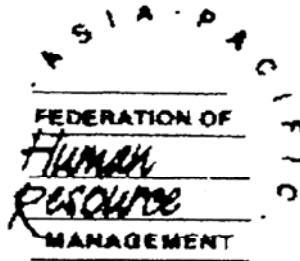


**Asia Pacific Federation of Human Resource Management  
Report to WFPMA (Saudi Arabia - Report September-2011)**



Asia Pacific Federation of  
Human Resource Management

**Asia Pacific Federation of Human Resource Management  
(APFHRM)  
Report to the WFPMA Board  
Saudi Arabia Report (September 2011)**

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**Saudi Arabia Report**

***PART I) Brief General Economic Profile of the Country / Region (GDP, CPI, Unemployment Rate etc.) – abstracts from government statistics***

Saudi Arabia is the birthplace of Islam and home to Islam's two holiest shrines in Mecca and Medina. The king's official title is the Custodian of the Two Holy Mosques. The modern Saudi state was founded in 1932 by King ABD AL-AZIZ bin Abd al-Rahman AL SAUD (Ibn Saud) after a 30-year campaign to unify most of the Arabian Peninsula. A male descendent of Ibn Saud, his son ABDALLAH bin Abd al-Aziz, rules the country today as required by the country's 1992 Basic Law.

King ABDALLAH has continued the cautious reform program begun when he was crown prince. To promote increased political participation, the government held elections nationwide from February through April 2005 for half the members of 179 municipal councils. In December 2005, King ABDALLAH completed the process by appointing the remaining members of the advisory municipal councils.

The king instituted an Inter-Faith Dialogue initiative in 2008 to encourage religious tolerance on a global level; in February 2009, he reshuffled the cabinet, which led to more moderates holding ministerial and judicial positions, and appointed the first female to the cabinet.

The country remains a leading producer of oil and natural gas and holds more than 20% of the world's proven oil reserves and has the fourth largest gas reserves. The government continues to pursue economic reform and diversification, particularly since Saudi Arabia's accession to the WTO in December 2005, and promotes foreign investment in the kingdom. A burgeoning population, aquifer depletion, and an economy largely dependent on petroleum output and prices are all ongoing governmental concerns.

**Population:** 25,731,776 country comparison to the world: 46 includes 5,576,076 non-nationals (July 2010 est.)

**Age structure:** 0-14 years: 38% (male 5,557,453/female 5,340,614)  
15-64 years: 59.5% (male 9,608,032/female 7,473,543)  
65 years and over: 2.5% (male 363,241/female 343,750)  
(2010 est.)

**Median age:** Total: 24.9 years  
Male: 26 years  
Female: 23.4 years (2010 est.)

**Population growth rate:** 1.548% (2010 est.) country comparison to the world: 80

**Birth rate:** 19.43 births/1,000 population (2010 est.) country comparison to the world: 101

**Death rate:** 3.34 deaths/1,000 population (July 2010 est.) country comparison to the world: 218

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<b>Net migration rate:</b>	- -0.61 migrant(s)/1,000 population (2010 est.) country comparison to the world: 145
<b>Urbanization:</b>	urban population: 82% of total population (2008) rate of urbanization: 2.5% annual rate of change (2005-10 est.)
<b>Rate of urbanization:</b>	<b>2.5% annual rate of change (2005-10 est.)</b>
<b>Sex ratio:</b>	at birth: 1.05 male(s)/female under 15 years: 1.04 male(s)/female 15-64 years: 1.27 male(s)/female 65 years and over: 1.03 male(s)/female total population: 1.17 male(s)/female (2010 est.)
<b>Infant mortality rate:</b>	total: 16.73 deaths/1,000 live births country comparison to the world: 112 male: 19.19 deaths/1,000 live births female: 14.14 deaths/1,000 live births (2010 est.)
<b>Life expectancy at birth:</b>	total population: 73.87 years country comparison to the world: 108 male: 71.93 years female: 75.9 years (2010 est.)
<b>Total fertility rate:</b>	2.35 children born/woman (2010 est.) country comparison to the world: 100
<b>HIV/AIDS - adult prevalence rate:</b>	0.01% (2001 est.) country comparison to the world: 169
<b>HIV/AIDS - people living with HIV/AIDS:</b>	<b>NA</b>
<b>HIV/AIDS - deaths:</b>	<b>NA</b>
<b>Nationality: noun:</b>	<b>Saudi(s) adjective: Saudi or Saudi Arabian</b>
<b>Ethnic groups:</b>	<b>Arab 90%, Afro-Asian 10%</b>
<b>Religions:</b>	<b>Muslim 100%</b>
<b>Languages:</b>	<b>Arabic</b>
<b>Literacy:</b>	<b>Definition: age 15 and over can read and write</b> Total population: 78.8% Male: 84.7% Female: 70.8% (2003 est.)
<b>Education expenditures:</b>	<b>6.8% of GDP (2004)</b> Country comparison to the world: 28
<b>Labor force:</b>	6.74 million Country comparison to the world: 61 <i>note: about one-third of the population in the 15-64 age group is non-national (2008 est.)</i>

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**Labor force - by occupation:**

Agriculture: 6.7%  
Industry: 21.4%  
Services: 71.9% (2005 est.)

