



TALENT SURVEY

MIDDLE EAST

Association of Executive Search and Leadership Consultants (AESC)
November 2015

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AESC Talent Survey 2015

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AESC Talent Survey 2015

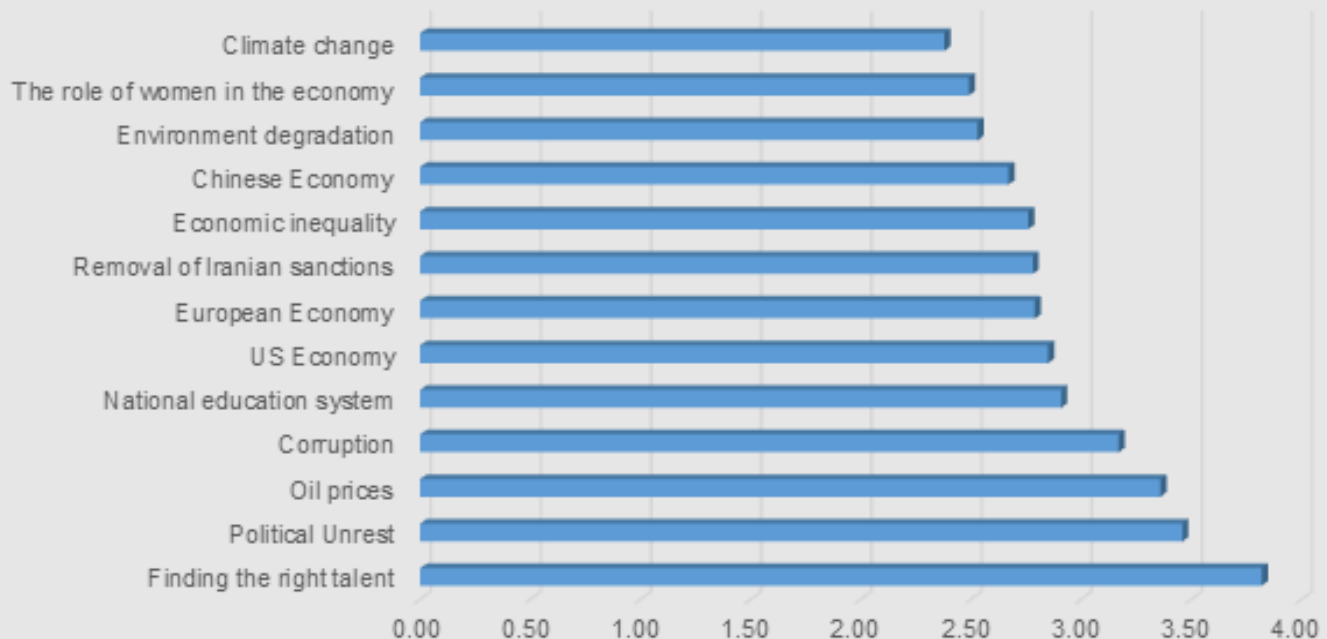
The Association of Executive Search and Leadership Consultants (AESC) is the global association for the Executive Search and Leadership Consulting profession. The AESC Middle East Talent Survey 2015 asked senior executives from 100 companies in the Middle East about the challenges they face in attracting and retaining top talent. AESC also asked a selection of search consultants for their views on talent related issues in the region. Survey data is highlighted Part One while Part Two contains highlights from interviews with search consultants in the region.

Part One: Survey Results

Impact of Talent on Business Success

Talent has a significant impact on business success in the region according to data from the 2015 AESC Middle East Talent Survey. Respondents were asked to rank the impact of a variety of issues on future business performance on a scale of 1 to 4 (with four having the greatest impact). The highest ranked issue affecting future business success related to finding the right talent with a score of 3.86. This was followed by political unrest (3.46) and oil prices (3.36).

Figure 1: The impact of issues on the future business success



Talent Shortages

More than 66% of respondents said their organisations faced difficulties securing talented individuals for key roles (Figure 2).

Talent shortages are particularly pronounced at the most senior level of organisations and for technical roles.

Those surveyed had less difficulty appointing talented individuals to entry level roles or to research and development to roles (Figure 3).

Figure 2: Does your business have difficulty securing talented individuals for key roles?

