

# Future-proofing talent to deliver **sustainable** growth in the GCC

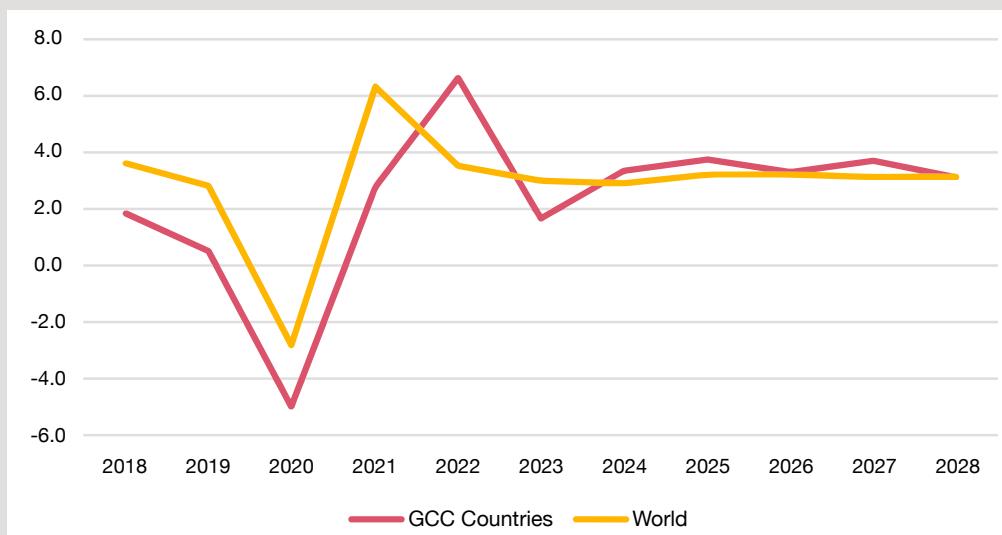


# Introduction

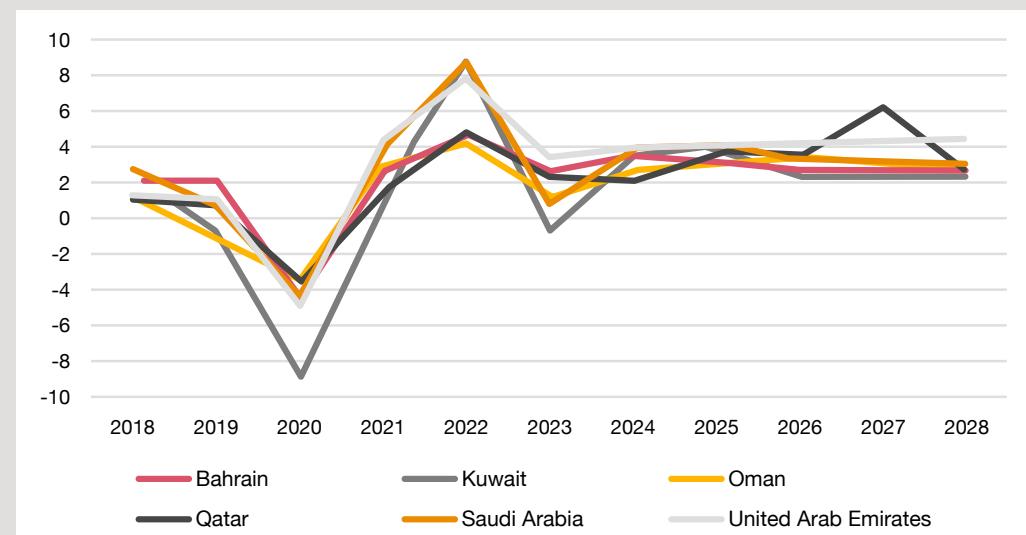
Despite recent geo-political headwinds and slower global growth rates, the Gulf Cooperation Council (GCC) countries have remained remarkably resilient. With ambitious national agendas in place, transformation remains front and centre in the region, driven by expansion in the non-oil sectors and a robust demand in tourism, real estate, transportation, and manufacturing.

So while a mild slowdown is expected in 2024 for the global economy, with GDP reaching 2.9%, GDP growth in the GCC is expected to strengthen at 3.7%, as revealed in our report [Five GCC economic themes to watch in 2024](#). In fact, the GCC's real GDP growth percentage has seen a surge post 2022 as they have surpassed the global percentage, with KSA, UAE and Qatar being the main drivers behind the rise (Figures 1&2).

**Figure 1: Annual Real GDP Growth % Change**



**Figure 2: Annual Real GDP Growth % Change in GCC region**



This growth stems from the GCC countries' efforts to move away from a reliance on fossil fuels towards revenue diversification, infrastructure development, digital transformation, and human capital enrichment. The profound effects of massive transformation programmes as demonstrated by KSA Vision 2030, UAE Vision 2031, and Qatar Vision 2030, combined with accelerating technological and demographic change, have led to a shortage of skilled individuals. Leaders recognise that having well-equipped individuals, with the right skills, at the right time and in the right positions is essential for the region's sustainable prosperity. Organisations also acknowledge that a skills shortage can pose multiple risks to achieving their strategic objectives, such as delivery delays on major transformation programmes, and compromised delivery quality resulting in subpar outcomes.

Currently, there's a stark mismatch between skills people have and those required for driving transformation at all levels in the region. This may be due to tight project deadlines that limit opportunities for upskilling, the absence of customised training programmes for the region, challenges faced by educational institutions in adapting to rapid changes, hindering their ability to prepare new generations with necessary skills, and the lack of tools and mechanisms for organisations to measure and address the capability gap effectively.

In the last six years, PwC Middle East assessed over 10,000 employees across more than 20 public sector organisations in the GCC region, and the results revealed notable gaps and significant opportunities for intervention.

