



Cooper Fitch

GCC CEO REPORT

28th March 2022

INTRODUCTION

Welcome to the inaugural Cooper Fitch GCC CEO report. At the time of publishing the report, CEOs in the region have made significant contributions towards their businesses in order to move on from the effects of the COVID-19 pandemic and are now focusing on business growth for 2022 and 2023. Talent, company culture and employee engagement are themes featured throughout the CEO report as key challenges organisations faced as an impact from the Covid-19 pandemic. In addition 40% of firms surveyed said that their biggest challenge for growth this year is a need for retaining and attracting new talent. Given the focus on work life balance, working from home and flexible working hours as well a fierce competition across the region for top talent organisations need to centralise their attention towards retaining the talent they already have whilst enticing others in. Finding out what their edge will be in the market will assist them in overcoming obstacles.

Digital transformation was a prominent theme throughout the survey findings and continues to be a driver and focus for leaders in 2022 despite the focus that was given towards this area of business during the Covid-19 pandemic. CEOs are turning their attention to other areas of the business this year with new market penetration being accounted for by 33% of business leaders as their main focus for 2022. It is also important to note at this point that 57% of leaders are forecasting revenue growth of 5-10% for 2022-23.

Diversity and inclusion is becoming a progressive area of focus for organisations across the Gulf and significant changes have been made over the last few years to work towards eliminating any gender, culture and nationality biases. We found that 78% of respondents have a clear diversity and inclusion strategy in place and if they did not then they were putting one together adding to the positive movement towards an inclusive and diverse working culture across the region.

40%

Retaining and attracting talent is the biggest challenge for 40% of leaders across the GCC

57%

Of CEOs are forecasting a 5-10% revenue growth for 2022-2023

78%

Of those surveyed have an inclusion and diversity strategy in place

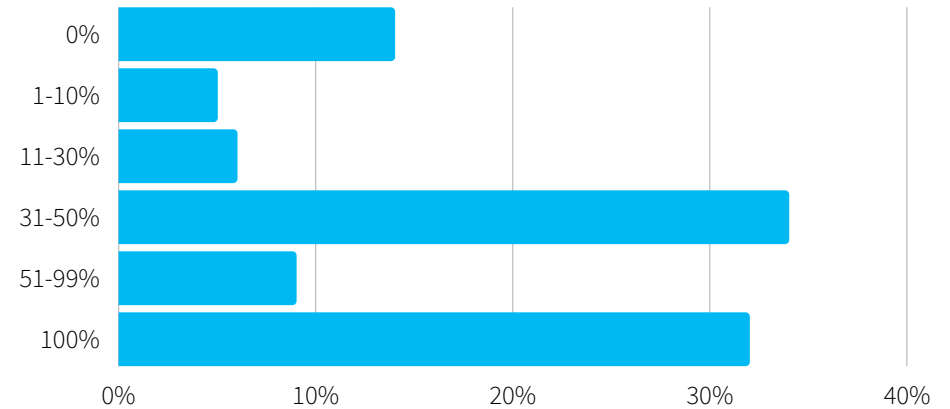
CONTENTS

- Introduction 2
- Contents 3
- Succession planning 4
- Growth and strategy 5
- Diversity and inclusion 7
- Covid-19 8
- Bonus outlook 9
- Research methodology 10
- About Cooper Fitch 10

