



Women Business Leaders Outlook: United Arab Emirates

The hidden opportunities
uncovered by female leaders



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KPMG Lower Gulf

Humane, hopeful and hungry for change

By now, the business case for gender equality is overwhelming. Companies with more women in management are more profitable than their peers, reporting a 35% better return on equity in the case of Fortune 500 firms.¹ Embracing diversity allows organizations to tap into innovation and creativity — and promote human dignity, according to the Harvard Business Review.²

But to harness diversity, it's not enough to have women at the table; their voices also need to be heard. We are proud to present the fourth edition of the UAE Women Business Leaders' Outlook, formerly called the Female Leaders' Outlook, conducted in collaboration with Management Circle. We spoke to women leaders in a variety of roles across sectors about some of the most important issues facing businesses today: environmental, social and governance (ESG), risk management, the digital transition, the lasting impact of Covid-19 and gender balance. We also surveyed their male counterparts to see where their visions aligned and where they diverged, and compared the views of women in the UAE with those of women worldwide.

The women we surveyed were confident but clear-eyed about the challenges and opportunities facing their firms, particularly when it came to ESG and pandemic readiness. While almost 30% of the men surveyed thought ESG programs hurt their firms' finances, female leaders viewed investment in people and processes as key to pandemic resiliency. We hope you find the insights presented in this Outlook as fascinating and thought-provoking as we did. We look forward to continuing the conversation, and discussing the findings with you.

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While almost 30% of male leaders think ESG programs hurt their bottom line, women see ESG as a value-add.





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Key findings

The UAE's women business leaders are...

...Optimistic and ambitious

94% 

of UAE women expressed confidence in the growth prospects of the country, similar to UAE male leaders (92%).

87% 

of UAE women were optimistic about the growth prospects of their company, more so than their global counterparts (78%).

74% 

of UAE women are pursuing aggressive M&A strategies for growth, saying new partnerships will be critical to continue their pace of digital transformation (compared with only 68% of UAE male CEOs).

...Mindful of the ESG agenda

48% 

of UAE women leaders are seeing demand from stakeholders for increased reporting and transparency on ESG issues today, with the pressure mainly being driven by either institutional investors (44%) or regulators (39%).

29% 

of women cite the lack of an accepted global framework as a key barrier to communicating ESG performance to stakeholders, compared to only 4% of men.

66% 

think stakeholder scrutiny of performance on social issues—such as the racial, ethnic and gender makeup of employees—will continue to accelerate.

...Governing with empathy

64% 

of UAE women are prioritizing investment in developing their workforce's skills and capabilities. This figure falls to 24% for men, who are instead prioritizing buying new technology.

72% 

felt their organizations had a responsibility to help with reskilling or placement in new roles if workers were laid off due to automation or a changed business model, compared with 60% of men.

32% 

of UAE female leaders—the same proportion as female leaders globally—will be looking to focus on a culture and policies that foster a better work-life balance for their employees post pandemic.

...Hungry for change

61% 

said that their company either did not have transparency around equal pay, or they were not aware if it did.

82% 

believe there is still a huge amount to do to build gender diversity on boards and management levels.

62% 

have encountered stereotyping and bias in their day-to-day work.

Spotlight on the UAE

The UAE Gender Balance Council was established in 2015 to reduce the gender gap across government sectors, achieve gender balance in decision-making positions, and promote the UAE's benchmark status for women's participation in business, government, and science and technology.

Already the country has made incredible strides, particularly in the realms of higher education, STEM and government affairs. In the UAE, 77% of women enroll in higher education, and 70% of all Emirati university graduates are female.³ That includes 61% of all STEM graduates.⁴

In April 2021, Emirati engineer Nora Al Matrooshi beat 4,000 candidates to become the first female Arab astronaut.⁵

When it comes to government roles in the UAE, 66% are held by women, with women occupying 30% of leadership positions.⁶ Almost half of all employees at the Ministry of Foreign Affairs and International Cooperation are women, including high-profile ambassadors in embassies such as the UN Mission in New York, the Netherlands, Germany, Finland and Denmark.⁷

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A brand's purpose is an organization's commitment to its employees, its clients and importantly society as a whole. It defines your business. People who work for a company that has a strong purpose are more likely to stay in that company, as it gives them a sense of belonging.