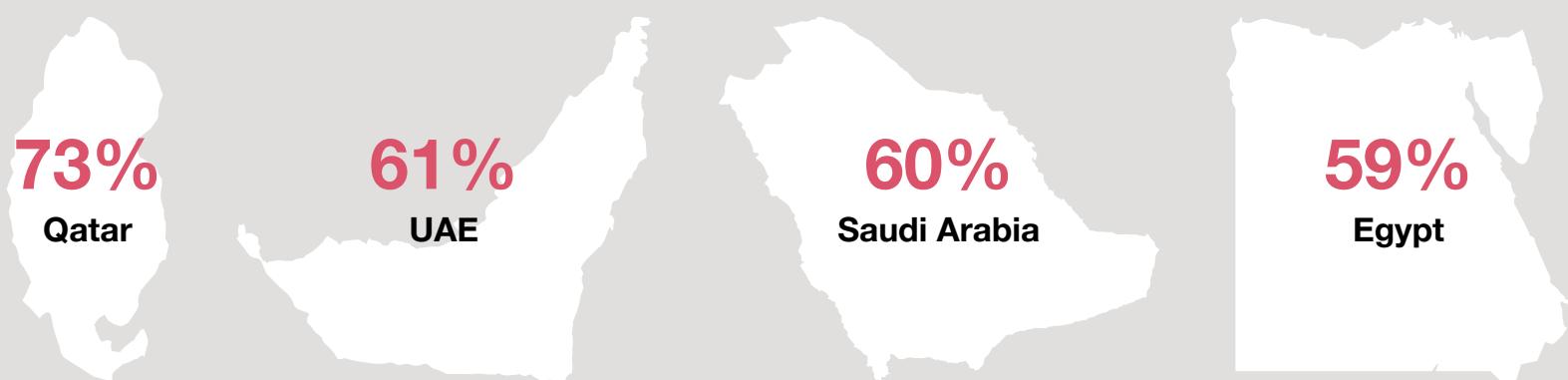
Approximately, 35% of total employees assessed, had the required level of capabilities to operate in their roles, with the remaining requiring upskilling in order to carry on their day-to-day activities effectively, and contribute to achieving their organisations' strategic objectives. This implies that almost three-quarters of employees in these organisations lacked the skills for their roles, and without intervention, this gap would only widen over time.

Moreover, with the region's current focus on sustainability and digitisation, job requirements are changing with a demand for new critical skills, thereby creating future skill gaps. To address this situation, leaders must anticipate the skills that will be needed for future jobs created as a result of technological and societal advancements.

Findings from the [PwC Middle East Workforce Hopes and Fears Survey 2023](#) have revealed the importance of green and digital skills in the region, with 62% of respondents surveyed anticipating a significant demand for green skills, 75% indicating digital skills as one of the top priorities for their careers in the next five years, and 77% citing the need for specialist technical skills.

## Green skills

The significance of green skills was evident among our Middle East respondents who recognise their importance.



## Leadership skills

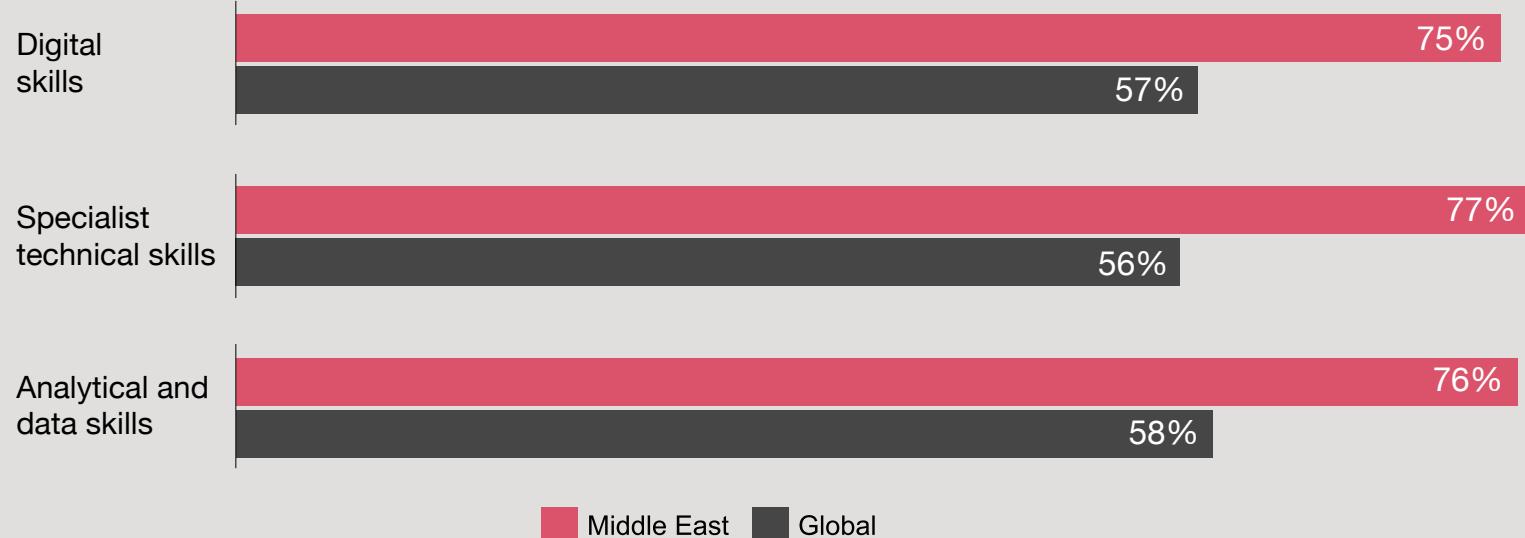
Leadership skills emerged as a top priority in the region, with 83% of respondents considering them critical, compared to 63% globally.



## More in-demand skills

As digitisation initiatives continue to flourish in the regional economy, 75% of Middle East respondents emphasised digital skills as one of the top priorities for their careers in the next 5 years, surpassing the global figure of 57%.

77% of individuals surveyed expressed the need for specialist technical skills, compared to 56% globally, while 76% recognised the value of analytical and data skills, in contrast to 58% globally.



Findings from the survey also revealed that employees in the region recognised the necessity of upskilling for future success. More than half (52%) of the respondents, in contrast to the global average of 36%, anticipated significant changes in their jobs in the next 5 years, requiring them to acquire new skills and capabilities.

### In the next five years:

The skills my job requires will change significantly



I have a clear sense of how the skills my job requires will change



% of Middle East respondents

% of Global respondents

Source: PwC Middle East Workforce Hopes and Fears Survey 2023 of 1,563 workers across 4 countries.

These findings signify the need for proactive measures from leaders to address and narrow the skill gaps that could potentially hinder the realisation of the region's transformation goals. It presents a significant opportunity to reverse the trend by implementing targeted and timely upskilling programmes that will help people develop their skills and find success.

## Upskilling as a solution

In this report, upskilling refers to the growth of people's capabilities, to enable their full participation in an ever-changing ecosystem. It provides guidance on conducting effective upskilling initiatives that can help leaders address skill gaps, ensure sustainable growth, and emphasises the importance of capability assessment as a key driver to effective upskilling.

The report builds on PwC Middle East's experience in capability assessment for upskilling to provide a qualitative examination of ways of achieving workforce developmental objectives and the nuances to consider.

The analysis may complement and be read in parallel with the [PwC's Global Workforce Hopes and Fears Survey 2023](#) and [PwC's Middle East Workforce Hopes and Fears Survey 2023](#).

