



The power of women in family business

Interviews with women leaders in
family businesses in Saudi Arabia

May 2022

KPMG Professional Services

Table of content

3 **Foreword**

4 **The role of women in family business**

- Mentorship and networking
- Age and generation
- The role of men

9 **Leadership styles**

- Stereotypes
- Sectoral differences

13 **Sustainability and succession**

- Succession
- Boards

16 **Unique opportunities and mandatory legislation**

- Quotas
- Empowerment and transformation

19 **Methodology and acknowledgements**

20 **Contacts**

Foreword



Kholoud Mousa
Partner and Head of Diversity,
Inclusion & Equity
KPMG Professional Services



Buthainah Albaity
Director, Private Enterprise &
Family Business
KPMG Professional Services

In light of the increasing participation rates of Saudi women in the workforce, many studies have examined the changing business roles of women over time, but few discuss the role of women specifically in family businesses.

We are pleased to have the opportunity to share insights gathered from interviewing women business leaders working in family businesses across Saudi Arabia, all of whom generously agreed to openly discuss and share their challenges, opportunities, and successes while working in their family business.

We shaped the insights we gathered into four themes that emerged during our interviews; The role of women in family business, Leadership styles, Sustainability and succession, and Unique opportunities and mandatory legislation that affects women's opportunities within business.

In the first theme, **The role of women in family business**, we looked at the differences and challenges associated with women's varying roles within their families and businesses. We also explore the gender differences that women face in relation to treatment and opportunities within the family business as well as the role mentors—both male and female—play in advancing women within family businesses.

The second theme, **Leadership styles**, explores the traits women are associated with and the perceived effect on their leadership capabilities. We also touch on the proportional differences between men and women employment rates in different sectors.

In the third theme, **Sustainability and succession**, we discuss how families are taking an objective, merit-based approach to family business succession and how that empowers women. Additionally, we explore the importance of corporate governance in succession, boards and executive leadership.

In the final section, **Unique opportunities and mandatory legislation**, we examine different perspectives on quotas aimed at increasing the number of women in companies and in leadership positions. This theme also explores other legislative actions that are being taken and that can be taken to drive gender balance and emancipation of women leaders in family businesses.

Our overarching goal is to understand more about the impact changing demographics are having on women in family businesses, and their influence on the success of their businesses and their families. We hope this publication provides enlightening and encouraging insights, especially for women in family business.

The role of women in family business

Mentorship and networking

Regardless of gender, mentorship and networking are integral aspects to professional development. In our interviews for this report, the vast majority of women believe that having the right mentor can sometimes be essential to 'getting in the door' to a new company or a promotion.

As with women in non-family businesses, women in family firms require strong networks that are not dominated by family influence, as well as mentoring and guidance to orient them successfully toward management and leadership roles.

Women in family businesses, especially those who were the first to enter the workforce and have gone through a series of challenges, are strategically placed to manage this dilemma and bring about change in their organizations and society at large by becoming role models and mentors for younger women who will contribute to the future talent pool.

In Saudi Arabia, where many women are new to the professional workforce, finding a mentor, especially a female mentor, can be a daunting task, according to our interviewees. It is thus incumbent upon existing women leaders to seek out promising young women who could use the help of a mentor but may not know how to find one. According to the 2019 Women's Leadership Study published by KPMG, that surveyed over 3000 women in the United States, 92% of the women interviewed said that they do not feel confident asking for sponsors, with 79% saying they lack confidence in seeking mentors.¹

"The best way to help other women is by listening to them," said Deena Al Faris, Vice President of Al Faris Group of Industries. The Women's Leadership Study supports this by citing that 67% of women reported that they would learn the most important lessons about leadership from other women. "I am very active in the Chamber of Commerce, where I always flag women who might be suited for leadership positions and then try to use my background, experience and name to open up opportunities for others," said Deena.

¹ https://info.kpmg.us/content/dam/info/en/news-perspectives/pdf/2019/KPMG_Womens_Leadership_Study.pdf

“

Women across the world lack support networks and safe places to share and talk with like-minded businesswomen.”

A third-generation leader in family business

“

As a leader in a family business, a daughter, wife and a mother, it is often difficult to keep a healthy work-life balance, but doing so sets an example for employees and the next female generation.”

Sara Al Muhaidib

Executive Director at Al Muhaidib
Social Foundation

As a family member in a family business, it is not always easy to find effective mentors from within the business. Even though the business would have individuals who have spent considerable time in the business, they would not always be comfortable mentoring family members.

