



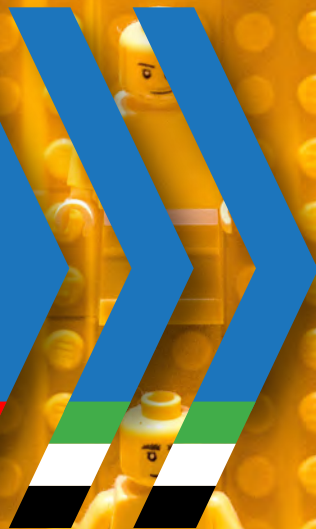
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CORPORATE RESEARCH FORUM

EFFECTIVE SUCCESSION MANAGEMENT

IN THE GULF REGION

CASE STUDIES



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CASE STUDY:

E& (~40,000 EMPLOYEES)

Reed Sylvester, SVP Talent Management at E&

- Emiratisation is a major priority in the UAE, creating urgent business need for a change in approach to succession.
- A programme of Emiratisation has been present in the private sector in the UAE for over ten years, but the introduction of the 'Emiratisation Resolution' (Ministerial Resolution no. 279) represented a significant development in intention and enforcement. With effect from 1 January 2023, private sector employers registered with the Ministry of Human Resources and Emiratisation (MoHRE) with more than 50 employees are now required to ensure that at least 2% of their total skilled workforce in the UAE are UAE nationals. Whether or not an employee is considered a 'skilled worker' is determined by their role and whether it requires them to hold a degree-level (or equivalent) higher education certificate.
 - As a result, at E&, they are in the process of introducing a range of new processes in order to proactively develop Emirati talent.
 - In the initial stages, their graduate scheme only recruits local talent and talent identification starts several roles more junior for Emirati employees. Reed explains that *"this is helping us to build a strong pipeline of Emirati talent coming into the organisation."*
- They are also exploring the use of talent pools alongside existing linear succession plans. This will help to give graduates and aspiring leaders cross-discipline or cross-functional experience, to prevent them from rising through the organisation with a limited set of experience.
- In doing so, they are using future capabilities assessments to identify potential and adjacent skill sets.

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- An important question is *"how can we accelerate their development, tailored to the needs of the Emirati population, rather than the expat population with similar tenure?"* One of the advantages of their globally dispersed operational businesses is that they can give aspiring Emirati leaders opportunities to access stretch roles in other countries, like Pakistan or Egypt, for two or three years.
- To support the long-term aim of developing and promoting local talent, the planning time horizon throughout the succession management process has been extended from 2 years – 'ready now' – to 5 years – known as 'ready future'.
- A major challenge in this process has been line manager capability, particularly when understanding the difference between performance and potential and being able to apply this during talent reviews and identification processes. E& is now looking at ways to *"provide better data and guidance around how to assess these, because we do rely on line managers for [the bulk of] assessment of talent and that is something of a gap at the moment."*



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CASE STUDY: MCDERMOTT INTERNATIONAL (~25,000 EMPLOYEES)

Nancy Zakharia Ohanessian, Senior Talent and Organisational Development Manager

At McDermott, Nancy Zakharia says, *"I'm not a fan of having a one size fits all development programme for everyone."* So, while there are a couple of generic training opportunities, internal development is calibrated wherever possible to the needs of the individual. During talent reviews, feedback is captured from a wide range of sources to work out what development will be most relevant to their progression and suitability for succession. This includes:

- Demographic information
- Performance and potential data
- Managers' feedback
- Individual's career aspirations
- Individual's mobility

