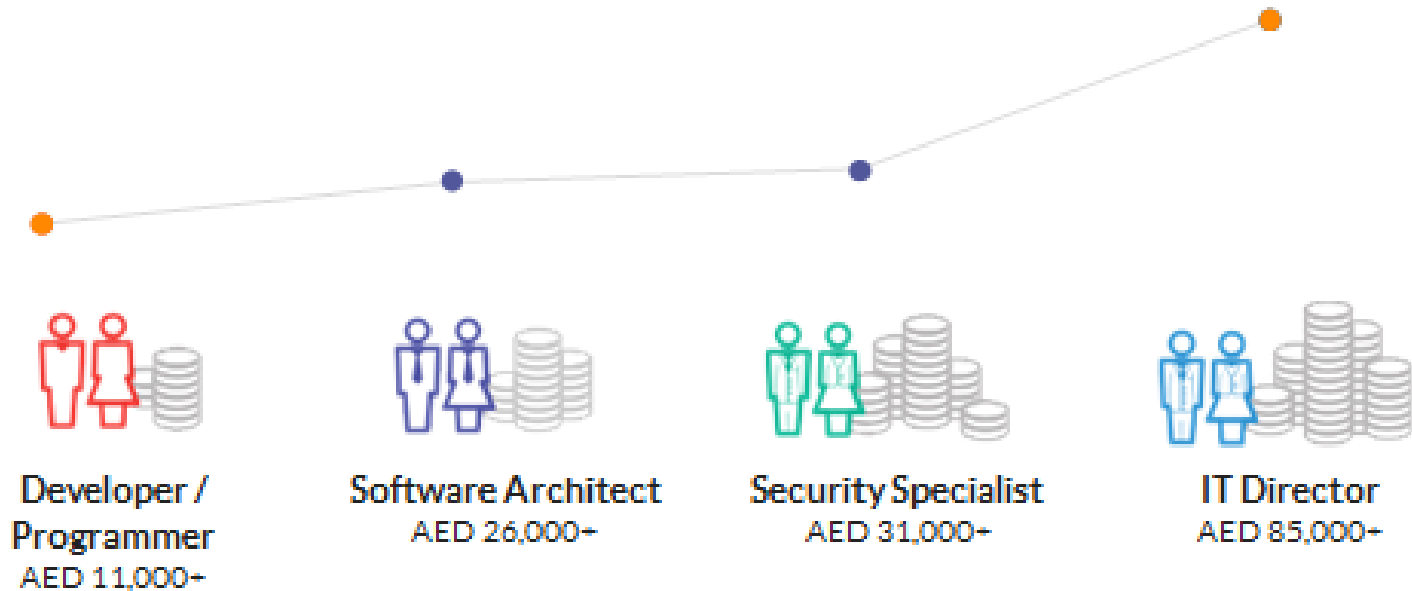


Source: Laimoon.com



# And Locally....

## Job titles & salaries for IT & Technology

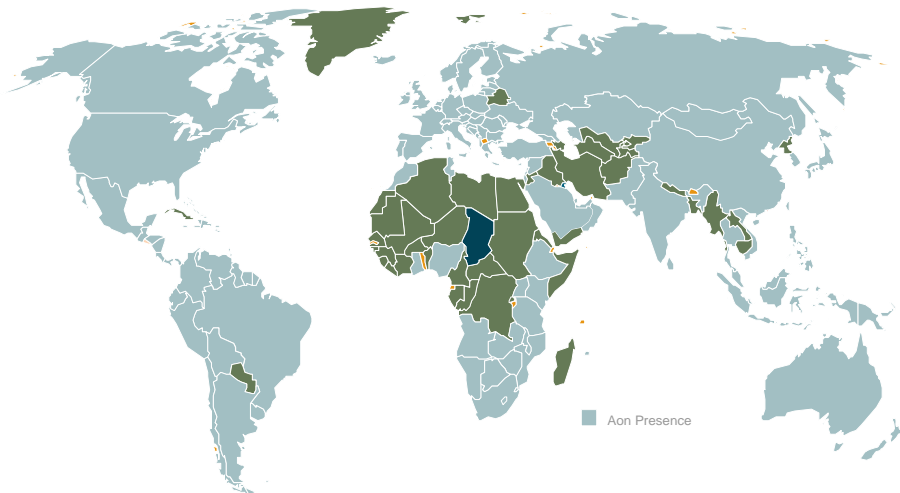
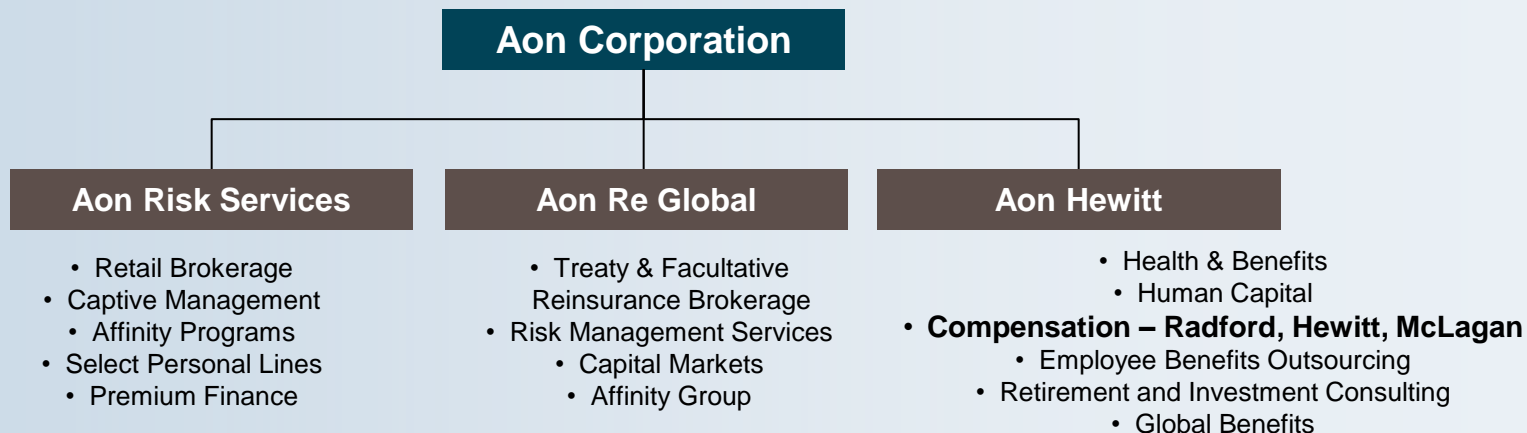


Source: Laimoon.com



# Aon Hewitt Overview

*Complementary product and service portfolio across reward consulting, employee benefits and HR business process outsourcing.*



29,000	Number of Aon Hewitt colleagues around the world
90	Number of countries in which Aon Hewitt operates
\$4.3 Billion	Total revenue generated by Aon in 2008
#1	Human capital consulting Serving more than half of the Fortune 500



# Unmatched Technology Sector Coverage

82

Reporting  
Countries

1,800

Participating  
Companies

2,500

Unique Jobs  
Surveyed

5.4

Million  
Incumbents

The competition for talent among technology sector companies – from Bangalore to Beijing to London to Silicon Valley – is as fierce as ever. To meet the demands of your company's innovation agenda, rely on Radford's Global Technology Survey to help you attract, retain and engage the top technical and business operations talent you need to continue growing.

