

Participant Discussion:

*Sharing Country Best Experiences on Evidence Based Policy Formation and Implementation of Public Employment Services with Particular Reference to Labour Market Data and Statistics –
KSA context*

2nd Meeting of OIC Public Employment Services Network

Mr. Ahmed Al Mujaish

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Present **how LMI is driving Saudi Arabia labor market decision making**
(What decisions are being made using LMI?)



Discuss **LMI Key Challenges in Saudi Arabia**
(What are the key LMI challenges?)



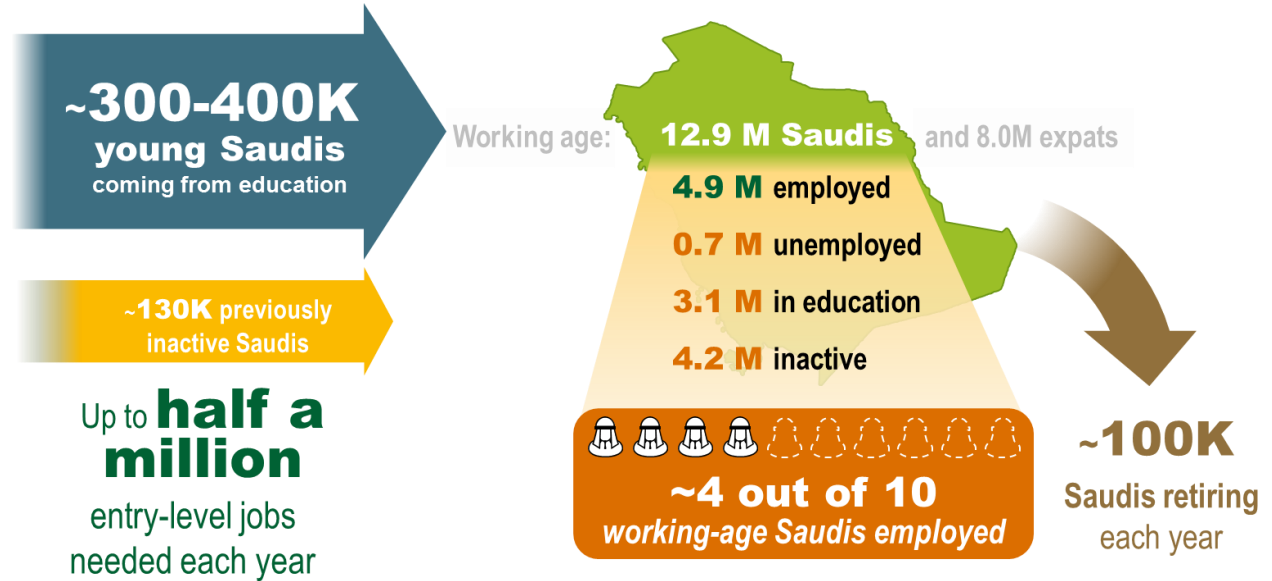
Present **National Labor Observatory (NLO) Initiative**
(What is Saudi Arabia doing to improve LMI system?)



Discuss **Case Studies**
(How will Decision Makers utilize LMI to make important decisions?)

Labor Market Information (LMI) Current state

The Saudi labor force, throughout their lifecycle, consumes services from various KSA ministries and agencies resulting in **Labor Market Information “islands” (fragmented & distributed data)**



1 CDSI data
2. GOSI data 2014 for expats in private sector
Source: CDSI Manpower Survey 2015, GOSI, BCG analysis

MOLplus – Decision making using LMI

The Ministry of Labor and its sister entities (MoLplus), is playing a major role in consolidation of the Labor Market Information and is already making some decisions using the available LMI to drive ..



.. right market and economic environment

MOL key Policies and decisions are based on LMI to ..

1. Ensure sustainable job opportunities for Saudi jobseekers
2. Enhance labor market efficiency
3. Ensure social protection



.. right jobs for the right candidate

HRDF utilizes LMI to design its employment support and skill enhancement programs to ..

