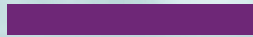
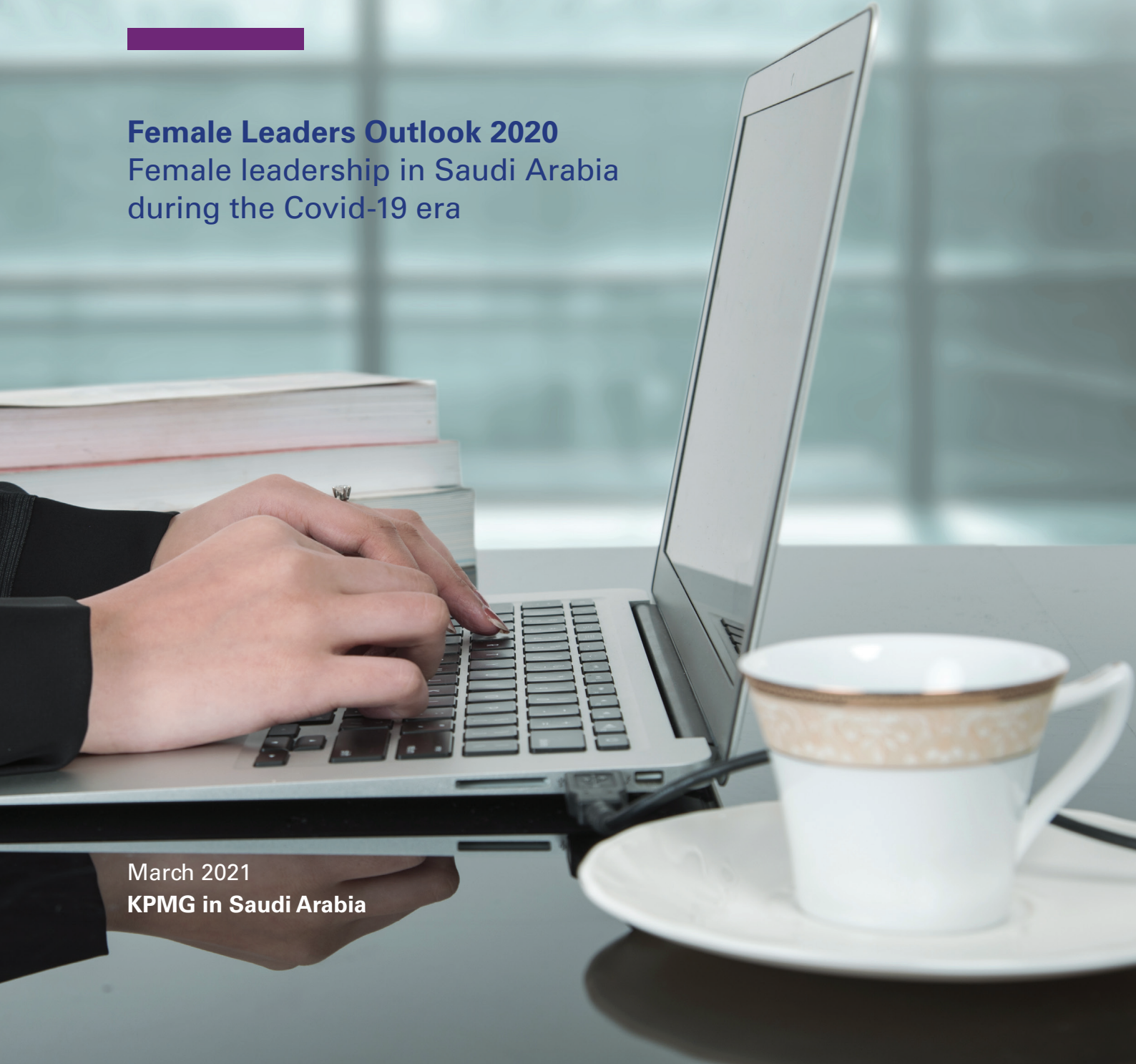




Equipped for resilience



Female Leaders Outlook 2020
Female leadership in Saudi Arabia
during the Covid-19 era



March 2021
KPMG in Saudi Arabia

Contents

- 3** Foreword
- 4** Introduction
- 5** Key findings
- 6** Embracing change
 - Economic environment
 - Digital transformation
 - Leveraging data for growth
- 10** A positive impact
 - Environmental, social and corporate governance
 - Institutional support
 - Strengthening resilience and purpose
 - Shifting stakeholder and customer expectations
- 18** Emerging stronger
 - A new working reality
 - Personal implications
 - Career perspectives
 - Diversity and inclusion
 - Family dynamics
- 26** Reflections
- 27** Methodology

Foreword



Dr. Thoraya Ahmed Obaid
Chair, W20 Saudi Arabia 2020
Board member, Alnahda Society



In October 2020, the Women 20 (W20) summit took place in Saudi Arabia. A year of preparation, meetings and engagements culminated in a two-day digital event attended by delegates from diverse civil society organizations, leading the global conversation on gender equality. We were proud to present the W20 Communiqué to G20 leaders, outlining actionable policy objectives to move gender equality forward.

Looking back on a successful year, and despite the fact we could not meet in person, our engagement with delegates – local and international – exceeded expectations. We are proud of our accomplishments with our team in Saudi Arabia.

Key to the Summit's success, W20 was hosted by Alnahda Society, a Saudi nonprofit women's empowerment organization, and supported by lead partners, Saudi Aramco and KPMG, in addition to others.

In our W20 Communiqué, we underlined the importance and benefits of inclusive decision-making. Our recommendations are two-fold: we should all strive to achieve gender equality in public political decision-making and increase the number of women decision-makers in business. And their implementation can be monitored through targets and quotas to ensure full gender parity on the boards of public and listed companies by 2030 as well as providing incentives for employers to achieve gender parity in decision-making positions.

Expanding female leadership is not only the right thing to do, but it is simply smart economics because women in leadership positions bring a different and complementary views to decision-making that expands the success of the businesses, as demonstrated by this report, the KPMG Female Leaders Outlook. Based on global and local surveys, with additional insights from inspiring businesswomen in Saudi Arabia, the report showcases the merits and benefits of having more women in leadership positions.

The preliminary findings of the study were presented in a parallel session at the W20 Summit's discussion on corporate gender equality around the world and in Saudi Arabia. This report details the results that relate to female leadership and women empowerment in the corporate environment in the Kingdom.

Though Saudi Arabia has handed the leadership of the G20, thus the W20, to Italy, the journey for inclusive leadership will continue. I hope the stories of these female Saudi leaders will inspire us all, and especially the decision-makers in the corporate world, to ensure the realization of this leadership journey.

Introduction



Abdullah H. Al Fozan
Chairman
KPMG in Saudi Arabia



Kholoud Mousa
Partner & Head of Inclusion
and Diversity
KPMG in Saudi Arabia

It is our pleasure to present the first edition of the Female Leaders Outlook for Saudi Arabia. Leveraging on the findings of our global survey – this year in more than 50 countries – and our own survey in the Kingdom, we have gathered insights from female leaders across different industries. The key theme we addressed was how female executives dealt with the consequences of the Covid-19 outbreak. Where relevant, we also contrast findings from the CEO Outlook, whose participants were predominantly male, thus providing additional comparative insights.

The Covid-19 pandemic is the defining global crisis of our time. It has been a disrupter for societies and economies alike. Compared with previous crises, Covid-19 has the potential to ignite more persistent change, not only in our personal lives – like working from home and the home-schooling of children – but also in business-related areas, like accelerated digital transformation and communication, as well as the public space with wider governmental involvement and regulation.

Another salient aspect of this crisis is the disproportional effect it is having on women. Besides the obvious impact of Covid-19 on people's health and world economies, the effects of lockdown measures are particularly acute on private lives. School and nursery closures, for example, have increased pressure on women around the world. They predominantly have had to bear the burden of organizing and caring for families while working from home.

