Major Changes and the Challenges
“Oman Job Market”
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Research by:
Engineer. Masoud Ali Al Maskary
Sr. Human Resources Consultant
Contents

1. Objectives
2. Executive Summary
3. Royal Decrees and Legislations
   - Omanisation in the Private Sector
   - Minimum Wage Increase to OMR 200
   - Omani Labour Law – Changes and Amendments
   - The Formation of Labour Unions
   - Annual 3% increase
   - Minimum Wage Increase to OMR 325
   - Part Time Employment for Omani Nationals
   - Social Insurance -PASI- (Changes & Benefits)
   - The Public Authority for Manpower Registry (PAMR)
   - National Integrated Manpower Register (NIMR)
   - The National CEO Programme
   - The National Training Fund (NTF)
   - The National Leadership and Competitiveness Program (NLCP)

The National Leadership and Competitiveness Program (NLCP)
4. Observations and Recommendations on the Impact of the Legislations on the Private Sector
5. Government Sector (Civil Service)
   - Government Employees (Omanis & Expatriates) 2011 to 2016
   - New Government Salary Structure
   - International Monitory Fund

6. The Private Sector
   - Overview of Private Sector Salaries for Omanis 2016 vs. 2011
   - Overall Oman Salary Increase 2013 to 2018
   - Private Sector Benefits

7. Sultanate of Oman
   - Oman’s Population
   - Overview of Oman Fertility Rate and Urbanization
   - Overview of Oman Crude Production
   - Private Sector Growth in Oman

8. The Unemployment & Omanisation
   - Unemployment in Oman and the GCC
   - 2017 Job Seekers in Oman
   - Private Sector Omanis & Expatriates (2011 to 2016)
   - Re-Introducing the Unemployment Concept

9. The Future of Omanisation in the private Sector
10. Omani Talent (The Trends & Major Challenges)
   - Overview Omani Graduates in Higher Education Institutions
   - Sourcing Talent through (Public Authority for Manpower Registry (PAMR))
   - Sourcing Talent (The Private Sector Challenges)
   - Skills Shortage (World Wide, MENA Region & GCC)
   - High Turnover in KSA and in Oman
   - The Millennials and “Z” Generation Challenges
   - The Employees Engagement Challenge

11. Workforce Overview & Observations (Omanis & Expatriates)
   - Overview of Expatriates per Skills Categories (2010-2016)
   - Overview of Workforce Skills Categories in the private sector (2016)
   - Overview of Workforce Education Level in the Private Sector (2016)

12. Attraction and Retention (The Trends & Major Challenges)
   - School Dropouts
   - Secondary School Graduates
   - University Graduates & Experienced Professionals
   - Attracting through (The Job Exhibitions & Career fairs)
   - Attracting through (The Traditional Methods)
   - Attracting through (The Social Media)
   - The Challenges of “Job Seekers”
   - Employment Opportunities for Omanis

13. Moving from “Omanisation” to “Creation of the right jobs”
14. The Power of the Private Sector
15. Final Conclusion & Recommendations
1. Objectives

- To provide an overview of the main changes in the Omani labour law legislations and Ministerial Decisions and analyze its impact on the private sector, the labour market and the workforce
- To provide an overview of the current and the future overview of Oman
- To highlight the private sector remuneration improvements
- To highlight the challenges of unemployment in Oman and how to manage the Job seekers in the private sector
- To highlight the challenges the market faces on Omanisation
- To highlight the trends and challenges of sourcing talent locally, and the various methods of attraction and retention
- To highlight the challenges of school dropouts, secondary diploma, college and university graduates
- To provide possible solutions and recommendations on job creation

2. Executive Summary

Overview
This report highlights the journey Sultanate of Oman went through during the last 7 years and the major changes in the labour law & legislations that has taken place and how these changes reflected in to the private sector and the workforce, one may argue that these changes were introduced in phases, yes true and commendable, however for the Employers in the private sector the changes took place fast and were unexpected and organizations had to face the challenges, make drastic changes, adopt and conform to the new regulations in the Omani Labour Law, the changes had a huge financial impact in the private sector and especially for the start ups and the SME’s.
In 2011 the average oil price was at $100 vs. $55 in 2017 (50% down from 2011), and the unemployment numbers in 2011 was estimated at 170,000 accumulations of several years whilst in July 2017 was only 44,000 (74% down from 2011) and majority are recent fresh graduates.

Where are we today?
The unemployment in 2017 is at it’s lowest ever and majority of Job seekers have just graduated from Schools, Colleges or Universities. The changes that took place sent a positive message that the government has been responsive enough to market situation and pressures, and acted fast to contain and stabilize the private sector in Oman and on behalf of the government the Ministry of Manpower was capable of introducing positive changes.

The changes were aimed to improve the work conditions and the wellbeing of Omani employees and had a very positive financial impact for the Omani employees working in
the private sector, however this was not well capitalized and not well branded by the government, Ministry of Manpower or even the media to the general public and use such changes to send a positive message and attract Omanis in to working in the private sector.

Still the private sector to date is not seen as an attractive place to work by many Omanis and that has impacted on taking employment in the private sector, Omanis still view their options and have high hopes and perceive high possibilities of getting a government job, be it in the Civil Service sector or in the Royal Sultan Forces, or the Royal Oman Police and this continues to be a great burden on the government.

Where we need to be?
This report highlights the challenges Oman faces and will face in the future in the private sector with respect to job creation, sourcing local talent, retaining local talent and the future of Human Capital Investments (HCI). The journey does not end here, Oman has a long way to go and the efforts and the work which has been put in place during the last 7 years must be reviewed thoroughly and the Ministry of Manpower must reflect the positives and the areas to improve from all the changes that took place, and to prepare new regulations to enable the private sector to flourish and move from surviving to thriving phase, the Ministry of Manpower to work month on month to maintain the 3% or less unemployment rate stipulated in the National Program for Enhancing Economic Diversification (TANFEEDH) and for the private sector to become the Number #1 choice for job seekers.

How to get there?
This report provides a clear road map for Oman to achieve its vision, and will complement the implementation plans. The next few years are crucial with low oil prices, economic downturn and the slow market growth, the private sector can not absorb any new changes or regulations with financial impact. The next 3 years should be a period of stabilizing the market and to start preparing for the next phase of post 2020, this can only work with better collaboration between the public and the private sectors, detail solutions and recommendations to overcome major critical issues and challenges are clearly highlighted in this report.
3. Royal Decrees and Legislations

**The standard Arab gulf directory for occupational classification and specification (Ministerial Decision No 341/2007)**
The private sector must use and conform to the occupational classifications set by the Ministry of Manpower and it contains about 1966 job titles.

**Omanisation in the Private Sector – (Ministerial Decision No 321/2009)**
This decision stipulates that the private sector must conform to Omanisation percentages stipulated as per the specified occupations or industry, when it was first issued the Omanisation varied from 15% in some industries all the way to 100% Omanisation, the Ministry of Manpower regularly revises the percentages as per the changes & the challenges in the market.

**Minimum Wage Increase to OMR 200 (effective March 2011)**
Sheikh Abdullah bin Nasser Al Bakri, Manpower Minister has issued the Ministerial Decision No. 77/2011 fixing the minimum wage for the national manpower at the private sector at OMR 180 basic salary and OMR 20 as the allowance per month.

**Omani Labour Law – Changes and Amendments (Oct 2011)**
The Labour Law is regulated by Sultan’s Decree No 35/2003 and issued by the Ministry of Manpower and applies to all employers and employees in the private sector.

With Royal Decree No. 113/2011 amendments and changes to the Omani Labour Law, Royal Decree No. 35/2003 has been published. The aim of the new changes has been to clear up uncertain areas in the Labour Law and clarify any ambiguities;

**The changes and amendments to the Omani Labour Law are as follow;**

1. The definition of gross salary has been amended by including all allowances (Royal Decree 113/2011)
2. Introducing the 5-day working week and the maximum working hours has been reduced from 48 hours a week to 45 hours per week
3. Emergency leave has been now increased from 4 days to 6 days per year
4. The increased of maternity leave to 50 days (previously maximum 6 weeks)
5. Entitlement of 30 calendar days per year and is payable on the basis of the gross salary. (Previously entitlement in the first year of employment was only 15 calendar days of leave)
6. Transfer of an employment contract on a project from one contractor to the other
7. Omanisation - The Ministry of Manpower from time to time has stipulated the percentage of Omanisation required in each sector of economic activity, and if not met employer is liable to pay a penalty
8. A cap on overtime, work is also capped at maximum 12 hours per day
9. The removal of the cap on compensation award for unfair dismissal, this is now to be decided and ruled by Oman courts.
Formation of Trade Unions (Ministerial Decision No. 570/2012)
The formation of trade unions is set out in Ministerial Decision 570 issued by the ministry in 2012, outlining the terms for the establishment, registration and operation of labour syndicates, trade unions and the apex General Federation of Omani Trade Unions.

Annual 3% increase (effective Oct 2013)
A Ministerial Decision (No 32/2012) issued on January 30, 2012 by H.E. Sheikh Abdullah bin Nasser Al Bakri, Minister of Manpower, which called for a minimum periodical allowance of 3% of the basic salary to be made available to private sector employees annually every 1st of January
An amendment of the criteria was issued by the Ministerial Decision 541/2013, which became effective from 13 October 2013, stipulating only Omanis are entitled for the 3% annually every 1st of January.

Minimum Wage Increase to OMR 325 (effective July 2013)
H.E. Sheikh Abdullah bin Nasser Al Bakri, the Minister of Manpower, issued a Ministerial Decision (No. 222/2013) to set the minimum wage for Omanis working in the private sector.
The minimum gross salary for Omanis working in the private sector was OMR 200 per month. Effective July 1, 2013, the minimum gross salary for Omanis working in the private sector increased to OMR 325 per month.

Part Time Employment for Omani Nationals (effective 30 Sept 2013)
In an attempt to develop the laws relating to part time jobs in the Sultanate, the Ministry of Manpower issued a Ministerial Decision (520/2013), which permits employers in the private sector to recruit Omani employees on a part time basis.
The Ministerial Decision (40/2017), issued on January 26 by H.E. Sheikh Abdullah bin Nasser bin Abdullah Al Bakri, Minister of Manpower, in essence carries forward from the old decision with a few changes brought in to broaden the scope of those looking for part-time jobs.
The Ministerial Decision states that an employer may hire a part timer on the following conditions:
• the work hours should not exceed four hours per day
• the wage per hour should not be less than RO 3
• part time jobs are confined to Omani nationals only
• the part timer is also known as “job seeker” and applies from age 15 and work between 6am and 6pm, with an employment contract stipulating all the above,
• part timers’ ratio is not more than 20% of the Omanisation ratio
• The targeted sectors include tourism, transport and logistics, mining, and fisheries
Social Insurance (PASI) - Changes & Benefits (effective July 2014)
Royal Decree No (61/2013) was issued to amend some provisions of Social Security Benefits, to finance these increases in benefits, the contribution rate has been increased by 3% distributed as follows:
• Additional 0.5% to be paid by the employee (new contribution rate becomes 7% instead of 6.5% of the gross salary)
• Additional 1% to be paid by the employer (new contribution rate becomes 11.5% instead of 10.5% of the gross salary). 10.5% for the coverage against retirement, disability and death. 1% for the coverage against occupational diseases and work injuries.
• the additional 1.5%, to be contributed by the government raising its contribution from 4% of the gross salary to 5.5%

The amendments included:
• increasing the accrual factor to calculate pension from 2.5% to 3% for each year of service.
• Raising the minimum pension from RO150 to RO202.5 per month. The maximum eligible pension from PASI will remain 80% of the new salary (basic plus allowances).
• Increasing the minimum pension in cases of non-occupational disability or death from 40% of the basic salary to 50% of the basic salary plus allowances, whichever is greater.
• Increasing the amount of daily allowances in the case of work injuries from 75% of the daily wage to 100% of the daily wage for the first six months then 75% for the next six months after which the case will be evaluated by the medical committee which will decide whether the worker can remain in his/her job and receive disability pension or continue receiving the daily allowances for a period it determines.

Social Insurance (PASI) - Changes & Benefits (effective July 2014)
The Public Authority for Social Insurance (PASI) issued Ministerial Decisions (R/8/2014 and 9/2014). These Ministerial Decisions confirm that the social insurance contributions will be assessed on an employee's total gross salary, subject to a monthly gross salary cap of OMR 3,000. The allowances that form part of the gross salary are clarified as follow;
• Allowances are either in cash or in kind (employers would have to put a monetary value on such benefits)
• Allowances defined as regularly paid allowances or at least four times during the year.

During 2011 to 2014 the private sector experienced significant increases in Remunerations, Benefits & Pension improvements
The Public Authority for Manpower Registry (PAMR)
Royal Decree No (89/2011) was issued on 18/10/2011 for the establishment of the Authority, and the objectives was to establish a national database of Omaniis with all their professional details and has set criteria’s defining the Job seekers and how they qualify to be registered and ensure active job seekers only remain in the register.

At inception this task was challenging especially they inherited a large database of Omaniis and had to refine it and come up with a realistic number of “The Real Job Seekers”, early 2013 it was estimated to have 170,000 registered candidates they had an active call center to call and follow up with the job seekers and provide them with job opportunities, through the challenges and the learning’s, a commendable effort took place to clean up the database and for the authority and the Ministry of Manpower to work with the “Real Job Seekers”, now a days job seekers who are not working must update their records with (PAMR) regularly to ensure that he or she is still considered as a “job seeker”. There is still scope for improvement and putting the onus on the job seekers rather than the authority, or the Ministry of Manpower.