## Key Survey Features:

- **Unmatched survey scale** grants participants access to global compensation intelligence across 1,800 software, hardware, internet, e-commerce, semiconductor, networking, professional services, communications, medical device and gaming organizations
- **Full global consistency** creates a harmonized structure for data submissions, job matching and market comparisons across all business operations in 100 surveyed countries
- **Complete compensation coverage** includes base salaries, allowances, fixed compensation, bonus and incentive targets, total cash compensation, stock options, restricted stock awards and more

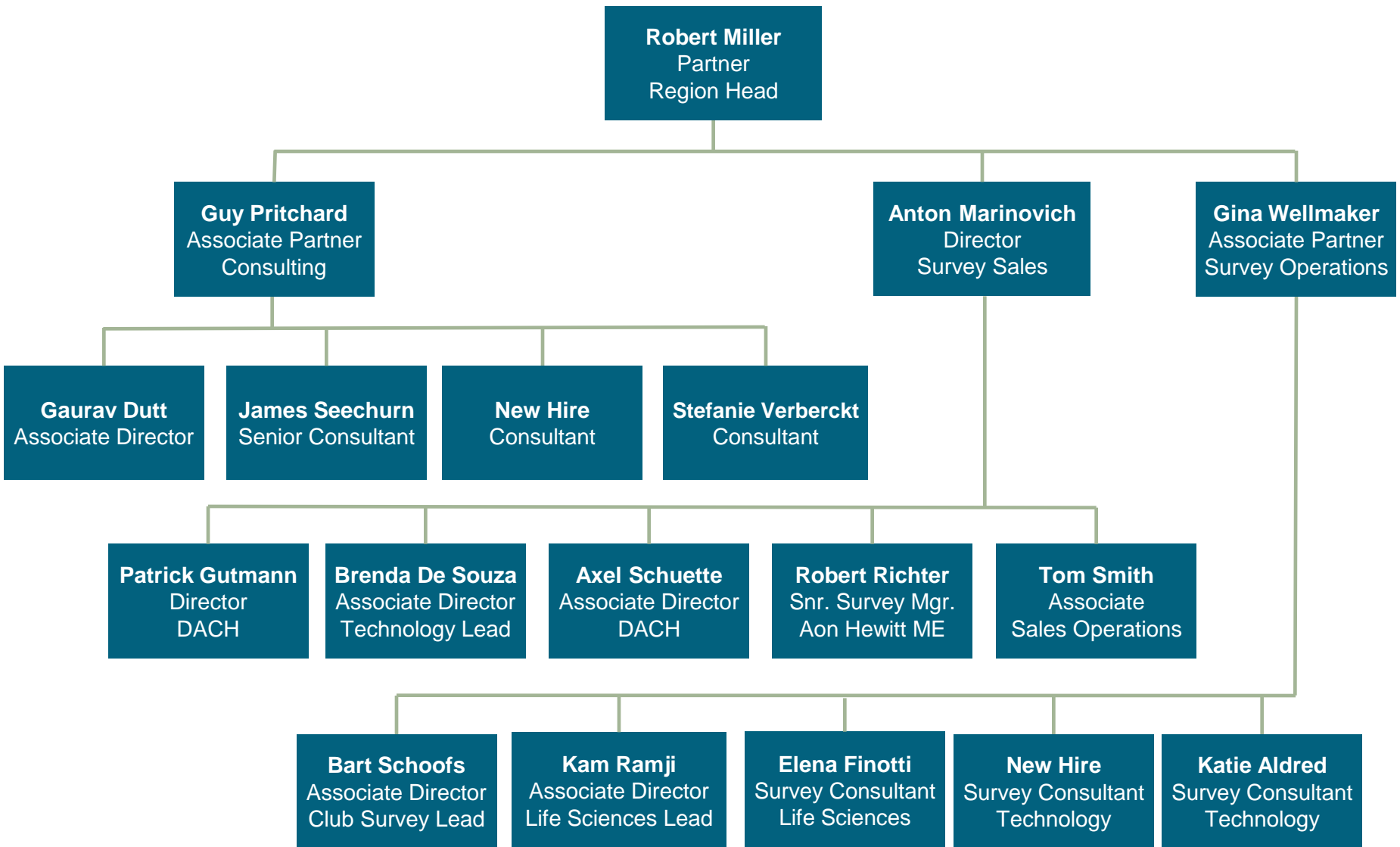
## Select Technology Participants:

- Abbott Labs
- Accenture
- Adobe Systems
- Agilent
- Alcatel-Lucent
- Altera
- Amazon.com
- AMD
- Analog Devices
- Apple
- Applied Materials
- AT&T
- Becton Dickinson
- Boston Scientific
- CA
- Cadence Design Sys.
- Cisco Systems
- Citrix Systems
- Dell
- eBay
- Electronic Arts
- EMC
- Ericsson
- Facebook
- Fairchild Semi.
- Flextronics
- Freescale Semi.
- Hewlett-Packard
- Hitachi
- Hollister
- IBM
- Infosys
- Intel
- Juniper Networks
- KLA-Tencor
- Lam Research
- LSI
- McAfee
- Medtronic
- Mentor Graphics
- Microsoft
- NetApp
- NVIDIA
- Oracle
- Philips Healthcare
- QUALCOMM
- Salesforce.com
- SAP
- Seagate Technology
- Sprint Nextel
- STMicroelectronics
- Stryker
- SunPower
- Symantec
- Synopsys
- Texas Instruments
- Thermo Fisher Scientific
- Toshiba America Medical Systems
- Varian Medical Systems
- VMware
- Waters
- Welch Allyn
- Wipro
- Xilinx
- Yahoo!

Source: Radford Global Technology Survey demographics as of January 2014.



# Radford Team in EMEA



# Complete Compensation Coverage

- Together, Radford's Global Technology, Global Sales and Global Life Sciences Surveys provide human resources leaders with the critical knowledge they need to make truly informed global compensation decisions.



