



**CEO CENSUS**  
*by* STANTON CHASE

## **Middle East**

### **Profile and Mobility Trends of the CEOs in the GCC region**

**January 2009**

# 2009 CEO CENSUS

## Middle East

### Foreword

On the break of a new era, currently characterized by the deep economic recession and the constant efforts to establish a new international modus vivendi, the CEO market in the GCC region is witnessing unexpected changes that alter its image and seem to establish a long-delayed balance. Top executives are beginning to regard the UAE and the whole GCC region as a market for long term business development, as opposed to the rather more opportunistic short-term plans of the past. As such, they question quality and C-level decision making, raising issues of personal and career development, shortage in leadership talent as well as retention of talent in the current GCC environment.

Given the major economic concerns of today, it is probably not surprising that many CEOs are incorporating a long-term perspective into their career plans. Despite the slowdown in economic growth, UAE and the Gulf in general, still provide a safer business environment compared to other parts of the world. The number and diversity of the Middle Eastern markets – which are not limited to Dubai, as it is often mistakenly implied in a large majority of international literature – can offer significant opportunities. Starting from the often-questioned and criticized wonder of Dubai, and moving on the UAE and GCC vision, Middle Eastern economies are now faced with the challenge of proving that not only they can make it through the crisis, but, most importantly, they can still play a major role in the new world balances that are about to be developed. CEOs in the region seem to recognize that and respond to the challenge by investing in the market.

Stanton Chase – Middle East conducted this CEO Census in order to compile the profile of CEOs in the GCC region today, analyze the trends in this challenging market, and comprehend the opportunities and threats in their career development.

Using a 24-item questionnaire, Stanton Chase attempts to answer questions such as: how long have the top executives remained in their current position, and how long do they plan to still stay? How interested are they in exploring new career opportunities? Which are the most important factors when deciding to leave the current employer and join a new one? Which factors lead to further career development? Which markets are regarded as most promising, when considering relocation? What are the sectors offering most career opportunities in the GCC region?

302 top executives from the GCC market responded. It is the first year Stanton Chase – Middle East has run this comprehensive survey, as opposed to its smaller surveys conducted in the past. This is an initial effort to depict preliminary long-term trends and characteristics over time. These tendencies will be much more clearly outlined in the future, based on the following years' respective surveys. This series of surveys demonstrate Stanton Chase's commitment to understanding business leaders' views shaping the CEOs' career in the region – and sharing this knowledge with the world at large.

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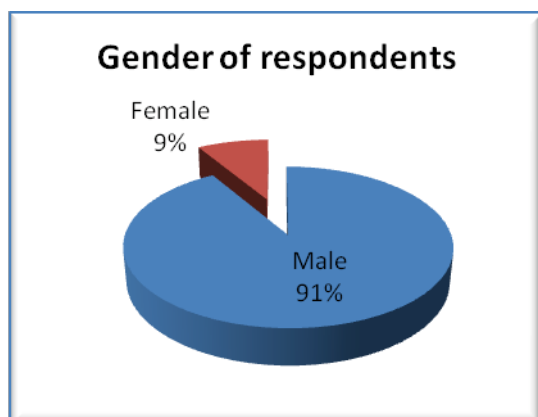
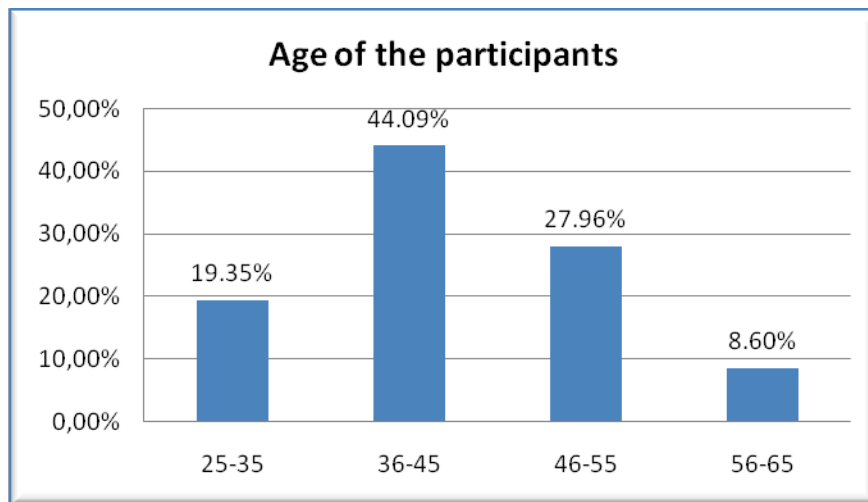
## Demographics of the respondents

Quite interestingly, the respondents demonstrate a real small picture of the UAE market, representing all major business sectors and all types of enterprises, including small and medium to very large ones. Thus, for example, companies with fewer than 100 employees to more than 400 people are represented, with turnover from a few million USD to over 4 billion USD and annual CEO compensations of less than 250,000 USD to over 700,000 USD. As such, the results obtained really reveal the implicit trends of the market, taking into consideration various parameters and unique characteristics.

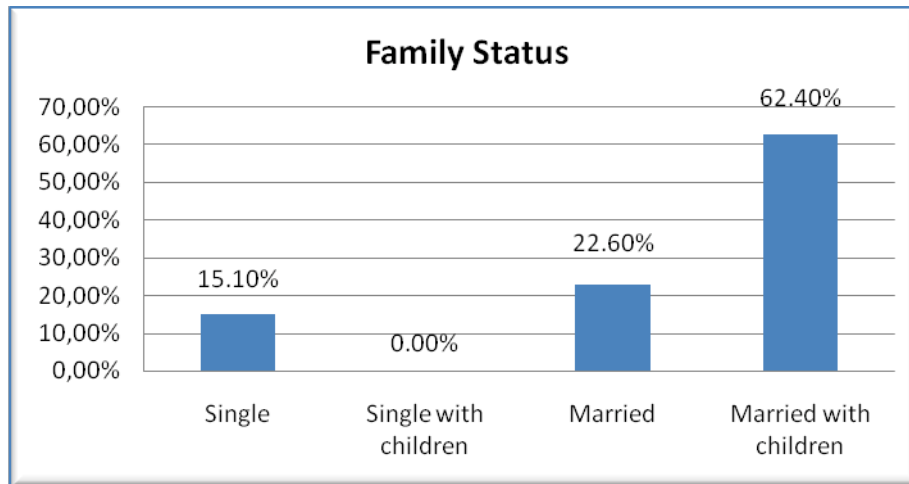
Additionally, most CEOs are expatriates, originating mainly from UK, USA, India and Canada.

