



Evolving the talent playbook within the Middle East luxury retail sector

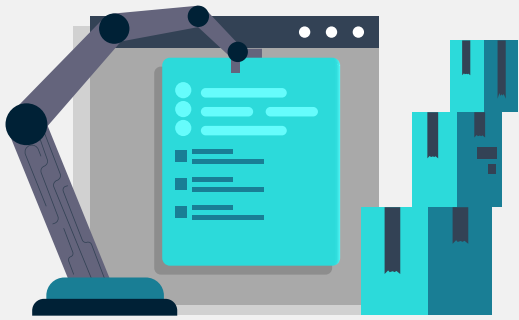
Consumer shifts in the Middle East luxury retail sector

As the luxury sector in the Middle East continues to develop, consumers are increasingly looking beyond just products – they now seek personalized, digitally-powered and culturally relevant experiences. To better understand and analyze how the industry is transforming and the impact on talent, Heidrick & Struggles gathered insights from luxury retail leaders across the region.



¹ Source: Statista - Luxury goods in the UAE

² Source: Statista - Luxury goods in Saudi Arabia



Digitalization of luxury retail

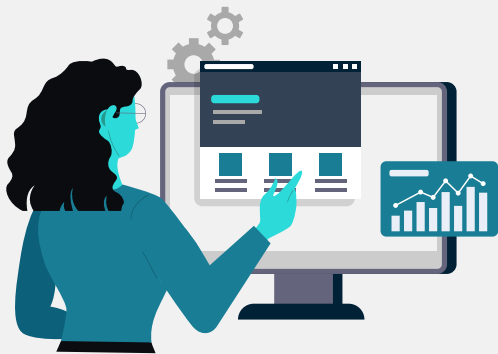
E-commerce and omnichannel strategies have now become critical to delivering high-standard customer experiences. By 2025, the UAE e-commerce market is projected to reach US\$17 billion³, driven by high internet penetration and the integration of AI within retail experiences.



Demand for culturally authentic experiences

Luxury brands are moving to create experiences that resonate authentically with the local market. **Adil Khammar, Country Managing Director at Nespresso UAE**, highlighted that more brands are now collaborating with local artists on campaigns, incorporating elements of the Middle East culture such as traditional patterns, calligraphy, and flavours into their products and experiences.

To succeed in the face of this industry shift, luxury retail brands must grapple with changing talent requirements.



Push for digitally-savvy talent

Salim Fakhouri, Chief Executive Officer at Cenomi Retail, said, *“The need for data driven decision making, supply chain efficiency, and customer experience optimization has led to a demand for more specialized talent.”* Luxury brands need to ensure their new generation of employees can keep up with new technologies emerging in the market, including AI.



Local for local

The shift towards creating local experiences means that today's talent not only need to understand the industry but also have deep in-market knowledge. The Middle East luxury retail market is witnessing this shift firsthand – historically dominated by expats, the industry is now investing more on developing local talent who have an intimate understanding of the market.

³ Source: Statista - E-commerce in the UAE

As Khammar put it, *“Consumers want meaningful connections with the brands they love, which is why hiring the right people – those who can blend heritage with innovation – is more important than ever, especially in our customer-centric industry.”* This includes decision-makers at the C-suite level who understand the nuances of local culture, traditions and consumer behaviors, he added.

However, attracting and retaining the right talent continues to be a challenge for luxury retailers on both employee and executive levels.

Outdated career perceptions

Khammar noted, *“Many young Emiratis still view government jobs or sectors like finance and energy as better career paths.”*

He added that industry and regional knowledge aside, the challenge is about *“finding people who are willing to stay long-term to grow them into leaders who can drive business growth in a way that makes sense for the market.”*



Evolving expectations on culture

As global luxury players expand into the Middle East, competition for talent at the top has intensified. The key to attracting experienced leaders lies in ensuring alignment with organizational culture and long-term strategic vision. Many executives are drawn to opportunities where they can drive meaningful transformation, making empowerment a key factor in leadership retention.

“Leaders need the autonomy to implement change while feeling supported by the organization’s vision and resources,” Fakhouri emphasized.

More broadly, recognition and well-being form another essential pillar of company culture. While compensating employees’ efforts can make them feel valued and appreciated, employees today seek more than just financial incentives. They also look out for workplace flexibility, a sense of purpose, and opportunities to upskill, which tie in closely with culture.

To successfully navigate these intersecting landscape and talent challenges, the chief people officer (CPO) will be a key strategic force in aligning people priorities with long-term business goals.

