

TAKAFU

Equal Opportunity Index
2020

2nd Edition
Executive Summary

تكاful

النهضة
Alnahda

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PREFACE

Alnahda Society (Alnahda) has pursued the design and development of the Takafu Initiative, in continuation of a historical commitment to the empowerment of marginalized groups, especially women, and the activation of their role in Saudi society. Since its establishment in 1963, Alnahda has remained committed to promoting women's social and economic participation through a variety of programs. For example, in 1995, Alnahda established a program that provided job placement services to women, which ran for 22 years. In 2015, Alnahda led the campaign to promote women's participation in Municipal Elections. Today, Alnahda continues to offer career education programs and scholarships to high school and college students (e.g., Mustaqbali, Fursa) to prepare young women for their academic and professional careers. In 2017, Alnahda established a research program specializing in defining and measuring the barriers to women's empowerment and producing evidence that can support Alnahda in accomplishing its mission.

Takafu is a flagship initiative for the research program, which launched in 2019, where

Alnahda produced the first Takafu report measuring equal opportunity for 2018. The publication of this report marks the conclusion of the second round of the Takafu Initiative, which includes the collection and analysis of employment data for 2020, as well as running an ongoing campaign to improve women's inclusion in the workforce. In the coming years, Alnahda will aim to publish a periodic report to track progress in achieving equal opportunity in the private sector. Takafu will also gradually move towards expanding the scope of the survey to include a larger sample and possibly include the public sector. Further, the Takafu Initiative aims to establish an award that would recognize firms that excel in encouraging a culture of equal opportunity for their employees.

This report was commissioned by Alnahda and produced by Alwathba, a consultancy firm specialized in generating targeted evidence to create sustainable and inclusive social and economic impact. The Alwathba project team includes Jawaher Al Sudairy, Chaza Abou Daher, Nour Shazli, Yaser Alhussaini, Leen AlHajjar and Munira AlSharif.



ACKNOWLEDGEMENTS

Alnahda would like to thank its partner establishments for participating in the Takafu surveys and for contributing to this report's data and findings. A total of 57 establishments, including holding companies and subsidiaries, joined the Takafu surveys in the regions of Riyadh, Makkah and the Eastern Province. The list of Takafu Partners includes, but is not restricted to, the following:

- ▷ Abdul Latif Jameel Motors Company
- ▷ Aeon strategy
- ▷ Al Rashid Trading and Contracting Company
- ▷ Al Wafaq National Transport Company
- ▷ Alfaisal University
- ▷ Alturki Holding
- ▷ Alturki Holding – Masheed
- ▷ Alturki Holding - Saudi Readymix
- ▷ Banque Saudi Fransi
- ▷ Beam Consultancy and Research Company
- ▷ Cisco
- ▷ Digital Communication
- ▷ Emkan Education
- ▷ Endeavor
- ▷ Estee Lauder
- ▷ M. A. Al Abdulkarim and Co.
- ▷ Majid Society for Community Development
- ▷ National Association of Blind (Kafeef)
- ▷ National Energy Services Reunited (NESR)
- ▷ Olayan Group - Arabian Health Care (AHC)
- ▷ Olayan Group - Arabian Metals Company
- ▷ Olayan Group - Gulf Union Foods Company (GUC)
- ▷ Olayan Group - Olayan Saudi Holding Company (OSHCO)
- ▷ Olayan Group - Coca Cola Bottling Company Saudi Arabia (CCBCSA)
- ▷ Olayan Group - Olayan General Contracting Company (GCC)
- ▷ Olayan Group - Olayan Food Services (OFS)
- ▷ PepsiCo
- ▷ Rawabi Holding
- ▷ Tasamy for Impact
- ▷ The Healthy Home
- ▷ The Palladium Group

¹ The list includes establishments that consented to the disclosure of their names in this report.

THE TAKAFU INITIATIVE

Takafu is an initiative carried out by the Alnahda Program for Research. Meaning 'parity,' the Takafu initiative aims to establish the Kingdom of Saudi Arabia's first Gender Equal Opportunity index. The pilot round was initiated in 2018. The publishing of this document marks the second round of the initiative, which produces indicators for 2020 and reviews change in performance since the first publication.

In line with Saudi Arabia's Vision 2030, which stipulates measurement of growth and prosperity to support the future of the Kingdom and promotes equal access to economic opportunity for men and women (Vision 2030, n.d.), the Takafu initiative aims to support the vision and identify areas where policy makers can intervene and improve work conditions for men and women. Furthermore, the Takafu Initiative responds to the 5th and 8th UN Sustainable Development Goals (United Nations, n.d.).

Vision 2030

Providing Equal Opportunities

Our economy will provide opportunities for everyone – men and women, young and old – so they may contribute to the best of their abilities. We will place a renewed emphasis on lifelong training, and we will seek to make the most of the potential of our workforce by encouraging a culture of high performance. These efforts will be coordinated by the recently established Job Creation and Anti-Unemployment Commission. One of our most significant assets is our lively and vibrant youth. We will guarantee their skills are developed and properly deployed. While many other countries are concerned with their aging populations, more than half of the Saudi population is below the age of 25 years. We will take advantage of this demographic dividend by harnessing our youth's energy and by expanding entrepreneurship and enterprise opportunities. Saudi women are yet another great asset. Over 50 percent of our university graduates are female, and we will continue to develop their talents, invest in their productive capabilities and enable them to strengthen their future prospects and contribute to the development of our society and economy. We will also enable the members of our population who have disabilities to receive the education and job opportunities that will ensure their independence and integration as effective members of society. These individuals will be provided with all the facilities and tools required to put them on the path to commercial success.

UN Sustainable Development Goals and Targets

5th UN Sustainable Development Goal: Achieve gender equality and empower all women and girls

- ▷ 5.1 End all forms of discrimination against all women and girls everywhere
- ▷ 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life
- ▷ 5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels

8th UN Sustainable Development Goal: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- ▷ 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
- ▷ 8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training

Currently, the scope of the Takafu Index measures gender gaps in the private sector only, covering formal and paid work for Saudis and non-Saudis. The Index does not include employees in the public or informal sectors. It also does not include self-employment, freelance, or domestic workers as the private sector data used to build the index excludes these categories. In the future, the Takafu Index aims to expand its scope to include the public and informal sectors, especially considering that a large proportion of women are active in both sectors.