As expected, the age of the majority of respondents ranges from 35 to 55. More specifically, 44.09% of the respondents are 36 - 45 years old and 27.96% are 46 - 55 years old. An interesting 19.35% are younger (25-35 years old), while a small minority (8.6%) is over 56.

Men dominate with a 91.40% participation in the survey, while women CEOs account for only 8.60% of the answers.



A large number of CEOs (62.4%) are married with children, 22.6% are married and only a small percentage (15.1%) is single. This indicates that the GCC region is overall considered a good environment for families, and many CEOs do not hesitate bringing in their family after a short period of adjustment.



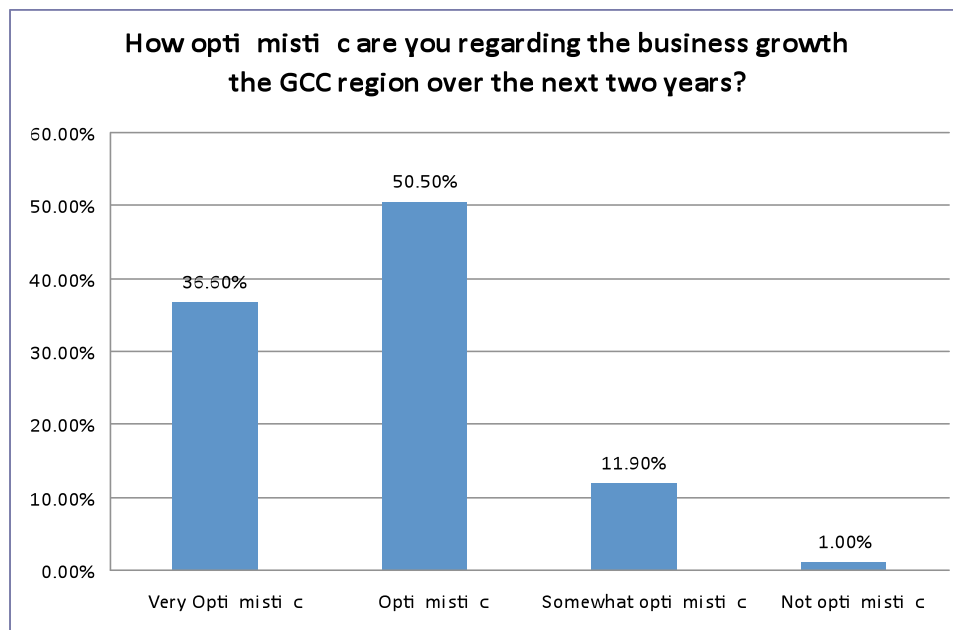
The above results clearly indicate some initial characteristics of the CEO market especially in UAE, obviously dominated by young (even, very young) men in the top positions. Taking into consideration that almost all of the CEOs are expatriates, this can be easily explained, since usually it is younger people that are mostly interested and willing to relocate. Besides, the rules and procedures in the UAE make it rather difficult for older people to relocate and get a residence permit.

However, this characteristic often acts as a double-edge sword, since on the one hand the market gains from the energy and innovative spirit brought by younger professionals, on the other hand though, it risks losing – and often does lose - on maturity and quality, as many of the CEOs do not have the talent and background that would be demanded in a more developed economy. This, though, could also be interpreted as an additional sign of the well-known “war for talent”, the effects of which are gradually detected in most markets – especially the emerging ones.

## CEOs perception regarding business growth opportunities in the GCC region

Despite the major economic threats stressed out during the time period this survey was conducted, CEOs appear significantly optimistic for the region's opportunities and business growth over the next couple of years. More specifically, a total of 87.1% appear optimistic and very optimistic, while an additional 11.9% appears somewhat optimistic. Only 1% appears pessimistic.

It is true that, when compared to other developed or emerging economies, the UAE and the GCC in general, seem to be a safer harbor for business. To start with, state authorities are still dedicated to the original vision of turning the area into an economic hub between West and Asia Pacific, advisors have already been engaged in order to suggest alternative action plans and previous experience has proven that fast decisions are indeed possible at high authority level to secure quick response to the crisis. Tax advantages continue to apply, and plans of imposing some initial taxes during 2009 seem to have been postponed for the time being. Of course, falling oil prices, difficulty in securing liquidity through financial institutions and economy's dependence on the other economies still pose a threat. However, Middle East, whether we focus on the whole area, on the GCC region or only on the UAE, comprises of smaller economies, interdependent but with different exposure to the international economic crisis. This offers a leverage to business opportunities, enhancing – as it seems – a more optimistic rather than a pessimistic perception among the CEOs.



