


Transformation leadership

Building the right
capabilities for sustainable
growth in the KSA

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In an era of rapid global change, the Kingdom of Saudi Arabia (KSA) stands at the forefront of economic transformation. Anchored by Saudi Vision 2030, the KSA is undergoing a significant evolution, aiming to diversify its economy, foster innovation, and enhance global competitiveness. A critical driver of this ambitious vision is transformation leadership. The ability of leaders to inspire, guide, and sustain large-scale change within organizations is pivotal in achieving this vision.

The global EY organization has been a key partner in the KSA's transformation journey, supporting public and private sector organizations in achieving their strategic goals. Through our extensive experience in leadership development, strategy execution and organizational transformation, we have enabled clients to align their leadership practices with the KSA's ambitious objectives. This article explores how organizations in the KSA can establish robust leadership practices to support long-term transformation while contributing to the nation's sustainability goals. It examines the role of transformational leadership in fostering economic resilience and innovation. It also assesses how such leadership promotes excellence in governance, aligning with the objectives of Saudi Vision 2030.



The strategic imperative for transformation leadership

The ambitious economic diversification efforts of the KSA demand leaders who can effectively navigate complexity and uncertainty.

A 2023 report by a leading Saudi governmental entity revealed that

75%

of transformation initiatives in the KSA identified leadership capability as a critical factor for success.

This aligns with some key findings by the global EY organization, which emphasize the importance of transformational leadership. Transformational leadership is defined as the ability of leaders to inspire and motivate their teams to achieve extraordinary results by fostering a shared vision, driving innovation, and enabling organizational change. It is essential for aligning organizational objectives with national priorities and building resilience in an ever-evolving environment.

For example, the global EY organization collaborated with a prominent Saudi Public Entity to design governance frameworks and leadership development programs tailored to support its ambitious portfolio of projects. This partnership highlights the importance of aligning leadership practices with strategic transformation goals.

Key traits of transformational leaders



Effective transformational leadership is rooted in a blend of personal and professional traits that inspire trust and drive results. Key characteristics include:

- **Visionary thinking**

Leaders must articulate a compelling vision that aligns organizational objectives with national priorities. This clarity fosters employee engagement and stakeholder buy-in.

- **Adaptability**

With global markets shifting rapidly, adaptability allows leaders to pivot strategies while maintaining alignment with core goals.

- **Empathy and cultural awareness**

In the KSA's diverse cultural landscape, leaders must demonstrate empathy and cultural sensitivity to build inclusive environments that drive collaboration.

- **Decisiveness**

Effective leaders make informed, timely decisions based on a balance of data and intuition. This is critical for maintaining the momentum needed for effective transformation.

Developing leadership skills for transformation

To build a robust pipeline of transformational leaders, organizations must prioritize skills development through structured initiatives. Our wide experience in leadership development in the KSA provides actionable insights into effective strategies:

- **Executive development programs**

The global EY organization tailored executive programs, such as those implemented with key public entities. These programs focus on strategic thinking, governance and transformational leadership. These efforts have equipped leaders with the ability to enact change on a significant scale.

- **Mentorship and coaching**

Establishing mentorship networks within organizations fosters knowledge transfer and accelerates leadership readiness. For instance, many Saudi governmental entities exemplify this approach by pairing emerging leaders with seasoned executives.

- **Digital literacy training**

As digital transformation accelerates, equipping leaders with technological proficiency ensures that they leverage data-driven insights for informed decision-making.

The benefits and impact of transformational leadership

Investing in transformational leadership goes beyond equipping organizations with capable leaders; it plays a crucial role in fostering sustainable development. This is achieved by driving key organizational outcomes and aligning with the KSA's broader sustainability and transformation goals, particularly those outlined in Saudi Vision 2030. By encouraging resilient and forward-thinking leadership, public and private sector organizations can support national efforts in economic diversification, environmental sustainability and human capital development. The most significant benefits include:

- **Enhanced organizational agility**

Transformational leadership fosters a culture of adaptability, enabling organizations to swiftly respond to market changes, regulatory shifts and technological advancements. This agility is crucial for achieving Saudi Vision 2030's sustainability objectives by enabling businesses and government entities to quickly pivot toward greener technologies, circular economy principles and low-carbon initiatives.

- **Stronger workforce engagement**

Organizations with strong transformational leadership see increased employee motivation and commitment. This can lead to higher retention rates and better overall performance.

- **Accelerated innovation**

By promoting a culture of innovation and continuous improvement, transformational leaders can empower teams to develop creative solutions that can enhance efficiency and competitive advantage. This is particularly important in supporting the KSA's goals for clean energy, smart cities and sustainable infrastructure. These changes will aid in driving the adoption of renewable technologies and resource-efficient processes.

- **Resilient and future-ready organizations**

Organizations that develop transformational leaders are better equipped to navigate disruptions, mitigate risks and drive long-term success.

- **Improved stakeholder confidence**

Effective leadership strengthens governance structures, aligns with national transformation goals, and builds trust among stakeholders, investors, and regulatory bodies. By prioritizing transformational leadership and corporate responsibility, organizations contribute to the KSA's sustainability agenda. This empowers long-term economic and social stability through responsible business practices.

Measuring the impact of leadership on transformation

Building on the benefits and impact of transformational leadership, it is crucial to assess how leadership efforts translate into measurable success. By tracking key performance indicators (KPIs), organizations can help their leadership strategies align with Saudi Vision 2030. It can also help in driving tangible improvements that lead to an increase in organizational effectiveness and sustainability.

Quantifying the leadership's contribution to organizational transformation is essential for sustained success. KPIs include:

- **Employee engagement**

Research by Gallup in 2022 revealed that organizations with high employee engagement levels are 23% more likely to achieve transformation objectives.

- **Stakeholder alignment**

Regular feedback mechanisms enable alignment across internal and external stakeholders, reducing resistance to change.

- **Financial performance**

Tracking financial outcomes provides tangible evidence of the value added by transformational leadership.

Conclusion

As the KSA progresses toward Saudi Vision 2030, transformational leadership emerges as a crucial enabler of sustainable and resilient growth. By strengthening leadership capabilities, organizations can develop effective decision-makers who drive meaningful progress, support long-term development and align their efforts with the KSA's strategic objectives. By cultivating adaptable and empathetic leaders with a vision, organizations can navigate the complexities of economic diversification while achieving their transformation goals. The global EY organization role as a trusted advisor and partner has been instrumental in driving this transformation, offering tailored solutions and actionable insights to empower leaders.

Organizations that prioritize leadership development will be better prepared to manage change. They are capable of adapting to new challenges, supporting national goals, and fostering a more sustainable and competitive business environment. By investing in the right capabilities today, the KSA can secure a future defined by innovation, resilience and sustainable growth.



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