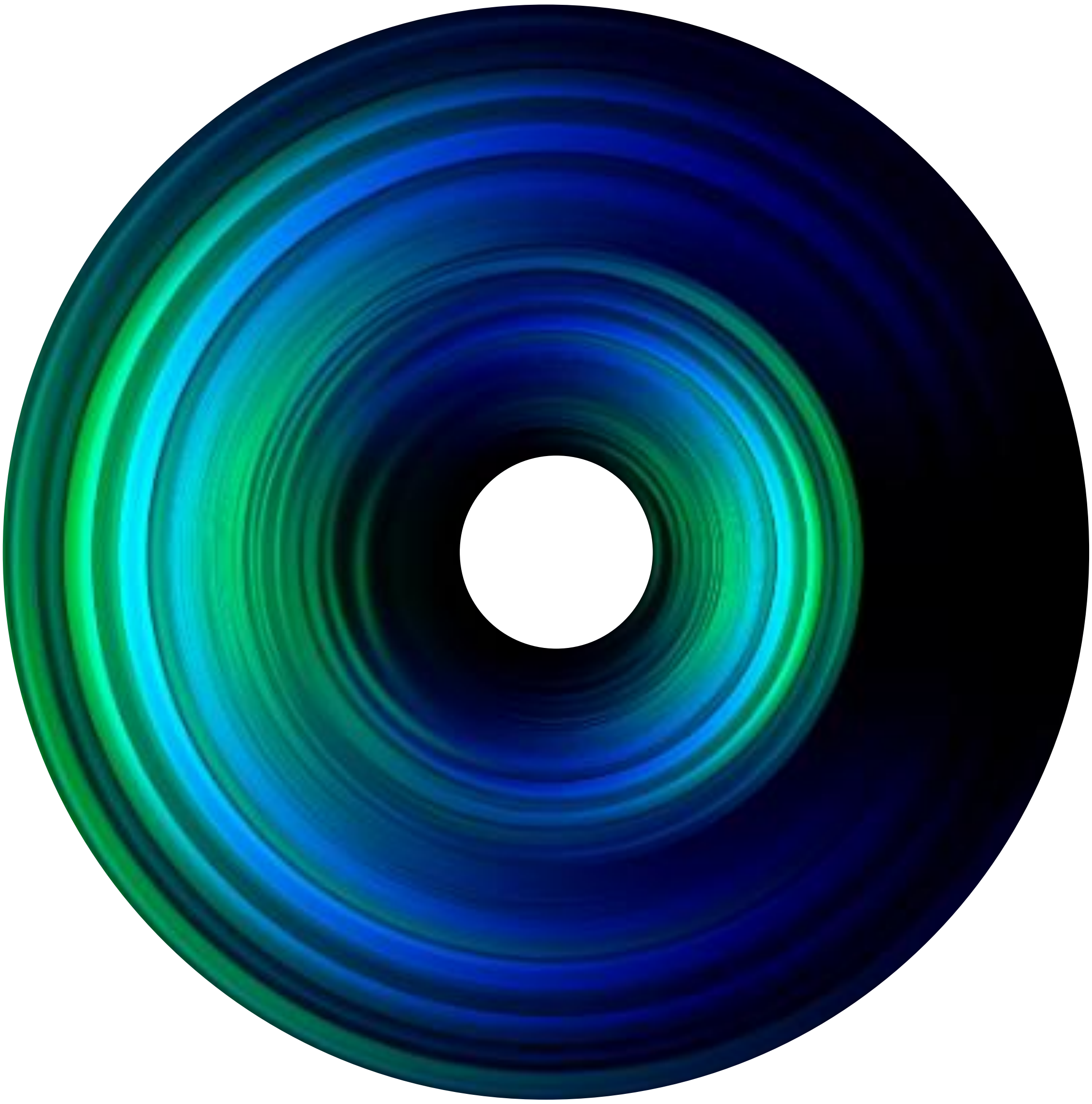


Building tomorrow's workforce:
The future of work in the Middle East

July 2026

The regional developments of early 2026 have accelerated conversations around talent across the Middle East. **The question is no longer how organizations respond – it is how they build.**

According to Deloitte's Global Employer Services Middle East Operational and Workforce Measures Survey, 94% of employers enabled some form of remote working following the geopolitical developments commencing in early 2026. The response was swift, and in many cases it worked. But as immediate pressures stabilize, a more fundamental challenge is emerging: what does the future workforce look like, and how must organizations change to attract, retain, and develop talent?

Key findings

94%

of employers enabled some form of remote working

80%

of organizations intend to maintain or grow their Middle East headcount

62%

of organizations are concerned about attracting talent to the region

64%

are concerned about retaining talent

57%

of organizations permitted international remote work

83%

of organizations report satisfaction with their current Nationalization approach

01

A region businesses are choosing to stay in

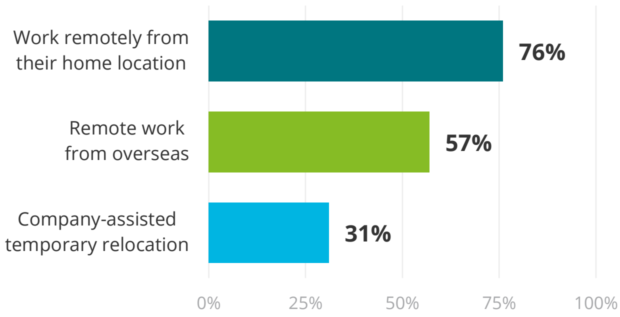
The most striking signal from the survey is the strength of organizational commitment to the region. 80% of businesses surveyed intend to maintain or grow their Middle East headcount. This is not passive inertia. It is a considered, strategic commitment to one of the world's most dynamic business environments – and the evolving landscape has not weakened the case for operating in the Middle East.

