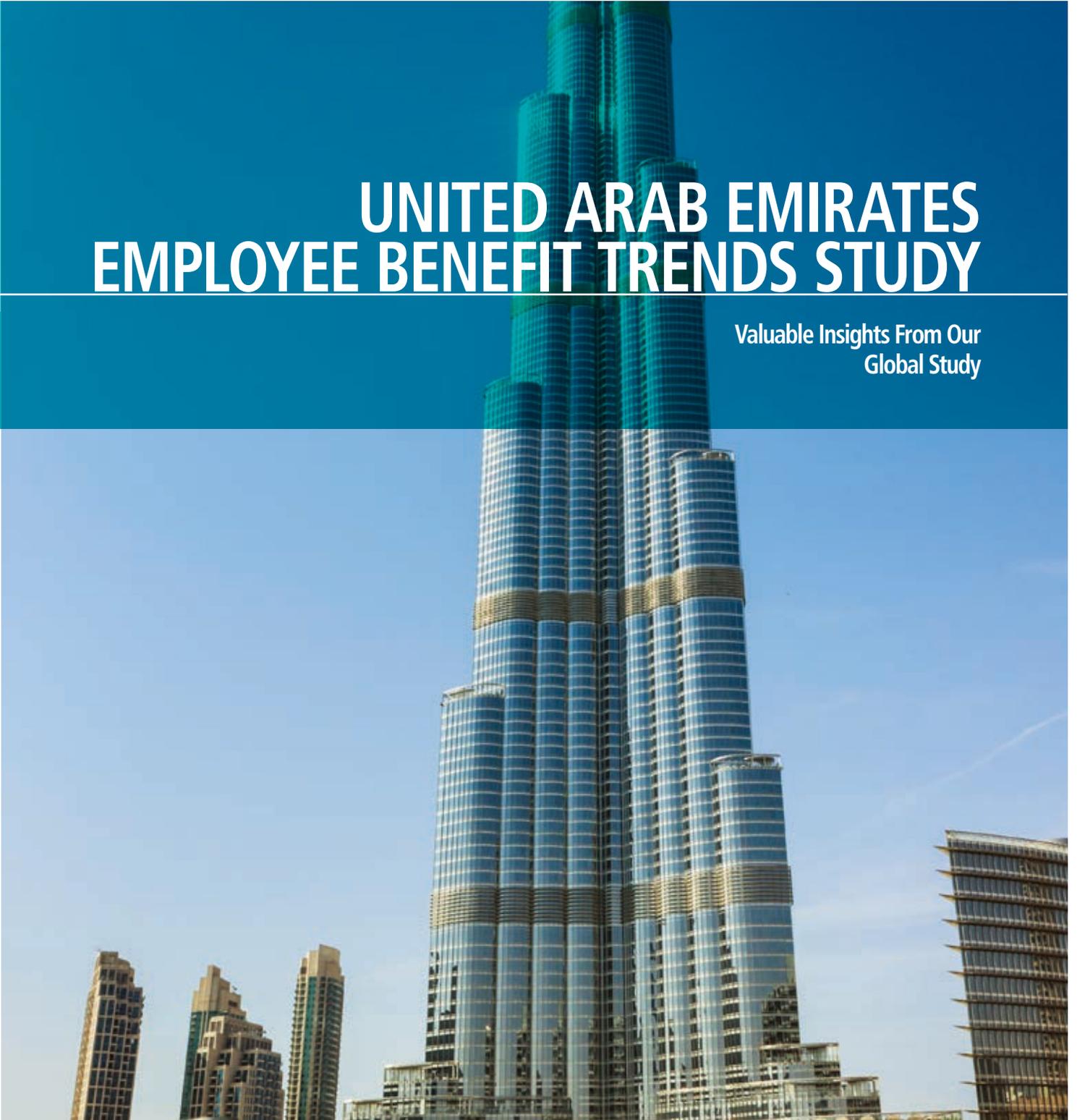


MetLife

UNITED ARAB EMIRATES EMPLOYEE BENEFIT TRENDS STUDY

Valuable Insights From Our
Global Study





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About MetLife's Global Employee Benefits

MetLife is a leading provider of innovative employee benefits combining local capabilities with global scale to deliver world-class solutions to companies. With more than 145 years of experience, MetLife brings considerable resources and experience to support its customers. Our product suite spans life, health, credit and pensions.

MetLife has employee benefits operations in more than 40 countries and is a leading provider in over half of those countries. We are one of two founders of the MAXIS Global Benefits Network,¹ one of the world's leading international employee benefits networks with a presence in over 100 countries.

We also provide data and best practices from around the world to help employers enrich their benefit plans and retain top talent. The Employee Benefit Trends Study (EBTS) is considered to be one of the most comprehensive employee benefits studies of its kind. It has been conducted in the US for 12 years and at various times in seven other countries.

MetLife UAE²

MetLife, a pioneer of life and medical insurance in the UAE, has been helping individuals and businesses with their insurance needs for decades.

MetLife's individual, group, and credit protection products help customers recover from financial loss due to death, disability, accident, sickness, and loss of employment while its individual savings and group pension solutions help customers save for education, retirement, or other financial goals.

Headquartered in Dubai, UAE, MetLife in the Gulf supports operations in Bahrain, Qatar, Oman and Kuwait. In the Gulf, MetLife's solutions are available through agents, brokers, financial institutions and direct to customer.

MetLife UAE Employee Benefits

MetLife provides comprehensive employee benefits covering group medical, dental, optical, group life & disability as well as pensions & group savings. Through its consultative approach and backed by its solid financial structure, global expertise and local insights, MetLife helps employers of all sizes establish employee benefits schemes that meet their unique needs.