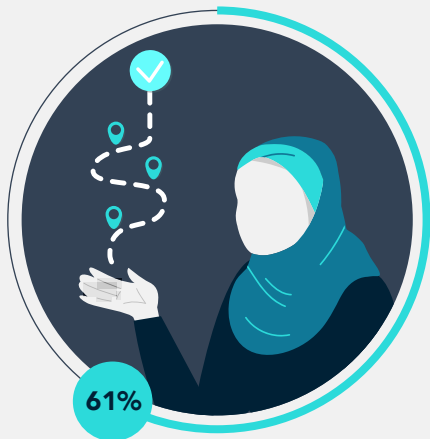
Fakhouri said it best, *“Today, people strategy is at the center of business growth, and for a CHRO, the role involves not just talent management but workforce transformation, organizational agility, and cultural leadership.”*

Today's CPO: From operations to strategy

Today's luxury brands need HR leaders who build strategy for the business, not just for HR. CPOs must lead transformation across the organization's structure, leadership and people strategy to keep pace with evolving business needs. As CPOs take on a broader strategic remit, they need to shift their focus towards two key priorities:

Talent management: Investing in employee growth

More than ever, as employee expectations evolve, companies are facing increasing pressure to upskill local talent and establish clear career pathways that support long-term professional growth. A former CHRO at one of the largest omnichannel retailers of homegrown brands in the Middle East noted, *"Brands find it difficult to keep up with the pace of which the employee wants to grow."*



61% of active job seekers surveyed by PwC Middle East's Emiratization Survey⁴ rated opportunities for career growth and progression as the greatest influence to pursue a specific career opportunity.



CPOs must take a proactive role in driving growth opportunities that can develop leaders from within and demonstrate the brand's commitment to talent development.

Fakhouri noted, *"Talent development is at the core of an organization's people strategy. We've moved from traditional hiring methods to a more structured approach that focuses on skill enhancement, leadership development, and cultural integration."*

There was a solid consensus that a critical driver of retention and engagement is internal mobility. For instance, Nespresso UAE invests in comprehensive development programs such as the Nespresso Retail Management Program, enabling new coffee specialists to gain industry experience and grow within the organization into leadership roles like boutique managers, head of retail or even country managing directors. In the same way that digitalization is reshaping the skill sets required for retail talent today, it has also helped luxury brands enrich their development programs.

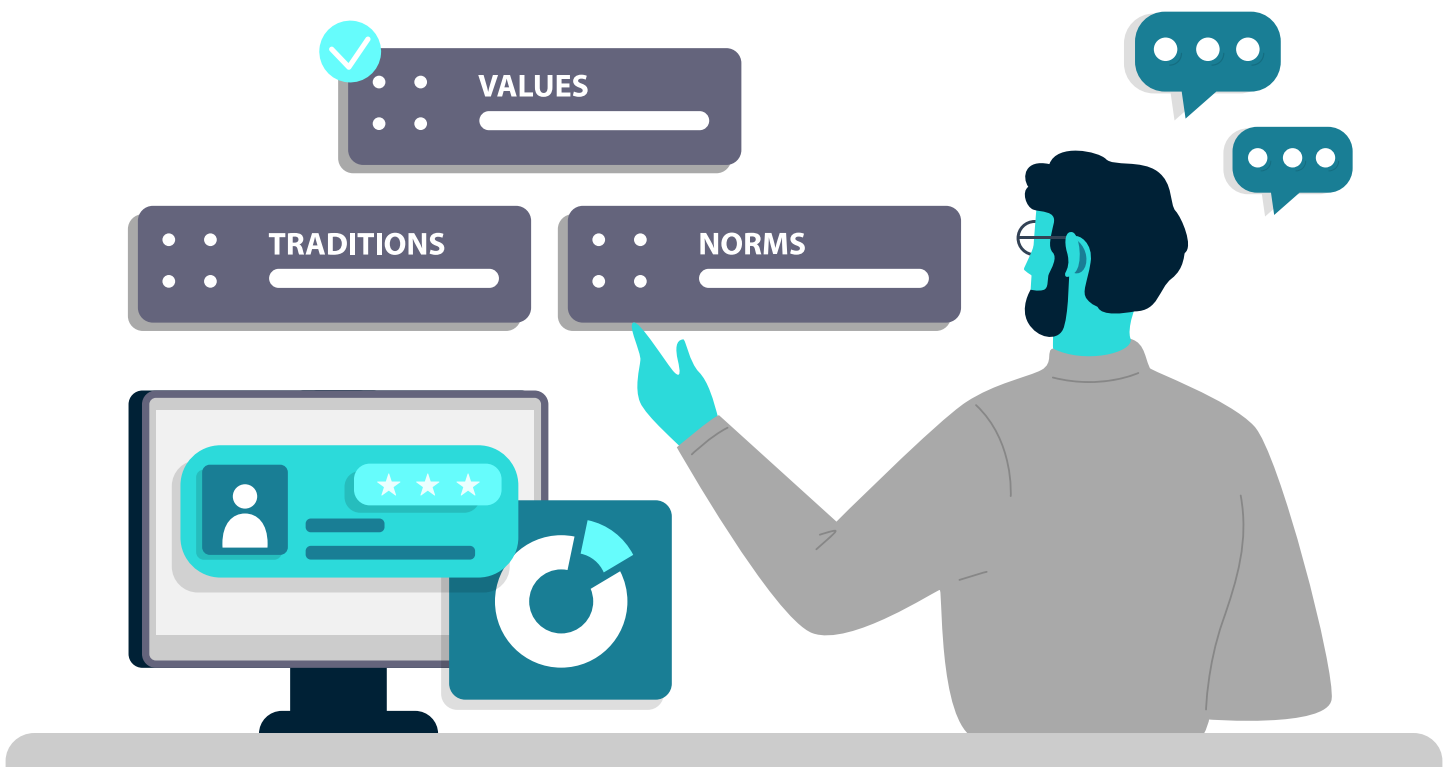
⁴ Source: PwC Middle East Emiratization Survey – Building on the Emiratization Success Story