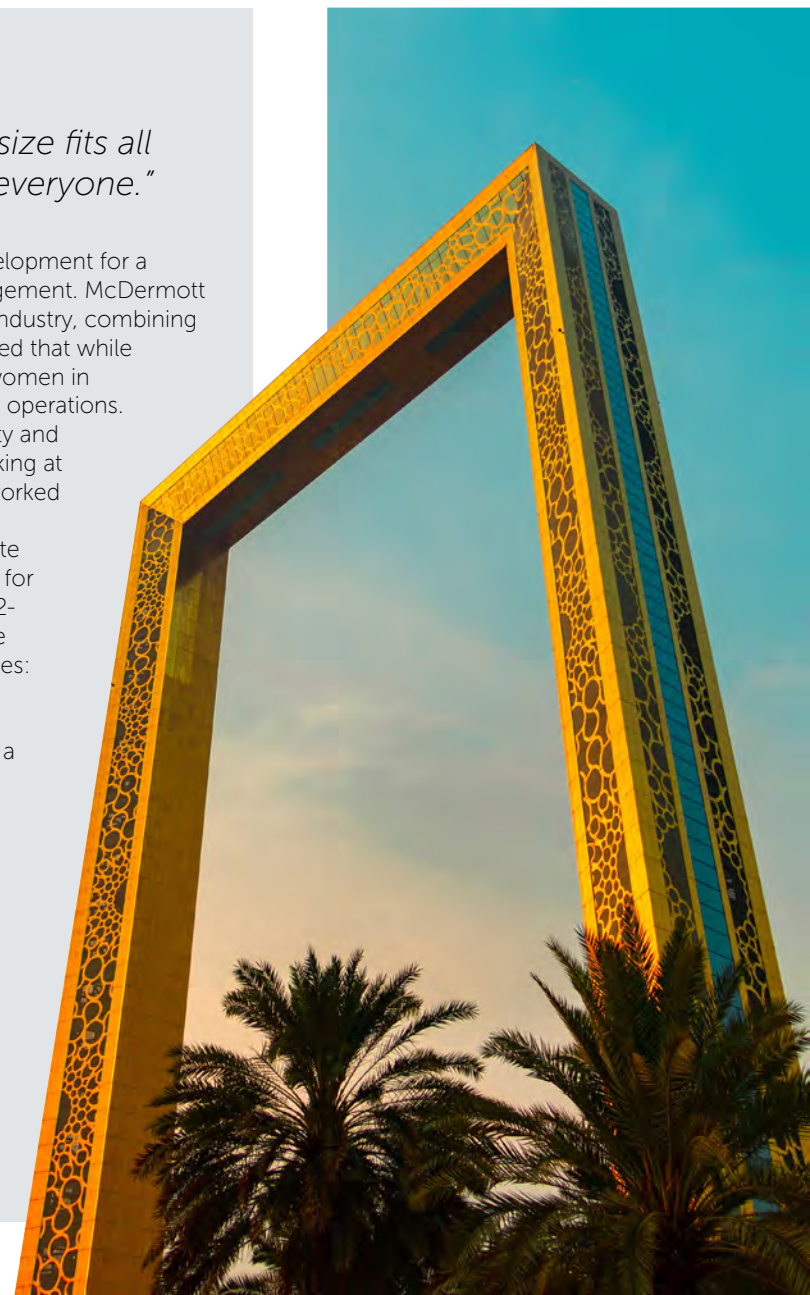
The organisation follows the 70/20/10 learning model, which originated with McCall, Lombardo and Eichinger in the 1980s and suggests the 70% of individuals' learning comes from job-related experiences, 20% from others they interact with, and 10% from formal learning. Thus, the organisation works with managers to create opportunities for stretch assignments, shadowing or additional projects, depending on what the person needs to develop. *"We have a very rigorous mentoring programme,"* says Zakharia, *"and when combined with internal coaching, we can support the individuals by assigning them or matching them with a coach."* Finally, they offer a series of programs tailored to different stages of succession plans: a 12-month leadership course for early career 'high potentials', called 'IMPACTT'; 'Rise', that looks at opportunities to develop women who are in the early stages of taking on formal leadership (or management) roles in the organisation; as well as external leadership development programmes for senior leaders.

"I'm not a fan of having a one size fits all development programme for everyone."

The 'Rise' program is an example of targeted development for a group typically underserved by succession management. McDermott provides construction services in the oil and gas industry, combining two largely male-dominated fields. Zakharia noticed that while gender diversity was increasing, there were few women in leadership positions, specifically in engineering or operations. The organisation heightened the focus on diversity and inclusion in every aspect, but was specifically looking at increasing gender diversity. To support this, she worked to develop a new programme that supports and develops women and empowers them to advocate for themselves, and to *"put themselves out there"* for progression and lateral moves. The result was a 12-month, four-module programme. Throughout the 12 months, participants access a range of resources: online elearning modules meetings with and exposure to senior leaders; coaching provided by Zakharia personally; mentoring from leaders; and a peer 'buddy' system for accountability.