MetLife's comprehensive solutions are complemented with access to a service support model that revolves around a customer centric strategy, access to a dedicated relationship management team and leading business intelligence tools aimed to provide deeper insights and broader perspectives.

MetLife also provides a 360 degree healthcare management approach supported by an extensive regional network of medical providers and complemented with wellness, prevention and disease management programs that promote wellbeing while helping plan sponsors contain costs.

¹ MAXIS Global Benefits Network (MAXIS GBN) is a network of locally licensed MAXIS Member insurance companies. MAXIS GBN is not an insurance provider and only the MAXIS member insurance companies provide insurance. Metropolitan Life Insurance Company, New York, NY, is a member of MAXIS GBN and is licensed to transact insurance business in New York. The other MAXIS member companies are not licensed or authorized to do business in New York and the policies and contracts they issue have not been approved by the New York Superintendent of Financial Services and are not subject to all of the laws of New York.

² American Life Insurance Company, U.A.E. branch, is licensed to transact insurance business in the U.A.E. and is a member of MAXIS GBN. American Life Insurance Company is a subsidiary of MetLife, Inc. and was acquired by MetLife, Inc., in 2010.

UNITED ARAB EMIRATES

Introduction

Welcome to our global Employee Benefit Trends Study (EBTS) and the first to look specifically at the United Arab Emirates (UAE). As one of the region's economic powerhouses, the UAE offers valuable insights into health, wellbeing and employment attitudes in this part of the world.

The timing couldn't be better. The UAE is resurgent, with an economy that's bounced back vigorously from its recession in 2010 and successfully diversified away from a reliance on oil. Dubai, in particular, has cemented its place as a true global mega-city, but the whole UAE is now the hub for Middle East tourism and trade.

That success has had some less welcome secondary effects. For example, in our study, nearly 40% of employers said they anticipate near-term challenges with a shortage of talent. Rising inflation, driven by a booming property market and rising healthcare expectations and costs, are creating challenges for employers and employees.

More than one-third of employees told us they now feel distracted at work due to financial worries; costs associated with illness and the need for appropriate health coverage top the list of employee concerns.

But there is good news from the study about the impact of benefits and wellbeing programs on employee engagement and commitment. Offering these programs, and communicating clearly how they can address financial, physical, and emotional wellbeing, is a major weapon for any employer looking to win the war for talent.





MARKET PROFILE³

- 50th largest global economy (purchasing power parity). Main sources of GDP are services (38%), industrial and mining (60%). Export driven market, 19th largest global exporter.
- Population: 8.2 million, 74% Male – UAE nationals 20%.⁴ Average age 30 years. Average life expectancy at birth 77 years.
- Per capita healthcare spend of \$1,640 in 2011, second highest in the Gulf Cooperation Council (GCC) countries, although still well below countries like the UK (\$3,609), Germany (\$4,875) and the US (\$8,608).⁵

BENEFITS AT A GLANCE

Health

- The government provides In-patient and Out-patient Services free of charge to UAE nationals and GCC residents.⁶
- The Abu Dhabi market is regulated by HAAD (Health Authority of Abu Dhabi) whereby minimum health insurance benefits are mandatory by law.
- The Dubai market is regulated by the Dubai Health Authority (DHA). In November 2013, Dubai passed a law requiring residents to have health cover. Currently, out of three million residents, only a third are currently insured. The implementation of the compulsory health insurance in Dubai follows a Phased approach:⁷
 - Phase 1: Employers with 1000+ employees to comply by October 2014.
 - Phase 2: Employers with 100-999 employees to comply by the end of July 2015.
 - Phase 3a: All employers must comply by the end of June 2016.
 - Phase 3b: All spouses, dependents & domestic workers must be covered by end of June 2016.
- The other five emirates are yet to enact mandatory health coverage but are expected to follow the footpaths of Abu Dhabi and Dubai.

UAE Nationals – Other Benefits

- Private sector social security contributions are made by both employees (5% of salary) and employers (12.5% of salary).⁶
- Retirement, work related injury, sickness and disability pensions are provided by the state.⁸

Foreign Nationals – Other Benefits

- Expatriates receive an end of service indemnity, work related injury and sickness compensation as per the UAE labor law. The law does not mandate the government or the employer to provide a retirement plan.⁸
- The system of end of service indemnity has traditionally offered a method of saving and pension provision but it is limited in scope and is not protected in the event of employer bankruptcy. It generally ranges from 21-30 days of basic salary for each year worked, to a maximum of two years of salary.
- Reported talks suggest that in the future there may be some form of pension plans for expatriate employees, making the UAE an even more attractive destination for those seeking a long-term professional career abroad.

³ The CIA World Factbook 2014 for all facts in this section unless otherwise noted. GDP figures (and ranking) are based on purchasing measurement of power parity (PPP)

⁴ UAE National Bureau of Statistics, 2010. <http://www.uaestatistics.gov.ae>

⁵ World Health Organization – World Health Statistics, 2013

⁶ AXCO Report, "Insurance Market Information: Life & Benefits," 2014

⁷ Dubai Health Authority, "Health insurance mandate for Dubai Briefing for insurers and administrators," December 17, 2013

⁸ UAE LABOUR LAW, FEDERAL LAW NO. (8) OF 1980, Articles 136, 144, 145 & 146



Employers at Risk of Losing Talent

With a buoyant economy, the war for talent is on. Many employees tell us that they are considering leaving their employer. With talent being scarce, employers need to strike a balance, investing in the right levers while carefully managing resources.

