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EXECUTIVE SEARCH

Tough times for expats in Oman, Client Partner Chris Quy for International Finance Magazine

Dubai, United Arab Emirates – Many companies are trying to reduce their numbers on their payrolls in a bid to cut costs. With oil prices showing no signs of heading up, companies in Oman are pulling all stops to reduce their employee cost.

The reverberations of plummeting oil prices are being felt throughout the Arabian Peninsula. While some states have taken a moderate approach, others are working towards severe cuts in order to address the resulting gap in their budgets.

Experts agree high oil prices contributed to a thriving expat community in the region, but the recent developments have forced Gulf Cooperation Council (GCC) states to commit to reducing their reliance on expat workers over the coming years.

Chris Quy, Client Partner at Pedersen & Partners, based in Dubai, says that austerity measures in Oman range from increase in corporate income tax to adjustments in utilities prices. “These are specifically directed at local businesses and these changes are expected to trickle down so that individual enterprises eventually enact their own cost-cutting measures,” states Quy.

As a result, many companies are forced to reduce the number of expats on their payrolls or reduce benefits received by them.

According to the Omani Centre for Statistics, expatriates constitute 45% of the country’s population. This includes both highly skilled and unskilled expats along with their families.

Many companies have asked members of their middle and top management (mostly expats) to resign so that the management is not top heavy. Additionally, many SAOC and SAOG have been asked to either stop or reduce the yearly bonus, says an HR consultant based in Oman. SAOC and SAOG are companies that are funded fully or partially, or fully controlled by the Ministry of Finance.

The above measures, understandably so, are leading to expat mobility. However, there are challenges as a large percentage of the young Omani workforce is only now starting to take on higher and more complex responsibilities. In the past, these roles were handed over to expats while they simultaneously provided training opportunities to younger employees.

The smaller companies have a bigger challenge as it will be difficult for them to conduct huge training and development programmes for young Omanis. For them, the best option is to merge with bigger companies.

The Oman government recently communicated that all companies owned by the government, or even partly owned (more than 50% share), are to have cuts in employee benefits, irrespective of their contracts. These include withdrawal of school fees, medical insurance, expenses, annual flights, bonuses, pay rises and company cars.

Chris Quy is a Client Partner at Pedersen & Partners, based in Dubai. Mr. Quy is an experienced recruitment professional who brings strong international people-management expertise focused on working in the Oil & Gas, Construction, Engineering, Finance, Sales & Marketing, Technology, Insurance, Shared Services and Logistics industries across the UK, Eastern Europe and the Middle East. Mr. Quy's Executive Search career has included over a decade in a global recruitment and HR Consultancy group, in which he held numerous mid-tier and C-suite roles from Head of Learning and Development to European Regional Director. Mr. Quy was also in charge of the EMEA strategy, growth, direction and financial performance in EMEA of a Fortune Global 500 recruitment company. Prior to joining Pedersen & Partners, Mr. Quy served as Recruitment Director for a London-based recruitment solutions and project services group, focused on the international Oil and Gas industry.

If you would like to conduct an interview with a representative of Pedersen & Partners, or have other media-related requests, please contact: Diana Danu, Marketing and Communications Manager at: diana.danu@pedersenandpartners.com