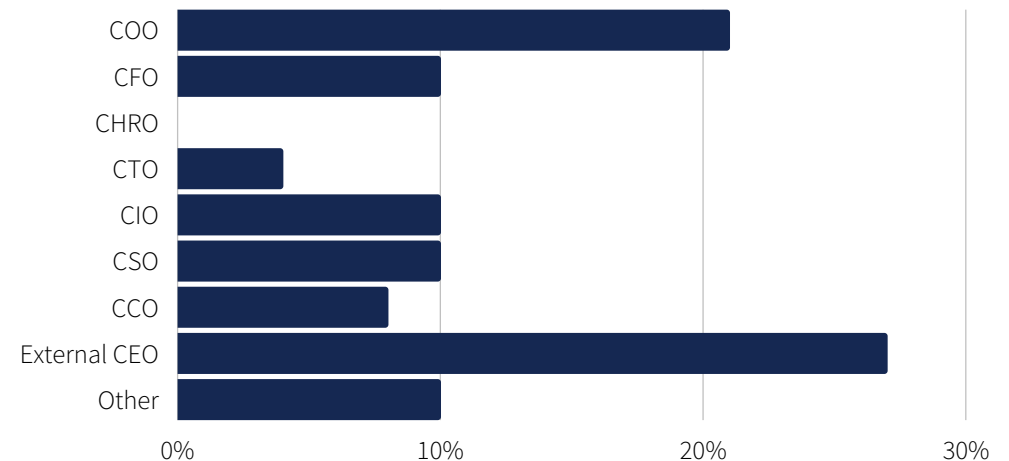
SUCCESSION PLANNING

There was a strong trend amongst appointments of C-suite positions with 32% of organisations revealing that all of their appointed C-suite positions were internal promotions as opposed to external hires and 34% of respondents stating that 31-50% of their C-suite appointments had been from internal promotions. In saying this, however, we found from the data that 27% of organisations believed that their successor would most likely be an external CEO as opposed to within the organisation. Surprisingly only 10% viewed their CFO as their next successor which is lower than we have historically seen with CFOs traditionally having a higher propensity of being successors in both GCC and global markets. Observations globally have shown that there has been an increase in the creation of Chief Health Officers positions however this was only supported by 8% of business leaders in the Cooper Fitch survey.

What proportion of your C-Suite executive appointments in 2021 were internal promotions vs external hires?



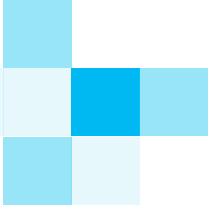
Where do you think your successor will most likely come from?



Have there been any new C-Suite positions created as a result of Covid-19?

89%

Of organisations stated that there hadn't been any C-Suite positions created as a result of Covid-19.

