

IMA 2012



Middle East

SALARY SURVEY

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Two years ago, IMA® conducted the first salary survey of its members in the Middle East. Since then, many parts of the region have been rocked by political and social turmoil as well as a global recession. What impact did these events have on the compensation of those members in the region? To find out, we resurveyed them. At the beginning of this year, we sent the survey to 7,559 members. We received 693 responses, and, of these, 503 provided salary information so were usable for analysis.

Though salary is important, it typically is only one part of an employee's total compensation package and only one factor influencing an employee's job satisfaction. With this mind, we enlarged the scope of the study to include an examination of the various fringe benefits survey respondents receive, respondents' overall job satisfaction, and their plans for changing jobs.

Respondent Demographics

We received survey responses from many countries in the Middle East, but, as indicated in Table 1, the majority of these were from the United Arab Emirates (UAE) and Egypt.

Table 2 compares the demographics of this year's Middle East salary survey with those from the most recent Chinese and U.S. surveys. As noted in the table, 7% of the respondents are female. This percentage is unchanged from our prior survey (2010), significantly lower than the 46% rate for the China survey and the 34% rate in the 2011 U.S. survey, and reflects cultural differences in these regions. Men and women survey respondents have, on average, similar length of experience and are similar in age.

On most of the dimensions listed in Table 2, Middle Eastern respondents are more similar to the respondents in IMA's China study than those in the U.S. survey. The only exception is with regard to CMA® (Certified Management Accountant) and CFM® (Certified Financial Manager) certification. The percentages of respondents in the United States and Middle East who possess these certifications are fairly similar.

Table 1: Survey Responses by Location

COUNTRY	PERCENTAGE
UAE	34.3%
Egypt	28.8%
Jordan	9.4%
Kuwait	7.5%
Qatar	4.2%
Bahrain	3.4%
Lebanon	3.1%
Saudi Arabia (KSA)	2.9%
Syria	2.6%
Oman	2.1%
Other	1.8%

Table 2: Respondent Demographics

	CHINA (2012)	MIDDLE EAST (2012)	U.S. (2011)
Gender			
Female	46%	7%	34%
Male	54%	93%	66%
Median Age			
All	34	33	48
Female	34	31	n.a.
Male	34	33	n.a.
Degree			
Baccalaureate	83%	99%	99%
Advanced	26%	27%	53%
Years of Experience			
In current position	4	2	7
Women	5	2	n.a.
Men	4	2	n.a.
With current employer	4	3	10
Women	4	4	n.a.
Men	4	3	n.a.
In current field of work	10	10	20
Women	10	9	n.a.
Men	11	10	n.a.
Family Status			
Married	71%	67%	81%
Married—female	69%	50%	n.a.
Married—male	73%	69%	n.a.
Certification Percentages			
Any certification	74%	65%	71%
CMA	38%	52%	54%
CPA	20%	7%	34%
CFM	1%	7%	8%

Note: n.a. = not available

Table 3: Compensation by Country (\$U.S.)

	ANNUAL BASE PAY					ANNUAL TOTAL COMPENSATION						
	1ST QU	MEDIAN		MEAN		3RD QU	1ST QU	MEDIAN		MEAN		3RD QU
		2012	% Change from 2010	2012	% Change from 2010			2012	% Change from 2010	2012	% Change from 2010	
Middle East	4,250	21,250	77%	37,712	36%	55,000	7,000	29,225	74%	47,199	38%	65,827
Bahrain	38,000	43,000	36%	64,964	95%	100,000	40,000	52,831	41%	79,295	92%	100,000
Egypt	1,650	6,000	100%	2,972	-66%	13,813	2,000	6,610	74%	16,642	32%	16,500
Jordan	2,488	11,000	-8%	24,423	4%	26,500	4,781	13,400	-14%	30,593	17%	43,191
Saudi Arabia (KSA)	4,293	24,000	200%	38,288	45%	51,600	12,800	33,000	115%	50,697	51%	64,947
Kuwait	17,375	44,000	120%	40,685	26%	61,720	20,000	50,000	141%	46,168	29%	70,000
Lebanon	16,200	37,800	152%	50,708	64%	81,000	18,825	38,485	103%	59,006	59%	101,250
Oman	20,500	33,000	9%	41,838	35%	57,375	28,945	49,000	50%	50,774	53%	65,938
Qatar	10,150	34,500	-11%	55,667	-10%	81,000	20,719	46,900	-7%	65,565	-2%	91,125
Syria	5,850	11,000	2%	13,903	-23%	18,000	6,325	11,000	-1%	15,532	-27%	19,750
UAE	22,857	50,000	32%	59,169	32%	73,000	27,250	57,500	32%	73,284	34%	98,000

Note: QU = Quartile. All monetary amounts in this article are in \$U.S. unless noted otherwise.

