



## News Release

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### **Deloitte: Middle East organizations facing human capital trends and challenges**

**15 June, 2015-** According to a [Deloitte](#) Human Capital report, the top four talent challenges for Middle East organizations are Learning & Development, Reinventing Human Resources (HR), Leadership, and Culture & Engagement. The report also indicated that the readiness to address these challenges is decreasing, raising the question of whether leaders are doing enough to prepare their organizations to respond to today's most pressing business and human capital needs.

These were findings from Deloitte's third annual [Global Human Capital Trends](#) report - one of the largest studies concerning talent, leadership, HR challenges and readiness around the world. More than 3,000 HR and other business leaders from the Middle East and around the world participated in this global survey.

"Demographic changes and generational transitions are having major impact on the workforce as well. Millennials now make up more than half the workforce, and leading organizations are addressing their needs through accelerated leadership paths, a greater sense of purpose and mission, and greater flexibility in work places, schedules, and tasks," explains Ghassan Turqieh, partner and [Human Capital](#) consulting leader at Deloitte Middle East.

"HR stands at the center of these changes. But achieving the necessary transformation of work to effectively respond will require bold and innovative thinking, questioning longstanding practices and habits, and a greater focus on culture as a key element in driving both workplace change and business success," he added.

The top four challenges facing Middle East organizations are:

#### **Learning and Development**

"Learning and Development" is considered according to surveyed leaders as the most important talent-related challenge faced by organizations in the Middle East. Despite this, only 37 percent of them believe that their organizations have the necessary tools and programs to meet this Human Capital challenge. Moreover, the "capability gap", defined as the difference between an organization's "readiness" to address the issue and the organization's "importance" of that issue (measured on a 0-100 scale), has widened year-on-year.

#### **Reinventing HR**

Business and HR leaders in the Middle East see an urgent need to reinvent the HR function and make it a true partner to the business. This challenge has progressed from the ninth place in 2014 to second place in 2015 with 91 percent of respondents considering it as 'important' or 'very important' compared to 66 percent last year, signaling a less than satisfactory HR output and impact.

#### **Leadership**

The Deloitte survey finds that leadership, one of the challenges that has been pressuring business and HR leaders for several years, is still at the top according to this year's surveys with 84 percent of respondents citing it as 'important' or 'very important'. Moreover, the demand for leadership at all levels is increasing, especially among middle management. Despite its importance, programs are not yet or fully in place to develop leaders among organizations and only 28 percent of respondents believe their organizations are



prepared to further develop leaders and better equip them to engage employees, drive innovation and set organizational objectives. The capability gap of leadership is striking in the Middle East: organizations are struggling in the identification and development of leaders at various levels. Not having the right leadership would impact retention as people quit bad leadership and not necessarily organizations.

### **Organizational culture and employee engagement**

“Culture and engagement”, a top trend in the global market, is also considered an issue of paramount importance in the Middle East with almost 90 percent of respondents rating it as ‘important’ or ‘very important’. Talent diversity in the Middle East probably plays a big role in making this challenge very important. Yet, organizations lack the readiness to meet this challenge: 73 percent rate their organizations as ‘not ready’ or ‘somewhat ready’.

“The need for gaining a clear understanding of the organization culture and re-examining how companies manage, develop and inspire people is obvious based on the results of the survey,” explains Turqieh. “There is an urgent mandate to treat leadership development as a long term investment across levels rather than a discretionary training expenditure when times are favorable.”

To view the whole report, go to: <http://bit.ly/1dFLulv>

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