



The Middle East: A Promising Land For Stanton Chase International

By Jason Starr & Pilar Gumucio

Despite the global recession and economic uncertainty that continues to loom, Stanton Chase International, a top-ten retained executive search firm with 68 offices in 41 countries, is optimistic about the opportunities that the Middle East holds for executive search.

"We were very pleased to have hosted our 39th global partners' meeting in Dubai due to the importance of this emerging Middle East market for our clients, to better feel, learn and experience the culture of the region," said Steve Watson, International Chairman of Stanton Chase. "We were fortunate to have the opportunity to meet several CEOs and managing directors in the region, and to better understand the business climate and value here."

Panos Manolopoulos, the Managing Director of Stanton Chase Middle East, met with *search-consult* after this meeting to explain why Dubai and the Middle East are considered to be so important for this leading executive search firm.

Stanton Chase first opened its office in Dubai in 2006 to assist organizations in identifying, assessing and attracting outstanding individuals for senior management and board roles across the Middle East region.

The Dubai office works as a hub for all the firm's Middle East operations, which are primarily for clients that are in the GCC countries (composed of Bahrain, Kuwait, Qatar, Oman, Saudi Arabia and

the United Arab Emirates) and the Levant area.

The first to use this service were multinationals with offices in the Middle East and local companies, both with rapid growth plans. Their clients were mainly in energy and natural resources, industrial, financial services, technology as well as consumer products and services.

AVAILABLE OPPORTUNITIES

"Now, despite the crisis, the Middle East is a very promising place for business," reports Manolopoulos. "There is a great deal of interest and money being invested from very strong family conglomerates who are looking to expand throughout the Middle East as well as to other regions."

Moreover, he describes how the global recession has had a positive impact in the Middle East, initiating a "cleaning process" as many companies are now in the process of rethinking their HR strategies and restructuring their talent bases.

Initially, companies in the Middle East were desperate to hire talent to open their offices and expand their operations; as a result, they did not necessarily hire the most qualified executives. Therefore, companies soon became overstaffed. Moreover, companies did not necessarily have the expertise or the skill sets they had intended to and executives were frequently changing jobs in favor of the most lucrative offers; nevertheless, nothing was done to correct the way these executives were hired.

A NEW ERA EMERGES

The global recession and economic uncertainty have made businesses reassess their current strategies and practices. Have they really been effective? What must these companies do to ensure that they are really being competitive?

Manolopoulos explains: "We are now moving into a new era where companies are seeking to invest in quality candidates, which means that they are being more selective in hiring new talent as well as exploring new ways to retain their top executives for a longer period in time."

As a result, companies across the Middle East are assessing their management teams and determining gaps that need to be filled so that when the economy bounces back these companies are ready to start hiring. This may also be a good time for small and medium-sized companies to attract good talent, which can strategically help them become more competitive.

Despite the significant drop in the executive search business from the beginning of 2009, there are positive signs that this may soon change. For example, financial services were severely hit as search virtually came to a standstill throughout the world. Nevertheless, opportunities in financial services have continued in the Middle East as many of the Islamic banks saw this as a good time to aggressively attract talent from the West. Oil and energy are also still in demand,

although the latest tendency is moving away from oil in favor of alternative energy resources.

“Areas that were not hit by the recession,” Manolopoulos reports, “are the educational sector, pharmaceuticals and healthcare sectors. Some of these sectors even reported higher demand than last year. I assume once the recession is over, banking will be strong as construction, real estate, consumer and retail, industrial and especially technology will bounce back.”

The announcement of the Abu Dhabi investment of 20 million dollars and Sheik Mohammed’s plan for continued investment in the Middle East until 2015 are also perceived to be positive signs that the economy, and hence, the search business in the Middle East, will soon be back on track.

Manolopoulos describes how Stanton Chase International is planning to open offices in Riyadh, Saudi Arabia and Qatar in the near future. “In the rest of the countries in the Middle East we plan on having satellite offices, branches or cover from Dubai.”

THE MIDDLE EAST DIFFERENCE

Although executive search is a methodological approach, each country and region has its own particularities that must be taken into consideration when providing this service. The Middle East is no different.

Business revolves much more around personal relationships, family ties, trust and honour. There is still considerable reliance on executives hired through directors’ own networks or recommendations, particularly amongst local Arab-owned businesses. In order to succeed in penetrating the Middle East market, executive search consultants must show these companies that relying on their local network will no longer suffice in a dynamic, aggressive and internationally evolving marketplace. They must demonstrate that their added value is making what has often been perceived as an opportunistic hire into a strategic one.

Establishing that vital trust with the client company in the Middle East requires personal attention by the search consultant.



Panos Manolopoulos

This not only entails regular updates on the assignment, but permanently satisfying queries and building a long lasting relationship so that the client adheres to the strategic benefit of the cost (which still acts as an obstacle for prospective clients).

Information about the financial position and the senior management structure for many of the businesses, especially the family held companies, is not readily available to the public. This poses a great challenge for the search consultant, especially for targeting companies and candidate identification. Requesting information about the client’s decision-making processes or financial information is sometimes viewed with a great deal of skepticism. As a result, the search consultant must be very tactful and diplomatic in persuading the owners/decision-makers that providing this information is crucial to the success of the search assignment, and therefore, the success of their own company.

Manolopoulos illustrates how important personal relationships really are in the Middle East as he describes how a great deal of companies still select a search firm based on the consultant’s family status, origin and religion then on the search firm’s performance.

To be effective in the Middle East, search consultants and researchers

must have a strong understanding of local traditions; they must be aware of the intricacies of the Middle East markets in order to identify and introduce culturally matching candidates locally and internationally, whose adaptability to the client company should be assessed beforehand. Therefore, the executive search consultant tends to develop close relationships with the candidates as well. In fact, the consultant is fundamental in acting as the mentor and coach, either for a European candidate coming into a local business or a local candidate entering an international firm.

Another interesting particularity to the Middle East is that all its searches are global, and therefore, are all cross border searches. Manolopoulos states: “They are not country or region specific. In fact, 85% of the top talent in the Middle East are expats from all over the world, demonstrating how global these searches really are.”

As a result, Manolopoulos strongly believes that Stanton Chase provides the perfect mix, which enables this leading executive search firm to “be able to effectively maximize their client’s value through a consultative relationship, focusing, adapting and responding effectively to the diverse business challenges of their clients and potential clients.” In the Middle East, this means having sourcing and talent acquisition teams that have intimate knowledge of the cultural particularities, can develop effective and long lasting personal relationships with companies and candidates worldwide as Stanton Chase International continues to deliver long lasting results and added value. S

Panos Manolopoulos is the Managing Partner of the Middle East operations of Stanton Chase International. He has been a member of Stanton Chase since 2003 when he started as General Manager of the Bucharest office and became Managing Partner in 2005. He is one of the shareholders of Stanton Chase in Romania, Bulgaria and United Arab Emirates.

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