Takafu Domains

The Takafu Index is constructed of three main domains

01

Participation

measures the gap between the participation of men and women in the labour force. The domain is comprised of 2 subdomains: "access" and "representation." Access measures the likelihood that women and men can gain employment, while representation measures the ratio of female-to-male share of employment.

02

Career Development

which focuses on the gap between men and women's decision-making power in the economy. The gender gap is calculated as the ratio of the share of women-to-men in managerial positions.

03

Compensation

which examines gender inequality in earnings in the labour market by measuring the earnings gap ratio, which is the ratio of the female to male mean monthly salary.

These domains are aligned with the International Labour Organization (ILO) Decent Work Indicators, presented at the 18th International Conference of Labour Statisticians, December 2008 (International Labour Organization, 2013). Particularly, the Takafu Index corresponds to the statistical indicators under Equal Opportunity and Treatment, namely: 1) Occupational Segregation by Gender, 2) Female share of employment in senior and middle management, and 3) Gender wage gap. The Takafu Index measures gaps at the level of industries and firm size.

ILO Decent Work Indicators

The Framework on the Measurement of Decent Work covers ten substantive elements which are closely linked to the four strategic pillars of the Decent Work Agenda, that is, (i) International labour standards and fundamental principles and rights at work (ii) Employment creation (iii) Social protection and (iv) Social dialogue and tripartism:

1. employment opportunities;
2. adequate earnings and productive work;
3. decent working time;
4. combining work, family and personal life; work that should be abolished;
5. stability and security of work;
6. equal opportunity and treatment in employment; safe work environment;
7. social security; and
8. social dialogue, employers' and workers' representation.

These 10 substantive elements represent the structural dimensions of the decent work measurement framework under which both statistical and legal framework indicators on decent work are organized and classified.

Data Sources

The data used in this report comes from three sources: administrative data, survey data and policy documents. The main source of administrative data is the General Organization for Social Insurance (GOSI), a public organization responsible for social insurance coverage for private sector employees. GOSI collects data on the labour force through regular reporting by private employers, which covers a total of 7,806,040 employees. This data is used to calculate the gaps in the private sector across the three Takafu domains.

The second source, survey data, is collected by the Takafu team using two survey instruments, one survey is directed

at HR managers within private companies, and another survey directed at Saudi male and female employees within private sector firms. In this round, a total of 57 companies and 985 Saudi employees participated in the Takafu surveys. Survey data is used to supplement our index with an understanding of the common practices, perceptions, and behaviors among employers and employees in order to explain the gaps in the market.

The third source includes the review of laws, regulations, and information published by government entities relating to labour policies and programs. The intention of this review is to identify the regulatory barriers that may be causing the gaps in the labour market.

REVIEWING THE LOCAL CONTEXT

At first glance, examining global indices on Saudi Arabia's female economic empowerment and participation points to improvement in performance compared to earlier years. In the Women, Business and the Law report, published in 2020, Saudi Arabia demonstrated a dramatic improvement in the period between 2017 - 2019, placing it at the top of the most improving economies globally. Due to recent reforms, the Kingdom obtained a total score of 70.6 out of 100 in 2019, up from 31.9 points in 2017.

During the period between the publishing of the two reports, the Council of Ministers amended and ratified several civil and labour laws **that protect women's rights and reduce barriers to women's economic participation.**

Most notably, discriminatory laws against a women's agency to move freely were lifted. In 2017, Saudi women were granted the right to drive. Further, **in 2019, women were granted the right to obtain a passport and travel abroad without the need for a male guardian's consent, allowing women unprecedented mobility. Reforms also permit women to register as head of the household and to claim their own place of domicile,** instead of the husband's

or legal guardian's home being the default residence.

Additionally, the Kingdom lifted rulings imposed on the wife to forcefully return to her marital home.

In 2019, Saudi Arabia put forth legal amendments that enhance women's opportunities in the workplace through:

- 01 **Eliminating discrimination in hiring**
- 02 **Criminalizing sexual harassment**
- 03 **Lifting restrictions on women's employment in certain jobs and the night shift**
- 04 **Prohibiting the dismissal of women during pregnancy and after birth**

Additionally, new regulations have also uniformed the retirement age between genders, extending women's working lives, earnings, and contributions (The World Bank, 2020).

Score and Ranking of Saudi Arabia	Score	Ranking	
		World	MENA
Women, Business and the Law, World Bank, 2020	70.6/100	131/190	NA
Gender Gap Report, World Economic Forum, 2021	0.599/1	146/153	15/19

Table 1 Score and Ranking of Saudi Arabia in International Indices, 2020

In the Gender Gap Report 2020, published by the World Economic Forum, Saudi Arabia scored a total of 0.599 out a full score of 1 (the score means full gender parity) compared to a score of 0.590 in 2018. The score comprises multiple indicators, including

Economic Participation and Opportunity (0.375), Educational Attainment (0.983), Health and Survival (0.963), and Political Empowerment (0.077)

Out of all four indicators, only Economic Participation and Opportunity drove the increase, while the others remained the same, especially Political Empowerment, which is the main source of the Kingdom's low ranking.

Hence, with such a minor increase, the Kingdom's ranking remained more or less the same, at **147th out of 156 countries²** worldwide and **15th out of 19 countries in the MENA region** (table 1) (World Economic Forum, 2020).

The gender disparities measured by these international indices are also reflected in national statistics and publicly available information that we have reviewed for

this report. Our focus is on economic participation, especially as it relates to labour participation, access to senior positions, and compensation. It is worth noting that while many statistics were updated since the last Takafu report, some were not and they will be highlighted throughout the discussion.

² In 2018 Saudi Arabia ranked 141st, however that year the list included only 149 countries

01 Participation

In participation, according to the latest figures by the General Authority of Statistics (GaStat), **women (Saudi and non-Saudi) comprise only 15% of total employment. Among Saudi employees, the proportion of Saudi women reached 36%, and among non-Saudi employees, non-Saudi women constitute a mere 4%.**

Women comprise only

15% of Total Employment

When examining participation by sector, women comprise 38% of total public sector employment, and 10% of private sector employment (table 2).

Their share in the private sector is significantly dwarfed by the size of non-Saudi males who constitute the largest segment in the market.

Although these statistics confirm that women remain a minority in the labour market, their proportion grew slightly compared to 2018, as the total size of employed females increased by 9% due to a surge in the hiring of women in both the public and private sectors (table 2).

The growth in the share of women in employment is further accentuated by a contraction in the private sector in 2020, resulting in a decline in non-Saudi male employment by 9% (GaStat, 2020; GaStat, 2018).

