Middle East Recruitment Outlook 2026

Agency Perspectives from the Front Line

Insights from 30 Agency Leaders
December 2025 – January 2026

SARAH DIXON | Outrecruit

EXECUTIVE SNAPSHOT

Overview

This report draws on 30 first-hand interviews with recruitment agency founders and executive leaders operating across the Middle East, conducted between December 2025 and January 2026.

The aim was not to predict the market, but to capture how agency leaders themselves are experiencing **hiring**, **retention**, and **change** heading into 2026.

Insights are anonymised and qualitative.

Headline Findings

- **Hiring the *right* recruiters is proving more difficult than retaining existing ones**
- **Agencies expect 2026 to be busier - but more competitive**
- **Saudi Arabia is no longer viewed as a guaranteed short-term win, but remains a serious long-term play**
- **Fee pressure is being driven internally, not by clients**
- **The industry's credibility problem is openly acknowledged by leaders themselves**

HIRING OUTLOOK:
The End of the "Expat Passenger"

A harder hiring market, by choice

Every agency plans to hire in 2026, but leaders would rather leave a desk empty than compromise on fit.

> *"We're not desperate.*
> *That's the difference now."*

The bar has gone up because the job has got harder

The recruiter role is materially broader than ever. The job now spans sales, delivery, systems, data, personal brand, and client advisory, often simultaneously. Recruiters who thrived in simpler, phone-led environments now struggle with the volume of platforms and expectations layered onto the role.

> *"Recruitment roles have gotten harder, not easier - more tools, more touchpoints, more data, and higher expectations."*

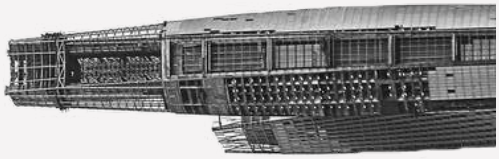
Past billings have lost their power

Billing history came up constantly; often with scepticism. Leaders are clear that numbers without context are meaningless in a shifting market; knowledge, networks, and commercial maturity are now the primary filters.

> *"Everyone's got a great year on their CV now."*

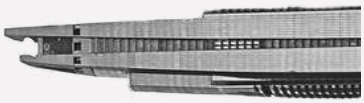
No consensus on structure

Structural experimentation is widespread with no dominant model emerging. Some firms are moving away from 360 models entirely, while others are finally adding them after years of 180-heavy teams. A few are building "pods": pairing a BD-focused consultant with dedicated delivery support.

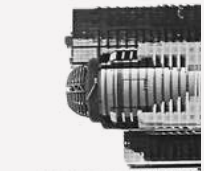


Dubai creates unique hiring distortions

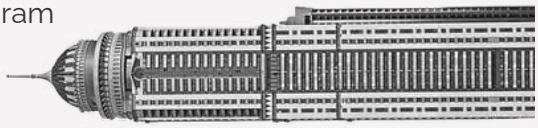
Multiple leaders described Dubai as one of the hardest markets to build disciplined recruitment teams, not because of competition, but because life improves instantly on arrival.



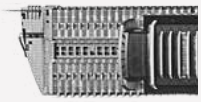
> *"People move here and think they've made it. Life in Dubai with a job: check."*



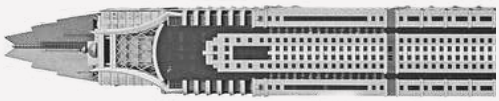
This creates early complacency, lifestyle-first motivation, and reduced urgency. Multiple leaders rejected the "Instagram recruiter" profile. Motivation for moving to Dubai is being probed early, with deep scepticism toward decisions driven primarily by lifestyle or tax.

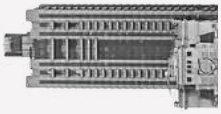


> *"If they're here for the weather, it shows."*



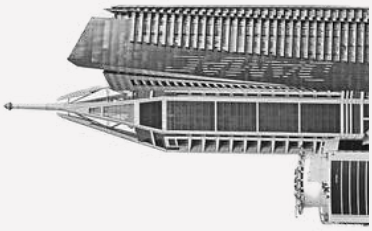
A related pressure: Real Estate. It offers visible upside, social media glamour, and big financial wins. For sales-oriented talent, it is often seen as the sexier alternative to recruitment.





Experience is weighted selectively

No agreement on whether Middle East experience is essential. Some need day-one impact and cannot carry ramp time; others are investing in early-stage recruiters through internal academies.



Sector knowledge and recruitment fundamentals are often prioritised over regional tenure, but not universally. This remains a practical decision, shaped by structure, cashflow, and risk tolerance.

RETENTION:
Is This Commitment or Caution?

Retention was high across 2025. What differed was why.

Some leaders described stability as intentional. They pointed to familiar but effective levers: competitive commission, flexibility, recognition. Retention was viewed as a by-product of performance and clarity, rather than comfort.

Others were more sceptical. They attributed low movement more to external caution. With hiring slower and fewer credible alternatives in the market, recruiters were simply less willing to risk a move. In this view, stability reflected safety rather than commitment.