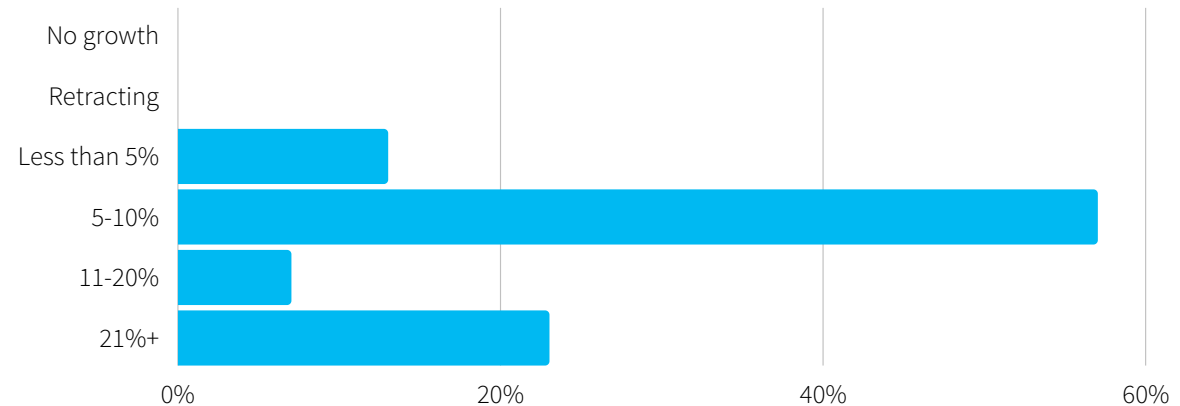


GROWTH AND STRATEGY

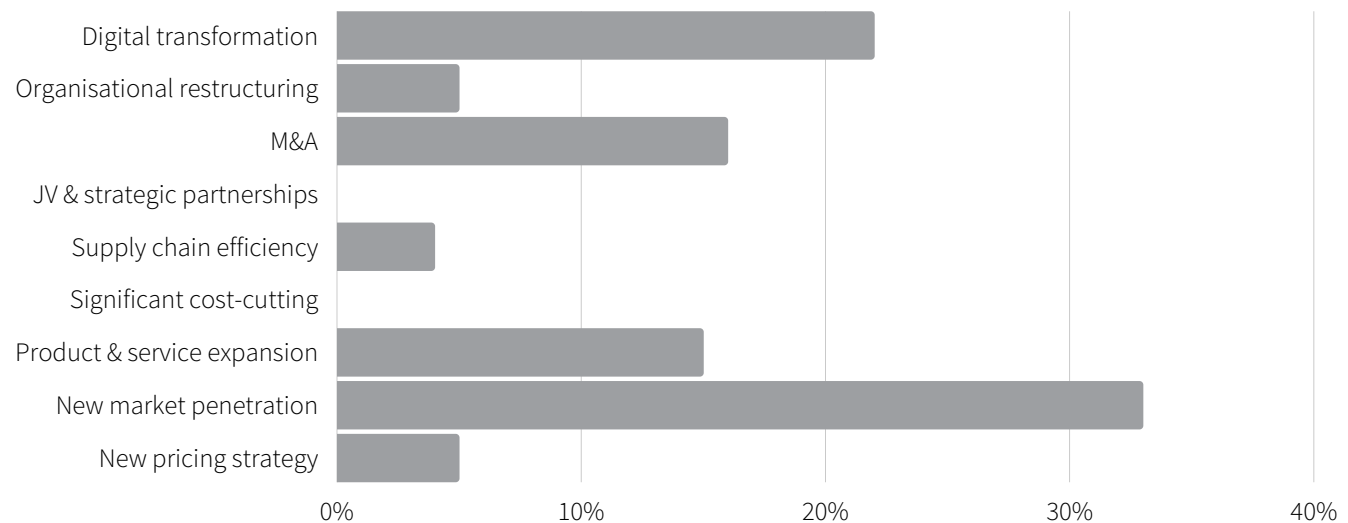
In 2022 we should see a continuation of revenue growth for organisations, 57% of the respondents forecasted a revenue growth of 5-10% this year however an optimistic 23% believe that their revenue growth will be 21% or above. Strategies for growth were varied across organisations with new pricing and organisational restructuring being a priority for only 5% of firms compared with 33% of those focusing on new market penetration in 2022. This driver for growth is evident with an increase in commercial opportunities in the current jobs market.

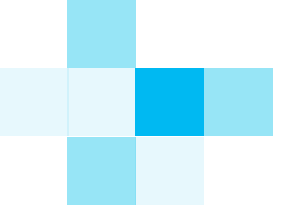
Digital transformation is one strategy for growth for 22% of organisations which can be justified given the drastic changes made globally due to the pandemic as well as the continuous innovation and development in technology and digital culture. Mergers and acquisitions have been a hot topic across the Gulf which was reflected in our results with 16% of business leaders indicating their commitment to this fundamental part of strategic growth plans.

What is your revenue growth outlook for 2022-2023?



What is your organisation's main strategy for growth?