	2018	2020	Change
Total Employment			
Total Employment	10,085,876	9,654,759	-4%
Total male employment	8,769,838	8,213,782	-6%
Total female employment	1,316,038	1,440,977	9%
Share of female employment	13%	15%	14%
Total Saudi employment	3,111,199	3,252,198	5%
Total Saudi male employment	2,040,742	2,079,331	2%
Total Saudi female employment	1,070,457	1,172,867	10%
Share of Saudi female employment	34%	36%	5%
Total non-Saudi employment	6,974,677	6,402,561	-8%
Total non-Saudi male employment	6,729,096	6,134,451	-9%
Total non-Saudi female employment	245,581	268,110	9%
Share of non-Saudi female employment	4%	4%	19%

Public Sector Employment			
Total Public Sector Employment	1,486,389	1,627,858	10%
Total male employment	927,008	1,008,843	9%
Total female employment	559,381	619,015	11%
Share of female employment	38%	38%	1%
Total Saudi employment	1,407,226	1,505,442	7%
Total Saudi male employment	879,168	931,736	6%
Total Saudi female employment	528,058	573,706	9%
Share of Saudi female employment	38%	38%	2%
Total non-Saudi employment	79,163	122,416	55%
Total non-Saudi male employment	47,840	77,107	61%
Total non-Saudi female employment	31,323	45,309	45%
Share of non-Saudi female employment	40%	37%	-6%
Private Sector Employment			
Total Private Sector Employment	8,599,487	8,026,901	-7%
Total male employment	7,842,830	7,204,939	-8%
Total female employment	756,657	821,962	9%
Share of female employment	9%	10%	16%
Total Saudi employment	1,703,973	1,746,756	3%
Total Saudi male employment	1,161,574	1,147,595	-1%
Total Saudi female employment	542,399	599,161	10%
Share of Saudi female employment	32%	34%	8%
Total non-Saudi employment	6,895,514	6,280,145	-9%
Total non-Saudi male employment	6,864,191	6,057,344	-12%
Total non-Saudi female employment	31,323	222,801	611%
Share of non-Saudi female employment	0.5%	4%	681%

Table 2 Participation in employment by nationality and sector (does not include domestic workers)

02 Career Development

In career development, GaStat³ did not publish gender segregated data on the distribution of employees across occupations in either the public or private sectors in 2020 (table 3). To assess women's access to senior and political positions in the public sector, we conducted a scan of the two legislative bodies in the government, the Shura Council, and the Council of Ministers. Female representation in both remains very slight and has not witnessed any major growth since 2018.

Women comprise only

20% Shura Council

0% Council of Ministers

To date,⁴ the highest position held by a woman in government is HRH Princess Reema bint Bandar Al Saud, the Ambassador⁵ to the United States with a Minister rank, followed by Dr. Eman Al Mutairi, Vice Minister of Commerce, Dr. Einas Al Eisa, President of Princess Noura University, and Dr. Hanan Alahmadi, Assistant to the Speaker of the Shura Council, all of whom were appointed by Royal Decree with the Excellent rank (Al Martaba Al Mumtaza).

Further, in the 2015 municipal elections,

Women constituted **14% of total candidates**, however, they held only **2% of total seats** within Municipal Councils (an estimate of 20 elected and 17 appointed out of 2,106 seats).

No municipal elections have been held since⁶ (GaStat, 2020; GaStat, 2018).

³ It is worth highlighting that GaStat established the gender and diversity statistics unit in 2021

⁴ The appointments mentioned in this report are based on a survey of leadership positions in the public sector as of December, 2021

⁵ Saudi Arabia appointed two other female ambassadors since then, notably Amal Yahya al-Moallimi as the Kingdom's ambassador to Norway, and Inas al-Shahwan as the Kingdom's ambassador to Sweden and Iceland, however both women do not hold either the Minister of Excellent rank

⁶ The third session of the mayoralties and municipal councils in various regions and governorates of the Kingdom ended in December 2021.

	2018	2020
Total Lawmakers, Directors and business Managers	217,391	NA
Total male	172,122	NA
Total female	45,269	NA
Share of females	21%	NA
New Saudi Lawmakers, Directors and business Managers	155,820	NA
Total Saudi male	112,610	NA
Total Saudi female	43,210	NA
Share of Saudi females	28%	NA
New non-Saudi Lawmakers, Directors and business Managers	61,571	NA
Total non-Saudi male	59,512	NA
Total non-Saudi female	2,059	NA
Share of non-Saudi females	3%	NA

Table 3 Size and distribution of employed individuals within senior positions by gender (Only includes employees who are subject to social insurance)

As for the private sector, in 2018, **women comprised 21% of directors and business managers** (GaStat). Broken down by nationality, the share of Saudi women in managerial and leadership positions stood at 28%, while the share of non-Saudi women was 3%. These statistics have not been updated for the year 2020. Yet, GaStat published the size of new entrants into these positions in 2020, which reveals that women comprised 49% of new directors and business managers,

majority of whom were Saudi.

Within publicly traded companies listed on the Saudi Stock Exchange (Tadawul), 240 in total, women account for 2% of total board memberships, a significant leap from 0.008% in 2018. The total number of women increased from 11 to 39 in the span of two years, with several women holding two board memberships at once, namely: Asma bint Talal Alhamdan, Dr. Nouf Alsharif, Rania Nashar, and Sara Alsuhaimi (Tadawul, n.d.).

03 Compensation

In compensation, GaStat⁷ estimates the average wages for men and women to be SAR 6,651 and SAR 6,065, respectively. These averages indicate an increase of 7% in average wages among men and a decrease of 9% in average wages among women. Using these average wages, we can calculate the wage gap between men and women at 9%. When broken down by nationality, the average wages for Saudi men and women are estimated to be SAR 10,967 and SAR 8,951, while the salaries for non-Saudi men and women are SAR 4,264 and SAR 2,548. Hence, the wage gap among Saudis is 18%, and the wage gap among non-Saudis is 40%.

Wage gap in the public sector

9% Saudi employees

22% Non-Saudi employees

In the private sector, the wage gap is estimated at 42% for Saudi employees and -26% for non-Saudi employees. The reason non-Saudi women earn higher wages is due to their concentration in higher paying jobs, such as nursing, compared to the concentration of non-Saudi men in low paying jobs in the private sector, such as construction. The disparity in wages

is emphasized when examining average working hours. Women and men tend to work similar hours, with men reporting an average workweek of 46 hours, compared to 43 hours among women.

