

# Promoting gender diversity in the Gulf

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Companies in the region increasingly recognize the potential of women leaders to enhance organizational effectiveness.

**Despite being** significantly underrepresented in C-suites and corporate boards across the Gulf Cooperation Council (GCC) states,<sup>1</sup> women are making strides. Indeed, a McKinsey research project<sup>2</sup> finds that gender diversity is gaining a place on the corporate agenda across the GCC as companies there increasingly recognize the potential of women leaders to enhance organizational effectiveness. A closer look at the region's evolving social attitudes toward women in leadership—and the significant challenges that remain—underscore how corporate and government action could help create environments where women leaders more fully contribute their knowledge, skills, and expertise. Such outcomes would benefit not only the women involved but their organizations and national economies as well.

<sup>1</sup> The GCC states are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

<sup>2</sup> The project included a survey of over 550 male and female middle and senior managers from public-, private-, and social-sector organizations in the GCC. In addition, we conducted in-depth interviews with a predominantly female group of over 50 senior leaders there, including a large share of board and C-suite leaders, as well as senior government officials. The effort was part of McKinsey's ongoing *Women Matter* research, which has previously examined the impact of increasing gender diversity in Asia, Europe, and Latin America. For more, see the full report, *GCC Women in Leadership—from the first to the norm*, July 2014, on [mckinsey.com](http://mckinsey.com).

## **Women on the agenda**

Over the past ten years or so, several dozen women in the GCC have advanced to senior leadership positions in the region's companies, government bodies, and nongovernmental organizations (NGOs). In most cases, they were the first women to fill these roles, and many remain the only women near the top of their organizations. This dearth of women in leadership is reflected in data from the GCC Board Directors Institute (BDI) showing that women hold less than 1 percent of executive-committee and board positions in the GCC—figures that are among the lowest in the world.

Nonetheless, our research suggests that there is momentum for change. Nearly two-thirds of survey respondents indicated that the topic of women in leadership was on their organizations' strategic agendas. Among these companies, 41 percent of respondents said that the issue had appeared on their agendas over the past ten years (Exhibit 1). To be sure, significant regional differences remain: in the United Arab Emirates, for example, more than 85 percent of respondents said that the topic was on the corporate agenda, but in Saudi Arabia, the region's largest labor market, less than half did. What's more, the region's women were, on balance, more optimistic about the pace of change: 74 percent of them said that women in leadership would "absolutely" be increasingly important on their organizations' strategic agendas over the next five years, versus just 51 percent of the men.

## **The power of diversity**

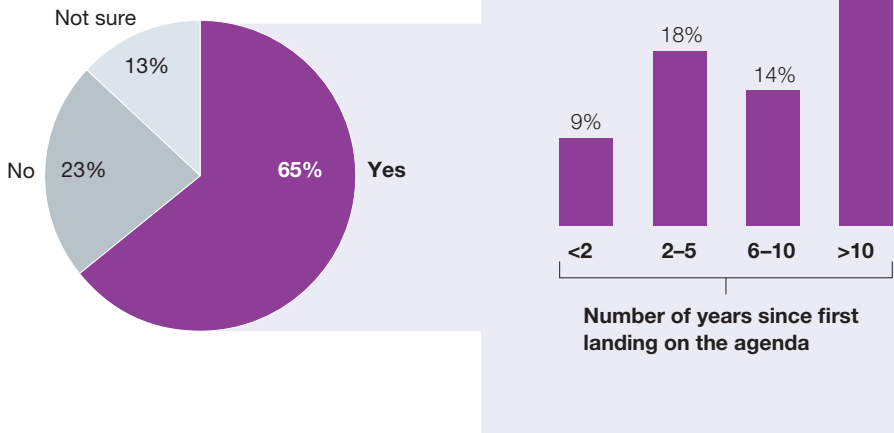
Our survey respondents were broadly positive in assessing perceptions about the business impact of gender diversity: about 60 percent said that having more women in leadership positions was a "very important" driver of organizational effectiveness, and an additional 23 percent said it was "somewhat important." Nonetheless, women appeared more convinced of the link than men were: 80 percent of the women we surveyed said it was "very important," versus 53 percent of the men. This is notable, since encouragement by men (for instance, in the form of mentorship) is a significant factor affecting women's ability to reach top

## Exhibit 1

## A steadily growing number of organizations in Gulf Cooperation Council states are prioritizing gender diversity.

% of GCC<sup>1</sup> respondents, n = 555

Is “women in leadership” on your organization's strategic agenda?<sup>2</sup>



<sup>1</sup> Gulf Cooperation Council states: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

<sup>2</sup> Figures do not sum to 100%, because of rounding.