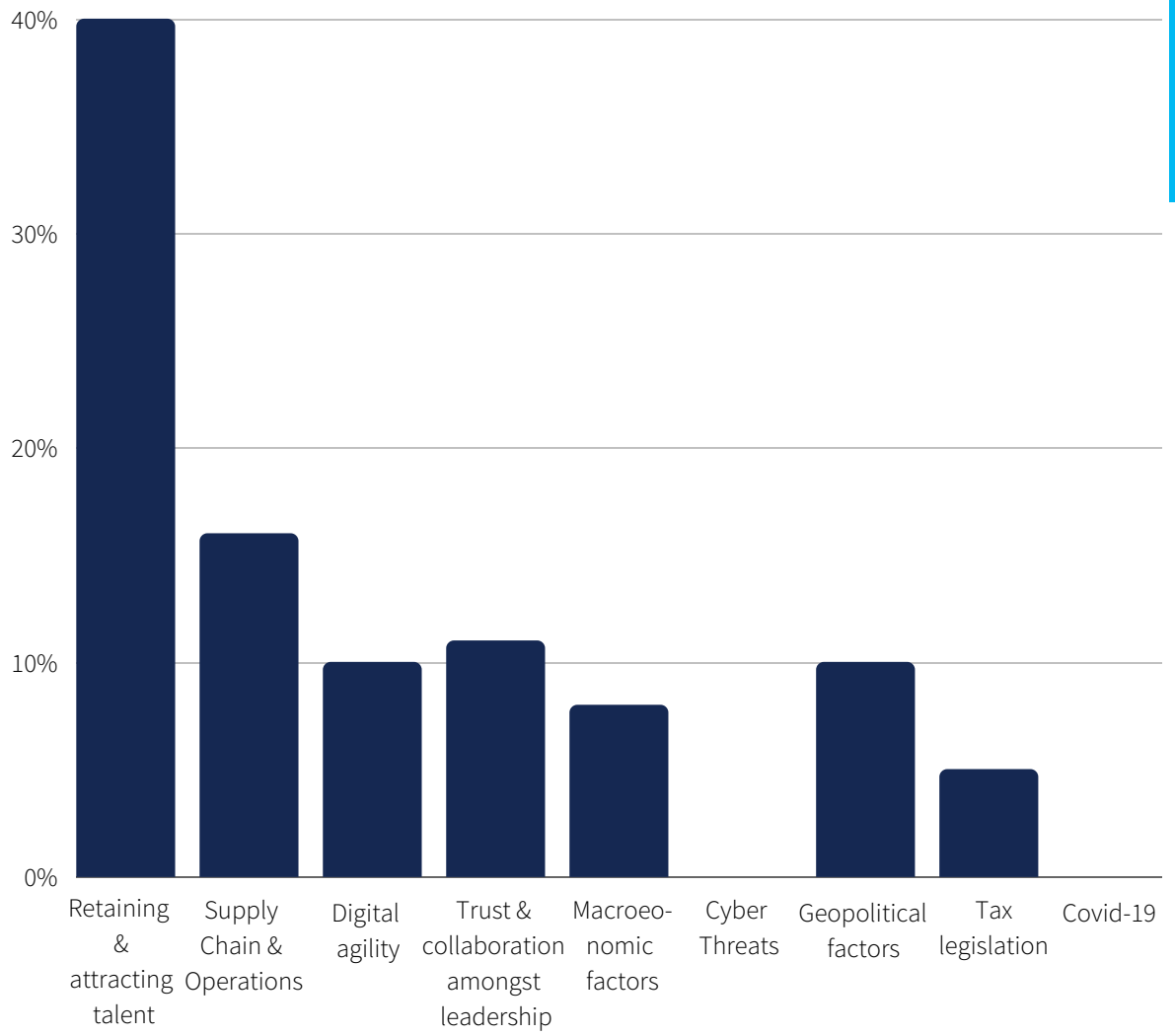


GROWTH AND STRATEGY

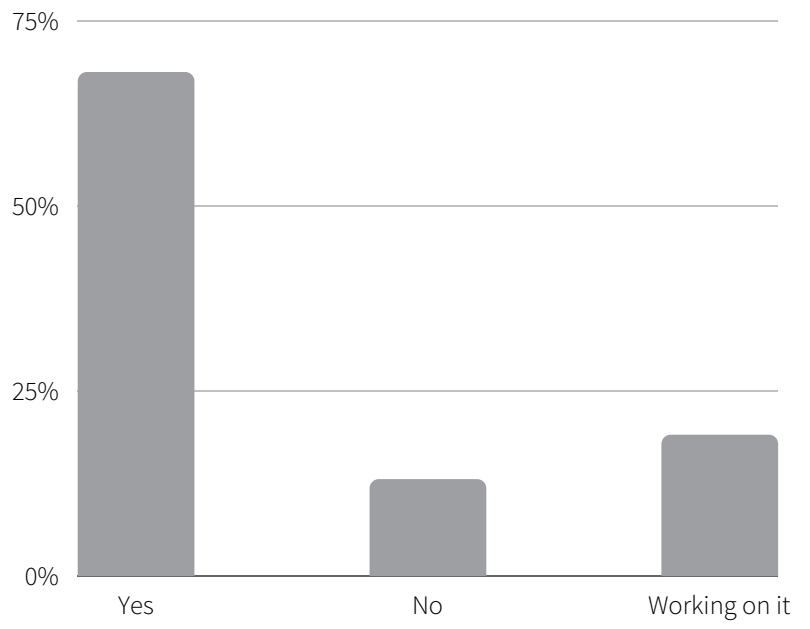
Retaining and attracting talent is the biggest challenge for future growth according to 40% of business leaders. There is increased competition for top talent regionally and globally across various industries and sectors making it more difficult for firms to retain their top employees as well as having to implement strategies to give themselves a competitive edge when it comes to attracting new talent.