Employers and their Human Resource (HR) teams have an incredibly tough job. Recruiting, motivating and retaining employees at a time when salaries are rising fast – along with a shortage of talented individuals in key areas – is a major challenge. Accomplishing this with limited administrative resources is harder still.

MANAGING BENEFITS WITH THE CURRENT LEVEL OF HR RESOURCES IS THE #1 BENEFITS CHALLENGE THEY FACE.



60%

rating it "very challenging"

Employers told us that managing benefits with the current level of HR resources is the number one benefits challenge they face. Just 2% of respondents to the study said this isn't an issue for them, with 60% rating it "very challenging." Retaining and recruiting talent (which respectively 57% and 53% cited as "very challenging") are also among the biggest issues for employers. Benefit costs? While fewer rated it as a very challenging area (53%), only 1% said it was immaterial. When employers were asked what they look for in a benefits carrier, 65% said "lower cost" was important; however, they placed much more importance on other factors, including service (90%), financial strength (82%), product range (80%) and innovation (72%). It appears that benefit costs are on employer's minds, but more in terms of generating the right cost/value rather than getting to the lowest possible cost.

Although employers are very focused on attracting and retaining talent and acknowledge that being an “employer of choice” is valuable to them, there is a clear disconnect between how well employers think they’re performing – and how employees see them.

For example, while 63% of employers feel strongly that their company is “a great place to work;” only 43% of employees agree. And while 65% of employers feel they are loyal to employees, just 38% of employees strongly agree that’s the case. Employees display a high level of ambivalence about their current employer.

39% indicating a “strong hope” that they will be working for another company in the next year.

Worryingly for companies concerned about a talent squeeze, that number rises to 44% among managers.

Winning over uncertain employees would be a major step toward better recruitment and retention of talent. Benefits can play a major role in doing that. The key is delivering them efficiently: 84% of employers tell us that optimizing benefits plan design and reducing costs is an important goal for their HR team. This results in some tension for UAE employers. Talent is scarce. Companies want to engage with, and support, employees who face immense pressures both inside and outside work, but striking a balance between delivering the most valued benefits and costs and administration remain a concern.

THERE IS A CLEAR DISCONNECT BETWEEN HOW WELL EMPLOYERS THINK THEY’RE PERFORMING – AND HOW EMPLOYEES SEE THEM.



Engaging Employees, Delivering Value to Retain Employees

Our study shows that optimized benefit plans can be a powerful tool in engaging and retaining talent, particularly for UAE employees who stated they hope to be employed elsewhere. Employee benefits can be a game changer for UAE employers seeking to increase employee engagement and drive retention.

Among employers in the UAE there's a widespread appreciation of the role a good benefits program can play. Improved employee job satisfaction, for example, is cited by 91% of employers as an important reason for offering benefits, followed by increased productivity (85%), health & wellness (85%), and staff retention (84%).

And for good reason – in the UAE, even more so than other markets we have studied, benefits have a clear connection with employee engagement. The majority of employees (55%) say they place a high value on benefits they get from their employer, and this holds true across all age groups, and company types and sizes. More importantly, a deeper analysis determined that people who said they highly valued benefits were more likely to say they were satisfied and energized by their work.

While the study showed investing in benefits creates more engagement, it's the potential impact on retention that was most striking in the study results. Among employees considering leaving their employer, 53% say an improved benefits package would induce them to stay. This was trumped only by higher pay cited by 62% of respondents, and well ahead of job security (42%) and advancement opportunities (39%).

There are other signals that benefits can positively influence retention.

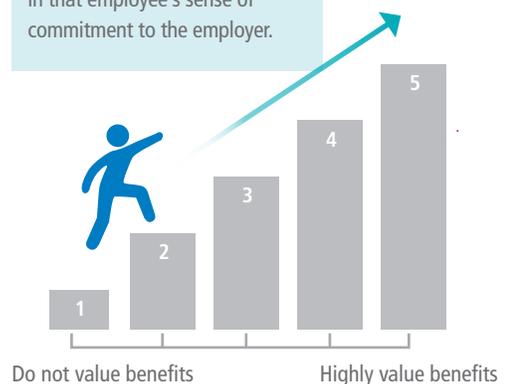
Our regression analysis predicts that the more employees valued benefits and wellness programs, the more committed they were to their employer.

This was especially true for those under 41 years old, who were also the most likely to say they were seeking other employment.

THE COMPETITIVE ENVIRONMENT FUELS STRUGGLE FOR TALENT... AND BENEFITS ARE PROVEN TO HELP

Perceived value of benefits

If an employer is able to increase an employee's perceived value of benefits by one point on the 5-point agreement scale that will yield an increase of **12%** in that employee's sense of commitment to the employer.



Predicting Employee Engagement and Commitment

Our study asked employees if they value certain things from their employers such as benefits, wellness programs and supportive managers.

But we also wanted to understand how these opinions impact key business objectives for employers. In other words, if an employee values the benefits program offered at work – what is the upside for his employer? Does increasing the perceived value of the benefits program actually impact that employee's engagement or commitment to his employer? The answer is yes.

To find this out, employees were asked to rate their agreement with a series of attitudinal measures and business outcome statements (see topics below). Then we applied multiple regression models using the attitude measures to see if increasing agreement with the attitudinal statements would impact agreement with the business outcomes. The analysis showed that improving these attitudes among employees can drive a 7% or greater increase in business outcomes. For example, we learned if an employer is able to increase an employee's perceived value of benefits by one point on the 5-point agreement scale that will yield an increase of 12% in that employee's sense of commitment to the employer.