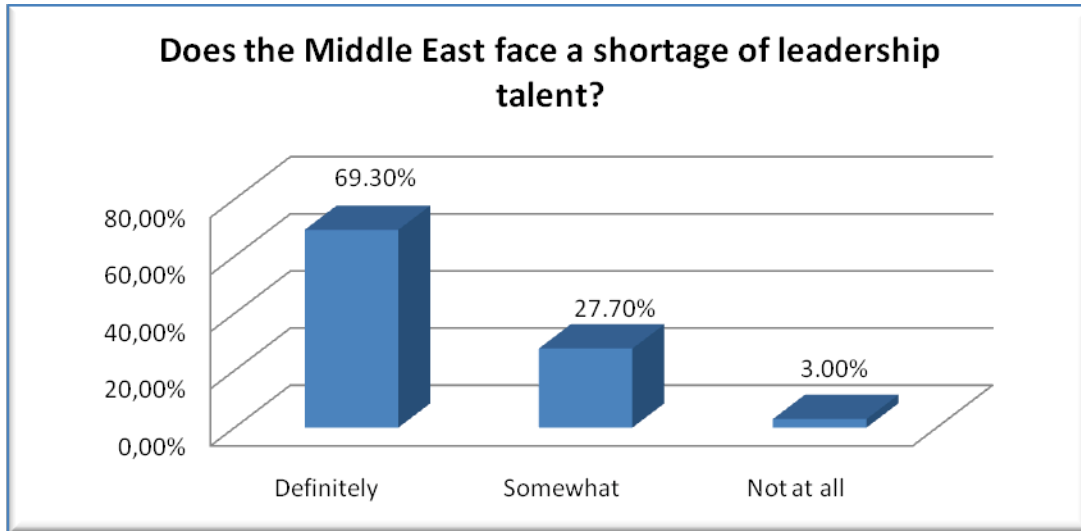
**Market Sectors with most career opportunities**

*Banking & Financial Services* still appears to be the market sector offering the best career opportunities in the region. Just like in other countries, the sector is currently facing severe turbulence in the GCC region as well; however, united intergovernmental efforts at international level, large amounts of subsidies, the unquestionable dominance of the financial institutions over any economic growth and, above all, the more conservative approach most Middle Eastern financial institutions have followed guarantee that the sector will soon overcome the current threats. *Real Estate & Construction* is rated second as an opportunity-offering sector. The UAE and Dubai more particularly are indeed focusing on real estate and construction, even though this sector is expected to go through some significant changes as well, which are expected to improve the market balances. *Oil, Gas & Natural Resources* are rated third, despite the region’s dependence on this sector. *Professional Services, Technology & IT* and *Media & Advertising* are also ranked quite high, while, surprisingly enough, *Industrial & Manufacturing*, and *Life Sciences, Pharma & Healthcare* are ranked rather low.

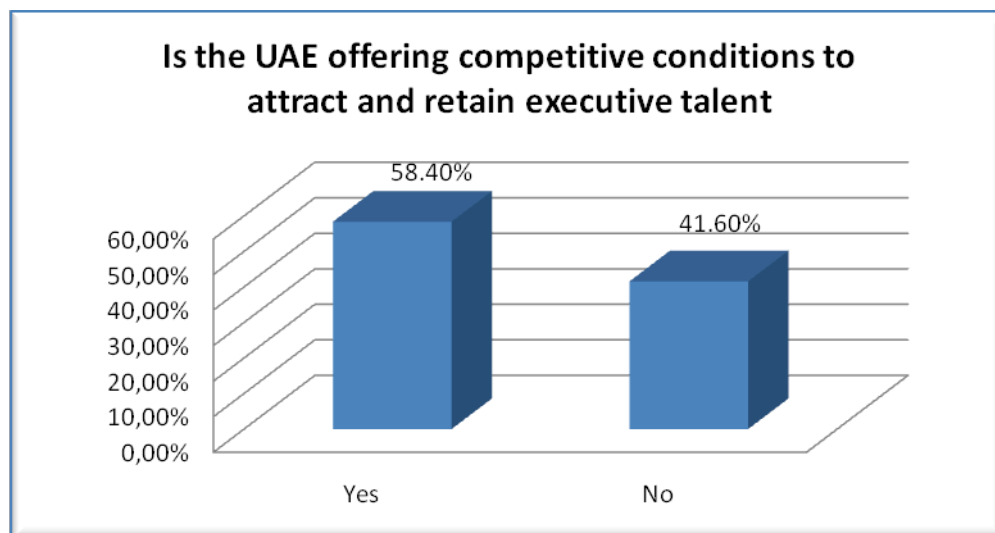


### Shortage of leadership talent in the market?

A large majority of 69.3% states that Middle East economies are definitely facing a shortage in leadership talent, while an additional 27.7% believes that there is indeed some level of leadership talent shortage. Only 3% do not identify this deficiency in the market.



This result is interestingly coupled with the fact that a large 41.6% believes that the Middle East – and the UAE more specifically – does not offer competitive conditions to attract and retain executive level talent.



The UAE, once regarded as the “gold mine” of the East, is moving fast towards the establishment of different balance as far as working conditions are concerned. Rising

inflation, mainly due to extremely high accommodation costs (an issue that still remains a stunning question mark to most expatriates) and high food prices, quickly consume the biggest part of the salaries offered. This, coupled with the relocation costs and challenges, family needs, schooling expenses and cultural diversities, often hinder good talent from moving to the UAE. On the same note, companies cannot afford to keep up with the escalating salaries figures, needed to attract and retain talent.