Environment, social and governance (ESG) has been high on the agenda for many organisations globally and it has been no different for the Public and Private sectors in the GCC. Regionally we found that 68% of organisations are already executing an ESG strategy whilst 19% are still working on developing one. It is worth noting that Cooper Fitch has also seen a rise in talent in ESG experts, particularly in the consulting sector.

What is your organisation's biggest challenge for future growth?



Is there an Environmental, Social and Governance (ESG) strategy being implemented?

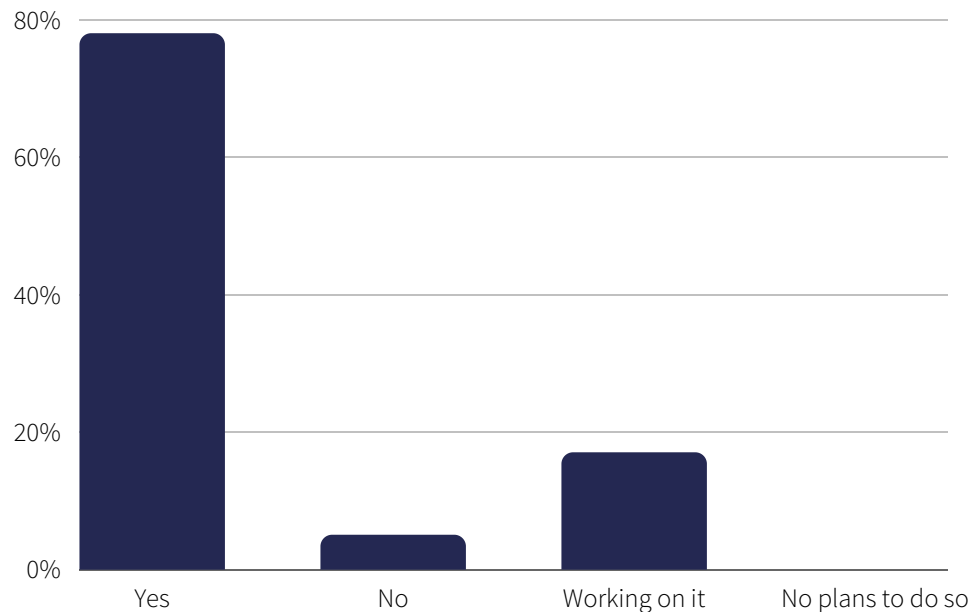


DIVERSITY AND INCLUSION

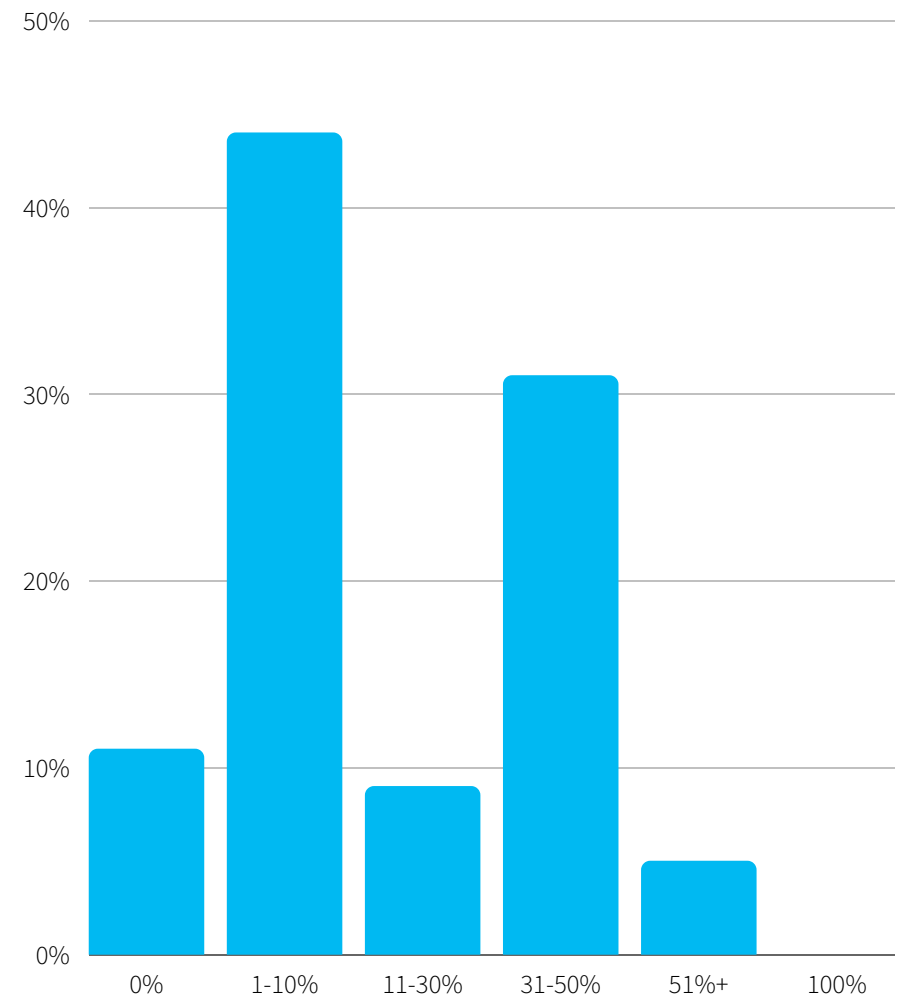
On a very positive note, 78% of organisations have a clear Diversity and Inclusion strategy with 17% currently working on developing and implementing a strategy. This is a very reassuring figure for the region which demonstrates its progression, therefore putting the GCC as an attractive market for talent from a variety of cultures, nationalities and genders.