“The mentorship role for females (and males) in a family business is a challenge because sometimes you don’t get 100 percent honest, brutal feedback,” said a third-generation leader in family business. “When I receive feedback, I want to receive it honestly as if I was a non-family employee.”

Relationships between family and non-family employees are complicated, especially when a non-family employee is a mentor to a family member. In these cases, she mentioned that she has learned to use intuition to read between the lines of mentorship feedback. Open communication is “for the collective value of the business.” she said.

Women also have some unique challenges that men don’t have when it comes to networking. Chiefly, women lack many of the networking opportunities available to men.

“Women across the world lack support networks and safe places to share and talk with like-minded businesswomen,” the third-generation leader said. “Even when I worked in Germany and East Asia, after-work hours is a ‘men’s club’ where they go out in the evening and build the bonds that translate into better working relationships.”



Such a phenomenon is partly based on traditional social norms. While men have traditionally met with each other after work to stay connected and discuss business, it isn't a natural phenomenon for women to be present in such networking events.

The importance of networking is emphasized in KPMG's 2019 Women's Leadership Study with 82% of professional working women believing that access to and networking with female leaders will help them advance in their careers.

Further, a point that was brought up by multiple interviewees was the social norm in Saudi Arabia for women to not discuss business in social settings, even if the women present are businesspeople.

"When men socialize they always talk about work, but when women socialize, even among colleagues, we talk about non-business related topics like it is a shame to talk about our business or discuss our work" said a family member Vice President.

Forming professional groups that involve women (or are exclusively women) will provide an environment to build networks and connect mentors or mentees. To better connect women within a certain profession or with certain interests, these groups can be tied to a particular purpose. Several interviewees cited the need for women in family businesses to form stronger connections.

"We need to network with more women who are working in family businesses," the Vice President said. "If I face difficulties in my family business, I will ask for help from my male counterparts in similar companies, because I do not know many women in business with a similar position to me." She adds that the solution to this problem would be to have stronger connections with women outside the company with a similar experience.

Further supporting this point, according to the Women's Leadership Study produced by KPMG, 70% of women agree that they're more likely to talk to other women about the challenges around career advancement.

“

If I face difficulties in my family business, I will ask for help from my male counterparts in similar companies, because I do not know many women in business with a similar position to me. ”

A family member Vice President

Age and generation

In 'The power of women in family business,' a report produced by KPMG and the Successful Transgenerational Entrepreneurship Practices (STEP) consortium, interviewees spoke about the 'old days,' when women tended to be jealous of one another and didn't celebrate each other's successes.² The tide is changing as generations hand over leadership roles and the need for women to feel that they must compete is going out with the tide.

For young female family leaders, acknowledging and celebrating the efforts of generations of women who have preceded them is important. Women supporting women is more prevalent in the next generations because of this mindset shift and a stronger commitment for women to empower each other.

Generational change is impacting the way family members are involved in the company. In many generations that founded companies or in the second generation, leadership and control was passed on to the eldest son within the family. With more companies adopting a merit-based approach to succession, often due to failures experienced with adopting the primogeniture approach, the gender consideration is removed, which many women feel is giving them more chances to prove their worth against their male family members.

In Saudi Arabia, recent social changes have transformed those ideas and increased the involvement of women in family firms. Dr. Basma and Nouf Al Zamil, for example, experienced generational change first-hand at Zamil Group Holding Company, where Basma is the General Manager of Human Resources and Nouf is the Director of Corporate Communications and ICT.

As members of the third generation in the family, Basma and Nouf were the first women in the

company. As trailblazers for their family and company, they are hoping to pass down this change in philosophy to future generations. They are happy to see women joining the company from the fourth generation but are keen to limit the sense of entitlement felt by family members.

"The main goal for younger generations is to make sure they don't feel entitled," said Nouf Al Zamil. "They cannot get a job just because they are a family member. We are cascading this value down so as to demolish entitlement. If you work hard, you will get rewarded."

Many interviewees also proved themselves capable and built successful careers before being pulled by the family business. Dr. Lama Al Sulaiman, Board Member at Rolaco Trading & Contracting Holding, emphasizes how she developed her experience beforehand, which got her the position she currently has in the family business. "I graduated as a biochemist, I looked for a job, I worked, I started a business, I learned, and finally joined the Chamber of Commerce – that is how I got my expertise. My dad then invited me to join the family business."