Where attrition did occur:

- **Time to productivity**: New hires who failed to become productive within the first six months were the most likely to exit, either through self-selection or performance management.
- **Lifestyle-led moves**: Some moved countries, into in-house roles, or to lower-pressure environments with higher base pay.
- **Pay-led poaching**: Some movement came from new entrants offering inflated packages to mid-tier billers, rather than from top performers leaving established teams.

The Salary Reset

- After 2-3 years of aggressive base inflation—described by one leader as "the region eating itself alive"—several founders noted signs of stabilisation.
- While isolated high-base offers persist, many believe the market has already tested the limits of what average billings can support.

MARKET TRENDS: What's Actually Changing?

Overall sentiment: the post-Ramadan pivot

Outlook: 2026 will be busier than 2025, but materially more competitive.

Timing: Q1 likely muted; momentum expected post-Ramadan into H2.

Late Arrivals: A second wave of international firms (London, Sydney, Singapore) entering the GCC as a margin hedge against slower European markets.

1. Fee pressure continues - and the market is splitting

- Aggressive undercutting at 7–12% widely described as destructive.
- At the same time, true specialists are holding their position, or improving it.
- The gap between commodity recruitment and premium delivery is widening rapidly.
- Clients are consolidating around:
  - fewer suppliers
  - clearer commitment
  - structured delivery models, including embedded and exclusive work.

> *"Companies are fed up with five-agency PSLs, fastest-finger-first. Agencies are fed up with it too. It just doesn't work."*

> *"Undercutting doesn't win better clients; it just attracts worse ones."*

2. The Saudi reset: from gold rush to real market

- **Post-2024 recalibration**: giga-project hype has stabilised; focus shifting to commercially grounded, long-term plays.
- **Barriers rising**: trade licence, bank account, Saudi national presence, physical office increasingly non-negotiable.
- Arm's length, Dubai-led delivery models becoming less viable.

> *The herd will be culled.*



Riyadh

3. UAE: busier, noisier; Abu Dhabi coming of age

- Abu Dhabi increasingly stands apart: demand is strong, less saturated than Dubai.
- Competitive advantage for agencies with physical presence, and cultural intelligence in the capital.

4. Internal TA expansion

- More companies across the Middle East are building sizeable TA and direct hiring teams, reducing their historical reliance on agencies.
- Agencies are no longer competing with other agencies first; they're competing with the client's internal cost model.
- Agencies must now navigate dual stakeholder strategy: TA + hiring line.



Abu Dhabi

THE INDUSTRY'S OWN DIAGNOSIS

When leaders were asked what they would change about the recruitment market, their answers converged quickly. Not around tools, AI, or volume, but around behaviour, standards, and respect. What follows isn't an external critique. It's the industry talking about itself.

1. A credibility problem of our own making

The industry's strongest critique was internal: standards are uneven, and it tarnishes everyone. Poor service delivery, weak communication, careless candidate handling, and firms undercutting each other instead of competing on quality.

The market was described as being stuck in a vicious cycle: low standards → poor service → damaged reputation → fee compression → even lower standards.

Beneath the commercial pressure, some leaders felt the market lacks a strong culture of peer support, with competition often outweighing collaboration. Many stated that the region needs clearer market norms, whether through a recruitment board/body, increased regulation, or simply a stronger shared culture around what "good" looks like.

The consensus view was simple: **higher ethical and professional standards would lift fees, outcomes, and credibility for everyone**.

> *"Our industry gets tarnished by cowboys operating in it."*

> *"We need to treat this profession more professionally … no slash-and-burn."*

> *From the recruiter's side … I really wish we all become more human.*

2. Clients want partnership outcomes - but don't behave like partners

A major point of friction was **how recruiters are treated** by clients.

The consistent asks were:

- Stronger TA functions that can advise, push back internally, and hold the process.
- Clearer hiring requirements defined upfront (then adhered to).
- Respect for everyone's time: candidates, recruiters, and hiring managers.
- Fewer "window shopping" briefs and "urgent then disappear" behaviour.
- More senior (C-level) involvement in strategic external partnering.

Leaders stressed that partnership outcomes are hard to achieve in a market that still defaults to transactional engagement.

> *To be strategic and really add the most value, we need to be valued.*

> *You can't expect partnership outcomes if you treat agencies like suppliers.*

ABOUT OUTRECRUIT

Outrecruit is an executive search firm specialising in senior recruitment and HR leadership across the Middle East and Asia. It was set up in 2024 by Sarah Dixon, who brings 16+ years of recruitment experience in billing and leadership roles in Japan, Malaysia, and the UAE.

A career highlight for Sarah was serving as Managing Director for a leading international firm in the Middle East, with full P&L and operational responsibility for teams of up to 85 consultants. She knows first-hand what elite recruiters look like, and how hard they are to find.

Sarah has personally placed senior recruitment and HR leaders and is known for her insight, delivery, and trusted market presence. She founded Outrecruit to offer a client-centric, dedicated search approach to recruiter hiring in the Middle East and Asia.



Sarah Dixon

For further discussion on the themes raised in this report, or support with senior agency hiring across the region, contact:

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