This will assist and allow organisations to thrive by hiring unique and diverse talent. Whilst the region is progressing we still found that when looking at leadership teams there is a lack of female talent present with only 5% of organisations having 51% or above of female employees at senior leadership level and 44% with only 1-10% of females making up their leadership team.

Does your organisation have a clear Diversity & Inclusion strategy?



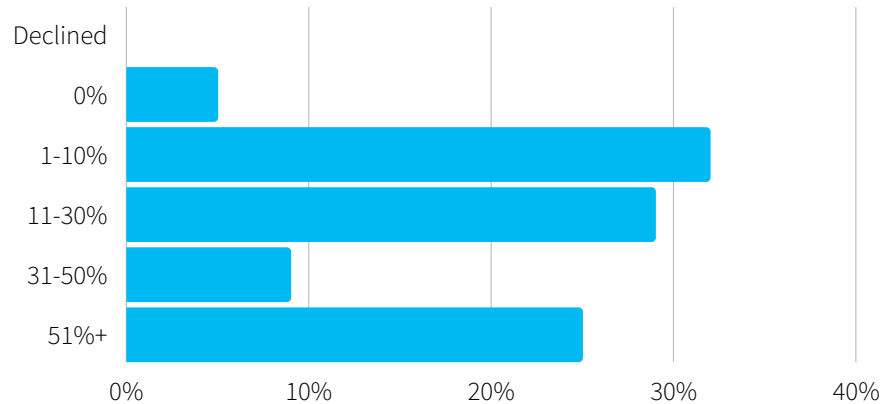
What percentage of your leadership (Board, Senior Executives, Committee and Head of Functions) are female?