Sara Al Muhaidib, Executive Director at Al Muhaidib Social Foundation, highlights this point with a new policy at her family's business: "We now have a rule in the company that you cannot join unless you have a minimum of five years' experience elsewhere." Other interviewees also reported having similar policies in their family's businesses.

In reflecting on their own generation's experience, several interviewees stressed the importance of acknowledging that this level of support isn't the way it has always been. It's due to the hard work of countless women and men who have come before and helped to open the doors.

“

The main goal for younger generations is to make sure they don't feel entitled. They can't get a job just because they are a family member. ”

Nouf Al Zamil

Director of Corporate Communications and ICT at Zamil Group Holding Company

² <https://home.kpmg/xx/en/home/insights/2020/11/the-power-of-women-in-family-business.html>



The role of men

Deena Al Faris knows well the importance of sponsorship in career development, especially for women. Her father noted her ambition and business acumen early on and assumed the role of sponsor to help grow her role in the company. Deena proved herself capable and eventually became Al Faris Group of Industries' CEO.

Masha'el Bin Saedan, CEO at Al Saedan for Development, has a similar sponsor/father relationship in the family business. She was given an opportunity that few women would be able to find, especially in real estate, an industry that is dominated by men.

The distinction between their roles as parents and as sponsors was key to their relationships with their daughters within the company. The role as sponsor allowed them to separate from fatherly duties in the workplace.

In speaking with her peers, Deena Al Faris estimates that around 80% of the women she knows in high positions in private sector or in government were elevated to their positions with the help of a male sponsor. In her words, these men "spoke well of them, introduced them to the right people and even pitched them for positions."

This sentiment was repeated by many of this report's interviewees, who felt that men have an important

role to play in empowering women. This is especially the case in Saudi Arabia, where the movement to integrate women into the workplace is quickly gaining momentum.

"I do not think there is women's empowerment without supportive men," said Lynne Fleifel, Vice President of Corporate Affairs at Olayan Saudi Holding Company.

A certain balance can be found between sponsorship and allowing young businesswomen to be independent and succeed on their own merit. Elham Abu Sarhad, Business Development Director at Abu Sarhad Premier Service Group (ASPG), found this balance in her professional relationship with her father.

Elham's father encouraged her to grow within the company and helped guide her to succeed but trusted her early on with responsibility. Her father sent her to a number of industrial sites where she was the only woman and also encouraged her to tender for projects herself, even in competition with her father at times.

Such an approach both allowed Elham to learn the dynamics of the business first-hand and gave her credentials among other employees that she was capable of managing the business.

Leadership styles

Stereotypes

There was broad agreement on many topics in our conversations with women family business leaders in Saudi Arabia. However, on the topic of leadership style differences between men and women, a consensus was not reached.

Some felt that men and women leaders have different characteristics, and those differences are an asset for businesses. Roles within an organization have varied requirements, so having a varied set of skills among a workforce is an advantage.

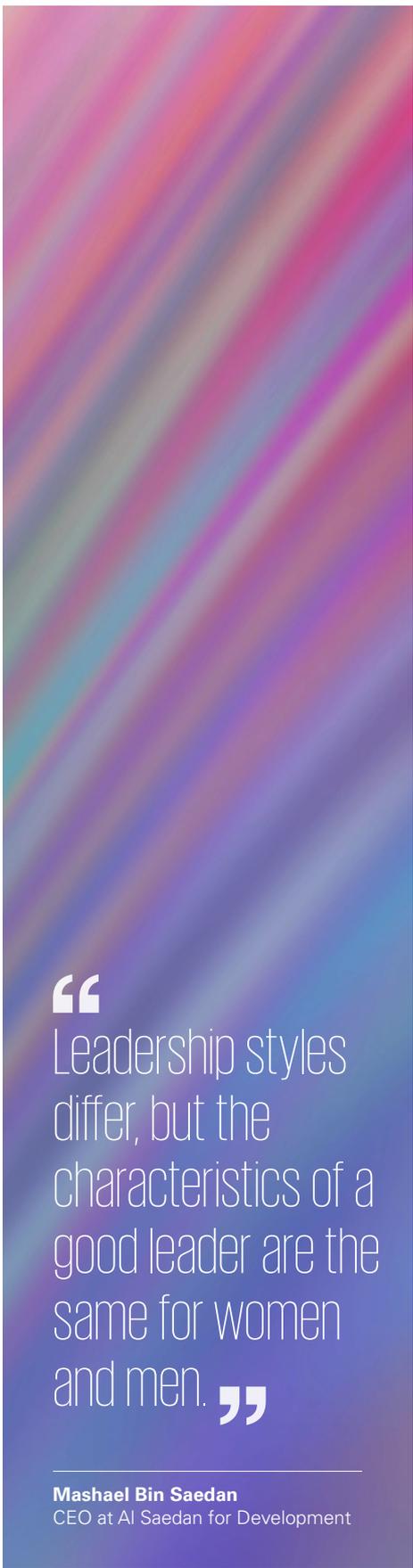
Others felt that gender differences in business are outdated stereotypes which hinder women in the workplace. This especially applies to the stereotype that women are more emotional leaders than men, which some interviewees felt was an unfair assessment.