Compensation

The average salary for survey respondents is \$37,712, and the median salary is \$21,250. As shown in Table 3, this represents a significant increase from the previous survey. Average total compensation (which consists of salary plus additional compensation) is \$47,199, and median total compensation is \$29,225. These figures also reflect a large increase in compensation in the region.

Compensation varies considerably within the region. As shown in Table 3, base pay and annual total compensation are highest, on average, in the UAE, but the median for these amounts is highest in Bahrain. This is a change from the prior survey, where both average and median compensation were highest in Qatar. Note that there appears to be a relationship between compensation (and

Table 4: Compensation by Gender

	SALARY		TOTAL COMPENSATION	
	MEAN	MEDIAN	MEAN	MEDIAN
Women	17,440	6,500	22,776	14,350
Men	39,276	24,000	49,111	30,194
Women as a Percentage of Men	44%	27%	46%	48%

the change in compensation) and political instability.

The percentage of total compensation from base salary (80% mean, 73% median) is approximately the same as for Chinese respondents (77% based on mean or median) but less than for U.S. respondents (84% mean, 92% median), which reflects the greater use of other sources of compensation (such as bonuses) in the Middle East.

Male/Female Compensation

IMA's U.S. salary surveys have consistently focused on the disparity between the compensation of men and women. The 2011 U.S. survey found that women's salaries averaged 78% of men's salaries; a similar percentage for total compensation was 71%. In this regard, the Chinese results of 58.6% and 54%, respectively, are more similar to the Middle East findings than the U.S. results (see Table 4).

Age affects the gap between the earnings of men and

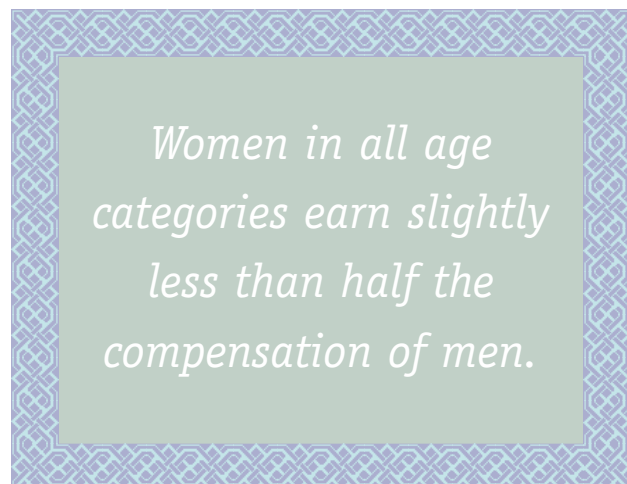


Figure 1: Average Salary and Total Compensation by Gender and Age



women (see Figure 1). As was true in 2010, the pay gap is smallest for respondents in the 30-39 age range, where this year women earned, on average, 60% of the salary of men. This gap increases to 46% for women in the 19-29 and 40-49 age ranges.

These results also show that, as expected, men's base pay and total compensation increase with age. But this isn't true for women, as those in the 30-39 age group earn more, on average, than those in the 40-49 age range. This reflects a trend toward greater pay equality in the Middle East and around the world for more recent entrants into

the workforce.

A further comparison of earnings by gender is presented in Table 5, which also looks at the effect of years of experience in the field. Though the ratio of women's average salary to men's average salary varies considerably by age, the ratio based on total compensation is remarkably consistent: Women in all age categories earn slightly less than half the compensation of men. The similar ratio for U.S. survey respondents ranged from 61% to 82.6%, again indicating greater income disparity in the Middle East.