1. Ensure sustainable employment
2. Increase attractiveness of national workforce



.. right skills & competencies

TVTC utilizes LMI to design its vocational training programs to ensure they -

1. Satisfy the current and future demand of Saudi labor market



.. right support for employees and families

GOSI utilizes LMI to improve effectiveness of its social insurance policies by -

1. Providing leading and sustainable social insurance services
2. Ensure reasonable standard of living
3. Improve safety at workplace
4. Promote early return to work



Saudi Arabia LMI Maturity Profile

Saudi Arabia is actively developing its LMI maturity across six key categories

1

Macro Labor force



CDSI NIC

Population and demographics, employment and unemployment, labor force participation

2

Education & Training



MoE TVTC

Education and training institutions, education and training programs

3

Occupational Supply



MoL HRDF

Occupational employment, participants of education and training programs, geographic migration

4

Labor Demand

NLG, MOLplus BI

Job vacancies, occupational wage rates, occupational employment estimates and projections

5

Occupational Characteristics

ASOC, TAQAT

Job skills, abilities, knowledge, activities, content; job education and training requirements; interests; work styles

6

Classification System & Cross Walks

NLO, MOLplus BI

Industry, occupation, education program, crosswalks between classification systems

LMI challenges in Saudi Arabia

LMI challenges exist today in terms of its ownership, availability and accuracy of data, products & services offering and centralized platform for data consumption & distribution.

LMI Challenges	Description
1 Data	<ul style="list-style-type: none">Timely availability, accuracy, consistency of both qualitative & quantitative data across the six components of LMI
2 LMI Product & Service offering	<ul style="list-style-type: none">Various reports, analytics and studies are conducted upon request rather than proactively by anticipating the LMI consumer needs
3 Information Dissemination	<ul style="list-style-type: none">Lack of a centralized LMI data collection and delivery mechanism
4 Collaboration	<ul style="list-style-type: none">Lack of effective collaboration across various ministries and agencies in terms of exchange of information

HRDF has launched the Saudi Arabia's Labor Market Information initiative called "**National Labor Observatory (NLO)**" expected to resolve these challenges and enable fact-based decision making

National Labor Observatory (NLO)

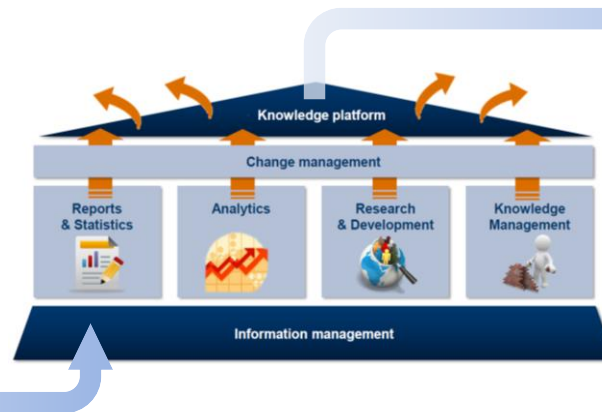
HRDF has launched the “National Labor Observatory (NLO)” to provide mature and holistic LMI

- 1. Do:** Consolidate data, generate statistics and advanced analytics and insights and manage knowledge
- 2. Enable:** Position NLO to be the cultural change agent in order to facilitate and empower users to access data, develop their own reports and insights and share them with the broader community
- 3. Create transparency:** Ensure full transparency of all interested users on relevant data, research and capabilities to foster full leverage of resources, materials and insights