Source: McKinsey *Women Matter* GCC survey, 2014

management—an observation true of any region. Indeed, our McKinsey colleagues have observed similar (though lesser) disparities in mind-sets between men and women in research on other regions as well.<sup>3</sup>

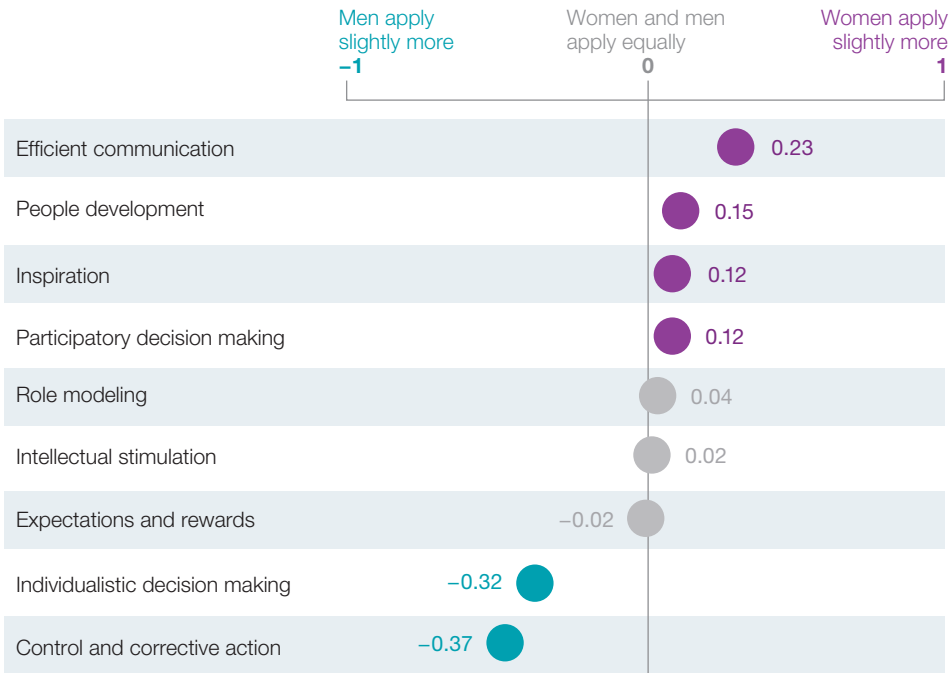
One way companies benefit from gender diversity is a more balanced mix of leadership strengths. Previous McKinsey research has identified several kinds of leadership behavior that correlate strongly with organizational effectiveness. Women leaders in the GCC, respondents indicated, exhibit these as often as their male counterparts do—and in some cases slightly more (Exhibit 2). In fact,

<sup>3</sup> Sandrine Devillard, Sandra Sancier-Sultan, and Charlotte Werner, “Why gender diversity at the top remains a challenge,” *McKinsey Quarterly*, April 2014, mckinsey.com.

## Exhibit 2

**In the Gulf Cooperation Council states, women exhibit leadership behavior correlated with organizational effectiveness at least as often as their male counterparts do.**

**Degree to which women and men apply each of nine kinds of behavior correlated with organizational effectiveness, average of GCC<sup>1</sup> respondents, n = 555<sup>2</sup>**



<sup>1</sup> Gulf Cooperation Council states: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

<sup>2</sup> The sample in our research allowed us to draw the conclusion with a marginal statistical error of <5% and with a confidence level (1-alpha, type 1 error) of 95%.

Source: McKinsey *Women Matter* GCC survey, 2014

women in the GCC scored higher than men on three of the four kinds of behavior (inspiration, people development, and efficient communication) that global leaders in a previous *Women Matter* survey<sup>4</sup> chose most often as showing “a significant gap between current prevalence and future needs.”