Such a minor gap of 5% in working hours indicates that reasons for the disparity in wages are due to other factors, such as

01
Factor 1

Employer bias

02
Factor 2

Reluctance among women to negotiate their salaries

03
Factor 3

Concentration of women in lower paying industries compared to men.

⁷ Average wages and wage gaps are estimated using self-reported data from survey respondents on their salaries.

	2020
Total Lawmakers, Directors and business Managers	5,727
Total male	2,945
Total female	2,782
Share of females	49%
New Saudi Lawmakers, Directors and business Managers	5,227
Total Saudi male	2,494
Total Saudi female	2,733
Share of Saudi females	52%
New non-Saudi Lawmakers, Directors and business Managers	500
Total non-Saudi male	451
Total non-Saudi female	49
Share of non-Saudi females	10%

Table 4 Size and distribution of new entrants within senior positions by gender (Only includes employees who are subject to social insurance)

The review of publicly available statistics and local trends reveals the extent of disparity between men and women in their labour participation, access to senior positions and compensation. Achieving greater parity in the labour force allows for greater economic efficiency as it generates greater returns on investments in the education of both men and women. It also reduces overall household poverty, especially considering that greater participation of women in the management of household resources results in a more significant proportion of household spending towards benefitting the wellbeing of children, e.g. food and education (World Bank, 2012).

Hence, and in line with the national vision, and based on the above review of national statistics, the Takafu Index aims to develop a more granular measure of equal opportunity for men and women's participation, career development, and compensation, with a focus on the private sector. The goal of the index is to present successes and opportunities to further support national goals for increasing the percentage of female participation within the Saudi labour force, and to further enhance opportunities for males and females to achieve parity across all private sector industries in the Kingdom of Saudi Arabia.

	2018	2020	Change
Average Wages			
Total Employment	6,277	6,564	5%
Average male wages	6,223	6,651	7%
Average female wages	6,634	6,065	-9%
Wage gap	-7%	9%	-233%
Average Saudi wages	10,292	10,540	2%
Average Saudi male wages	10,493	10,967	5%
Average Saudi female wages	9,425	8,951	-5%
Saudi wage gap	10%	18%	81%
Average non-Saudi wages	3,741	4,078	9%
Average non-Saudi male wages	3,805	4,264	12%
Average non-Saudi female wages	3,134	2,548	-19%
Non-Saudi wage gap	18%	40%	128%
Average Public Sector Wages			
Average public sector wages	11,193	11,589	4%
Average male wages	11,389	11,837	4%
Average female wages	10,398	10,628	2%
Wage gap	9%	10%	17%
Average Saudi wages	11,383	11,668	3%
Average Saudi male wages	11,524	11,891	3%
Average Saudi female wages	10,768	10,807	0%
Saudi wage gap	7%	9%	39%
Average non-Saudi wages	8,990	10,810	20%
Average non-Saudi male wages	9,507	11,309	19%
Average non-Saudi female wages	7,899	8,792	11%
Non-Saudi wage gap	17%	22%	32%

Average Private Sector Wages			
Average private sector wages	4,449	5,404	21%
Average male wages	4,382	5,409	23%
Average female wages	5,786	5,332	-8%
Wage gap	-32%	1%	-104%
Average Saudi wages	7,202	8,031	12%
Average Saudi male wages	7,549	8,865	17%
Average Saudi female wages	5,702	5,174	-9%
Saudi wage gap	24%	42%	70%
Average non-Saudi wages	3,884	4,658	20%
Average non-Saudi male wages	3,844	4,634	21%
Average non-Saudi female wages	5,955	5,853	-2%
Non-Saudi wage gap	-55%	-26%	-52%

Table 5 Average wages by nationality and sector (does not include domestic workers)

SUMMARY OF FINDINGS

This report carries out three main streams of analysis, the first is calculating the Takafu Index which estimates the gap in equal opportunity in the private sector based on GOSI data for 2020. Comparison of the number and breakdown of private sector employees shows that GOSI dataset at hand only slightly differs from publicly available data reported by GaStat (difference of 3% only),⁸ while gender and nationality composition of the private sector in 2020 is exactly similar across different data sources (table 6).

The Index measures the gender gap across the three Takafu domains: participation, career development and compensation. Application of the index includes three tiers: the national level, the industry level and the firm-size level. Additionally, analysis is disaggregated by nationality (Saudi vs non-Saudi), given that the regulations and

socioeconomic dynamics that govern the two groups are distinct and produce separate market outcomes. This section also offers a comparison of findings between 2020 and 2018.

The second stream of analysis focuses on Takafu survey data collected within a sample of private sector companies. The survey collects responses from HR representatives and company employees within each participating company. The third stream of analysis is a review of policies relevant to equal opportunity between men and women in the private sector. Below are the key findings from each. The methodology adopted for Takafu and the recommendations generated based on this analysis are discussed at the end of this report.

Total Employment	GOSI Data	GaStat Data
Total Workforce (Private Sector)	7,801,277	8,026,901
Share of Saudi women in the workforce	7%	7%
Share of Saudi men in the workforce	14%	14%
Share of non-Saudi women in the workforce	3%	3%
Share of non-Saudi men in the workforce	75%	75%

Table 6: Composition based on GOSI data and GaStat

The Takafu Index

Performance across the Private Sector

Overall, in 2020, the Takafu Index has seen substantial improvement since the 2018 edition of this report for the Saudi workforce, while results for non-Saudi's remain nearly unchanged. **For the total Saudi workforce in the private sector, the Index stands at 54%, which means that the economic opportunity gap between men and women is 46% - indicating a 15% improvement since 2018** (table 6). The significant gain in the Takafu index for Saudis is primarily driven by two factors: 1) narrowing the participation gap, and 2) improving wage parity between males and females. **The gap is higher for non-Saudis, standing at 64%, and nearly unchanged since 2018.**

⁸ The GOSI data set Alnahda received may include individuals working in the public sector.

Indicator	Gap in 2018	Gap in 2020	Change
Participation (Saudi)	52%	48%	-7%
Participation (non-Saudi)	97%	96%	-1%
Career Development (Saudi)	58%	59%	2%
Career Development (non-Saudi)	97%	96%	-1%
Wage Gap (Saudi)	49%	31%	-37%
Wage Gap (non-Saudi)	0%	0% ⁸	-

Table 7: Gender gaps according to Takafu Index, based on GOSI data

Performance by Industry

At the industry level, Saudi women have the highest quality of employment in the fields of hospitality, health, and education. It is worth noting that, apart from education, gender parity has improved across all industries compared to 2018.

