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 ENGLISH VERSION

GULF REGION



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"GCC COUNTRIES HAVE IMPLEMENTED GROUNDBREAKING MEGAPROJECTS"

Political tensions, corona, volatile oil prices - the GCC countries are faced with a number of challenges. To what extent are these countries of interest to German companies today?

Volatile oil prices and political tensions can certainly be seen in context. Because political tensions naturally have a negative impact on the oil price. The political representatives of the GCC member states are also aware of this.

Because oil prices are closely linked to the political climate, the GCC states try to mitigate political tensions, to prevent them from spreading to neighbouring regions and states. At the same time, recognising the need to move away from an oil dependent economy, strategies are being developed to promote other economically viable sectors within these states.

To this end, the six states have decided on ambitious "visions". The implementation of new economic strategies is supported by a young and well-educated population, and by investors willing to take the leap. Private sector development currently includes the adoption of global trends such as renewable energies and pilot projects in the field of "hydrogen as an energy carrier".

In this respect, they are of course particularly interesting for German companies that focus on addressing issues related to climate change. But there are also opportunities in areas such as artificial intelligence and sectors that focus heavily on the implementation of modern technologies.

How did the GCC countries fare in the pandemic and what is the current economic situation?

The subject area you mentioned is certainly relevant. The corona pandemic has hit the six states of the Gulf Cooperation Council, as well as the rest of the world.

The GCC states have taken the necessary measures to curtail the spread of the pandemic, while minimizing the negative economic impact. As a result, travel restrictions have been now lifted for the most part, and less strict health and safety requirements upon entry are in place.

The pandemic saw the creation of many new startups, for example, in the fintech sector, and the accelerated adoption of ecommerce. State intervention in economic activities was also necessary during this period, to support the business in these regions. The prognosis at this point, points to economic growth in 2022 and 2023.



Helene Rang

Managing Director, German Near and Middle East Association (NUMOV). The association is an amalgamation of German companies active in the Near and Middle East to represent the trade and investment interests of the German economy in the countries of this region. CT Executive Search is a longstanding NUMOV member.

What opportunities do major state projects offer German companies, such as the NEOM initiated by Saudi Arabia?

The GCC countries have already planned and implemented a wide range of ground-breaking mega-projects in the past. German companies also played a major role in this. With NEOM, Saudi Arabia is currently taking the next step – a completely new region is to be created, near the border with Jordan, Israel and Egypt.

NEOM will cover and advance many future areas: sustainability, water, energy, nutrition and food security, industry, mobility and logistics, entertainment, health care, artificial intelligence and automation, as well as education. As you can already guess from this extensive list, German companies offer leading products in many of these sectors. And that's why they will also have a significant stake in NEOM.

What do you recommend to German companies that want to get involved in the region?

Become a member of the NUMOV / Near and Middle East Association! We offer you various services to promote German business in these regions. If you would like to get involved in the region, we will support you, as we have been doing for more than 87 years, as the oldest and largest organization in Germany – with a wide range of information and profitable event formats. And of course, we have a network with connections to all the important local partners and also have well-known board members from the region. In partnership with the German ORIENT-INSTITUT, which is a part of NUMOV, we provide German companies with the necessary analytics to ensure safe and successful market entry and business development.

Industry-wise what companies will find the GCC region most attractive?

The health and ecommerce sectors are definitely quite lucrative at this point. However, given the current economic strategies being implemented, other areas are also of considerable interest.

These include renewable energies, energy efficiency, water management, innovative technologies in the construction industry, mechanical and plant engineering, IT, the technology sector (including the development and implementation of artificial technology), as well as the services sector.

“LOCAL TALENT IS SCARCE”

What is the demand for executive search in the GCC countries at the moment?

As the world emerges from the pandemic, and companies attempt to go back to business as usual, we are seeing an increase in the demand for candidates to executive positions coming from the Gulf region. Companies who have previously had to let a part of their staff go due to the economic impact of COVID-19, are now looking to rehire. However, they are being extremely cautious in recruiting to various executive positions.

There are two possible reasons for this cautious approach: As rumours circulate regarding possible new outbreaks and Corona variants, economic forecasts remain unstable. Companies are unwilling to take risks regarding their revenue and bottom line. The other reason is that training and onboarding a big number of executives at the same time is very costly and time-consuming.

In terms of executive recruitment, what kind of assignments do you mainly handle in the GCC countries?

We assist our local clients in recruiting various top management personnel. This includes the recruitment of Chief Operations Officers (COOs) for construction companies, Chief Executive Officers (CEOs) for facility management organizations, as well as Engineering Managers for IT/Software companies.