# Total Surveyed Countries in 2014

- Radford currently collects data in 100 countries:

Americas	Asia/Pacific	Europe		Middle East/Africa
<ul style="list-style-type: none"><li>Argentina</li><li>Barbados</li><li>Bermuda</li><li>Bolivia</li><li>Brazil</li><li>Canada</li><li>Chile</li><li>Colombia</li><li>Costa Rica</li><li>Dominican Rep.</li><li>Ecuador</li><li>El Salvador</li><li>Guatemala</li><li>Honduras</li><li>Mexico</li><li>Panama</li><li>Paraguay</li><li>Peru</li><li>Puerto Rico</li><li>Trinidad &amp; Tobago</li><li>Uruguay</li><li>United States</li><li>Venezuela</li></ul>	<ul style="list-style-type: none"><li>Australia</li><li>Bangladesh</li><li>China</li><li>Hong Kong</li><li>India</li><li>Indonesia</li><li>Japan</li><li>Kazakhstan</li><li>Macau</li><li>Malaysia</li><li>New Zealand</li><li>Pakistan</li><li>Philippines</li><li>Singapore</li><li>South Korea</li><li>Sri Lanka</li><li>Taiwan</li><li>Thailand</li><li>Vietnam</li></ul>	<ul style="list-style-type: none"><li>Armenia</li><li>Austria</li><li>Belgium</li><li>Bosnia &amp; Herzegovina</li><li>Bulgaria</li><li>Croatia</li><li>Cyprus</li><li>Czech Rep.</li><li>Denmark</li><li>Estonia</li><li>Finland</li><li>France</li><li>Germany</li><li>Greece</li><li>Hungary</li><li>Iceland</li><li>Ireland</li><li>Italy</li></ul>	<ul style="list-style-type: none"><li>Latvia</li><li>Lithuania</li><li>Luxembourg</li><li>Netherlands</li><li>Norway</li><li>Poland</li><li>Portugal</li><li>Romania</li><li>Russia</li><li>Serbia</li><li>Slovakia</li><li>Slovenia</li><li>Spain</li><li>Sweden</li><li>Switzerland</li><li>Turkey</li><li>Ukraine</li><li>United Kingdom</li></ul>	<ul style="list-style-type: none"><li>Algeria</li><li>Bahrain</li><li>Cameroon</li><li>Egypt</li><li>Ghana</li><li>Israel</li><li>Jordan</li><li>Kenya</li><li>Kuwait</li><li>Lebanon</li><li>Mauritius</li><li>Morocco</li><li>Mozambique</li><li>Nigeria</li><li>Oman</li><li>Qatar</li><li>Saudi Arabia</li><li>Senegal</li><li>South Africa</li><li>Tanzania</li><li>Tunisia</li><li>UAE</li></ul>



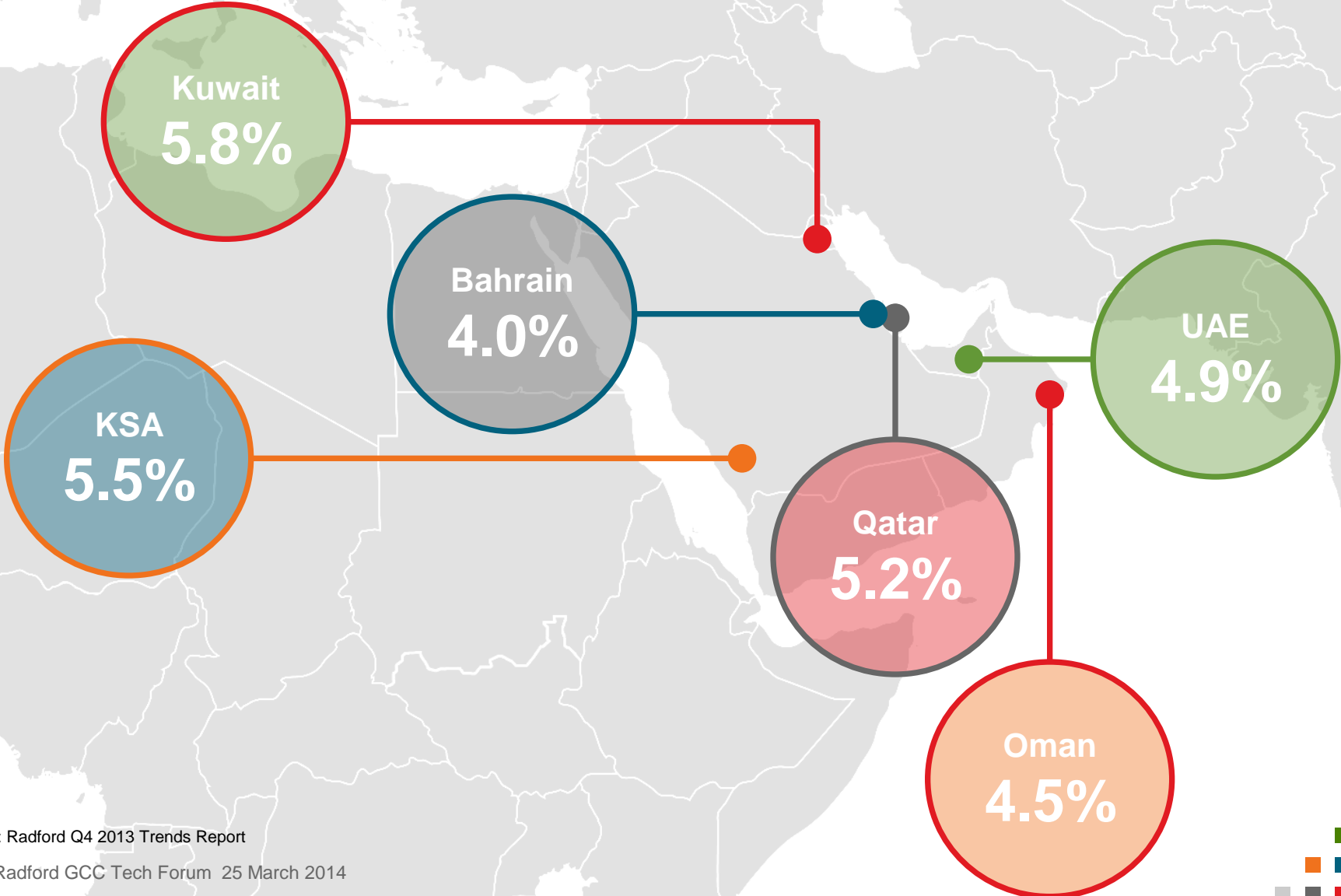
# Key Roles in the GCC

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- Radford's global survey solutions span the full spectrum of technology roles, including:
  - Software Applications Engineer
  - QA Engineer
  - Solutions Architect
  - UI/Human Factors Engineer
  - Communications Engineer
  - Software Licensing Analyst
- In addition to sales roles such as:
  - Field Sales
  - Indirect Sales
  - Sales Account Manager