National Integrated Manpower Register (NIMR)
Singapore-based CrimsonLogic, a provider of e-government solutions and services, has won a deal for the design and implementation of a National Integrated Manpower Register (NIMR) project in Oman, according to a report It was awarded by Oman’s Public Authority for Manpower Register (PAMR) and Informational Technology Authority (ITA).
(Source: Oman Daily Observer report)

The NIMR will be an electronic bridge that will link relevant job opportunities in the private and public sectors to citizens, as part of Oman’s digital strategy, it said quoting a report published the Singaporean media. The new register project will facilitate effective nomination and matching of employment seekers to job providers. (Middle East Business News 28 July 2015). Since the announcement there has been no news on progress of this project (based on internet search)

The National CEO Programme
With the blessings of His Majesty, Sultan Qaboos bin Said, on the 17th of March 2015, the Public Private Partnership Committee launched the National CEO Program (NCP) under the supervision of the Institute of Capability Development at the Diwan of Royal Court. The NCP in collaboration with International Institute of Management Development (IMD) delivers a unique six-module program designed to deliver a transformational learning experience for senior Omani private sector executives. This is a strategic initiative aimed at identifying and developing a community of world-class competitive Omani CEOs as to help maximise the performance of the private sector and the nation’s economy. (Source – ceo.om)
The National Training Fund (NTF)
His Majesty Sultan Qaboos Bin Said issued Royal Decree No. 48/2016 establishes a national training fund and promulgates its system of functioning. The National Training Fund’s strategy aims to build the capabilities of the Omani workforce in order to bridge the gap between the market supply and demand. NTF aims to foster collaboration amongst priority sectors to identify employment opportunities and understand current requirements as well as future needs. In order to be able to achieve its goals the Fund has taken first steps towards evaluating the current state of training efforts, benchmarking with experienced nations, and developing a roadmap that will assist in implementation, some of the focus areas include mapping employment opportunities in strategic projects across the Sultanate. In addition, NTF plans on conducting numerous stakeholder engagement initiatives in order to align the private, public and employment market with the main purpose of developing a database that illustrates the Omani workforce supply vs. demand requirements, this will all be done in parallel while establishing the policies and procedures that govern NTF.

H.E. Dr. Al Rumhy, Chairman of the board, placed emphasis on the fundamental need for the Fund to direct its resources efficiently towards strategic projects and national initiatives that will create jobs and reduce the number of job seekers nationally. (Source – Oman Observer Jan 2016)

The National Leadership and Competitiveness Program (NLCP)
Under the patronage of His Majesty Sultan Qaboos, the Diwan of Royal Court, represented by the Institute of Capability Development (ICD), launched in May 2017 the National Leadership and Competitiveness Program (NLCP) for the government sector, an initiative by the Public Private Partnership Taskforce (Sharaka). The program is an example of the Public-Private Partnership Taskforce’s (Sharaka) ambition to drive people development (leadership, management and professional) in both public and private sectors. This program intends to develop those capabilities required by the labour market to unlock cross-sector economic performance and growth in Oman, the first programme commenced in September 2017.

The Insurance Sector Omanisation
Sheikh Abdullah bin Nasser al Bakri, Minister of Manpower, has issued a Ministerial decree No 2018/113 determining the percentage of the national workforce in the insurance sector, 50% at the senior management level, 75% at the middle management level and 90 per cent at the specialized and operational job by 2020.
4. Observations and Recommendations on the Impact of the Royal Decrees, New Legislations & Amendments on the Private Sector

The standard Arab gulf directory for occupational classification and specification (Ministerial Decision No 341/2007)
The above decision has been used by the private sector for the last 10 years, over a decade ago since its inception. The last 10 years the world and the Arab Gulf States have gone through major changes and transformation, areas like digital world, social media, communication, and many more.

Studies have taken place to identify future skills and future job needs, similarly many jobs are disappearing [all the developed nations on earth will see job loss rates of up to 47% within the next 25 years, according to a recent Oxford study. “No government is prepared” The Economist reports].

Similarly many old jobs have disappeared in the market and will continue to do so with the rapid changes and transformation, this joint Arab classification is a major obstacle in defining the right jobs now and for the future, in Oman the directory has about 1966 classified job titles, whilst a nation like Singapore with a population of just about 5.6 million and 3.6 million workforce has over 13,000 classified jobs, this enables Singapore to be better prepared for the future needs and to have a true and precise classification of their workforce.
2009
Omanisation in the Private Sector - Ministerial Decision No. (321/2009), stipulated percentages to different occupations or industries, the percentages has been evolving over time either in making the percentages much tougher or amend and lowering the percentages as it sees fit, in 2009 the average stipulated Omanisation percentage across all occupations and industries was 66% against the actual overall Omanisation percentage of 17%. It was evident moving the Omanisation percentages from 17% to 66% was a very challenging task, infact the Ministry of Manpower had proposed an impossible task for the private sector and itself, the efforts to Omanise has served its purpose and well commended, however the facts as of 2017 is that majority of the private sector have not achieved the stipulated Omanisation targets of 2009 (2016 Omanisation percentage in the private sector is only at 12.5%).
Recently in 2016 discussions has taken place between the Oman Society for Contractors and the Ministry of Manpower on the challenges of the construction sector and the decline of the Omanisation to 8% and how to revive the Omanisation between 2016 to 2020, its is expected to revised the Omanisation within the construction & contracting industry & lowering the Omanisation percentages previously set from 30% to 10%
The future challenges are immense and the Ministry of Manpower must learn from the past and take an active role in paving realistic future Omanisation percentages.

2011
The changes that came in to effect took the employers by surprise starting with increase of the minimum wage OMR200, the changes were very significant and had a huge financial impact on the private sector large and small businesses.
In simple calculation introducing a 5 work days schedule meaning the private sector had to work 52 working days less in a year, and further to that introducing a 30 calendar day annual leave instead of 15 calendar days, if you combine both of the above it will be 2.9 calendar months (days loss at work). Later during 2011 the increase of minimum wage to OMR 200 came into effect.

2012
The Oman Labour Law promulgated by Royal Decree No. 35 of 2003, as amended (the “OLL”), provides that workers may form among themselves trade unions/syndicates for the purposes of (a) protecting their interests, (b) defending their rights, (c) improving their financial and social status, and (d) representing them in all issues related to their affairs. The Ministerial Decision No. 570/2012 came in to existence to regulate the unions activities and clarify the rights they can exercise and the restrictions and the activities that prohibits the trade union from engaging. (Source - Curtis -17th Oct 2013)
2013
The introduction in 2013 of the 3% annual increment, year on year without placing any cap for job level or job value as practiced internationally and as it is practiced in the government sector in Oman, this has and will have an adverse effect on businesses in the future by not capping the salary based on job level or job value.

In 2013 the minimum wage increased to OMR 325 (gross), since 2011 the minimum wage was OMR 200 and prior to 2010 the minimum wage was OMR 140, the 2013 increase had a significant impact on the private sector, companies had to revise the salaries of 84,576 employees in the private sector (registered by end of 2011), which amounts to 48% of Omanis working in the private sector.

By 2014 the above increase at lower level had a spiral effect and the sector adjusted & increased salaries for Om manis already at the bands (OMR 325 to 400), (OMR 400 to 500), & (OMR 500 to 600) for equity purposes and stability, this means adjustment took place to a very large number of Omanis in the sector. (Refer to statistical yearly books 2012, 2013 & 2014)

Oman is ranked amongst the top at 19th place amongst the 95 countries on minimum wage, the table below demonstrates the changes / increase in minimum wages and percentage increases over the years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Labour Law</th>
<th>Min Wage</th>
<th>% Increase</th>
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<tbody>
<tr>
<td>2013</td>
<td>Ministerial decision No. 222/2013</td>
<td>325</td>
<td>63%</td>
</tr>
<tr>
<td>2011</td>
<td>Ministerial decision No. 77/2011</td>
<td>200</td>
<td>43%</td>
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<td>2010</td>
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<td>140</td>
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(Source -www.countryeconomy.com/national-minimum-wage/oman),

Minimum wage increase in 2011 was 43% from its previous year, 2 years later in 2013 another 63% increase of minimum wage was imposed on the private sector!

2014
The social insurance (PASI) benefits were improved it was reflected in an increase in the contribution not just the percentage but it was based on gross salary instead of the usual basic salary (aligning to the GCC private pension funds), this was another unexpected change for the private sector, and it came in to effect in the middle of the financial year, Companies had to pay the difference and adjust their balance sheets.

Across the GCC, public pension funds amount to US$397 billion, representing nearly a quarter of GDP and US$15,000 per national. GCC Governments are relooking at existing models of both public and international pension funds to ensure they are sustainable. (Source - EY’s GCC Wealth and Asset Management 2015 report – “Fast growth, divergent paths”, launched at the Fund Forum Middle East 2015)

“Public pension funds in the GCC are only just coming of age, just over a fifth is invested in local equities. Two big issues are currently driving significant rethinking in the sector.
The first is the sustainability of public pension funds for nationals, given the relatively small size of the funds, demographics and the gap between contribution and benefit levels. Secondly, there is a growing recognition by many employers that end of service benefit (EOSB) payments received by expatriates are neither adequate nor suitable as an alternative to a pension. The size of GCC pension funds is relatively low, compared with employer-provided pension funds in the UK, for example, where these assets are larger than GDP and funds per individual are nearly four times the GCC average.

(Source - George Triplow, MENA Wealth & Asset Management Leader, EY)

The Omani pension funds are young and may face more challenges in the future, all Gulf countries including Oman have a very low share of people classified as elderly (aged 60 and above), in 2013 the Private Sector pension in Oman had 172000 contributors and 9000 pensioners, The government sector had 280000 contributors and 76000 pensioners and the Corporate pension funds had 6500 contributors and 1800 pensioners, 19% overall in all the funds are pensioners and beneficiaries of their contribution (27% in government pension fund vs. 5% in private sector pension fund). The number of pensioners is projected to rise significantly in the next 20 years, this will put a strain on the pension funds investments and reserves. The government needs to take an active role “Now” to ensure these funds are healthy and sustainable.

(Source – Muhanna & Co Actuaries & Consultants – OECD 3rd Annual round table Dec 2013)

The private sector subscription from the employers and the employees vary within the GCC Countries between 15% to 18.5%, Oman has the highest subscription rate of 18.5% plus 5.5% Government contribution totaling 24%

2015
The National CEO Programme; the programme was launched and a well-established body, 3 groups of Omani nationals have undergone such leadership Programme by a reputed international firm “IMD”. Sharaka is yet to reap the fruits of the training since its establishment and launch in 2015, and needs to follow up with the successful candidates and review their career prospects in taking over leadership roles such as Chief Executive Officers or Managing Director level. We are yet to see success stories from the National CEO Programme, the successes of the programme is not only measured by how many graduate from the programme “this is the easy part”, but how many will contribute positively in taking CEO’s roles in the future. The credibility of the pregame will be in jeopardy and will touch base on the stipulated set of criterias and the selection.
2016
The National Training Fund (NTF); Oman is yet to see the details of the NTF, the strategy, the implementation plan, including an attractive website that enables the sectors to tap in and utilize the fund, i.e. The Public Establishment for Industrial Estates (PEIE) and The Oman International Logistics group (Asyad) has signed memorandum of understanding to work with NTF on training and development of Omanis. The NTF needs to mature and be transparent on its rules, sources of its fund and how well this fund is utilized and how the private sector can fully tap in and utilize the NTF. Opportunities should expand beyond the job seekers training, but enabling Omanis working in the sector in to grow and take on higher challenging roles after further training or development or taking higher education studies.

2017
The National Leadership and Competitiveness Program (NLCP), first batch commenced in September 2017, a well-structured programme with an advisory body to oversee its implementation. By October 2017, the Council of Ministers announced that a total of 25,000 jobs would be created for Omanis in the state’s public and private sectors beginning December 2017.

2018 – Latest updates
On 6th December 2017. 4 Government Ministers were hosted in the TV programme “We Work Together”, Minister of Commerce & Industry, Minister of Manpower, Minister of Tourism and Minister of Transportation, discussing their plans on how to find jobs for the 25,000 out of the total 47,528 job seekers. 2 companies were appointed, “Mujeed” to manage the General Diploma and below, and “Target:” to manage the Diploma and the Degree holders. H E Sheikh Abdullah bin Nasser bin Abdullah al Bakri, Minister of Manpower, said that the government felt the time was right to initiate labour reforms by introducing the ‘hire-and-fire’ policy (Muscat Daily Dec 13th 2017) The Ministry of Manpower suspends 87 professions for 6 months (January 2018) The Ministry of Manpower suspends 199 Firms for Not Hiring Omanis (February 2018) The Ministry of Oil and Gas announces pre-approval is a must for oilfield labor permits (March 2018) The Capital Market Authority (CMA), jointly has agreed with the Ministry of Manpower new Omanisation Percentages for insurance sector (April 2018) On 9th April the Ministry of Manpower issued latest statistics on job seekers 22,872 Omanis were employed by the private sector between 3rd Dec 2017 to 9th April 2018, an average of 5700 jobs per month.
Conclusion & Recommendations

Significant changes took place during and post the “Arab Spring”, such amendments were made to align the private sector to the government sector benefits including improvements in the pension fund and ultimately attract Omanis to work in the private sector. The changes took place to subside the frustrations and the high unemployment figures and other compounding issues that were not addressed for long time. Most changes were issued after the private sector has closed their financial yearly budgets, these budgets are usually approved in Q4 of the year before their board of directors to enable the organizations to run their business effectively and efficiently, issuing sudden new regulations in the beginning or middle of the fiscal year creates instability in the business and frustrates the private sector, this should be avoided at all cost.

All the above, placed an immense pressure on the private sector especially for start-ups, new businesses & SME’s. The government wanted the private sector to be a true partner in the development journey of Oman and contribute in recruiting locals, and absorbing the highest number of job seekers (unemployed youth), However this came at a significant price, the private sector should be commended in working along the Government authorities in conforming to these changes, one area that has not been addressed properly, despite all the significant improvements is that the job seekers are still reluctant to take jobs in the private sector, the negativity of working in the private sector has not been tackled or addressed neither by the public sector nor by the private sector itself, even the media has not played a positive role in this area! Most reports and surveys indicated to date the 1st choice of employer for Omanis is the public sector (Civil Service, Royal Sultan Forces and Royal Oman Police).