Table 5: Compensation Comparison by Years in the Field

	WOMEN		MEN		ALL		WOMEN AS A PERCENTAGE OF MEN	
	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN
Base Salary								
Less than 6	4,724	1,967	13,464	6,000	12,817	6,000	35%	33%
6 to 10	*	*	33,864	40,118	*	23,900	*	*
11 to 15	23,052	20,700	47,629	40,000	45,873	37,000	48%	52%
16 to 20	*	*	57,649	50,000	*	50,000	*	*
More than 20	18,600	18,600	92,505	77,000	89,145	74,000	20%	24%
Total Compensation								
Less than 6	6,708	4,515	16,486	9,500	15,755	9,257	41%	48%
6 to 10	16,299	14,515	40,118	30,000	38,166	29,540	41%	48%
11 to 15	25,979	23,220	58,412	47,000	56,167	44,500	44%	49%
16 to 20	*	*	71,729	54,000	*	55,125	*	*
More than 20	35,933	38,400	126,030	86,507	120,024	75,000	29%	44%

*Data not reported to protect confidentiality.

Figure 2: Management Level by Gender

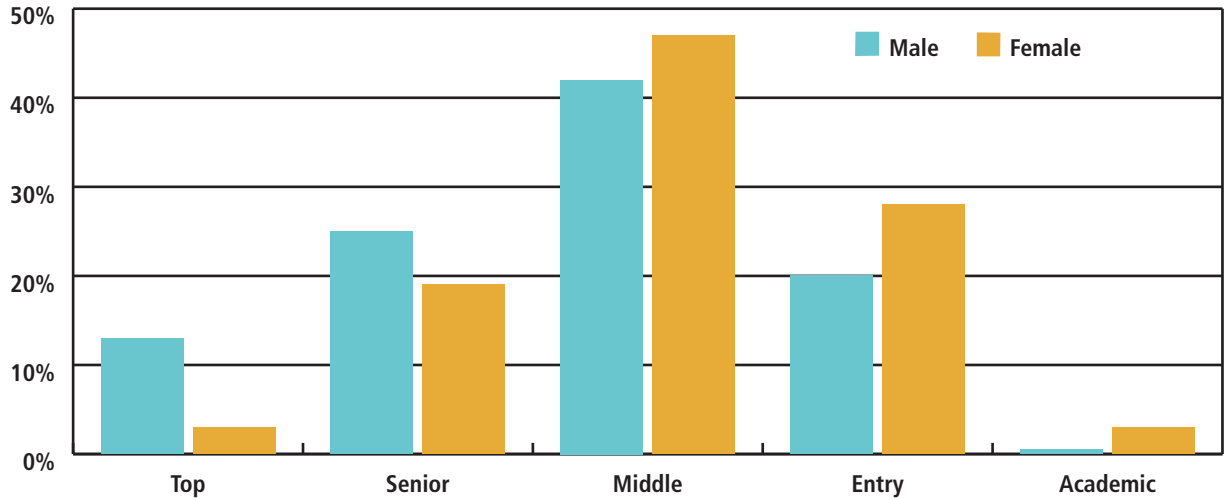


Figure 2 presents the distribution of survey respondents by management level and gender. The most frequent level of management for survey respondents is middle management. For men, senior management is the next most common management level, but, for women, entry-level positions are the next most common. Finally, as is true elsewhere around the world, the percentage of men at relatively senior levels of management is greater than the percentage of women.

Aside from relatively fewer women in the upper ranks of management, another issue is the relatively lower pay women earn at these levels of management (see Figure 3). Though significant at the lower- and middle-management levels, the pay gap increases dramatically at the senior level. This pattern is observable elsewhere in the world as well.

Compensation and Certification

Regarding compensation and certification, 51.7% of the survey respondents are CMAs, 6.5% are CPAs (Certified Public Accountant), 5.2% are CIAs (Certified Internal Auditor), and 20% possess some other type of certification. How important is certification with regard to compensation? On average, CMAs earned \$45,046 in salary and \$55,140 in total compensation as compared to \$30,044 and \$39,001, respectively, for non-CMAs. Thus, on average, CMAs earn 50% more in salary and 41% more in total compensation than non-CMAs.