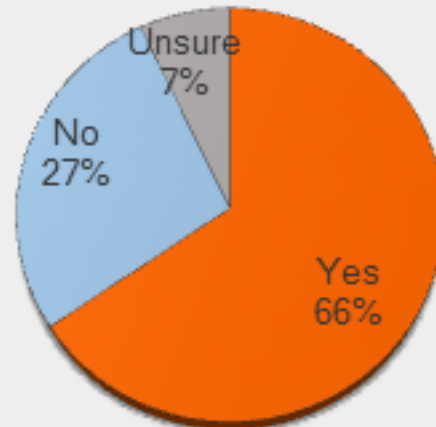
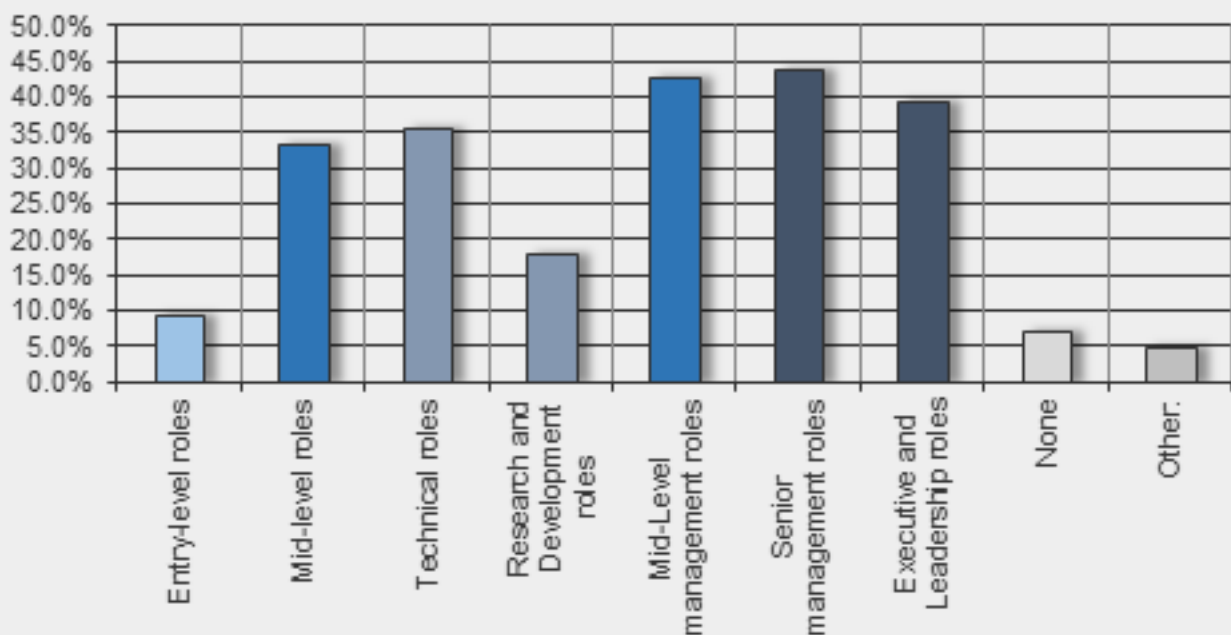


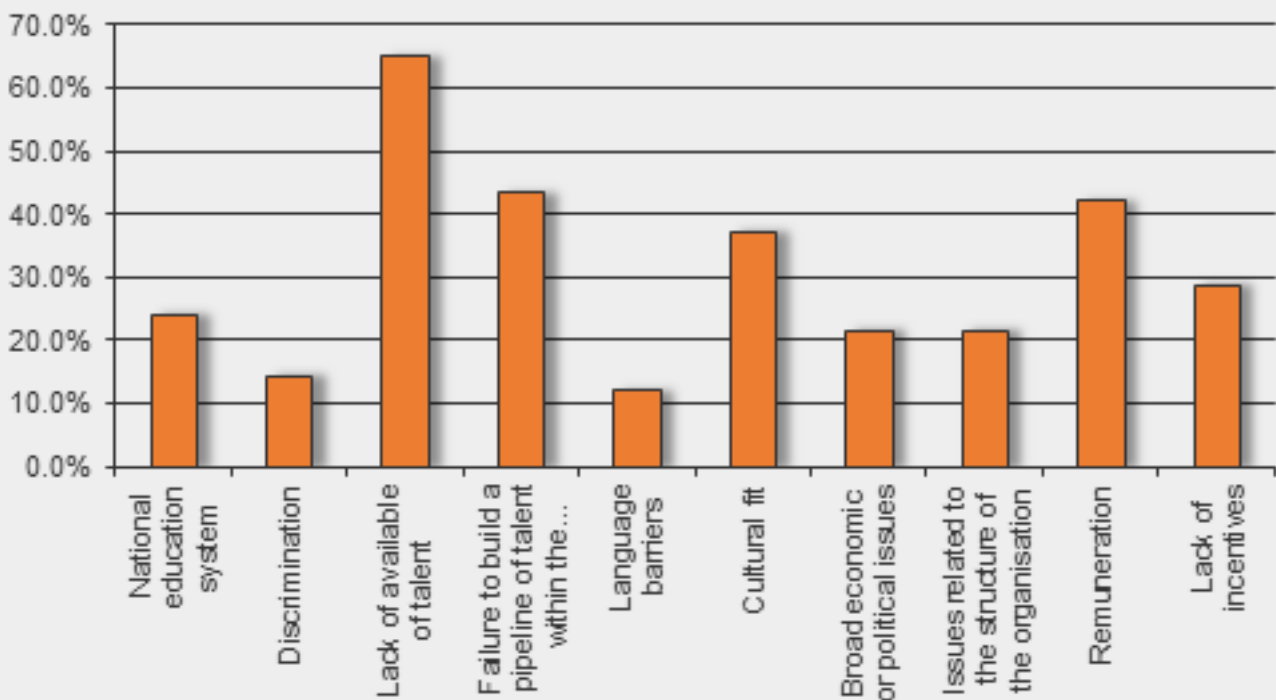
Figure 3: At what level do you find it hardest to recruit high-calibre talent?