The course starts with a psychometric assessment, before the women are split into groups and each group is assigned a real, business-related project that is assigned by the leadership team: a current challenge for the business or a focus on something that they want to implement.

So far, the program appears to be a success: Zakharia reported that most of the participants have advanced within the organisation. Either they moved countries to bigger roles, or they have been promoted, some to global roles.





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CASE STUDY:
SABIC (~32,000 EMPLOYEES)

Sofian Lamali, Global Head of Leadership Development

- In Sofian Lamali's department, they start the talent cycle by asking, "how are we moving the needle for the company?" He says, "we're not just trying to get to the goal of having nice succession plans, we consider this as a whole lifecycle that is very developmental... whatever we're doing in terms of succession, it's always about how we can help people develop."
- From there, the first step is performance appraisal, to start identifying the top talent. This is done with a variety of tools: '360' feedback, Hogan assessments, and so on. "We need to validate with external views that are unbiased and valid, but at the same time, we'll give ourselves a chance to calibrate based on what we learn from this group of internal people who do know the people they're assessing."
- Lamali describes it as "an evidence-based approach, where we validate initial views from HR and line managers, with external assessment centres... we try to mix both views." This is done in collective talent reviews called 'talent communities', in front of a broad audience of managers, leaders, and HR professionals. "HR is driving the process, but leaders are owning it", which Lamali partially credits to the organisation's insistence that leaders learn and use HR terminology when they engage in these processes: "collective ownership, collective decision making is the one thing that really makes it work."
- These reviews incorporate a range of evidence on the individual, to make it more evidence-based. For example, to combat recency bias in performance data, they take the average of the last three years' performance rather than just last year's.
- Once reviews are complete, development actions are decided. SABIC are well-known in the region for the strength of their development programmes. To this end, they have developed the '3 Es' model, which includes several of the features found in effective development programmes and follows the principles of the 70-20-10 model. This creates greater flexibility in their development programmes but also ensures:
 - *Exposure* – this means three key types of development through relationships: coaching, mentoring, and networking. Executives receive external coaching; middle management have access to ICF-certified internal coaches; and the rest of the organisation can opt into mentoring from over 600 mentors globally using an internal database.

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- *Experience* – this component means that successors will be given lots of opportunities to gain new on-the-job experiences: stretch assignments within their current role; cross-function assignments or secondments that bring their skills to a new business context; and international assignments that require them to familiarise themselves with a new culture. People move geographically, cross-discipline, laterally and vertically very frequently.
- *Education* – this formal education piece is typically provided externally, either by participating in a long-term business school programme, through custom classroom and simulation experiences, or through online learning. They also do immersion training using campus visits, such as a recent visit to a Tesla plant in Berlin.
- As a result of the rate of mobility and on-the-job learning in their development, many people end up in functions far from where they started, which creates an interesting culture. "This appears to be extremely powerful in changing the mindsets of the people in taking on new things and not being judgmental. We move people across the company quite comfortably – so, for example, in HR, you may have people who are former engineers, former manufacturing people, people from finance, a lot of people from IT. In the top leadership in HR, there are very few former HR people – there's probably 10-15%. So, we're very comfortable moving people around, and we take risks."
- The company as a whole operates in over 50 countries, with local hiring prioritised wherever possible. In the UAE, they have over an 80% local workforce, mostly due to their willingness to invest in nurturing local talent internally. This supports the company's localisation targets, but does put them in direct competition with government agencies and semi-governmental businesses for talent.
- The other significant issue is around complexity: the level of complexity within the senior roles of functions can outpace individual leaders' development, making it difficult to train them well in advance of doing the job.



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CORPORATE RESEARCH FORUM**CASE STUDY:****SHELL** (~86,000 EMPLOYEES)**Mette Hersby, Manager of Leadership Succession**

Shell, the global energy company, is a good example of an integrated approach to succession management. It's designed as an end-to-end talent management system, with the process underpinned by data throughout.

The objective of Shell's succession management processes, according to Hersby, is "to have adequate resources in place to support our business aspirations, realistic cover in terms of talent for critical positions and visibility of any gaps." As the energy sector moves through significant transition, Shell is also transforming how they approach talent management.

