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Abstract

The following document gives a description of the issues going on in Saudi Telecom Companies’ Leadership, their causes, and recommendations for the same

**Transforming Culture in the Kingdom: How Saudi Telecom Focused on People to Compete in the Digital Age**

Case Study

**Executive Summary**

The newly appointed group CEO for Saudi Telecom Company (STC) faces various challenges keeping up to the reputation of the previous CEO and also faces challenges in strategizing for the future growth of STC which in turn is responsible for the growth of the country.

**Introduction**

Saudi Telecom Co. (STC) was formerly a government-sanctioned monopoly that was privatized in 1998. Dr. Khalid Biyari was appointed as a chief technology officer in 2013 and was then promoted to the CEO position in 2015. In 2018, Dr. Biyari was tapped for another calling and had to step down from the CEO position. In these 5 years, STC had witnessed a dramatic improvement. The newly appointed CEO in 2018, Naseer Al Naseer, had to keep up with the reputation of the previous CEO and also had to make sure that the growth and improvements achieved by Biyari were kept intact. Naseer also had to keep up with the rapidly evolving digitalization. Naseer faced various challenges to keep up with the growth of STC. Below listed are a few challenges, their causes, and possible resolution.

**Main Challenges**

* *Streamlining the teams* – STC being a huge institution was comprised of various divisions and teams. While resigning, Dr. Biyari had stated that he failed to fill the gap between the technology and business team. The vision was that this will help in companies’ digitalization. Bridging the gap between not only the two teams but every team will be beneficial. Hence Naseer had to work in bringing all the teams to the same ground and give them a road map.
* *Preserving the Growth Trend* – Under Dr. Biyari’s leadership, STC had witnessed huge growth. Naseer was the Senior Vice President and had worked closely with Dr. Biyari and was well aware of the steps that he took for this transformation. Naseer had to make sure that the growth trends increase in the same way as they did under Dr. Biyari and the company does not start its backward trend as the companies’ growth was directly associated with the country’s growth. There were various institutions and programs that Dr. Biyari had started that were aligned to growth and learning. One such example is the STC Academy. Naseer was responsible in culturally transforming the Academy to gain fruitful results.
* *Aligning towards Vision 2030 –* Dr. Biyari’s visions were well aligned with Saudi Arabia’s Vision 2030 and STC was moving towards achieving it. Naseer had to transform STC from a traditional service provider to a digital provider for customers and continue to position STC as the main enabler of Vision 203o and make sure that the firm does not slide into irrelevance.

**Causes**

* *Leadership transformations* – STC was at its peak and was doing exceptionally well under Dr. Biyari’s leadership. Dr. Biyari was a successful leader and had clear visions for the growth of the company and wanted to make it a global brand. There were various cultural transformations going on and Dr. Biyari had to resign and Naseer had to step up as the new CEO at such a critical time. Naseer had worked with Biyari and was well aware of his visions but he lacked various skills to become a change manager and leader. Also, various employees lacked trust in him. For any organization, the implementation of change has to be done in the right way. Here, Naseer was seen as a successor and hence was promoted. He still had to gain various skill sets required for the position and hence employees were concerned that he might not be able to keep up with the benchmarks that Dr. Biyari had set. For any organization to flourish, it is of utmost importance for the employees to believe in their leaders. Due to a leadership change, we see that the employees did not trust the new management and this could result in STC’s downfall.
* *Smooth Transition and a missing road map* – When an employee is set to leave, the organization makes sure that the employee has handed over all the current projects that he/she was working on and transferred all the required knowledge, and has handed over a manual for the same. This can be considered a smooth transition. Naseer was the CTO and was responsible for the technical transformations of STC. He lacked knowledge of the cultural reforms. Also, Dr. Biyari stated that he was in constant talks with the cultural and HR teams and was more involved with them rather than the technical teams. This is a clear indication that Naseer had to learn a great deal to enter into the cultural aspect of the organization. A leader cannot become successful overnight and needs years of dedicated effort. Also, it is very important to have a guided path to achieve success. Dr. Biyari had various transformations which he was not able to achieve before he left. Naseer though was aware but did not have any detailed road map or draft of what would lead to achieving these transformations. For him to carve a road map at such an early stage of his CEO career was something that was expected but was difficult to achieve. Hence it was a great threat to STC’s development.
* *Digitalization -* When Naseer stepped up as the CEO, various companies were moving towards digitalization and if STC had to keep up with the pace, it had to take drastic measures to move towards digitalization. STC was already struggling with changes in its leadership board and Naseer had to come up with various new transformational ideas to lead STC towards digitalization along with managing the existing trends.

**Recommendations**

* *Rebuild the trust* – For STC’s continual growth, it was of utmost importance that the employees trust Naseer and his visions. Naseer had to take various steps to promote trust to his employees. To start with, he can set up bi-weekly meetings where he can demonstrate his visions to his employees and make them understand how these are aligned with Dr. Biyari’s visions and the benefits of the same. With time, as the employees see that he has the potential, he can reduce the frequency of these meetings and can roll out emails about what his vision is and how the work that is being done is aligned, and what is the progress. He should roll out periodic surveys to take feedback from his employees. He can use the below steps to build trust within his employees[1]:
  + Let Employees Become Leaders: Break the boundaries between employee and leadership to give the employees a sense of inclusion.
  + Show them who you are, not what your title is: Let the employees know what your potential is irrespective of what title you possess.
  + Take interest in your team: Ask employees about their goals and align their goals with the organizations’ goals.
  + Share your values and goals: An environment where employees are driven and committed toward goals is key to any success.
  + Use emotional intelligence when speaking to employees: Talking about fears and emotions can be a great way for company leaders to foster trust with employees.
* *Setup the road map* – Having a road map is the key to achieving your goals in a timely fashion. Road maps are strategies that you layout for achieving your goals with timelines. Naseer needs to create road maps for STC’s success. For this, he should take help from the experienced from his leadership board. He should meet his leadership team on a weekly basis to discuss the strategies, implementation policies, timelines, blockers, etc. Once these strategies are set, then they should meet to to validate the progress and track the timelines.
* *Moving towards Digitalization* – Digitalization is the new trend in the market and if STC wants to be a global name then it has to match the digitalization trends. Dr. Biyari had suggested that bridging the gap between technical and business teams can foster digitalization. Naseer can take steps in this direction. He can set up an official meet-up where he can share his idea of digitalization and demonstrate the benefits of technology joining hands with business. These meet-ups should be kept frequently to see the progress once the teams are comfortable with each other, then the frequency of these meetings can be reduced. To bridge the gap between the teams, Naseer can use ‘Tuckman’s Stages of Group Development’ [2]. Tuckman's model explains that as the team develops maturity and ability, relationships establish, and leadership style changes to more collaborative or shared leadership. The various stages of this model are as follows[3]:
  + **Forming.** This first stage is when the team first meets each other.
  + **Storming.** Teammates compete with each other for status and for acceptance of their ideas.
  + **Norming.** The team is no longer focused on individual goals, but rather are focused on developing ways of working together (processes and procedures).
  + **Performing.** The focus is on reaching the goal as a group.
  + **Adjourning.** The project is coming to an end and the team members are moving off in different directions.

**References**

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