Attitude measures:

- Sense of financial control
- Value placed on benefits offered by employer
- Satisfaction with current medical benefits
- Value placed on health & wellness programs
- Caring/supportive boss

Business outcome statements connected to engagement:

- "I am satisfied with the job that I have now."
- "To help this organization succeed, I am willing to work harder than I have to."
- "At work, I feel as though I'm bursting with energy."

Business outcome statements connected to commitment:

- "I feel loyal to my employer."
- "I would take almost any job to keep working for this organization."



Financially Secure Employees Can Focus on Their Work

Employers have an opportunity to address stress in the workplace through better protection benefits and workplace practices.

Our study sought to understand the kinds of concerns that are affecting employees in the UAE and the effect that has on their employers. With the UAE's incredible success as an economic hub, there are signs that this may be contributing to elevated levels of stress. That's partly due to factors such as rising costs in health and housing; partly the memory of the recent financial crises which make people feel less secure. "Stress is a fact of life in a competitive environment like this," says Chafic Houry, Employee Benefits Director for the Gulf countries at MetLife. "People from all over the world come here to work – and work hard – in an environment that rewards results. But that competitiveness can make it stressful."

This has a direct effect on worker productivity. More than a third of employees agree that they are "more distracted at work because of financial worries;" nearly half agree that they "spend more time thinking about personal financial issues at work than I should." Worse, 39% agreed with the statement "I have taken unexpected time off in the past 12 months to deal with a financial issue."

Unlike many employees in other countries previously surveyed, immediate financial worries, such as credit card debt or living paycheck to paycheck, were less prevalent in the UAE study. More common were worries over possible healthcare costs, protecting the family in the event of the income earner's death, retirement, and non-financial worries like being able to spend more time with family.

One solution to help ease the financial worries of employees could be through protection benefits. We found there was a high interest in supplemental health, life and disability with approximately 70% of employees saying they would be interested even if they paid some of the premium. And there was widespread interest in offering additional health-related products to better protect against the financial

impact of major illnesses. For example, 83% of employees say they are very likely to seek treatment abroad, but only 59% currently said they had coverage for overseas medical treatment. Optimizing benefit plans to address areas of most interest to employees can help employers have the package needed to win the war for talent.



More than a third of employees agree that they are "more distracted at work because of financial worries"

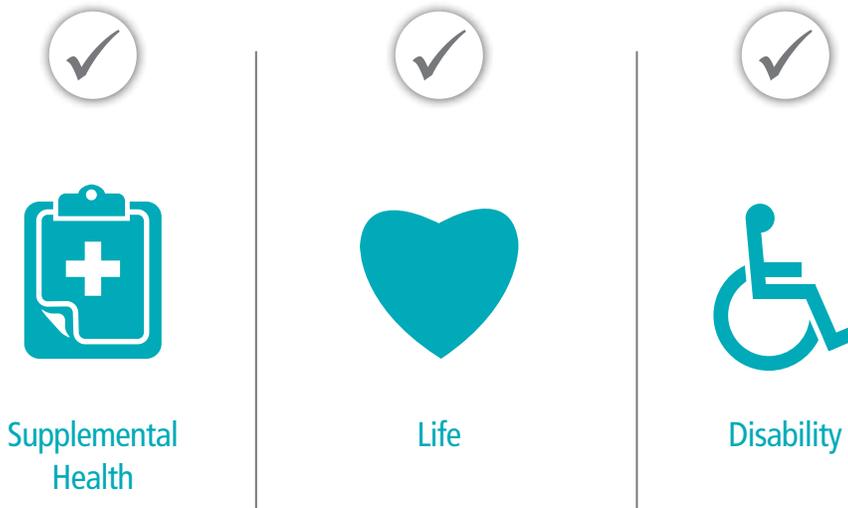


Nearly half agree that they "spend more time thinking about personal financial issues at work than I should."



39% agreed with the statement "I have taken unexpected time off in the past 12 months to deal with a financial issue."

70% OF EMPLOYEES WOULD BE INTERESTED IN THE FOLLOWING BENEFITS, EVEN IF THEY PAID SOME OF THE PREMIUM



Planning Ahead

Six-in-ten employers recognize their responsibility in helping employees plan for a successful retirement. And for many workers, it's a significant factor in their sense of financial wellbeing. Internationally portable solutions designed for foreign nationals are needed to create better retirement security.

The end of service gratuity for foreign nationals is unlikely to provide for sufficient income in retirement. Not always being able to participate in their host countries' social security systems, most foreign nationals may also be missing out on their home country pension schemes.

And while it's not their top concern,

61% of employees are concerned they will not have enough money to live comfortably in retirement.

That rises to 75% among those saying they are distracted at work by financial stress; and it's also much higher among younger

employees than older ones. So this isn't simply a case of catering for those nearing the end of their work life.

Perhaps as significantly, 60% of employees feel they are behind in their savings objectives. Liquidity and portability top the lists of reasons for not paying more into retirement savings vehicles – not surprising given the mobile, global nature of their lives.

All these point to opportunities for employers. Retirement planning advice and a retirement plan that functions well for internationally mobile employees could help employees take action, offers the prospect of higher engagement, and could be a major differentiator for the company in the employment market.

VIP Benefits

Given the war for talent and rising salaries, it's not surprising that many employers tailor special executive-level benefits programs.

