

EXECUTIVE TALENT IN THE
MIDDLE EAST



*Dedicated to
Strengthening
Leadership Worldwide*

HARNESSING BUSINESS OPPORTUNITIES IN THE MIDDLE EAST —A REGION OF RAPID CHANGE

What business leaders— from CEOs and CHROs to Boards of Directors and Procurement teams—need to know about the talent required to drive the Middle East's future.

By the Association of Executive
Search and Leadership
Consultants (AESC)

aesc.org





Dedicated to Strengthening Leadership Worldwide

A MESSAGE FROM AESC CEO, KAREN GREENBAUM



With one of the world's most youthful and entrepreneurial populations, highest mobile technology adoptions, and rapidly urbanizing infrastructures, the Middle East region is open for business. From the global capitals of Dubai, Riyadh and Abu Dhabi, the region is also a business hub for Africa and South Asia. As the Middle East region continues to strengthen strategic relations with Asia, Beijing and New Delhi may have a greater influence on its future.

World renowned for its petroleum reserves, the Middle East region comprises two-thirds of the world's known oil supply. The Middle East's influence on global business increasingly shifts beyond the oil fields. A region of contrasts, we wanted to better understand the region at this pivotal moment. We spoke to executive talent advisors from AESC member executive search and leadership advisory firms operating in the Middle East to: get the pulse on the day's top business challenges for companies in the Middle East, understand how organizations are finding and attracting executive-level talent, and look at when they are turning to trusted advisors to leverage emerging opportunities.

What we discovered was an environment rife for major growth, a region both of tradition and of an accelerating future. It's evident from our research that the Middle East will continue to grow as a business force well into the foreseeable future and will present promising opportunities for organizations doing business in the region. We look forward to sharing our findings with you.

Sincerely,

Karen Greenbaum
President & CEO

Association of Executive Search & Leadership Consultants (AESC)

TABLE OF CONTENTS

1. Forces Impacting the Business Environment in the Middle East	3
2. Advising Businesses Operating in the Middle East	6
3. The Changing Executive Talent Landscape in the Middle East	8
4. AESC: A Beacon of Quality	11

EDITOR'S NOTE:

Throughout the report, we refer to MENA (Middle East and North Africa region), an extensive region which stretches from Morocco to Iran, as well as GCC (Gulf Cooperation Council) which includes the member states of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE.

FORCES IMPACTING THE BUSINESS ENVIRONMENT IN THE MIDDLE EAST

FIVE KEY DRIVERS SHAPE MENA'S FUTURE

Population Momentum, Economic Shift, Rapid Urbanization, Scarce Resources, and Emerging Technology are all long-term trends that will define the future of the region. The Middle East and North Africa have experienced explosive population growth over the past half century. According to the IMF, Kuwait, Libya, Oman, Qatar, Saudi Arabia, and the United Arab Emirates have all registered population growth rates exceeding 3.5 percent. Despite a generally declining fertility rate in recent years, some estimates place the region greater than China in population by the next century.¹

What's shaping MENA's future?



Population Momentum



Economic Shift



Rapid Urbanization



Scarce Resources



Emerging Technology

At publication of this paper, the region is expected to grow economically by three percent in the year ahead. Each year, more of the region's population is thrust into the middle class, with the middle class expected to grow by 51% to 165.5M by 2020.² The region's growing prosperity is aided by the ongoing influx of

economic migrants to Dubai and other regional hubs. Trade in the region, as tracked by the IMF, has grown from \$8bn to \$54bn in 13 years, up 700%.

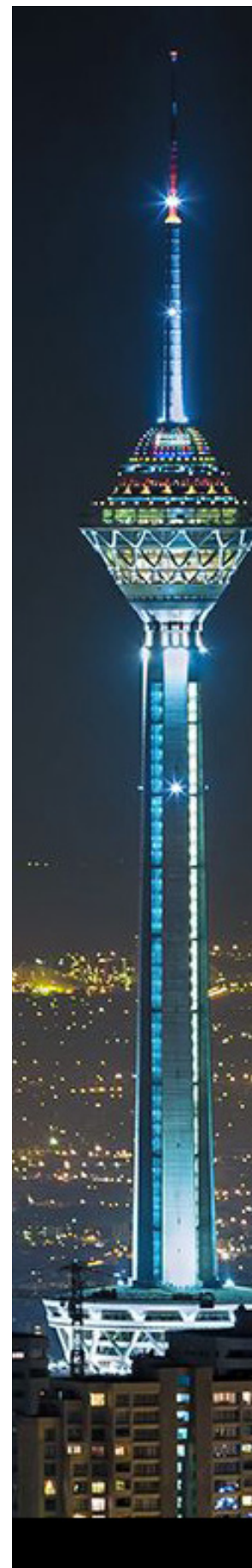
Just as the population multiplies, so do urban centers in the region. According to the World Bank, the MENA region has the world's second highest urban growth rate after Sub-Saharan Africa. The region has experienced an annual 4% urban growth rate over the past two decades with 70% of its population currently residing in urban centers. The region is also home to three megacities—Cairo, Istanbul and Tehran, all with populations that exceed 10 million.

With so much growth, the region also faces stress to its infrastructure. MENA is the most water-scarce region in the world with 60% of the population with little or no access to drinkable water. Both climate change and conflict in the region have caused further challenges to the region's water management. The scarcity of water combined with the arid landscape also creates challenges for agriculture and the region's food supply.

Even with challenges to traditional infrastructure, the region is relatively quick to adopt emerging technology. GCC states will be among the first in the world to adapt 5G networks. By the end of 2017, the UAE had the highest smartphone penetration in the world at 80%. Sixty-three percent of MENA's population subscribes to mobile with 65% penetration expected by 2020, slightly under the global forecast of an average of 72% penetration.

FROM UNDEREMPLOYMENT TO UNREST, MENA FACES SOME SHORT-TERM CHALLENGES

Economic woes, cybersecurity, underemployment, a refugee crisis, and the potential for unrest top the list of short-term challenges for the region. While MENA expects a 3% growth rate in 2018 and 2019, growth levels are half of what they were before the Arab Spring and the region faces rising debt burdens. While oil prices have been increasing in 2018 compared to the slump in recent years, weaker than expected oil prices would inhibit growth for MENA's oil exporters. New US sanctions could cause a



¹ Istituto Affari Internazionali, Demographic and Economic Material Factors in the MENA Region (Rome, IAI, October 2017).

² OECD, European Environment Agency.

drop in Iran's output, but could be picked up by the GCC in the short term.