# Trends – 2014 Budget Salary Increase

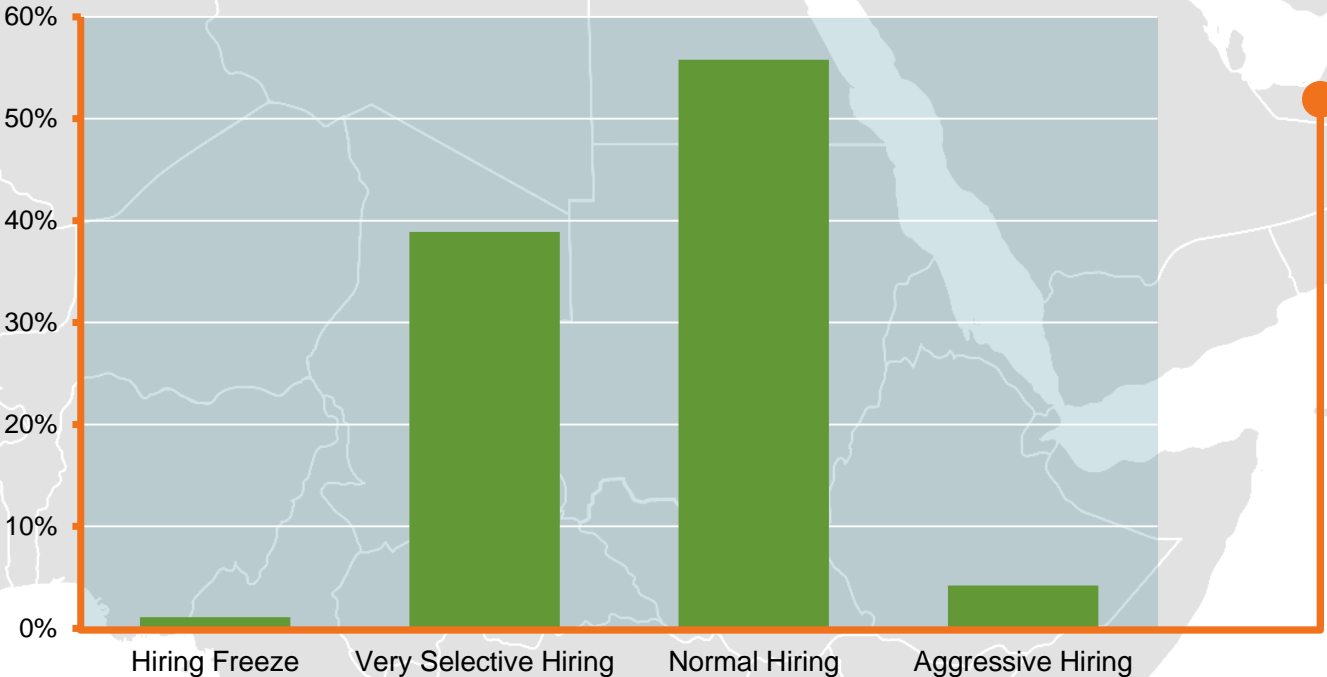


Source: Radford Q4 2013 Trends Report



# Trends – 2014 Employee Turnover and Hiring Environment

Hiring Environment in the UAE

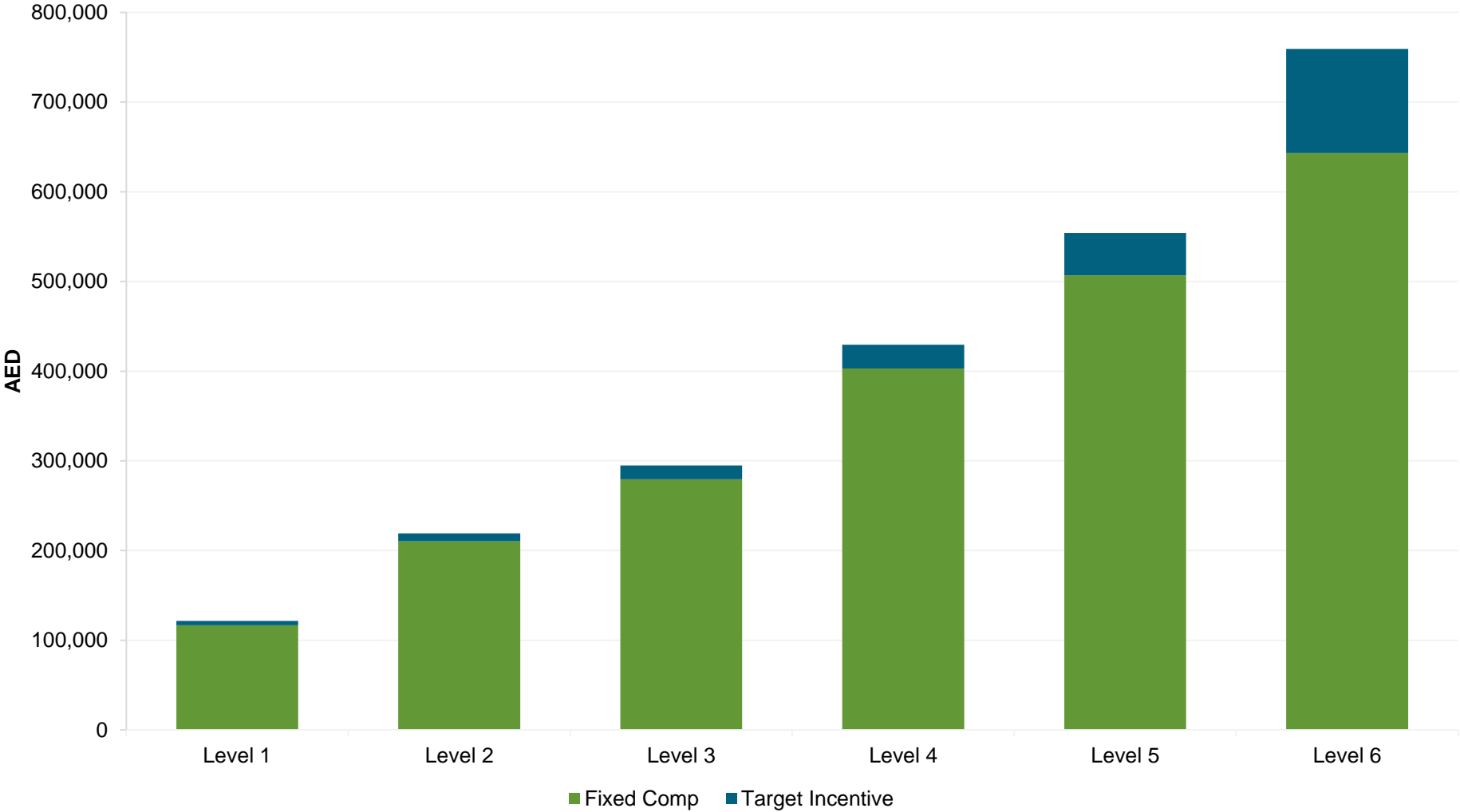


Source: Radford Q4 2013 Trends Report  
13 | Radford GCC Tech Forum 25 March 2014