Emphasizing that assessment, Dr. Lama Al Sulaiman believes that women in the beginning would look more aggressive because they wanted to be heard, but when trust was established, that changed overtime.

Manal Al Rashid, Head of Internal Audit at MARCO (Mohammed Al Rashid Contracting Company), described herself as being tougher than her brothers working in the family business. “When I worked in HR, I realized that my brothers are more caring than me and I’m slightly stricter than them.” It was evident in multiple instances where her brothers took the lenient route while she made harsh decisions in their opinion.

“I believe there are differences in leadership styles for women and men, but I also believe everyone has a different style,” said a family member Vice President. “Sometimes women pressure themselves to act like men in a business and they end up becoming a person without emotions. Leaders should embrace their differences because those differences often complement one another.”

It can be frustrating for women growing in leadership roles to be stereotyped with characteristics commonly associated with women leaders — just as it can be frustrating for women family members to feel underappreciated as they grow in the family business.



“
Leadership styles
differ, but the
characteristics of a
good leader are the
same for women
and men.”

Mashaal Bin Saedan
CEO at Al Saedan for Development

“

Studies indicate that leaders, men and women, need future-focused skills, and to be authentic, valuable and resilient. Women have those skills.”

Lynne Fleifel

Vice President of Corporate Affairs
at Olayan Saudi Holding Company

“The stereotype that women are overly emotional is unhealthy in an organization,” said a third-generation leader in family business. “Yes, women are often more intuitive and have a better sense of nuance, but putting them into categories is not healthy. Today, the culmination of our experiences makes us the kind of leader we are.”

There was a sense among our interviewees that, as more women enter the workforce, their professional character is evolving as they become acquainted with workplace norms.

“It is definitely true that leadership styles differ,” said a Member of a Board Committee and Chair of Family Council. “But you see a lot of evolvement of women’s professional personality traits over the years. Women have a tendency of being risk-averse, detail-oriented, and empathetic. These soft skills complement the conventional leadership characteristics.”

It is possibly true that, with time and a more equal balance of men and women in leadership positions, leadership styles will converge to the point of no difference. For Lynne Fleifel, Vice President of Corporate Affairs at Olayan Saudi Holding Company, a strong gender balance at the company has led to a decreased sense of gender differences.

“When my grandfather started the business, he laid out a clear path for men and women family members’ succession based on 100% meritocracy and equal opportunity, pay and promotion,” Lynne said. “We are very lucky to be part of an organization where all members of the group are like family. We look beyond gender, nationality, and religion.”

Given the environment at Olayan Saudi Holding Company from its founding, leadership style differences aren’t as strong within the organization.

“I grew up in a company where you don’t think about men and women’s issues because it is distracting,” Lynne said. “Studies indicate that leaders, men and women, need future-focused skills and to be authentic, valuable and resilient. Women have those skills.”

Sectoral differences

Globally, certain sectors have an outsized proportion of men to women. Among the most male-dominated occupations, according to the UN's International Labour Organization (ILO), are metal and machinery workers (96% male), mining and construction workers (83%) and science and engineering professionals (72%).³

In Saudi Arabia, many family businesses are conglomerates that have stakes in male-dominated industries like construction and manufacturing. Women in these kinds of family businesses have a hugely important role to play: as trailblazers for other women hoping to enter male-dominated industries.

Basma and Nouf Al Zamil's family business, Zamil Group Holding Company, is active in sectors ranging from manufacturing to petrochemicals to real estate. The cousins hold leadership positions that require them to be involved across the business in sectors traditionally dominated by men.

"Some of these environments are harsh and challenging," said Basma Al Zamil, General Manager of Human Resources at Zamil Group. "Construction in particular is a difficult environment to be in."

Nouf Al Zamil, Director of Corporate Communications and ICT at Zamil Group, added that any male-dominated sector can be difficult for women.