The difference in pay between CMAs and non-CMAs is even more striking when work experience is considered. As indicated in Table 6, the benefits of CMA certification can be very substantial. CMAs who are recent entrants in the field go from near parity in income with non-CMAs

Figure 3: Compensation by Management Level and Gender

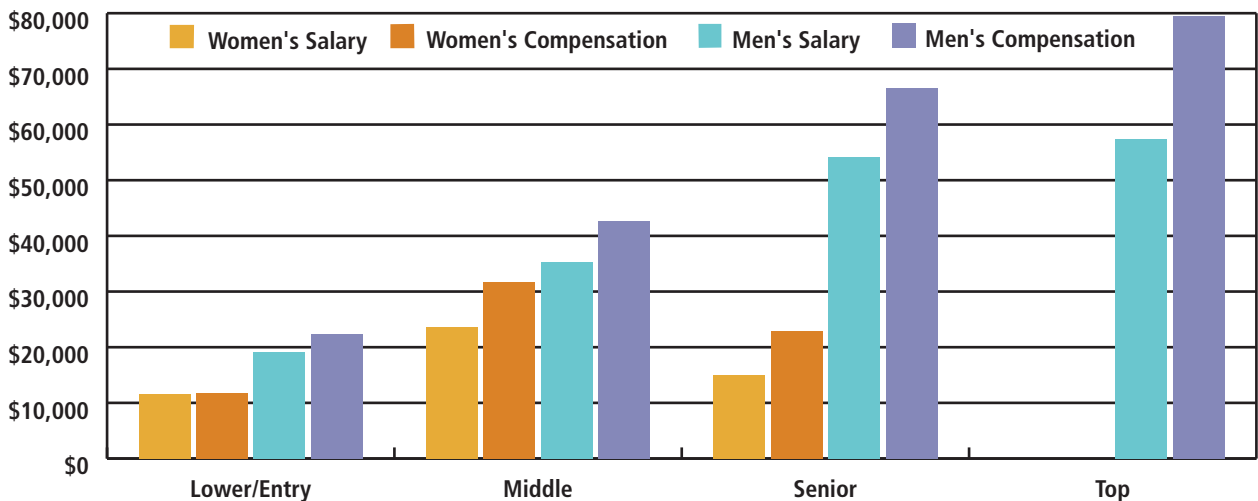


Table 6: Compensation by Years in the Field and CMA Designation

YEARS IN THE FIELD	NON-CMA		CMA		CMAS AS A PERCENTAGE OF NON-CMAS	
	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN
SALARY						
Less than 6	13,214	6,321	12,446	5,600	94%	89%
6 to 10	29,028	20,000	35,688	35,500	123%	178%
11 to 15	34,326	26,500	57,059	51,500	166%	194%
16 to 20	41,995	43,000	72,404	54,000	172%	126%
More than 20	71,067	50,700	101,661	98,500	143%	194%
TOTAL COMPENSATION						
Less than 6	15,869	9,379	15,646	8,000	99%	85%
6 to 10	35,562	23,900	41,234	37,685	116%	158%
11 to 15	43,335	33,000	68,213	61,500	157%	186%
16 to 20	53,778	50,000	90,052	75,000	167%	150%
More than 20	107,165	69,000	129,420	107,500	121%	156%

Table 7: Salary and Compensation by Level of Education

ANNUAL SALARY	1ST QUARTILE	MEDIAN	MEAN	3RD QUARTILE
Less than a baccalaureate degree	1,358	8,027	11,353	18,021
Baccalaureate degree	3,985	16,400	31,923	50,000
Master's degree	11,750	39,240	54,719	76,100
TOTAL COMPENSATION				
Less than a baccalaureate degree	2,378	9,318	12,930	19,871
Baccalaureate degree	5,338	21,000	40,140	58,850
Master's degree	17,450	50,850	67,937	90,000

CMAs earn 50% more in salary and 41% more in total compensation than non-CMAs.

to substantially outearning the non-CMAs within a relatively short period of time.

Compensation and Education

We saw in Table 2 that 83% of survey respondents have at least a baccalaureate degree and that 26% have an advanced degree. Table 7 shows the salary and total compensation by degree level and gender. Here it's clearly the case that "education pays." The higher the level of education, the greater are the earnings, on average.