Data / Information Sources

The National Labor Observatory

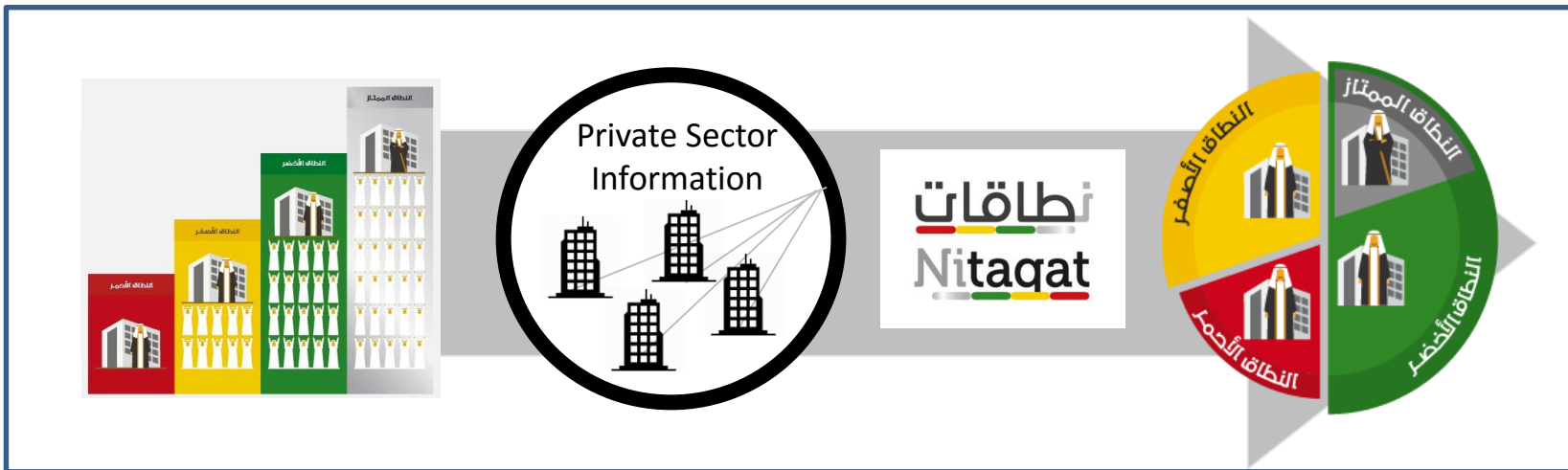
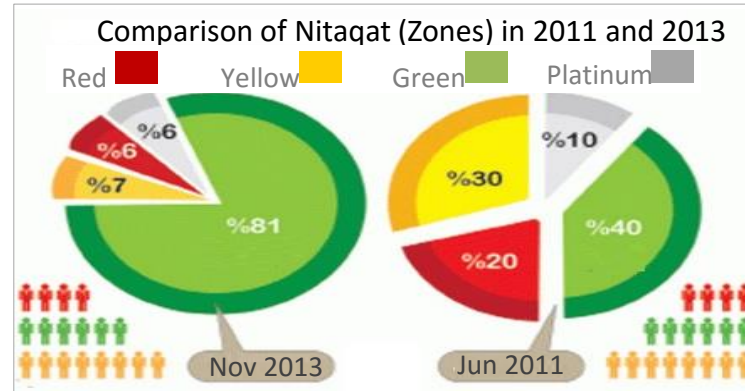
Clients & Decision Makers



Government stakeholders,
researchers & the interested public

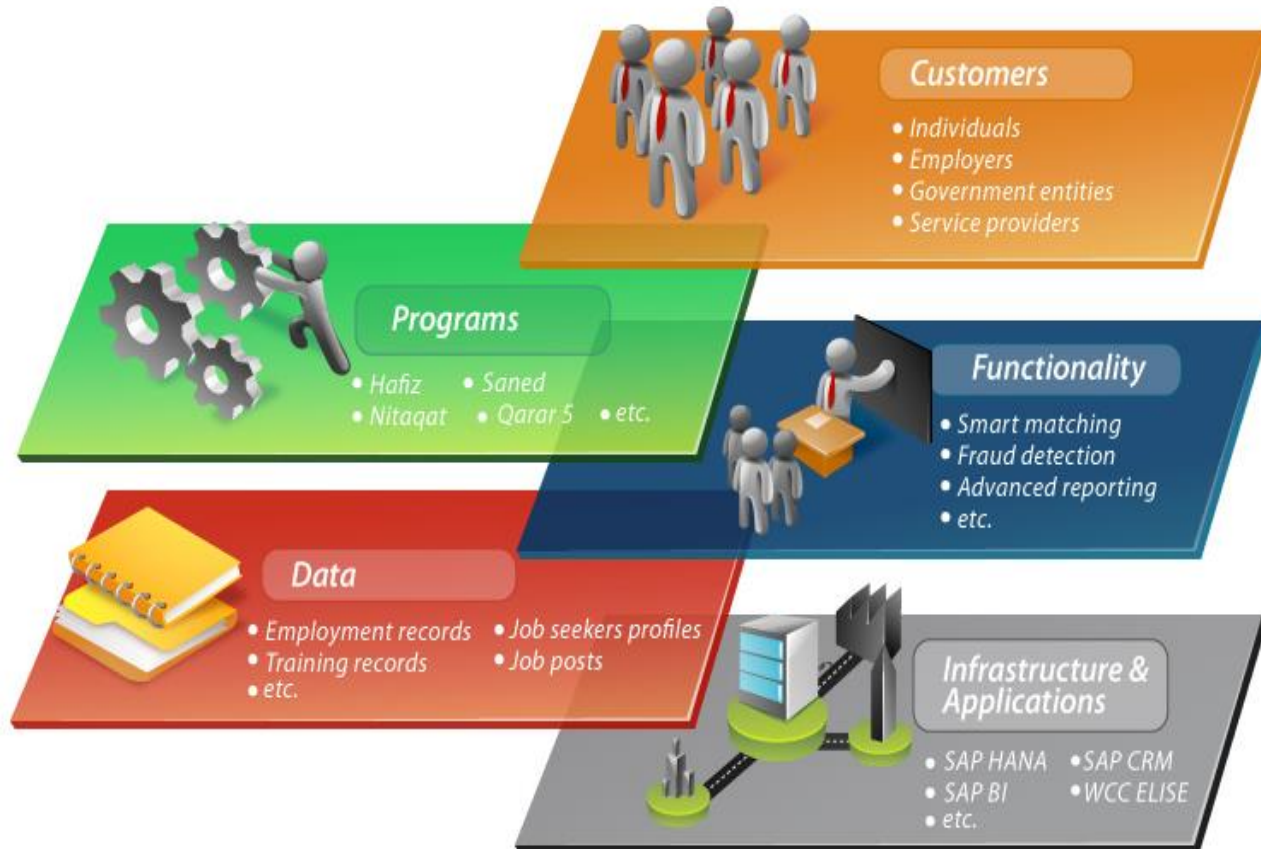
Example 1 - Ministry of Labor Nitaqat Policy