# UAE Pay Levels

Professional-level pay in the UAE



Source: Radford Global Technology Survey – September 2013



# UAE Long-Term Incentive Practices

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**72%**

**Of surveyed  
companies  
have an equity  
plan covering  
local nationals  
in the UAE**





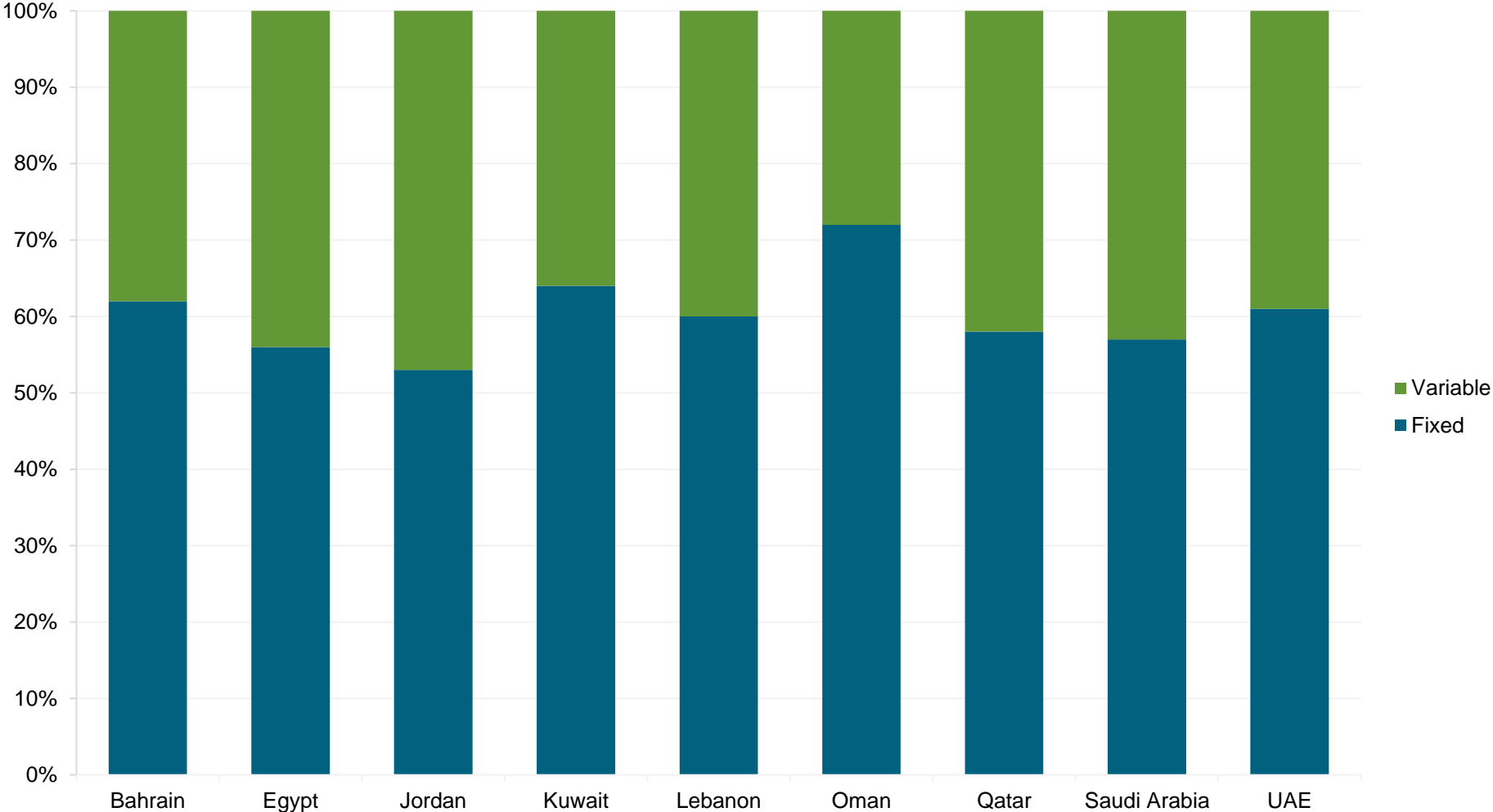
# UAE Practices

Type of Plan	Prevalence
	% Companies
Stock Options	60%
Restricted Stock /RSUs	77.5%
Restricted stock only	5%
RSUs only	63.8%
Both RSUs and restricted stock	8.8%
SARs	2.5%
Long-Term Cash Plan	2.5%



# Sales Account Manager (Direct Channel) - Mix

Average Fixed:Variable Pay - Sales Account Manager (Direct)



Source: Radford Global Sales Survey – September 2013  
17 | Radford GCC Tech Forum 25 March 2014



# Choosing Performance Measures

- Performance measures should meet the following criteria:

## Strategic

- Directly linked to the sales strategy and business goals
- Financial in nature (or a reasonable proxy)

## Reasonable

- Job has high degree of influence over the outcome
- Measures used represent competitive practice

## Reportable

- Systems can provide timely, accurate reporting
- Policy limits retroactive adjustments