The decision to take part in this study was taken ahead of the outbreak of the pandemic and was encouraged by our partnership with Women 20 (W20), one of the engagement tracks of G20 that was hosted by Saudi Arabia in 2020. During the virtual summit in October 2020, we were happy to present the initial findings of our report.

Women empowerment in Saudi Arabia is a well-debated subject, but we believe that, especially for women in business, this report can bring new and encouraging insights. The pandemic made apparent that female leaders face unique challenges, making it even more interesting to discover how male and female executives choose to manage differently.

The survey covers economic and business expectations, risks and opportunities, as well as on career and gender diversity factors. This framework enables us to draw comparisons between the pre-pandemic world and the new reality.

Our respondents are less pessimistic about the impact of Covid-19 on women and their career advancement. Indeed, the crisis may create new opportunities for women as a result of improved digital communication, advances in technology and changes in stakeholder expectations. This has led us to put forward the view that Covid-19 could be a catalyst for gender equality, if not in the short-term, at least in the mid- to long-term.

We hope you will be inspired by the results of the Female Leaders Outlook: Saudi Arabia.

Key findings



Female leaders in Saudi Arabia are embracing changes related to Covid-19 and are realistic about what the new reality holds

Four out of five of leaders have seen the **digital transformation of their businesses accelerating** during the pandemic.

Three-quarters expect their **organization to recover from the crisis** within two years, while nine out of ten agree that **companies operating in the digital economy will be the true winners** emerging from the crisis.

Keeping key staff and securing long-term customer relationships were cited as the most important measures to deal with the effect of the crisis by female leaders.



Female leaders in Saudi Arabia say making a positive impact on the world is a top motivator

Job loss from automation, gender inequality, and social inequity were the top three issues female leaders named as areas they feel pressure from their stakeholders to act.

One third of the respondents found that **sustainability issues to reduce climate change** will be even more important for strategic decisions post-Covid-19.

Nearly half of the respondents say they want to **lock in sustainability and climate change gains** made as a result of the crisis, while three out of five say their response to the pandemic has caused their **focus to shift toward the 'S' in ESG**.



The Covid-19 pandemic has redirected career ambitions and potentially catalyzed corporate gender equality

New digital communication and collaboration tools enable work from anywhere, which may **help with work and home priorities balance** for female leaders.

Three out of five respondents believe their **personal communication with employees has improved** during the crisis, largely based on a renewed sense of purpose.

Nearly three out of ten respondents say the Covid-19 crisis will **influence their next career step**, when reflecting on their careers.

Almost half of the female leaders expects that **progress on diversity and inclusion won't slow down** after the pandemic, though many remain concerned about the continued strength of these efforts.

Embracing change



Economic environment

The Covid-19 pandemic has led to a sharp downturn in global economic growth. For Saudi Arabia and other oil-dependent nations, this was compounded by a significant drop in oil prices. Governments in Saudi Arabia and around the world worked to counter the economic impact of the pandemic with unprecedented stimulus packages and regulatory support aimed at maintaining employment and business continuity.

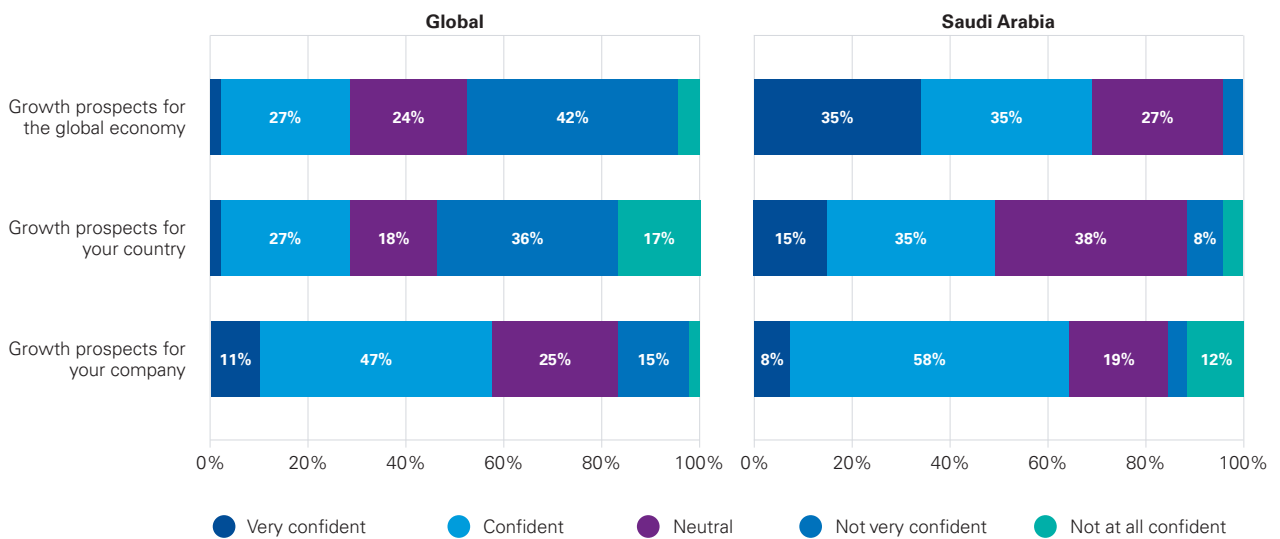
However, when considering growth over the next three years, leaders are not as pessimistic as one might think. In fact, 66% of female leaders in Saudi Arabia and more than half (58%) of global

respondents remain confident or very confident about their companies' growth prospects over the next three years.

In Saudi Arabia, this went hand in hand with leaders' confidence in the country-wide economic growth post-pandemic – 50% of respondents said they're either confident or very confident in Saudi Arabia's growth prospects. This confidence was reflected elsewhere around the region, with half of respondents in the UAE also confident about growth. However, only 29% of global female leaders are confident in their own country's growth prospects over the next three years.

Figure 1

In terms of growth prospects, please indicate your level of confidence in the following over the next 3 years.





As the Kingdom has accelerated its digital transformation efforts in the face of Covid-19, making digitalization for business leaders not only an opportunity, but a necessity.

Hanan Alowain
Director Public Sector
KPMG in Saudi Arabia

In order to achieve their growth objectives over the next three years, female leaders in Saudi Arabia believe actionable measures, such as strategic alliances, which over half (58%) of leaders cite as the most important strategy for growth. The second most important strategy for growth, cited by 35% of female leaders in the Kingdom, is organic growth. Interestingly, organic growth was cited as the top strategy for growth by 55% of global female leaders. Almost all global and Saudi female leaders agree on innovation's important role in achieving growth: 92% of global and 96% of Saudi leaders think they need to improve their innovation processes to survive and grow.

Reflecting their ambition to take on new growth strategies and their faith in these strategies, 36% of female leaders in the Kingdom said their company has the potential to exceed 2.5% revenue growth over the next three years, while 35% expect their organizations' earnings to increase anywhere between 0.01% and 2.5%. Conversely, only 28% said they expect negative revenue growth rates.

Digital transformation

A significant majority of global female leaders (79%) and female leaders in Saudi Arabia (81%) stated that their company's digital transformation projects have been accelerated during the Covid-19 crisis.