Progress in the Takafu index at the industry level, particularly for the Saudi workforce, is largely driven by improvements across two Takafu domains, namely participation and compensation. As for lowest performance among industries, similar to 2018, Saudi women

have the least favourable employment conditions in post & telecommunications and utility industries although both industries recorded significant improvements over the past two years.

In the non-Saudi workforce, the best-performing industries are health, education and social services, while post & telecommunications and utility industries score the lowest. These findings are consistent with those of 2018.

Performance by Firm Size

Micro and small companies⁹ remain the majority of all registered establishments in the private sector, while large and mega firms account for less than 1% of total establishments. Progress is largely driven by improvements in two of the Takafu domains, namely participation and compensation.

Overall, gender parity for Saudi employees has improved across all firm sizes compared to 2018, however performance is best in micro and small sized establishments and diminishes as the size of the establishments increase.

⁹ Micro establishments have (1-9) employees; Small establishments have (10-49) employees; Medium-sized establishments have (50-499) employees; Large establishments have (500-2999) employees, and Mega-sized establishments have 3,000 employees and more.

As for the non-Saudi workforce, the level of equal opportunity between men and women is lowest in micro-sized establishments and highest in large-size establishments with no significant difference across sizes. Nonetheless, **we notice a 6% decline in the Takafu index for micro-sized establishments, compared to their performance in 2018. This is largely driven by a drastic decline in access to employment within this segment, which may be attributed to the exodus of expatriates from the labour force as an outcome of Covid-19.**

The Takafu Survey

The Takafu survey included two questionnaires, one that targeted HR representatives within companies that participated in Takafu and another that targeted a sample of their employees (males, females, Saudis, non-saudis, managers and non-managers).

The survey included questions on the determinants of the gender gap across the three Takafu domains, participation, career

development and compensation, as well as employee perceptions related to each domain.

Additionally, the survey enquired about internal policies and mechanisms that may influence equal opportunity and corporate culture in the company. Analysis of Takafu survey data is restricted to Saudi employees only. Below is a summary of our findings:

Domain I: Participation

Similar to 2018, the sample of companies that participated in the survey reported a low rate of representation for women in their total workforce, an estimate 15%. The participation rate in our survey sample is below the share found in GOSI data, estimated at 34%.

Our analysis examined both supply-side and demand-side determinants of representation to help explain the evident gender gap. However, considering that our survey sample was confined to employers and employees, and does not include job seekers, it is difficult to model the supply-side determinants that would shape males and female decisions to enter employment and their trajectories in the labour market.

For this reason, we focused on identifying demand-side determinants that impact the share of female employees in organizations participating in Takafu survey. In our model, the presence of female managers in establishments within our sample is statistically significant in explaining the share of female employees in establishments within our sample, while controlling for industry of employment.

Supply side determinants

Similar to the general market trends that emerged from GOSI data, females in the Takafu sample are heavily concentrated in specific sectors, such as education and social services, where there is 100% gender parity¹ according to HR managers in the employer survey. To help explain the gravitation of females towards these

industries, we asked employees to identify their reasons for having an industry preference.

Respondents reported career progression and overall compensation as the top two reasons for having a preference to work in a certain industry, with both males and females placing similar weight on each.

In addition, females are more likely to be motivated by flexible working hours

12%
in females

8%
in males

Healthy work-life balance compared to men

25%
in females

17%
in males

Additionally, females place higher importance on overall benefits, such as health insurance and availability of on-site childcare services

36%
in females

22%
in males

When examining how family responsibilities affect participation, our data revealed that males are twice as likely to be married and have children compared to their female counterparts. This suggests that family status is characteristically different between males and females, with direct

implications on their relative representation within establishments. Evident from this disparity is that married women and those with caring responsibilities are less likely to seek employment compared to men due to social norms and disproportionate distribution of family responsibilities.

Additionally, female employees were more likely to rely on a domestic helper

32%
in females

15%
in males

Childcare services

12%
in females

6%
in males

While male employees tended to mainly rely on other family members for childcare

40%
in females

64%
in males

This indicates that males are more likely to have family at home caring for their children while females need to access additional (more expensive) third party providers. Responses from the HR survey reveal that only 23% of firms offered on-sight facilities or a childcare subsidy for their employees.

To further verify the differences in male vs. female preferences in time allocation, employees were asked whether they would be willing to work one fewer day per week and forego 20% of their earnings

(overemployment) or whether they would be willing to work one more day per week and receive a 20% raise (underemployment).

Responses show that female employees were more willing to work one fewer day and less willing to work an additional day per week compared to their male counterparts. **Responses were evidently influenced by the marital status of respondents and their access to support mechanisms for childcare.**

This data confirms how social norms, and the distribution of family responsibilities shape the choices employees make in their employment.

Demand side determinants

Our analysis examined the availability of policies that support equal opportunity within the workplace, such as pay equity, flexible work, and prevention of harassment. While most employers reported having policies in place to support equal opportunity, they were mostly unable to provide specific examples for such policies.

This may point to either **a lack of awareness about these issues, or a lack of appreciation for the value of designing coherent and enforceable policies. In our regression model, having a formal policy to support gender equity in either recruitment or retention is positively associated with the share of female employees in establishments within our sample, but is not statistically significant.**

Among these policies, we more closely investigated the availability of options that support conciliation of professional and personal demands. **Working from home when needed, flexible hours, and teleworking** are the most likely options to be provided by employers. When comparing access to these options by gender, males were slightly

more likely than females to report receiving options to conciliate professional and personal life.

In our regression model, having at least one of the top three options to conciliate employees' professional and personal life (work from home, flexible hours, and telework) is positively associated with the share of employees in establishments within our sample, but is not statistically significant.

We also asked HR managers to identify, if any, the support mechanisms they offer to their employees who have family care responsibilities. HR managers were most likely to say that they have no support mechanisms for employees with family responsibilities, furthering the disproportionate impact on females with family responsibilities.

In our regression model the presence of at least one support mechanism for employees with family responsibilities is positively associated with the share of female employees in establishments within our sample but is not statistically significant.

Finally, we analyzed the relationship between the presence of female managers and the employment of females within establishments. The correlation proved to be statistically significant and associated with 59-percentage point increase in the share of females in establishment within our sample.