**Strive for simplicity—limit the plan to 3 or 4 measures, at most!**



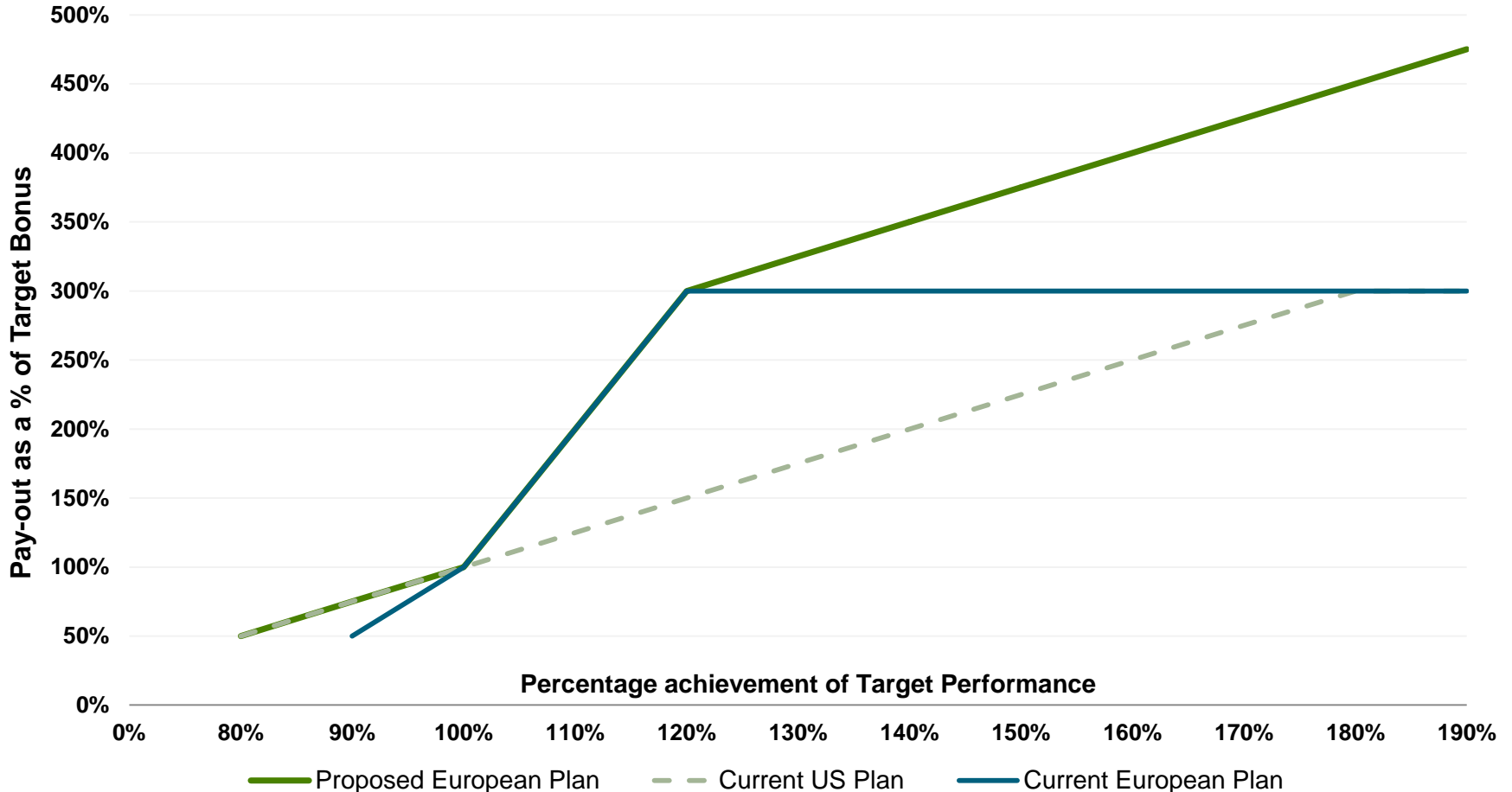
# Choosing Performance Measures

Field Sales Management - Direct S313-S316	% Companies
<b>Measures (more than one can apply):</b>	
Revenue	78.8%
Bookings	50.0%
Net sales volume	7.7%
Maintenance/service contract revenue	13.5%
Maintenance/service contract bookings	5.8%
Unit sales	11.5%
New accounts/new customers	32.7%
Customer retention	17.3%
Strategic sales/customers	11.5%
New products	13.5%
Strategic products	13.5%
Sales growth	13.5%
Gross margin	21.2%
Key sales objectives (KSO/MBO)	17.3%
Design wins	1.9%
Forecast accuracy	3.8%
Customer service/satisfaction	9.6%
Product mix	7.7%
Market share	0.0%
Expense management	7.7%
Accounts receivable	7.7%
<b>How Often Incentives are Paid:</b>	
Monthly	60.4%
Quarterly	35.8%
Semi-annually	0.0%
Annually	3.8%



# The Curve is Key

- Sales Incentive Plan Payment Curves



# Alignment with Market Practice

- Using our market data, we can review your sales incentive plan structure(s) against typical market and best practice design, covering:
  - Type of plan (e.g. first dollar or targeted plan)
  - Number of measures
  - Types of measures
  - Degree of stretch
  - Pay out frequency
  - Thresholds and caps

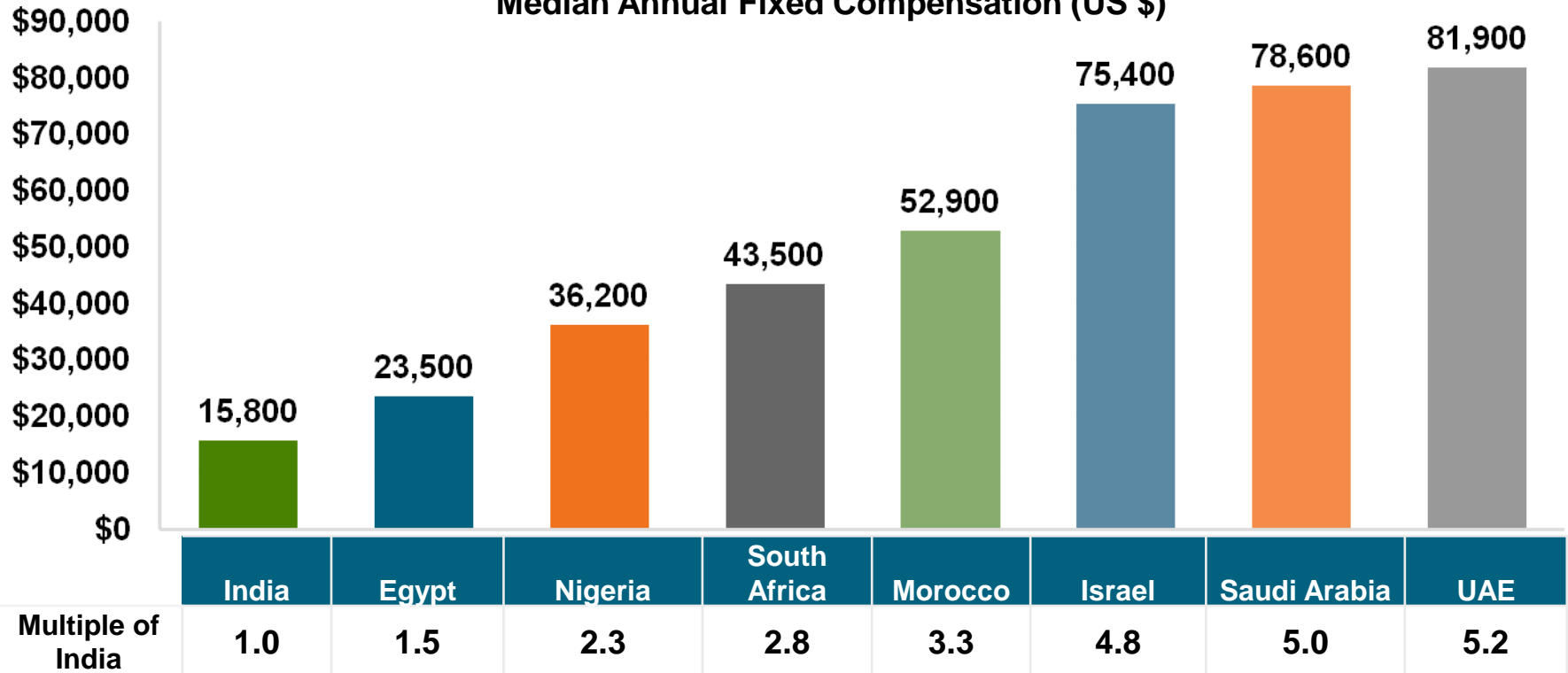
Field Sales Management - Direct S313-S316	% companies	Company count
<b>When Sales Incentives Earned</b>		
One measure used	78.6%	77
Two measures used	13.3%	13
Three or more measures used	8.2%	8
<i>Measures (more than one can apply):</i>		
When booked	51.0%	50
When shipped	4.1%	4
When billed or invoiced	31.6%	31
When paid for by the customer	17.3%	17
When re-sold	0.0%	0
When installed/implemented	3.1%	3
When revenue is recognized	24.5%	24
<b>How Often Incentives are Paid</b>		
Monthly	59.2%	58
Quarterly	36.7%	36
Semi-annually	1.0%	1
Annually	3.1%	3
<b>Sales Incentive Plan Performance Measures</b>		
One measure used	26.0%	26
Two measures used	25.0%	25
Three measures used	18.0%	18
Four or more measures used	31.0%	31
<i>Measures (more than one can apply):</i>		
Revenue	56.0%	56
Bookings	58.0%	58
Net sales volume	9.0%	9
Maintenance/service contract revenue	19.0%	19
Maintenance/service contract bookings	20.0%	20
Unit sales	0.0%	0
New accounts/new customers	24.0%	24
Customer retention	9.0%	9
Strategic sales/customers	11.0%	11
New products	14.0%	14
Strategic products	9.0%	9
Sales growth	13.0%	13
Gross margin	9.0%	9
Key sales objectives (KSO/MBO)	18.0%	18
Design wins	2.0%	2
Forecast accuracy	3.0%	3
Customer service/satisfaction	7.0%	7
Product mix	4.0%	4
Market share	1.0%	1
Expense management	10.0%	10
Accounts receivable	4.0%	4