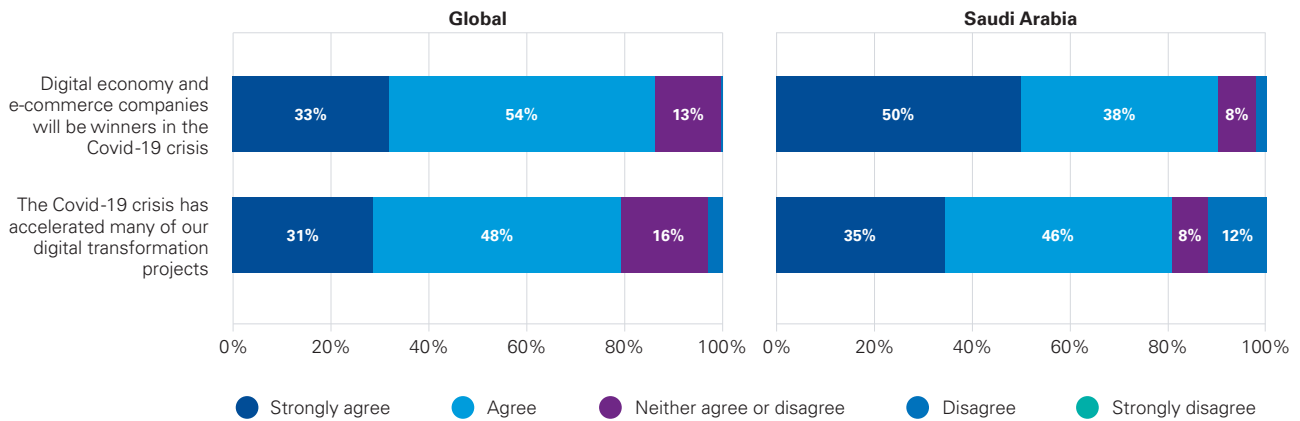
In addition, a large majority of respondents confirmed that their organizations' revisited business models enabled them to better focus on digital operations.

This digital transformation is aligned with a consumer transformation: 78% global respondents and 77% of the female leaders in the Kingdom agree that the primary effect on customers' behavior as a result of the Covid-19 crisis will be an increase in digital behavior and engagement. Female leaders in Saudi Arabia are embracing this digital renaissance broadly, with over half (54%) responding that their primary action to pursue their growth objectives are to make products and services available from an online platform.

Saudi Arabia has taken qualitative leaps towards a digital economy, which has gone beyond adopting state-of-the-art technology to enabling the society and its members to realize that potential," said Hanan Alowain, Director Public Sector for KPMG in Saudi Arabia. "The Kingdom has accelerated its digital transformation efforts in the face of Covid-19. In doing so, for business leaders, digitalization is not only an opportunity, it is a necessity.

Figure 2

To what extent do you agree with the following statements about the digital economy?



Cost reduction was widely considered as an effective tool for companies to manage the immediate impact of the crisis. However, reducing investment in essential projects, such as digitalization and innovation, could be a very short-term strategy, especially as 87% of global and 88% of Saudi female leaders agree that companies operating and thriving in the digital economy will be the true winners against the backdrop of the crisis.

Leveraging data for growth

In a post-Covid world, business leaders will also be expected to give greater importance to the voice of their customers. The growing e-commerce sector and the diffusion of digital communication tools and social media has led to customers using their voice more than ever before, influencing brand developments or even entire business strategies. However, data is only as useful as it is understandable. Leaders have improved their understanding of data through

analytics tools – 67% of global and 73% of Saudi female leaders have significantly improved understanding of their customers through such tools.

Just as data needs to be understandable, it needs to be protected. 84% of global respondents and 92% of respondents in Saudi Arabia believe that protecting customer data is one of the most important responsibilities that organizations need to assume in order to further grow their customer base.

“The focus on understanding and protecting data is held by female and male leaders alike,” said Angelika Huber-Strasser, Head of Corporates for KPMG Germany. “It comes with a recognition that data is now one of the most important assets organizations hold. Companies that use data the most effectively - particularly data on how consumer behavior has been changed by the pandemic- will emerge from the crisis strongest.”



The focus on understanding and protecting data is held by female and male leaders alike. Companies that use data the most effectively will emerge from the crisis strongest.

Angelika Huber-Strasser
Head of Corporates
KPMG Germany

A positive impact



Environment, social and corporate governance

Environmental, social and corporate governance issues (ESG) are becoming increasingly relevant for all stakeholders.

Energy giant Saudi Aramco has made gender equality a central piece of its ESG program. With a stated goal to close the gender gap, Aramco has used its involvement with the Gulf Region Organization for Women (GROW) forum to develop talent in the energy sector. Resultingly, Aramco has increased female recruitment to more than 20% of all new hires and doubled the number of women working in our organization over the past 10 years.¹

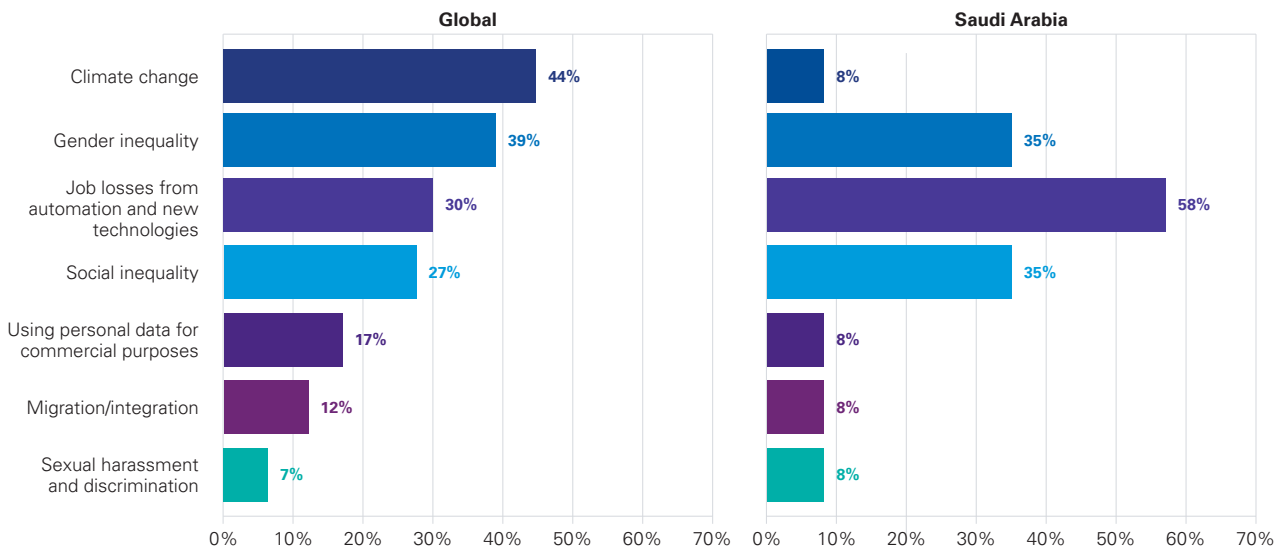
Reema Siyam, Head of Diversity and Inclusion at Saudi Aramco emphasized why diversity matters

for organizations: “There’s a business case for being more inclusive of women (and other minority groups), and studies have shown that companies with more diversity perform better. Including more women in the workplace is simply the right thing to do. Organizations are looking to improve their gender diversity, so they need to take real action to create inclusive work environments and cultures, and women need to take advantage of this moment to show their capabilities.”

Saudi Aramco uses partnerships with national training institutes to improve the quality of professional and vocational training in the Kingdom, such as the first all-female Business Process Services Center in Riyadh, opened with GE and Tata Consultancy Services.²

Figure 3

Considering the following global challenges, to what extent do you feel pressure from employees, customers and other stakeholders to take action to address these issues?



Once the urgency around the pandemic response begins to fade, we can expect to see a strong resurgence in the corporate focus on ESG-related priorities.

Jane Lawrie

Global Head of Corporate Affairs, KPMG

¹<https://www.aramco.com/en/news-media/news/2018/grow-forum#>

²<https://www.tcs.com/saudi-aramco-ge-tcs-first-all-female-services-center-business-processes-saudi-arabia>



There's a business case for being more inclusive of women (and other minority groups), and studies have shown that companies with more diversity perform better.