According to a 2017 World Economic Forum survey of UAE executives, a top business concern in the region is the risk of cyberattack. Cybersecurity is an issue not unique to MENA, but a growing global concern. Dubai-based ride-hailing app Careem had a major breach earlier this year. This follows the major global breaches last year that ranked 2017 as the worst year for cyberattacks. As part of its 2030 Vision, Saudi Arabia recently announced the creation of a National Authority for Cyber Security. Saudi Arabia is the most-targeted country in the MENA region for malicious cyber activity. In 2017 the Shamoon 2.0 virus penetrated state-owned energy enterprises in the country, as well as cyber-attacks on the National Aviation Authority, the Saudi healthcare sector, and other public institutions.³

High rates of both unemployment and underemployment continue to plague the region. According to the IMF, almost 60% of MENA's population is below 30 and unemployment at the youth level exceeds 30%. Even with economic growth expected to be steady over the next two years, it will not be enough to generate the number of jobs needed. Oman has the highest level of youth unemployment in MENA at 50%.⁴

DESPITE SOME SHORT-TERM CHALLENGES, THE MENA REGION PRESENTS ENORMOUS OPPORTUNITY

Top short-term opportunities in the MENA region include higher oil prices, investment in infrastructure, economic partnerships and fiscal reform. The World Bank projects MENA growth to increase from 2.1% to 3.4% by 2019. Higher oil prices and more expansive fiscal policies among exporters is expected to aid growth in MENA in 2018 overall. Turkey will invest \$64B USD in infrastructure in the coming years. Iran is in the process of developing phase 11 of its South Pars field, and Iraq is starting a recovery of infrastructure in certain regions post-ISIS. The region continues to strengthen economic partnerships with China and Russia. China is significantly boosting trade investment in MENA, while Russian companies continue to invest specifically in Turkey, Egypt, Jordan and Sudan. North African countries are cutting fuel subsidies, increasing fees for basic services, and imposing taxes. Tunisia has raised fuel prices to reduce its deficit.

3 Frontera.net, Why Saudi Arabia's New Cyber Security Authority Will Need The Private Sector To Succeed (December 2017).

4 Aawsat.com, IMF Stresses Reform to Tackle Unemployment in Middle East (May 2, 2018).

THE MIDDLE EAST KEY STATS AT A GLANCE



SHIFT IN GLOBAL ECONOMIC POWER

- Intra-GCC trade has grown from \$8bn to \$54bn in 13 years - that's up 700% (IMF)
- The Middle East is at the center of fast growing trade flows (EIU)
- Middle East middle classes are forecast to grow by 51% to 165.5m

by 2020 (OECD)

- Chinese companies in the Middle East have increased from 18 to 3,000 in less than 10 years (EIU)
- Egypt attracted \$18bn greenfield foreign direct investment in 2014 (FDI Intelligence)
- Dubai International Airport is the world's largest for international passenger traffic contributing 30% to Dubai GDP (IATA)
- 3 billion people - 40% of the world's population - are within a four hour flight of the UAE (PWC)
- In 2014 investment flows into the GCC were \$20bn, four times lower than in 2008 at their peak (UNCTAD)
- GCC sovereign wealth funds are among the world's biggest investors, spending US\$24 billion a year (SWF Institute)



URBANIZATION

- The GCC is one of the most highly urbanized regions in the world (UN)
- Doha has the fastest growing urban population in the GCC, up 220% (UN)
- Between 2000 and 2015 the urban population of Dubai increased by 1.6million people (UN)
- Cairo is the 10th largest city in the world, with 20 million people (UN)
- Egypt is building a \$44 billion new city, east of Cairo (Daily News Egypt)
- There are over US\$4tn worth of projects planned or under construction in the Middle East and North Africa (MEED)
- In its Vision 2030, Saudi aims to have three 'top-100' cities by 2030 (Saudi Arabia Vision 2030)
- \$16B USD is the expected cost to develop the desert city of Masdar in the UAE (The Future Build)
- By 2050, 90% of the GCC population will be urbanised - that's 20m more than today (UN)



CLIMATE CHANGE AND RESOURCE SCARCITY

- GCC is among the world's highest energy user per capita (UN)
- GCC countries have among the highest level of carbon emissions in the world (World Bank)
- Water consumption is forecast to

grow by a third by 2020 (FAO)

- Solar energy will account for almost two thirds of the Middle East's energy mix by 2050 (IEA)
- GCC relies on desalination for around 70% of its water (FAO)
- Dubai has tripled its renewable energy target to 15% of the energy mix by 2030 (FAO)
- The Middle East is home to 53% of the world's desalination plants (Foundation for Water Research)
- At the end of 2014 the Middle East had a 47% share of total proven oil reserves (BP Statistical Review of World Energy)
- Middle East CEOs were among least concerned by the impact of climate change and resource scarcity (FAO)



TECHNOLOGICAL INNOVATION

- The MENA region is leapfrogging fixed internet and moving straight to mobile (World Bank)
- GCC smartphone penetration is among highest in the world reaching 78% in the UAE (ITU)
- Twitter penetration in Saudi

Arabia is one of the highest in the world with over 80% of nationals using Twitter actively compared to just 11% in the US (Mideastmedia.org)

- Around 85% of transactions that start online are closed off-line (David Passiak 2016)
- Online sales account for just 1% of retail sales across MENA (Bqdoha.com)
- R&D expenditure in Saudi Arabia and Abu Dhabi is still below 1% of GDP compared to the OECD average of 2.4% (OECD)
- 85% of CEO's in the Middle East found technological change the most transformative of the global megatrends over the next five years (PWC Global CEO Survey)
- UAE has the highest Facebook penetration in the Middle East of 38% compared to only 12% in Oman (Dubai School of Government's Governance and Innovation program)



DEMOGRAPHIC AND SOCIAL CHANGE

- The population of the GCC has doubled over the past 20 years to 51 million in 2015 (World Bank)
- In the UAE and Qatar just 1% of the private sector workforce is made up of nationals (UN)

- The MENA region has the highest gender labor market gap (World Bank)
- By 2050, elderly nationals will make up 20% of the GCC population compared to only 2% today (UN)
- 28% Youth unemployment in MENA is among the highest in the world at 28% (World Bank)
- In Saudi Arabia, education expenditure now accounts for almost ¼ of total budget spending (ADEC)
- Migrants make up 89% of the population in the UAE (PWC)
- The region is young, with over 40% of people under 25 (UN)



BASIC ECONOMIC & SOCIAL STATS

- Oil exports account for about two thirds of MENA GDP currently (Focus Economics)
- The MENA region has 60% of the world's oil reserves and 45% of the world's natural gas reserves (World Bank)

- 91.2% of the population is Muslim
- MENA accounts for 6% of the world's population (Investopedia)
- MENA makes up \$3.3T USD annual GDP or 4.5% of world's GDP (IstiZada)