It is yet to see long term solutions, most were ad-hoc, to subside the issues and the demands & frustrations of the youth and not addressing the real issues and creating a balance between the real needs of the market and current and future the job seekers needs.

With the support of The National Program for Enhancing Economic Diversification (TANFEEDH) to address and work towards changing the private sector image and ensure that by 2020 the 1st choice of employer for Omanis is the Private sector.

New and revised legislations and Ministerial Decisions came in to effect to make the private sector attractive for Omanis. However little efforts has taken place in to re-branding the private sector and making it attractive
5. Government Sector (Civil Service)

*Government Employees (Omanis & Expatriates) – 2011 to 2016*

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<td><strong>Female</strong></td>
<td>72751</td>
<td>77227</td>
<td>85456</td>
<td>92893</td>
<td>93980</td>
<td>95081</td>
<td>22330</td>
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<tr>
<td><strong>Omanis</strong></td>
<td>159258</td>
<td>166804</td>
<td>180737</td>
<td>196919</td>
<td>193965</td>
<td>195937</td>
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<td>94639</td>
<td>98604</td>
<td>106281</td>
<td>117103</td>
<td><strong>114133</strong></td>
<td>114566</td>
<td>19927</td>
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<td>64619</td>
<td>68200</td>
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<td>79816</td>
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<td>81371</td>
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<tr>
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<td>25182</td>
<td>27522</td>
<td>30392</td>
<td>36061</td>
<td>35502</td>
<td>37624</td>
<td><strong>12442</strong></td>
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<tr>
<td><strong>Male</strong></td>
<td>17050</td>
<td>18495</td>
<td>19392</td>
<td>22984</td>
<td>21354</td>
<td>23914</td>
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<tr>
<td><strong>Female</strong></td>
<td>8132</td>
<td>9027</td>
<td>11000</td>
<td>13077</td>
<td>14148</td>
<td>13710</td>
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</table>

**New Entrants**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th><strong>Average</strong></th>
</tr>
</thead>
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<tr>
<td><strong>Expats</strong></td>
<td>2814</td>
<td>2875</td>
<td>4479</td>
<td>4250</td>
<td>2176</td>
<td>1690</td>
<td>3047</td>
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<tr>
<td><strong>Omani</strong></td>
<td>17368</td>
<td>7729</td>
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<td>3785</td>
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**Leavers**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th><strong>Average</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expats</strong></td>
<td>1523</td>
<td>1134</td>
<td>820</td>
<td>1181</td>
<td>1521</td>
<td>2189</td>
<td>1395</td>
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<tr>
<td><strong>Omani</strong></td>
<td>2064</td>
<td>1830</td>
<td>1916</td>
<td>1670</td>
<td>3120</td>
<td>4003</td>
<td>2434</td>
</tr>
</tbody>
</table>

**Highlights & Summary**

- 55481 new Omani recruits from 2011 to 2016 (average 9k per year)
- 18282 new Expats recruits from 2011 to 2016 (average 3k per year)
- During 2014 & 2016 a huge reduction of new headcounts took place on both Omanis and expats
- 37k Omanis net Increase representing (23%) overall increase of Omanis in the last 6 years
- 12K Expats net increase representing (49%) overall increase of Expats over the last 6 years
- Significant efforts to maintain (40% female vs. 60% male)
- Net decrease of (982) Omanis between 2014 to 2016 compared to net increase of (21,479) between 2011 to 2013, this clearly indicates that the government sector disciplined itself and controlled the new intake of headcounts due to economic downturn and low oil prices
- (9247) Average new Omani recruits per year vs. (2434) average Omani leavers per year

*Over the last 6 years an average of only 9000 Omanis were recruited in the Civil Service sector per year, representing 23% of the expected market job seekers*

**Note:** Royal Oman Police, Royal Sultan Forces, and Royal Guard, experienced very high number of intakes and absorbed a higher number of Omanis through major recruitment campaigns and to date are actively recruiting.
New Government Salary Structure (Aligned for all government entities)
His Majesty Sultan Qaboos issued a Royal Decree No 78/2013 on the issuance of standardized grades and salaries schedule for Omani civil service employees effective 1st Jan 2014. The cost of the standardization amounted to OMR 830 million, effective 1st January 2014, and due to budget constrains and low oil prices the government has frozen promotions till further notice.

Grades and salaries standarisation for employees working at the civil sector

<table>
<thead>
<tr>
<th>Grade</th>
<th>Basic</th>
<th>Increment allowance</th>
<th>Accommodation</th>
<th>Electricity</th>
<th>Water</th>
<th>Phone</th>
<th>Transport</th>
<th>Cost-of-living</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
<td>2600</td>
<td>80</td>
<td>600</td>
<td>60</td>
<td>40</td>
<td>40</td>
<td>390</td>
<td>50</td>
<td>3780</td>
</tr>
<tr>
<td>Second</td>
<td>1950</td>
<td>60</td>
<td>550</td>
<td>60</td>
<td>40</td>
<td>40</td>
<td>290</td>
<td>50</td>
<td>2980</td>
</tr>
<tr>
<td>Third</td>
<td>1500</td>
<td>40</td>
<td>500</td>
<td>55</td>
<td>35</td>
<td>35</td>
<td>225</td>
<td>50</td>
<td>2400</td>
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<tr>
<td>Fourth</td>
<td>1260</td>
<td>40</td>
<td>450</td>
<td>50</td>
<td>35</td>
<td>35</td>
<td>190</td>
<td>50</td>
<td>2070</td>
</tr>
<tr>
<td>Fifth</td>
<td>1080</td>
<td>25</td>
<td>425</td>
<td>50</td>
<td>30</td>
<td>30</td>
<td>160</td>
<td>50</td>
<td>1825</td>
</tr>
<tr>
<td>Sixth</td>
<td>950</td>
<td>20</td>
<td>400</td>
<td>45</td>
<td>30</td>
<td>30</td>
<td>145</td>
<td>60</td>
<td>1660</td>
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<tr>
<td>Seventh</td>
<td>830</td>
<td>20</td>
<td>375</td>
<td>40</td>
<td>30</td>
<td>30</td>
<td>125</td>
<td>60</td>
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<tr>
<td>Eighth</td>
<td>730</td>
<td>15</td>
<td>350</td>
<td>40</td>
<td>25</td>
<td>25</td>
<td>110</td>
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<tr>
<td>Ninth</td>
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<td>275</td>
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<td>20</td>
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<td>80</td>
<td>60</td>
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<tr>
<td>Tenth</td>
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<td>15</td>
<td>250</td>
<td>30</td>
<td>20</td>
<td>20</td>
<td>70</td>
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<td>910</td>
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<tr>
<td>Eleventh</td>
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<td>15</td>
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<td>60</td>
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<td>15</td>
<td>15</td>
<td>55</td>
<td>80</td>
<td>670</td>
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<tr>
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<td>8</td>
<td>100</td>
<td>20</td>
<td>15</td>
<td>15</td>
<td>50</td>
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<td>590</td>
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<tr>
<td>Fourteenth</td>
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<td>10</td>
<td>10</td>
<td>40</td>
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<td>540</td>
</tr>
<tr>
<td>Fifteenth</td>
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<td>7</td>
<td>80</td>
<td>20</td>
<td>10</td>
<td>10</td>
<td>40</td>
<td>90</td>
<td>500</td>
</tr>
<tr>
<td>Sixteenth</td>
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<td>80</td>
<td>10</td>
<td>6</td>
<td>5</td>
<td>30</td>
<td>100</td>
<td>461</td>
</tr>
<tr>
<td>Seventeenth</td>
<td>200</td>
<td>6</td>
<td>60</td>
<td>10</td>
<td>6</td>
<td>5</td>
<td>30</td>
<td>100</td>
<td>411</td>
</tr>
<tr>
<td>Eighteenth</td>
<td>170</td>
<td>5</td>
<td>60</td>
<td>10</td>
<td>6</td>
<td>5</td>
<td>30</td>
<td>100</td>
<td>386</td>
</tr>
</tbody>
</table>

Despite the challenges in the public sector, with promotions on-hold, an many benefits been streamlined, Omanis still prefer to join the public sector for job security and retirement benefits

The International Monitory Fund (IMF)
The IMF has reviewed the government plans and stated their views;
The Article IV Consultation Concluding Statement of the IMF Mission Dec 19, 2011 Highlighted; “Addressing the Causes of High Unemployment:

- Creating employment for the growing population is a pressing challenge. While overall job growth has been strong, most new jobs have gone to foreign workers. Strikingly, the recent census indicates that the unemployment rate among nationals reached 24.4 percent in 2010, although the high number may include many that are not truly looking for work. To absorb new labor force entrants and significantly reduce unemployment, some 45,000 new positions for Omanis each year will be needed, twice the number achieved in the five years to 2010. To be sustainable, these new jobs will have to be in the private sector.
Recent policy actions have led to a large increase in public sector employment. From a base of 164,000 public sector jobs in 2010 (excluding security and defense personnel), 44,000 new government positions were created in 2011 and the draft budget for 2012 includes another 36,000. These measures have alleviated short term pressures stemming from high unemployment but do not address the underlying problems.

Addressing the root causes of joblessness calls for a multipronged approach. Removing labor market distortions underpinning high unemployment will require resolving the wage and benefits differentials between the public and private sectors and between Omanis and expatriates. Large-scale job creation will also require strong economic growth as well as transitioning from energy-related industries into areas with greater employment potential. Simultaneously, there is a need to enhance education and training to ensure that new graduates and job seekers have the needed skills. Raising fees for work visas or instituting temporary subsidies for hiring and training should be considered as ways of making employment of nationals more attractive.”

In a later Article IV Consultation Concluding Statement of the IMF Mission-May 14, 2013, highlighted “Fostering the Private Sector and a Productive Omani Workforce, by; • Creating job opportunities for the Omani workforce is a top priority for the government. The government created 100,000 new jobs in civil and defense sectors in 2011–13. The authorities also increased minimum wages for Omani nationals in the private sector in two stages from RO 140 (368) to RO 325 (855) a month, and announced a restriction on the number of expatriates in the total population at 33 percent, without indicating any timeline for its implementation.

While the above measures have been successful in stabilizing public expectations, the lasting benefits of the employment measures are not clear. These initiatives have imposed strains on the cost structure of the economy, on the government budget, and on public pension funds, adding to fiscal sustainability concerns. The wage and benefits differential between the public and private sectors will need to be compressed by gradually curtailing high public-sector wages, reducing public job creation and training the national labor force, including by providing incentives such as temporary monetary support. The implementation of these measures should help alter the relative job preferences of Omanis and create a vibrant and dynamic private sector with jobs that are attractive to nationals.

Generating needed jobs and reducing oil dependence require a dynamic private sector with an actively engaged Omani workforce. With public spending driven growth, the challenge is to channel public spending into the development of the self-sustaining private sector. Improving productivity and developing and investing in the tradable sector, including services, logistics, tourism and manufacturing, to promote non-oil exports and create high-valued and sustainable employment are paramount. This calls for: (i) improving the business environment; (ii) promoting a greater role for SMEs in selected strategic areas; (iii) coordinating with the private sector in setting up skill improvement programs; (iv) enhancing the educational quality, vocational training, and education, particularly in rural areas in the near term; and
(v) promoting female labor force training and participation by improving women's access to managerial, technical, and vocational disciplines“.

An International Monetary Fund (IMF) team led by Stéphane Roudet visited Muscat April 3-16 held the 2018 Article IV consultation discussions with Oman, the following was the preliminary findings;

- Oman is responding to lower oil prices by bolstering its fiscal position, boosting private sector-led growth and job creation, and fostering economic diversification.
- Timely implementation of VAT and excises and measures to curtail spending is of the essence; additional fiscal adjustment is needed to strengthen fiscal and external sustainability.
- Maintaining robust banking sector regulation and supervision is important to bolster financial sector resilience in support of sustained economic growth.

“Structural reforms that promote private sector development, productivity and competitiveness gains, diversification, and job creation for nationals are paramount. Tackling labor market inefficiencies—for example by better aligning public sector wages and benefits with the private sector, encouraging more labor market flexibility for nationals, and sustaining efforts to improve education and training—is key in this respect. Further improving the business climate, including by reducing excessive regulations and fostering competition, and accelerating Tanfeedh implementation is also important”.
(Source- www.imf.org)

**Increased by more than 100%, a Finance Official Clarifies the Causes of Salaries' high Costs** *(Source- Al Mukhtar Al Hinai- Atheer - 14th April 2018)*

“During the last eight years, the costs of salaries and wages have increased by 135% in the Sultanate, jumping from RO 2.6 billion in 2010 to RO 6.1 billion in the current year. A presentation on "The State's Financial Status and the Risks of Financial Sustainability", presented by HE Mohamed Jawad, Advisor at the Ministry of Finance during "challenges of Oman's economy" session, which was held in the Shura Council, has shown that the increase in salaries is one of the biggest reasons to the rise of the State's Public Expenditure from 2010 up to the current year.

The presented figures have shown that one of the reasons for the increase in expenditure on salaries is the employment of 134,000 job seekers during the period from 2010 up to this year, at a cost of RO 1.2 billion annually. The figures indicated that the introduction of cost-of-living allowance costs RO 335 million in 2011, which was set to support the allocation of all military and security services and all government units, including those which are not subject to the civil service system, starting from April, 2011. Furthermore, the standardization of the scale of grades and salaries of the civil service units costs RO 830 million annually, starting from 1st of January 2014.
The figures have also indicated that the cost of pension unification for the security and military services amounted to about RO 140 million annually, and the enhancement of the pensioners' salaries and social security were estimated to be about RO 80 million annually. In addition, the job seekers' grant costs about OR 188 million, and the implementation of the medical and para medical and nursing jobs regulation costs about RO 105 million annually; Whereas the coverage of Civil servants' promotions for 2007 and 2008 has amounted to approximately RO 81 million.