Issues to Related to Securing Top Talent

65.1% of respondents said there was a lack of available talent in the region. This was highlighted as the biggest barrier to appointing top talent. The second most significant issues related to the failure of firms to successfully build a talent pipeline within their organisations. 43.4% of respondents cited this as an issue affecting their ability to secure top talent. Remuneration (42.2%) and cultural fit (37.3%) were also cited as significant barriers.

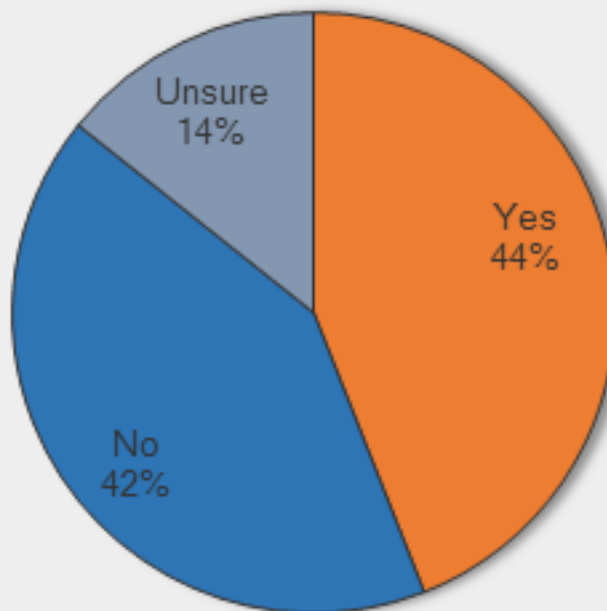
Issues related to securing top talent



Women and Leadership

44% of respondents felt that it was difficult for women to achieve top roles in their organisation, while 42% said that it was not difficult for women to reach top leadership roles.

Do you feel that it is difficult for women to achieve top leadership roles in your organisation?



Part Two: From the Field: Conversations with Search Consultants

TALENT SHORTAGE



Matthew Lewis | Partner, Boyden

"In many areas there are talent shortfalls especially in management and leadership positions. Any increase in the numbers and calibre of local talent is outpaced by the growth and demand for leaders, therefore importing talent is still a major part of the equation."



Wiam Khalaf | Principal, Korn Ferry

"The national populations in Gulf Corporate Council countries remain insufficient to sustain GDP growth so non-nationals are needed at all levels of the organisational environment. At the same time there is a need to build capability in nationals so that the younger generation become the leaders in the future. It still continues to rely on foreign talent in a way it will differ according to industry, for example in education talent continues to be from abroad meanwhile, certain functional roles for example in Saudi we see a big push on HR roles to be 'Saudised' and more recently the CFO role. There is a preference for local knowledge and regional expertise."

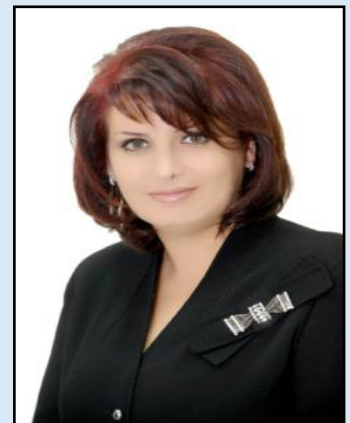
TALENT TRENDS

Wiam Khalaf | Principal, Korn Ferry

"The most significant talent issues facing the region are; "Nationalization of talent across the Gulf Corporate Council, the geopolitical landscape causes some challenges for certain nationalities to be considered, and the segmentation of management where senior leaders are 'hired hands', middle management are lifers and the vital many are transient. This segmentation needs to be broken down with the region becoming a career destination for all levels and businesses become more robust is driving performance management deeper into the companies."

