



Specialist Talent in the GCC: Attraction, Development, Retention

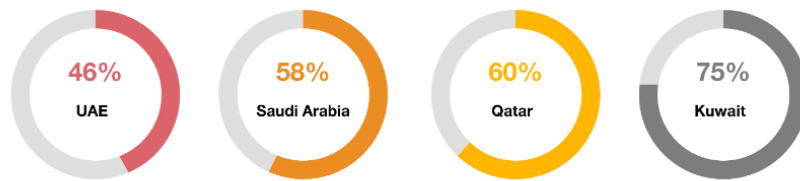
A topic I touched upon briefly in my last piece related to the challenges and opportunities around Human Capital and Talent in the Middle East, pertaining to the Infrastructure, Energy Transition and Decarbonisation space - and this continues to be a prominent point of discussion. There are multiple points to consider here which contribute to both the benefits and opportunities in the region, in addition to evident challenges as development continues at a rapid pace.

Main focus here centres around the UAE, Saudi Arabia and Qatar - given the stages of their development to date.

Scale of Development: Growth, Challenges, Opportunity

The GCC region is experiencing a heightened and sustained level of growth when compared with other geographies, particularly across the development of Infrastructure and Energy Transition related projects. The region is expected to grow again by 2.5% in 2023, a slower pace than the impressive GDP growth of 7.3% in 2022 (Saudi Arabia itself coming in at 8.7%), but this was due largely to increased oil production. With COP27 having been held in Egypt and COP28 around the corner in the UAE, there is increased discussion around the need for action towards achieving Net Zero targets - driving the boom in investment and project development across the region. Whilst the intensified hype is all very promising, the sheer scale of the projects that are already ongoing, let alone those in the pipeline, comes with the stark reality that a large volume of appropriately skilled talent is required to facilitate them. In Saudi Arabia alone, it is estimated that there are more than ~USD 1 Trillion worth of Infrastructure & Real Assets projects under development or in the pipeline. There was a recent study conducted by PwC investigating skill-shortage concerns across the region, in which the majority of employees believed their countries were experiencing a shortage of people with specialised skills.

Respondents who believe their country has a shortage of people with specialised skills



Source: PwC's 2022 Middle East Workforce Hopes and Fears Survey of 1,565 workers across 4 countries

Across the region, there is certainly a large and concerted talent drive to ensure that there is enough, skilled Human Capital to push forward these agendas. Attention is turning to domestic employment policies such as 'Emiratisation' and 'Saudisation' to drive local talent into these sectors, but this will naturally take time to evolve, providing an effective solution in the long-term. Indeed, Qatar also has its own policy, but given the much smaller domestic population this is approached differently. In regard to shorter-term solutions, exploring the International talent market is still desirable to the majority of firms in the region to ensure they continue to build culturally diverse teams, in addition to these individuals bringing proven track record to assist in driving technical, financial & commercial best practice. In order to develop the Infrastructure and Decarbonisation projects at the required speed, technical skillsets gained through exposure to more developed, mature markets and situations are sought after- but not to the detriment of cultural affinity. When embarking on a search process with our partners, much emphasis is placed on assessing an individual's characteristics to ascertain how they might assimilate into an organisation that operates across the GCC, and the nuances therein from a practical business perspective when compared with other geographies.

Attraction of Talent: Regional Jostling

Whilst the desire to continue recruiting expats is there, questions turn to how the landscape continues to evolve in attracting the talent required to sustain the project pipeline. From our extensive conversations within the market, there is still a preference, for the most part, in expat talent leaning towards settling in the UAE as opposed to Saudi Arabia, Qatar or other areas of the GCC. Some relatively recent developments that have fuelled this further within the UAE are the introduction of the attractive 10-year 'Golden Visa' for expats, as well as having already adopted the Monday-Friday working week. This being said, having spent my time engaging with talent and businesses alike across the region, I can certainly report that the changes that have taken place over the past few years, particularly in Qatar & Saudi Arabia, have been extensive and progressive. The former of course experienced a large amount of development required to host the FIFA World Cup, with its residents now able to utilise the modern infrastructure post-tournament. The Kingdom has streamlined its visa process and continues to address women's rights as part of the social reform plans within Vision 2030, in turn boosting the female work force participation rate by 64% in a two-year period.