## Capability assessment as a driver for upskilling

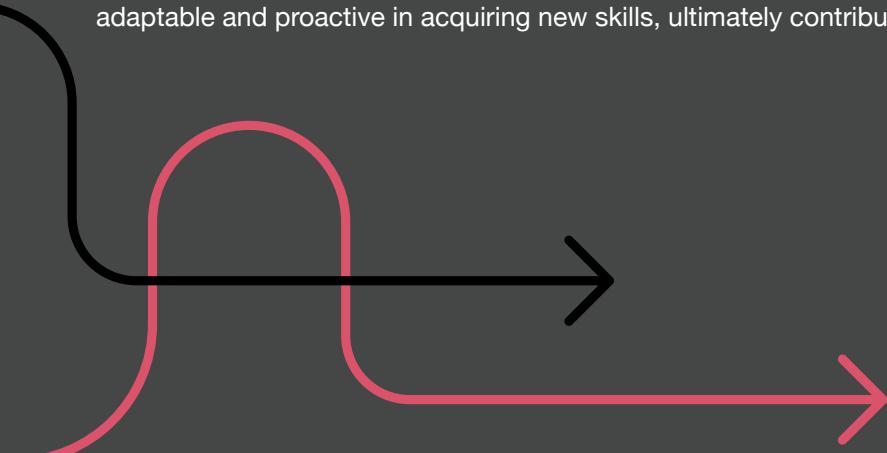
Capability assessment can be a powerful driver for upskilling within organisations. By effectively assessing the skills, competencies, and potential of employees, leaders can identify areas where upskilling is needed to enhance individual and collective performance, and ensure development is focused on the right areas.

It can help identify employees with high potential for growth and advancement within the organisation. By evaluating critical skills, employers can identify individuals who have the capacity to take on more challenging roles in the future. This insight can guide upskilling efforts by focusing on high-potential employees, preparing them for leadership and specialised roles.

Furthermore, capability assessment can provide valuable data to inform strategic workforce planning. By understanding the strengths and weaknesses of the current workforce, leaders can align upskilling efforts with the strategic goals of the organisation. This ensures that upskilling is not only driven by individual needs, but also supports the overall vision and objectives of the business.

Once capability assessment has identified the areas in which employees need upskilling, organisations can implement targeted upskilling programmes to develop the necessary skills and competencies. These can take various forms, such as formal training, mentoring, on-the-job learning, and certifications. By tailoring upskilling initiatives to the specific needs, organisations can ensure that their investments in employee development yield tangible and relevant results.

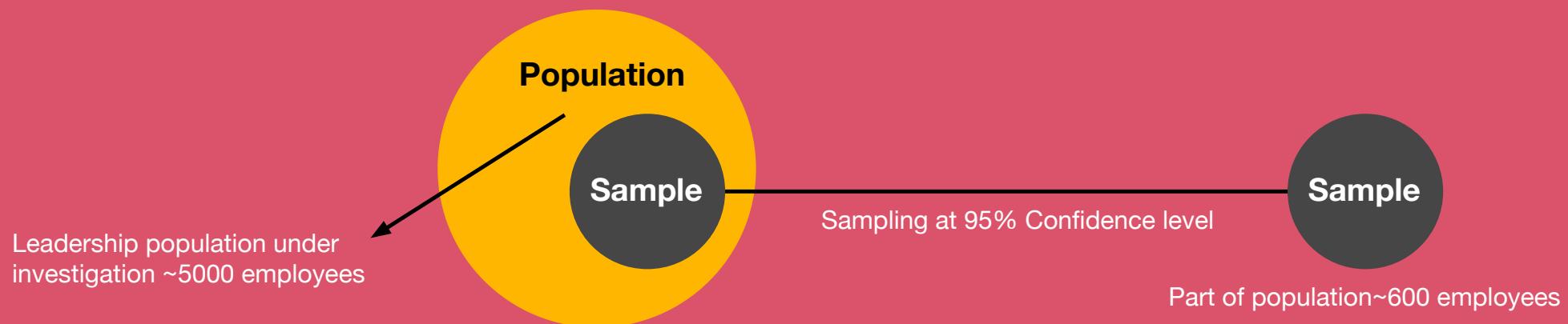
Capability assessment can support a culture of continuous learning and development. By regularly assessing employee skills and competencies, employers communicate the value of ongoing learning and create an environment where employees are encouraged to pursue upskilling opportunities. This helps create a workforce that is adaptable and proactive in acquiring new skills, ultimately contributing to the overall agility, competitiveness, and success of the organisation.



# Case Study: Future-proofing KSA Leaders to achieve transformational objectives

In 2022, a KSA governmental entity launched a transformation initiative that aimed at revisiting its mandate, revamping its strategy, and operating model. Prior to implementing the new strategy and operating model, the leadership at this government entity wanted to forecast and identify skills required to undertake this change and provide its leaders with an equal opportunity to upskill themselves and increase their readiness for the transformation programme. A high-level leadership development approach was set to understand the current leadership capabilities, identify gaps and development areas, and develop targeted high-impact development journeys that would bridge the gaps efficiently and effectively.

Once the high-level approach was agreed upon, the PwC team went on a thorough research journey to detail the approach. Subsequently, this resulted in the creation of a niche assessment and upskilling model relieving the organisation from the cost and time burdens associated with individually assessing all its leaders (almost 5000 employees at that time). This innovative approach is what is called the **“organisational-level assessment approach.”**



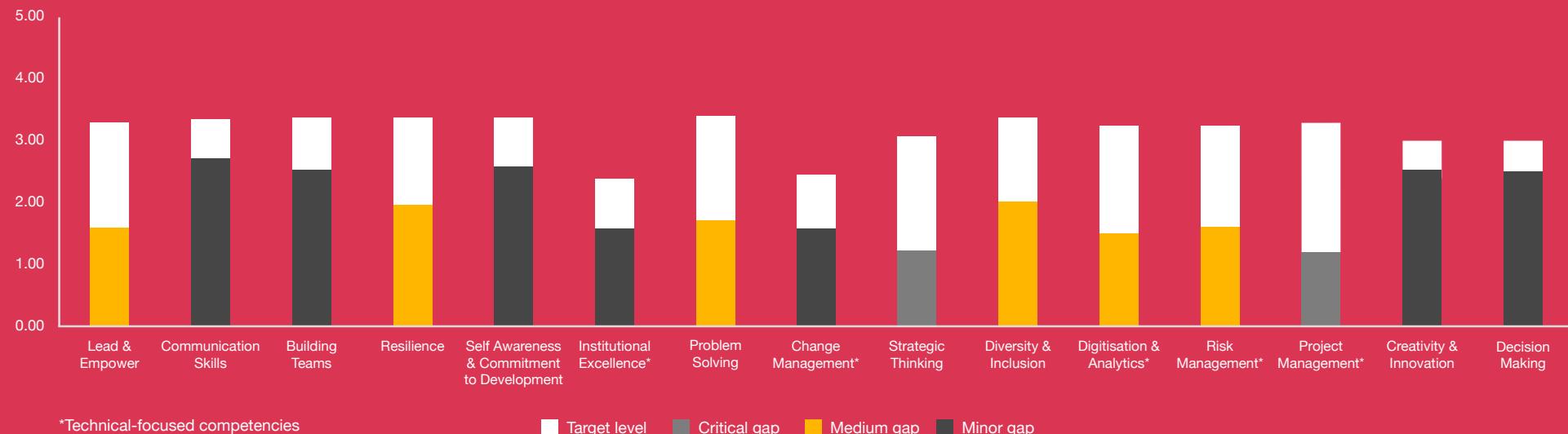
The organisational-level assessment approach used statistical methods, ensuring that a study conducted on a random sample of 600 participants, with a confidence level of 95% and a margin of error of 4%, could reliably represent the entire population.