Over half of the companies surveyed have special benefit packages for executives, with multinational employers being more likely to say they had executive benefits (62% versus 45% for non-multinationals). The most common are supplemental health benefits, additional coverage (such as accidental death) and life insurance. In almost all cases, the multinational

employers claimed a much more extensive range of benefits, including auto insurance (48%), allowances for personal home staff (47%) and retirement planning (42%).

Many executives told us they were willing to pay for benefits in order to increase their health and protection coverage, which is in line with the non-executive employees surveyed. Higher level employees (executives, managers and directors), also expressed high satisfaction and interest in well-being programs like preventative care, stress management, and fitness and nutrition programs.

MetLife's Ossman Charabati, Head of Employee Benefits EMEA, suggests going "above and beyond" the standard benefits. "A good health package isn't just about covering costs that arise," he explains. "It's about covering someone's end-to-end health care needs – from screening and wellness, through the point of requiring medical treatment and then on to case management. It's that broader – some would say more compassionate – approach that yields the biggest dividends around engagement.

For example, we recommend that all employees participate in free screening events and, through our I-Act diabetes management program, provide additional services to individuals diagnosed with this chronic illness. For us, it's not just about the schedule of benefits – it's the experience of the people we insure that matters."

As a result, a holistic approach to helping employees deal with stress fits well with broader health and wellness strategy. Our research suggests that a blended approach to deploying benefits that help protect against unforeseen events and support mental and physical wellness might well deliver positive business outcomes.



Factors Driving Health and Wellness Up the Benefits Agenda

- 1 Healthcare costs:** Private health insurance costs in the UAE are projected to increase 9.3% in 2014, based on a recent study by Towers Watson.⁹
- 2 Legislation:** In November 2013, Dubai passed a law requiring residents to have health cover – out of three million residents, only a third is insured. Phased implementation, starting for companies with more than 1,000 employees, begun in October 2014.
- 3 Illness:** Lifestyle conditions, like obesity, diabetes, and heart disease are prevalent and on the rise. The World Bank, in a recent report,¹⁰ highlighted the need to focus on preventative health care and promoting health care.
- 4 Stress:** Workplace stress compounds concerns over personal finances and health management to create negative outcomes for employees – and their employers. We found nearly two-thirds of employers and nearly three-quarters of employees are interested in stress management programs.



⁹ Towers Watson, Global Medical Trends Survey Report, 2014

¹⁰ The World Bank, "Fairness and Accountability Report: Engaging in Health Systems in MENA," June 2013

You Can't Put a Price on Good Health

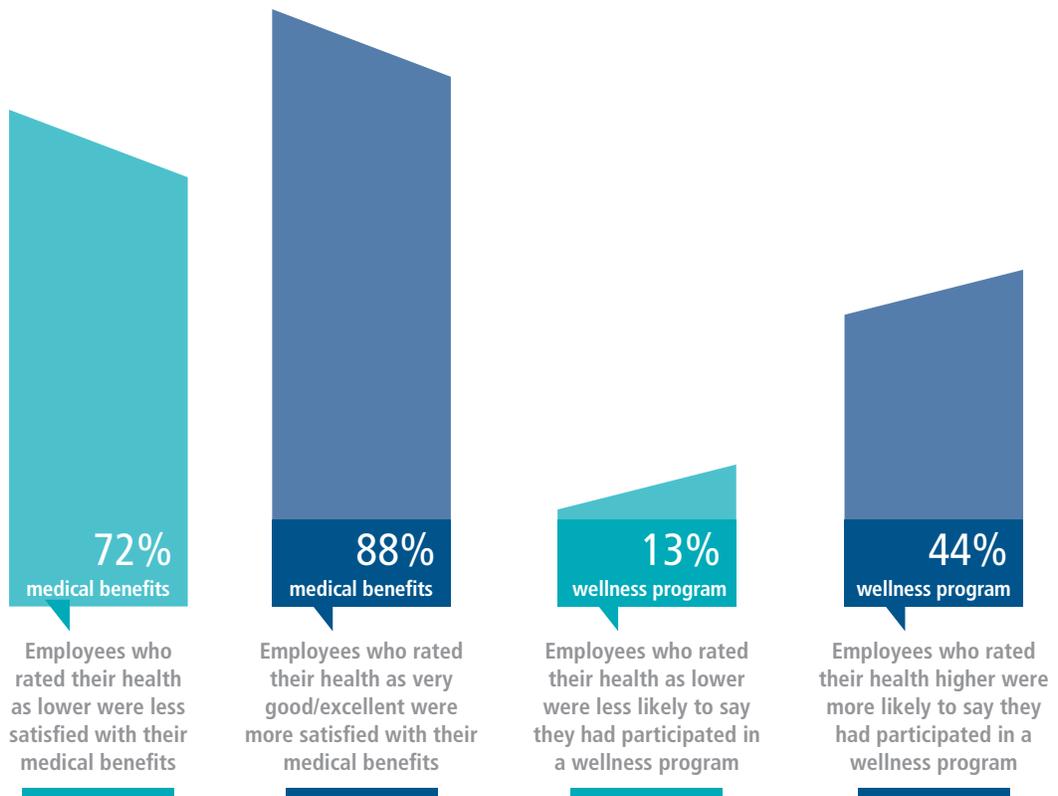
Five of the top ten causes of employees' financial stress have a health dimension. It's no surprise, then, that they put a high value on health benefits – and are more likely to show loyalty to employers who help them manage health issues.

Coverage for conditions not included in workplace benefits, especially for family members, is employees' biggest financial concern. They want to feel secure in their ability to access the right health care for themselves and their families whatever the circumstances.