# Professional Services Outsourcing

- India’s labor cost advantage for professional services consulting/outsourcing ranges from 1.5X to over 5.0X across MEA

Professional Services Consulting/ Outsourcing  
(Radford P3: “Career Level”)  
Median Annual Fixed Compensation (US \$)



# Staffing Coverage Ratios

- Staffing coverage ratios provide benchmarks for workforce structure and efficiency

Category	Staffing Coverage Ratios Software Industry Globally		
	25 <sup>th</sup> percentile	50 <sup>th</sup> percentile	75 <sup>th</sup> percentile
Managers to Individual Contributors	1:8	1:9	1:11
Directors/Executives to Managers + Individual Contributors	1:12	1:15	1:21
HR to Overall Staff	1:50	1:58	1:67
% of employees in Product Development	Average: 33%		
% of employees in Sales	Average: 20%		





# Looking Ahead

## Economic and Business Outlook

- Technology industry is anticipated to grow in 2014 in the GCC

## Compensation Strategies and Structures

- Pay delivery
- Salary increases overall around 4% to 6%
- Companies continue to move away from a reliance on options
- Fewer companies across the sector use options as the only vehicle
- Less pronounced in smaller tech companies
- Performance-based equity becoming more of an issue in major markets, even for smaller companies

## Workforce Analytics

- Dynamic changes to staffing models have a dramatic impact on overall labor costs – as well as to potential productivity / value-add
- Understanding these workforce changes helps to anticipate and manage future costs, expected productivity and investment returns



# Overall Themes

**Economy**  
Robust

**Technology  
Industry**  
Resiliency

**Workforce**  
Efficiency

**Compensation**  
Market Competitive/  
Overall labor costs





# Radford Network Demonstration

*Anton Marinovich*

# Global Technology Survey Cycle

## Survey Sign-Up/Renewal

- New client can sign up at anytime

## Survey Training

- Training sessions are available throughout the year, covering survey input processes, job matching, Data Generator usage, and making Custom Report orders

## Survey Inputs

- Compensation and Practices data are due annually
- Trends input are due quarterly
- Survey inputs are due 45-60 days after your annual focal review cycle
- Your specific due date is available online via the Radford Network®
- Client data is included in survey publications as soon as the data is reviewed and quality checks are completed

## Survey Publication

- All compensation surveys are rolling databases
- Annual compensation surveys are first published in July and refreshed quarterly
- Custom Reports are available for order after your initial survey publication





# **GCC Allowances and Benefits Survey – Preliminary Results**

*Robert Richter*

# GCC Allowance & Benefits Survey Introduction

- The survey has been conducted between January and March 2014
- It includes detailed information on prevalence and amounts of the major allowances & benefits offered in the GCC region such as housing allowance, children's education assistance, home leave tickets, etc.
- *Whilst the final analysis will contain data from over 100 companies, the data shown below is preliminary and is made up of approximately 50 participants*
- *In addition, the final report will contain a far greater level of coverage and detail including a Dubai/Abu Dhabi split*

Industry	Participants
Construction/Engineering/Manufacturing/Real Estate	6%
Consumer Products	5%
Diversified/Multi-Organization	2%
Education Services	5%
Energy (Power/Oil/Gas)	11%
Entertainment/Communications/Publication/Media	3%
Government	2%
Health Care/Medical Services	4%
Hi-Tech	18%
Hospitality/Restaurants/Travel	23%
Other Service	12%
Telecommunications	4%
Transportation/ Logistics/ Shipping Services	5%



# Case Study

*James Seechurn*

# Case Study – Introduction

## The company

- Software Company located in Dubai
- Fewer than 500 employees
- Two years old and spun out of a larger organisation

## The problems

- No salary increases for the past two years
- Employees complaining of a lack of career paths and promotional opportunities
- Inconsistent job titles
- An overall lack of engagement

## The brief

- Design a new job architecture encompassing multiple career paths
- Create a new salary band structure
- Develop a merit increase tool that incorporates performance review ratings
- Develop bespoke promotional criteria for a few key job families





# Case Study - Career Paths

- Using the Radford career level architecture, multiple career paths were developed that align across a single set of salary bands

Salary Grade	Management	Professional Individual Contributor	Support Individual Contributor
1	Senior Director – M6		
2	Director – M5	Expert – P6	
3	Senior Manager – M4	Principal – P5	
4	Manager – M3	Advanced – P4	
5	Sr. Supervisor – M2	Career – P3	Specialist – S5
6	Supervisor – M1	Developing – P2	Highly Skilled – S4
7		Entry – P1	Senior – S3
8			Intermediate – S2
9			Entry – S1



# Case Study - Salary Band Analysis

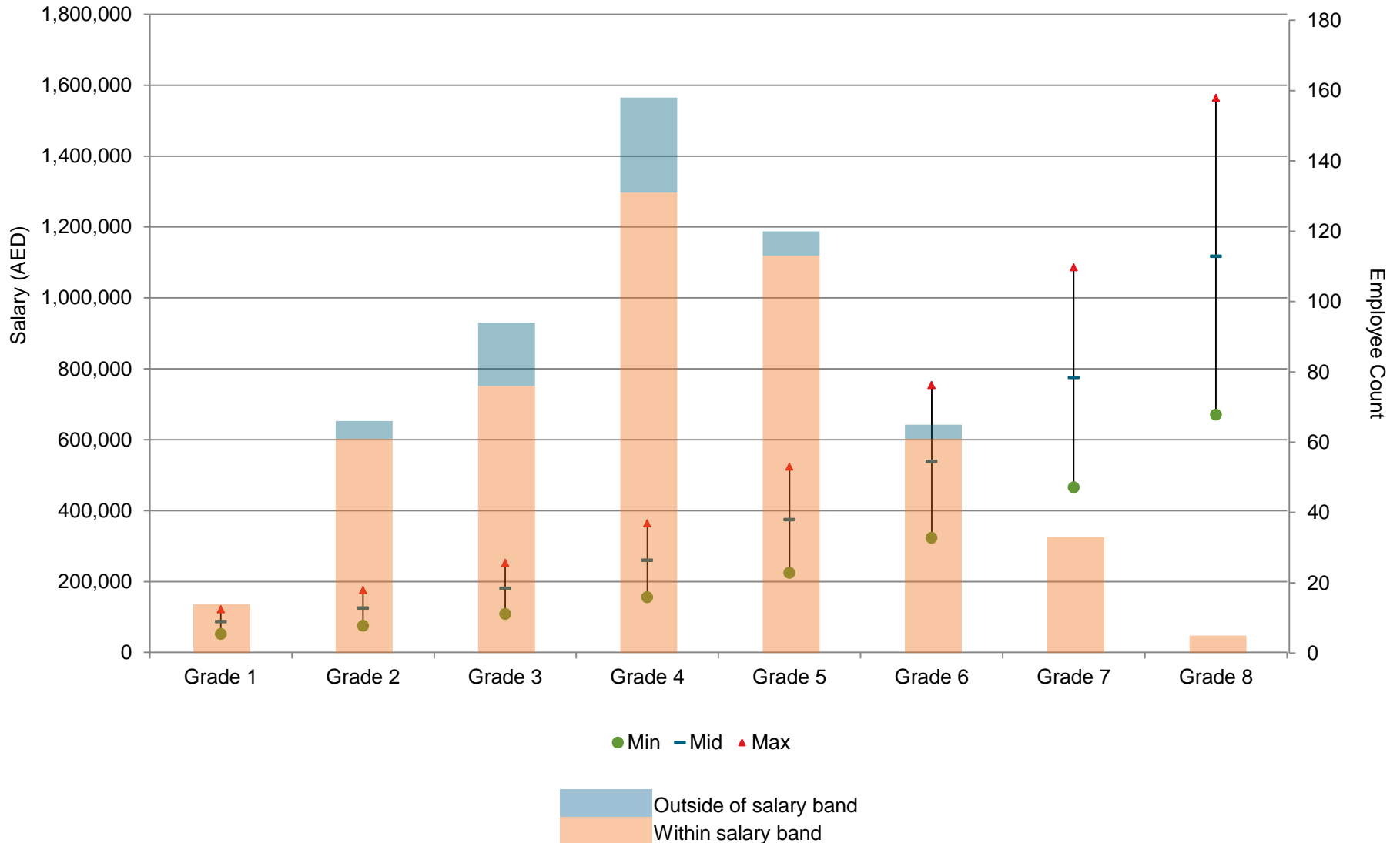
- Each set of salary bands was then developed and analysed as follows (Indicative data only):