They have also suggested that the annual expenditure on goods and services, in the budgets of government units has increased from RO 538 million in 2010 to RO 903 million in 2014, and as a result of the measures taken to rationalize the expenditure, the annual expenses have decreased to RO 709 million in the current year. Furthermore, the government contribution in the pensions' salaries has amounted to RO 200 million since 2010."

**Conclusion & Recommendations**

- **The Civil Service continued to recruit on average 23% of Omani job seekers every year, overall expatriates average new joiners is 3047 and expatriates average leavers is 2434, this indicates that the net increase is around 600 expatriates per year, this is insignificant number.**
- **The Royal Oman Police, Royal Sultan Forces, and Royal Guard, played a significant role in providing employment opportunities since 2011 as they have absorbed majority of Omani job seekers. However this might have worked well in the past absorbing a high number of Secondary Diploma and below, the equation has turned around in 2017, where almost 60% of job seekers are Diploma and Degree graduates. Do these sectors have enough job opportunities for Degree holders and are they capable of absorbing such large numbers or not?**
- **To introduce clear tasks and targets and Key performance indicators (KPI’s) for each employee**
- **To establish a solid “Performance Management Scheme”**
- **The salary increments and promotions must be based on a solid performance management scheme, increments and promotions should only be for outstanding & exceeding performers (population of top 30% of employees). This will encourage competition in the sector and improve productivity and will be able to manage and control its yearly budget increase.**
- **To introduce strict measures on how to manage low and non-performers and a clear path for exiting jobs if the employee is not performing.**
6. The Private Sector

Overview of Private Sector Salaries for Omanis 2016 vs. 2011

<table>
<thead>
<tr>
<th>Salary (Range)</th>
<th>2011</th>
<th>2016</th>
<th>Variance (2016 vs. 2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>(%)</td>
<td>Employees</td>
<td>(%)</td>
</tr>
<tr>
<td>from 180 to 200</td>
<td>84576</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>from 200 to 300</td>
<td>46160</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>from 325 to 400</td>
<td>17840</td>
<td>74924</td>
<td>32.0%</td>
</tr>
<tr>
<td>from 400 to 500</td>
<td>7947</td>
<td>53886</td>
<td>23.0%</td>
</tr>
<tr>
<td>from 500 to 600</td>
<td>4802</td>
<td>23902</td>
<td>10.2%</td>
</tr>
<tr>
<td>from 600 to 700</td>
<td>3247</td>
<td>18626</td>
<td>8.0%</td>
</tr>
<tr>
<td>from 700 to 800</td>
<td>1899</td>
<td>11331</td>
<td>4.8%</td>
</tr>
<tr>
<td>from 800 to 900</td>
<td>1517</td>
<td>8809</td>
<td>3.8%</td>
</tr>
<tr>
<td>from 900 to 1000</td>
<td>1311</td>
<td>6842</td>
<td>2.9%</td>
</tr>
<tr>
<td>from 1000 to 2000</td>
<td>3744</td>
<td>25340</td>
<td>10.8%</td>
</tr>
<tr>
<td>2000+</td>
<td>1398</td>
<td>10209</td>
<td>4.4%</td>
</tr>
<tr>
<td>Total</td>
<td>174441</td>
<td>233869</td>
<td>59428</td>
</tr>
</tbody>
</table>

**Despite the Ministerial Decision stipulating OMR 225 as minimum basic salary, the statistics shows no one receives less than OMR 300 as minimum basic!**

Highlights & Analysis
The table above demonstrates the salary increases at different levels in 6 years:

- 130,000 (75% of Omanis) moved away from the salary band of less than OMR 300 towards the bands 325 and 400 to 500
- 59428 (34%) growth of Omanis in private sector since (2011)
- Private sector salaries have risen across all levels
- 75% of Omanis their salary was below OMR300 in (2011), compared to none in (2016)
- Only 14.8% of Omanis salaries was between OMR 325 and 500 in (2011), compared to 55% of employees in (2016)
- Only 7.3% of Omanis salaries was between OMR 500 to 1000 in (2011), compared to 29% of Omanis in (2016)
- Highest increase in salary band above OMR2000 - 630% by (2016) as compared to (2011), demonstrates private sector willingness to pay more for higher jobs and similarly in the salary band of OMR 1000 to 2000 an increase of 577% since (2011)
- Largest decrease in salary band of OMR 325 to 400 by 2016 this indicates that the private sector is paying and offering Omanis in higher salary bands as compared to (2011)
• Ministerial Decision on minimum wage increase had a significant impact on the Omani workforce, not to be underestimated, it has pushed the salary bar higher for all levels
• The private sector is willing to pay higher salaries to hire and promote Omanis as demonstrated by higher increases of number of employees paid in the bands OMR 1000+ and OMR 2000+

Overall Oman Salary Increase 2013 to 2018

In 2011 Oman average salary increase was 6.2% and in 2012 it fell to 3.9%. In 2015 & 2016 despite the oil crisis Oman enjoyed an average 4.4% and 3.5% respectively increase in salaries, whilst UAE was only at 2.8% & 0.9% respectively. All reports from Mercer, AoN Hewitt, Towers & Watson, show good increases in salaries in GCC and in Oman


The graph above demonstrates percentage of salary increase forecast versus the percentage of real salary increase, which takes inflation data into account. (Source: Korn Ferry – HayGroup – Oman Client Forum Sept 2017).

Note - The expected actual in 2017 and 2018 will not be less than 3% due to private sector conforming to the Ministerial Decision No. 32/2012
Private Sector – Employees Benefits
The trend in the private sector with regards to “Employees Benefits” and the percentage of organizations that provides these benefits is slowly improving. It is true that companies do not provide many of the benefits but provide some basic benefits, allot of these benefits form part and parcel of the labour law requirements for example, healthcare, holidays, retirement contribution, and disability benefits as part of PASI contribution.
Other benefits are provided by various organizations based on the employee’s grade or position in the Company i.e. dependents education assistance, health club membership, loans, employee education assistance, and car benefits.

Oman enjoyed the highest pay increase over the last 5 years amongst its GCC neighbors. The Ministerial Decision (No 32/2012) of the 3% annual increment has reflected positively into the workforce and impacted the private sector during the low oil prices and economic downturn

Conclusion & Recommendations
• Ministerial Decision on minimum wage increase had a significant impact on the Omani workforce, not to be underestimated, it has pushed the salary bar higher for all levels
• Oman enjoyed the highest pay increase over the last 5 years amongst its GCC neighbors. The Ministerial Decision (No. 32/2012) of the 3% annual increment has reflected positively into the workforce and impacted the private sector during the low oil prices and economic downturn
• The private sector is willing to pay higher salaries to hire and promote Omanis demonstrated by higher increases of workforce paid in the bands OMR 1000+ and OMR 2000+
• Highest increases in salary bands OMR 1000 to 2000 and OMR 2000 + since 2011
• Conforming to just the minimum Labour law requirements is no longer available option for the private sector, otherwise their business will continue to suffer and attrition will be much higher.
• The government has directed allot of its focus in the past on the Salaries, In Human Resources function salaries is only one component of employees “Total Remuneration” HR trends all over the world is moving towards creating a balance between Salaries and benefits.
• The next phase for the private sector is to start to focus on improving and introducing attractive employees benefits, introduce attractive bonuses and incentives, attractive work environment and work intelligently to attract Omanis into the private sector. A simple example with the increase of fuel prices, it will be very attractive for Omanis to receive as part of their perks Company vehicles that covers fuel.
7. Sultanate of Oman

Unprecedented protests erupted in Oman in February 2011, when thousands took to the streets to demand jobs and an end to corruption. Violent demonstrations erupted in town of Sohar and in May 2011, it spread to the capital Muscat, Sur and Salalah. His Majesty Sultan Qaboos bin Said Al Said has responded to such unprecedented demonstrations in Oman by conducting a radical cabinet reshuffle and replacement, and promised 50,000 jobs in public and private sector combined and to raised minimum wages in the private sector including review and improvement in labour law. *(Source: Financial Times)*

According to the plan, 56,000 jobs will be provided with jobs, of which 36,000 will be in the Civil Service and Royal Sultan Forces apparatuses and 20,000 in the private sector. Priority will be given to job seekers with skills and educational qualifications in line with the requirements of different sectors, a further directive from HM the Sultan to absorb 20,000 Omanis in the following sectors, Royal Sultan Forces, Royal Oman Police and Royal Guard by end of 2013.

In October 2017, the Council of Ministers announced that a total of 25,000 jobs will be created for Omanis in the state’s public and private sectors beginning December 2017.

**Oman’s Population**

Oman’s population has almost doubled over the past decade and has now finally passed the four million mark, official statistics show, and confirms Oman's rapid growth, considering back in 1970 it had only 654,000 inhabitants, that’s more than a 500% rise.

As of 2nd April 2014, the total population of Oman had reached 4,000,345. Citizens constitute 55.8 per cent of the population with 2,232,949 citizens recorded, while expatriates make up the other 44.2 per cent with 1,767,396.

### Population change over two decades

**By Genre**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Population</th>
<th>Oman</th>
<th>Expatriates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>2,108,000</td>
<td>1,180,000</td>
<td>928,000</td>
</tr>
<tr>
<td>2000</td>
<td>2,448,000</td>
<td>1,420,000</td>
<td>1,028,000</td>
</tr>
<tr>
<td>2005</td>
<td>2,790,000</td>
<td>1,640,000</td>
<td>1,150,000</td>
</tr>
<tr>
<td>2010</td>
<td>3,142,000</td>
<td>1,852,000</td>
<td>1,288,000</td>
</tr>
<tr>
<td>2014</td>
<td>3,486,000</td>
<td>2,050,000</td>
<td>1,436,000</td>
</tr>
</tbody>
</table>

**Regions**

<table>
<thead>
<tr>
<th>Region</th>
<th>Oman</th>
<th>Expats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Al Dhakhiliya</td>
<td>56%</td>
<td>44%</td>
</tr>
<tr>
<td>Al Batinah</td>
<td>75%</td>
<td>25%</td>
</tr>
</tbody>
</table>

*Source: National Centre for Statistics & Information, Ministry of National Economy*
As of 07 October 2017 the total population of Oman reached 4,635,199. Citizens constitute 54.5% of the population with 2,527,580 (14% increase over the last 3 years) whilst expatriates make the other 45.5% with 2,107,619 (despite the decline of oil prices and slow down of the economy, still there was a growth of 18% in expatriates population over the last 3 years).

**Overview of Oman Fertility Rate and Urbanization**

Urbanization in 1960; only 16% of the population was living in the urban areas in contrast to 75% by 2020, this of course has reflected in the drastic drop of fertility rate from 7.2 in 1960 to 2.5 by 2020, the growth over the last 5 decades had a huge impact on the infrastructure and the development projects like schools, colleges, hospitals, clinics, mosques etc. There is a need to act now and review their future infrastructure development projects, due to decline of local population and rise of average age from 29 years old in 2017 to 37 years old by 2040.

*Fertility Rate/Urbanization*

*With the decline of Omani population, and the concentration moves from rural to urban areas. There is a need to review it’s infrastructure projects like schools, colleges, clinics, hospitals, mosques and others. The focus of projects should be directed towards the populated cities and towns and focus on better quality and improvement of existing infrastructure including facilities for senior citizens and people with special needs*
Overview of Oman Crude Production
Oman has steadily increased its crude production, and has managed to overcome the market price fluctuations & challenges over the years, especially during the last 2 market crashes in 1987 and 2008 and recent low oil prices

Private Sector Growth in Oman

The Construction sector
There are numerous active construction projects in Oman and the total estimated value of these construction projects is USD 194.7 billion. Oman constitutes 10% of the number of active projects in the GCC. In dollar terms, these construction projects account for 9% of the total estimated value of all active projects in the GCC.
(Source -https://www.bncnetwork.net)

The Oman project market is as strong as event. The Sultanate's five-year plan has embarked an annual allocation of $6.5 billion for the construction sector, of which half of it is for infrastructure development. MEED Projects data illustrates there is an increase in activities in tourism, infrastructure and commercial building. Oman's tourism has increased by 23% in the past 5 years and the government intends to invest in projects that will help in diversifying the economy from oil and gas. The power and water market in Oman also has many critical projects coming up, for example, the second phase of Salalah Independent Power Plant and several water desalination
plants. Currently MEED Projects is tracking more than 800 Omani active projects worth almost $190 billion in the construction, power, water, oil & gas. *(Source - http://www.meedprojects.com)*

**The Oil & Gas sector**

Occidental In 2013, the average gross daily oil production at the Mukhaizna Field was 123,000 barrels of oil equivalent per day — over 15 times higher than the production rate in September 2005, when Occidental assumed operation of the field.

British Petroleum was awarded by the government of Oman a concession to develop the Khazzan gas field, it is estimated the cost of development is about $16 billion over 15 years, which will start and be able to produce up to 1 billion cubic feet per day after it comes online in 2018.