ADVISING BUSINESSES OPERATING IN THE MIDDLE EAST

RAPID CHANGE IS INFLUENCING BUSINESSES IN MENA TO EMBRACE TALENT

There is a new focus on talent within MENA. Family businesses that have embraced the talent equation and who invest in good people and invest in what it takes to attract good talent are winning by a big margin. “Most companies here are either state-owned or privately owned by large families,” stated an AESC member executive search consultant based in Dubai. “The decision-making process for these companies has been historically different. Usually it is not an executive who is making a decision, it is an owner. The dynamic of how that owner makes a decision is more likely to be based on the impact it will have on their personal finances and business decisions are much more emotional than say a CHRO choosing a provider.” This is starting to change, however. A bigger spread between the performance of companies in MENA is starting to occur. “Most family businesses in this region have been built on structural advantage. For example, exclusive rights to distributing a certain brand of car in the market. That made business quite easy in some ways for these organizations.” As a result, in the past, talent could be lower on the list of priorities. “That structural advantage is now being taken away. There is more competition. There are free trade agreements being signed across the region. Now businesses are realizing they need stronger talent.” Changes in investment are also happening in MENA. “Banks won’t lend a company money now unless they have a competent CFO and their financial information is clear and transparent.”

The MENA region also looks to digital technology

to lead it forward. Of all the cities expected to become a “smart city” by 2025, half of them are in emerging markets and the MENA region.⁵ Techopedia defines a smart city as “a city that incorporates information and communication technologies (ICT) to enhance the quality and performance of urban services such as energy, transportation and utilities in order to reduce resource consumption, wastage and overall costs. The overarching aim of a smart city is to enhance the quality of living for its citizens through smart technology.” In MENA, the UAE leads in smart technology, but Morocco, with a youthful and technology-fluent population, follows closely behind. “The adoption of technology in MENA from a professional standpoint, though, has not been as sophisticated compared to other parts of the world,” stated another consultant working in the region. “That has changed significantly over the past three years. Now, I would say literally in the last two to three months, that quickly, we have noticed a dramatic change in that our clients are now demanding their leaders be technology fluent. That is no doubt because of the amount of investment that has been put into technology by Middle Eastern sovereign investors.”

BUSINESS LEADERS IN MENA WORK TO OVERCOME BARRIERS TO INNOVATION

In a 2017 poll by the Association of Executive Search and Leadership Consultants, of 55 business leaders operating in the MENA region, 55% stated a lack of innovation strategy as the number one challenge inhibiting innovation in their industries.

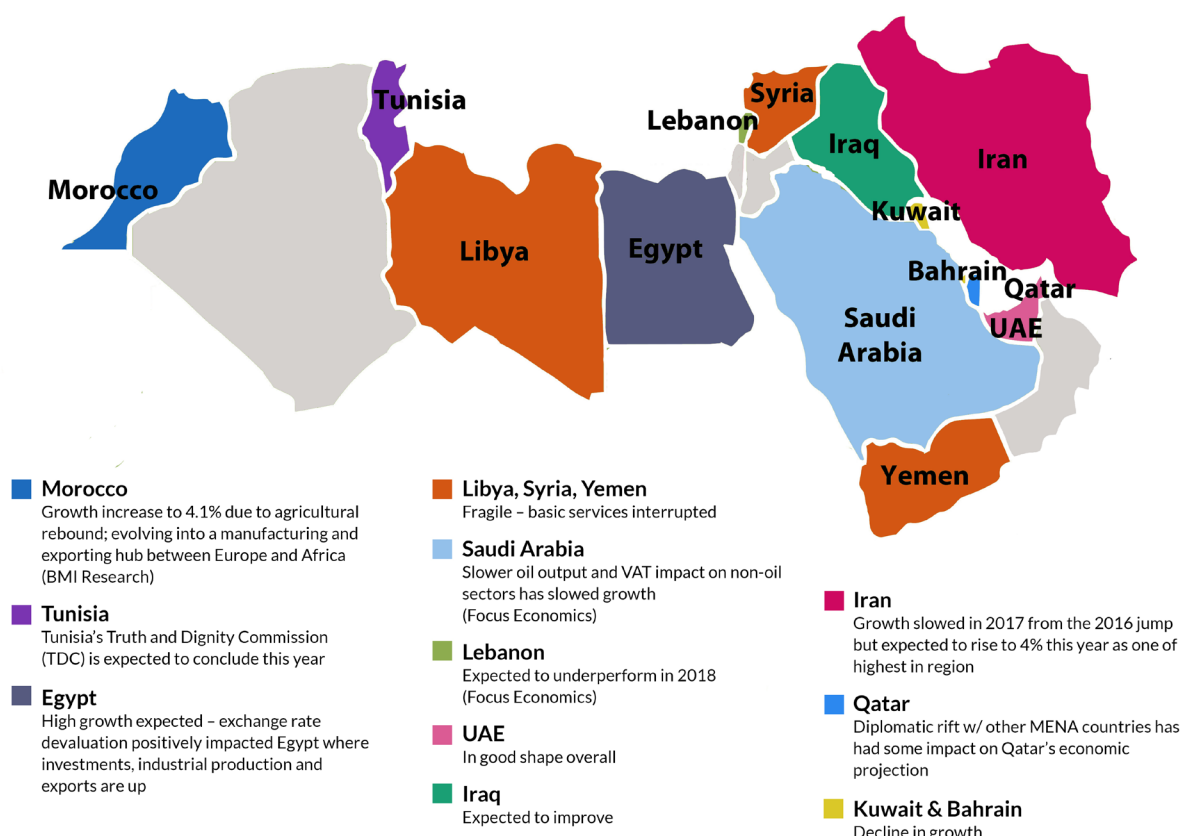
GREATEST CHALLENGES TO BUSINESS INNOVATION IN MENA

Chart 1: MENA Business Leaders on the Greatest Challenges to Innovation in their Industries



⁵ Euromonitor International, How Technology is Transforming Business in the Middle East and North Africa (2016).

Middle East Outlook at a Glance



This was followed by 45% who claimed a lack of key talent and 37% who cited an unempowered workforce as direct causes of a lack of innovation in the industries they serve.

"Organizations need to try new things. Fail quickly and move on," stated one AESC member consultant working in the region. "One of the terminologies you are starting to hear a lot today among leaders in the region is fail fast or fail quickly. That was not in the terminology here three years ago. It was about getting your strategy in operating mode and executing well. Now, it's that but it's also, the need to learn to fail fast because businesses want to try lots

of different things. If something fails, put it aside and carry on with what is working."

