



# Leadership Assessments for Middle East Executives: Why Now?

"Readiness to lead at the top levels in business and society requires leaders to develop a willingness to understand who they are and who they can become so that they can unlock their full potential – and help their organizations unleash their potential as well".

- Jill Ader, Egon Zehnder Chair

Will the leaders who got you where you are today be the ones that will get you where you need to be tomorrow?

The COVID-19 crisis has shown organizations that they need leaders who can rapidly adapt, experiment, and learn from past mistakes. Tomorrow's leaders in the Middle East and elsewhere will require agility and the ability to perform while transforming. Leadership Assessments are an effective way of working out who can take you where you want to go – now and for the long term.

# Rising up to the challenge in times of crises

Exceptional leadership may be hard to define but is easier to identify in times of crises. In 2020, the mounting pressures of COVID-19 severely tested leaders worldwide. In the Middle East, it followed the oil crisis, which heavily impacted the region's largest economies, significantly curtailing investments and putting pressure on travel, tourism and real estate, which together represent a large share of the region's GDP. This has led to a great deal of disruption, transformation and resetting of business strategies in the region.

At the same time, this double-pronged crisis continues to provide an opportunity for leaders to show their true potential – some will meet this enduring set of challenges; others will fail to go the distance. It is now more important than ever for CEOs and boards to achieve full transparency on the performance of their top executives in order to develop them in the right way, or if necessary, make a judgement call on their remit and scope. As we look forward, we hear from many leaders that COVID-19 induced challenges require a different and exceptional kind of leadership.

In our conversations with leaders, we have seen that many executives outperformed and exceeded expectations during the crisis; they operated on high levels of adrenaline and were determined to demonstrate their ability to cope and protect their organizations and people. Despite this spike in performance, we see that over time, more managers fail to keep up this level of energy. When called to transform their area of responsibility, many fell short of expectations.

This situation is perhaps normal given that faced with a crisis, individuals typically move through four different stages: initially they feel "shock", characterized by stress and denial; then they move into "response" mode, triggering action. Next comes "resolve", and the adoption of new solutions and capacities. The final stage is "transform", when individuals change and accept the new normal.

## Typical process of going through crises

### Response Transform Shock Resolve Stress and denial Opportunity-focused Action mode to Adoption of new restore confidence solutions and mindset Threat to human needs capacities Experimentation Emergence and Fight, flight or freeze acceptance of new Risk of a narrow focus Risk of relapse normal





As we proceed through the crucial era of "resolve" and "transform" we see a growing need to identify the core group that an organization can and should rely on.

# Fighting fires which burn long and bright

So, how do you know who are the core individuals you can rely on during a prolonged crisis, and who has enough resilience to last the course? Capitalizing on years of expertise in conducting assessments and crisis management, Egon Zehnder has developed and rolled out assessment methodologies for leaders, which enable boards and CEOs to identify precisely who can maintain high levels of performance and remain effective while fighting long-burning fires.

Since the COVID-19 crisis started, Egon Zehnder has completed over 250 Leadership Assessments for our clients in the Middle East. We have found these assessments to be a proven model that introduce external expertise, assess whether companies have the right people on board and provide useful benchmarking of what good leadership looks like in other organizations. The assessments provide unique insights to identify which leadership candidate to select, activate and develop and who will be able to perform throughout a prolonged crisis.

# **Relevant Situations for Leadership Assessments:**

- Succession planning
- Working with a Board to prepare individuals for CEO Succession or other leadership roles
- Post acquisition or merger selection and appointment
- Helping a new CEO or leader understand his/her talent
- Identification and development of "high potentials"
- Understanding the current and future talent of the organization
- New strategy or a major strategic (re)direction

Moreover, most of these assessments were conducted virtually during the pandemic, allowing us to be more reactive to our clients' needs and have the agility to assemble and mobilize the right subject matter expert team, often across various geographies.

For example, one of our multinational clients was undergoing leadership transitions at its headquarters in the GCC – the new CEO urgently needed to understand his

bench-strength, both in terms of ability to deliver, and perhaps more critically, in terms of its potential to deliver a transformation under exceptionally challenging circumstances. Three key questions arose – who will be able to lead others through this transition? Who will keep me closer to my customers as my industry becomes more competitive? And who will be able to help me innovate when competition comes from unexpected corners and across borders?