Petroleum Development Oman (PDO) plans to invest more than $20 billion over a five-year period to sustain its long-term hydrocarbon output *(Sources – Muscat Daily, The New York Times and Times of Oman)*

**The Tourism Sector**

The National Tourism Strategy (NTS) implementation is divided into three distinct phases. The first phase (2016 to 2020) will add 5620 new hotel rooms and generate 76,384 direct jobs. The second phase (2021 and 2030), will bring the total number of hotel rooms to 15,419 and create 126,900 more direct jobs and the third phase (2031 to 2040) will bring the total number of hotel rooms to 29,596 and direct employment for another 242,900 people. It is estimated that the NTS plan will cost around $35bn, with the government aiming to attract 88% of this investment from the private sector. *(H.E Maitha Al Mahrouqi – Under Secretary of the Ministry of Tourism Speaking at an event organized by the Oman Chamber of Commerce and Industry in July 2016)*

The World Travel & Tourism Council projects that by 2026 the tourism sector will account for approximately 81,000 direct jobs and 164,000 indirect jobs (53,000 jobs supported by the sector in 2015). *(Source – Oman The Report by Oxford Business Group 2017)*

**The Logistic Sector**

Asyad, is an umbrella organization that will oversee the Sultanate’s transformation into one of the world’s leading logistical hubs by 2040. The Oman Global Logistics (OGL) Group, Asyad is a partnership between a host of companies in the nation, including Oman Post, Mwasalat, Port of Duqm, Port of Salalah, Oman Drydock and Sohar Free Zone

The National Logistic Strategy 2040 also aims at increasing the contribution of logistics services to the nation’s gross domestic product, which is expected to reach OMR14 billion in 2040, in addition to creating 300,000 jobs in the sector stated by the Oman Global Logistics Group (OGL) officials John Lesniewski and Nabil Al Bimani at the press conference on 24th August 2016. *(Source – Muscat Daily)*
Finally, below is an overview of the government current responsibilities for Omani Nationals;

- Free Health & Medical Services
- Subsidized Oil prices, Gas, Electricity and Water services
- Free Land for every Omani above 23 years of age
- Providing “General Education” opportunities grades 1 to 12
- Providing “Higher Studies” opportunities for those who completed Secondary Diploma
- Providing “Vocational Training” opportunities for those who did not complete Secondary Diploma or other basic education levels
- Providing “Job Opportunities” for those who did not complete Secondary Diploma or other basic education levels
- Providing “Job Opportunities” for all graduates
- Providing “Job Opportunities” for those who resigned or been terminated

---

The National Tourism Strategy highlighted the provision of 242,900 jobs by 2040 (currently 53,000 work in this sector), and the National Logistics Strategy highlighted the creation of 300,000 jobs by 2040. The Tourism and the Logistic sector strategies if implemented successfully will create half of Oman needs in jobs and solve the unemployment (average 21,000 jobs on yearly basis until 2040).

Government subsidies and provision of free services creates a huge financial burden. Citizens need to be inducted and be aware of how much the government spends on the subsidies and the free services.
Conclusion & Recommendations

To sum up the above, $190 billion worth of projects that have commenced few years earlier and will continue in to the next 5 years, most of them are government driven projects and require expertise & labor to execute and deliver, and the private sector will act swiftly in sourcing talent within Oman, otherwise will source internationally, majority of the increase has been in the category of principal & auxiliary engineering from 461,000 in 2009 to 854,000 in 2015 and in the category of Industrial, chemical and food industry" from 61,000 in 2009 to 119,000 in 2015, another areas fluctuated between these years, the increase again in the category of Agriculture, Stock breeding, & Hunting from 8600 in 2011 to 106,000 in 2015. This also explains the huge increase of expatriate’s population between 2011 and 2016 an increase of 673,000 (60% increase of expatriates workforce in just 6 years).

Oil & Gas sector is very reputable sector that has gone through many years of changes in attracting Omanis, local, international contractors and subcontractors, by improving the Health & Safety Standards, the living & amenities standards and with the establishment of Oman Petroleum Society (OPAL) to support the sector and better collaboration with all Oil & Gas related companies. Further to the above in February 2017 Oman Society of Petroleum Services (OPAL) has agreed to partner with INSEAD, the world’s leading graduate business school, to develop and support the leadership programme of mid & senior-management Omani oil and gas executives. (Source- www.opaloman.org)

Similarly Oman Society of Contractors (OSC), has its role in the construction industry, however this is a complex sector and requires more work, standardization and making the sector look professional and attractive for Omanis, for example having major Companies located in Ghala industrial area where the infrastructure was not well developed, did not act favorably to their advantage and image.

All sectors need to review their image to the general public and especially to the young Omani workforce. Everyone would like to work in a well-established reputed organization, good working environment that cares for its employees and the society.

Investment of $190 billion directly reflected on the high demand of more workforce (Omanis and Expatriates) to execute major projects

There was an increase of 673,000 Expatriates representing 60% increase of Expatriates workforce
8. The Unemployment & Omanisation

Unemployment in Oman and the GCC
Oman unemployment rate; The World Bank provides data for Oman unemployment rate from 1991. The unemployment rates vary and inconsistent from various sources and will depend if the rate was based on total workforce or on active population or youth unemployment.

Note: Unemployment in % of active population (Source – World Bank)

The countries of the GCC are at varying stages of their demographic transitions and are experiencing diverging fertility and population growth rates. The youth bulge – the percentage of the population under the age of 25 – ranges from 25% in Qatar to 50% in Oman. In the UAE it stands at 34%, while it is 35% in Bahrain, 40% in Kuwait and 46% in Saudi Arabia.

GCC governments have had difficulties turning this potential into an actual dividend. In the last few years, youth unemployment rates have been a significant issue. Although the region has experienced strong economic growth and job creation, youth unemployment rates were more than double that of the overall unemployment rate in 2013, according to the most recent figures available from the World Bank. For example, in Saudi Arabia, the overall unemployment rate was 5.7%, while the youth unemployment rate was 28.7%. In the UAE, the figures were 3.8% and 9.9%, respectively. Bahrain and Oman both had youth unemployment rates over 20%, while in Kuwait it was 19.6%. Qatar was the only country in the region that had the employment situation under control, with an overall unemployment rate of 0.5% and a youth unemployment rate of 1.5%, which is far lower than its neighboring countries in the Gulf. (Source – Oman 2016 The Report, Oxford Business Group)
2017 Job Seekers in Oman

**Distribution of Job Seekers by work status (as of 31/07/2017)**

<table>
<thead>
<tr>
<th>Item</th>
<th>% Changes</th>
<th>July - 2017</th>
<th>June - 2017</th>
<th>Total End of Dec 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>Male</td>
<td>Female</td>
<td>Total</td>
</tr>
<tr>
<td>Previously Employed</td>
<td>23.0</td>
<td>10,141</td>
<td>3,283</td>
<td>8,246</td>
</tr>
<tr>
<td>Seeking their first job</td>
<td>8.3</td>
<td>40,247</td>
<td>27,940</td>
<td>12,307</td>
</tr>
<tr>
<td>Total</td>
<td>11.0</td>
<td>50,388</td>
<td>31,223</td>
<td>48,141</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Work Status</th>
<th>No.</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previously Employed</td>
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<td>10,141</td>
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<td>27,940</td>
<td>12,307</td>
</tr>
<tr>
<td>Total</td>
<td>11.0</td>
<td>50,388</td>
<td>31,223</td>
<td>48,141</td>
</tr>
</tbody>
</table>

**Highlights & Summary**

62% of job seekers are female & 80% of job seekers are seeking employment for the first time, either fresh from colleges or schools, therefore having 40,000 new job seekers in the system should be regarded as the new norm in Oman and this does not indicate a problem but it is the market reality of job seekers, this is not unique for Oman but a world wide phenomena, in some countries they know the average time to seek employment and make that as a norm

**Distribution of Job Seekers by education status (as of 31/07/2017)**

<table>
<thead>
<tr>
<th>Item</th>
<th>% Changes</th>
<th>July - 2017</th>
<th>June - 2017</th>
<th>Total End of Dec 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>Male</td>
<td>Female</td>
<td>Total</td>
</tr>
<tr>
<td>Less than General Diploma</td>
<td>46.8</td>
<td>6,463</td>
<td>1,054</td>
<td>5,409</td>
</tr>
<tr>
<td>General Diploma</td>
<td>9.3</td>
<td>15,133</td>
<td>8,077</td>
<td>7,056</td>
</tr>
<tr>
<td>University Diploma</td>
<td>9.7</td>
<td>9,558</td>
<td>6,452</td>
<td>3,106</td>
</tr>
<tr>
<td>University</td>
<td>4.3</td>
<td>19,101</td>
<td>15,546</td>
<td>3,555</td>
</tr>
<tr>
<td>Master Degree, Ph.D.</td>
<td>3.6</td>
<td>133</td>
<td>94</td>
<td>39</td>
</tr>
<tr>
<td>Total</td>
<td>11.0</td>
<td>50,388</td>
<td>31,223</td>
<td>48,141</td>
</tr>
</tbody>
</table>

**Highlights & Summary**

13% of job Seekers are with less than General Diploma (6,463)
30% of job Seekers are with General Diploma (15,133)
57% of job Seekers are with College Diploma and above (28,792)
Approximately 40,000 Omanis seeking jobs for the first time and the expected yearly influx in to the job market is 40,000.
In conclusion Oman should not have an issue of unemployment as long as majority of 40,000 job seekers can be employed within 6 to 12 months

Private Sector Omanis & Expatriates (2011 to 2016)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Sect</td>
<td>1289031</td>
<td>1488248</td>
<td>1652996</td>
<td>1707903</td>
<td>1845658</td>
<td>2021848</td>
<td>732817</td>
</tr>
<tr>
<td>Male</td>
<td>1146129</td>
<td>1324497</td>
<td>1465030</td>
<td>1502402</td>
<td>1622116</td>
<td>1779303</td>
<td>633174</td>
</tr>
<tr>
<td>Female</td>
<td>142902</td>
<td>163751</td>
<td>187966</td>
<td>205501</td>
<td>233442</td>
<td>242545</td>
<td>99643</td>
</tr>
<tr>
<td>Omanis</td>
<td>174441</td>
<td>172066</td>
<td>181860</td>
<td>197510</td>
<td>209620</td>
<td>233869</td>
<td>59428</td>
</tr>
<tr>
<td>Male</td>
<td>139878</td>
<td>136818</td>
<td>143860</td>
<td>152959</td>
<td>159375</td>
<td>175524</td>
<td>35646</td>
</tr>
<tr>
<td>Female</td>
<td>34563</td>
<td>35248</td>
<td>38000</td>
<td>44551</td>
<td>50245</td>
<td>58345</td>
<td>23782</td>
</tr>
<tr>
<td>Expats</td>
<td>1114590</td>
<td>1316182</td>
<td>1471136</td>
<td>1510393</td>
<td>1636038</td>
<td>1787979</td>
<td>673389</td>
</tr>
<tr>
<td>Male</td>
<td>1006251</td>
<td>1187679</td>
<td>1321170</td>
<td>1349443</td>
<td>1462841</td>
<td>1603779</td>
<td>597528</td>
</tr>
<tr>
<td>Female</td>
<td>108339</td>
<td>128503</td>
<td>149966</td>
<td>160950</td>
<td>173197</td>
<td>184200</td>
<td>75861</td>
</tr>
</tbody>
</table>

Highlights & Summary

- 733K total new intakes over the last 6 years, average (122k) per year
- 59K new Omanis representing 34% increase over the last 6 years
- 673K new expats representing 60% increase over the last 6 years
- The intake of Omani female vs. male over the last 6 years comes to (40% female vs. 60% male)
- 2014 to 2016 Expats intake of (176,190) compared to intakes of (356,546) from 2011 to 2013. Oman saw a higher influx of expatriates during the Arab spring in comparison to the recent Economic downturn.
- 2014 to 2016 Omani intakes of (24,249) compared to Omani intake of only (9,794) from 2011 to 2013, despite massive government directives & private sector recruitment following the “Arab Spring”, one contributing factor the massive resignations in 2012 & 2103 in the private sector following the jobs announcements opportunities in Civil Service, ROP and RSF. Finally the private sector has done extremely well in supporting the country to recruit locals during 2014 to 2016 during the oil crisis and market downturn (very commendable)

- There were (176,190) Expatriates intake from 2014 to 2016 compared to intakes of (356,546) from 2011 to 2013 (Oman had higher influx of expatriates during the Arab spring!)
- Over the last 6 years average 10,000 Omanis were recruited in the private sector per year, representing 25% of the expected job seekers
Re-Introducing the Unemployment Concept

The word “Job Seeker” was commonly used in Oman comparing to the word “Unemployment”, international media and reports refer to unemployment and unemployment rates rather than the number of job seekers or the percentage of job seekers. The terminology was not well defined, and this report shall re-define these terminologies and pave a clear future path.

“The Job Seeker” the job seeker is defined as the person who opts out of school or completed school and college education and actively seeks employment opportunities

“The Unemployed” the unemployed is defined as the person who do not have a job, have actively looked for work in the past four weeks, and currently available for work

People can be unemployed for many reasons;
• They quit their position and are looking for a new one.
• They were laid off due to lack of work and haven’t yet been rehired.
• Their company reduced the work force, and they are seeking a new position. This can be due to a local condition, when the company closes a plant or division, or a national condition, when the economy slows and many companies reduce their work force.
• They have recently returned to the work force - perhaps from pregnancy or attending school - and haven’t yet located a position.
• The need for their skill set has gone down, and there are limited positions available, which may lead to unemployment until they train for a new position.
• Technology has reduced the need for their type of position.

<table>
<thead>
<tr>
<th>Resigned &amp; Terminated Omanis (2009 to 2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resigned &amp; Terminated Omanis</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

The number of resignations & terminations is on the rise (highest is in Muscat region 30% average, followed by Al Batina region at an average of 20%)

It is proposed that (PAMR) revise their database based on the above concept this will move the country to a new concept of unemployment, meaning anyone not employed up to 6 months is not regarded as unemployed but “Job Seeker” and in the Public Authority for Manpower Registry (PAMR) will record 2 categories of job seeker “up to 6 months” and “Post 6 months”

Similarly in Singapore they have seasonal and non-seasonal unemployment rates, where in June it increases due to influx of graduates in to the job market and in other months is stable where there is no graduates influx, however separating the data in to job seekers and unemployed gives a clearer indicators. Now by introducing this concept, we
are instilling a new “Norm”, it is normal to be without a job between 0 to 6 months or longer depends on economical situation in the country.

The Ministry of Manpower role focus will be redefined overnight, it will work more strategically on long term strategy and plans, work on producing better workforce legislations and regulations.

Oman will still have around 1.8 million expatriates working in Oman with unemployment going down, the concept of Omanisation will also be redefined and a new concept will emerge, the focus will be on succession, every employed Omani will want to succeed an expatriate working at higher level, and Competency model will emerge, if you are competent to perform a higher job and have the right years of experience the Omani can succeed the expatriate, or succeed another Omani. Omanis main aim would be to learn, and gain knowledge and the concept of professionalism and competition will emerge, every Omani will want to become a professional.