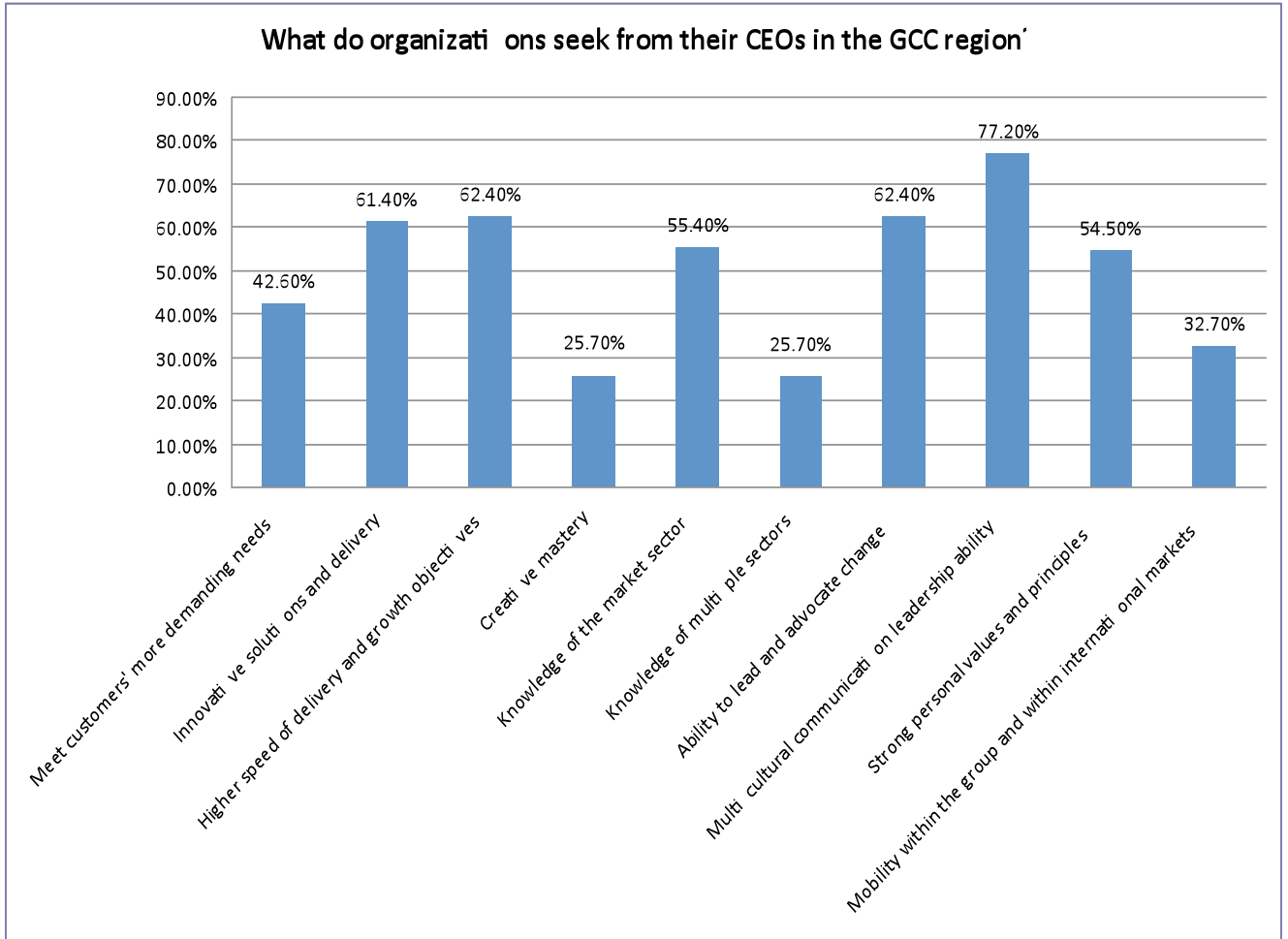
Presently, the economic crisis is currently giving an advantage to the companies, since they are faced with an increasing number of high level western professionals that are looking towards the Middle East market; however, the balance still remains to be determined as higher supply of talent will lead to lower – if any – increases in salaries that, in turn, will not manage to match with the increasing cost of living. Dissatisfaction from top executives seems to be the biggest and most significant threat the UAE and the Middle Eastern economies will be facing in the near future. With these largely dependent on foreign talent, retaining talent in the region demands for additional initiatives and opportunities offered.

Moreover, it would be unwise to limit all analysis on the salary level. Retaining talent is not based on payroll. Based on numerous comments from the respondents, team spirit and team work, emphasis on quality and growth opportunities within the same company seem to be lacking from the market as it currently operates. The development of a long-term culture is required. Whether the current re-definition of balances will lead to that, remains to be seen.

**What do organizations seek from their CEOs/Executive Leaders in the GCC region?**

*Multicultural communication leadership ability* is by far the most important talent sought for from CEOs and top executives. In such a diverse and multicultural environment, where most companies – even the smaller ones – host more than 10 nationalities in their personnel, the ability to communicate despite cultural differences is an important challenge for each top executive. *Ability to lead and advocate change, high speed in delivering growth objectives* and *ability for innovative solutions* are also considered very important talents. Although these requirements match with similar expectations in all economies, they do take additional importance in the UAE, since this market has been moving and delivering with higher-than-average speed over the past years, while also top executives retention averaged only 2-3 years. *Strong personal values and principles* are also ranked high.