This initiative started with the identification of the random sample size and composition, ensuring that the random sample includes participants of different managerial levels, backgrounds, and sectors. Subsequently, the most critical competencies for the transformation programme were identified. These were then used as a cornerstone for the capability assessment exercise in which the participants' capabilities were assessed against. Furthermore, these were used to identify the upskilling journeys at a later stage of the initiative.

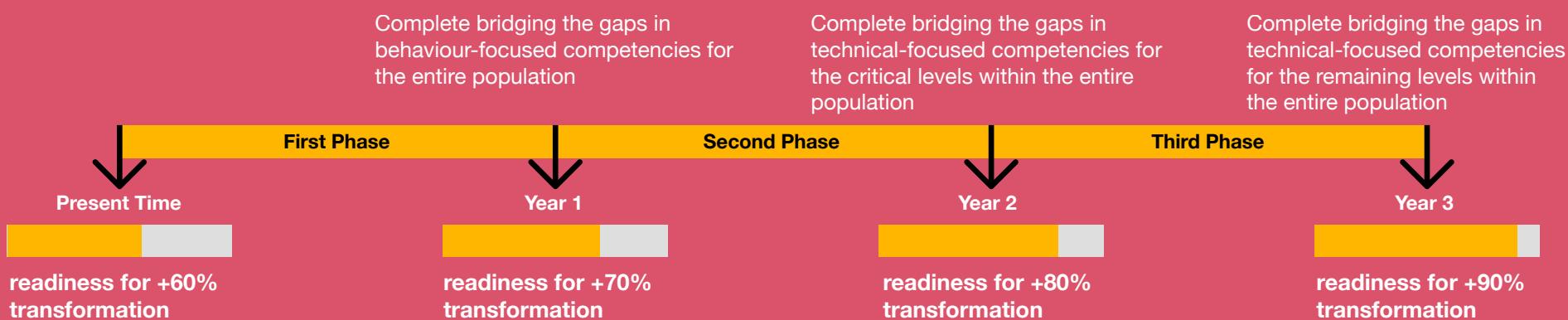
To conduct the assessments, a full-fledged capability assessment centre had to be established, layouts were designed and selected for the assessment centre. It was equipped with the technological enablers needed to make the capability assessment a success. Furthermore, a mix of capability assessment tools were selected, through a rigorous market study that analysed the advantages and disadvantages of the tools available in the market.

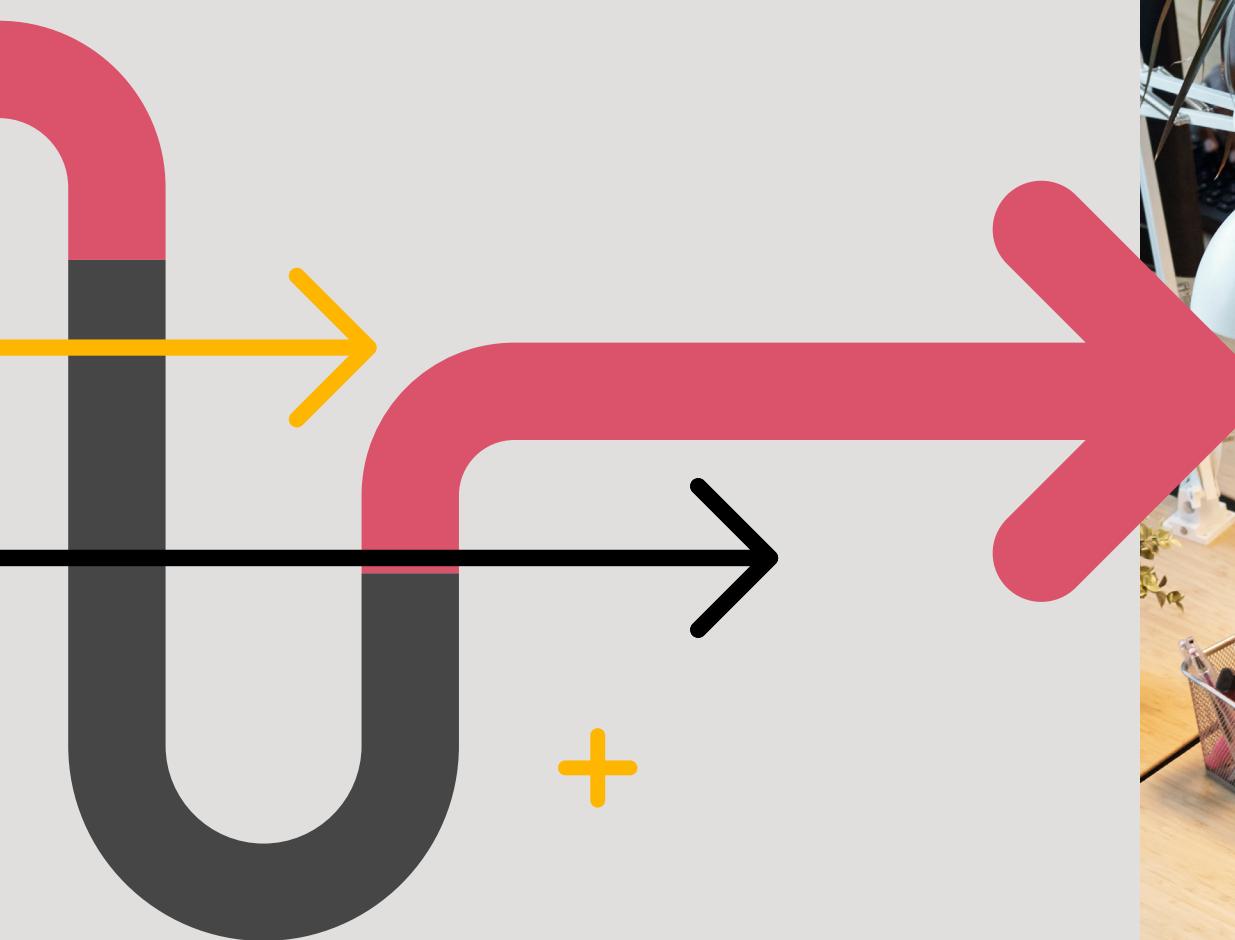
Once the assessment process started, each leader attended an assessment session. The assessment tools used included technical interviews, group case studies, and psychometric tests. Each tool assessed a set of critical competencies, and multiple data points were gathered for each competency, enhancing the accuracy of collected data.