Reema Siyam
Head of Diversity and Inclusion
Saudi Aramco

In response to the Covid-19 pandemic, many companies are re-evaluating their ESG programs – as well as the impact of their primary businesses – to align with stakeholder demands.

In Saudi Arabia, female leaders cited job losses from automation and new technologies as the primary point of pressure from stakeholders, with 58% citing it as the top challenge. Comparatively, global female leaders (44%) view climate change as the most-pressed challenge by stakeholders.

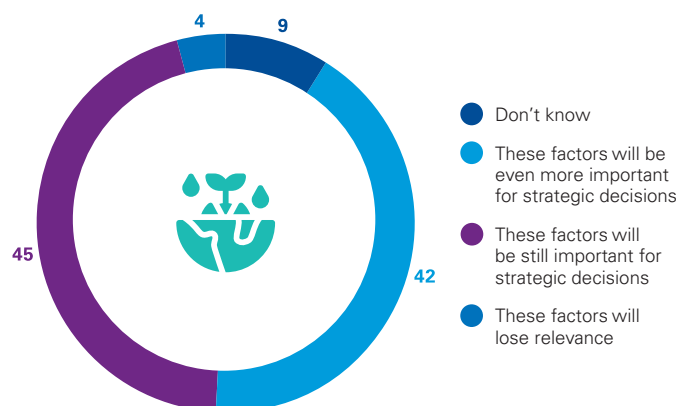
After job losses, female leaders in the Kingdom cited gender inequality and social inequity as the next most pressing challenges, followed by climate change and several other challenges.

Though Saudi female leaders were less often citing climate change as the top issue among their stakeholders, it didn't diminish its perceived importance in the Kingdom. Two-thirds (66%) of these female leaders stated that sustainability and climate change-reducing efforts will be still important or more important post-Covid-19.

The 'S' and 'G' aspects of ESG have also come into focus during the pandemic. Many organizations have been shifting the focus of their ESG programs towards the 'S', or social, component: 62% of female leaders in the Kingdom and 48% globally stated as much. Similarly, 77% of Saudi female leaders and 70% global said that governance issues have become even more important during the pandemic.

"While we're witnessing a bit of a pullback with respect to ESG initiatives globally this year, the data suggests this is a result of the Covid-19 pandemic rather than a long-term deprioritizing of these issues with businesses," said Jane Lawrie, Global Head of Corporate Affairs, KPMG. "The results provide ample evidence that once the urgency around the pandemic response begins to fade, we can expect to see a strong resurgence in the corporate focus on ESG-related priorities."

Figure 4
Will sustainability issues and activities to reduce effects of climate change be as important post Covid-19?





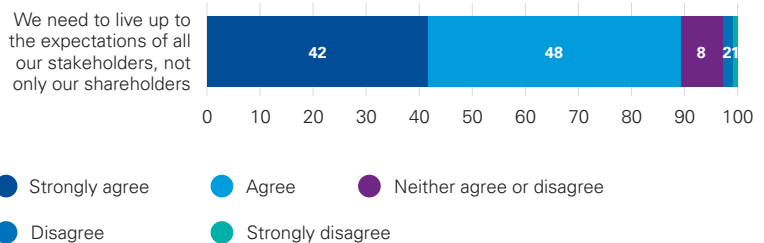
The government of Saudi Arabia is implementing a broad program of gender reforms for which it has received international recognition.

Rania Nashar

Former CEO, Samba Financial Group
Senior Advisor to the Governor of the Public Investment Fund

Figure 5

To what extent do you agree or disagree with the following statements about your organization's survival/growth?



Institutional support

Organizations are increasingly focused on including gender diversity and equity in their ESG programs. While companies self-motivated to push forward in hiring women and increasing c-suite and board-level gender diversity are aplenty, government support and regulations are helpful as well.

“The government of Saudi Arabia is implementing a broad program of gender reforms for which it has received international recognition,” said Rania Nashar, former CEO of Samba Financial Group, who since 1 February serves as Senior Advisor to the Governor of the Public Investment Fund (PIF). “It is ranked first in the GCC and second in the Arab World in the World Bank Business and Law Report (2020) for twelve regulations pertaining to women. Examples of new amendments to the laws include protecting women from discrimination in employment and in accessing financial services. The retirement age for men and women has also been equalised at 60 years, prolonging women’s employment duration, earnings and contributions.”

With progress having already been made and companies proving receptive to new measures, the government in Saudi Arabia is likely push forward with reforms, including under the Saudi Vision 2030 umbrella.

“I believe we will see more guidelines supporting women participation in leadership positions,” said Khlood Aldukheil, Managing Director of Aldukheil Financial Group. “The government has already signed an MOU with the Capital Market Authority to support appointing more women on the Boards of listed companies. We have also relaunched the Committee for Women Empowerment in the Private Sector under the Council of Saudi Chambers with the objective of supporting more women economic participation.”

Institutional support for gender equality has yielded considerable results in the Kingdom, in addition to its crucial impact on changing cultural norms about women in the workforce.



Vision 2030 helped chart the path towards women's empowerment in Saudi Arabia, which has continued despite the Covid-19 pandemic.

Dr. Nouf Abdulaziz Alghamdi
Founder and President
Chief Outsiders Consulting Group

"Vision 2030 helped chart the path towards women's empowerment in Saudi Arabia, which has continued despite the Covid-19 pandemic," said Dr. Nouf Abdulaziz Alghamdi, President and founder of Chief Outsiders Consulting Group. "The Kingdom has achieved positive figures: the index of women's share in the labor market rose to 27.5%, surpassing the 24% target, and women's economic participation in the labor market increased in turn, reaching 25.9%. Moreover, women's participation in government has increased, particularly in positions related to the new digital economy. The proportion of Saudi women in government jobs rose to 40.3%, which contributed to reducing the gap between women and men to 37%, which puts the Kingdom among the top 20 economies in achieving progress and gender balance in the distribution of new economy occupations."

The KPMG Women's Leadership Study showed that childhood lessons and early exposure to leadership have a significant impact on a woman's perceptions of her ability to lead. A woman's views of leadership begin to take shape early in childhood, starting with the values she learns, her exposure to leadership skills, and whether she has positive leadership role models. Professional working women surveyed saw themselves as "smart" growing up and cited school and academics as the area where they most felt like a leader.³

There are other factors outside of the government that are instrumental in promoting women leaders.

The Women's Leadership Study's findings on early exposure to leadership can be extended to the role of higher education in developing leadership skills. Today, over half of all university-level students in Saudi Arabia are women – a considerable leap in a country where educating women is a relatively new phenomenon.⁴ Princess Nourah Bint Abdulrahman University (PNU) has played a big role in this development. With around 40,000 students, PNU is the world's largest women's university. PNU has implemented a number of leadership development programs, including the Pioneering Executive Leadership Program in addition to considerable leadership coursework.⁵

³<https://assets.kpmg/content/dam/kpmg/ph/pdf/ThoughtLeadershipPublications/KPMGWomensLeadershipStudy.pdf>

⁴<https://www.mei.edu/publications/education-key-womens-empowerment-saudi-arabia>

⁵<https://www.pnu.edu.sa/en/Deanship/devandskilldean/pages/secondpreviousevents.aspx>



“

As we shifted to working from home, we ensured that our people felt supported, both to enable them to continue their business and personal roles, and to safeguard their state of well-being.

Dr. Amal Al-Abduljabbar
Head of People
KPMG in Saudi Arabia

Strengthening resilience and purpose

“The pandemic has shown the importance of leading with purpose and empathy - ensuring peoples’ health and well-being are put first,” said Nhlamu Dlomu, Global Head of People at KPMG during a panel discussion at the W20 Summit. “A lot of female leaders are well-equipped in this respect because of the empathy they have developed through their caring responsibilities. This has proved to be a real advantage during the ongoing crisis.”