But our research had some very positive news for employers who do offer health coverage: 82% of employees are satisfied with their current medical benefits. More importantly, employees who are currently happy with their medical benefits are more than twice as likely to say that their company "is a great place to work"; that they are satisfied with their current job; and that their employer is loyal to them.

However, both our study and anecdotal evidence suggest there is an opportunity to better engage and satisfy those that are less healthy. Employees who rated their health as lower were less satisfied with their medical benefits (72% were satisfied versus 88% for those saying their health was very good/excellent). They were also less likely to say they had participated in a wellness program (13% versus 44% for those rating their health higher). "Many employees respond well to the wellness programs we put in place for companies," says Houry. "But the take-up is often from people who are already healthy. The challenge for us, and our customers, is getting the less healthy individuals to engage. To achieve that goal, we've put an additional emphasis on good communication of benefits programs – and on wellness generally."

THERE IS AN OPPORTUNITY TO BETTER ENGAGE AND SATISFY THOSE WHO ARE LESS HEALTHY.





Health, Wealth and Happiness: an Ongoing Project

Knowing they and their family will be taken care of if they fall ill is very important to many employees. But preventing the onset of health conditions and staying in good mental and physical shape is also important – to employees and employers alike.

It's clear from our research that employers see business value in developing a holistic approach to employee health – not just dealing with illness.

The presence in the UAE of many multinational corporations (MNCs) could be a factor here: 63% of MNCs have a global wellness strategy and 75% of them say they have implemented it locally. But our research has also established that 85% of employers see improved employee wellness as a key reason for offering benefits – and, as we've already seen, wellness programming and feeling in financial control are closely correlated with higher levels of engagement, commitment and productivity.

“We hear a consistent message from employers – they want comprehensive health and wellness solutions that help all of their employees: millennials through baby boomers, whether healthy or suffering from a health condition, regardless of country of origin or gender,” says

MetLife's Charabati. “And they want data and information to understand the health conditions that impact their population and the drivers of their health care claims costs.”

Strategically and conceptually, employers have every reason to be on board with the idea of wellness programs.

But there is a big gap between supporting the idea of wellness and the level of structured activity actually present in the workplace.

For example, our study revealed that 93% of employers place importance on having programs to keep employees healthy – but only 54% use a benefits provider offering these programs.

The Stats on Wellness

- **95%** of employers are satisfied with the wellness benefits they introduce
- **93%** of employers say programs to keep employees healthy are important
- **87%** of employees participating in a company sponsored wellness programs say it has a positive impact on their health

Knowledge is Power; Prevention is Better than Cure

Despite suffering some of the world's worst rates for chronic illness, many employees in the UAE are in denial about the state of their health. Education around a healthy lifestyle, preventative treatments, early detection and management of chronic diseases could better align perceptions and reality.

The statistics are not encouraging: according to the International Diabetes Federation, the relative incidence of diabetes in the UAE population is 19%, compared to a global incidence rate just above 8%.¹¹ And the country is moving up the charts on global obesity incidence. A recent study showed the UAE rising to fifth place, with 35% of children in the Emirates overweight.¹²

These conditions have spurred the government to roll out its own mitigation and education programs. But our study suggests these efforts might run up against a perception problem. Only 1% of the employees we surveyed rate their health as poor or very poor – and a surprisingly large 63% rate their health as very good or excellent.

The good news is that the 63% who say they are in excellent or very good health report higher satisfaction levels with their employers' health benefits.

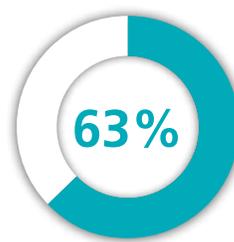
Nevertheless, employers likely make their biggest gains from helping those in poor health. As noted previously, these employees not only value health benefits less but use wellness programs less frequently. They are also more likely to think their employer does not offer wellness programs than those who are healthy (72% against 40%).

Hence, there's a huge job to be done around health education and awareness.

IN DENIAL ABOUT STATE OF THEIR OWN HEALTH



Employees surveyed rated their health as poor or very poor



Employees surveyed rated their health as very good or excellent

¹¹ International Diabetes Federation, Diabetes Atlas, 2013

¹² Lipscombe, Joe. "The Middle East's Big Fat Problem." Bloomberg Business Week Middle East, November, 2013



Providing information about health issues tops the list of wellness initiatives offered by employers; it also features high among the priorities for both employers and employees in the future. Additionally, the potential for improvement in personalized information is evident. For example, only 44% of organizations offer online health assessments but 79% of those who don't would like to.

Awareness then needs to lead to more prevention, which is another critical component of an effective wellness strategy. Enhanced preventative care scores high on the wish lists of both employers (81%) and employees (76%). Screening programs, for example, offer a chance for employers to take wellness to the next level.

Health management programs for conditions like diabetes and hypertension are also critical, and our study revealed they are currently the second most common wellness oriented program offered by employers. For employers without a wellness program, this also tops the list of programs they would like offer employees in the future.

Hourly adds: "Prevention and detection are powerful tools. Good health management delivers positive results for both employees and the organizations they work for. Improved personal health benefits for employees and their families enhance productivity at the workplace."

"But program design, implementation, and communication are key factors to success," he continues. "We offer a diabetes management program. It's a very important topic here in the UAE. But take-up remains low unless there is actual employer engagement through campaigning and effective communication. So we're always exploring new ways to help employers educate employees on the prevalence of diabetes and the importance of managing it, as well as the availability of the program."