At KPMG, our purpose is 'Inspiring Confidence, Empowering Change.' With this simple statement, KPMG reaffirms its commitment to bring about positive change. Positive change that is not only focused on our clients' businesses but is also focused on making a difference for our people. Our inclusion, diversity and equity goals are an essential part of this. And female representation, across the firm and especially in senior and C-suite leadership roles, is a key area of focus for us.



Talal Cheikh Elard

Partner, Head of Clients and Markets
KPMG Lower Gulf

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In recent years, the prevalent feeling amongst millennials appears to be that humanity is doomed, as environmental issues especially around the climate crisis have come to the forefront of the ESG space globally.

Throughout this evolution process, social issues around diversity and equality in the workforce should not be ignored as these lie at the heart of ESG. It is encouraging to note that the UAE has made significant strides in promoting the role of women in the corporate spectrum.



Shahnawaz Nakhoda

Partner, Audit
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02

Implementing the ESG agenda

A call for a global reporting framework

Some of the most significant differences of opinion between men and women leaders involved ESG reporting and programs. ESG is more important than ever, as both public and private sector investors in the UAE are placing ESG and sustainability at the top of their agendas — a trend that we expect to continue over the next decade.

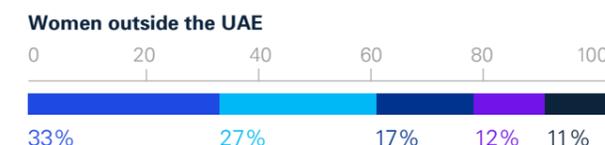
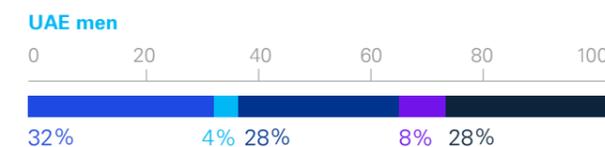
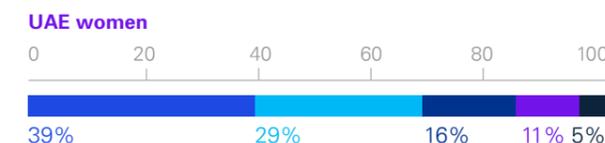
But female leaders emphasized different ESG challenges and opportunities compared to their male counterparts. Asked to name the key challenge involved in communicating ESG performance to stakeholders, both genders agreed that their organization's ESG performance reporting didn't have the rigor of financial reporting. But 29% of women believed the most pressing issue was the lack of an accepted global framework for measuring and disclosing ESG performance, compared to just 5% of men. Instead, 28% of men highlighted the difficulty of telling a compelling ESG story, and another 28% described the struggle to meet the ESG reporting needs of investors and other stakeholders.

Male and female leaders therefore focused on different sides of the same coin. Taken together, they considered a holistic view of the problem, enriching opportunities to develop solutions. Addressing the most pressing issue identified by women, or developing a global reporting framework, would also solve the problems highlighted by the male respondents. That's because a global framework would harmonize reporting needs among stakeholders and streamline the process, saving time and money for companies.

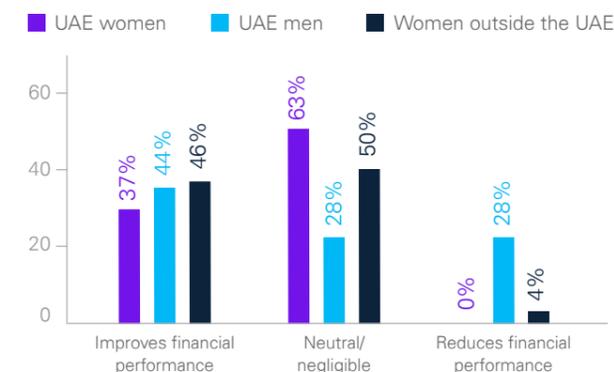
Many of the male leaders also seemed to regard ESG as necessary but inopportune; 28% of respondents said their companies' ESG programs reduced financial performance. One hundred percent of female respondents in the UAE said ESG either improved financial performance or had no effect in the bottom line. In other words, fewer women see ESG as a liability. Rather, they view it as an asset for company growth and performance.