Dr. Amal Al-Abduljabbar, Head of People at KPMG in Saudi Arabia reflects these remarks and underlines the importance of providing the right support during challenging times. “Women in Saudi Arabia also have multifaceted roles, in addition to their corporate roles they are often mother, wife and daughter, with expectations that come to all of these personal roles – like as caregiver or managing a household. As we shifted to working from home, we ensured that our people felt supported, both to enable them to continue their business and personal roles, and to safeguard their state of well-being.”

The W20 summit accompanies the annual G20 summit, which was held in the Kingdom last year. W20 is one of the policy recommendation engagement groups of the G20, and aims to ensure that gender considerations are mainstreamed into G20 discussions and translate into the G20 Leaders’ Declaration as policies and commitments that foster gender equality and women’s economic empowerment. The W20 communique produced in Saudi Arabia had two main focuses: gender-centric measures to expedite the economic recovery and measures for the long-term economic empowerment of women.⁶

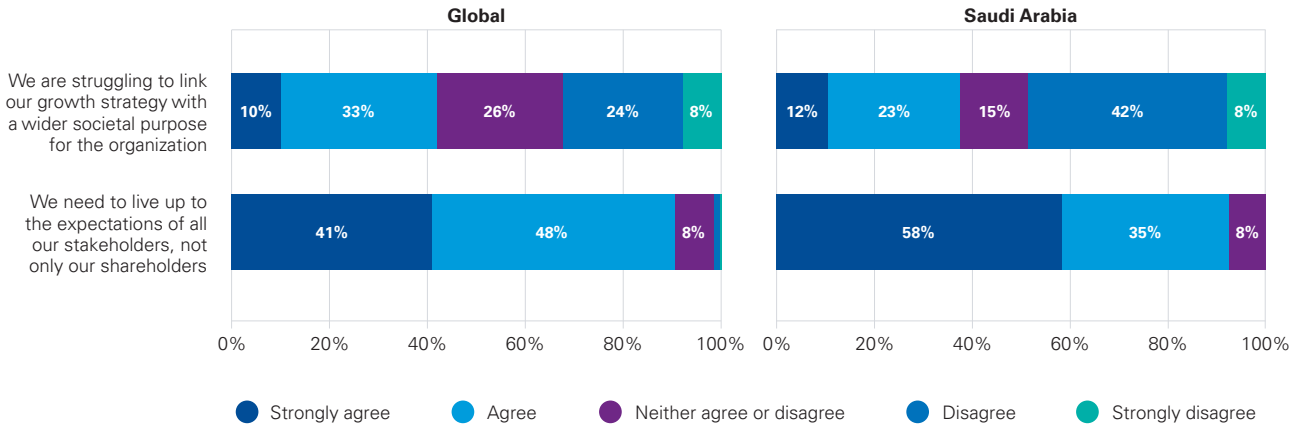
Women leaders also recognize the need for innovation to ensure their organization’s growth and survival, a fact indicated by the survey results. Eighty percent of global and Saudi respondents acknowledge that innovation will be the most important factor for every company to survive after the pandemic.

In turn, female leaders in Saudi Arabia have a plan to build innovation into all of their business processes and employee development strategies. Sixty-six percent of female leaders in the Kingdom have, to some extent, a clear approach for rewarding and incentivizing innovation among their employees and 65% have comprehensive metrics and dashboards to measure innovation performance.

⁶<https://www.w20saudiArabia.org.sa/publicationsblog/w20-communique-and-annex>

Figure 6

To what extent do you agree or disagree with the following statements about your organization's survival/growth?



Survey participants appear divided over the question of whether their company is successful in linking their growth strategy to a wider societal purpose. However, this challenge is less pronounced in Saudi Arabia: 35% of female leaders in Saudi Arabia, compared to 64% of their male counterparts, cite this is a challenge they are currently facing while 43% of global female leaders say so, along with 52% of the surveyed men.

When it comes to characterizing a truly resilient company, female leaders have a common understanding, with a large majority globally (86%) and in Saudi Arabia (65%) viewing it as a

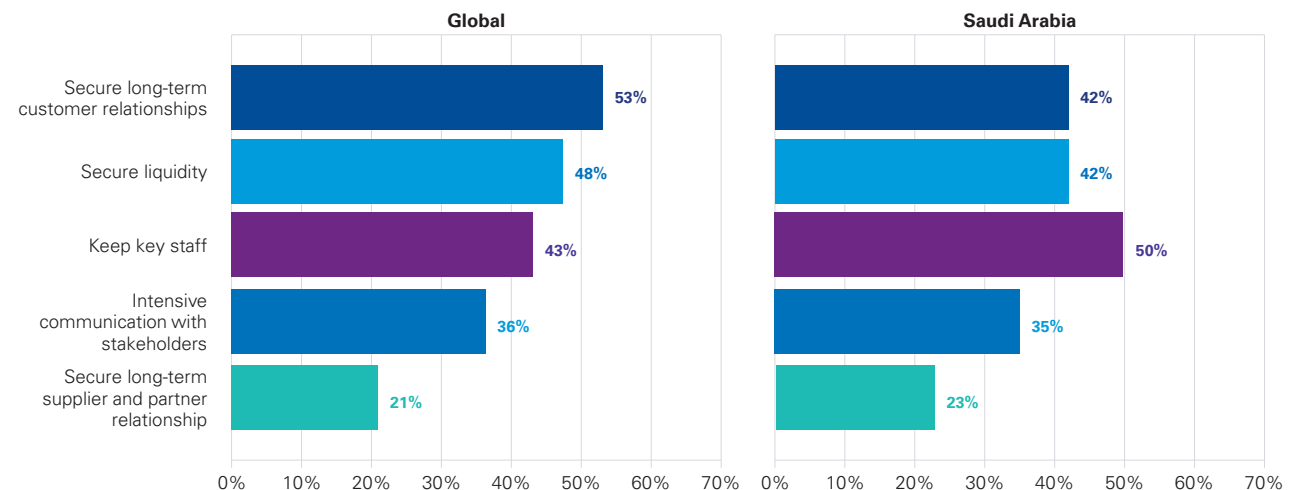
company that adapts quickly to a changing business environment. However, 27% of female leaders in Saudi Arabia characterize a resilient business as one that, above all, protects its core business.

Shifting stakeholder and customer expectations

New stakeholder values and expectations are emerging as key drivers for change. One of the clear findings from this survey is the need for companies to live up to the expectations of all stakeholders, not only shareholders. In fact, 90% of global and 93% of Saudi female leaders said they agree or strongly agree with this statement.

Figure 7

Which measures are/have been most important for you to deal with the effect of the Covid-19 crisis?