### Illustrative example: The average competency results and the size of gaps compared to target levels



After conducting the capability assessment, results for the sample were analysed, and insights were driven around major capability gaps for the population as a whole, and at an organisational level. After the capability gaps were prioritised based on size and complexity, upskilling journeys were created for each managerial level to bridge the gaps and increase leaders' readiness for the transformation programme, with the readiness estimated to increase from 60% to 90%.





**Challenges when  
leveraging capability  
assessments for  
upskilling**



As mentioned earlier in this report, upskilling initiatives using capability assessment can reap great benefits when conducted correctly. However, when these initiatives fail to deliver according to plan, they can lead to a loss in time and money.

## → 01 Having an unclear purpose

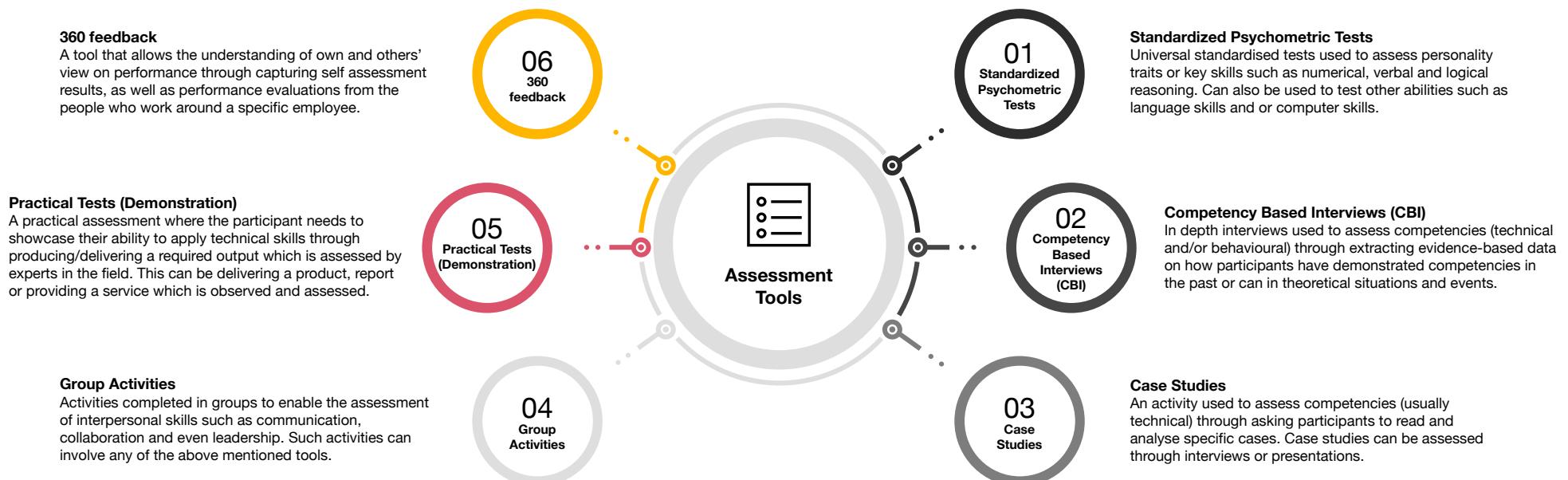
Navigating through the complexity of an assessment centre should begin with defining a clear and comprehensive purpose. An unclear purpose often stems from a misalignment between leadership objectives and the intended outcomes of the assessment. This misalignment can result in conflicting priorities and expectations, impacting the effectiveness of the assessment process. Additionally, miscommunication with employees regarding the purpose and goals of the assessment can create uncertainty and resistance to engagement and buy-in. Employees often assume that the primary purpose of assessment is to identify participants for layoffs, leading to apprehension and distrust, further complicating the clarity of the assessment's purpose.

To overcome these challenges, it's important to communicate the assessment purpose transparently to all stakeholders. This will set expectations, improve the results of the assessment, and overcome any concerns related to the assessments. Therefore, it is important to develop a comprehensive communication plan from the start of the project that aims at building trust with employees and minimising resistance.

Furthermore, gaining buy-in from senior leadership is critical to the success of an assessment. This will demonstrate its strategic importance, overcome any potential resistance, and gain buy-in from other stakeholders, helping to mitigate risks and solve problems at all stages. Therefore, involving various stakeholders from the start of the project will help them understand the challenges that matter most to them, thereby contributing to the decision-making process.

## → 02 Difficulty in selecting capability assessment tools

In the dynamic landscape of capability assessment, organisations frequently struggle to select the most appropriate assessment tool, amidst a variety of options. The graph below shows six of the most selected tools for assessment.



Several studies have indicated that employing a diverse mix of assessment tools, coupled with gathering multiple data points, can significantly enhance the accuracy and depth of employee evaluations. The approach also enables a more holistic evaluation of participants and reduces the risk of bias that may exist in any single assessment method. This can provide a more robust basis for decision-making.

Validity<sup>(1)</sup> and reliability<sup>(2)</sup> become pillars in the assessment tool selection process, they ensure that chosen methods align closely with organisational objectives and reliably measure the relevant competencies. By adhering to these criteria, organisations can confidently select assessment tools that align with their specific needs. Another crucial factor is understanding the nuances of organisational culture and work environments. For example, while 360-degree feedback might be effective in certain settings, its value might fall short in rigid, hierarchical structures, such as military environments, where employees may hesitate to provide any criticism. Understanding these nuances allows organisations to tailor their selection of assessment tools that ensure evaluations accurately reflect participants' capabilities within the specific organisational culture.

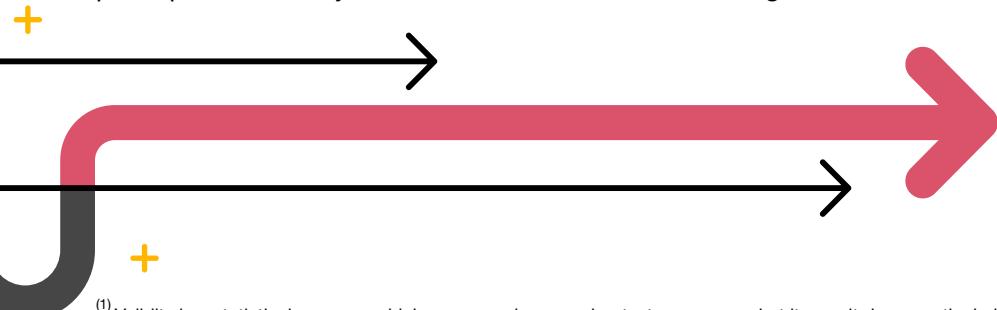
Finally, the assessment tools selected must consider language barriers, as in multicultural or multilingual environments. Language barriers can pose significant challenges to the assessment process. It is crucial for assessment tools to be available in languages relevant to the workforce, such as Arabic. Moreover, cultural sensitivity is essential to ensure that assessment content, scoring criteria, and interpretations are culturally appropriate and equitable for all participants. Addressing language barriers and cultural nuances enhances the reliability and fairness of the assessment process, allowing organisations to make informed decisions while respecting diversity and inclusion principles.