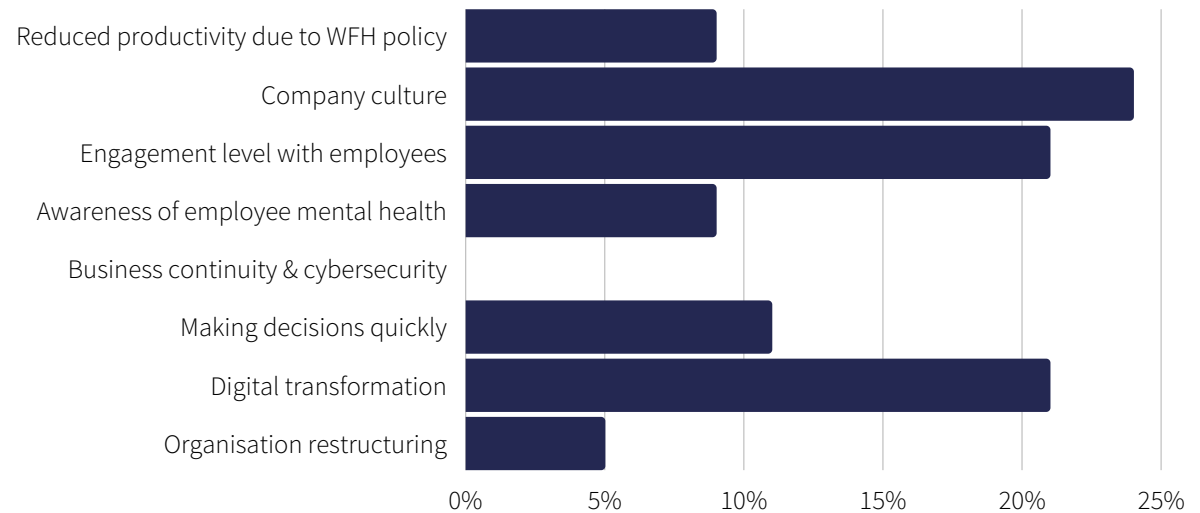
COVID-19

As a result of the pandemic, 24% of leaders indicated that their company culture had taken a hit and had been impacted the most, similarly, 21% felt engagement level with their employees had also been affected. Prior to the pandemic digital transformation was on the agenda for many organisations however given the shift in focus into the digital space we can understand why investment in this area had increased in 2021 compared with pre-covid. 9% of CEOs surveyed stated that investment in this area had increased by 31-50% and 1-10% for another 32% of organisations. Once again digital transformation featured in our findings as it appeared at the top of the list for 33% of firms as their largest non-financial goal for 2022 followed by customer service which given the step back from face to face contact and an adjustment to online platforms we can see why this is a priority for firms.

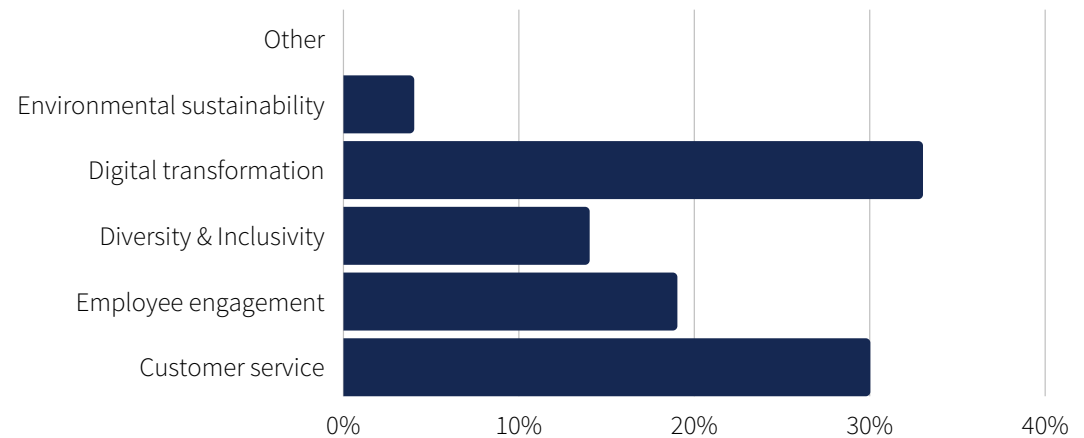
How much has investment in digital transformation increased in 2021 compared to pre-Covid?



What was impacted the most as a result of the pandemic?



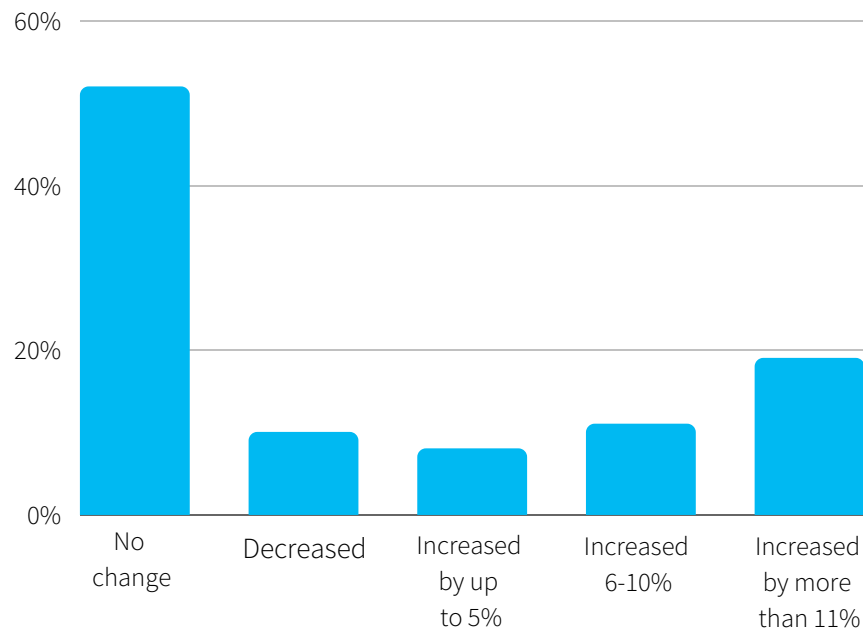
What is your largest non-financial goal as an organisation tied to?