**Nairouz Bader | CEO, The Envision Partnership**

"Countries such as Saudi Arabia need to push on with infrastructure investment, so the mega-construction programs in rail networks, healthcare, housing and transport facilities will create demand for executives with Gulf experience willing to relocate to certain cities that may not be their first choice (typically Dubai, UAE). Other countries, in the Magreb (Morocco, Tunisia, Algeria, Libya) territories, will benefit from lower oil prices (apart from Algeria) so growth in sectors such as Manufacturing and Services, driven by the need to provide cheaper, offshore alternatives for the French-speaking markets, should continue to see talent demand, again for MNC-experienced talent."



REGIONAL UNREST

**Nairouz Bader | CEO, The Envision Partnership**

"Supply and demand are driven by the economy of course, but the MENA region includes countries affected by conflict which distorts certain demographics, creating new and unique challenges for the region. For example an influx of Syrian refugees in to neighboring countries will dramatically increase labor supply, while news of the same conflict will create a negative impression of MENA in other parts of the world, where there is potentially experienced or specialized talent being sought for MENA locations. Conflicts in Syria, Iraq and neighboring countries will create uncertainty for some multinationals that might otherwise have invested in the region, but countries such as Egypt, with its large consumer market and infrastructure requirements, should see continued demand for local-origin talent with strong internationally-experienced profiles."

**Matthew Lewis | Partner, Boyden**

"Regional conflicts and unrest has made it more difficult to relocate regional talent from country to country."

OIL PRICES

Wiam Khalaf | Principal, Korn Ferry

"If oil prices continue to continue at this level government have to decrease government expenditure to balance the deficiency in oil revenues which will impact the economy as a whole. Since it is the main source of wealth. This will cause many funds/ investment to be put on hold. GCC countries each have their own focus when oil prices fall depending on their national agenda's. Dubai has no revenue from national resources so sings to a slightly different tune but can suffer collateral damage from regional tightening of budgets. Saudi has strong reserves but heavy demands from the social support platform it supports domestically so whilst comfortable will see some erosion of non-strategic infrastructure spending."

**Matthew Lewis | Partner, Boyden**

"Oil obviously impacts the oil rich countries of the Gulf. Those that have diversified away from Oil revenues have fared much better and all have large financial reserves to fall back on. The major impact has been on national and multinational Oil and Gas companies and their suppliers."



POSSIBLE REMOVAL OF IRANIAN SANCTIONS

**Wiam Khalaf | Principal, Korn Ferry**

"Opening a market with 80 m people will naturally have an impact and this will stimulate short term economic growth. The speed and scope of opening will dictate the potential and we saw two examples in the last few decades of markets opening (Russia & China), each very differently and one producing long term growth and the other more short term opportunism. Should the sanctions on Iran be removed this will positively impact the region, as there will be mutual trades across borders; increase opportunities of FDI."

**Matthew Lewis | Partner, Boyden**

"Iran is a great opportunity. It is a large consumer led market with highly educated and skilled people. Companies well positioned to operate in Iran will do well and specifically countries with strong historic trade ties like the UAE will benefit. In addition to Iran there is significant growth in North and sub-Sahara Africa which is partly driven by trade links and demand from the Middle East"

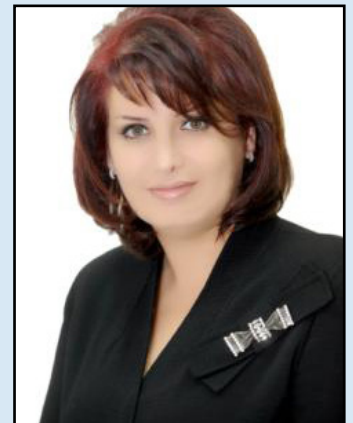
EXPATRIATES

Matthew Lewis | Partner, Boyden

"In some cases and some countries with large local populations like KSA and Egypt the local supply of talent is larger in number and is preferred over expatriates. However in the countries with smaller indigenous populations like the UAE, Qatar and Oman, there is still a heavy reliance on expertise from outside. Another factor is that there is increasingly an interest in talent and companies from the East versus what was purely a western influence less than 5 years ago. Many more Chinese, Korean and other Asian companies are expanding in the MEA region and their talent demands are different."