Talent acquisition: Focusing on culture

A thriving organizational culture is the cornerstone of a compelling employee value proposition.

In today's competitive talent landscape, brand perception plays a critical role in influencing job seekers, who increasingly rely on firsthand insights from current employees.

This calls for HR leaders to take a more strategic approach to employer branding and talent engagement. They have to authentically align the brand's value messaging with their talent strategies, such as creating opportunities for potential employees to experience the brand's culture firsthand.



CPOs also need to have a pulse on changing employee sentiments and expectations, especially from younger generations of workers who are now entering the workforce, and adapting engagement strategies accordingly.

Beyond flexibility, employees are seeking more purpose and fulfilment in their work. Anchoring culture on purpose enhances motivation, drives productivity, and strengthens job satisfaction, which in turn promotes a positive workplace culture that improves engagement and retention.

Tomorrow's luxury retail CPO

HR leaders in the luxury retail industry are well into an evolution of their roles, from back-office operational specialists to strategic partners. They are facing transformation at scale – whether it's an increasingly complex industry landscape or heightened employee expectations for a more purposeful career in retail. Being a successful CPO today will require them to balance both the operational and added strategic dimensions of their role.

Yet, a recent Heidrick & Struggles survey⁵ of HR leaders in the Middle East found that leaders are generally more confident about operational delivery compared to the more strategic aspects of their responsibilities.

CPOs need a new toolkit to transform themselves and their function in order to truly step up as strategic partners to the business. Here are four critical competencies that CPOs must double down on in the year ahead:

⁵ Source: Heidrick & Struggles – Chief people officer focus: How CPOs in the Middle East are evolving the HR function

1



Aligning strategic agenda to people agenda

Business acumen is central to help CPOs shape the top line while focusing on traditional bottom-line management. The former CHRO Heidrick & Struggles interviewed advised, *"CHROs should think business first, then align it to the people agenda."* Fakhouri added, *"This means ensuring the people strategy aligns with digital transformation goals, retail expansion plans, and customer experience objectives."* Organizations have a critical role to play in ensuring that their HR leaders get the necessary training and development in business fundamentals in order to hone this acumen.

2



Leveraging data analytics

As digitalization reshapes the luxury landscape, HR leaders must be able to effectively leverage data analytics to make informed decisions. Fakhouri shared, *"Business success is directly tied to employee engagement. The CHRO must lead with data driven insights, workforce analytics, and a deep understanding of market trends."* Often, this means that CHROs themselves must be ready to upskill, and understand how they can leverage emerging technologies like AI for talent management, planning and engagement.

3



Understanding cultural nuances

CPOs need to have a strong grasp of current workforce expectations, cultural nuances, and market demands in order to develop talent strategies that resonate. For instance, the former CHRO highlighted the challenge of *"getting the new generation in the workplace"*, who *"looks at things differently"*. He added that CHROs who *"roll up their sleeves and lead from the front"* tend to see more positive responses from this employee segment.

4



Building the collective

Building a high-performing HR team is crucial for implementing successful strategies. In fact, the CPO's team needs to extend beyond the HR function. Khammar noted, *"Employee development, building culture, and creating value is not just the responsibility of the CHRO, but the collective responsibility of every people manager."* This was echoed by the former CHRO, *"Every senior leader needs to take ownership of developing young talent and ensuring their longevity in the organization."*



The future of HR is about creating an employee-first organization where technology enhances employee engagement, wellness is prioritized, and leadership development is embedded in the company's DNA.

Salim Fakhouri, Chief Executive Officer, Cenomi Retail

Talent remains the driving force behind brand success in the Middle East's thriving luxury retail market. Strategic HR functions led by capable CPOs are more crucial than ever to help their organizations ride the wave of growth. Luxury retail CPOs who evolve their competencies in line with the increasingly strategic nature of their role will be best positioned to help their organizations attract, retain, and develop top talent.

About the author

Nicola Turner

Nicola Turner is a principal in Heidrick & Struggles' Dubai Office, head of the Human Resources Practice for Asia Pacific and the Middle East, and a member of the Consumer Markets Practice.

nturner@heidrick.com