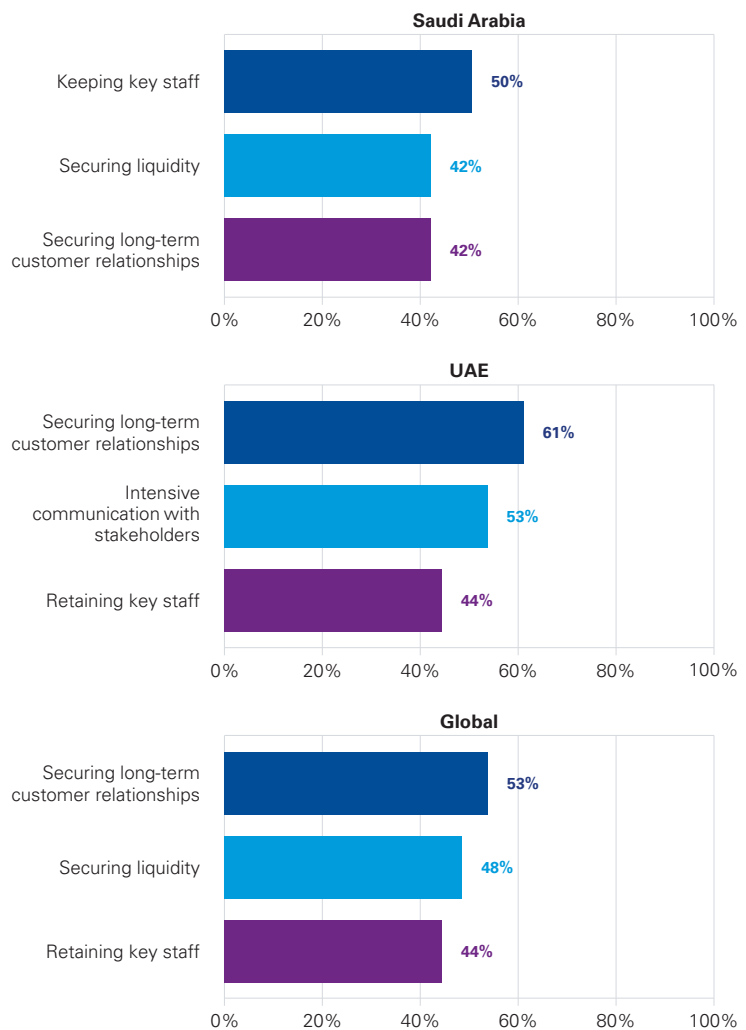


The talent pool has expanded, allowing us to tap into exceptional talent without incurring relocation costs or disrupting the employee's family comfort.

Dr. Basmah Omair
 Founder and CEO
 BMO Management Consulting

A stakeholder-oriented strategy has emerged as a leading management strategy for coping with the negative effects of the pandemic. The figure below indicates which measures were cited by female leaders in Saudi Arabia as most important for dealing with the effects of the Covid-19 crisis, compared with their peers in the United Arab Emirates (UAE) and global respondents.

Figure 8
What are the most important measures for dealing with the effects of the Covid-19 crisis?



While keeping key staff is seen as a top priority for female leaders in Saudi Arabia, they also recognize the opportunities in talent management afforded to them by the new working reality.

“When it comes to attracting, retaining, and developing talent, Covid-19 has been a blessing in disguise,” said Dr. Basmah Omair, the Founder and CEO of BMO Management Consulting. “Due to the mind shifts caused by remote working, employees are now open to working for a company located outside their city. The talent pool has expanded, allowing us to tap into exceptional talent without incurring relocation costs or disrupting the employee's family comfort.”

Emerging stronger



A new working reality

Meaningful organizational change is one of the primary responses of female global leaders to the ever-evolving working world. This is manifesting in an adaptive digitalization process and improved talent cultivation and pipelines.

Organizations in Saudi Arabia that were quickest to implement remote working schemes – and those that choose to prolong these schemes or introduce hybrid working models – have realized the most success in reaching gender equality. These organizations are using employment flexibility as a way to attract more women to their workforces. If remote and hybrid working schemes define the future of employment, gender diversity gains can be locked in.

In Saudi Arabia, female leaders responded that the pandemic's effect on their employee relationships was positive: 61% stated that their communications with employees have improved as a result of the pandemic. The pandemic also had a positive impact

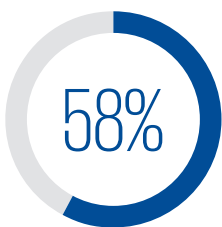
on hiring: 73% of respondents also indicated that remote work has widened their potential talent pool.

The rise of remote work has changed the meaning of "office culture," and leaders have worked hard to preserve and positively adapt their organization's environment. 58% of Saudi female leaders agree or strongly agree with the statement that remote working has caused them to make policy changes to nurture their culture. In the wake of the rise of remote working, around half (54%) of respondents expect a reduction in bricks and mortar office space, compared to 59% globally.

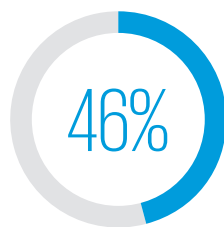
The new working reality has changed the way managers are able to raise employee satisfaction. Remote work has ended office perks, but it has allowed a time flexibility that was previously not possible. The figure below indicates the most highly rated means for improving employee satisfaction, as cited by our respondents in Saudi Arabia.

Figure 9

What are the best means to raise employee satisfaction?



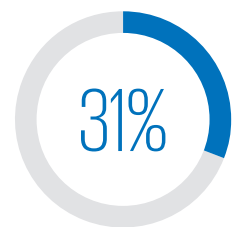
Positive team atmosphere



Empowering next career step



Good work-life balance



Time flexibility



Tailoring the way we work taking into consideration all these different circumstances will be crucial to retain women as we emerge from the pandemic together.

Nhlamu Dlomu
Global Head of People
KPMG International

Improved communication can translate into better, more personalized interaction with employees. In turn, previous policies around gender equality that may have seemed too generic to have a real impact can be transformed into specialized policies that help out individuals based on their own circumstances, which differ more as a result of the pandemic.

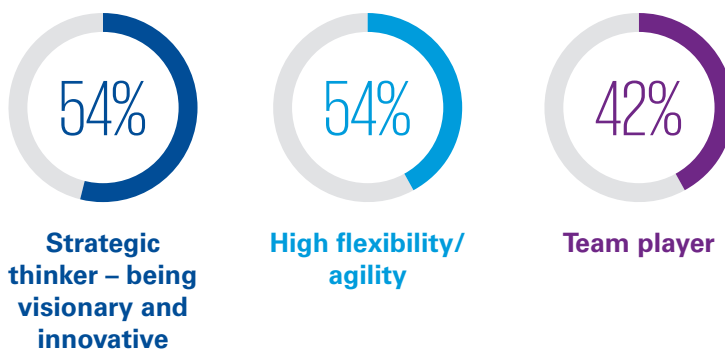
“Organizations previously had generic policies around gender diversity, but the pandemic has challenged that,” said Nhlamu Dlomu, Global Head of People at KPMG International. “Different people have been impacted differently by Covid. People who are living alone might experience a sense of isolation, whereas people with caring responsibilities – often women – have to balance additional responsibilities. Tailoring the way we work by taking into consideration all these different circumstances will be crucial to retain women as we emerge from the pandemic together.”

Personal implications

As evidenced by our recent CEO Outlook 2020, there are certain traits and tactics that lead to successful crisis leadership. These traits were largely reflected by female leaders in Saudi Arabia, who, when asked which personal strengths are most important during the Covid-19 crisis, listed the following traits. These strengths also mirror the perspective of global female leaders.

Figure 10

What personal strengths do you consider most important during the Covid-19 crisis?





A majority of women, even with the support of their superiors, struggle with their personal networks. Women gain the trust of their personal network and/or clients when they demonstrate professional excellence.

Buthainah Albaity

Associate Director Private Enterprise - Family Business and Family Offices

When surveyed about non-performance factors that might indicate future personal success, female leaders in the Kingdom said that an active personal network (50%), support from mentor/current boss (46%), and strong communication skills (27%) were most crucial. Interestingly, 23% of female leaders in Saudi Arabia cited quotas for female leadership as a factor for their future personal success, double the global figure.

“A majority of women, even with the support of their superiors, struggle with their personal networks,” said Buthainah Albaity, Associate Director Private Enterprise- Family Business and Family Offices. “Most of the time, women gain the trust of their personal network and/or clients when they demonstrate professional excellence. Their male counterparts have an added advantage of, in addition to their professional performance, easily growing their personal networks and accessing influential figures out of the workplace through social gatherings.”