Nitaqat policy definition & implementation is driven using Labor Market Information. The private sector compliance with the policy is monitored on a regular basis and penalties applied as appropriate



Example 2 – National Labor Gateway (NLG)

Nationwide initiative that will provide a centralized portal for employers, job seekers, related agencies and employment assistance program related information



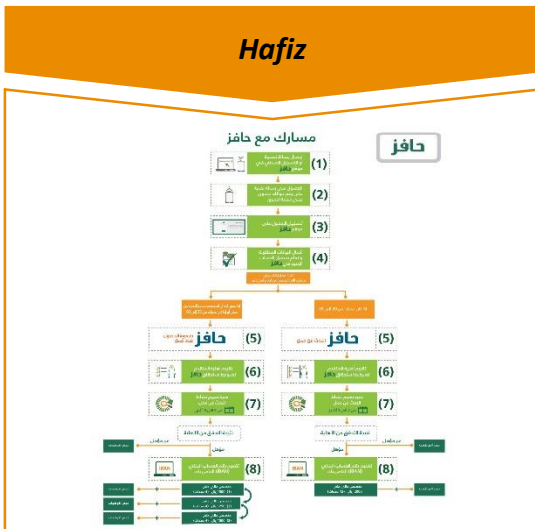
Example 2 – National Labor Gateway (NLG)

National Labor Gateway will provide services that will improve the nature and quality of data captured. Thereby, enhancing the overall maturity of the LMI



Example 3 – KSA Unemployment Assistance Program (HAFIZ)

Hafiz is an unemployment assistant program that provides employment and financial support to job seekers. The key policy decisions related to Hafiz are made using LMI

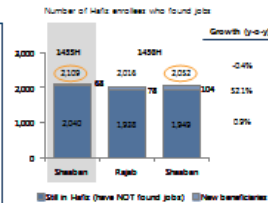


Number of new Hafiz enrollees has remained steady at around 2 million

Number of new monthly joiners has increased by 50% since last Shaaban, an indication that the launch of UA2 has indeed widened the parameters of people who can join Hafiz, and effectively the number of new joiners

Key insights

UA2 launched as a complement to program to UA1 that allows unaddressed segments of the population that have difficulties finding employment to also benefit from Hafiz. Most notably this includes individuals over the age 36, and those who have completed UA1. The increase in new Hafiz enrollees is a reflection of the widening parameters of Hafiz acceptance criteria

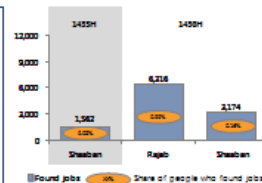


People who found jobs after Hafiz constituted less than 1% of the overall number of enrollees in Shaaban

Despite increase in number of people who find employment, the vast majority of enrollees struggle to secure employment after Hafiz

Key insights

Comparing the number of people who found employment to the overall enrollees in Hafiz's two programs suggests that there is a large opportunity for Hafiz to improve its performance; either by providing more effective services or by eliminating non-true job seekers



Further analysis into the ratio of active job seekers vs. passive enrollees is required for a more accurate indication of Hafiz's services effectiveness