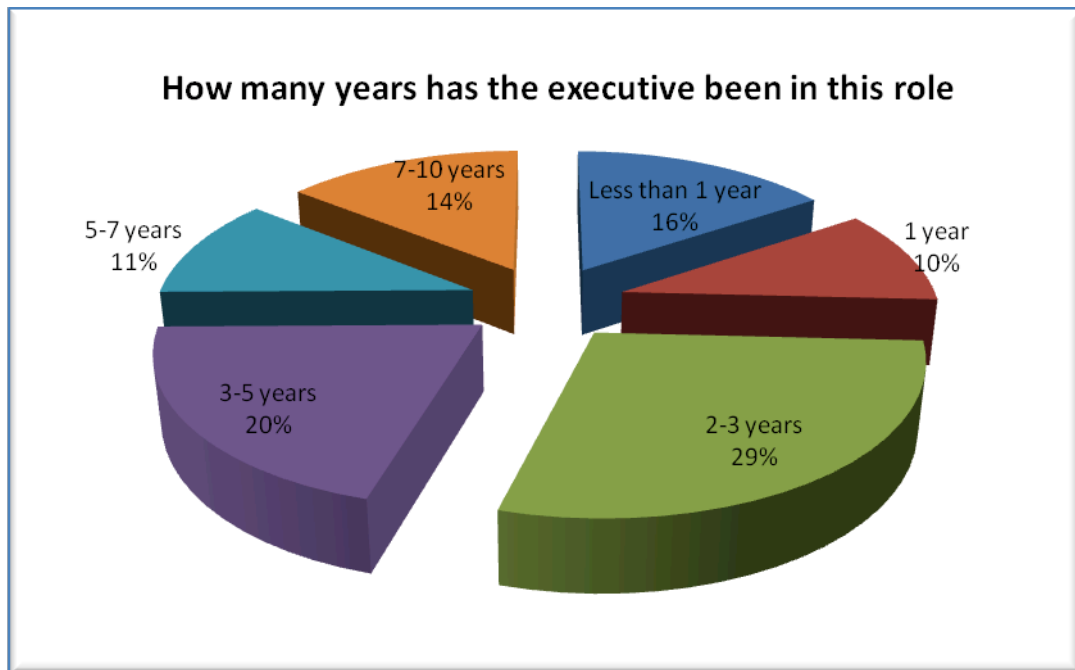
It is interesting to note that *Knowledge of the Market Sector* is only ranked 5<sup>th</sup> in importance. This is reinforced with individual comments from the respondents stating that organizations in the region do not seek as much as they should from their top executives. The urgent need to fill in the CEO or other Top Executive position and have the company operating in this emerging and promising market seems to have come at the expense of quality talent appointed at the right position. Again based on comments from the respondents, it seems there is a large number of top executives in the GCC region that, although they are professional, they would not really qualify to run a company, as they lack in knowledge of the market and/or the sector, as well as in managerial abilities. Maybe it is exactly this lack of proper managerial abilities that is also hindering retention of good talent in the companies and further fuels quick turnovers.



### Retention: Years in current position

As stated in the beginning, there seems to be a shift in the market, as the average number of years a top executive would remain in the same company has increased over the past, with significant signs of stability.

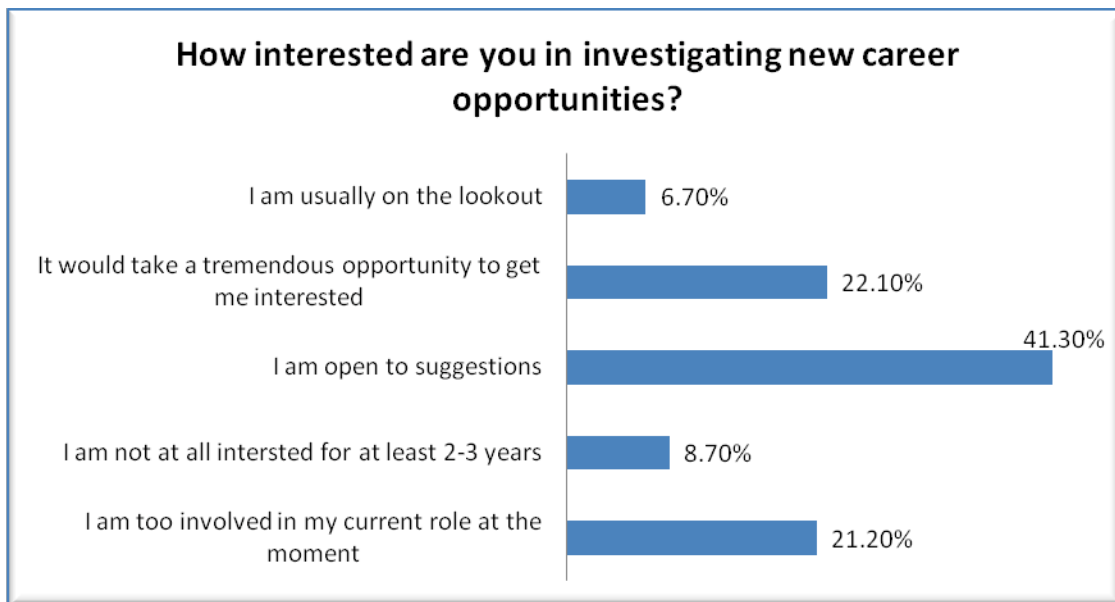
Thus, although the majority (49%) has been in the same position for 2 to 5 years, and, respectively, while 41.4% expect to stay for another 2 to 5 years, there are significant percentages of respondents that have stayed or plan to stay in this position for more than 5 and even up to 10 years. Of course, the percentage of the respondents that still expect to stay in the same role for one more year or less is still high (25.9%), however it is obvious that the market is taking big steps into a more long-term perspective and culture.





#### Interested in investigating new career opportunities?

On the same note with the point above, a majority of 41.3% is *Open to Suggestions* regarding possible new career opportunities; however, 21.2% state being *Too Involved in the Current Role* and another 22.1% would need a *Tremendous Opportunity to Get Him/Her Involved*. Additionally, there is a small percentage of 8.7% that is *Not at All Interested for the Next 2-3 Years at Least*, which leaves only 6.7% really being *On the Lookout*. The long-term perspective that is being developed is further emphasized.



**Which are the critical factors for a CEO to leave the current employer? Which would be the important factors for a decision to join a new employer?**

*Lack of Career Advancement Opportunities* and *Responsibility without Authority* seem to be the most important factors urging a top executive to leave the current employer. *Dissatisfaction with Senior Management* and *Different Company Values* rank interestingly high too, reflecting top executive's challenge to deal in the multinational environment with a variety of personal and company values and, quite often, non-compliant managerial perceptions.

Another interesting point is that 61.5% consider important and very important leaving the current employer in order to start their own *Entrepreneurial Activity*. This indicates the interest and the opportunities offered in the UAE for entrepreneurial initiatives, and the will of top executives to further invest in the market, money-wise and time-wise.