When asked about the top disruptive forces in their industries, MENA business leaders cited the following as top concerns: Competition, Digitalization, Technology and Speed of Change. With the right organizational assets, though, business leaders in MENA feel confident they can overcome those challenges. MENA business leaders rated having the right talent as the most critical element needed to achieve innovation in their organizations. This was followed closely by an Empowered Workforce, a Healthy Culture and Agility.

"A culture encouraging new ideas, accepting failures as learning opportunities and infusing the courage to experiment and learn."

– CEO, Consumer/Retail, Turkey

"Empowerment. Allow workforce to try new things so we can adapt and change before disruptive forces change us."

– CEO, Hospitality/Tourism, UAE

"Will and support from the top."

– Finance Executive, Not for Profit/Education, Lebanon

"Structure for collaboration."

– General Management, Financial Services, Oman

"Talented, empowered people at all levels, working towards a shared vision."

– Technology Executive, Aviation/Transport, UAE

REQUIREMENTS FOR BUSINESS INNOVATION IN MENA

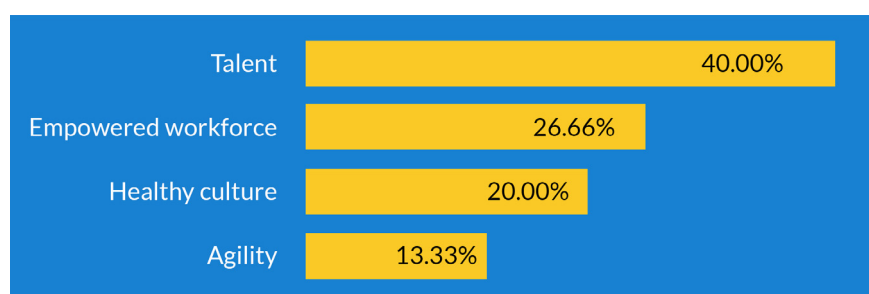
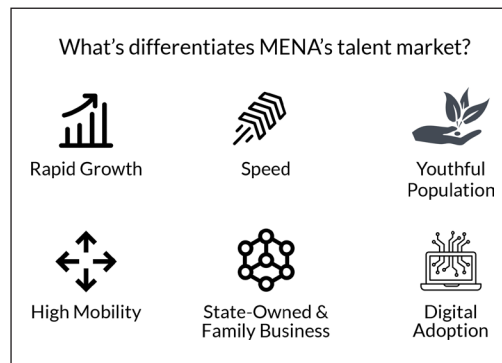


Chart 2: MENA Business Leaders on Top Organizational Elements Required to Achieve Innovation

THE CHANGING EXECUTIVE TALENT LANDSCAPE IN THE MIDDLE EAST

SIX KEY ELEMENTS DIFFERENTIATE THE EXECUTIVE TALENT MARKET IN THE MENA REGION

Rapid Growth, Speed, Youthful Population, High Mobility, State-Owned and Family Businesses and Digital Adoption. The region has experienced rapid growth for the past two decades. Organizations have had to ramp up quickly without the institutional maturity of other markets—clients are not always



as knowledgeable about executive search as they may be in other markets. Lack of institutional maturity often means very young

leaders and opportunities to develop those leaders. Searches for executives in MENA are increasingly cross border. The region presents a highly international candidate pool.

MENA is a region with a significant percentage of state-owned and family businesses. The decision-making process is different in family-owned businesses. Owners may be more cost-conscious and more emotionally connected to the business. Family businesses are often built on structural advantage. As that structural advantage erodes, organizations have to adapt. There is more competition. Free trade agreements are being signed across the region. Talent comes into focus with that competition. Even with technological innovation happening, the region is behind in digital adoption in business and e-commerce. There is a need for leaders who can drive digital transformation in the region. Finding the right talent is not easy, especially at the executive level. In an AESC poll of business leaders in MENA, 91.31% stated it was difficult to extremely difficult to secure top talent for leadership roles.

DIFFICULTY OF ATTRACTING TOP TALENT IN MENA

Chart 3: MENA Business Leaders on Attracting Talent for Key Roles

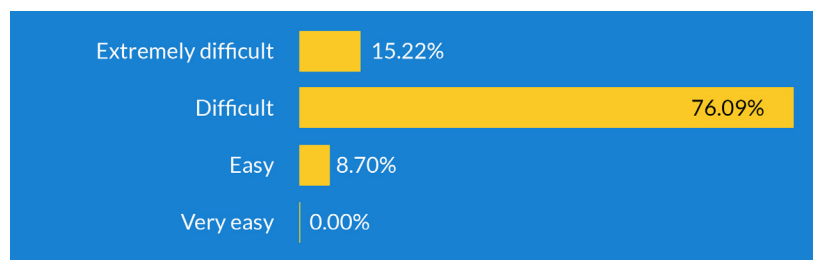
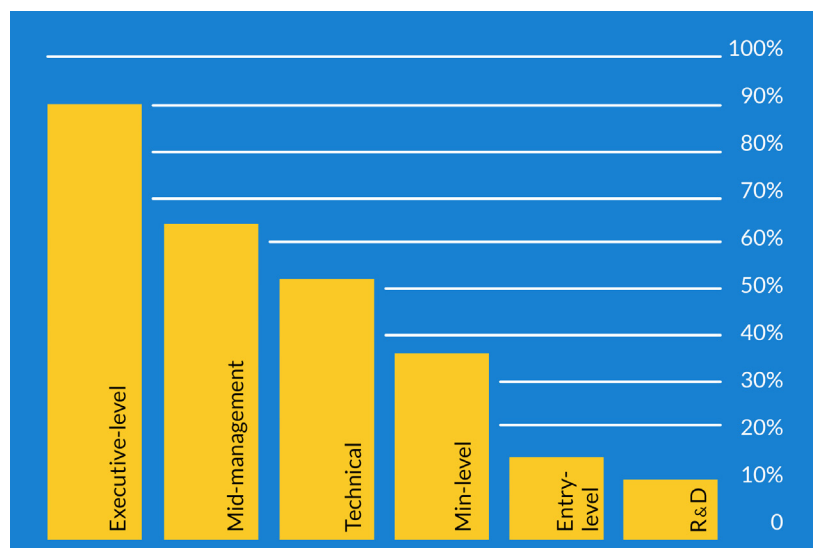