At Zamil Group, women family members active in the business first became acquainted with work in the business's factories and plants before actively taking a part in hiring women to fill factory floors. When Basma first started working for the family business, her first project was to recruit women for Zamil Food Industries, a wholesale meat and dairy provider. Upon hiring women to work at the food facility in 2011 and 2012, Zamil Group became the first company to have women working in factories in Saudi Arabia.

The trail that Basma and Nouf Al Zamil blazed for other women to enter their business soon pushed other companies to hire women.

"In the beginning, people couldn't believe that we were hiring women to work on factory floors," said Basma Al Zamil. "Now we are seeing other companies hiring women for similar positions. They are not hiring them just because they are females—they believe they can deliver better than men, especially in certain jobs."



“
In the beginning,
people couldn't
believe that we
were hiring women
to work on factory
floors. Now we are
seeing other
companies hiring
women for similar
positions. They are
not hiring them just
because they are
females - they
believe they can
deliver better than
men, especially in
certain jobs.”

Dr. Basma Al Zamil
General Manager of Human
Resources at Zamil Group Holding
Company

³ <https://ilostat.ilo.org/these-occupations-are-dominated-by-women/>

Manal Al Rashid works in a male-dominated industry that didn't allow her to do certain parts of her job due to being a woman. She further expresses how difficult it was to audit projects within the industry, up until the past few years.

Several interviewees pointed to the Saudi financial services sector as an example for how to increase female employment.

Khlood Aldukheil, who has over twenty years of financial advisory and investment banking experience and is currently the CEO of Erteqa Financial Company, experienced the banking sector's gender balance change first-hand.

"Banks started hiring a significant number of women before any other industry in the private sector," she commented.

After the initial wave of hiring women in the financial sector, women being present in the office and being active on deals and projects became normalized. Once that happened, people in the industry started judging their peers based on their performance rather than their gender.

"The professional environment in a bank is genderless," Khlood said. "As an investment banker working on an IPO, if I can deliver the investment strategy or mandate, your gender doesn't matter or who you are as long as you can perform."

Many of our interviewees see the gender revolution that occurred in the Saudi banking sector as representative of what will happen in other sectors. Once a few companies begin to hire women, it is likely to spread to other companies hoping to stay ahead of the curve.

“

As an investment banker working on an IPO, if I can deliver the investment it doesn't matter your gender or who you are as long as you can perform.”

”

Khlood Aldukheil
CEO of Erteqa Financial Company



Sustainability and succession

Succession

In 'The courage to choose wisely,' the 2020 KPMG and STEP publication, a difference between eastern and western family business cultures is pointed out.⁴ Traditional family firms in the east have often followed the implicit rule of primogeniture in matters of succession and inheritance, transferring the business from the father to the first-born child and, often, the first-born son. To prepare them for their future roles, sons have often been socialized around the family business during dinner table conversations at home and some early involvement in the activities of the business. Meanwhile, in western family business culture, a more meritocratic succession strategy became the norm.

Many of this report's interviewees talked about how primogeniture succession had been the norm for family businesses in Saudi Arabia for generations. Additionally, away from business and within the family, sons and daughters often had different experiences. In particular, daughters can be often influenced by the family's traditional gender roles, which are formed at a young age during regular interactions with the family. These experiences can lead female family members to be more concerned about the family and its needs than the needs of the family business.

However, according to all of our interviewees, change is in the wind in Saudi Arabia when it comes to succession. Though primogeniture to sons is still present in Saudi Arabia, some of the Kingdom's most successful family businesses are opening up leadership opportunities for women.

These successful family businesses are taking different approaches to getting women more involved in the succession process. Most of these approaches involve adopting a more meritocratic or objective process.

In other family businesses, family members are being moved away from operations or day-to-day management, and instead taking a seat in the board of directors or governance – as Dr. Lama Al Sulaiman pointed out.

⁴ <https://home.kpmg/xx/en/home/insights/2020/11/the-courage-to-choose-wisely.html>

“ We have added a policy that requires family members to work outside of the company before they have a chance to work for our business. That way, family members can prove themselves in an objective environment before being considered for succession. ”

Deena Al Faris
Vice President of Al Faris Group of
Companies

“

We openly speak about succession in the business as we believe it is critical for the continuity of success. A key pillar of a reliable succession process involves the separation of ownership and management. Everyone knows their place.”