02

From flexibility to structural transformation

Remote and flexible working was permitted as a response to the developing situation. 76% of organizations enabled employees to work remotely from their home location, 57% permitted remote work from overseas, and 31% went further – supporting company-assisted temporary relocation, a measure signalling genuine investment in employee welfare.

Workforce measures adopted



The focus must now shift from reactive, one-off permissions to considered policies that establish where employees may work, for how long, how those arrangements are approved, and what tax, payroll and immigration obligations they carry.

Working remotely from an overseas location, even temporarily, can trigger immigration obligations in that jurisdiction, including work permit requirements or right-to-work considerations. Existing work permits in the home jurisdiction must also be maintained. As organizations formalize their flexible working policies, immigration compliance must be built into the framework from the outset.

The future of flexible work in the Middle East will be defined not by how broadly it was adopted in crisis, but by how thoughtfully it is governed going forward.

03

The talent gap that cannot wait

The most urgent challenge revealed by the survey is the disconnect between talent awareness and talent retention. 62% of organizations are concerned about attracting talent to the region; 64% are concerned about retaining it – yet only 16% have moved to formalized planning to address either issue.

That gap matters. The lead times required to revise compensation frameworks, rebuild employee value propositions, and redesign mobility strategies are significant. Organizations that begin now will hold a material competitive advantage. Those that delay will find themselves reactive in a market that is moving forward.

Building a compelling talent proposition requires more than headline pay. It demands a genuine rethinking of the employee experience, specific to the Middle East: greater relocation flexibility, expanded remote working options, enhanced allowances and benefits offerings such as premium housing and education support, and reward structures that reflect both the opportunity and complexity of the region.

47%

of respondents are concerned about compensation and benefits adjustments – a clear signal that change is needed, even where plans are not yet in place

The direction of reward design is shifting.

Forward-thinking organizations are moving from purely quantum-based packages toward flexible, personalized benefits frameworks that employees can tailor to their own circumstances, improving the employee experience, while delivering a higher return on benefits spend and materially strengthening the employee value proposition.

Incentive models are also evolving, with performance metrics broadening beyond financial outcomes toward longer-term, strategic, and purpose-led objectives. Well-designed incentive plans support the retention of key talent while encouraging sustainable delivery of business objectives – strengthening the alignment between corporate performance and employee reward – serving to ensure key talent remain invested in the company's longer-term performance.

04
Nationalization: From obligation to strategic advantage

Perhaps the most important reframing available to organizations concerns nationalization. 83% of the organizations surveyed, report satisfaction with their current approach. The regional environment, however, has pushed organizations to consider how best to navigate unexpected expatriate attrition and potential capability gaps.

With ongoing uncertainty around expatriate workforces, organizations with strong local talent pipelines, genuine progression frameworks, and integrated succession planning are simply more resilient. Those that have embedded nationalization into their broader talent strategy, rather than managing it as a separate compliance function, will be significantly better positioned. Nationalization, approached this way, becomes a powerful tool for business continuity, workforce stability, and long-term competitive positioning.

05
Governance: Turning intent into infrastructure

Across all these priorities runs a common thread: the urgent need to convert informal arrangements into robust governance frameworks. This means establishing clear policies that define permitted work locations, set duration limits, specify approval protocols, and account for the cross-border tax, social security, immigration compliance, and permanent establishment implications that arise when employees work across jurisdictions. Every remote working arrangement must be documented, periodically reviewed, and be demonstrably compliant.

The same rigor must extend to talent attraction and compensation strategies. Organizations need documented frameworks, robust compensation structures, clearly articulated employee value propositions, and mobility strategies built around defined parameters – from flexible benefits structures to the relocation support and housing allowances that increasingly determine whether top talent comes to the region and stays. Building these frameworks before a crisis forces the issue is what separates organizations that lead from those that react.

06
The opportunity ahead

The regional developments of 2026 have been challenging – but have also helped reveal where workforce strategy is genuinely robust and where it needs review.

The future of work in the Middle East is not a return to what existed before. It is an opportunity to build something better: more flexible, more locally anchored, more resilient, and more intentionally designed. Organizations that invest in governance, talent strategy, reward redesign, and local capability will not just endure the current transformation – they will be strongly placed to grow in the region that emerges from it.

The Middle East remains one of the world's most strategically significant business environments. The organizations that invest in their people today are the ones who will shape it tomorrow.

Data referenced is drawn from the Deloitte Global Employer Services Middle East Operational and Workforce Measures Survey, which was conducted across May / June 2026, and was supplemented by earlier data-gathering exercises. 140+ company insights are covered in this report, including 51 participants in the Survey and 93 respondents from earlier data-gathering exercises. For additional details on the data collected or a copy of the detailed report, please reach out to the Deloitte Global Employer Services team at dmegesresponse@deloitte.com