A digitally supported succession planning tool allows Shell to take a groupwide view on talent to guide long-term planning and development. *"Our ambition is to become one of the most diverse and inclusive places to work in the world. Our succession management process and systems are key to that ambition, enabling high quality, diverse, leadership appointments and focused leadership development."*

The approach combines succession planning for individual roles, such as the most critical roles (e.g. senior leadership) globally and the creation of 'succession pools' for generic roles. For example, for the most senior leadership positions the approach is one of high touch talent management, it is done with a five-year horizon, and includes succession planning for the individual role and development planning, with focus on experience gaps, potential career moves, destination role(s), for the individual candidates.

Data and people insights are key. Shell's talent strategy is underpinned by its internally developed model of potential, which is used to identify and assess talent across different segments of the workforce. The model assesses three factors: Capacity, Achievement and Relationships (CAR). CAR has been in place for decades and is regularly validated to check for effectiveness and bias. The CAR model is

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embedded in people processes from graduate recruitment to senior manager development, and individuals' potential is reassessed throughout their career. HR triangulates data on performance ratings, potential and progression to understand the trajectories of high potential individuals and enabling intervention where required.

Skills is another dominant data and insight theme in Shell's evolving talent management approach. Hersby notes, *"we want to understand our workforce on a much more granular skill level so that we can better work with both internal and external applicants on identifying the best fit role and to highlight suitable development opportunities for employees. Developing our skills technology will enable us to respond to changes in business models and the external environment, enable more flexible sourcing and deployment of talent, and to deliver more personalised resourcing and learning support to employees."*

An important element of Shell's philosophy around career development and succession is that experiences are at the heart of how people develop. The company is becoming more explicit about how experiences drive development. Shell expects people to rotate jobs every few years. However, this doesn't mean rigidly defined career paths. It's about the individual amassing experiences that are complementary and accumulative, enabling individuals to work and learn across the Shell Businesses to develop the breadth and depth of experiences required to run and lead an integrated business.

Whilst HR has the talent management tools and capability, it is enabled by a leadership culture that views talent as an enterprise resource, with strong collective responsibility among the leadership for talent management.



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CASE STUDY: FIRST ABU DHABI BANK (~11,000 EMPLOYEES)

Kathryn Wilton, SVP and Head of Talent Management and Assessment

On our quest to elevate a talent centric culture at FAB, we revisited our approach to careers and skill development. Our aspiration was to implement a market leading, innovative approach which leverages AI and puts employees in the driving seat of their career. Over time, the world of work and careers has changed dramatically, moving away from career ladders driven by roles and titles towards career climbing walls where employees move around and across the organisation to achieve aspirational skills, leading to more well-rounded enterprise leaders.

At FAB we have embedded an AI driven talent marketplace which has enabled us to achieve this goal. Incredibly easy to use, employees can create their profile in seconds through uploading their CV or connecting through LinkedIn. As soon as the employee has completed their profile, they can start leveraging the AI to build skills and embark on their career journey. Like a true talent marketplace, there is also a benefit for our line managers who can source skills from across the enterprise to fill resourcing gaps and uncover new talent. It's important to note that this isn't just a case of introducing a new platform but also a full change management exercise. Since the launch we have made strong progress with over 59% of our employees active on the platform, over 169 projects created leading to 2,487 unlocked hours and 374 full time roles. It has also supported with our mentoring offering, with over 406 active mentoring relationships in progress.

Other non-tangible benefits include employees working across organisational boundaries, increased exposure and enabling employees to be more agile and self-directed in their development and growth. To align this to our overall talent strategy we have integrated the platform with our acquisition and learning process to provide a fully self-serviced offering for our talent.

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First Abu Dhabi Bank – AJILE potential model

There are five components to the FAB AJILE model: Aspiration, Judgement, Influence, Learning, and Energy. FAB create a very clear distinction between performance and potential to avoid the common error of measuring performance twice. Their view of potential is essentially founded on that person's interest and capacity to go into more senior and/or more complex roles.

A good analogy is a flight path for a plane or rocket – how far is someone likely to go and how quickly will they get there? Key aspects include learning agility, which will become even more critical in a world where complexity, change and need for agility are the norm.