<sup>4</sup> *Women Matter 2: Female leadership, a competitive edge for the future*, October 2008, mckinsey.com.

Companies (in the GCC and elsewhere) also benefit from increased gender diversity through the mix of ideas that women bring to discussions. In addition, our survey found that in the GCC the presence of women leaders prompts a greater sense of formality in company meetings—most likely because there are fewer occasions for mixed-gender interactions there than in other regions and participants behave more formally when they do occur. Interestingly, the majority of leaders we talked to—men and women alike—felt that the added formality led to more task-focused and efficient discussions.

In addition to the current benefits of having more women leaders, our interviews revealed important future benefits. For example, many of the leaders we interviewed highlighted the potential impact of involving more women in developing products and services for which women are the key demographic. This is particularly significant in the GCC, since market-research capabilities aren't yet consistently developed there, and the social environments of women and men are relatively separate.

Finally, increasing the number of women in leadership would improve the region's low rate of labor participation for women (32 percent in the GCC, versus 51 percent in the European Union, in 2012, according to the World Bank). It would also bolster the labor participation of GCC nationals, an important political goal for countries in the region.

## **Big barriers remain**

Despite unmistakable signs of progress, our research highlighted big challenges too. The biggest one our respondents cited—the double burden women face in balancing work and domestic responsibilities—will be familiar to professional women around the world. Similarly, many respondents in the GCC, like their counterparts elsewhere, decried the “anytime, anywhere” performance model as particularly challenging for women.

Intangible traditions and biases were rated as powerful constraints, as well—including family and social expectations that women will not work. Access to networking environments is also a problem, for

cultural and social norms in GCC states make it hard for men and women to socialize outside of professional environments. For example, women do not attend or participate in *majlis* or *diwaniya*,<sup>5</sup> culturally important social gatherings where men informally exchange information and expand their networks.

Highly tangible barriers play a role in the region, too—most notably, the shortage of pro-family policies and of infrastructure (Exhibit 3). In Saudi Arabia, in particular, local companies are requested to build separate working areas and support spaces for female employees. Although there is some ambiguity about what is actually required by law, many local executives we’ve spoken with believe that the requirements extend even to relatively costly infrastructure, such as separate entrances and elevator banks.

## Implications for leaders

Making progress on gender diversity in the Gulf will require an integrated ecosystem: direction setting, training and mentorship programs, and supportive infrastructure and policies. All of these must be held together by a clear, visible, and consistent commitment from top management, without which any effort will fail.