9. The Future of Omanisation in the private Sector

Overview of Skills Levels (Omanis & Expatriates) in the Private Sector (2016)

<table>
<thead>
<tr>
<th>Skills Levels</th>
<th>Omanis 2016</th>
<th>2016 %</th>
<th>Expatriates 2016</th>
<th>2016 %</th>
<th>Omanisation 2016</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialists</td>
<td>31828</td>
<td>14%</td>
<td>117805</td>
<td>7%</td>
<td>27.0%</td>
<td></td>
</tr>
<tr>
<td>Technical</td>
<td>18255</td>
<td>8%</td>
<td>59648</td>
<td>3%</td>
<td>30.6%</td>
<td></td>
</tr>
<tr>
<td>Occupational Labourers</td>
<td>70237</td>
<td>31%</td>
<td>417625</td>
<td>23%</td>
<td>16.8%</td>
<td></td>
</tr>
<tr>
<td>Skilled Labourers</td>
<td>42133</td>
<td>19%</td>
<td>408352</td>
<td>23%</td>
<td>10.3%</td>
<td></td>
</tr>
<tr>
<td>Limited Skilled Labourers</td>
<td>60630</td>
<td>27%</td>
<td>784550</td>
<td>44%</td>
<td>7.7%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>223083</strong></td>
<td><strong>12.5%</strong></td>
<td><strong>1787980</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
<td></td>
</tr>
</tbody>
</table>

Overview of Workforce Education Level in the Private Sector (2016)

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Omanis 2016</th>
<th>%</th>
<th>Expatriates 2016</th>
<th>%</th>
<th>Omanisation 2016</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Degree &amp; Above</td>
<td>24290</td>
<td>10.4%</td>
<td>102868</td>
<td>5.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>College Diploma</td>
<td>19449</td>
<td>8.3%</td>
<td>50566</td>
<td>2.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secondary Diploma</td>
<td>82144</td>
<td>35.1%</td>
<td>260034</td>
<td>14.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preparatory &amp; Below</td>
<td>107986</td>
<td>46.2%</td>
<td>1350889</td>
<td>75.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Stated</td>
<td>23622</td>
<td>1.3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>233869</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>1787979</strong></td>
<td><strong>100.0%</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Highlights & Summary

27% Omanisation at specialists levels (this level is occupied by experienced Omanis with degrees), this table demonstrates a healthy picture on Omanisation per level, despite the notion that Omanis are not taking up higher roles and kind of oppressed in the market and the private sector does not give Omanis a fair chances (the specialists level is occupied by experienced educated workforce includes management roles)

30% Omanisation at Technical level (this level is occupied by experienced educated and professional Omanis be it in business (with min Diploma) or Engineering (with min Degree).

16.8% Omanisation at Occupational level (this level is occupied by College Diploma)

10% Omanisation at Skilled labour (this level is occupied by Secondary Diploma or College Diploma) and 7.7% at Limited Skills (this level is suitable for Secondary Diploma or below).

The are 177,000 Omanisation opportunities in the categories of Specialist and Technical levels and that’s where the focus should be in the next 10 years between 2020 to 2030, however Omanisation alone is not going to sustain job opportunities, Oman needs to continue growing the Specialist and Technical base by creating jobs in these categories to accommodate the huge influx of Omani degree graduates, bottom line Omanisation is a short term enabler but not the ultimate long term solution for employment in Oman.

60,000 Omanis categorized as “Limited Skills Level”, more efforts need to take place by the public and the private sectors to upskill this category of Omanis to move towards “Skilled level” by doing so you are automatically improving the wellbeing and the salaries of 60,000 Omanis in the market, and to ensure that there should not be Omanis in the future occupying the level of “Limited Skills”, these jobs are not attractive for Omanis and they create a major hurdle in workforce turnover and so much efforts is focused on managing Omanis in this category.

Over 107,000 Omanis with qualification of preparatory and below, and one key area of Omanisation is succession to take over higher vacant position or taking over from an Expatriate, through gaining skills and gaining higher qualifications. This is the normal path to promotion & career success. The Public and the Private sectors to collaborate and come up with mean and ways to further develop this segment in the private sector, it is not easy as the number is huge but setting targets as little as 5% per year will contribute positively towards Omanisation.

Finally updates of Omanis & Expatriates job titles must take place immediately to ensure we have the correct information and data, it is not an automatic practice in the private sector to update employees records in the Ministry of Manpower upon change of job or promotion to a higher job, this usually take place internally in the companies.

The focus of the Ministry of Manpower should be on a macro level rather than a micro level, meaning it should not focus on what jobs to be Omanised, but the percentage of Omanisation at each level be it “Specialists” or “Technical”, etc. this way it gives the
liberty to the Companies to decide what jobs they would like to hire expatriates but at the same time they must conform to the percentages stipulated by the Ministry of Manpower. This way the Omanisation is being addressed at all levels in the Organizations be it at top level “Specialists” or at bottom level “Limited Skills Labourers”.

The focus of the Ministry of Manpower should be on a “MACRO” level rather than a “MICRO” level, meaning it should not focus on what jobs to be Omanised, but on the percentage of Omanisation at each level & industry

Conclusion and Recommendations

• To redefine the “Unemployment” terminology and the “Job seeker” terminology
• To be pro-active on how to present the Unemployment and the Job Seekers in Oman and also compare Oman with its neighboring countries.
• Oman does not have high unemployment, compared to some European or Asian countries.
• There were 170,000 job seekers in 2011 compared to less than 45,000 in 2017 (most are recent graduates of 2016 and 2017)
• 107,000 Omanis with qualification of preparatory and below, Up-skilling & development of this segment will contribute positively towards Omanisation
• Updates of Omanis & Expatriates job titles must take place immediately to ensure we have the correct information and data
• Utilization of the National Training Fund (NTF) to upgrade the skills and the qualifications of 60,000 Omanis categorized as “Limited Skills Level”
• To redefine the level of responsibilities and it is recommended to only focus in providing job opportunities for fresh Omanis “first timers” in private sector and for “fresh graduates”
• To relinquish finding job opportunities for those leaving the private or the public sectors, be it resigned or terminated Omanis (except for those terminated due to Company closure or bankruptcy)
• The future focus of the Ministry of Manpower should be on a “MACRO” level rather than a “MICRO” level, meaning it should not focus on what jobs to be Omanised, but on the percentage of Omanisation at each level and leave it to the Companies to decide as long as they comply.

The Future of Omanisation and succession lies in the categories of Specialists, Technical and Occupational levels, these will accommodate the 95% of Secondary Diploma Omanis undergoing Higher Education
10. Omani Talent (The Trends & Major Challenges)

Overview of Omani Graduates in Higher Education Institutions (2010 -2016)

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>1903</td>
<td>2004</td>
<td>2085</td>
<td>2233</td>
<td>2882</td>
<td>3126</td>
<td>3823</td>
<td>2579</td>
</tr>
<tr>
<td>Female</td>
<td>3137</td>
<td>3639</td>
<td>3266</td>
<td>4079</td>
<td>5047</td>
<td>5265</td>
<td>7256</td>
<td>4527</td>
</tr>
<tr>
<td>Total</td>
<td>5040</td>
<td>5643</td>
<td>5351</td>
<td>6312</td>
<td>7929</td>
<td>8391</td>
<td>11079</td>
<td>7106</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>4112</td>
<td>4498</td>
<td>4468</td>
<td>6098</td>
<td>6334</td>
<td>5033</td>
<td>4919</td>
<td>5066</td>
</tr>
<tr>
<td>Female</td>
<td>4777</td>
<td>4505</td>
<td>5521</td>
<td>6637</td>
<td>6700</td>
<td>5072</td>
<td>6141</td>
<td>5622</td>
</tr>
<tr>
<td>Total</td>
<td>8889</td>
<td>9003</td>
<td>9989</td>
<td>12735</td>
<td>13034</td>
<td>10105</td>
<td>11060</td>
<td>10688</td>
</tr>
</tbody>
</table>

| Male (Total)                                  | 6015 | 6502 | 6553 | 8331 | 9216 | 8159 | 8742 | 7645    |
| Female (Total)                                | 7914 | 8144 | 8787 | 10716| 11747| 10337| 13397| 10149   |
| Total                                         | 13929| 14646| 15340| 19047| 20963| 18496| 22139| 17794   |

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrolled Students (from General Education Diploma)</td>
<td>23644</td>
<td>27206</td>
<td>29525</td>
<td>30146</td>
<td>32746</td>
<td>34743</td>
<td>34043</td>
<td>30293</td>
</tr>
<tr>
<td>Total Graduated Students</td>
<td>15769</td>
<td>15077</td>
<td>16616</td>
<td>20547</td>
<td>21454</td>
<td>19063</td>
<td>23830</td>
<td>18908</td>
</tr>
<tr>
<td>% Enrolled Students (from General Education Diploma)</td>
<td>49.3%</td>
<td>63.7%</td>
<td>73.4%</td>
<td>83.2%</td>
<td>89.9%</td>
<td>93.0%</td>
<td>96.2%</td>
<td>78.4%</td>
</tr>
</tbody>
</table>

Highlights & Summary

The above table provides an overview of Omani graduates from 2010 to 2016, the number of graduates in private institutions has doubled, similarly the female graduates from private institutions is twice the male graduates.

Further analysis on government institutions, 50% of graduates are from the Colleges of Technology, followed by 25% of graduates are from Sultan Qaboos University (SQU), with economic downturn a serious review needs to take place on possible merger of all other colleges that produce the remainder of 25% of graduates to include them as part of Sultan Qaboos University (SQU) and as part of Colleges of Technology (for example; in 2013/2014 academic year, the Colleges of Technology for every 11 students 1 academic staff whilst Colleges of Applied Science for every 5 students 1 academic staff).

In 2016, Oman had 23,830 Omani graduates with Degrees and Diplomas highest ever to enter the job market and with more universities and colleges being established the number will rise gradually before it stabilize and go down in the future. In 2015 (93% of students) & in 2016 (96% of students) passing the General Education Diploma and enrolling in to Higher Education, this indicates that most Omans are provided with opportunities to complete their college or university education, meaning the market is already having more educated Omans in contrast to few years earlier between 2007 to 2010 only 44% on average per year enrolled in to higher education!

55% to 60% are female graduates every year, and as of July 2017 there were 31,223 female job seekers representing 62% of job seekers in Oman, the number is alarming but not surprising some of the specialization like Engineering, Structural Engineering, Building require field work or jobs related to plants and factories, difficult for female to take on these roles, the typical example Oil & Gas and working in the desert, working on the rigs etc. this is not unique to Oman or GCC this is a world wide issue in US only 12.9% working female engineers and in UK is even lower to 8% working female engineers. (Source: www.randstad.com)
Further statistics are even more alarming 5790 (26% of female job seekers) are graduates of business administration, and 5946 (27% of female job seekers) are graduates of Information Technology (Source: PAMR June 2017), these are office jobs and not Engineering disciplines where female need to work in the field. Does the market has enough job opportunities in “Information Technology” discipline?, a review needs to take place by both the Ministry of Manpower and the Ministry of Higher Education.

Bottom line a serious review on ideal specializations for women to pursue in higher education, the ultimate purpose of education is to get the right job. The Ministry of Higher Education has a larger role here in educating secondary diploma students to pursue the right qualifications for future job opportunities.

It is pivotal to immediately prepare towards managing larger educated Omanis entering the job market, Secondary Diploma holders at the age of 17 or 18 are able to work in any job, however University graduates with specific specialization at an age of 23 or 24 is far frustrating for them to work in any job in the market, especially after spending 5 years of their life studying.

Sourcing through [Public Authority for Manpower Registry (PAMR)]
The Authority provides latest information on job seekers, and the data is used to call in candidates for various available opportunities and job fairs.

The Ministry of Manpower has taken the initiatives in announcing job vacancies and conducting the interviews at various locations, however the turnout has been extremely low from the candidates called in and turning out for interviews, The candidates are selective and very few accept the job offers, similarly the challenges are the same for the private sector.

Personally worked with the Public Authority for Manpower Registry (PAMR) to seek potential candidates. We faced challenges in the correctness of the information (candidates supplied), we seeked to employ “People with Special Needs” and requested from (PAMR) a list of suitable candidates, the authority supplied us twice the list of People with special needs and turned out the candidates were normal and healthy job seekers.

Despite the above, collaboration with the Ministry of Manpower and PAMR reaped very good results, in one of the recruitment campaigns in Sur, we invited a very large group upto 500 candidates (sourced from PAMR) to recruit 22 quality candidates, this required extensive internal resources and time but it was worth the efforts and the Ministry supported us including providing interview venue.

In July 2017 the Ministry of Manpower organized a very successful 3 days specialized engineering recruitment campaign in collaboration with the private sector, it was a focused campaign, a total 2,200 job seekers having bachelor’s degree, high and
vocational diploma in engineering and technical specializations participated in the fair, interviewing 1606 candidates and 498 candidates retrieved and finally resulted in 1314 being recruited. There were 108 private sector companies participated with 1,694 vacancies available for fresh Omani graduates.

**Sourcing Talent (The Private Sector Challenges)**

**Skills Shortage (World Wide, MENA Region & GCC);**

The graph below demonstrates the shortage of skills worldwide, advanced countries currently are facing major challenges in skills shortages, this phenomena exists worldwide including the MENA region and the GCC, all surveys indicates this as a major challenge!