Chart 4: MENA Business Leaders on Difficulty of Attracting Talent by Level



BARRIERS TO ATTRACTING TOP TALENT IN MENA

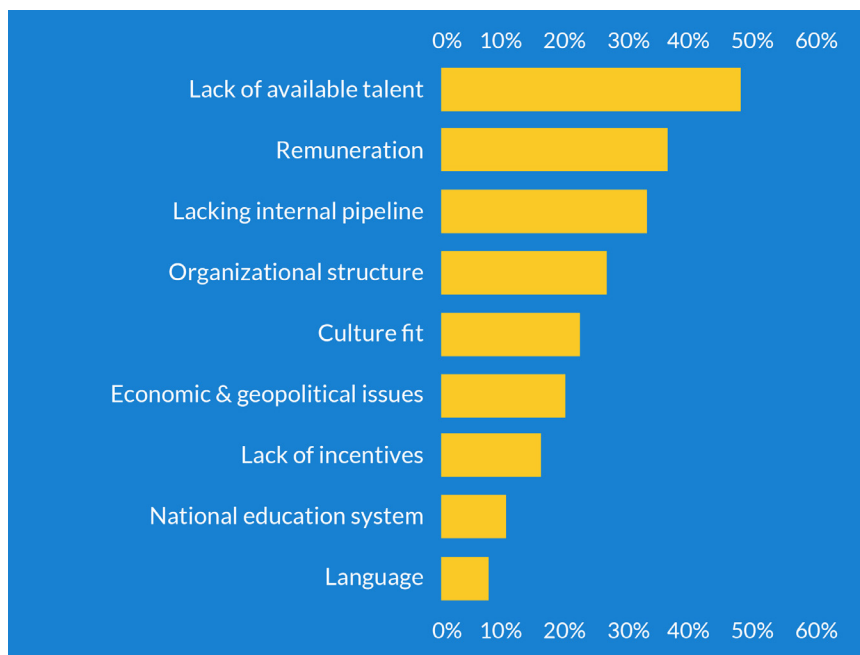


Chart 5: MENA Business Leaders on Top Barriers to Attracting Talent

GREATEST OPPORTUNITIES TO BETTER ATTRACT TALENT IN MENA

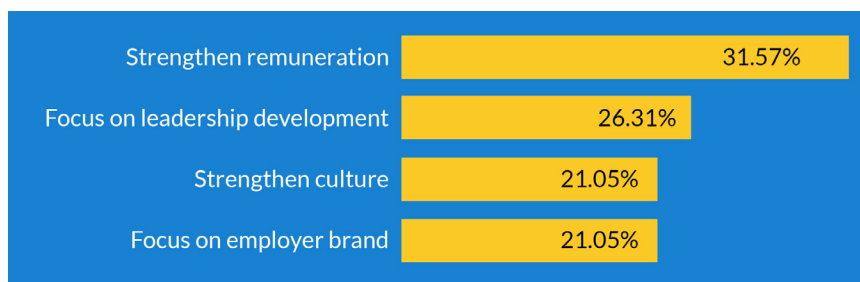


Chart 6: MENA Business Leaders on How to Better Attract Top Talent to Their Organizations

ECONOMIC, SOCIAL AND TECHNOLOGICAL CHANGES

Talent is critical for MENA's economy and growth. Half of MENA's population is under 25 years of age and the region has the world's highest youth unemployment rate. Launched in 2013 by the World Economic Forum's Global Challenge Initiative on Employment, Skills and Human Capital, the aim of The New Vision for Arab Employment is to leverage the economic opportunity of this youthful population and reverse the trend of youth unemployment. As the youth unemployment gap begins to close, businesses in the region will need to be prepared for inter-generational differences in styles of work and communication.

According to the World Economic Forum, 21 percent of core skills required across all occupations will be different by 2020 in the GCC as will be 41 percent of those in Turkey. By 2025, the digital economy can result in as much as 945,000 additional full-time equivalent jobs and a USD 21 billion surge in GDP in Egypt, USD 41 billion in Turkey, and USD 32 billion additional GDP in Saudi Arabia.⁶

LOCALIZATION OF TALENT

In Saudi Arabia, there is a recent focus on bringing Saudi talent into state-owned enterprises from the private sector, but there is not enough local talent. Saudi Arabia's Vision 2030 presents exciting opportunities

"Ensure a fair environment that values diversity and innovation."

– HR Executive,
Not for Profit/Education, UAE

"Modernize the work environment. Empower the workforce. Provide career growth. Owners need to step back and allow professionals to take control."

– CEO, Consumer/Retail, Turkey

"Focus on Culture and Innovation."

– CEO, Professional Services, Bahrain

"Develop a strong employer brand."

– CEO, Consumer/Retail, Pakistan

"Provide a better remuneration package, motivate and offer development."

– HR Executive, Healthcare/Life Sciences, Egypt

6 QS WOW News, The future of jobs and skills in the Middle East and North Africa (February 2, 2018)

for executives to leave a high impact and to be part of the legacy of transformation. Yet, some feel that new Saudisation measures and increased focus on local talent limit expat opportunities. Expats are taxed monthly and recent measures limit visas to one year. The Saudi talent bank is now depleted, however, and organizations will have to look externally. This will usher in enormous change for Saudi Arabia. In terms of the talent hierarchy, if not national talent, the next desired target is typically Arabic speaking executives with experience in the region, those who understand the dynamics of the GCC economic structure. The next target would typically be Arabic speaking talent who can bring Western best business practices. For businesses that want to grow their borders, they typically prefer non-local talent. They seek talent from very competitive, mature markets.

EXECUTIVE MOBILITY AND REGIONAL BRIGHT SPOTS FOR TALENT

With recent exceptions now in Saudi Arabia, executive talent in the MENA region is highly international. In a 2017 poll by the Association of Executive Search and Leadership Consultants of business leaders working in MENA, 69% were working in a country other than that of their nationality.

The UAE presents some of the most desired opportunities in the region and attracts executives with its desirable lifestyle. Egypt is a high-volume market but low GDP per capita market. Egypt presents executive opportunities in consumer goods, healthcare

and education. Although currently marginal to high risk, there are also emerging opportunities in Tunisia, Algeria and Sudan, especially within oil and gas, infrastructure and aviation. Abu Dhabi, Dubai and Riyadh are the cities in MENA that present the greatest volume of opportunities. As the region moves away from oil, there are increasing opportunities in Tourism (UAE, Morocco, Egypt, Qatar, Bahrain); E-commerce (Amazon has just entered the region); Renewable energy (less reliance on oil domestically so that it can be exported); Mobile Payments within Transportation and Retail (UAE), Consumer Electronics (UAE, North Africa); 3D Printing within Healthcare, Education, Manufacturing & Retail (UAE); Infrastructure and Retail (Saudi Arabia – Riyadh); IoT (Saudi Arabia – Jeddah); and Education (North Africa).

EXECUTIVE OPPORTUNITIES AND CHALLENGES

Like in other regions, businesses operating in MENA today must focus on agility. Organizations demand talent who are often more technologically-savvy, more connected to the new consumer and comfortable with ambiguity. MENA's business leaders must also have the ability to adapt and empathize in highly multicultural environments. The region in general is more brand averse than other markets and more loyal to individuals, thus a strong personal brand is at a premium. For women working or considering working in the region, cultural barriers still exist, but this is changing and it depends on the market.