Lastly, while many of the important focus areas center on physical health, there is also an appetite for programs dedicated to improving emotional health. Work/life balance programs were most commonly cited by employees as something in which they had participated. Flexible working conditions and stress management programs were also listed among the top four programs of interest by employees.

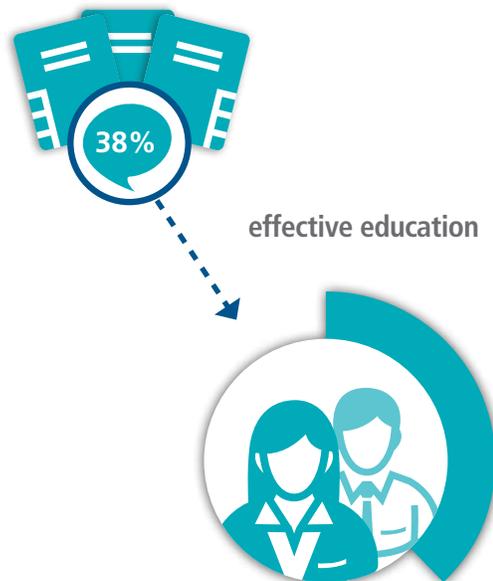
Getting the Message Across: Talking the Talk

Underlying all our other findings is one overriding prerequisite for deriving lasting value from a benefits scheme: good communication. The evidence suggests there's clear room for improvement – which would deliver tangible returns from both existing and future programs.

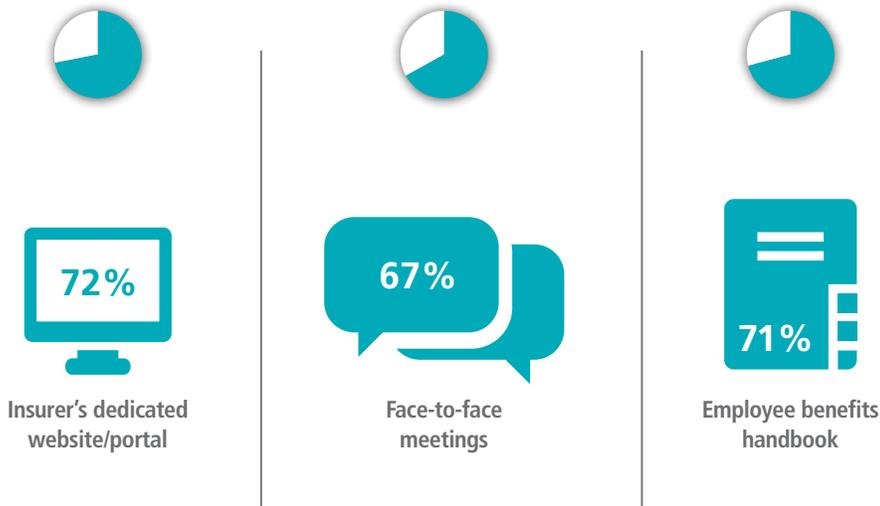
Perhaps the biggest issue our research highlighted is that it's proving difficult for many employers to adequately communicate which benefits are available and how employees can use them: 81% of employers rate improving the effectiveness of benefits communications as important. Only optimizing plans to manage costs and consolidating the benefits administration to reduce workload scored more highly.

They're right to make it a priority. Only 38% of employees feel that the communications they get effectively educate them on their benefits. Those that say they are less healthy, as well as those who are over 50 – two groups likely to consume more health resources and negatively affect productivity through ill-health – are even more likely to say the communication is not optimal.

ONLY 38% OF EMPLOYEES FEEL THAT THE COMMUNICATIONS THEY GET EFFECTIVELY EDUCATE THEM ON THEIR BENEFITS.



USEFULNESS OF BENEFITS COMMUNICATION, AS RATED BY EMPLOYEES



WHAT CAN EMPLOYERS DO TO IMPROVE?

Employers using digital channels for benefits communication rate them highly: mobile apps (72% rated them “very effective”) and the company website (71%) top the list of communication tools. While employees do tend to appreciate their company’s website as a source of information (75% say it’s useful), the benefits handbook scored just as highly. Employees also tended to favor advice (both face-to-face and online), flexibility in scheme administration and personalized communications.

Ultimately, the solution could lie with management.

In our study, having a caring, supportive boss was positively correlated to employee commitment – especially among frontline employees and younger workers. And less than half of employees thought they had one.

Supervisors are perfectly placed to encourage participation in wellness programs, especially those related to ongoing health and wellbeing as well as ones targeted to an individual’s unique needs. Equally, popular programs, such as those around work-life balance and stress management, require the support of managers if they’re to work well.

Managers who deliver strong, supportive and positive messages around these health and wellness activities are essential in creating a culture of wellness within the organization.

Our research shows that employees satisfied with medical benefits and those aware of the company’s wellness programs give supervisors credit for caring about them. These proactive managers do a great service to their employer, their employees – and themselves.



Conclusion

The United Arab Emirates has transformed itself into a diverse and vibrant economy and become hugely attractive to both individuals and companies as a global destination. Not only that, it is now widely considered the financial and social hub of the entire region.

As multinationals seek to grow their business in this dynamic location, the need for skilled employees and highly motivated workforces will only intensify the war for talent.

At the same time, economic prosperity has injected a more competitive spirit into the region, raising stress levels. It has also resulted in society-wide lifestyle changes that present some health and wellness challenges, not just to the organizations that rely on fit and productive employees, but to society as a whole. And that has stretched resources in areas such as healthcare.

This combination of factors creates a wonderful opportunity for businesses in the UAE. By providing an appropriate suite of benefits, they can help employees stay healthy and deliver improved performance.