Oman faces similar challenges of the MENA region and the GCC, with high dependency of expatriates, unemployment is high amongst the young population. The education system requires revamp, lack of sufficient training and preference towards the public sector

![Image of The Countries Facing The Greatest Skill Shortages](image-url)

The Countries Facing The Greatest Skill Shortages

Skills shortage as a % of firms with 10 or more employees in selected countries*

- Japan: 81%
- India: 64%
- Brazil: 63%
- Turkey: 63%
- Mexico: 44%
- Greece: 42%
- Australia: 41%
- Germany: 40%
- United States: 40%
- Italy: 34%
- Canada: 31%
- China: 24%
- France: 21%
- United Kingdom: 12%
- Spain: 3%

* 2014

Source: Manpower Talent Shortage Survey via OECD

From the latest statistics (*Source: PAMR July 2017*), only 13,236 (26%) of Omanis age 30+ are job seekers (assumed majority in this category have work experience), first and foremost there is a need to understand that the pool of experienced Omanis “job seekers” is very small and limited, and the only way to tap in experienced Omanis is from the existing pool of employed Omanis by using various talent sourcing methods, and despite all the methods and efforts we will not be able to take over or replace many of the jobs that require specialized skills and experience.
The following reports and surveys provide an insight of skills shortages and how to overcome this dilemma;

- How will the GCC close the Skills Gap? - Ernest & Young
- Talent Management in the MENA and GCC Regions: Challenges and Opportunities - Springer, Cham DOI
- State of Global Workplace Report – Gallup 2017
- The Skills Gap in the Middle East and North Africa, A Real Problem or a Mere Trifle? Bayt.com

**High Turnover in KSA and in Oman:**
The reports in the next section will highlight the challenges of the new generation “Young Omanis”, their expectations and what are they looking from the private sector.

**Omanis Turnover Study in the Private Sector (2012);** the summary of the study conducted by the Ministry of Manpower and a survey conducted in Saudi Arabia by Mercer, the outcome and the findings should not be underestimated they pave the way to solutions on major issues in the private sector.

The turnover of Omanis was on the rise from 28,000 in 2008 to 62,000 in 2012, this was alarming, and created a huge burden for the government efforts in employment and creation of sustainable workforce therefore, a study by the Ministry of Manpower in 2012, lead by Mr. Salim Nasir Al Hadhrami – Director General of Planning & Development was conducted and produced a meaningful and comprehensive report, the following were the key findings;

**Overview Summary**
70% of respondents were less than 25 years of age
88% resigned and 93% of terminated respondents were amongst secondary diploma and below and with salaries lower than OMR 300
Over 70% of the respondents spent less than 12 months at work

**The Findings**
Reasons of resignation/ termination
- 80% resigned because salary & benefits “Not good enough”
- 35.7% resigned because of bad treatment from management or the supervisors
- 50% resigned because of closing down the office or project termination
- 22.7% said they were unfairly terminated
- 22% of termination was because of absenteeism

Reasons of resignations as per manager’s views
- 67% move to Company with better benefits
- 43% salary is not good enough
- 34% work location is far from home

Reasons of termination as per manager’s views
- 83.3% of termination due to absenteeism
- 33.3% of termination the employee is not competent
**What happened after termination or end of contract?**
43% of respondents could not find alternative jobs after resignation
67% of respondents did not find alternative jobs after termination
Also job hopping is high (2 jobs or above)

**What must take place in the private sector companies?**
Companies must conform to the labour law
The ministry to conduct periodic visits and inspections
Create a law or a procedure to facilitate employee promotions in the private sector
Companies to conform to providing medical care to their employees

**Recommendations with regards to resignations;**
Salary must improvement in the private sector, and payment of salaries on time
Clear disputes between the employees and the employer on time and in a professional manner
Training & Development of employees needs to take place
Align salaries and the retirement scheme to the public sector

**Recommendations with regards to terminations;**
In unfair dismissal the company must pay at least 6 to 12 months of employee last salary
Appointment of experienced Omanis at leadership positions
An automatic transfer of employees to the next contractor upon completion of project with similar salary and benefits (this will create workforce stability and sustainability)

**Nationalization Study – Mercer Saudi Arabia (2013)**
Mercer’s team in Saudi Arabia undertook a study towards the end of 2013 following signs that turnover among key Saudi hires across the Saudi labor market was on the rise. The survey was designed to help both employers and Saudi nationals understand what was considered important when it came to attraction, development and retention of Saudi workers responses were received from 116 HR managers, business owners, and senior executives, as well as from more than 400 Saudi men and women

One-third of Saudi nationals (25% of men, 33% of women) indicated that they planned to stay with their current employer no more than 1-3 years. Even more so, between 14%-17% across all ages (21 – 50+ years) said they planned to stay with their current employers less than one year. The survey covered areas of variable pay, benefits, career drivers, education vs. job, command or collaboration, work location, flexible working, employee health benefits
**What motivates Omaniis and their preference in selecting a job?**
The following is a snap shot from a report by Oxford Strategic Consulting carried out in 2016 on Omaniis working in the public and the private sectors, it highlights what motivates Omaniis and the challenges they face in finding their preferred job.

<table>
<thead>
<tr>
<th>What Motivates Omaniis?</th>
<th>Difficulties Omaniis face in finding a job</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money</td>
<td>Hours are too long</td>
</tr>
<tr>
<td>Challenge</td>
<td>Pay is too low</td>
</tr>
<tr>
<td>Travel</td>
<td>Not enough suitable jobs</td>
</tr>
<tr>
<td>Development</td>
<td>Don’t hear about jobs</td>
</tr>
<tr>
<td>Influence</td>
<td>Nationals don’t want to employ nationals</td>
</tr>
<tr>
<td>Work-life balance</td>
<td>Don’t know enough good contacts</td>
</tr>
<tr>
<td>Making my family proud</td>
<td>Expats don’t want to employ nationals</td>
</tr>
<tr>
<td>Help the country and/or contribute to society</td>
<td>Don’t know how to do an interview</td>
</tr>
<tr>
<td>Excitement</td>
<td>Don’t know how to write a CV</td>
</tr>
<tr>
<td>Recognition</td>
<td>Don’t want to work just with expats</td>
</tr>
<tr>
<td>Responsibility</td>
<td>Don’t know how to approach companies for jobs</td>
</tr>
<tr>
<td></td>
<td>No difficulties</td>
</tr>
</tbody>
</table>

74% of Omani job seekers under the age of 29, and 38% are with university degree and above (Source; PAMR July 2017), these figures are definitely concerning with young & dynamic generation with limited work experience. There is a need to deal with this group differently and manage & match their expectations to market realities. This group is defined as the Millennials and “Z” generation. Many surveys & research has taken place to define and characterize these generations, mainly to help the employers on how to attract and manage these new generations at workplace.

**The Millennials and “Z” Generation Challenges**

How the Millennials are characterized;[Ref; Millennials at work- reshaping the workplace (PWC)]
- Risk takers and Loyalty to self, expected to have 6 employers and more during their career, this generation will keep on looking for better opportunities always
- Personal learning & development is key and work-life balance is more important than financial rewards
- They are very conversant with latest technology and the use of it and they expect the organization to do the same
- Looking for fast career ladder development opportunities i.e. fast advancement & promotions
- Employer brand (reputation), Company Values & Company’s corporate social responsibility (CSR) is very important to them
The private sector has seen all the above, large resignations in the private sector is viewed as negative, however it is normal for this generation, OMANs change jobs very often for betterment and this is similar to other regions, for example the Far East where job move is common (43% of Hong Kong workers are looking to change jobs in 2017 as per survey by Jobs DB, and according to Elliott Scott’s 2016 Global HR Survey, employees in Singapore are particularly prone to job hopping, The survey found 78% of respondents have been with their employer for less than four years, significantly higher than the 72% globally, and 51% revealed that they have been with their employer for less than two years, compared to the 48.5% globally).

Work-life balance is very important, the new generation, want to contribute in to their jobs and have time for themselves and family, ideally Civil Service sector, Diwan, Royal Oman Police & Royal Sultan Forces will provide this, it also provides security and pride to work for reputed government entities, we should not be surprised that these sectors ranked highly by young Omani job seekers.

Most of the leavers are not satisfied with their personal development, companies do not invest enough in human capital (training & development), especially when most of OMANs are fresh from school, college or university and had no prior work experience. Continuous human capital investment (training & development) must be a high priority for the both the private and public sectors.

OMANs want to advance fast, and if they do not foresee their immediate future prospects, they will be on the move again; therefore companies need to put more efforts on this and provide clarity to new joiners including very regular feedback on their progress & future prospects.

Reputation is very important; OMANs are young & dynamic and want to work in reputed, well-known companies. Many organizations in Oman do not invest in their branding, do not contribute in to social corporate responsibly (CSR), majority of OMANs tend to remain longer with international organizations, large to medium companies with high investment in CSR & Branding.

Most surveys outcome & reports highlights that the pay is low and benefits are not attractive in the private sector, despite the data indicates and shows a completely different picture, furthermore Compensation & Benefits reports by HayGroup indicating that the private sector in Oman has been in a better position in salary increases amongst the gulf countries. This has been a stigma in the private sector, the public and the private sector need to work together to change this false image and present the facts and brand the private sector better.

The government worked well in ensuring salaries of OMANs are logged/ paid, and all OMANs must be registered in Social Insurance (PASI), however it has not demonstrated the same on expatriates salaries and there is no transparent picture demonstrating expatriates salaries Vs. OMANs in different categories, there is a need for transparency and immediate need to show salaries of OMANs and expatriates in the private sector,
finally it is important to paint the right picture about the future of Civil Service job prospects and the limited job opportunities now and in future.

**Millennials believe the following would make the organization as attractive employer;**

The Following is a snap shot of what Millennials believe what would make the Organization as attractive employer from the report by (PWC) on “Millennials at work-reshaping the workplace”.

![Image](image-url)

Ref; Millennials at work- reshaping the workplace (PWC)

**The Employees Engagement Challenge**

Employee Engagement is defined as the level of an employee’s Psychological investment in their organization

The trends in global employee engagement study measures employee engagement with a Say, Stay, Strive model. Employees are asked:

- If they Say positive things about their organization and act as advocates
- If they intend to Stay at their organization for a long time
- If they are motivated to Strive to give their best efforts to help the organization succeed

The level of employee’s engagement in the Middle East is one of the lowest globally, and this is the key area where employees are not connected to their employers and employers are not trying to connect with their employees.
Major Changes and the Challenges “Oman Job Market”

This is a major challenge in Oman, especially as the private sector is dominated by expatriates and not striving to work hard to connect and understand how to engage with the young Omani workforce, the 2014 NCSI Survey results highlights major areas employers and organizations needs to take in to consideration to enable them to better connect with their employees, areas like remuneration, work environment, lack of incentives, poor treatment from managers or leaders, disconnect between the job and employee’s talent, lack of growth opportunities & work location.

(For more details on this, please refer to 2017 Trends in Global Employee Engagement by AoN)

Conclusion & Recommendations

With the economic downturn a serious review needs to take place on possible merger of all other government colleges that produce the remainder of 25% of graduates to include them as part of Sultan Qaboos University (SQU) and as part of Colleges of Technology (for example; in 2013/2014 academic year, the Colleges of Technology had for every 11 students 1 academic staff whilst Colleges of Applied Science had for every 5 students 1 academic staff).

To address the future of female higher education specialization (62% of job seekers are female), The Ministry of Higher Education has a larger role here in educating the Secondary Diploma students to pursue the right qualifications for future job opportunities.

The Oman study in 2012 and the Saudi Arabia study in 2013, both studies resulted in a meaningful outcome, the nature and the challenges of both Oman and Saudi Arabia were very similar in nature i.e. young workforce, the level of female participation in the private sector, the resignation at ages of 25 and below were much higher, and work environment related issues and the level of collaboration between the employees and the employer.

From the 2012 Oman outcome and analysis of the study, the Ministry has addressed most of these through Ministerial decisions, salaries have been increased, alignment with government with regard to weekly holidays, and public holidays, promotion procedure has been produced, more inspections has taken place, addressing of employees grievances & disputes and many more.

There is a need to be very careful and far more sensitive in managing the large number of educated Omanis and try to manage and diffuse their frustrations and grievances. There is a need to review the job market, in terms of job types, job levels and work smarter with the private sector in creating future interesting jobs (jobs suitable for diploma and degree holders).

Despite all the actions that took place over the last 4 years, percentage of the Omani leavers in the private sector kept on rising and Companies were not able to retain Omanis at work place, as indicated earlier the type of workforce are young and most of
them fall within the category of the new generation called the “Millennials” & the “Z” Generation.

Extensive work is required by both the Ministry of Manpower and the Private Sector to address the challenges and the needs of this dynamic new generations, below are some of the areas to be addressed;

• Work ethics
• Work culture
• Onboarding of Omanis into new companies (Omanis are the minorities in the private sector and need to be supported)
• Jobs must be challenging & interesting
• Each Omani to have a clear job description
• Each Omani to have clear Tasks and Targets (roles & responsibilities)
• Private sector needs to invest in training and developing of Omanis and enable them to become skilled and professional workers, and develop the best into future leaders

**Extensive work is required by both the Ministry of Manpower and the Private Sector to address the challenges and the needs of these dynamic new generations**
11. Workforce Overview & Observations (Omanis & Expatriates)

Overview of Expats and Omanis per Occupation Categories (2009-2015)

<table>
<thead>
<tr>
<th>Occupations Categories</th>
<th>2009</th>
<th>2011</th>
<th>2013</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors, Managers &amp; Administration</td>
<td>33191</td>
<td>4557</td>
<td>7151</td>
<td>10704</td>
</tr>
<tr>
<td>Scientific, Technical &amp; Human Matters Specialists</td>
<td>65359</td>
<td>11118</td>
<td>14518</td>
<td>19630</td>
</tr>
<tr>
<td>Scientific, Technical &amp; Human Subject Technicians</td>
<td>62762</td>
<td>10936</td>
<td>13435</td>
<td>18032</td>
</tr>
<tr>
<td>Clerical Occupations</td>
<td>2732</td>
<td>37182</td>
<td>216</td>
<td>46371</td>
</tr>
<tr>
<td>Sales Occupations</td>
<td>46990</td>
<td>13055</td>
<td>289</td>
<td>31972</td>
</tr>
<tr>
<td>Service Occupations</td>
<td>21572</td>
<td>39916</td>
<td>10%</td>
<td>61263</td>
</tr>
<tr>
<td>Agriculture, Stock breeding, &amp; Hunting</td>
<td>104894</td>
<td>1094</td>
<td>1%</td>
<td>6016</td>
</tr>
<tr>
<td>Industrial, Chemical &amp; Food Industries Occupations</td>
<td>60719</td>
<td>10754</td>
<td>18%</td>
<td>69815</td>
</tr>
<tr>
<td>Principal &amp; Auxiliary Engineering Occupations</td>
<td>469056</td>
<td>53586</td>
<td>12%</td>
<td>37163</td>
</tr>
<tr>
<td>Total</td>
<td>105266</td>
<td>182165</td>
<td>17%</td>
<td>215728</td>
</tr>
</tbody>
</table>

* 2009 & 2011 number of Omanis is based on percentage from the total (actual numbers of Omanis not stated in the Ministry of Manpower Yearly Reports)

** Agriculture, Stock breeding, & Hunting records in the yearly Reports fluctuates significantly i.e. 2009 to 2011 a drop of 96k and from 2013 to 2015 a rise of 96k

Highlights & Summary

The above table demonstrates Omanis are not taking up some of the occupations, resulting in the decline of Omanisation percentage since 2013, whilst more expats are recruited in these occupations and their numbers are on the rise, areas like sales, service occupations, and auxiliary engineering, Industrial, chemical and food industries.