DIFFICULTY FOR WOMEN IN MENA TO ACHIEVE LEADERSHIP ROLES

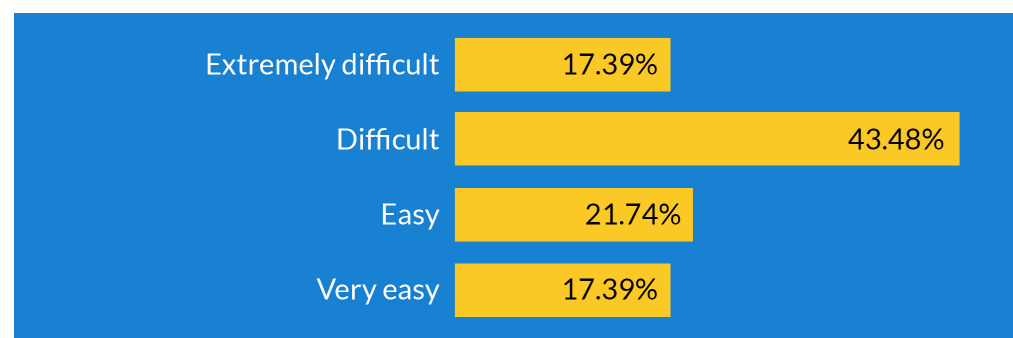


Chart 7: MENA Business Leaders on Women Achieving Leadership Roles in MENA

AESC: A BEACON OF QUALITY

REDUCING RISK AND GETTING IT RIGHT

The competition for qualified executive leadership in MENA today is fierce. The best candidates could be across town or across the globe. Executive search consultants know the terrain. Quality search firms have access to top talent and the know-how to help clients in MENA think in new ways about how to identify, attract and retain top leaders. Quality search firms know the talent business and will take the time to know your business.

Executive search firms help their clients identify the leadership assets they have, the challenges they must be prepared to meet and the qualities they must acquire and cultivate to meet those challenges. They have the resources and experience to identify, evaluate, and secure leading executive candidates and they are committed to their clients' success. The best executive search firms partner with clients, providing

deep expertise in the industries, functional roles and geographies in which their clients operate. They have to be experts, because as partners they understand what is at stake—the value of success and the cost of failure.

The direct costs of not getting it right include compensation and the impact on sales or market position. The indirect costs can be even more significant and include lost momentum and the negative impact on organizational, market, and customer confidence. Research confirms what business leaders know from experience: a wrong executive hire affects employee morale and productivity, client-customer relationships, and economic performance.

These risks can be reduced and the converse benefits enhanced by leveraging the sophisticated assessment, search and due diligence processes that executive search firms provide to clients. Simply put, getting it right is essential to business success.

MENA BUSINESS LEADERS ON SELECTING AN EXECUTIVE SEARCH FIRM

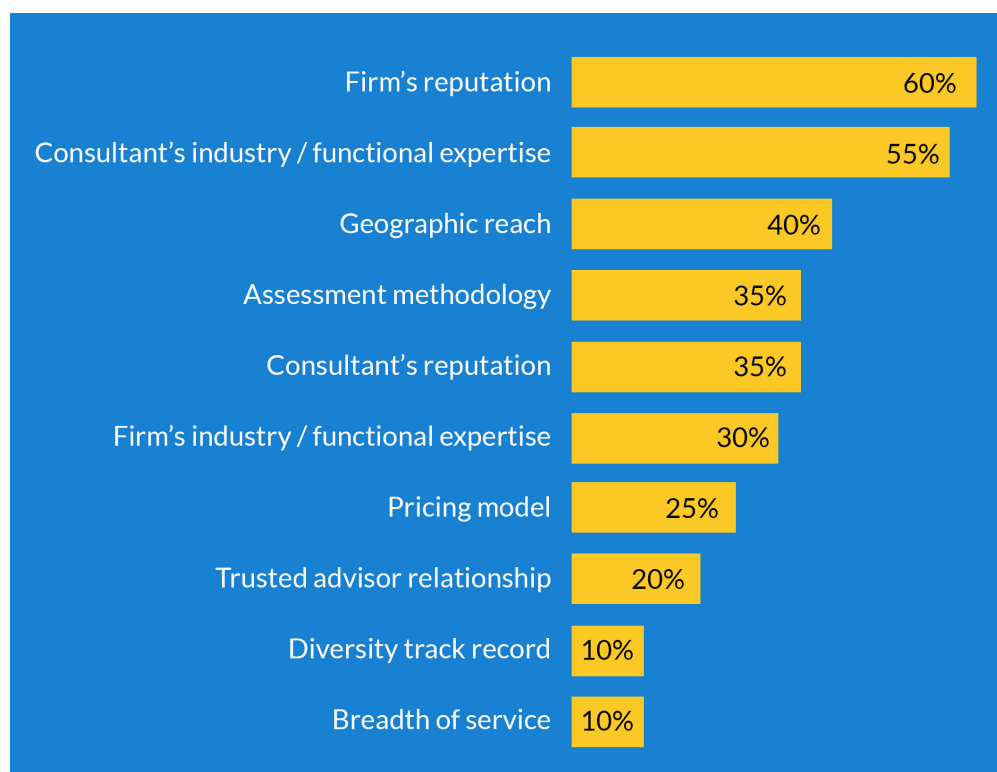
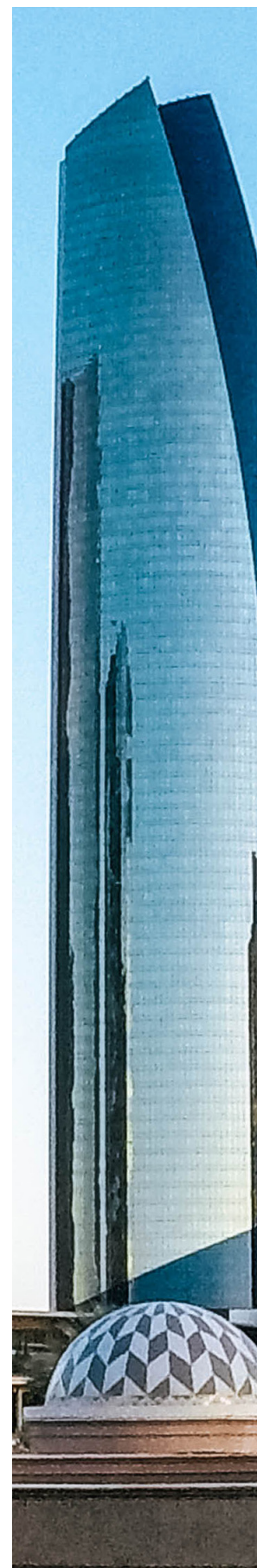


Chart 8: MENA Business Leaders on Their Most Important Criteria When Selecting an Executive Search Firm



TOP CANDIDATES IN MENA AND BEYOND VALUE THE DISCRETION A QUALITY EXECUTIVE SEARCH FIRM PROVIDES

Core to the value of executive search firms is their ability to interest and engage top candidates who are successful and satisfied in their current roles. Experienced executive search advisors have access to the highest performing leaders within an industry.