## 03 Navigating logistical challenges

Implementing an assessment centre seamlessly is often hindered by a myriad of logistical challenges, ranging from resource allocation to coordination complexities. To ensure a consistent positive candidate experience, it's important to establish a dedicated centre that allows for standardised testing conditions, minimises distractions and ensures fairness across all assessments. Moreover, equipping the assessment centre with computers and the required technical infrastructure is essential for conducting assessments effectively. This includes ensuring that all hardware and software are up-to-date and compatible with the assessment tools being utilised, thus facilitating a seamless assessment process and streamlining the participant experience.

Another logistical challenge faced by organisations is the disruption of regular business operations when scheduling assessment activities, which sometimes diverts attention and resources from their daily operational tasks and causes potential delays. To minimise the disruption, organisations need to carefully plan and communicate the assessment process, involve stakeholders in the planning stage, prioritise critical operational activities, and provide support to employees undergoing assessment activities to help them balance their responsibilities effectively.

As organisations increasingly embrace remote work and virtual collaboration, the landscape of assessment centres is also evolving to accommodate these shifts. Technological maturity within organisations plays a pivotal role in enabling the operation of remote assessments. With the right skills and capabilities in place, organisations can leverage technology to conduct assessments remotely, overcoming many of the logistical challenges associated with traditional assessment centres. Emerging technological assessment tools, such as video interviews and virtual assessment platforms, offer viable solutions to these challenges, allowing organisations to assess participants from anywhere in the world while maintaining standardisation.



<sup>(1)</sup> Validity is a statistical measure which measures how much a test measures what it says it does, particularly in predicting future behaviour

<sup>(2)</sup> Reliability is a statistical measure which measures consistency of test scores across assessor, re-takers, plus internal consistency



## → 04 The choice of specialised assessors

Identifying subject matter experts with the necessary technical expertise, availability, and experience in conducting assessments can be challenging. It requires ensuring that assessors have a deep understanding of the specific technical skills and competencies required for the roles they assess, as well as the experience in leading competency-based interviews. Additionally, coordinating schedules and aligning the availability of both the assessors and the candidates present logistical hurdles. Therefore, building and maintaining a large and diverse pool of assessors with varied technical backgrounds and perspectives is essential for the success of an assessment exercise.

## → 05 Lack of or inaccuracy of employee data

The success of an assessment centre heavily relies on the quality and accuracy of employee data, yet organisations commonly struggle with either scarcity or inconsistency in employee information. The lack of accurate and comprehensive employee and organisation-wide data can significantly impact the assessment centre process, potentially compromising the validity and reliability of assessment results. It impairs the ability to make informed decisions around talent development, succession planning, employee mapping, and upskilling, among others. This can lead to suboptimal talent decisions and resource allocation. Investing in a system that captures live employee data in a secure and centralised manner offers a variety of benefits, including insights into workforce trends, accurate decision-making, and enhanced transparency.



## → 06 Maintaining confidentiality of assessment results

Violation of the confidentiality of assessment results poses another challenge. This carries serious risks to organisational integrity and level of employee trust. Unauthorised access to assessment data can impede confidence in the assessment process, leading to scepticism and resistance among employees, which could cause a loss of morale.

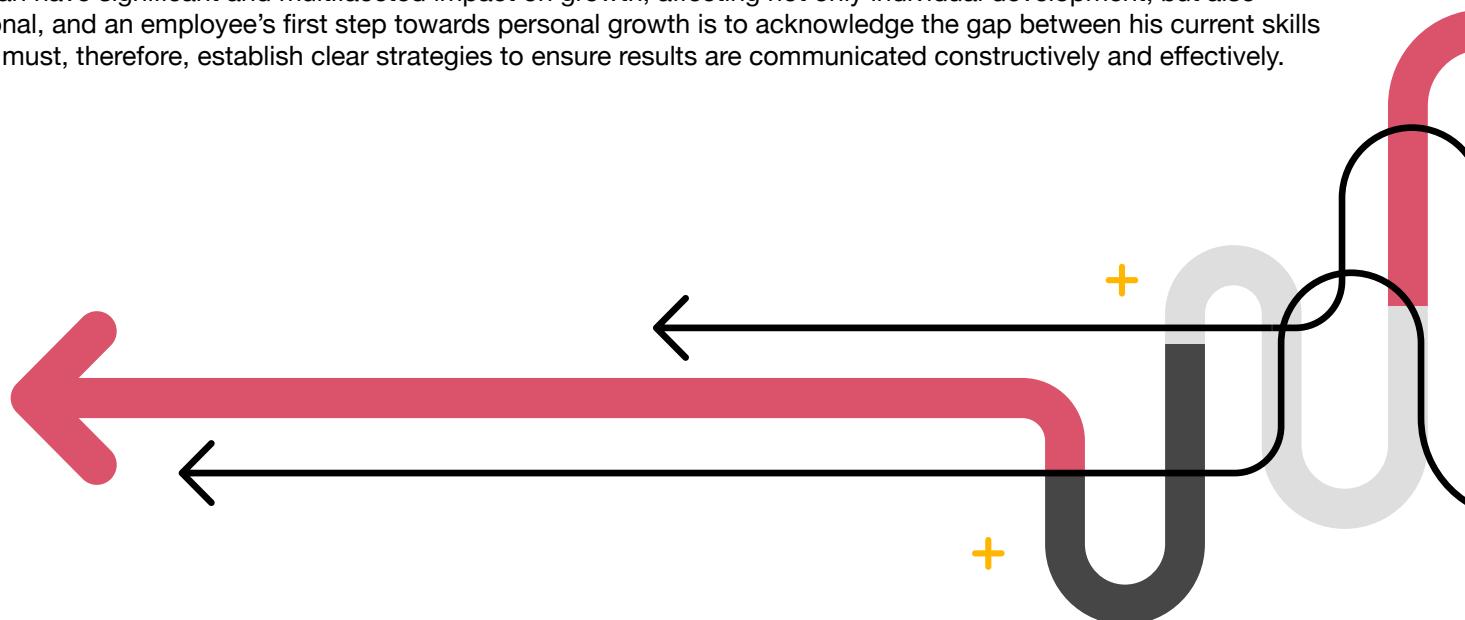
Establishing a robust governance process is essential to protect the confidentiality and integrity of assessment data. This involves implementing strict access controls, data protection protocols, and monitoring activities to ensure that assessment results are accessible only to authorised personnel with a legitimate need-to-know. By leveraging technology to capture, analyse, and protect employee data, organisations can mitigate the risks associated with data inaccuracies and breaches while maximising the value of their assessment centre operations.