	Very Important	Important	Neutrally Important	Not Very Important	Not Important at all
Lack of training & development	21.2%	<b>39.4%</b>	26.0%	5.8%	7.7%
Lack of career advancement opportunities	<b>52.9%</b>	29.8%	10.6%	2.9%	3.8%
Being passed over for a promotion	26.9%	<b>32.7%</b>	26.9%	7.7%	5.8%
Dissatisfaction with senior management	32.7%	<b>46.2%</b>	11.5%	5.8%	3.8%
Difficult boss / shareholders	28.8%	<b>32.7%</b>	29.8%	6.7%	1.9%
Different company values	37.5%	<b>44.2%</b>	13.5%	2.9%	1.9%
Inadequate compensation & benefits	39.4%	<b>43.3%</b>	12.5%	3.8%	1.0%
Poor financial performance of the company	19.2%	<b>38.5%</b>	26.9%	11.5%	3.8%
Scrutiny of working for a public company	8.7%	7.7%	<b>43.3%</b>	18.3%	22.1%
Lack of work-life balance	25.0%	<b>32.7%</b>	28.8%	10.6%	2.9%
Re-organization with results in a change in role and/or responsibilities	20.2%	<b>40.4%</b>	26.9%	7.7%	4.8%
Responsibility without authority	<b>51.9%</b>	34.6%	8.7%	2.9%	1.9%
Starting an entrepreneurial activity	<b>34.6%</b>	26.9%	25.0%	6.7%	6.7%

Similarly, *Increased Responsibility and/or More Senior Role*, as well as a *More Entrepreneurial Role* are, as expected, the most important factors when deciding to join a new employer. *Increased Compensation* and *Equity Opportunities* rank high, still they are of slightly lower importance than the first two factors.

It is interesting to see a high total percentage of 52.9% for whom *Changing into a Role that Requires New Skills and Competences* is an important and very important factor. This is not the same in more developed and rather quite conservative markets – as indicated by other researches – where changing to a role that would require a shift in skills would be more of a disadvantage than of an opportunity.

Relocation and travel issues seem to be of a rather very low important, as compared again to other economies, where top executives are more conservative regarding traveling and relocating.

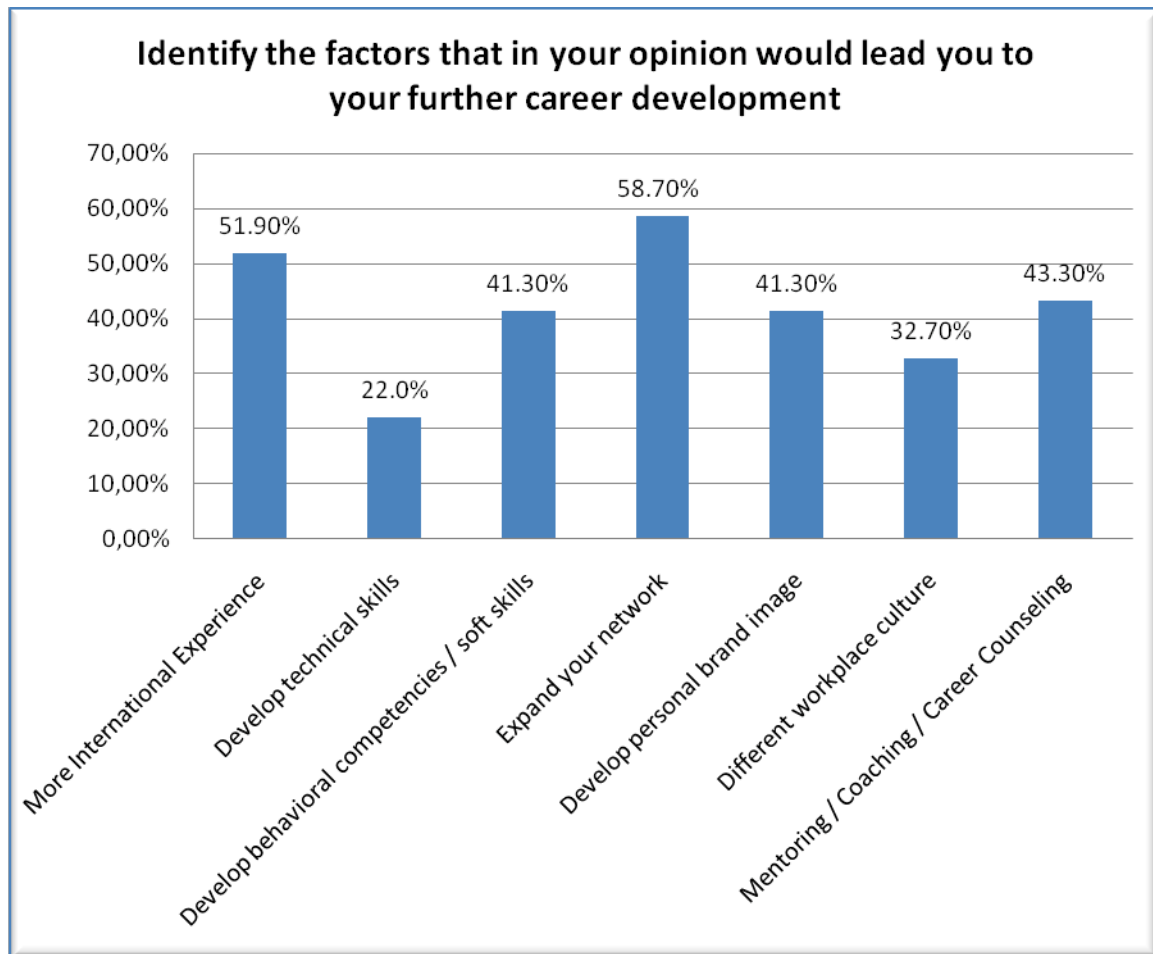
These highlight important characteristics of the profile of the top executives in the Middle East, who are less conservative and more attracted to the challenge of change.