What is the key challenge in communicating your ESG performance to stakeholders?

- ESG performance reporting within the organization doesn't yet have the rigor of financial reporting
- Lack of an accepted global framework for measuring and disclosing ESG performance
- We struggle to articulate a compelling ESG story
- Stakeholder skepticism around "green-washing" of ESG performance disclosures
- We struggle to meet the ESG reporting needs of different investors and other stakeholders



Please rate the impact of your company's ESG programs on your financial performance



Human capital as the key to digital growth

Digital transition

Male and female leaders also differed when it came to technology. Middle Eastern countries are embracing digital transformation across the private and public sectors, with automation driving the expansion of the region's cloud computing market. The UAE Cabinet recently approved the formation of the Higher Committee for Government Digital Transformation to develop a digital economy and make use of future technology.

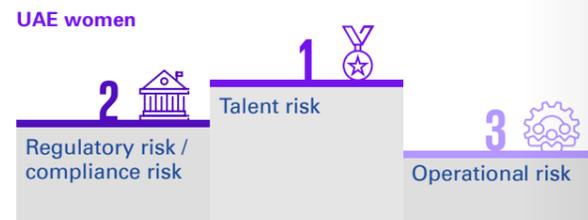
Both genders recognized that investing in digital growth is vitally important. When it came to naming their operational priorities, male leaders ranked advancing digitization and connectivity of all functional areas as their top priority. Women leaders ranked it second, after strengthening supply chains. Male and female leaders differed, however, on prioritizing people versus technology.

Asked whether they were investing more in buying new tech or in developing their workforce's digital skills, 64% of women leaders were investing more in people, compared to 24% of male leaders. Respondents were also asked whether they felt responsible for retraining or helping place workers laid off due to automation or a new business model; 72% of women said yes, compared to 60% of men.

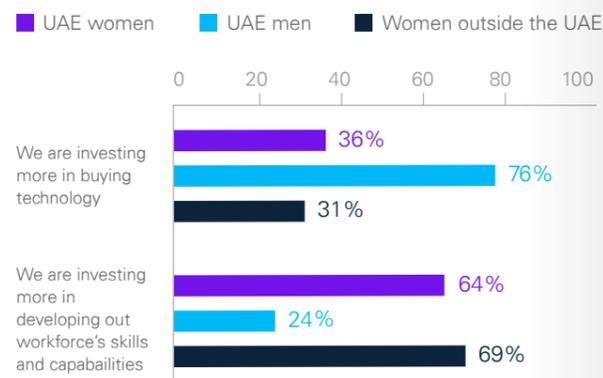
Similarly, when asked about the top three risks posed to their organizations, women in the UAE leaders ranked talent risk first, followed by regulatory/compliance risk and then operational risk. Men ranked emerging/disruptive technology risk first, followed by environment/climate change, and then operational and tax risk.

Women therefore embraced human capital and social responsibility as value-added areas. They offered an important reminder that technological advancement requires a competent and loyal workforce, and that it will be important to take care of employees as businesses are undergoing a period of rapid change.

What are your top three operational priorities?



Thinking about your growth and transformation objectives, which of the following investments are you prioritizing?



“Organizations are swiftly moving to address the increasing pressures from their investors, activist shareholders, potential employees, and customers to increase the representation of women on their boards and across executive leadership.”

As listed companies in the UAE are now required to have at least one woman on their boards by 2025, we expect to see the current female representation of 8.9% of listed board seats improve significantly in the lead up to 2025.



Shahda Al Taie

Manager, Governance, Risk and Compliance Services
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As leaders, we manifest our inner experiences to shape people, cultures and organizations.

Every individual has different life experiences, and these varying experiences should not serve as limitations to their unique path towards merit and success. Equity in its true form does not limit the expression of these experiences, but recognizes, celebrates and encourages the diversity of perspectives each unique person brings, irrespective of gender, age, race.