By assessing the CEO, the CEO's direct reports and their direct reports, an Egon Zehnder team composed of regional and global leadership advisors was able to answer these questions and find "hidden jewels" of talent. We were also able to support the CEO and the board of directors in thinking about potential people moves that would better harness the energy and potential of individuals who may be less inclined to participate in and drive the transformation: where would they add most value, and how could we bring them on-board.

In Egon Zehnder's experience, consistently high performing leaders possess the right combination of three types of strengths. Firstly, they possess effective leadership and functional competencies – namely the ability to develop strategies, lead teams, drive innovation and deliver commercial outcomes. Secondly, they exhibit the right personality traits, such as emotional stability, and an openness to change. And finally, they possess potential – the ability to grow and learn even amid challenging times – which we define as a combination of curiosity, insight, engagement and determination. Aided by its awareness of emergent leadership needs, Egon Zehnder measures these three factors in its Leadership Assessments in order to recognize high performing leaders.

# Three determinants of effective leadership in times of crisis

# Competencies

- Foundation of effective leadership
- Indispensable in times of crisis
- E.g. driving commercial outcomes



- Traits shaping one's behaviors in crisis
- Helps to leverage competencies and potential
- E.g. emotional stability



- Indicates ability to grow
- Distinguishes adaptive leaders
- Combination of curiosity, insight, engagement and determination

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# Impact of Leadership Assessments in the Middle East

Leadership Assessments are proving to be highly relevant right now in the Middle East. The Middle Eastern region is largely comprised of family-owned and government-backed companies, many of them having successfully grown to become regional or global industry champions. Given their aspirations to further develop their talent pool, Middle East companies recognize how crucial it is to put in place best practice performance and succession planning systems. It is therefore imperative for their board and CEOs to receive an objective and professional perspective on leadership, particularly in such difficult times when strategy goals are shifting.

These assessments are an invaluable means to identify both expat and national talent in the Middle East. The region's organizations face a balancing act between developing smart and ambitious national leaders, driven by recent government initiatives to increase private sector participation of the national population, and relying on more experienced expatriates who bring a wealth of expertise from global market leaders in their respective industry or function. Companies need to ensure that national talent has the right experience and capabilities to take on top leadership positions. In parallel, expats should not feel blocked by a glass ceiling if they are not given positions allocated to nationals.

For example, a number of our telecommunication clients in the region face this balance. Previously a state-owned and operated industry, it was one where national talent gravitated and grew professionally. Following the wave of liberalization and transformation, expatriates became strong sources of experience, talent and innovation as telcos looked to compete with newer and more nimble entrants to the market. A more recent wave of digital transformation and meeting customers on applications rather than through simple connectivity is driving even greater demand for agile, digital talent. A number of telcos are looking at how to continue this talent transformation while identifying and nurturing national talent. We have been working to assess leaders for their ability to perform while growing themselves and developing their teams, their digital savviness, as well as their potential.

One of our key clients has successfully used our assessments to guide their succession planning exercise. They were able to identify successors to key roles where they will need to continue "importing" talent while grooming younger nationals, and other roles where they are willing to "take a bet" on high potential

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albeit less experienced nationals. Critically, in those cases, they have a clear case and path to set in motion development plans to help elevate those leaders into their roles.

Crucially, these assessment exercises also motivate participating leaders who ultimately recognize the investment that their employer is making in their personal and professional development. Executives who are hungry to learn and grow, genuinely appreciate the opportunity to self-reflect alongside our consultants, and often come out of the exercises with a broader understanding of what growth and development can mean for them and their teams. In the Middle East, we have seen a number of CEOs role model this behavior – putting themselves first in line to be assessed. This has driven a different type of energy in the organizations as we continued the assessments with their teams.

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## **Covid-19 Micro-Website**

We have launched a micro-website where this and other informative pieces are posted. This site will be regularly updated: <u>click here</u> for further details.

# About Egon Zehnder

Egon Zehnder is the world's preeminent leadership consulting firm, sharing one goal: to help people and organizations transform. We know what great leaders can do and are passionate about delivering the best solutions for our clients.

Our more than 500 Consultants in 68 offices and 40 countries form one powerful, collaborative team. Our services include: leadership development, individual, team and organizational effectiveness, CEO search and succession, executive search and assessment, Board advisory, and cultural transformation.

For more information visit <u>www.egonzehnder.com</u> and follow us on <u>LinkedIn</u>, <u>Twitter</u>, and <u>Instagram</u>.

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