Proposed Band	Number of individuals	Existing Salaries			Salary Band Assumptions		Proposed Band			Outliers		Cost	
		Min of Sal	Average of Sal	Max of Sal	Progression	Spread	Min	Mid	Max	Below Min	Above Max	Cost to min	Annual value over max
Grade 1	14	60,000	82,500	105,000	N/A	80%	52,200	87,000	121,800	0	0	0	0
Grade 2	66	105,000	149,336	204,000	44%	80%	75,168	125,280	175,392	0	5	0	27,450
Grade 3	94	105,000	210,586	401,100	44%	80%	108,242	180,403	252,564	1	17	2,705	212,250
Grade 4	158	135,300	283,773	517,800	44%	80%	155,868	259,781	363,693	14	13	98,550	290,850
Grade 5	120	186,600	374,788	600,000	44%	80%	224,450	374,084	523,718	5	2	44,100	74,250
Grade 6	65	387,000	664,480	960,000	44%	80%	323,209	538,681	754,153	0	4	0	354,750
Grade 7	33	750,000	820,980	1,060,000	44%	80%	465,420	775,701	1,085,981	0	0	0	0
Grade 8	5	792,600	1,037,850	1,473,900	44%	80%	670,205	1,117,009	1,563,813	0	0	0	0

**Total Cost    145,355    959,550**



# Case Study - Charting



# Case Study - Promotional Criteria

- Detailed promotional criteria was developed for each of the key job families.
- For each level within each family, the following was defined:
  - Management
  - Project involvement
  - Key differentiating contributions
  - Training and development opportunities
  - Cross-functional career opportunities
  - Job responsibilities
  - Knowledge and skills
  - Typical education and experience
  - Promotional criteria



# Case Study - Merit Increase Tool

- A merit increase tool was developed to assist with the annual merit increase process
- The tool takes into consideration the following factors to arrive at a recommended merit increase for each individual:
  - Performance rating (1-5)
  - Current position within salary band
  - Overall department budget

## Calculate Salary Increases

Budget	5.00%
Actual	5.00%
Average Incumbent Increase	13.61%

## Department 1

Total Salary	614,000
Total of New Salary	644,700
Average Performance Rating	2.83
Number of individuals	6
Red Flags	2

### Performance Ratings:

- 1 - Unsatisfactory
- 2 - Improvement Needed
- 3 - Meets Expectations
- 4 - Exceeds Expectations
- 5 - Exceptional

Employee Name	Salary	Category and Level	Salary Band		Performance Rating (1-5)	Calculated Salary Increase	Override Column	New Salary	0% = Bottom of range, 100% = Top of range	
			Min	Max					Position within salary band under existing salary	Position within salary band following salary increase
Employee 1	30,000	P1	20,000	100,000	2	8%	8%	32,453		
Employee 2	45,000	P2	50,000	150,000	5	37%	37%	61,818		
Employee 3	160,000	P3	100,000	175,000	1	0%	0%	160,000		
Employee 4	110,000	P3	100,000	175,000	2	8%	8%	118,907		
Employee 5	260,000	P4	150,000	250,000	3	0%	0%	260,000		
Employee 6	9,000	S3	10,000	50,000	4	28%	28%	11,523		



# Case Study – Outcomes

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- Clear, transparent career paths in place that promote ambition and assists business leaders in attracting and retaining key talent
- Broad salary bands are now in place that manage salary costs effectively
- Merit increase process is now efficient and financially sound enabling the business to budget effectively
- Promotional criteria along with the newly defined career paths have promoted engagement across the company



# We would like to thank of all our guests for attending:



**SITA**

dimension data 

**GISTEC**

**nsn**

 **United Technologies**

  
K O O H I J I  
g r o u p

 **Edwards**

**NOKIA**

 **Aldelia**  
Where projects meet talent

 **JDSU**

**Rockwell Collins**  
Building trust every day

 **The Healthcare Transformation Company**

**IBM**

**ORACLE**

**SPX**

**DELL**

**JUNIPER**  
NETWORKS

 **comptel**

**Dräger**

**EMC<sup>2</sup>**

 **UTC Aerospace Systems**

 **smith&nephew**

**THALES**

 **SPECTRUM**  
GROUP INTERNATIONAL

**HCL**

# Thank You!



*For more information, please contact:*

## Robert Miller

- *Partner, Radford EMEA*
- +44 (0) 20 7086 5044
- +44 (0) 7958 613352
- Email: [rmiller@radford.com](mailto:rmiller@radford.com)

## Anton Marinovich

- *Director, Radford*
- +44 (0) 20 7680 5099
- +44 (0) 7860 780 779
- Email: [anton.marinovich@radford.com](mailto:anton.marinovich@radford.com)

## James Seechurn

- *Senior Consultant, Radford*
- +44 (0) 20 7086 5095
- +44 (0) 7872 920125
- Email: [jseechurn@radford.com](mailto:jseechurn@radford.com)

## Robert Richter

- *Compensation Survey Manager, Aon Hewitt*
- +971 4 389 6356
- +971 56 174 8175
- Email: [robert.richter@aonhewitt.com](mailto:robert.richter@aonhewitt.com)

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