Domain II: Career Development

Results from the employee survey highlight a disparity in career development outcomes between males and females. **In our employee sample, the share of female managers out of total managers stands at 34.5%. Female participation drops significantly compared to male employees as seniority increases, with only 9% of females in senior and middle management, compared with 23% among male employees.**

Additionally, when examining trajectory of progressions as reported by HR manager, we found that males are 1.7 times more likely to be promoted to/within managerial positions and 3 times more likely to be promoted within nonmanagement, compared to their female counterparts. When examining preferences and behaviors among employees, evidence indicates that male and female employees equally desire to obtain a higher position within their organization, yet women are less likely to be encouraged by their supervisor to apply for one, and eventually apply at significantly

lesser rates (36% among females vs. 53% among males).

Our analysis examined both supply-side and demand-side determinants of career development to help explain the evident gender gap. The supply side factors that were statistically significant in explaining the determinants of being in a managerial position in our sample include: educational attainment, total years of experience, industry of employment and family responsibilities.

Within demand side factors, access to professional training opportunities, access to opportunities that help accumulate experience and build exposure within the establishment (such as traveling for work, doing overtime work and working night shifts) as well as the share of females in the organizations proved significant in explaining the share of female managers in our sample.

Supply side determinants

The employee survey suggest that females realize a higher level of education attainment compared to males. **As for relevance, the data shows that females and males are almost equally likely to report that their education major matches their occupation:**

55% in females | **59%** in males

In our regression model, educational attainment is positively and significantly correlated to the likelihood of being in a managerial position, regardless of gender. As for work experience, our data shows that females have a lower level of experience compared to males. Again, work experience is positively and significantly correlated to the likelihood of being in a managerial position, regardless of gender.

Beyond the preparedness of candidates for career progression, we examined whether

occupation type impacts access to managerial positions. Considering that female employees are concentrated in certain industries, they are competing for a smaller subset of management positions compared to males, who are more distributed and compete for a larger set of management positions. In our regression model, the industry of employment is used as a proxy for occupation type. Both Education and Business Services, Finance & Insurance are negatively and significantly correlated with the likelihood of being in a managerial position, regardless of gender.

As for family responsibilities, females in our sample do not believe that their responsibilities outside of work restrict their opportunities for promotion.

6% | of females believe their opportunities are restricted due to family responsibilities

13% | of males.

Yet, in our regression model, the index for family responsibility is negatively and significantly correlated to the likelihood of being in a managerial position, regardless of gender. It is worth noting that our model takes into consideration whether employees have access to domestic help.

Demand side determinants

Data from the employee survey show that females are not offered equitable access to opportunities that could advance their careers, especially those located outside of Saudi. In our regression model, employee access to training is positively and significantly correlated to the likelihood of being in a managerial position, regardless of gender.

Furthermore, having a formal policy to support gender equity in recruitment or retention is positively associated with the share of female managers in establishments within our sample, but is not statistically significant.

Similarly, having different expectations for each gender can accentuate biases in

career development and management outcomes. These divergent expectations can be a result of internalized gender discrimination about the role of females in the workplace.

Data from the HR survey points to different expectations of HR managers for male and female employees, where the majority of HR managers expect males to work night shifts, assume out of office work and overtime, while a smaller proportion expects the same from female employees. Being offered more than one of the three responsibilities outlined above (night shifts, travel for work, and overtime work) is positively and significantly correlated to the likelihood of being in a managerial position.

Domain III: Compensation

The unadjusted wage gap for employees in the 2020 Takafu employee survey is 22%, compared to 31% in GOSI data. Our analysis examined both supply-side and demand-side determinants of compensation to help explain the evident gender gap.

In our regression model, we use Oaxaca-Blinder decompositions to highlight specific factors that contribute to the gender wage gap. This allows us to understand how much of the gender wage gap is due to differences in qualifications between males and females (education, work experience), management level and industry of

employment, family responsibilities, as well as how much of the gender wage gap remains unexplained.

Among the main supply side determinants that are included in the model are: educational attainment, total years of experience, employee position, industry of employment, an index of family responsibility and an index of HR policies. All the above-mentioned factors help explain about half of the gender wage gap in our sample, while the rest remains unexplained.

Supply side determinants

On average, female employees hold greater education attainment than male employees, which according to our regression model contributes to reducing the overall gender wage gap.

Similarly, findings reveal that male employees have greater experience on average compared to women, which contributes towards the gap in compensation. The size of the gap remains consistent, at 6 percentage points, regardless of total years of experience. In our regression model, the greater amount of total work experience held by males contributes to the gender wage gap. Additionally, for the same amount of total experience, the average female is paid less than the average male, further increasing the gap.

The employment position, or otherwise termed the job grade, is an important

determinant of the gender pay gap. Data from our sample indicates that while female employees are slightly more likely to be in the high-income category¹⁰ in within non-management levels of employment (3-percentage point difference in favor of females), males on the other hand are more likely to earn higher incomes within management (8-percentage point difference in favor of males). In our regression model, the greater likelihood of males to be in management positions contributes to the gender wage gap. Additionally, for the same management-level position, the average female is paid less than the average male, further increasing the gap.

As for family responsibilities, our regression model indicates that for the same level of family responsibilities, females are paid less than men, which contributes to increasing the gender wage gap.

Demand side determinants

The gender gap in compensation is inextricably linked to the practices and processes of HR managers and employers in general. HR managers were asked in the employer survey to identify policies/strategies in place that supports gender equality in recruitment, promotion, retention, training, pay equality, flexible work, family care, and sexual harassment. Additionally, HR managers were asked to provide examples of policies they claim to have for verification purposes.

There is a relatively small gap in flexible work policies between what HR managers claim to have, and the actual verified policies. This suggests that HR managers are specifically aware and incorporate flexible work policies in their organizations.

Yet, females were slightly less likely to be offered flexible work compared to males

36% Females **39%** Males

Policies to support employees with family care responsibilities were the least likely to be identified by HR managers at 51%. They were also the least likely policy to be verified by the research team (12%).

¹⁰ The low-income salary category is defined as salaries below 11,000 SAR, while the high-income category is for salaries equal to, or above 11,000 SAR.

Additionally, collecting gender-specific data within the organization can help uncover disparities faced by women throughout various parts of the company. Collecting data can be the first step towards addressing gender gaps in compensation, as HR managers become aware of disparities within their employees. HR managers participating in the Takafu HR survey were asked to identify the gender-specific data they collect. According to the data, less than half of HR managers reported collecting gender-specific data on job applications, promotions, and average wages, which suggests that HR managers might have a blind spot in assessing the status and progress of gender equity in the workplace including opportunities for career development.