Further emphasizing the importance of networking, in the KPMG Women’s Leadership Study, released in 2019, 82% percent of professional working women believe access to and networking with female leaders will help them advance in their career.⁷

“The female workforce in Saudi Arabia is as young as it is ambitious and talented,” said Emmeline Roodenburg, Head of Healthcare for KPMG in Saudi Arabia. “You can feel the eagerness of talent in the air. It takes courage and power to accept professional roles and fulfill them to the best of your abilities, while you can’t identify with most of your leaders. There are still too few female role models to look up to in many sectors. Mentors, sponsors and coaches (both male and female!) are needed to pull out the best in the proud new workforce generation to come.”

Outside of personal success, there are a number of factors that motivate female leaders. Saudi female leaders cite making a positive impact on the world (73%) as their top motivation, compared to just over half (57%) among global leaders. Career advancement was another vital motivating factor (54%), while enabling long-term business success (35%) and innovating and redefining the business (35%) also play important roles.

⁷<https://assets.kpmg/content/dam/kpmg/ph/pdf/ThoughtLeadershipPublications/KPMG-WomensLeadershipStudy.pdf>



When you cannot identify with most of your leaders, it takes great courage and power to reach for higher professional roles. Female leaders in Saudi Arabia demonstrate to create their own paths for powerful careers.

Emmeline Roodenburg
Head of Healthcare
KPMG in Saudi Arabia

Career perspectives

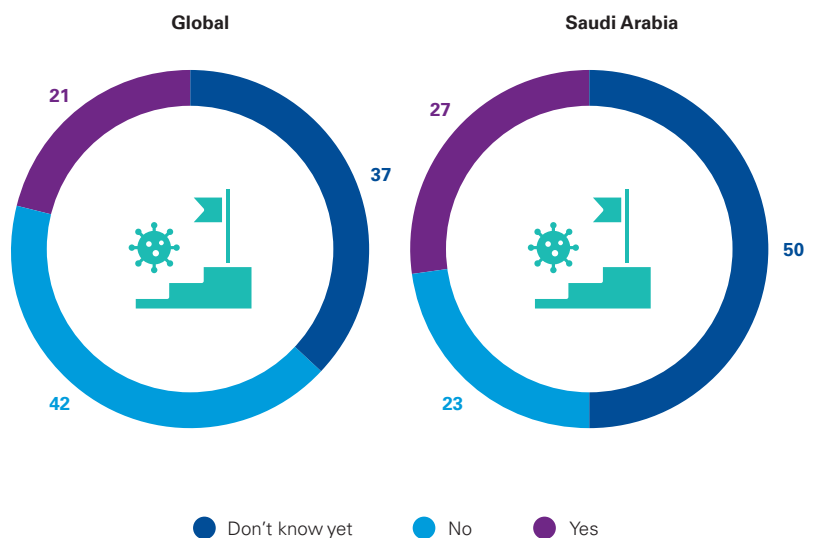
Is the Covid-19 crisis a crisis for gender equality? The pandemic has impacted everyone's private and professional lives, but it has often affected mothers more acutely. The closing of schools and nurseries during lockdowns has created a double burden of handling both job and family, often at – quite literally – the same time. Additionally, many of the hardest hit industries like tourism and transportation, as well as health and household services, are sectors that typically employ a greater proportion of women.

Fortunately, Saudi Arabia has robust regulations in place to protect against gender discrimination. In the World Bank's Women, Business and the Law indicator, Saudi Arabia scored a perfect figure in the "workplace" category, which measures the strength of laws against gender discrimination and sexual harassment.⁸ Such regulations will help women as hiring picks up along with the ongoing economic recovery.

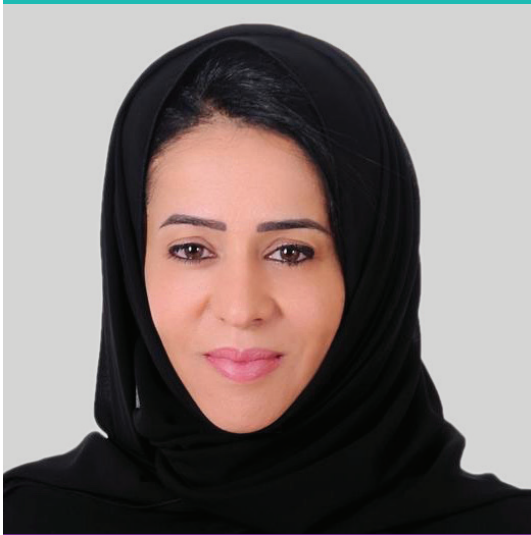
However, women remain uncertain about their futures. In Saudi Arabia, 27% of female leaders said the Covid-19 crisis will have an impact on their next career step, while 23% disagreed and 50% don't know yet. Globally, 21% of female leaders said their next career step will be impacted, with 42% disagreeing and 37% indicating they don't know yet.

Figure 11

Do you think the Covid-19 crisis will have an impact on your next career step?



⁸<https://wbl.worldbank.org/en/data/exploreeconomies/saudi-arabia/2020>



With the expected resumption of business, I believe that more women will be hired due to the national agenda's focus on female employment.

Khlood Aldukheil
Managing Director
Aldukheil Financial Group

Diversity and inclusion

The research shows that 41% of global and 47% of Saudi female leaders do not expect Covid-19 to slow down progress on diversity and inclusion, with about a third of both groups unsure about the outcome. These fairly inconclusive answers reflect the confounding impact of the pandemic on gender equality. On one hand, overall employment has been hit hard by the pandemic, while on the other hand the new working reality has some intrinsic advantages for women's employment.

"The Covid-19 pandemic slowed down business, which resulted in less hiring of both genders," said Khlood Aldukheil, Managing Director of Aldukheil Financial Group. "However, with the expected resumption of business, I believe that more women will be hired due to the national agenda's focus on female employment. Additionally, the new working reality will be more conducive for women to join the work force as they can work remotely."

Rania Nashar, former CEO of Samba Financial Group, shared Aldukheil's optimism about the new working reality.

"Samba and other banks in Saudi Arabia have, wherever possible, sought to provide greater employment flexibility to their female employees. This has primarily been done through greater working from home opportunities for women employees, particularly those with young children/families. We will seek to continue with these measures after Covid-19 is over," Nashar said.

However, as global hiring begins to pick back up as the economy recovers, some women will be at a disadvantage due to their relatively recent entry into the workforce.

"Since the majority of unemployed women do not have the relevant work experience or training, they will be at a disadvantage when competing with other Saudis, both male and female, who are not first-time job seekers, but who were laid off due to the ongoing crisis," Nashar said.

It is thus important that organizations focus on the skills that women find most empowering, especially for moving into leadership roles. In the KPMG Women's Leadership Study, released in 2019, when asked what training and development skills were needed to help move more women into leadership roles in the future, professional working women cited leadership training (57%), confidence building (56%), decision-making (48%), networking (47%), and critical thinking (46%) most often.⁹

⁹<https://assets.kpmg/content/dam/kpmg/ph/pdf/ThoughtLeadershipPublications/KPMG-WomensLeadershipStudy.pdf>

2020 was not only a momentous year because of the pandemic, but also as a result of a worldwide reckoning with racism. In turn, many organizations implemented new policies aimed at combatting racism and discrimination in the workplace. Female leaders reflected on their companies' discrimination and racism measures: 42% of global respondent's stated that the measures their company has recently taken to tackle both issues have had a positive impact, compared to 47% in Saudi Arabia.

Still, respondents think even more needs to be done in supporting women to achieve greater parity in the workplace. In fact, 92% of global and 80% of Saudi female leaders admit that we are still a long way from gender diverse boards and management teams.

"The presence of women on boards of directors enriches and gives diversity and different perspectives," said Mashael Abdullah Bin Saedan, CEO of Al Saedan for Development. "To strengthen boards, we need regulations that require at least 20% woman membership. Similar to the Shura Council, King Abdullah, may God have mercy on him, issued a royal order to amend the council's system to have at least 20% female representation. We need a similar regulation to apply to the private sector."