These candidates are concerned about confidentiality and trust is essential. They are not willing to risk a leak that could negatively impact their current role or the firm they lead. These candidates are more comfortable with an outside trusted advisor who is not part of the hiring organization, providing the executive candidate a more comfortable relationship to explore a potential new opportunity on a discreet basis.

CANDIDATE PREFERENCES ON THE RECRUITMENT PROCESS

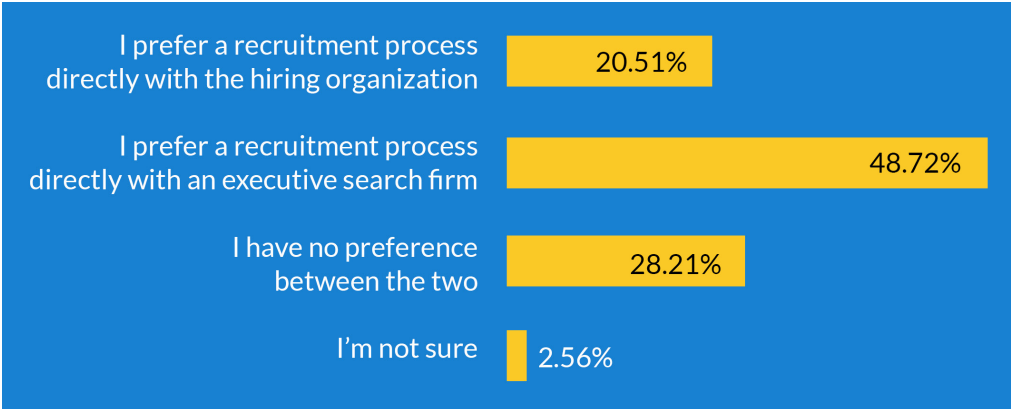


Chart 9: MENA Business Leaders on Recruitment Process Preferences as Candidates

With a quest for innovation in the MENA region, there is an increased demand to attract a diverse slate of top executive candidates that can deliver fresh perspectives to the hiring organization. Leading executive search firms understand this priority and have focused on expanding their own networks beyond the “usual suspects” to identify top talent. These trusted advisors are also able to have direct and sometimes difficult conversations with the client about their own “employer brand” and desirability as a destination for leaders. Today, high potential, high demand talent have many options and are highly selective. They want to be sure they are making a move to an

organization where there is a strong culture fit and where they are most likely to succeed.

LOOK FOR THE AESC SEAL OF QUALITY WHEN SELECTING AN EXECUTIVE SEARCH FIRM

There exists a proliferation of companies that purport to provide executive search consulting services. The number of unqualified firms declaring to be qualified to conduct an executive search has created the need for guidelines. Clients need to assess the quality, professionalism, reputation and track record of both the executive search firm and that of the consultant managing a search assignment.



LEARN MORE WITH OUR GLOBAL GUIDE TO CHOOSING AN EXECUTIVE SEARCH FIRM



MENA BUSINESS LEADERS ON EXECUTIVE SEARCH METRICS

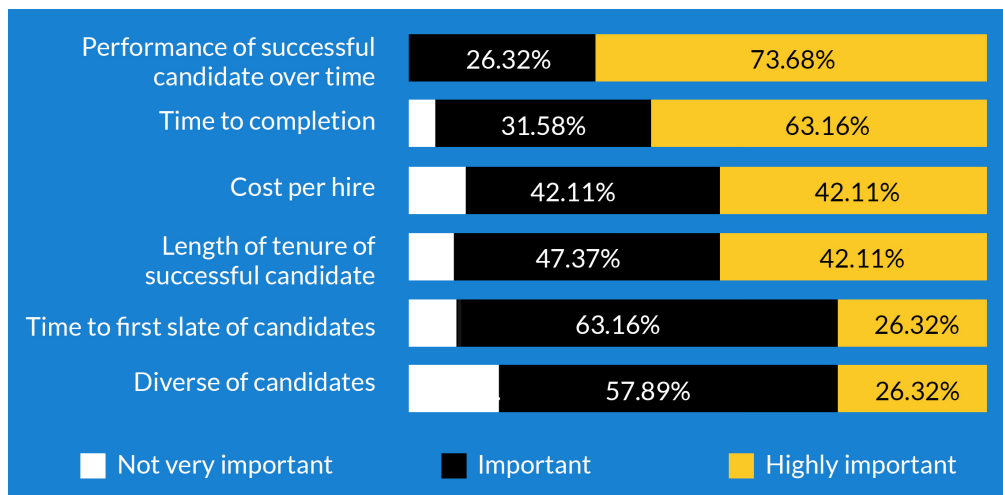


Chart 10: MENA Business Leaders on the Most Important Executive Search Metrics

THE TOP OF THE PROFESSION

AESC Members are the highest quality firms worldwide. Membership is selective and conducted by an AESC regional member council using global due diligence standards. The rigorous review process includes a site visit, an extensive evaluation of firm processes, checking of client references and a review of any legal actions that implicate the firm in ethical breaches. If selected, members agree to abide by the AESC Code of Professional Practice.

Asking if the firm is a member of the global Association of Executive Search and Leadership Consultants (AESC) is a good place to start. All executive search firms within the AESC global membership have been vetted to rigorous quality standards and commit to AESC's Code of Professional Practice.

AESC CODE OF PROFESSIONAL PRACTICE

AESC Members are committed to the highest professional practices, acting in the best interests of their clients, candidates, the community-at-large, and our profession. To ensure that our members meet the highest professional standards, AESC developed a Code of Professional Practice.



INTEGRITY

AESC Members conduct themselves and their business activities with absolute integrity and are at all times open, honest and worthy of trust.



OBJECTIVITY

AESC Members serve as trusted advisors, exercising independent, objective judgment.



EXCELLENCE

AESC Members focus on their clients' unique business needs, providing high quality service and using rigorous results-focused methodologies.



DIVERSITY & INCLUSION

AESC Members value diverse leadership. They identify the most qualified talent by searching and assessing without bias.