	Very Important	Important	Neutrally Important	Not Very Important	Not Important at all
Increased compensation & benefits	42.3%	42.3%	12.5%	2.9%	0.0%
Increased equity opportunities	41.3%	41.3%	16.3%	1.0%	0.0%
Increased responsibility and/or more senior role	51.0%	36.5%	11.5%	1.0%	0.0%
Increased authority	41.3%	39.4%	17.3%	1.9%	0.0%
More entrepreneurial role	46.2%	35.6%	15.4%	2.9%	0.0%
International relocation assignment	23.1%	24.0%	34.6%	12.5%	5.8%
More travel	9.6%	9.6%	39.4%	26.0%	15.4%
Less travel	4.8%	15.4%	44.2%	18.3%	17.3%
Work with former colleague(s)	1.9%	9.6%	37.5%	36.5%	14.4%
Broaden functional experience in the same industry	12.5%	39.4%	32.7%	8.7%	6.7%
Broaden industry experience in the same function	10.6%	35.6%	39.4%	8.7%	5.8%
Change to a completely different career	6.7%	23.1%	40.4%	15.4%	14.4%
Change to a role requiring new skills, competences, culture and work style	12.5%	40.4%	39.4%	3.8%	3.8%

## Main factors for a successful career development

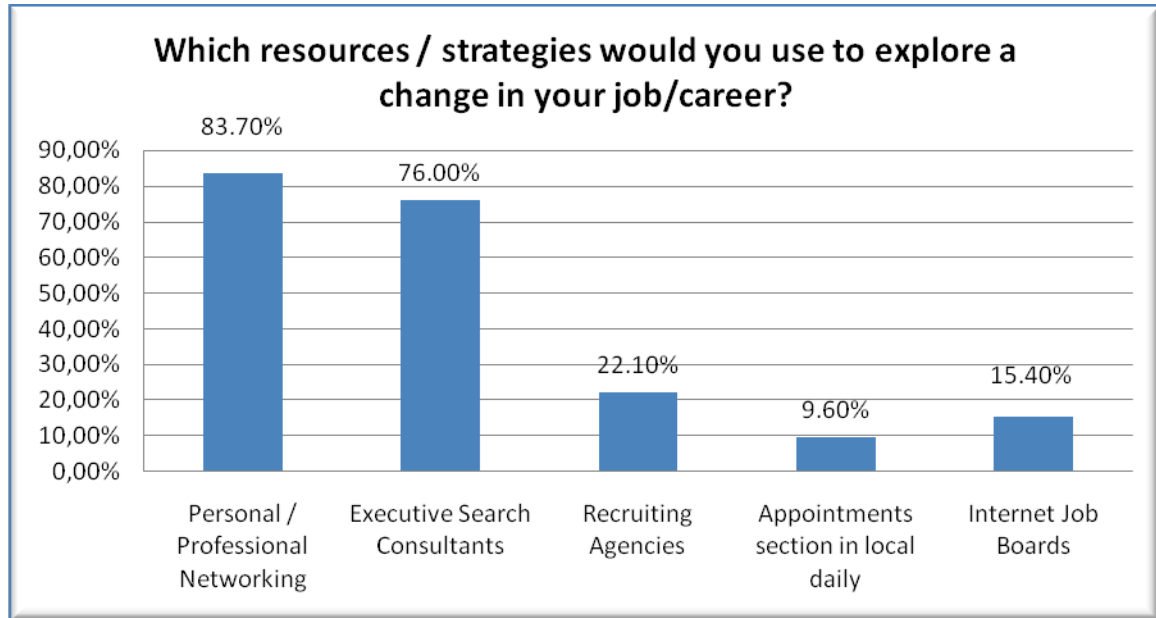
*Expansion of personal network* is considered the most important factor that would lead to further career development. However, *More International Experience* ranks very high too, indicating that the top executives in the GCC region and especially in the UAE have a constant eye on the international markets.

*Development of soft skills, Mentoring and Coaching* and *Personal Brand Image* are also considered very important, showing that top executives do not limit their career development strategy on networking, but take responsibility by enhancing their personal competences. The importance placed on Personal Branding is quite interesting for the specific market, where the fast turnover of executives, the deficiencies in market structure and balances as well as the intercultural environment really ask for a good personal marketing and careful career planning, in order to be able to stand out in the crowd.



In order to explore any possible change in their career, top executives heavily rely on personal and professional networking, quite a strong characteristic of the specific market that very heavily depends on networking relationships and activities.

The use of Executive Search Consultants also ranks high, as expected, since these positions ask for experienced consultants' services.



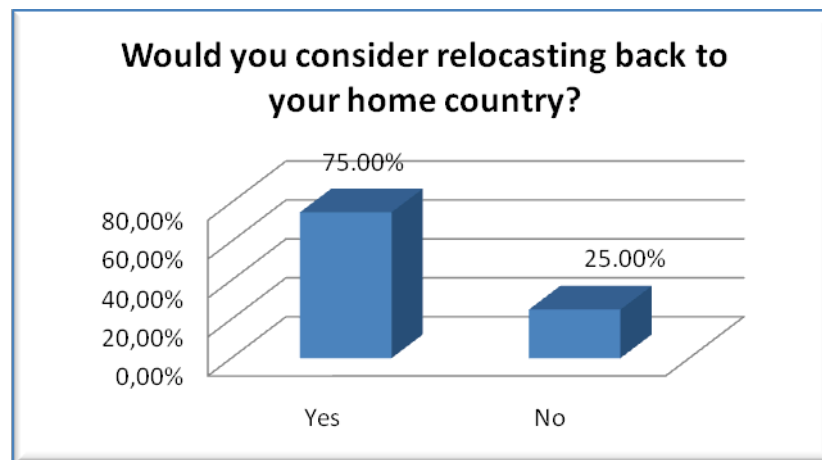
## Relocation / Going back Home?

Despite the longer-view perspective developed in the market, the UAE still remains a stop-over during one's professional career. This reflects two main trends; one, the strong wish to return home, when an interesting opportunity arises, and, two, the need to follow "the money", that is, to move to more promising markets in the future.