Supervisory Responsibilities

Male survey respondents are significantly more likely to hold positions with major supervisory responsibilities. For example, 25.9% of the men vs. 13.9% of the women said they are head of a major department and report

Table 8: Compensation by Supervisory Responsibility and Gender

LEVEL OF SUPERVISORY RESPONSIBILITY	WOMEN				MEN				ALL RESPONDENTS			
	SALARY		TOTAL COMP		SALARY		TOTAL COMP		SALARY		TOTAL COMP	
	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN
Head of a major department and report directly to the CEO or Board of Directors	14,383	11,090	24,686	22,000	59,727	48,000	73,561	53,000	58,202	43,000	71,575	50,500
Head of a major department but do not report directly to the CEO or Board of Directors	*	*	*	*	51,264	46,500	69,072	57,000	*	46,500	*	57,000
Some supervisory responsibility but not head of a major department	18,728	12,850	23,313	16,780	28,636	17,000	34,084	20,000	29,689	16,800	38,092	26,700
Little or no supervisory responsibility and report directly to the CEO or Board of Directors	*	*	*	*	31,620	18,600	40,531	31,700	27,631	15,350	32,985	20,000
No supervisory responsibility	17,193	2,335	22,514	3,985	20,055	9,500	24,663	12,000	19,652	8,000	24,369	11,500

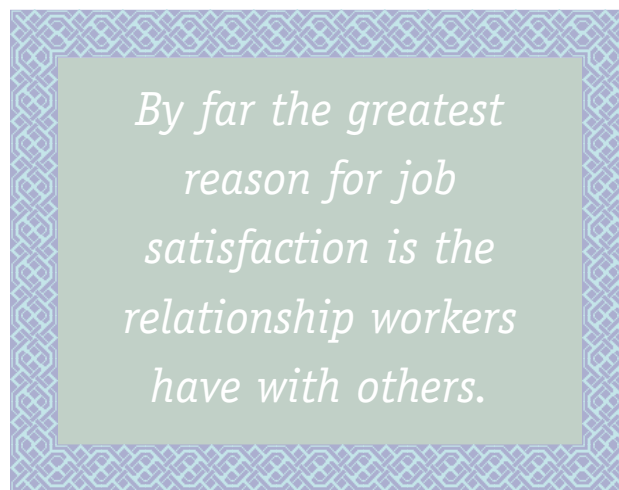
*Data not reported to protect confidentiality.

directly to the CEO or Board of Directors. Another 18.9% of the men vs. 2.8% of the women said they are head of a major department but don't report directly to the CEO or Board of Directors. The roles reversed for positions with less supervisory responsibility: 36.6% of the men vs. 50% of the women have some supervisory responsibility but aren't head of a major department, 4.8% of the men vs. 5.6% of the women have little or no supervisory responsibility and report directly to the CEO or Board, and 13.8% of the men vs. 27.8% of the women have no supervisory responsibility. These figures are similar to those for our China survey respondents but not for those from the U.S.

Not surprisingly, those with greater supervisory responsibility generally receive greater compensation (see Table 8). Overall, the highest level of compensation goes to those who are head of a major department but don't report directly to the CEO or Board, followed closely by those who are head of a major department and report directly to the CEO or Board of Directors. These are followed distantly by those who have little or no supervisory responsibility and report directly to the CEO or Board, those who have some supervisory responsibility but aren't head of a major department, and, finally, those with no supervisory responsibility.

Responsibility Area

Salaries and total compensation varied considerably by



area of responsibility (see Table 9). Based on median total compensation, employees working in the areas of risk management and information systems are the highest paid, and those working in government accounting and public accounting are the lowest paid.

Table 9 also compares the relative ranking of compensation by responsibility area for the U.S., China, and the Middle East. Perhaps because they are in a volatile region, people working in the area of risk management are paid relatively higher than elsewhere. In contrast, budgeting and planning is a highly paid area in China relative to other regions. Perhaps this reflects its history of having a planned economy and the central government's large control over the economy today.

Table 9: Compensation by Responsibility Area

	ANNUAL SALARY		TOTAL COMPENSATION		RELATIVE RANK*		
	MEDIAN	MEAN	MEDIAN	MEAN	MIDDLE EAST	U.S.	CHINA
Budgeting and Planning	36,531	26,050	45,918	31,700	7	7	1
Corporate Accounting	47,667	50,000	57,026	52,676	3	6	7
Cost Accounting	21,296	10,000	28,838	13,000	9	9	8
Education	26,403	8,000	30,403	11,000	10	8	9
Finance	45,098	36,440	55,954	43,000	5	2	3
General Accounting	24,854	14,350	29,992	20,150	8	12	11
General Management	66,751	50,000	90,436	50,425	4	1	2
Government Accounting	9,466	3,100	10,347	4,211	13	11	n.a.
Information Systems	38,250	46,400	47,668	59,450	2	3	8
Internal Audit	40,436	12,000	51,230	33,000	6	5	6
Public Accounting	28,417	4,650	31,837	4,838	12	4	5
Risk Management	61,459	59,000	79,237	70,975	1	n.a.	5
Taxation	68,667	7,000	11,467	7,000	11	10	10

*Relative ranks are based on average total compensation (U.S.) and median total compensation (Middle East and China). Note: n.a. = not available.