Gunjan Shroff

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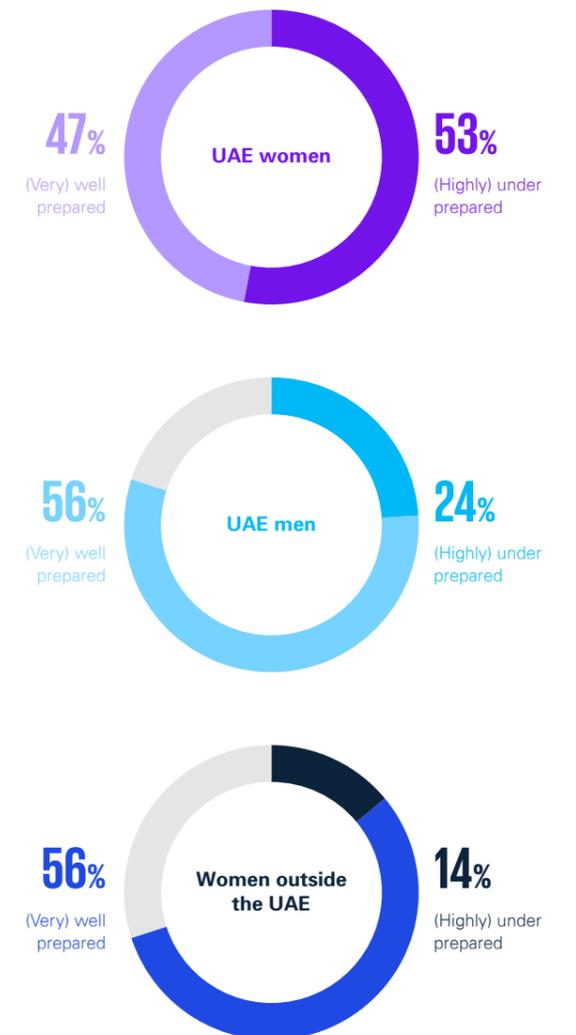
Concerns about cybersecurity readiness

Risk management

Women leaders were much more concerned about their companies' cybersecurity readiness, with 53% saying their organizations were under-prepared, compared to just 24% of men. Both men and women in the UAE agreed the top step they planned to take in the next three years to build digital resilience was to invest in secure, resilient cloud-based technology infrastructure. Both ranked strengthening governance to recover from a major incident among their top 3 priorities.

These priorities show that leaders across the board are prepared for the very realistic possibility of a cyberattack. These attacks skyrocketed during the pandemic, as many operations, systems and devices were moved off-site during global lockdowns.⁸ As remote work continues, most women leaders believe their companies haven't done enough to shore up their defenses. Given the alarm bells sounded by cybersecurity experts worldwide, women leaders provide a crucial voice calling on companies to scrutinize their processes and double-check their cyber preparedness.

How well prepared is your organization against cyber attacks?



Confidence in the face of Covid-19

Navigating the pandemic

Few events have transformed business in recent years like the Covid-19 pandemic. Despite adverse circumstances, the UAE leadership was able to translate challenges into opportunities for innovation and development. The UAE ranks first worldwide for its Covid-19 vaccination rate, and Expo-infused spending has boosted investment in the UAE, making it a prime location for businesses aiming to access markets around the world. It therefore comes as little surprise that the country's economy is expected to accelerate in 2022.

The vast majority of the UAE women business leaders are confident about their companies' growth prospects, with 87% saying they are confident or very confident, compared to 78% of women leaders worldwide. Even with the added challenges of inequality and climate change, more than half of the UAE women surveyed said they don't expect these factors to hurt their companies' long-term growth and value.

In other words, women recognize their companies' competitive advantages and are not overly preoccupied with events that are outside their control.

What are the top three effects the Covid-19 pandemic is expected to have on your organization in the next three years?