In cooperation with our international colleagues from CT Executive Search, we also recruit for management positions in European companies across the GCC region. Many requests concern Dubai, Doha, Riyadh or Abu Dhabi. The clients are often medium-sized companies from sectors such as mechanical engineering, building materials or industrial components.

We believe that executive search is different from recruitment in that we can work in a wide array of industries since we do not rely on a database or recycled candidates. We do a fresh search on each mandate using a range of tools, most notably referrals from trusted connections that we have in the market.

When recruiting for UAE, Saudi Arabia or Qatar, do you look at the entire GCC region or only locally?

Our job is to find the best candidate for a specific position. For us, it does not matter where the candidate comes from as long as he is the best fit for the role and the culture of the company. However, with restrictions increasing over foreign candidates coming to the GCC area, sometimes we have no choice but to look locally.

What are the implications of "Saudization" for recruitment and personnel planning?

As stated before, in some cases, we have had to "settle" for local talent in Saudi Arabia even though we were able to find better suited candidates elsewhere.



Aouni Kawas

is the Managing Partner at Kawas Consulting and the Director of the CT Executive Search regional hub office in Beirut, Lebanon. The Beirut office handles assignments across the Near and Middle East and supports searches in North and West Africa.

Since local talent in Saudi Arabia is scarce, it becomes very expensive to hire a local because of the high demand on Saudi talent.

What advice can you give to European companies that want to recruit for management positions in the GCC countries?

European companies that want to recruit executives for GCC subsidiaries should focus on culture and local connections. Connections go a long way in the GCC area and can be the difference between closing and losing a deal.

Culture is also very important. Business is done differently in the GCC countries in comparison to Europe. People in Europe are more direct and there is less hidden meaning in their dealings with business partners. European companies need someone who can understand the local culture in order to properly negotiate and do business in this region.

ANNOUNCEMENT

DR. MARKUS C. SLEVOGT JOINS CT ADVISORY BOARD

The management of CT Executive Search is pleased to announce that Dr. Markus C. Slevogt has joined the company's advisory board.

Dr. Markus C. Slevogt is a board member of the Turkish family company Erciyas Çelik Boru A.Ş. (manufacturing, energy, services) and independent board member in AkçanSA, a stock exchange-listed joint venture between HeidelbergCement and Sabancı Holding. He is also a board member of the consulting firm Amarkon Group and acting president of the German-Turkish Chamber of Commerce and Industry (AHK). Dr. Slevogt lives in Istanbul.

Dr. Slevogt has relations with Bahçeşehir University, where he is a member of the Faculty of Economics, Administrative and Social Sciences and director of the Finance Research Center. From 2015 to 2021 he was a board member of the Bahçeşehir Graduate School of Business.

Dr. Slevogt is also a member of the Turkish industrial association TÜSiAD, where he held the position of Vice President TÜSiAD International for several years.

Dr. Slevogt came to Turkey in 1999 as a representative of Deutsche Bank AG and then headed the wealth management business of ING Bank Turkey as Managing Director. Since 2012, Dr. Slevogt held various board memberships, including the Turkish subsidiaries of the Vaillant Group and BSH Bosch Siemens Hausgeräte.



Dr. Markus C. Slevogt
Istanbul

Dr. Slevogt holds a business diploma from the University of Kent at Canterbury (UK), a Postgraduate Diploma in Advanced Management from ESMT - European School of Management and Technology, and a Masters and PhD degree from the Faculty of Business Administration at Philipps University in Marburg.

"Turkey is an important production and sales location for many of our clients. We support them on the ground with the recruitment of managers and are very happy to have such a distinguished Turkey expert as Dr. Slevogt joining our advisory board. Our customers will benefit greatly from his excellent local network", says Christian Tegethoff, founder and managing director of CT Executive Search.

HR REALITY & TRENDS IN THE GCC

What makes the HR market in the United Arab Emirates special compared to other locations?

The Emirati HR market has developed faster than other GCC markets. This development was driven by the maturity of the organizations and advancement of their HR structures, which are more evident in UAE-based businesses and are influenced by a couple of factors: 1) the prevalent presence of expatriates in UAE-based organizations who brought with them best practices from global firms, and 2) the presence of global consulting firms established in Dubai as the main hub. It is important to note, however, that the Saudi market, based on Saudi Vision 2030, has been evolving significantly and making strong strides toward higher maturity. Recently, many global consulting firms have established offices in Riyadh, and this trend is extending to other Saudi cities as well.