Policy Review

Equal opportunity and female participation in the labour force are prominent themes that appear across national economic goals, especially those pertaining to labour policy. Key strategies and programs that intersect with equal opportunity include Vision 2030, the National Transformation Program (NTP), the National Strategy for Women under the Council of Family Affairs, labour laws and programs under the Ministry of Human Resources and Social Development (MLSD), the Human Resource Development Fund

(HRDF), the General Organization of Social Insurance (GOSI) and the Council of Cooperative Health Insurance.

A review of national efforts points to a strong commitment by the government to enhance equal opportunity and improve female participation in the labour market. This review also identifies areas where bias remains institutionalized and may have an impact on equal opportunity.

Domain I: Participation

Vision 2030 lists “equal access to job opportunities” and “attract relevant foreign talents to the economy” under its second pillar, A Thriving Economy. To achieve these objectives, the NTP sets programs and key performance indicators for Labour Market Accessibility and Attractiveness, which includes the following strategic objectives:

4.2.2 Increase women’s participation in the labour market

4.2.3 Enable integration of people with disabilities in the labour market

4.4.2 Improve working conditions for expatriates

4.4.3 Source relevant foreign talent

These objectives resulted in a wide spectrum of initiatives and programs within relevant ministries and agencies (e.g., employment support, job placement services, nationalization of the workforce, subsidies for commuting and childcare, encouraging flexible and remote work). The first phase of NTP was for the period of 2016 -2020, hence, with the publishing of NTP 2021-2025, a new set of indicators have been released for each of these objectives.

For strategic objective 4.2.2 increasing women’s participation, the new NTP aims

to increase woman’s share in the labour market (from the overall Saudi labour force) to 30% in 2025, compared to the original target of 24% in 2020. It also aims to increase the economic participation rate of Saudi females (over the age of 15) to 31% in 2025, compared 25% in 2020. Similarly, under “4.4.2 Improve working conditions for expatriates,” the NTP introduces a new key performance indicator (KPI) concerned with improvement of expatriates working conditions. Relatedly, the NTP also introduces the National Strategic Program for Occupational Safety and Health, which was not in the previous iteration.

Additionally, many of the laws and provisions that were identified in 2018 as sources of institutional discrimination that impede female participation have been resolved since.

The reforms that took place in the past couple of years include

- 01 **Equalizing the retirement age for men and women**
- 02 **Removing requirements for segregation of spaces in office-based occupations**
- 03 **Lifting restrictions on women's employment in certain occupations and industries.**

Reversing such policies succeeds in reducing the cost of employing women and achieving a more levelled playing field. The main area that has not witnessed a change relates to the allocation of benefits to male and female employees in instances of childcare. Mothers receive 10 weeks of paid maternity leave, compared to the global average of 17.6 weeks, and the ILO recommendation of 14 weeks (ILO, 2022). Additionally, establishments that employ 50 women or more are required to

provide day care services. On the other hand, fathers only receive three days of paternity leave, and no access to day care services. The disparity between benefits allocated to women and men in relation to childcare, maintains the marginal cost of hiring females greater than male employees.

One of the key policies under the Ministry of Human Resources and Social Development is Nitaqat, a quota system for the nationalization of the workforce.

The latest amendment of Nitaqat, announced in 2021, hopes to provide 340,000 jobs for Saudis by 2024 and simplify compliance rules for organizations.

While the current design of Nitaqat measures the employment of men and women equally (1 point for each full-time employee), it favours women in two instances. The first is in relation to the Telework program, where employees working remotely are only counted in Nitaqat if they are female or physically disabled. Second, within the list of job categories restricted to Saudis, retail cashiers for women's products are specifically restricted to female Saudi employees.

Domain II: Career Development

Similar to participation, through Vision 2030 and NTP strategic objective "4.2.2 Increase Women's Participation in the Labour Market," there is emphasis on the provision of training and development for women to assume leadership positions and on increasing their share of managerial positions. Noteworthy is the addition of a KPI that measures the ratio of women in managerial positions (middle & senior), which was not in the previous iteration of

the NTP. The target for 2025 is to increase their share to 31%. However, beyond the provision of training, the NTP does not identify any other policies and programs that encourage the integration of women in management. The Labour Law requires firms with 50 or more employees to train at least 12% of all Saudi employees and to qualify them to replace the firm's need for foreign talent. This provision is not gender specific.

Domain III: Compensation

Unlike participation and career development, compensation is not mentioned in Vision 2030, NTP, or the Labour Law. Furthermore, it is not included in the national key performance indicators. The only instance where equal pay is mentioned is in the 2018 amendment of the Labour Bylaws, which requires equal pay for equal work.

Yet, the mechanisms for monitoring and enforcement of this policy amendment are still under development.

In addition to the Labour Bylaws, the Nitaqat program incentivizes employers to improve the average salaries offered to Saudis (men and women) in the private sector.

The 2021 update for Nitaqat also raises the minimum wage for Saudis from SAR 3,000 to SAR 4,000. Additionally, the Wage Protection System (WPS) introduced under the General Organization of Social Insurance in 2013 is intended to ensure accurate reporting of salaries in the private sector for men and women. Although implementation of WPS is still under progress, it does not specify requirements for equal pay. It may improve data collection and the ability to determine the wage gap in the labour market.

Several programs under the Ministry of Human Resources and Social Development and the Human Resource Development

Fund function as a supplement to total wages offered to female employees, such as Qurra, which offers a day care subsidy for mothers, Wosoul, a commute subsidy for new entrants to the labour market, and other subsidies that supplement salaries for certain occupations.

Not to mention the government subsidies that were launched during Covid-19 lockdowns to support the private sector. Most relevant of these programs was Saned, which aims to sustain the employment of Saudis by covering their salaries during the pandemic.

A key area of bias in compensation surfaces under the Council of Cooperative Health Insurance, where the policy states "If both the husband and wife are living together permanently and are insured as workers, their children shall only be eligible for insurance as dependents of the husband." This may impact women's access to compensation and benefits because if women are counted as dependents by their employers, they may be excluded from health benefits or from extending coverage to their children.

CONCLUSION

Female economic participation in Saudi Arabia is undergoing continuous growth and receives significant attention from policy makers across various tiers of government. Despite the wide range of reforms and programs that have been introduced over the years, gender gaps remain across various economic spheres.