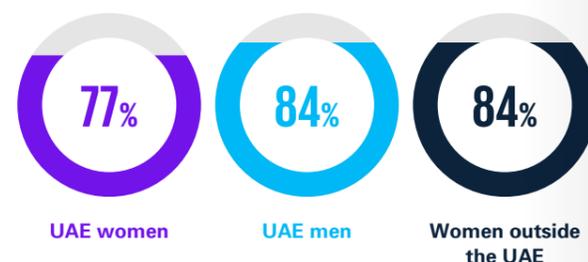
UAE women

- 1 We will be looking to focus on a culture and policies that foster a better work-life balance for our employees
- 2 We will be ensuring that our supply chain is resilient in the event of a global lockdown
- 3 We will have a majority of employees working remotely at least 2 – 3 days a week

As the UAE's female leaders looked to the near future, they expected the top three lasting effects of the pandemic to be: a focus on company culture and policies that foster better work-life balance, a focus on ensuring supply chains can withstand a global lockdown, and most employees working remotely for at least a couple of days per week. Two-thirds of women leaders surveyed said companies would need to address employee burnout in order to sustain the pace of digital transformation brought on by the pandemic, and 79% said innovation will be the most important factor determining which organizations survive the upheaval of Covid-19.

Perhaps most tellingly, both men and women in the UAE overwhelmingly agreed that CEOs will increasingly be held responsible for driving progress and addressing social issues. That means that leaders will need to take personal responsibility and implement high-level strategies to protect employee well-being and mitigate the psychological toll of the pandemic.

CEOs will be increasingly held personally responsible for driving progress in addressing social issues.





During my 14 years as a people consultant, I have seen an insidious form of unconscious bias in hiring and promotion decisions.

This type of unconscious bias stems from the tendency to prioritize masculine traits, such as overt displays of assertiveness and confidence, when assessing performance and potential. It is time for us to let go of the traditional view of looking at leadership potential and start embracing a different leadership style, one that is characterized by empathy, receptivity, and cooperation.



Reem Sidani

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06

Perspectives on equality

More than 60% of companies lack gender pay transparency

Although Covid-19 expanded the gender gap globally, the UAE was among the world's five most improved countries for making progress on gender parity in 2021.⁹ The government is making a concerted effort to increase female representation in the C-suite, with UAE-listed companies now required to have at least one female member on their boards of directors. As of 2021, 12% of board members at 40 of the largest companies on the Dubai Financial Market and Abu Dhabi Securities Exchange were women.¹⁰ The UAE aims to increase the representation of women in leadership positions in the private sector to 30% by 2025.¹¹

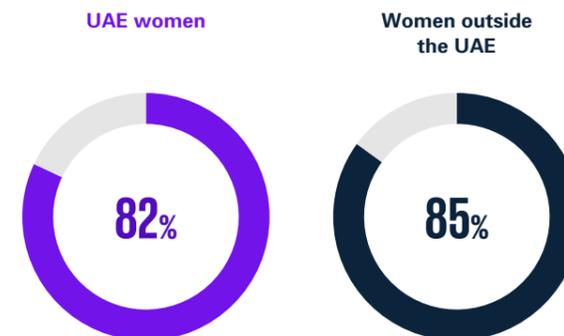
However, there is still work to be done in achieving workplace gender equality. More than 60% of the UAE women surveyed said their companies did not have transparency regarding equal pay (or they were not aware if it did), similar to the global response of 58%. Many of the UAE women — 62% — said they had encountered bias and stereotypes in their day-to-day work, which was again similar to the

global response of 61%. Both in the UAE and worldwide, the top reason given for the lack of women in C-suite positions was a male-dominated corporate culture.

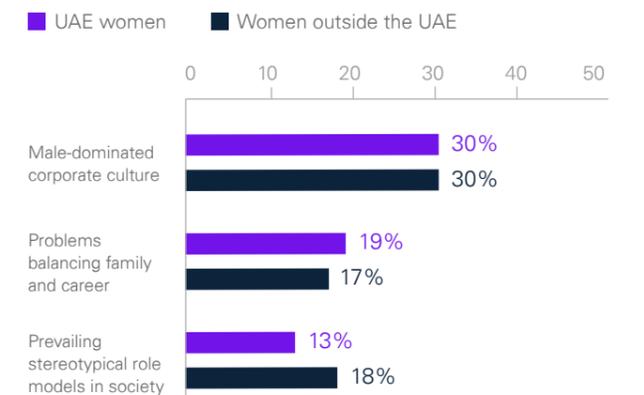
Fortunately, proven strategies exist for promoting transparency in ways that are both equitable and effective.¹² Compensation is a key element of making employees feel valued, and pay transparency gives an objective measure that companies value all employees equally. It's an obvious first step in tackling the bigger, more complex issues of bias and female visibility.