There is increasing competition for talent in the UAE. We hear from our clients about a "war on talent", especially in the public sector. The same is true for most of the other GCC countries, and there is an emphasis on national talent, which is the most sought after. Of course, over the last two years HR trends were heavily impacted by the COVID pandemic, but organizations are definitely back to recruiting again.

Is retention an issue? How do you motivate people in your region?

Yes, retention is certainly a challenge and has always been. National talent has the tendency to change jobs and organizations quickly, as there is competition and so many options on the market for them. As important as financial remuneration may be, when it comes to talent acquisition and retention, it is not the only decisive factor for many potential employees. Development and training also play a key role. People constantly weigh employee benefits against career and professional development opportunities. They will leave if the prospects regarding the latter are unclear and if they do not see a clear career path for themselves

INTERVIEW



Zahi Mimassi

Founder and CEO, Phoenix Consulting International. The company is headquartered in Beirut, with offices in Dubai, Muscat, Cairo and soon in Saudi Arabia & Canada. Phoenix Consulting International specializes in management and human capital consulting with its main strengths being in Talent Management including assessment centres, psychometric profiling, and corporate training.

Expatriate retention is not as challenging as retaining National talent, especially, since foreign nationals often arrive on already agreed upon fixed term contracts. However, they too may take up other job offers, even in other countries, if the terms of employment are more favourable.

As I said, the key motivation factors are career development and training. Many organizations, when recruiting, make the mistake of looking externally too quickly, rather than considering the internal talent pool. It can be very demotivating for the internal talent pool to see external candidate being parachuted into senior positions within the organisation.

How do you tackle the intercultural aspects in diverse teams? What have been your observations thus far?

People working in the UAE have vast experience in working in diverse teams as most organizations have workforces from different cultural and ethnic backgrounds. This is not only very enriching for these organizations, but also necessary to tackle the markets and challenges of today and the future, especially those organizations that know how to harvest that talent and diversity. It is not, however, just about putting together diverse teams. Organizations need to put forward a serious effort toward team building and toward inclusion to ensure that the right work environment is created that will make use of that diversity to foster success and innovation. This is a task handled by generally managers, who understand its importance and take the necessary steps to promote diversity and inclusion.

What impact do the nationalisation policies have on HR in the region, e.g. Saudiization?

Historically, nationalisation policies have been a major challenge for foreign organizations – not only in Saudi Arabia, but also in other neighbouring countries within the GCC.

Although the Saudi government promotes Saudization within the very ambitious and important Vision 2030, it also highlights the importance of talent development and encourages foreign organizations to invest in the country.

What leadership styles work well in the GCC countries?

Honestly, it is hard to generalize. Things differ inside the GCC, as do the local cultures. Public and private companies follow different approaches. However, leaders are generally expected to be role models, acting as guides and advisors. Culturally, relationships are based on respect and people putting trust in leadership positions.

How sophisticated are local companies in terms of HR policies and structures?

There has been much improvement over the last few years, and this has become evident through our work with numerous organizations throughout the region.

Up to 70% of our clients are local companies, many are within the public sector, but we also work with banks, telecommunications providers, as well as organizations from the services and utility sectors.

We feel that local companies are regularly updating their policies, based on HR benchmarks and cultural surveys, which are a great tool that allows them to gather feedback from their employees.

It has been an interesting journey, and it has been amazing to witness local companies grow, advance and enhance their HR policies. Most companies in the region will have the foundational HR infrastructure, for example, job descriptions, grading and pay scales, etc... Recently, we have also noticed a major trend in developing more sophisticated policies, e.g., succession planning, career path development, and competency assessments linked to development programs. All of these are being completed under what we call talent management strategies.

What advice do you have for a European company considering a start-up in a GCC location?

I think they should put in a lot of effort into understanding the various local cultures. Saudis are different from Qataris. Understanding these local cultures and the cultural nuances is key.

Cultural ignorance or lack of understanding can create tension. Organizations need to relate to people in a modest way, be open minded, and should not be arrogant when engaging with people. Furthermore, foreign organizations should be aware of nationalisation policies in the country they wish to do business and try to bring onboard national talent and help them develop the necessary skills. This will certainly go a long way in helping foreign companies do business in GCC markets.



EXECUTIVE SEARCH



EXECUTIVE SEARCH EXPERTS IN EASTERN EUROPE AND THE EMERGING MARKETS

CT Executive Search focuses on placing key positions in Eastern Europe and the Emerging Markets – in Russia / CIS, Africa, the Middle East and Asia. We are experts in cross-border search processes and identifying high-performing candidates, adding value to international companies. Leveraging a broad network of analysts and consultants across Eastern Europe and the emerging markets, CT Executive Search has established itself as a reliable partner to well-reputed multinational companies.

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