Objectives

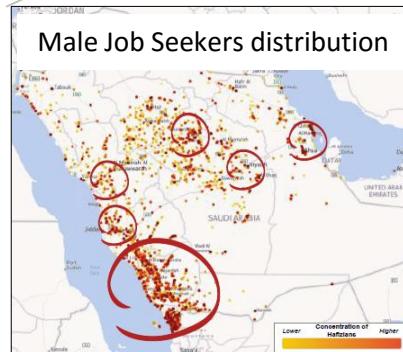
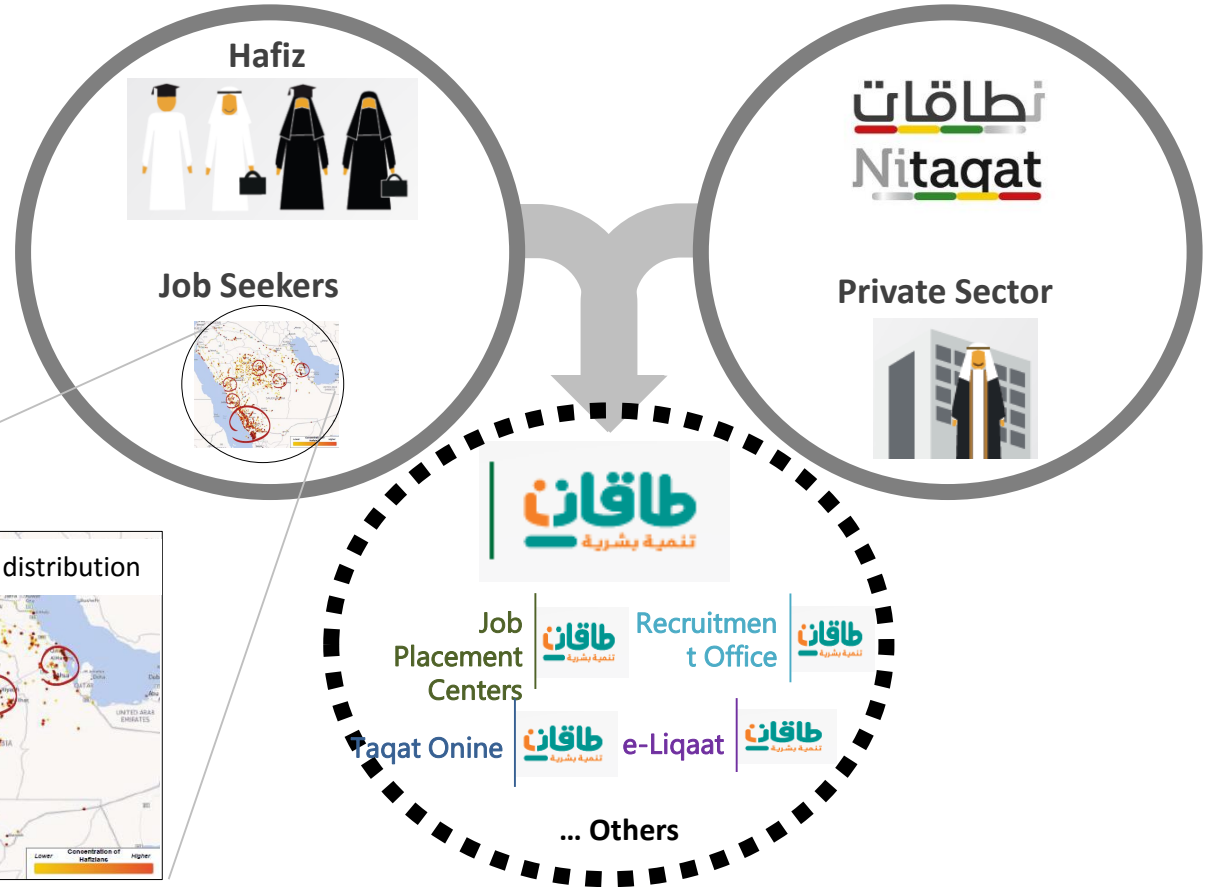
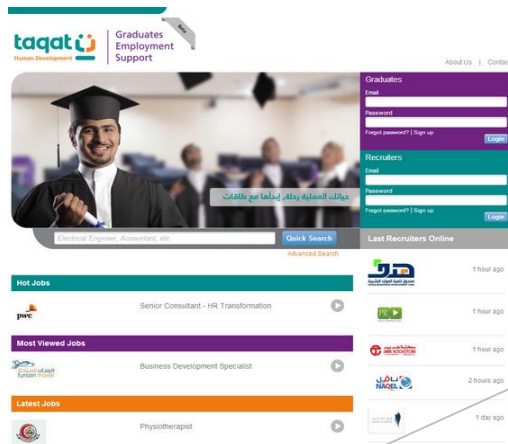
Support key actions/decisions

E.g.:

- Which initiatives should I implement to increase the number of Hafiz beneficiaries finding a job?
- Which educational paths should be promoted based on their effectiveness in finding a job?

Example 4 – Taqat Employment Support Programs

The decisions related to Taqat Employment Support programs such as establishing job placement centers where there is high density of job seekers are done using LMI



Thank you