**Unemployment rate:** 27.4 (2009 est.) under 30s  
39.3% (2009 est.) 20 – 24.

**Unemployed female graduates is estimated at 70%**

***Part II) Latest HR Trends in Saudi Arabia***

Saudi Arabia is facing several challenges in its economic system and human resource development (HRD) programs. The main challenges are: high dependence on oil and the petrochemical industry; high dependence on foreign labor; a low rate of female participation in employment; and a weak link between educational system output and the needs of the economic sectors, especially those of the private sector, which requires skilled and professional labor. Recent studies related to HRD programs in the private sector especially in small and medium size companies (SMEs) show that these programs are not developed structurally or functionally. However, the case is different in large government and private companies.

*“The private sector must evolve into Saudi Arabia’s main engine for job creation in order to relieve the burden on the state”.* Economist – Banque Saudi Fransi.

**Part III) Update on Major HR-related Legislations**

H. E. Eng. Adel Fakieh, Minister of Labor introduced his NETAQAT program, which is essentially an extension of the existing programs aimed at Saudization of the workforce. The program aims to limit the issue of expat work permits for companies that fail to meet their targets for Saudization and is based on a color coding: Red; Yellow; and, Green, with a “special” category of “Blue” for “Premier” companies who can avail certain “Privileges”.

Companies in the green category can apply for new visas once every two months and are entitled to one visa for every two expatriates gone on exit-only visas. They can change professions of their foreign workers except to those restricted to Saudis. They will also be given six-month grace period after the expiry of their zakat and revenue certificates. They will be allowed to renew the work permits of their workers but their iqamas should have a validity of at least three months at the time of renewal. They will be allowed to recruit employees in red and yellow categories and transfer their visas without the approval of their employers.

Companies in the yellow category cannot apply for new visas from Sept. 10 and will be allowed to get only one visa after the departure of two expatriates and will be prevented from transfer of visas and change of professions. However, they will be allowed to renew the work permits of their workers, on condition that their workers should not have completed more than six years in the Kingdom. They will not have any

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control on their workers as they would be allowed to move to companies in higher categories.

Companies in the red category will be banned from change of profession, transfer of visas, issuance of new visas and opening files for new branches. However, they will be allowed to renew the work permits of their workers until Muharram 1, 1433 when they will also lose control on their workers.

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**Part V) Update on ASHRM:**

**a. Membership:**

ASHRM individual membership now stands at approximately 2800. Currently working on establishing student chapters at local universities (KFUPM, Jubail Industrial College & PMU).

**b. Leadership**

**Elected Officers**

President	Fouzi A. Bubshait	<a href="mailto:fouzi.bubshait@aramco.com">fouzi.bubshait@aramco.com</a>
Vice Presidents	Abdulhadi A. Mansouri	<a href="mailto:abdulhadi.mansouri@aramco.com">abdulhadi.mansouri@aramco.com</a>
Treasurer	Feras M. Sahan,	<a href="mailto:feras.sahan@aramco.com">feras.sahan@aramco.com</a>
Secretary	Zuraia Zuraia	<a href="mailto:zuraia.zuraia@aramco.com">zuraia.zuraia@aramco.com</a>

**Chapter Presidents,**

ASHRM Abu Dhabi	Badria A. Khalfan (ADNOC ADM)	<a href="mailto:bkhalfan@adnoc.ae">bkhalfan@adnoc.ae</a>
ASHRM Oman	Shabir Hussain (PDO)	<a href="mailto:Shabir.SFH.Hussain@pdo.co.om">Shabir.SFH.Hussain@pdo.co.om</a>
Jeddah Chapter	Sameer A. Nasruddin	<a href="mailto:sameer.nasaruddin@aramco.com">sameer.nasaruddin@aramco.com</a>

**Appointed Directors**

Membership		
Affiliations	Jamal K. Dabal	<a href="mailto:jamal.dabal@aramco.com">jamal.dabal@aramco.com</a>
Monthly Programs		
Operations		
Conference & Events		
HR Education Programs	Roland K. Yeo	<a href="mailto:yeo_kkr@yahoo.com">yeo_kkr@yahoo.com</a>
Director, Regional Affairs	Ahmed A. Saleem	<a href="mailto:ahmad.saleem@aramco.com">ahmad.saleem@aramco.com</a>
Director-at-Large	Andrew L. Cox	<a href="mailto:andrew.cox.1@aramco.com">andrew.cox.1@aramco.com</a>

**c. Upcoming Events:**

**11<sup>th</sup> ASHRM International Conference & Exhibition, Bahrain, March 26 – 28, 2012**

**Conference Theme: “Economic Growth through HR”**

As HR Practices influence organizational cultures, which impacts on productivity, customer satisfaction, profitability, sustainability and opportunities, it's obviously important to get the foundations right so that organizations can grow; not just when “things” are going well but all the time; however the recurring question to this conundrum is: “How?”