CONFIDENTIALITY

AESC Members always respect any confidential information entrusted to them by clients and candidates.



AVOIDING CONFLICTS OF INTEREST

AESC Members avoid conflicts of interest with clients and candidates. Where a potential conflict may exist, members disclose and resolve those conflicts.

BEYOND SEARCH

Many AESC Member executive search firms not only place leaders but also advise clients on leadership strategies to further a company's success. Leadership consultants are retained by

clients for a variety of services—from succession planning to diversity and inclusion programs to assessment and coaching—further ensuring that the right leaders are working to build an effective organizational culture.

EXECUTIVE SEARCH VS. CONTINGENT RECRUITERS: UNDERSTAND THE DIFFERENCES

Executive search firms are specialized management consultants retained on an exclusive basis by clients in an advisory capacity. An executive search consulting firm partners with a client to identify, assess, select and integrate the very best possible candidate.

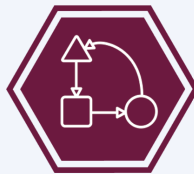
DEFINITIONS



Contingent recruiters present a pool of candidates that fit certain criteria to their clients. A contingent recruiter generally works the front-end of the process, leaving the assessment, selection, and integration work to the client.

Executive search consultants operate on an exclusive, client-centered basis and work on a limited number of assignments at one time. Executive search firms often find candidates with diverse backgrounds and have access to candidates who are not actively seeking a new position. They are engaged in all aspects of the process, from defining the search through candidate integration. They charge a consulting fee (retainer) for the assignment, consistent with their in-depth advisory work. Executive search consultants deliver high-quality service, a slate of highly qualified candidates, and develop long-term relationships built on trust.

BUSINESS MODEL



Contingent recruiters seek to place as many candidates as possible in the shortest possible time. They tend to work with many assignments concurrently. If a particular assignment is not getting traction, contingency recruiters have little incentive to continue. Contingent recruiters offer their service with no money up front, and they get paid for candidates who are hired from resumes they present. Fees are generally lower, reflecting their limited scope of work. Contingent recruiters deliver broad access to “ready to move candidates” and a quick presentation of a large number of resumes.

Executive search consultants develop specialized expertise by understanding their client’s industry, business strategy, and unique needs. They employ highly sophisticated methodologies including competency-based interviewing, 360-degree referencing and due diligence processes that may be augmented by psychometric testing and broader assessments. They identify a slate of the most qualified candidates that fit well with the client’s culture and have the right background and experience for the specific opportunity. Their success is defined by the long-term commitment and impact of the person hired, therefore they are motivated to help secure a lasting, successful executive hire for their client.

METHODOLOGIES



Contingent recruiters leverage networks, advertising and online databases to identify a large number of resumes of candidates who likely fit the client’s criteria. Resumes are shared with the client who then takes a more hands-on approach to reviewing and evaluating the candidates. By virtue of the payment upon placement nature of this business model, contingent recruiters are motivated to get many resumes in front of many clients, as quickly as possible. They will present the same candidate to more than one client to achieve their objectives.

Executive search consulting firms are typically used for senior-level executive positions and board directors. Assignments are generally for positions where the best candidate is harder to find and harder to persuade to make a move, and where the potential impact of success or failure is greatest.

TARGET ASSIGNMENT



Contingent recruiters are most often used for mid-level positions or positions where there are a large number of qualified candidates. They focus on volume hiring and candidates actively looking for a new role, and positions that are of lower potential impact within the client organization.

Executive search consultants often access senior executives who may not be actively seeking a new position, and treat their potential interest with a high degree of confidentiality. They can help these hidden candidates see the potential advantages of making a move for the right opportunity.

CANDIDATE PERSPECTIVE



Contingent recruiters access candidates more likely to be in mid-management roles, most of whom are actively looking for a new position. They have a strong sales orientation and focus on working with a lot of clients and candidates, which can be an advantage to the mid-level candidates looking to make a move.

MENA BUSINESS LEADERS ON LEADERSHIP ADVISORY SERVICES

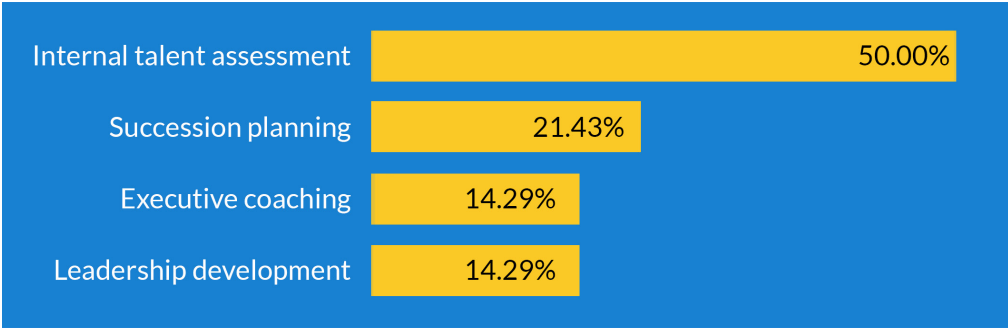


Chart 11: MENA Business Leaders on the Leadership Advisory Services They Most Value

Leadership consultants implement a client-centered process to each assignment. They are committed to evaluating a client’s organizational culture to offer customized leadership programs tailored to fit a company’s present and future needs. Firms employ highly sophisticated methodologies to evaluate a client’s culture, structure, and potential. Utilizing their expertise, leadership consultants create long-term solutions that position clients for a competitive advantage in their industries.

The MENA region is more ripe for the value that leadership consulting can provide than any other region in the world. Institutions

have had to grow fast. “It is a unique region in many ways,” stated one AESC member consultant in the region. “It has been a high growth region for the last 15 to 20 years. Businesses have had to ramp up very fast and do not have the institutional maturity that you see with organizations in other markets. As a result, there are some very young leaders in very senior positions. They have had their careers accelerated in ways they would not if in other markets. So, that lends itself to quite a demand for leadership development, developing those young leaders to be more effective leaders.”

WORK WITH AN AESC MEMBER



Dedicated to Strengthening Leadership Worldwide

Since 1959, AESC has set the quality standard for the executive search and leadership advisory profession. AESC Members, ranging in size from large global executive search and leadership advisory firms and networks to regional and boutique firms, represent 16,000+ trusted professionals in 70+ countries.

AESC Members are recognized leaders of global executive search and leadership advisory solutions. They leverage their access and expertise to place, find and develop more than 100,000 executives each year in board of directors and C-level positions for the world's leading organizations of all types and sizes.

AESC raises the visibility of the profession and supports its members through quality standards and best practices; advocacy; insights and education. Learn more about AESC at aesc.org.

aesc.org