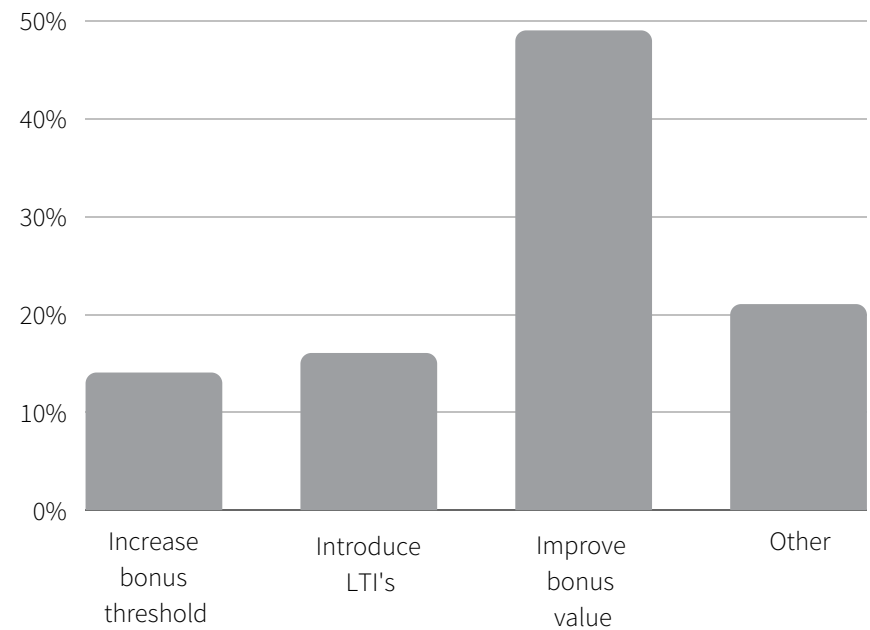
BONUS OUTLOOK

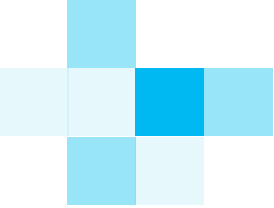
We have seen a trend in bonus outlooks for 2022 in terms of the variable bonus paid in 2021 and the changes made to bonus structure in 2022. From the CEOs that Cooper Fitch surveyed, the majority, at 50% indicated that there was no change to the variable bonus paid in 2021 and at the same time 50% stated that there will be an improved bonus value for 2022. In addition to this, 19% of CEOs indicated that bonuses had increased by 11% or more compared with 2021. These findings are aligned with the data presented in our 2022 salary guide where over 20% of businesses forecasted a 3-5month gross salary bonus payout for 2022 and a total of 74% of the respondents across both the UAE and KSA said that they would be paying out bonuses this year.

In your organisation did you change the variable bonus paid for last year?



Did you change the performance bonus structure of your organisation for this year?





RESEARCH METHODOLOGY



The inaugural Cooper Fitch GCC CEO Report aims to share key market insights from business leaders in the region across a variety of industries. The survey covers critical business areas, organisational culture, challenges, the pandemic, innovation, strategies, diversity, and ESG amongst other important factors.

The data compares responses from CEOs across the GCC based on the outlook for their organisation for the year ahead.

For more information, feedback or questions about the GCC CEO Report please contact Jack Khabbaz or Emily Bates.

ABOUT COOPER FITCH

Cooper Fitch provide professional services to organisations across the GCC on all matters talent-related. Driving business forward with top-tier talent, market and data insights and consulting services to better their employee attraction and retention rates.

SERVICES

- Recruitment
- Executive Search
- HR Advisory
- Recruitment Process Outsourcing

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