The sub-themes are linked to the notion that sustainable economic growth can be achieved organically through the application of appropriate HR practices that continually connect with organizational strategic goals. For example:

The Business Environment - Understanding the business environment that organizations operate in; both Regional & Global; provides an insight into the strategic positioning of organizations to maximize potential for growth. What are the major business trends within the Region & Globally? What is happening in the Region that is different from the rest of the World? What is happening in my industry that might impact on my organization? What are the implications of these business trends on organizational capabilities?

HR Service Delivery – shifting the HR function away from the perception of being high cost / low value to low cost / high value, requires many different and often seemingly conflicting ingredients such as: technology, change management, performance evaluation, policies, planning, workforce analytics, and, HR competencies.

Talent Management – effective management of the employee from recruitment to retirement will encourage retention of an adaptable high performing workforce. Why is

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the Region experiencing one of the highest levels of un-employment in under 25s, the talent pipeline: school; university; un-employment?

**Important Dates**

<b>Abstract Submission Deadline</b>	<b>28 October 2011</b>
<b>Advice of Acceptance to Authors</b>	<b>2 December 2011</b>
<b>Registration Opens</b>	<b>4 January 2012</b>
<b>Early Bird Registration Closes</b>	<b>29 January 2012</b>
<b>Accepted Authors Paper Deadline</b>	<b>15 January 2012</b>
<b>Opening Ceremony</b>	<b>25 March 2012</b>
<b>Conference</b>	<b>26 – 28 March 2012</b>

**2012 Conference Committee**

**Fouzi A. Bubshait (Conference Chair)** ASHRM President

**Andrew L. Cox (Conference Vice-Chair)** ASHRM Director-at-Large

**Dr. Roland Yeo (Conference Technical Committee Chair)** ASHRM HR Education & Certification Director

**Part IV) Future plans/ program of ASHRM:**

**Developmental programs.**

Developing a HR Professional Standards & Qualifications framework and ASHRM Professional Certification.

Continue to provide Certificate and Masters Degrees in HRD and HRM through Texas A&M University.

Work with local Universities to identify potential providers of a PhD **program** in HR.

Introducing the “Foundations of HR” program from the Australian HR Institute (AHRI) to the wider community in KSA and potentially throughout the Region.

**ASHRM Conferences.**

Will provide a major international conference & exhibition on a bi-annual basis with the next occurring in Abu Dhabi, March 25 – 28, 2012. The theme for the conference is “**Economic Growth through HR**”

**ASHRM HR Symposiums.**

Will provide a quarterly symposium to invited Chief HR Officers of the top 12 leading organizations from the region to identify the strategic HR needs of the region and establish the direction that ASHRM should take on these needs.

**Monthly Events.**

Will continue to provide a minimum of nine (9) monthly dinner meetings each year.

**Affiliations.**

Will work to reinforce affiliations with international professional societies including attending their periodic meetings, sending speakers and delegates to their conferences, marketing their significant events, and publishing articles from their publications.

Regional Chapters.

Will work towards expanding the influence of ASHRM throughout the Arab World by establishing ASHRM Charters in: Kuwait; Qatar; Jordan, Syria; and, UAE.

Will work towards establishing corporate membership of ASHRM of all leading organizations within the Gulf Region.

**ASHRM Publications.**

Will work towards publishing a quarterly newsletter and an annual magazine.

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Will work towards establishing a Body of Knowledge on HR for on-line access by ASHRM Members.

Will work towards establishing a program of research on HR within the region.

**Administration.**

Will work towards improving all of the Society's business processes – mapping and documenting everything to ensure consistency and provide continuity for when there is a change in membership of the ASHRM Board of Directors.

Will maintain governance procedures for ASHRM operations and ensure compliance.

Will establish and administer quarterly meetings of the ASHRM Board of Trustees.

Will work towards maintaining an ASHRM website that reflects the needs of the ASHRM Membership.

Will establish and maintain a program of surveys to ascertain the needs of the ASHRM Membership.

**Membership**

Will work towards achieving an organic growth of 5% per annum in the membership level of over the life of this business plan.

Will work towards introducing student and corporate membership levels.

**Finances**

Will work towards establishing an ASHRM Foundation.

Will work towards maintaining solvency through sound financial conservatisms.

**Performance Evaluation**

Will establish measures and implement mechanism to monitor the performance of ASHRM programs in achieving ASHRM goals and objectives.