**Nairouz Bader | CEO, The Envision Partnership**

"The MENA (Middle East & North Africa) region has various economies, each with different drivers and rates of growth, activity and geopolitical issues, but most of them have a reliance on foreign talent in some form or other. The GCC (Gulf Cooperation Council) countries will continue to have reduced sovereign income due to the low oil price trend, so international companies, mainly EPCs, may be affected by a reduction in new projects, exploration and upstream activities. This will influence new leadership demand on those areas, but should see continued demand in downstream process industries."



WOMEN EXECUTIVES

**Nairouz Bader | CEO, The Envision Partnership**

“First of all, allow me to point out that the positions occupied by women today – would have unthinkable thirty or forty years ago, within the Gulf Cooperation Council alone. Secondly, certain cultural norms and traditions will take longer to fade away than others – and the governments must be given their due, they have been working to improve female representation within higher government offices, corporations and so on. This lends women the support they need within their workforce, knowing that there are rules and regulations to ensure your voice is heard. It also helps to smooth the tension between the more patriarchal and less constrained communities. All in all, I believe many of the barriers in the next five years will be more of a perception than an actuality – women in the MENA region have proven they’re a force to be reckoned with in whichever sector they choose to participate in.”

**Matthew Lewis | Partner, Boyden**

“[The region] is evolving and changing rapidly and this includes the area of diversity. The region has achieved in the past 10 years what the West has achieved in the last 100 so progress is coming. Supply of strong women leaders is scarce, however in the UAE for example at the highest level of government and business women are playing much larger roles in than ever before. They are generally very well educated, emotionally intelligent, drive, ambitious and add huge value.”

WOMEN EXECUTIVES

**Karla Dorsch | Managing Director, Piedmont Ltd**

"Women are respected and the opportunities are there, but it is a male dominated society. I think people assume it is a harder landscape to crack than it is."

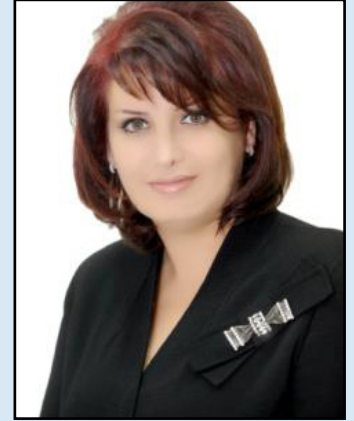
**Wiam Khalaf | Principal, Korn Ferry**

"Culture and acceptance of women's role has been a barrier. Society and family pressure for some females to work in the public arena and the concern that a working wife may imply that the husband can't provide for the family or the imbalance between working life and bringing up her children. Importantly, a lot of the social networking required for a job happens at the male Majlises - they may be updated with the information but still it's informal. Similarly employers lack support for women to balance work and family and do not support the option of flexible hours or part time employment. The UAE is one of the highest in the GCC in terms of women holding leadership roles and contributing to the economy followed with Kuwait, Qatar, Bahrain and Saudi. What has enabled the success of women in leadership is the sectors that are service oriented for example retail and hospitality. And more importantly, the supports from the local governments have emphasized the empowerment of women and their education."

EXECUTIVE ATTRIBUTES

Nairouz Bader | CEO, The Envision Partnership

"Adaptability, foremost. Understanding what kind of leadership is needed, adjusting the style and approach, and then executing it accordingly. The workplaces in this region are diverse, cosmopolitan and the better for it, and leaders therefore must be able to inspire and delegate, as well as resolve conflict – something absolutely normal and commonplace when you have people from all walks of life in one place."

**Karla Dorsch | Managing Director, Piedmont Ltd**

"Flexibility, ability to adapt, ability to keep one's standards on one hand but mesh with the culture on the other. To understand other cultures or be appreciative of them. "

**Matthew Lewis | Partner, Boyden**

"The Middle East in particular is a melting pot of both cultures and leadership styles. It is therefore probably one of the hardest regions to navigate the myriad of nuances that exist from country to country. Therefore there a number of key traits required for success: Adaptability: Leading 60-70 nationalities in a company means adapting your leadership style and communication. Relational biased: Recognizing that business in the MEA region is founded on trust build through long and deep personal relationships and less about the transactional value. Avoiding colonialism and West is Best attitude."



About the AESC

Since 1959, the AESC has set the standard for quality and ethics in executive search and leadership consulting worldwide. Because AESC members must commit and adhere to the AESC's industry and government recognized Code of Ethics and Professional Practice Guidelines, clients can be assured that AESC members are able to serve as trusted advisors for their most important engagements. As the voice for executive search and leadership consulting worldwide, today the AESC is comprised of more than 350 member firms, representing 8,000 executive search professionals in 75 countries. To learn more about the AESC and its membership, visit www.aesc.org.

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