Currently, *Asia-Pacific* and *Other GCC Countries* seem to be the primary choices in case of a new relocation. This, of course, is quite expected, as these seem to be the most promising economies, with interesting growing perspectives in the future. Interestingly enough, *North America* is regarded as the second choice for relocation, probably due to the fact that the upcoming shortage of talent, coupled with the already developed infrastructure will develop interesting opportunities, despite the current economic breakdown. *Eastern Europe* is regarded only as third option, though with a high percentage. *CIS countries* and *Latin America* are last resorts, as it seems that despite the interesting opportunities in the specific regions the distance and the new cultural shock are significant factors to be considered. Lastly, *Africa* is not considered as an option at the moment.

	Primary Priority	Secondary Priority	Tertiary Priority	Last Resort	N/A
Africa	5.8%	10.6%	21.2%	27.9%	<b>34.6%</b>
Asia-Pacific	<b>37.5%</b>	30.8%	17.3%	4.8%	9.6%
Other GCC Countries	<b>34.6%</b>	29.8%	13.5%	10.6%	11.5%
Eastern Europe	7.7%	25.0%	<b>32.7%</b>	18.3%	16.3%
CIS Countries	1.9%	10.6%	28.8%	<b>29.8%</b>	28.8%
Latin America	7.7%	23.1%	21.2%	<b>25.0%</b>	23.1%
North America	26.0%	<b>32.7%</b>	19.2%	12.5%	9.6%

Still, as stated above, 75% are waiting for the right moment to return home.



## Executive summary

The profile of the top executives in the UAE and overall GCC region today seems to be shifting, accommodating the changes caused by the ongoing international economic crisis as well as by the inevitable growing maturity of the market. There is a closer focus on quality, longer-term perspective in business development in the market including entrepreneurial activity, commitment and determination to build on the opportunities offered in the region.

More analytically, top executives are still quite *optimistic* for the overall growth perspectives and seem to believe that these markets, though not immune, will be less affected by the global crisis. The *Banking & Financial Services* sector is still perceived as the most promising one, followed by *Real Estate & Construction* and, of course, *Oil, Gas & Natural Resources*. *Professional Services* and *Technology* also rank high, while traditional sectors like the *Industrial* rank surprisingly low.

Although the UAE is an open market with high mobility and constant arrival of more high-level professionals, there is a perceived high *shortage of talent*. On one hand, this seems to be related to *low opportunities in the market to retain top talent*, and, on the other hand, to a general profile of the top executives, that seems to emphasize more *international experience* rather than deep knowledge of a market sector, or use of superior managerial skills.

The time period a top executive would plan to stay in the same position *averages from 2 to 5 years*, however, *the length of this period seems to be getting longer rather than shorter*. Although “*open to suggestions*”, most top executives would not be interested in immediate changes in their career and are quite focused on their current position. This is a significant change in a market that until now has been considered so unbalanced that changing positions even within a one-year period was considered a common and acceptable market practice.

When considering leaving a current employer or joining a new one, *lack of career advancement* and, respectively, a role with *higher responsibility* or *more entrepreneurial job description* are regarded as the most important factors. *Entrepreneurship* seems to be gaining ground, as experienced top executives are considering investing more time and money in a market that still seems full of opportunities.

*Development of personal and professional network* seems to be the most important factor for career development. However, emphasis is also placed on *international experience, soft skill development and mentoring*, indicating

that top executives are not opportunists but plan their career more carefully. Besides the personal network, the services of an Executive Search company are also considered important when examining new career opportunities.

The markets that seem to attract their interest – besides the UAE – are the *other GCC countries* and *Asia-Pacific*, while *North America* appears to be an interesting second option. However, there is *always an eye towards the home country*, where most plan to relocate if and when a good opportunity arises.

Based on the above results and the shift that seems to be recorded, the necessity of effective career management is again brought to the fore. This includes careful and long-term planning, definition of goals, necessary preparations and action. Market research and the development of skills, experience and other resources are essential for achieving career goals. Though these steps are often disregarded and undervalued when compared to networking, they cannot be substituted when indeed one is dedicated to developing his or her career.

## About Stanton Chase

**Stanton Chase International** is a specialized global executive search consultancy firm of first choice to multinational companies, offering executive search services with **worldwide reach, regional knowledge and local insight**.

Formed in 1990, Stanton Chase operates with truly integrated resources of over 64 offices in 39 countries. In recent surveys, **Stanton Chase** is ranked among the **top 10 international executive search firms** by size, stature and reputation. Stanton Chase is a member of the International Association of Executive Search Consultants (AESC) and strictly adheres to its ethics and code of conduct.

Established in 2006, **Stanton Chase** in Dubai is strategically positioned to serve the growing demand for global talent across the Middle East region.

**Our team** consists of industry specialized consultants and researchers. It is important to state that all our Partners and Consultants have gained their experience and knowledge, working as executives in the industries they serve.

Commitment to quality and prompt results fit seamlessly with global reach and profound regional expertise. Our industry practice groups allow us to identify leaders with proven multi-cultural experience and cutting-edge functional skills while leveraging the full benefit of our global network of resources.

## Our Specialization

Specialized in board level appointments and other senior functional positions in management, sales, marketing, finance, human resources, operations and IT, we focus on:

- ♦ **Consumer Products/Retail/Services** (including Luxury, Fashion and Cosmetics);
- ♦ **Financial Services** (including Private, Corporate, Retail & Investment Banking and Insurance);
- ♦ **Industrial** (including Automotive, building material, capital & industrial equipment etc);
- ♦ **Technology** (including IT, Internet and Telecom);
- ♦ **Life Sciences and Health Care** (including OTC and Pharmaceutical Products);
- ♦ **Professional Services** (including Management Consultancy and other Business Services);
- ♦ **Natural Resources/Energy** (including Upstream & Midstream, Services, Mining and Utilities);
- ♦ **Logistics & Transportation** (including Freight Forwarding and Supply Chain Management);

Utilizing cutting-edge online **psychometric assessment tools**, we ensure timely and effective evaluation of the best candidates from defined target markets whilst focusing on retained, long-term partnerships.



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