There is a feeling that perhaps Riyadh isn't all that far away from a 'tipping point' in which the narrative may well shift in its favour from a talent competitive standpoint- with some of the current challenges pitting it against other locations in the region continually diminishing. As part of its 'Quality of Life Program' launched in 2018, developments in areas such as Education, Healthcare and Entertainment are taking huge strides, all crucial factors for individuals to consider when making the move, particularly with family members. It is widely accepted that perhaps there is still some way to go, but if professionals are interested in exploring huge potential in the region and desire to be at the forefront of exponential growth, arguably like none seen before, then considering a 'leap of faith' will no doubt be rewarded.

Key words: Sustainability

With the demand for specialist and technically advanced talent being in such demand in the short-term, it's important to also consider the long-term effects within an organisation to ensure a sustainable growth strategy. Focus on local talent, driven by policy amongst other means, should certainly not be neglected - fostering and developing the appropriate skillsets amongst the domestic workforce should form an integral part of hiring strategy. In turn, this needs to align with creating an attractive, exciting and challenging culture to ensure that talent is retained. Those operating at the more supervisory levels must possess the characteristics to effectively transfer their knowledge and nurture those reporting into them so that teams can grow organically. This is particularly important when considering that in Saudi Arabia, 63% of the population is under the age of 30 - offering a great opportunity to train and develop the younger generation in more diversified sectors in line with Vision 2030.

If best practice learning and development programmes aren't exercised efficiently, there is a risk that those brought in to impart their extensive knowledge may do so for a short time, before leaving either the business and/or country and taking it with them. Another attempt to combat this and contribute to long-term sustainability, comes in the form of directives from the Saudi government around the need to establish regional headquarters. International companies will no longer be eligible for government contracts starting in 2024, unless they have a regional HQ in the Kingdom- with a goal to reach 480 HQs by 2030. With this approach, amongst other efforts, businesses will cement a more sustained presence as well as retaining more corporate expenditure within the country and creating more opportunities for the local population. All in all, the focus on a sustainable talent model is crucial across the GCC in the ever-evolving Infrastructure & Decarbonisation marketplace as technologies mature and change, in turn requiring the import of new skills to compliment their implementation.

One Search Perspective: Who's in demand?

Opportunities continue to arise within the Infrastructure, Energy & Decarbonisation space across the GCC in alignment with the ambition and growth of the region itself. Professionals that have gained experience across M&A and Financing are arguably those we see in greatest demand from Investors, Banks and Corporates - whether from those looking to establish a presence, or deep-rooted domestic organisations looking to further their agendas. Conversations are increasing around developing or improving Investor Relations practices with a product lens - particularly with International brands looking to benefit from a physical representative in the region. We are also seeing an increased amount of geographical scope with the Institutional Investors in particular, looking to invest ready capital into International markets as well as across the GCC-both in regard to Fund Investments and an increased appetite to explore Direct investments.

Our discussions are also picking up pace with portfolio companies, platforms and corporate businesses that are looking for specialist C-Suite and Senior Advisory talent as pertains to a particular commercial skillset, technology or geography- to further drive revenue growth & performance. Particular, heightened sector focus currently points to Digital Infrastructure, the Energy Transition and Controlled Environment Agriculture (CEA).

In summary, steps are certainly being taken to improve the attraction, development and retention of specialist talent in the GCC region, and given the changes that have taken place over the past few years, it's exciting to look forward to how things will look in the near future. That's not to say that the roadmap has been meticulously planned and cemented as yet, especially in the case of Saudi, but positive change is afoot. Naturally, individuals will have their own preconceptions of the Middle East - but I would encourage anyone, if the opportunity presents itself, to explore cities such as Doha, Riyadh & Abu Dhabi (I could go on...) to witness the culture, growth and development first-hand. You'll not be left disappointed.

If you feel you'd be open to exploring an opportunity in the region or would like to have an informal discussion, please don't hesitate to reach out.