Egypt:
Identifying Sustainable Leadership Competencies for Local and Multinational Businesses at a Time of Chaos

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EXECUTIVE SUMMARY

This case considers the process of identifying the competencies needed for leaders of organizations in Egypt at a time of great political, economic, and social disloca-tion. Data was collected as many senior executives, entrepreneurs, and expats and locals in multinational businesses were leaving the country, fearing continued unrest. This scenario in Egypt presents a traumatic test for organizations and their human resources departments, who are seeking to retain talent, recruit new talent who can cope with this scenario, and to ensure the sustainability of their organizations for the future. It is widely believed by many in HR and general management that Egypt might take a decade even to return to the employment stability of the Mubarak era, for all its shortcomings. The research for this case was based on two sources: blogs written by interested observers both inside and outside Egypt published on local and foreign websites and a series of three Delphi rounds, consulting over 30 experts in leadership competencies.

ORGANIZATIONAL BACKGROUND

The organizations considered here are both public and private sector, local and foreign-owned. The bloggers (selected from a large pool of material) and Delphi experts are considering the competencies required in at least three levels of leaders in organizations: the most senior managers or overall leaders; the second tier of deputies, and the third level of implementers leading the organizations on the ground, including in the regions and provinces. These levels of leaders need different competencies according to their strategic and tactical/operational responsibilities. Leadership talent is needed for small businesses struggling to survive; local family-owned businesses suffering from rising infrastructure costs and inflation; foreign companies operating in Egypt threatened with having the plug pulled on them by their foreign owners; and Egyptian entrepreneurs and those enjoying inherited wealth who are looking for more stability for their assets. Arguably, now is a good time for new business start-ups as the regulatory environment is more lax, but in many cases the talent needed has already left the country.

SETTING THE STAGE

The crisis in Egypt has meant that many senior executives, entrepreneurs and multinational business people have left their public and private sector organizations, possibly never to return. The challenges now facing remaining businesses are greater than ever – and the first task is to identify the talent they need. Nowadays most Egyptian companies, especially small and medium-sized enterprises [SMEs], are not familiar with the concept of talent management and leadership development. Without this, their management style often has a very negative impact on staff retention along with other most common causes of staff turnover such as low salaries, instability, lack of concern for safety…etc. Therefore it could be that now is the proper time for such companies to change their management style to be more open, flexible and aware of the young potential talent in their organizations.

Once the Egyptian companies believe in and adapt a talent management focused style, they will see the benefits of identifying a set of organizational leadership competencies upon which new leaders will be selected and further developed. Such a set of leadership competencies will definitely differ from one organization to the other and will be relative to the company's vision, mission and nature of business. Due to the extreme lack of finances and the very disturbed economic situation, leaders of a not-for-profit organization in Egypt are facing more challenges than

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