Job Satisfaction

Though salary and other benefits are important, many other factors also affect job satisfaction. Employers need to consider these factors, especially in this region, where a staggering two-thirds of survey respondents plan to look for another job in the short term. Of those planning to look for another job, more than half (52%) would like to work in another country, 24% would not, and 24% are undecided. The most popular potential future work locations for those who want to change countries are the United States and Canada, followed by the Gulf countries in general.

Why do those respondents who are considering a job in another country want to change? The desire for an improved salary tops the list (27%), followed by wanting an improved quality of life (26%), to pursue a new career opportunity (24%), better employment opportunities (20%), and to experience a new culture (17%). Other reasons include improved employment conditions, to get a promotion, to take time out and travel, to learn a new language, and to be closer to friends and family.

Table 10 examines the impact of various factors affecting job satisfaction. By far the greatest reason for job satisfaction is the relationship workers have with others. Compensation and lack of benefits are the most frequent reasons for dissatisfaction with respondents' jobs, followed closely by the lack of opportunity for advancement with their current employer.

Raises

An important factor affecting employee satisfaction is the frequency and amount of raises. Given the challenging economic conditions facing companies around the world and the political instability in much of the Middle East, you might think that 2011 would have been a year of few or moderate raises there. This isn't the case: 75% of survey respondents received a raise in the past year. Those getting a raise received, on average, a 13.9% increase in pay. The median increase was 8.5%. Yet despite these raises, there is general dissatisfaction with compensation levels.

Hours Worked

Survey respondents worked 45.5 hours per week on average (with a median of 45 hours). When asked how their number of hours worked had changed in the past year, 8% indicated that their hours worked had decreased, 68% indicated their hours had stayed the same, and 24% said they were working more hours. The reasons for an increase in hours worked varied, and often there were multiple reasons. The most common reason was taking on more responsibility/more pressure on the job (77%), which was also the most common reason and a very similar percentage (75%) in our China survey. This was followed by understaffing/lack of resources and company growth (36% each) and company culture (25%). Respondents also mentioned a change in their role (19%) and the current financial climate (17%) as factors. When

Table 10: Factors Affecting Job Satisfaction

	VERY DISSATISFIED	MORE DISSATISFIED THAN SATISFIED	NEITHER DISSATISFIED NOR SATISFIED	MORE SATISFIED THAN DISSATISFIED	VERY SATISFIED
The base salary I receive for my job	16.7%	25.5%	24.8%	25.1%	7.9%
The total compensation I receive for my job	17.8%	26.2%	25.3%	23.6%	7.0%
The employee benefits that I receive from my employer	16.7%	25.8%	28.7%	21.3%	7.6%
The opportunity I have for advancement with my employer	21.1%	21.3%	29.7%	20.2%	7.8%
The way my supervisor manages me and my coworkers	13.9%	18.4%	20.6%	32.1%	15.0%
The manner in which my supervisor makes decisions and includes me in the decision-making process	12.4%	23.2%	23.9%	27.0%	13.5%
The way that I am acknowledged and recognized for performing well on the job	9.3%	17.7%	22.6%	33.5%	16.9%
The working relationships I have with others	2.0%	4.4%	14.1%	45.9%	33.6%
The opportunity that I have to do interesting and challenging work	9.1%	14.6%	23.9%	35.0%	17.5%
The way my employer handles ethical issues	9.9%	15.7%	24.9%	29.1%	20.3%

asked to choose between a more flexible job with slower career advancement and a more rigid schedule with faster advancement, respondents selected the latter over the former by a 2:1 margin.

Benefits

Regarding lack of benefits as a major reason for job dissatisfaction, what benefits do workers receive, and which would they like to have? As in our China survey, the most

commonly received benefit is healthcare or healthcare insurance, with 73% of employees receiving it and another 12% desiring it. But unlike China (and the U.S.), where pensions are also available to most workers, only 19% of Middle East survey respondents receive this benefit (see Table 11).