Elham Abu Sarhad

Business Development Director at Abu Sarhad Premier Service Group



A family member Vice President pointed out how succession is openly discussed in the family business. “It is not easy to openly discuss succession because the expectation is set on the eldest son, but as of today, I am the one who is active in the business. My other siblings are aware of that, and they are very comfortable with it.” This ensures that men and women have an equal chance to lead the business one day.

Similarly, many leading family businesses are addressing succession in a meritocratic way. “Pioneer family businesses have added a policy that requires family members to work outside of the company before they have a chance to work for our business,” said Deena Al Faris. “That way, family members can prove themselves in an objective environment before being considered for succession.”

For a Member of a Board Committee of a family business, transparency and fairness have been key attributes to their succession plan. Additionally, the business uses outside consultants to help make decisions on succession.

“Succession is now discussed in terms of members activity and involvement in the businesses and potential talent pool,” said the Member of a Board Committee and Chair of Family Council.

“The leaders in our family try to make the process as transparent as possible, many non-family executives are appointed in key roles such as CEO and board members, however to keep the balance in the family there are rules for family members to enter and work in the business and next generation development program that gives many family members the chance to learn, be more engaged, and developed, regardless of gender. Based on the pool of family members participating, a detailed evaluation by consultants is conducted to shed light on those talented members.”

Family businesses represent an opportunity for women to advance in business more quickly, according to some of our interviewees. Unlike in other businesses, where women may feel shut out of the conversation for leadership positions, women in family businesses can use their family status to help vouch for themselves.

However, we can still see that some family businesses limit women’s involvement in the organization to certain roles such as handling CSR or HR. Or, in other instances, if they do have a senior position within the business, becoming a C-suite, a board member, or discussing the succession of the chairman – usually a family member – are still considered taboos. Discussing the CEO succession because many family members are hiring non-family members for the role, is an easier topic to discuss.

“Family businesses give women a unique opportunity and entry point because a woman enters business to explore her strength, leverage, sense of purpose and passion,” said Lynne Fleifel. “It’s unique for family businesses and what they can offer women. Both men and women enter the business with an equal claim to succession.”

More women entering leadership positions at family businesses normalizes the idea of having women in C-suite roles. Such an environment spreads into non-family businesses and opens the door for other women to assume leadership positions.

Further change is on the horizon. With improved access to higher levels of education, coupled with shrinking family size, conducted in partnership with KPMG, shows that the role of women is continuing to progress. Some research has looked at the effect of succession and gender and suggested that father-to-daughter succession is more harmonious and creates less conflict around issues of leadership and power.

Boards

While management at many family businesses is opening up to non-family members, boards and ownership are two domains that have seen less outside influence, according to many of our interviewees. Therefore, they remain areas largely populated by family members.

There is a ripe opportunity for family companies to fill board positions with women, according to many of our interviewees. Numerous studies back up their claim by proving that having women in management and board positions leads to better firm performance due to superior governance and effectiveness.⁵

At one industrial family business in Saudi Arabia, a family member Vice President interviewee said that two out of five board members were women. She attributed high board-level female representation to her family's broader support for women's education and independence.

"I am the most recent board joiner — no one has thought or mentioned anything about my gender," the interviewee said. "The decision to appoint me or any other woman on the board was based on my business qualifications and experience."

Promoting gender balance at the board level also opens the door for more exciting opportunities for

family businesses to increase female representation throughout their companies. Appointing women to the board can create a "trickle-down effect," meaning that more gender diversity at the board level will translate into more gender diversity across the organization. This may be the lever that family business leaders need to make more female appointments in the next level of management and, ultimately, to improve gender diversity throughout their entire business.

"Boards that are diverse in terms of gender, ethnicity and experience are tremendous in increasing the collective value of a board," the interviewee said. "When a board is dominated by a single gender it loses diversity of opinion and is therefore typically not as successful as a diverse board."

Recent social changes have had a profound effect on life in general and on family businesses specifically. In Saudi Arabia, the government's support for the empowerment of women in the workplace has changed the landscape of the public and private sectors. In the case of family businesses, women were typically included in the ownership structure under Sharia Law, especially after the departure of the founder. But in the end, splitting ownership whether it's between women and men in family businesses is usually per their agreements.

“

I believe that timing combined with the nature of the company are what creates differences in opportunities between men and women. ”

Manal Al Rashid

Head of Internal Audit at Mohammed Al Rashid Contracting Company



⁵ Terjesen, Couto, & Francisco, 2016

Unique opportunities and mandatory legislation

Quotas

While many of the topics covered in the interviews for this report received broad consensus, quotas for female representation at the management or board level received mixed support.