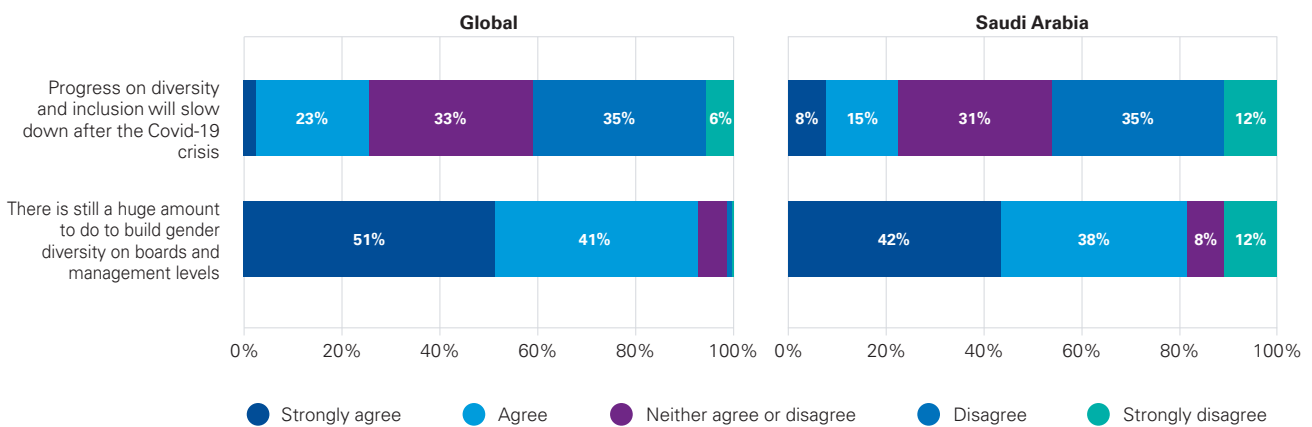
Another indicator of women's standing in the workforce compared to that of men is the gender pay gap, as well as transparency about it. In 2020, nearly half (46%) of global respondents confirmed that their company has transparency regarding equal pay, compared to 40% in 2019. In this study – the first of its kind in Saudi Arabia – 58% of female leaders indicated their companies have equal pay transparency.

Succession arrangements also play a vital role in improving a company's gender diversity. Out of all the participants in this year's Global Female Leaders Outlook, more than half (53%) think their successor will also be female. Encouragingly, this number was considerably higher (73%) in Saudi Arabia. Their job title, and whether our respondents have children or not, has no bearing on the results.

"At Samba, as well as having a female CEO, we have adopted a "bottom-up" approach to increasing female representation across the bank," Nashar said. "This spans all layers of our organisation, from our branch network to our corporate HQ. Over time, we hope that this greater pool of female employees will give us greater scope to choose our future leaders from. Additionally, we run courses specifically targeted at female employees so that they can develop their banking and leadership skills."

Figure 12

Thinking about diversity and inclusion, to what extent do you agree or disagree with the following statements?





The presence of women on boards of directors enriches and gives diversity and different perspectives.

Mashael Abdullah bin Saedan
CEO
Al Saedan for Development

Family dynamics

Family structures and role models are both thought to have a strong impact on female career development.

Shedding further light on women leaders' family dynamics, more than half (51%) of global respondents indicated they felt they live in an equal family structure, with a further 33% living in what could be described as a moderately equal structure - considering that all survey respondents are women in leadership positions.

This finding contrasts with what most global female leaders experienced themselves as children, as most parental families were based on a moderately equal structure (37%) and some on a patriarchal structure (23%). Only 27% of global female leaders experienced a truly equal family structure growing up.

Taking a closer look at the data, 78% of global respondents who grew up in a patriarch-oriented family structure now live in a truly or at least moderately equal family structure.

Figure 13

Do you have transparency in your company regarding equal pay?

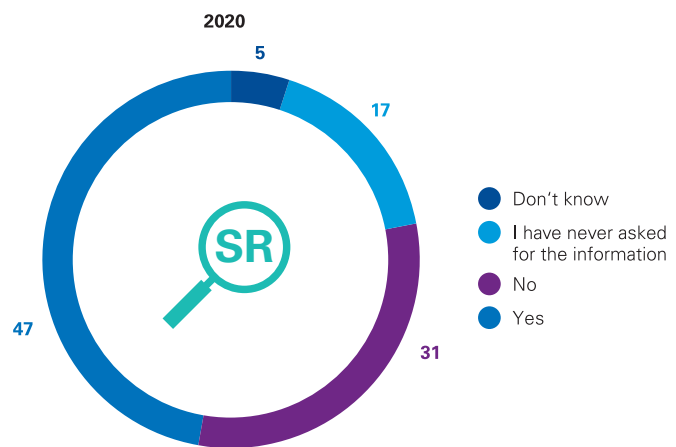
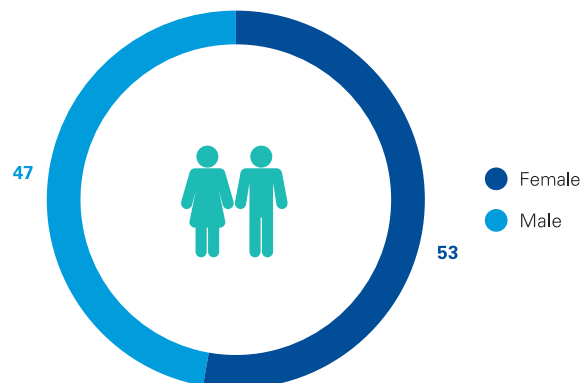


Figure 14

Is your successor more likely to be male or female?



Reflections



Making a positive impact on the world is a personal and commercial imperative. Incorporating ESG measures has never been more important for an organization's relationship with its stakeholders-customers, employees, suppliers, communities and shareholders.

The new reality will be shaped by changing stakeholder primacy and shifting expectations. As a result, companies will increasingly connect commercial success to ESG factors, including broader stakeholder engagement and increased attention to governance. Successful organizations will likely be those capable of incorporating these priorities into company culture and clearly communicating progress to stakeholders. Female leaders in the Kingdom understand the shifting landscape and believe in the importance of these issues, both personally and professionally.



Leaders capable of tapping into the digital economy and e-commerce will come out ahead in a post-pandemic world.

New technology and innovation will drive wealth and growth. Companies positioned to thrive are those capable of pivoting and adapting to the new digital reality. AI and automation will be important topics in the years to come. Blockchain, however, has the potential to become the guardian of trust in the digital and AI age - especially in the fields of governance and security.



Employees are an increasingly valuable asset, pushing leaders to change their management style.

In line with organizations' focus on ESG policies, leaders find employees to be most motivated by a meaningful and purposeful work environment. When considering remuneration, it is likely we will therefore see a shift away from traditional incentives. Companies looking to retain their existing workforce, as well as recruiting the next generation of employees, will have to be able to compete in a working from home environment and meet fundamental changes in values and priorities.

Methodology

The survey covers 675 female leaders from 52 countries and was conducted between September and October 15, 2020. 57 percent of the respondents come from companies that have more than US \$500M in annual revenue. There were 25 respondents from Saudi Arabia. The report also takes insights from the KPMG CEO Outlook: Covid-19 Special Edition for Saudi Arabia and the UAE edition of the Female leaders outlook. Additional insights were gathered at panel discussions during the W20 Summit in October. Some figures may not add up to 100 percent due to rounding.

We would like to thank the following female leaders for their contributions:

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Dr. Nouf Abdulaziz Alghamdi

Founder and President, Chief Outsiders Consulting Group

Rania Nashar

Former CEO, Samba Financial Group

Dr. Basmah Omair

Founder and CEO, BMO Management Consulting

Mashaal Abdullah bin Saedan

CEO, Al Saedan for Development

Reema Siyam

Head of Diversity and Inclusion, Saudi Aramco

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