Our 2014 study has shown that benefit managers face some challenges in pursuit of these goals. They cite limited administrative resources and the need to control costs as their main benefits challenges.

But the study also offers strong evidence that optimizing benefits plans could be a key differentiator for employees when thinking about an “employer of choice” – a crucial weapon in the war for talent.

As UAE employers look into the future, they should keep these findings in mind from our 2014 study:

- **Rethink Benefit Plan Designs to Attract and Retain Talent.** Companies should stay focused on benefits that help them achieve their strategic goals: higher job satisfaction, productivity, and employee health and staff retention. We know that many employees suffer financial stress and there are some important long-term health issues to consider. But, importantly, we also learned that a strong benefits package is a highly effective retention factor for UAE employees.
- **Benefits Can Drive Employee Engagement.** We learned that when employees are happy with their benefits and have an enhanced sense of personal financial control, their commitment to their employers is much higher. Employees who appreciate their benefits package feel well supported by their bosses – and, as our study demonstrated, supportive management is well correlated with motivation and engagement at work.
- **Wellness Programs Deliver an ROI.** Both employers and employees told us that a workplace wellness strategy is important to them. And employers with wellness programs are overwhelmingly satisfied with them. But relatively few in the UAE actually offer a broad wellness package within their benefits offering. This creates a double opportunity. First, to improve employee engagement and reduce absenteeism from health problems. And second, to clearly differentiate your business from rivals in the war for talent.

Prime areas to consider are health information campaigns, preventative health measures (such as proactive screening), flexible working and stress management.

- **Enhance Benefit Communications to Educate Employees.** The study also highlighted some discrepancies between benefits being offered and employee participation. We know that many employees in the UAE overestimate their personal health, which might be a contributing factor. But it's also clear that organizations with a well-managed approach to communicating benefits – using traditional methods, digital channels and face-to-face communications – reap far greater rewards from their benefits program.



Methodology

STATEMENT ON METHODOLOGY:

The MetLife UAE Employee Benefit Trends Study was conducted January to March 2014 by ORC International, a leading global market research firm. Results were obtained through online interviews. To qualify for the study, respondents had to be between the ages of 18 and 70. Statistical analysis was conducted and the overall sample of n=300 yields results interpretable at the 95% confidence interval with a margin of error of $\pm 5.6\%$. On the following pages, totals do not always equal 100 percent due to rounding.

Demographic Profile of the Employer Sample:

Interviews were conducted with 300 employers, all stating that they offer benefits and are aware of at least one insurance company that offers employee benefits. Eligible respondents were those dealing with employee benefits in companies with 10+ employees. Government and public administration organizations were excluded.

Of Employees In UAE

10 – 49	33%
50 – 499	33%
500+	33%

Industry

Heavy Industry	34%
Sales & Trade	12%
Professional Services	47%
Other	7%

of Countries with Operations

1 – 2	49%
3 – 5	32%
6 – 10	13%
11+	6%

City Currently Work

Dubai	42%
Abu Dhabi	35%
Sharjah	17%
Ajman	3%
Al Ain	2%
Other	1%

Gender

Male	69%
Female	31%

Demographic Profile of the Employee Sample:

A total of 300 interviews were conducted with full-time employees (91% saying they received benefits from their employer) in companies with 10+ employees. Employees from government and public administration organizations were excluded. Respondents had to have some responsibility for household insurance or financial decisions.

Of Employees In UAE

10 – 49	24%
50 – 499	38%
500+	37%

Industry

Heavy Industry	28%
Sales & Trade	10%
Professional Services	40%
Other	22%

Operations in 3+ Countries

Yes	69%
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City

Dubai	56%
Abu Dhabi	27%
Sharjah	9%
Ajman	3%
Al Ain	4%
Other	2%

Gender

Male	72%
Female	28%

Age

18 – 30	25%
31 – 40	37%
41 – 50	21%
51 – 60	15%
61 – 70	2%

Occupation

Executive	16%
Manager of a Company	11%
Director	10%
Manager of a Division	30%
Operator/Laborer	6%
Salesman	3%
Assistant/Analyst/Coordinator	16%

Education

Secondary School	4%
Some University Courses	15%
University Degree (Bachelors)	54%
Post-graduate Degree (Master or PHD)	26%

Citizen of UAE

Yes	22%
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About the study

MetLife's Employee Benefit Trends Study delivers timely and reliable research results that explore important benefits issues and evolving trends around the world. Building on more than a decade of research and experience in the U.S. , as well as nine additional markets since 2007, the Study provides fresh insights that can help employers get more from their benefits investments in the form of satisfied, skilled and productive workers. The Study also suggests tactics to help employees become more knowledgeable benefits consumers, leveraging insights from multiple markets in order to respond to the evolving benefits environment. The study design, involving both employer and employee surveys, was developed in the US and has been adapted in various key markets around the globe including: 2007 (Australia, Mexico, UK and India); 2011 (Australia, Brazil, India, Mexico, United Kingdom); 2013 (Brazil, Chile, Mexico); and 2014 (United Arab Emirates, Poland, Russia).

About MetLife

MetLife, Inc. (NYSE: MET), through its subsidiaries and affiliates ("MetLife"), is one of the largest life insurance companies in the world. Founded in 1868, MetLife is a global provider of life insurance, annuities, employee benefits and asset management. Serving approximately 100 million customers, and 90 of the FORTUNE 100® as clients, MetLife has operations in nearly 50 countries and holds leading market positions in the United States, Japan, Latin America, Asia, Europe and the Middle East.

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