The good news is that both men and women leaders seem ready to tackle the problem. About two-thirds of both men and women in the UAE agreed that stakeholders will continue to increasingly scrutinize companies' performance on social issues, including employee diversity and inclusion. That means that companies are likely motivated to make the necessary changes. Heightened stakeholder interest is yet another example of how policies that are good for women are also good for the bottom line.

There is still a huge amount to do to build gender diversity on boards and management levels – strongly agree and agree.

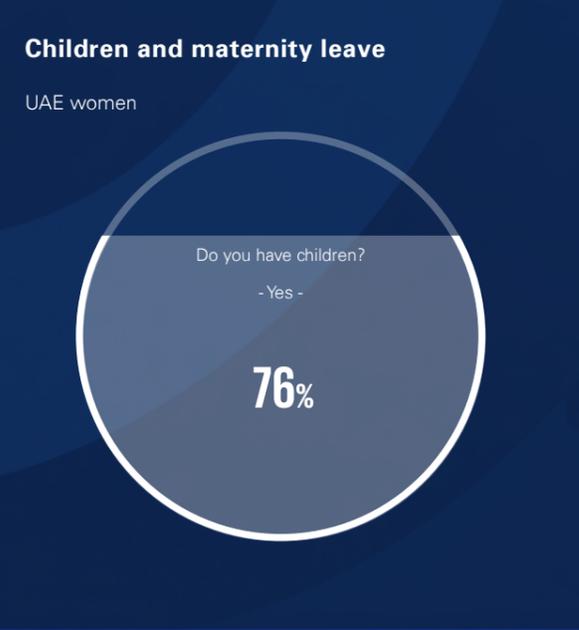
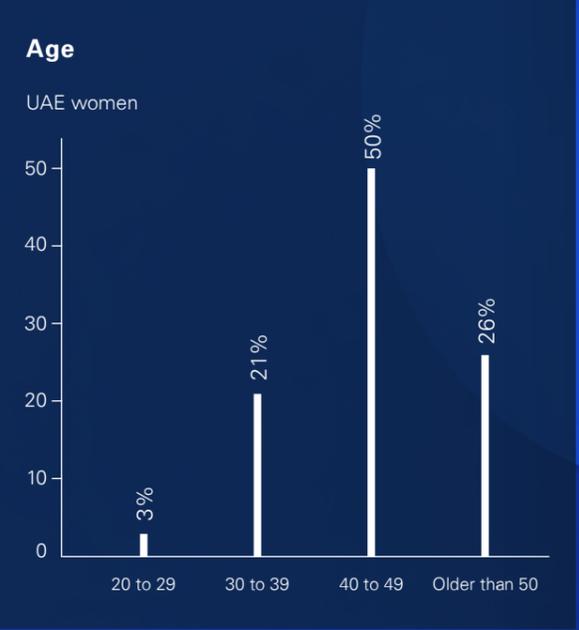
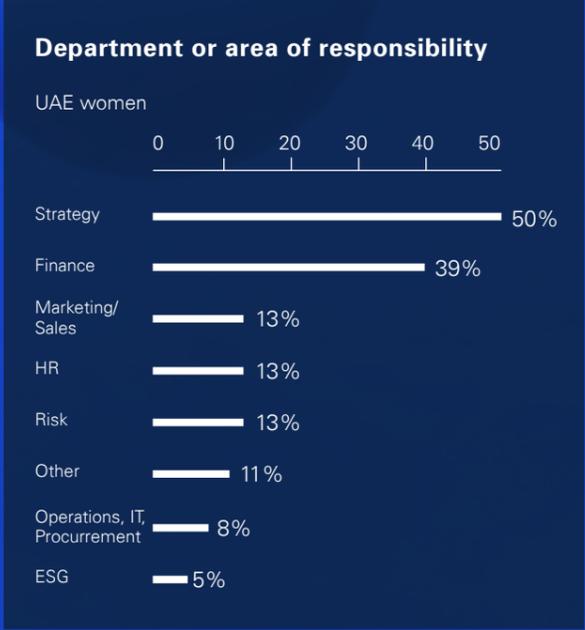
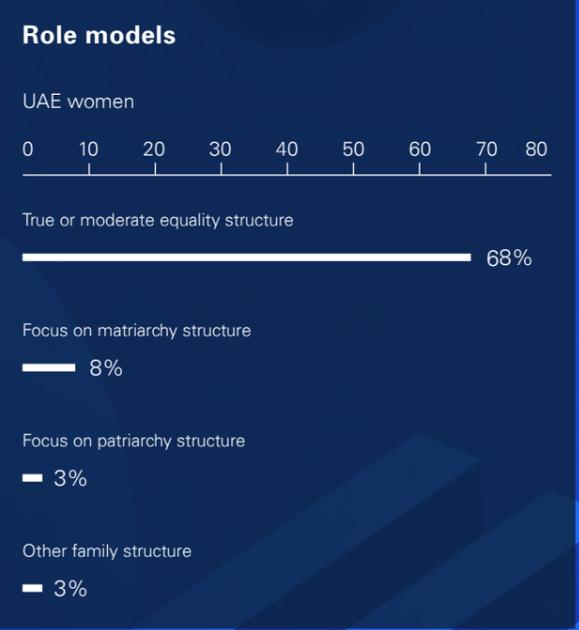
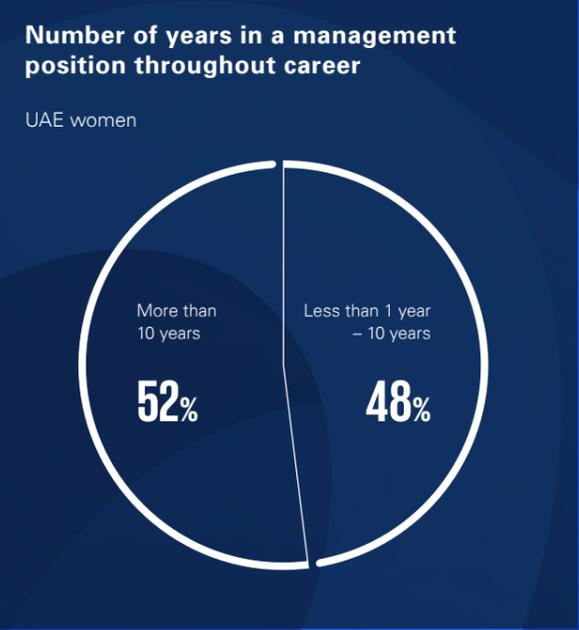
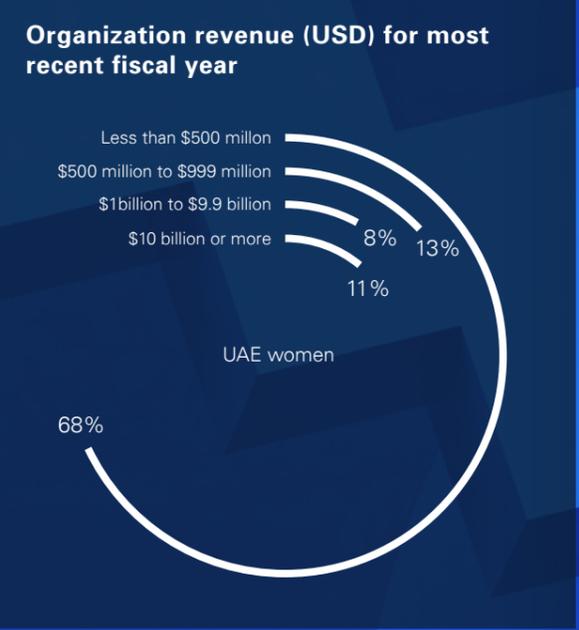
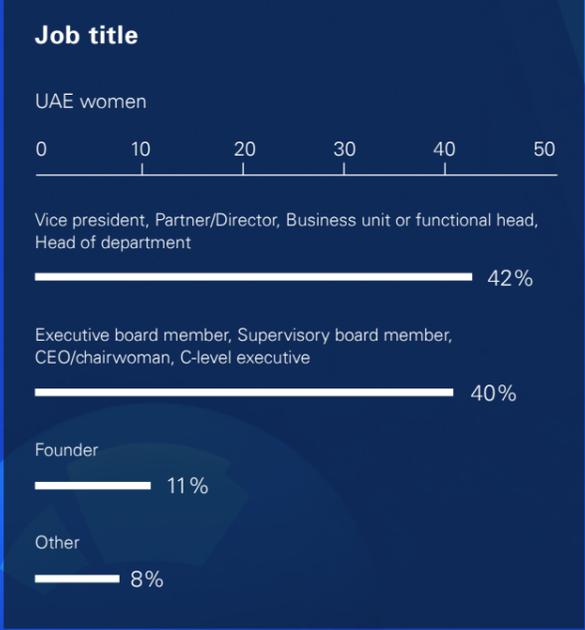