Reducing these gaps is critical for overall economic development, as it will improve economic efficiency and reduce household poverty.

Achieving gender equality requires changing the way institutions and markets function and addressing barriers across social, educational, economic and political spheres.

In this report, we focused on addressing equal access to economic opportunities, namely, participation, career development and compensation. Based on our findings from 2020, we have updated some recommendations that were already mentioned in Takafu first edition.

as well as added new recommendations wherever needed. In cases where no change occurred in the past two years, we have kept the recommendation as is. We have marked the status of the recommendations as "updated," "new," or "unchanged" accordingly.

Policy Recommendations

▫ Adoption of the Takafu Index and Redesign of NTP Objective 4.2.2

Towards the promotion of equal opportunity in the labour market, there is a need to reconsider the KPIs under NTP objective 4.2.2 and expand them to include targets for reducing the gaps in compensation. Additionally, programs under MHRSD and HRDF need to proactively **improve women's progression and ensure equal compensation in the labour market, as current programs within either domain are limited to the provision of training.**

▫ Revise policies relating to paid maternity and paternity leaves and childcare services

Increase the length of paid maternity leave from 10 to at 17.6 weeks to match the global average, or to at least 14 weeks, in line with ILO Convention No. 183 to better assist working mothers and reduce their exit from the market.

Additionally, MHRSD should aim to promote the equal sharing of family and domestic responsibilities between women and men, including

01 Increasing paternity leave or introducing shared parental leave following childbirth

02 Ensuring availability and access to childcare facilities

03 Removing the gender dimension from the legislative childcare services obligations, which require establishments employing 50 females or more to provide nursing or childcare services

Removing the gender dimension from the threshold will offer equitable access to care, as well as help dissipate the market incentive to maintain total number of female employees below 50 to avoid providing childcare services.

MHRSD should also consider establishing a program to cover the cost of maternity leave through social insurance to reduce the bias against the employment of women by making the cost of hiring women and men more equal. Lastly, data is needed on maternity or paternity leave and daycare services provided by employers or third parties.

▫ Establishment of a National Equal Opportunity Survey

In parallel to improving the quality of data collected on the labour force, there is a need to also monitor and measure practices and perceptions in the market. Hence, we recommend establishment of an Equal Opportunity Survey that may be implemented by MHRSD through one of its programs, such as Qiwa, which currently produces a report on the performance of private sector establishments, or by GaStat, as it is the official reference for statistical data and information in the Kingdom of Saudi Arabia, in collaboration with other relevant entities, that can be implemented across the public and private sectors.

Such survey data will help explain findings from administrative data on the labour force (e.g. GOSI data, MHRSD data) as well as determine areas where policy interventions are most needed. Additionally, this survey will promote a culture of transparency and proactive performance measurement in the labour market.

The survey developed under Takafu offers a framework for the design and analysis of this survey. We also recommend that participation of firms in the National Equal Opportunity Survey be made mandatory in order to eliminate bias from survey data, considering that voluntary-based participation may result in low-performing sectors and companies opting out of taking the survey.

▢ Establishment of a National Equal Opportunity Award

MHRSD should recognize high performing employers who participate in the National Equal Opportunity Survey. Through data collected, MHRSD will be able to discern which employers excel in promoting a culture of equal opportunity among their male and female employees. The award maybe segmented by industry and firm size, in order to allow for more just comparisons in capabilities in attracting, promoting and compensating employees. MHRSD may also choose to only publicize the names of high performers, so as not to discourage lower performers from participating.

▢ Advancement of GOSI Data Collection and Reporting

GOSI oversees the most comprehensive and centralized data resource on private sector employment, which informs policy design and monitoring of progress. While it includes critical data on participation, career progression and earnings, we have identified several areas for further advancement, such as: sourcing more granular reporting of salaries, including full disclosure of the benefit

package, more proactive collection of relevant determinants (e.g., number of contractual hours worked, education level), and connecting the database to others (e.g., Civil Service and Ministry of Education) to trace the movements of employees among the public sector, private sector and their educational track.

Employer Recommendations

▢ Setting targets for improving equal opportunity within organizations

In order to build a corporate culture around improving the work environment for men and women, **employers must set proactive targets for achieving equal opportunity in the workplace across the three domains: participation, career development and compensation.**

The Takafu team has developed a tool, the Company Scorecard, that shares survey results with employers compared with the average performance of other participating companies.

This tool is designed to offer a road map for private sector companies to improve their performance and use their survey results as a baseline, based on which it becomes possible to measure their progress and set targets for the coming years.

▢ Adoption of best practices within Private Sector Firms

In addition to setting targets for corporate performance, employers must reflect these targets within their internal policy. Below is a set of key policies that have been prioritized by Takafu that we recommend be adopted, based on a review of international best practices to improve corporate culture and enforce equal opportunity in the workplace, namely

- 01 **Policy for equal opportunity in recruitment**
- 02 **Policy for equal opportunity in promotion**
- 03 **Support mechanisms to improve retention**
- 04 **Policy for equal opportunity in training and development**
- 05 **Policy for equal pay for equal work**
- 06 **Flexible working arrangements**

▷ **Increasing transparency of processes relating to promotion and pay raise**

Employees often do not have clear information on the criteria and processes that govern how decision making in areas such as promotion and pay raises are made. Female employees are especially disadvantaged in this case, as they are generally less likely to negotiate promotions and salary increases compared to males, due to fear of backlash. Lack of transparency and monitoring may also encourage biased practices to proliferate within organizations.

Employers must reflect on designing clear and transparent processes for promotions, salary review and raises, as well as give their employees access to this information. Employers can start by reviewing existing process and identifying potential gaps in terms of standardization and clarity and ensuring criteria for eligibility for promotions and salary raises are stated in internal policies. Continuous monitoring through data and feedback also increases accountability and can persuade managers away from biases behaviours.

▷ **Encouraging diversity and female representation on company boards**

Considering the low rate of female participation on boards, 2%, we recommend that private companies set targets for improving representation and encourage diversity on their boards. Hence, selection would benefit from a revision of membership criteria to consider and cultivate candidates who have relevant expertise but are not current CEOs or do not have board experiences. We believe that the pursuit of greater diversity, not only in gender, but also in skills, experiences and backgrounds, advances discussion and decision making.



تَكَافؤ

النَّهْجَة
Alnahda

- ☎ 9200 10812
- ✉ info@alnahda.org
- 📷 alnahda_ksa
- 🐦 alnahda_ksa

www.alnahda.org