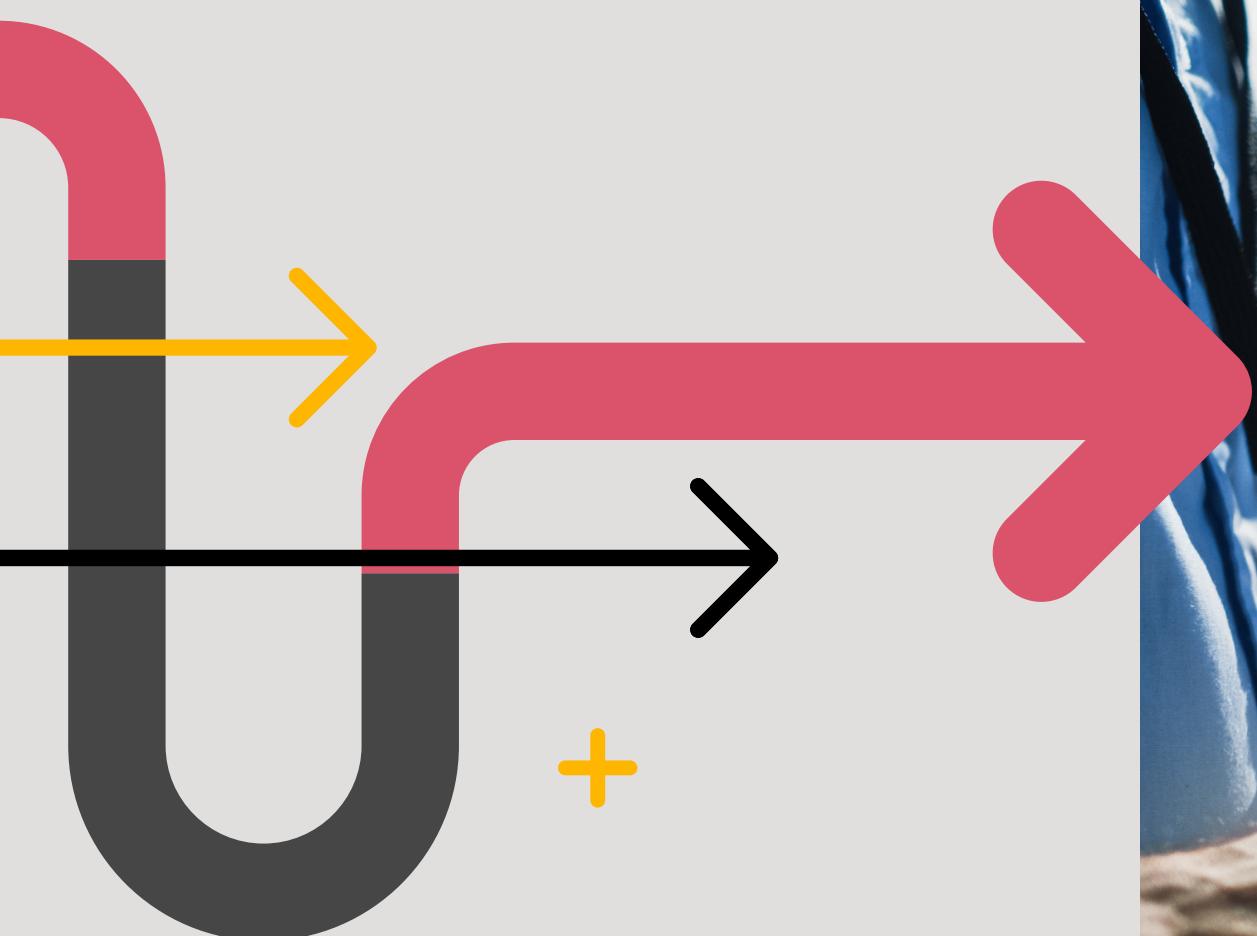
## → 07 Delay in utilising results in decision-making

Despite the thorough planning and implementation of assessment centres, organisations frequently find themselves struggling with the challenge of delays in leveraging assessment results for timely and informed decision-making processes. The delay can result in assessment results becoming outdated and irrelevant, especially in rapidly evolving business environments. Without timely action, identified development areas may persist or worsen, impacting individual and organisational growth.

Additionally, aligning assessment results with a competency framework is essential for translating identified gaps into actionable learning opportunities. By mapping assessment outcomes to predefined competencies, organisations can pinpoint specific areas for development and tailor upskilling interventions accordingly. These upskilling programmes may be delivered internally or through external vendors, depending on organisational resources and expertise. Also, implementing impact assessment tools enables organisations to compare individual and organisational readiness before and after conducting the assessment centre activities. By systematically tracking progress and outcomes, organisations can optimise their talent development strategies and ensure that assessment centre activities contribute to tangible improvements in performance and skills.

Designing and implementing an effective mechanism to communicate assessment results is crucial to minimise resistance and promote a culture of understanding, growth and development. Resistance to assessment outcomes can have significant and multifaceted impact on growth, affecting not only individual development, but also organisational performance. Development is deeply personal, and an employee's first step towards personal growth is to acknowledge the gap between his current skills and behaviours and where he needs to be. Organisations must, therefore, establish clear strategies to ensure results are communicated constructively and effectively.





**Join the movement**



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As the region transitions to a knowledge economy, organisations have a significant role in prioritising workplace upskilling. Despite efforts by educational and training institutions to bridge the gap, there is still a distance to cover. Employees are increasingly looking to their employers to provide essential training for future readiness.