Clearly the importance of the various benefits varies. Table 12 indicates that the most important benefit to the survey respondents is having healthcare and/or healthcare

Table 11: Benefits Currently Received or Desired

	CURRENTLY RECEIVE	DON'T RECEIVE BUT WOULD LIKE TO	TOTAL
Healthcare/healthcare insurance	73%	12%	85%
Bonus	52%	28%	80%
Company car/allowance	34%	34%	68%
Mobile phone/BlackBerry/PDA	34%	24%	58%
Contribution to/payment of IMA dues	14%	36%	50%
Life insurance	29%	20%	49%
Pension	19%	28%	47%
Flexible hours	18%	27%	44%
Extra holidays	13%	25%	38%
Shares/share options	6%	22%	27%
Working from home	5%	20%	25%

Table 12: Importance of Various Benefits

	NOT IMPORTANT AT ALL	SOMEWHAT IMPORTANT	IMPORTANT	VERY IMPORTANT	EXTREMELY IMPORTANT	VERY TO EXTREMELY IMPORTANT
Healthcare/healthcare insurance	1.1%	2.3%	8.9%	20.0%	67.7%	87.7%
Bonus	1.1%	4.5%	12.0%	32.8%	49.5%	82.3%
Pension	5.9%	7.3%	17.6%	24.0%	45.2%	69.2%
Company car/allowance	3.4%	10.6%	30.8%	28.7%	26.4%	55.1%
Life insurance	13.2%	13.2%	20.0%	21.2%	32.5%	53.7%
Flexible hours	7.1%	20.9%	33.6%	20.5%	17.9%	38.4%
Shares/share options	13.0%	25.5%	32.3%	17.1%	12.0%	29.1%
Contribution to/payment of IMA dues	20.0%	27.4%	26.3%	13.0%	13.3%	26.3%
Mobile phone/ BlackBerry/PDA	17.9%	29.1%	28.8%	14.9%	9.3%	24.2%
Extra holidays	17.0%	33.1%	26.5%	13.9%	9.5%	23.4%
Working from home	32.9%	33.3%	18.8%	8.7%	6.3%	15.0%

insurance, as 87.7% believe this is very or extremely important. Interestingly, only 46.3% of respondents in the Chinese survey felt this way, which may reflect the Chinese history of state-provided healthcare (although that is changing rapidly). Conversely, life insurance is considered a more important benefit in China (83.6%) than in the Middle East (53.7%), which may reflect the long-term orientation of Chinese culture.

A comparison of Tables 11 and 12 shows the most important areas where benefits can be improved. Pensions are particularly noteworthy: 69.2% of workers consider pensions very or extremely important, yet only 19% of workers currently receive them. Similarly, more than half the respondents (53.7%) consider life insurance very or extremely important, but only 29% receive this benefit.

A Quick Recap

This is our second survey of compensation and factors affecting IMA Middle East members' job satisfaction. We were able to compare the results of this survey with previous ones, both in the Middle East and from elsewhere in the world, to obtain a better understanding of the changes taking place.

As before, not only did we find considerable variation in pay among the countries, but we also found that the change in compensation levels from year to year varied greatly. Some countries showed large increases in pay, but others experienced decreases. The degree of political instability in a country appears to be related to these changes. It appears to be the case that political instability affects the ability of companies to do business and their profitability,

reducing companies' ability to increase (or even maintain) employee compensation levels.

Factors such as education, management level, degree of supervisory responsibilities, and responsibility area affected both salary and total compensation. Also, as in previous surveys, the value of CMA certification is clear: On average, CMAs earn 50% more in salary and 41% more in total compensation than non-CMAs.

Especially surprising is the large proportion (two-thirds) of workers looking to change their jobs. Top reasons for a change include the desire for an improved salary, the desired for an improved quality of life, wanting to pursue new career opportunities, and looking for better employment opportunities.

Related to the desire to look for another job is dissatisfaction with current compensation levels and availability of benefits. There are large gaps between the proportion of workers who receive benefits such as pensions and life insurance and the proportion of workers who don't receive these benefits.

The results of this survey reflect the ongoing economic challenges members are facing around the world and the political and social changes taking place in this region. Nevertheless, IMA members in the Middle East appear to be doing relatively well overall. **SF**

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