The three main reasons from your perspective for the low percentage of women in C-suite and management roles.



Methodology

The outlook survey was conducted during the second quarter of 2022. KPMG surveyed 884 female leaders from 50 countries, including 38 in the UAE. They represented the following demographics:



Sources

- ¹ <https://www.weforum.org/agenda/2019/04/business-case-for-diversity-in-the-workplace/>
- ² <https://hbr.org/2020/11/getting-serious-about-diversity-enough-already-with-the-business-case>
- ³ <https://www.uae-embassy.org/discover-uae/society/women-in-the-uae>
- ⁴ <https://www.uae-embassy.org/discover-uae/society/women-in-the-uae>
- ⁵ <https://www.thenationalnews.com/uae/science/2021/07/07/arab-worlds-first-female-astronaut-unveiled-to-public-at-dubai-event/>
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- ⁷ <https://www.uae-embassy.org/discover-uae/society/women-in-the-uae>
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- ⁹ <https://www.zawya.com/en/press-release/companies-news/uaes-first-business-directory-of-women-founded-and-owned-businesses-launched-by-female-fusion-jtp4nrtr>
- ¹⁰ <https://www.arabianbusiness.com/politics-economics/468107-why-the-uae-is-on-the-right-track-for-gender-diversity-in-the-boardroom>
- ¹¹ <https://www.arabianbusiness.com/politics-economics/uae-private-sector-pledges-to-put-more-women-in-leadership-roles-by-2025>
- ¹² <https://store.hbr.org/product/increasing-pay-transparency-a-guide-for-change/BH1090>

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KPMG Lower Gulf is part of KPMG International Cooperative's global network of professional member firms. The KPMG network includes approximately 236,000 professionals in over 144 countries. KPMG in the UAE and Oman is well connected with its global member network and combines its local knowledge with international expertise, providing the sector and specialist skills required by our clients.

KPMG is widely represented in the Middle East: along with offices in the UAE and Oman, the firm operates in Saudi Arabia, Bahrain, Kuwait, Qatar, Egypt, Jordan, the Lebanon, Palestine and Iraq. Established in 1973, the Lower Gulf firm now employs approximately 1,780 people, including about 190 partners and directors across the UAE and Oman.

As we continue to grow, we aim to evolve and progress, striving for the highest levels of public trust in our work. Our values are:



Integrity: We do what is right.



Excellence: We never stop learning and improving.



Courage: We think and act boldly.



Together: We respect each other and draw strength from our differences.



For Better: We do what matters.

To meet the changing needs of our clients, we have adopted an approach aligned with our global purpose: Inspiring Confidence, Empowering Change. Our three pillars – exceptional quality of service, an unwavering commitment to the public interest, and building empowered teams – are the foundation of our firm.

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