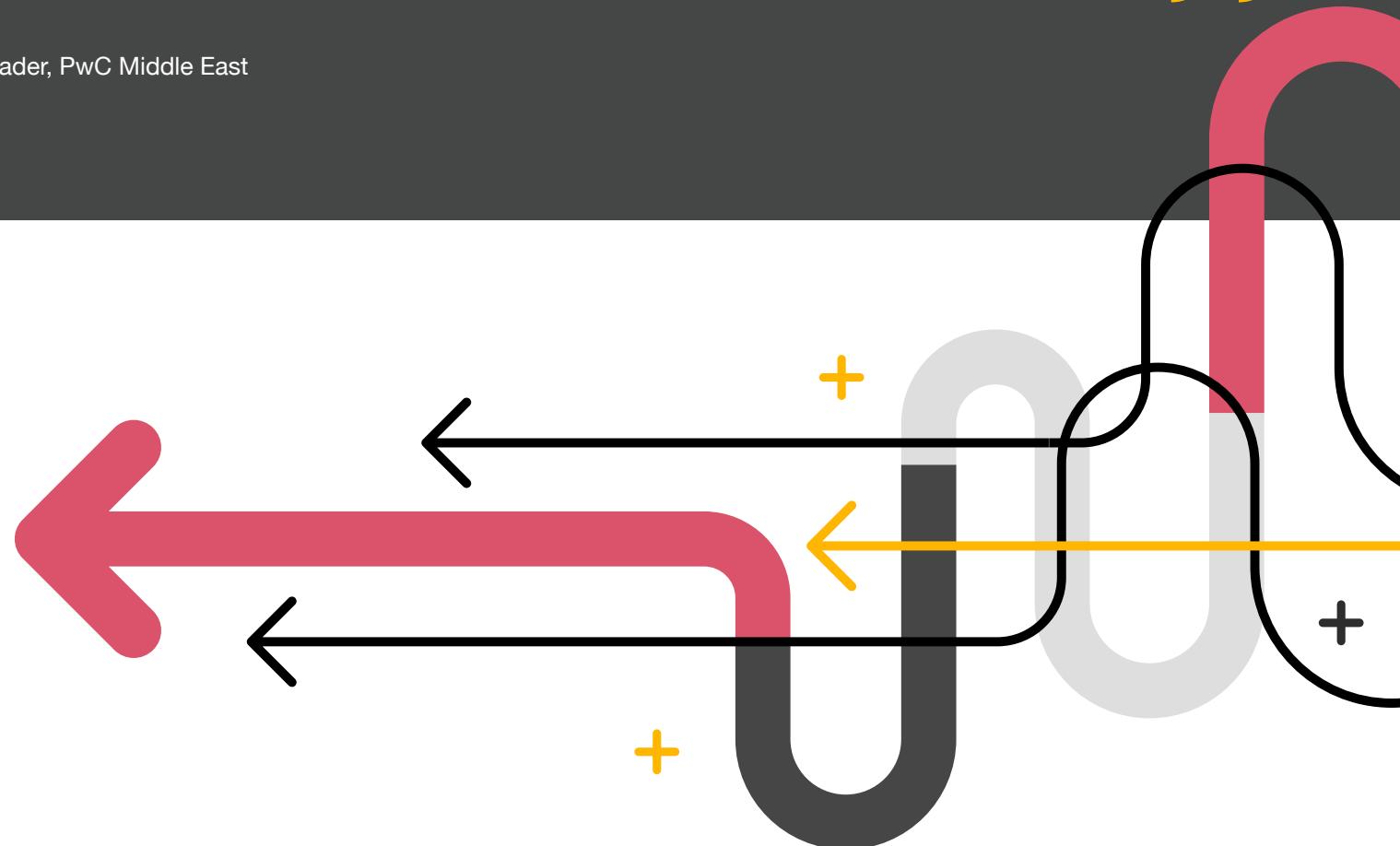
At PwC Middle East, we have helped organisations across the region in making accurate talent management decisions by establishing assessment centres and evaluating more than 10,000 employees across the public sector. Through the transfer of knowledge to their respective teams, we have taken necessary measures to ensure the longevity and sustainability of these centres beyond our involvement. Our collaboration with PwC's Academy Middle East has also helped develop and deliver targeted training programmes, providing end-to-end solutions.

Additionally, our EMEA initiative to set up the Centre for Transformative Leadership, which we launched in 2023, will help us draw on the knowledge from international experts to develop region-specific solutions. This initiative will facilitate knowledge exchange and collective effort to address the upskilling challenge, paving the way for improved leadership capabilities and enhanced organisational performance across the region.

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**Eyhab Abdeen**

Middle East Workforce Transformation Leader, PwC Middle East



# Contact us

If you would like to find out more about what we at PwC are doing. Get in touch.



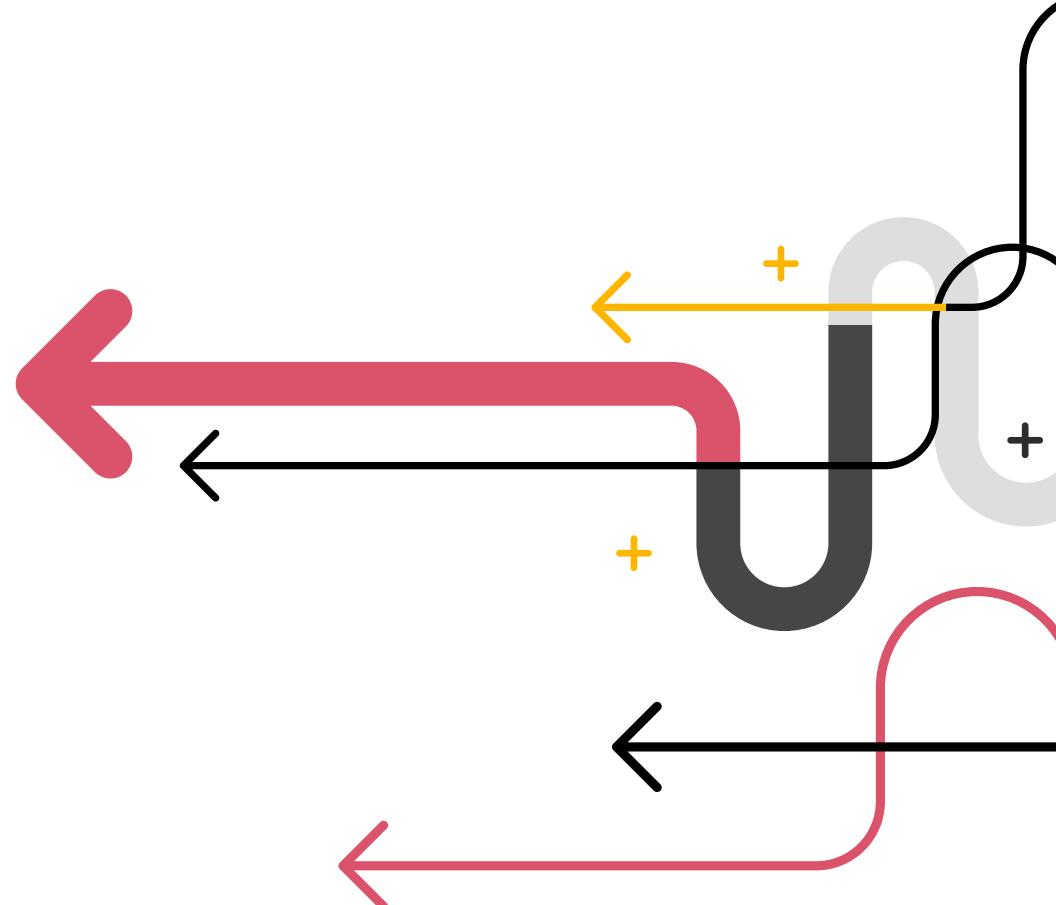
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Established in the Middle East for over 40 years, PwC Middle East has 30 offices across 12 countries in the region with around 11,000 people. ([www.pwc.com/me](http://www.pwc.com/me)).

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