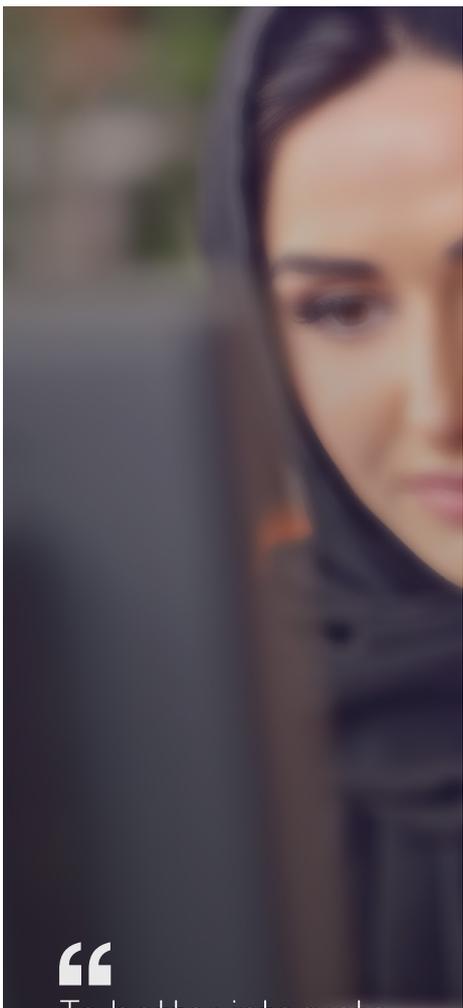
In comparison, in ‘The power of women in family business,’ a report produced by KPMG and the STEP Project, the women family business leaders interviewed generally agreed that legislation and mandatory quotas are “not the answer.” According to the report, while the interviewees believe that quotas create greater awareness of bias and stereotypes and can be a starting point in countries where gender equality is not yet a cultural norm, none of the women interviewed were in favor of forcing rules and programs onto companies.

The difference in opinions between the interviewees in the previously mentioned global study and our project might be due to the state of gender representation in the workplace in Saudi Arabia. Great strides have been made in recent years, but Saudi Arabia still trails other developed countries in female board representation. Thus, in our interviewee’s opinion, the potential impact to make quick progress through quotas is greater in the Kingdom than it is in other countries.

“I am all for quotas,” said Khlood Aldakheil “A quota secures diversity not only gender wise, but also in other aspects. It is a corrective tool. It’s a medicine that might hurt, but will insure your survival.”

For the interviewees in support of quotas, a compelling argument was the demonstrated success of companies with higher female representation, especially in management positions. Numerous studies have shown that firms with more women in senior positions are more profitable, more socially responsible and provide safer, higher-quality customer experiences — among many other benefits.⁶

⁶ <https://hbr.org/2021/04/research-adding-women-to-the-c-suite-changes-how-companies-think>



“
To better integrate women into the workforce we need to start with quotas to reach a balance like we have with the Saudization system.” ”

A family member Vice President

Further compelling for the interviewees is the progress of Saudization, which is a nation-wide objective to increase the number of employed Saudi citizens. Plans around Saudization are central to some of the country's economic development plans.

"To better integrate women into the workforce we need to start with quotas to reach a balance like we have with the Saudization system," said a family member Vice President. "Frankly, we see positive results from the Saudization quotas, as for example the retail sector now employs many Saudis. They are equally capable as other nationalities. Anyone who gets decent training will succeed."

Such comparisons are key to swaying leaders in business and government to accept gender quotas. "If you asked me that two years ago, I would have said quotas do not work and it might even lead the wrong people in positions," said the Vice President. "Today, I believe that with good training, anyone is capable of succeeding. This logic should be applied to quotas."

Most interviewees agreed that any quotas should be nuanced to fit the realities of the Saudi Arabian labor market and the idiosyncrasies of different industries. In certain sectors and professions, there are considerably fewer women than men, so aiming for a 50/50 gender split is unrealistic. Of course, the interviewees agreed that addressing the educational gender gap can fix this root cause, but companies should not be burdened with quotas that are unreachable given the current labor market.

"We should not put a single number on all quotas across all companies because companies have their differences such as culture and type of industry," said a Member of a Board Committee and Chair of Family Council. "In my personal opinion, quotas exist to demonstrate the opportunity of hiring women and should therefore be recommendations rather than something forced on companies."