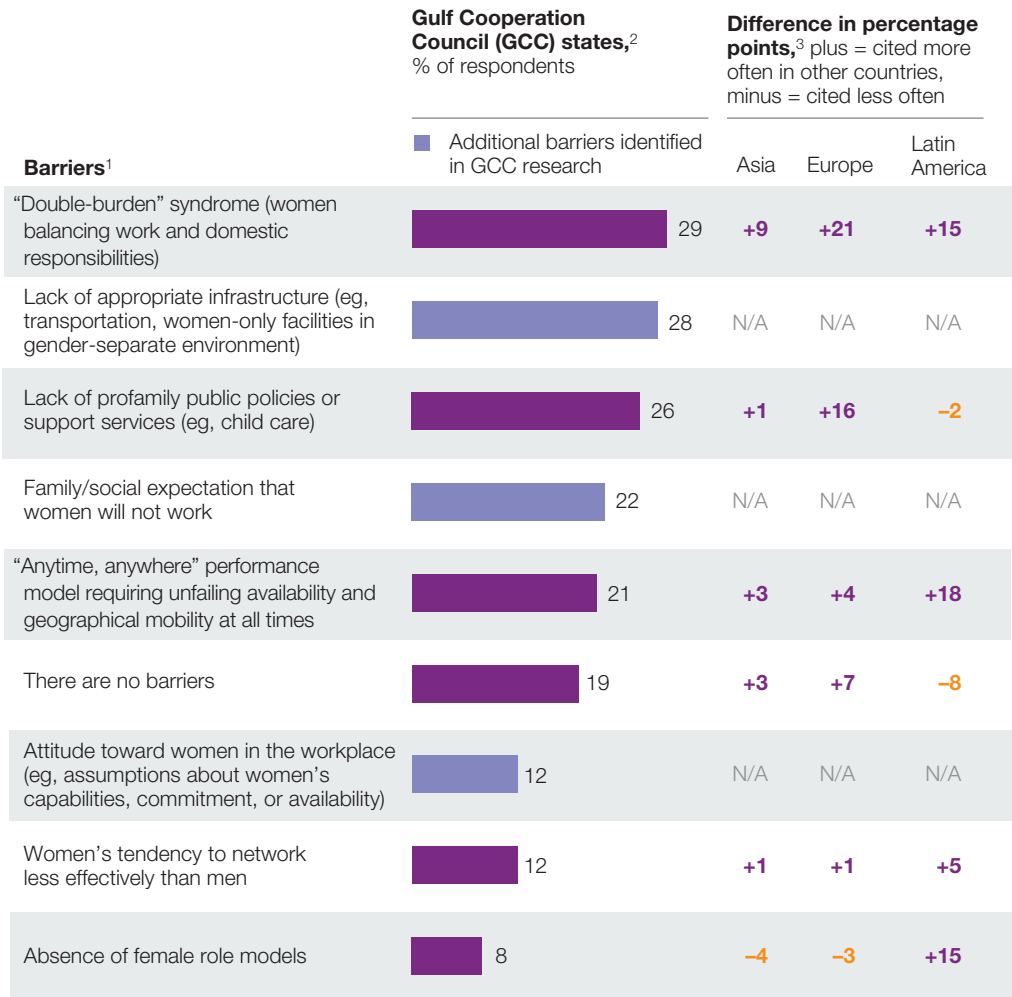
Targeted leadership-development efforts that include formal mentorship and networking opportunities are one place to start. Given the limited opportunities for women leaders to network in the GCC, many currently rely on alternative channels, such as media coverage, to get a hearing for their ideas. While this is a source of strength worth preserving, corporate action must supplement it. Saudi Aramco, for example, takes a two-pronged approach to developing women leaders: their Women in Business program, which focuses on junior employees just starting their careers, and the Women in Leadership program, geared to the company’s most senior women. (For more, see “Women leaders in the Gulf: The view from Saudi Aramco,” on [mckinsey.com](https://www.mckinsey.com).)

<sup>5</sup> *Majlis* (Arabic): place of sitting, council; *diwaniya* (Arabic): guesthouse, or a gathering held in one.

## Exhibit 3

## The Gulf Cooperation Council states face not only the challenges confronting the rest of the world but also unique ones of their own.

**“Of the following options, what are the biggest barriers, if any, to increasing the number of local women in leadership positions at your organization?”**



<sup>1</sup> Survey respondents were allowed to mark all the answers they deemed fit.

<sup>2</sup> Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates; n = 555.

<sup>3</sup> For Asia, n = 1,623; for Europe, 445; for Latin America, 547. Europe reflects C-level respondents only.

Source: McKinsey *Women Matter* surveys for GCC, Asia, Europe, and Latin America, latest available year

Structured leadership-building programs are vital. They should include training in overcoming biases, given the huge importance that personal and institutional biases play in thwarting women's leadership opportunities. Indeed, such training is needed for men and women alike. One stubborn bias we've observed in the GCC is quite prevalent among women: the idea that there are a fixed (and limited) number of spots available for women at the top. Reframing such mind-sets will be critical.

Finally, senior leaders must start building the sorts of institutional enabling mechanisms that will support long-term success. In Saudi Arabia, this can mean alternative working models or infrastructure investments to satisfy local laws. Elsewhere in the region, it means developing comprehensive, transparent company policies stipulating equal opportunities and compensation for men and women with equivalent qualifications and experience—as well as clear policies on appropriate behavior. Leading companies in the region are supplementing such policies with induction programs on how to interact appropriately with members of the opposite sex.

It's important to remember that progress begets progress and that—differing from other countries around the world—the GCC's starting point is a small generation of “first women” business and government leaders. That said, the aspirations voiced by many of the region's female leaders in our interviews will surely resonate with their counterparts around the world. In the words of one GCC executive, “We need to get more women at the top as a group, as a team. We need to make women in leadership sound uneventful and normal.” Those are the right sentiments. Let such an environment flourish—in the GCC and beyond. ○

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