“
Quotas exist to demonstrate the opportunity of hiring women and should therefore be recommendations rather than something forced on companies.
”

A Member of a Board Committee and Chair of Family Council



Empowerment and transformation

The Saudi government has implemented wide-ranging institutional measures to support women in society and the workplace. Vision 2030 has succeeded in changing cultural norms about women in the workplace, and the Kingdom has yielded significant results.

“Vision 2030 has completely transformed everything in terms of the way the environment and the ecosystem are. That involves including all talents and genders and the inclusiveness has completely shifted the dynamics,” said the third-generation leader in family business.

The government’s support for women at work has transformed the landscape of the public and private sectors. Entities are implementing initiatives that push businesses whether non-family or family owned to employ women.

Elbam Abu Sarhan highlighted one such initiatives, the Women’s Support Fund of the Ministry of Human Resources and Social Development to facilitate the employment of women: “Under specified conditions, if you employ women, the fun offer support in covering a certain percentage of their salaries.”

“Government entities are leading the way in terms of what an inclusive and diverse environment should be and the value women add. By them putting women in front it has given women like me confidence so we feel we can also do it in our family businesses.” The third-generation leader in family business added.

Just as the government is an important facilitator for widescale change in the Kingdom, family businesses have a key role to play in supporting women’s progress. In fact, many of our interviewees feel that the government and private sector encourage each other to make positive steps towards gender equality.

“If the legislative bill requiring the Shura Council to be 20% women was not passed, you may not see as many women in the council,” said Mashael Al Saedan. “If the government similarly passed a bill requiring 20% female quotas on boards of companies, they would give more organizations a chance to make a change.”

As many of this report’s interviewees demonstrated, their family businesses didn’t need quotas to empower women. However, for the private sector as a whole to match the expectations of a fast-moving, ambitious government, it will likely take both a legislative effort and an example-led movement of family businesses to create lasting change for businesswomen in the Kingdom.

“Government entities are leading the way in terms of what an inclusive and diverse environment should be and the value women add.”

A third-generation leader in family business

Methodology and acknowledgements

This publication is based on interviews with fourteen women leaders with leading positions in family businesses in Saudi Arabia. The interviews took place between October 2021 and January 2022 and were discrete – some interviewees chose to stay anonymous and are therefore quoted under general designations.

The questionnaire was based on the one used for the 2019 KPMG and STEP 'The power of women in family business' publication, made fit for purpose and localized to the context in Saudi Arabia.

We would like to thank all the interviewees for their generosity in sharing their time and valuable insights – without them, this publication would not have been possible. In alphabetical order:



Dr. Basma Al Zamil
General Manager of Human Resources at Zamil Group Holding Company



Deena Al Faris
Vice President of Al Faris Group of Companies



Elham Abu Sarhad
Business Development Director at Abu Sarhad Premier Service Group



Khlood Aldukheil
CEO of Erteqa Financial Company



Dr. Lama Al Sulaiman
Board Member at Rolaco Trading & Contracting Holding



Lynne Fleifel
Vice President of Corporate Affairs at Olayan Saudi Holding Company



Manal Al Rashid
Head of Internal Audit at Mohammed Al Rashid Contracting Company



Mashael Bin Saedan
CEO at Al Saedan for Development



Noaf Al Turki
Director at Rawabi Holding



Nouf Al Zamil
Director of Corporate Communications and ICT at Zamil Group Holding Company



Rasha Al Darwish
Chair of Family Council, and Member of a Board Committee at SEDCO Holding



Sara Al Muhaidib
Executive Director at Al Muhaidib Social Foundation

Contacts



Kholoud Mousa
Partner, Head of Diversity,
Inclusion & Equity
KPMG Professional Services
E: kmousa@kpmg.com



Fuad Chapra
Head of Private Enterprise
& Family Business
KPMG Professional Services
E: fchapra@kpmg.com



Buthainah Albaity
Director, Private Enterprise
& Family Business
KPMG Professional Services
E: balbaity@kpmg.com

Contributors

Peter Bannink, Marketing & Thought Leadership Lead
Abeer Fadaak, Senior Specialist, Diversity, Inclusion & Equity
Huda Alahmadi, Consultant, Advisory
Lama Albasseet, Analyst, Marketing & Thought Leadership

kpmg.com/sa

Disclaimer

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The views and opinions expressed herein are those of the interviewees and do not necessarily represent the views and opinions of KPMG Professional Services.

© 2022 KPMG Professional Services, a Saudi Closed Joint Stock Company and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.