As Royal Oman Police and Royal Sultan Forces opened job opportunities from 2011 to date, and as Omanis searching for stability and better salaries, this resulted initially in huge resignations from the private sector, and caused the Omanisation percentages to decline, however the trend indicates lack of Omanis in these occupations and also lack of interest from Omanis to work in these occupations.

Omanisation in the Private Sector has declined from 21% in 2011 to 14% in 2015

Overview of Expatriates per Skills Categories (2011 vs. 2016)

<table>
<thead>
<tr>
<th>Skills Levels</th>
<th>2011 Workforce #</th>
<th>2016 Workforce #</th>
<th>Difference %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialists</td>
<td>93079</td>
<td>117805</td>
<td>21.0%</td>
</tr>
<tr>
<td>Technical</td>
<td>56275</td>
<td>59648</td>
<td>5.7%</td>
</tr>
<tr>
<td>Occupational Labourers</td>
<td>242927</td>
<td>417625</td>
<td>41.8%</td>
</tr>
<tr>
<td>Skilled Labourers</td>
<td>259876</td>
<td>408352</td>
<td>36.4%</td>
</tr>
<tr>
<td>Limited Skilled Labourers</td>
<td>462433</td>
<td>784550</td>
<td>41.1%</td>
</tr>
<tr>
<td>Total</td>
<td>1114590</td>
<td>1787980</td>
<td>37.7%</td>
</tr>
</tbody>
</table>
Overview of Omanis per Skills Categories (2011 vs. 2016)

<table>
<thead>
<tr>
<th>Skills Levels</th>
<th>2011</th>
<th>2016</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Workforce #</td>
<td>Workforce #</td>
<td>%</td>
</tr>
<tr>
<td>Specialists</td>
<td>21755</td>
<td>31828</td>
<td>31.6%</td>
</tr>
<tr>
<td>Technical</td>
<td>15677</td>
<td>18255</td>
<td>14.1%</td>
</tr>
<tr>
<td>Occupational Labourers</td>
<td>66609</td>
<td>70237</td>
<td>5.2%</td>
</tr>
<tr>
<td>Skilled Labourers</td>
<td>40132</td>
<td>42133</td>
<td>4.7%</td>
</tr>
<tr>
<td>Limited Skilled Labourers</td>
<td>72514</td>
<td>60630</td>
<td>-19.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>216687</strong></td>
<td><strong>223083</strong></td>
<td><strong>2.9%</strong></td>
</tr>
</tbody>
</table>

Highlights & Summary

The above table indicates that Omanis are taking up more Specialists roles (31%) and Technical roles (14%) this also reflects the increase in more qualified Omanis in the market be it fresh from colleges or universities, or working Omanis taking up higher studies on part time basis. (19%) decrease in Omanis with Limited Skills, this is very positive trend.

- The Notion that Omanis take up very junior roles in the private sector is a MYTH!
- (19%) decrease of Omanis with Limited Skills, this is very positive trend
- (45%) increase of Omanis in Specialists and Technical Skills

Overview of Workforce Skills Categories in the Private Sector (2016)

<table>
<thead>
<tr>
<th>Skills Levels</th>
<th>Omanis</th>
<th>Expatriates</th>
<th>Omanisation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>%</td>
<td>2016</td>
</tr>
<tr>
<td>Specialists</td>
<td>31828</td>
<td>14%</td>
<td>117805</td>
</tr>
<tr>
<td>Technical</td>
<td>18255</td>
<td>8%</td>
<td>59648</td>
</tr>
<tr>
<td>Occupational Labourers</td>
<td>70237</td>
<td>31%</td>
<td>417625</td>
</tr>
<tr>
<td>Skilled Labourers</td>
<td>42133</td>
<td>19%</td>
<td>408352</td>
</tr>
<tr>
<td>Limited Skilled Labourers</td>
<td>60630</td>
<td>27%</td>
<td>784550</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>223083</strong></td>
<td><strong>1787980</strong></td>
<td><strong>12.5%</strong></td>
</tr>
</tbody>
</table>

Highlights & Summary

Specialist and Technical Expatriates had an average increase of 4700 per year representing 23% increase overall over the last 7 years (this category occupied by experienced educated workforce including management levels), this should be a huge concern as not enough job creation is happening at higher roles.

Occupational Laborers had an average increase of 10,000 per year (this category is occupied by experienced educated technicians)
48% of Expatriates in the last 7 years were in the “Limited Skills level - 832,000”.

Major Changes and the Challenges “Oman Job Market”
Overview of Workforce Education Level in the Private Sector (2016)

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Omanis</th>
<th>%</th>
<th>Expatriates</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Degree &amp; Above</td>
<td>24290</td>
<td>10.4%</td>
<td>102868</td>
<td>5.8%</td>
</tr>
<tr>
<td>College Diploma</td>
<td>19449</td>
<td>8.3%</td>
<td>50566</td>
<td>2.8%</td>
</tr>
<tr>
<td>Secondary Diploma</td>
<td>82144</td>
<td>35.1%</td>
<td>260034</td>
<td>14.5%</td>
</tr>
<tr>
<td>Preparatory &amp; Below</td>
<td>107986</td>
<td>46.2%</td>
<td>1350889</td>
<td>75.6%</td>
</tr>
<tr>
<td>Not Stated</td>
<td></td>
<td></td>
<td>23622</td>
<td>1.3%</td>
</tr>
<tr>
<td>Total</td>
<td>233869</td>
<td>100.0%</td>
<td>1787979</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Highlights & Summary
As demonstrated in the previous section the outcome of education levels of Omanis in the past 6 years and the percentage of Omanis going in to Higher Education studies is significantly on the increase, there are over 100,000 jobs occupied by expatriates with degrees. Graduates and experienced Omanis can tap in to this pool, similarly 50,000 jobs are occupied by expatriates with College Diploma or Certificate.
However, 75% of working expatriates have preparatory & below Education level, meaning majority of expatriate workers in Oman are blue collar workers, i.e. occupying jobs that do not require education (44% limited skilled labourers) and (23% under skilled labourers) with this in mind currently over 95% of Omanis receive opportunities in higher education, that’s why it is pivotal to focus in creating the right jobs from 2020 to 2040.

Finally having 23622 expatriates their education level is not defined (as stated in the 2017 statistical year book), does not help Oman moving towards providing better job opportunities for Omanis. There is a need to clean up and correct the data, how come the data for Omanis is well defined and there is ambiguity for the expatriates.

46% of Omanis in the Private Sector hold preparatory & below qualifications!
12. Attraction and Retention (The Trends & Major Challenges)

School Dropouts
This category of dropouts is not well managed, there are 6129 registered as school dropouts as per sources from the Ministry of Manpower (Source Job seeker at the Omanisation Career Fair in Muscat, Oman on May 14, 2017. Saleh Al Shaibany for The National).

In fact they have been completely ignored and if their concerns are not addressed, this category is already a huge burden to the society, the dropouts are not defined or recorded in any of the statistical year books, first of all this should be defined and recorded by the Ministry of Education, secondly it is pivotal to understand what lead these young dynamic students to dropout from school, reasons may vary from (mental capacity, peer pressures, family pressures, family living conditions, or other medical and sociological reasons), it is important to understand and analyze this group and find solutions and enable them to blend and join the society with dignity, this is not a small number and not to be underestimated there are dropouts from Secondary Diploma and drop outs from lower levels.

Having school dropouts should not be a surprise, the results of these students are well known by the Ministry of Education year on year and there is a need to provide a scheme or away out to move this category from being called school “Dropouts” in to a “Success Story”. There is a need to immediately study their capabilities and how they can contribute positively to the society and manage them well by designing special programs for this group, they will enrich the job market and the Omani Society will be proud of them.

Secondary Diploma Graduates
The demand of secondary school graduates in Government institutions has depleted in the last 10 years, as efforts focused in employing college and university graduates and the employment of secondary school diploma was minimal. The Royal Sultan Forces, Royal Oman Police & Royal Guard have extensively recruited Omanis with Secondary Diploma and below.

In the private sector and in labour intensive environment like construction, factories, plants, services & sales was and still the ideal sectors to recruit Secondary Diploma & below, However such sectors face extreme challenges in attracting and retaining employees, the industry is challenging, work is tough and demanding, and the Companies are not working hard to look at various methods of attracting and retaining Omanis, therefore Omanis avoid to join these sectors and prefer other.

With the increase of the minimum salary in the Royal Oman Police and Royal Sultan Forces to around OMR 450, this created instability in the job market and the Ministry witnessed 1000’s of resignations from the private sector to join the Royal Oman Police and Royal Sultan Forces. The private sector minimum wage was at OMR 200 and even with the increase to OMR 325 it is significantly lower than Royal Oman Police and Royal Sultan Forces. However due to budget constraints and economic downturn various
government bodies has reduced and some has stopped the recruitment of fresh graduates, similarly the Royal Oman Police and Royal Sultan Forces despite their continuous recruitment campaigns every year, the number is not as significant as during the Arab spring 2011 to 2013.

There are about 9352 female and 8898 male with Secondary Diploma & below (Source; PAMR June 2017), It is strange to have 18,000 Secondary Diploma and below job seekers in a market occupied by 1.6m expatriates with Secondary Diploma and below. Obviously, this report has addressed that there are serious concerns with the private sector and there is a need to take these issues very seriously, similarly there are concerns with the “job seekers” and there is a need to address these issues and facilitate a smooth transition from a “Student life” to an “Employee life”.

**University Graduates & Experienced Professionals**

Reference to the new projects and the expansions highlighted earlier, Banking, Oil & Gas, Electricity & Telecom sectors are highly Omanised and face pressures to maintain their Omanisation percentages despite the expansions. This means more pressure in recruiting professional Omanis and the trend now is to interview college and university students well before they graduate and provide them with conditional job offers (supply & demand). Similarly, the insurance industry is highly regulated by CMA and will have more pressure in the years to come to Omanise higher positions like department heads, specialists and managerial positions.

Major recruitment campaigns are taking place, the local challenge is that all sectors are tapping from the same pool again and again, even the government sector is tapping from the same talent pool of the private sector. Companies in the UAE and Qatar, headhunt Omani graduates from Universities & Colleges. Schlumberger, Halliburton, Baker Hughes, Etihad Airways, Emirates Airlines and Qatar Airways pay well and have a well-structured development schemes with a competitive edge that attracts young graduates.

Most top companies in Oman recruit fresh graduates and put them in to technical development path. In Oil & Gas, Industrial & Petrochemical, Banking & Telecom basically breeding & developing their own people, start ups run recruitment campaigns to select the best from the market, typically during the establishment of “Oman Rail”, and during “ORPIC” expansion and other major oil & gas Companies with huge expansions and growth.

Companies have commenced using the online methods to source experienced professionals local and international including the use of professional media like LinkedIn, Bayt.com, Gulf Talent, Naukri Gulf, Monster Gulf, and many others, similarly the public sector (Government institutions) are approaching headhunters to support them to recruit good quality Omanis and the reliance on the Civil Service Ministry process will eventually diminish due to many reasons as lack of new talent within and the need to tap in external talent.
Attracting through (The Job Exhibitions & Career fairs)
The following are some of the job fairs that take place in Oman annually;
• Omanisation Career & Training Opportunities fair – under the patronage of Ministry of Manpower for the technical colleges in Salalah, Ibra, AlMusanaa, Nizwa, Shinas & Ibri
• Career Fair – Sultan Qaboos University
• Higher Education, Training & Career Expo, by Colleges of Applied Science in Rustaq, Ibra, Salalah, Nizwa, Sohar & Sur under the patronage of Ministry of Education, Higher Education and Manpower
• Other career fair – organized by - Modern College of Business & Science (MCBS), Oman Tourism College and others

From the above too many job fairs for a small market, these job fairs need re-structuring and to be organized and managed under one body, no individual college or university to conduct their own job fairs, the country needs a collective effort. The job fairs should be based on disciplines and specializations for example;
• Oil & Gas sector job fair;
• Banking, Finance and Insurance sector job fair;
• Construction, Engineering & Industrial job Fair;
• Information Technology and Telecommunications sector job Fair;
• Business, Management, Marketing, Social Media, Press & Advertising
• Others like Education, Health and Social Sciences

The above job fairs (discipline wise) can cover most of the job seekers (as per PAMR June 2017 records), and as per the recent statistics of educated graduates entering the job market, each job fair will have active participation from many Companies and their subcontractors and will attract specific job seekers, the efforts will be collective & focused and attract high participation from both the Employers and the job seekers

All the Colleges & Universities must understand the capabilities of the private sector, apart from large multi national companies, many other companies do not have the resources and capabilities to participate in all of these or even some of these fairs across the country, it is almost impossible, It would be highly beneficial to collectively manage this activity through a single body and conducting one or two job fair per specialization every year, this will result in attracting the private sector to participate and collaborate better with the educational institutions, instead of requesting these companies randomly to attend or participate in various job exhibitions and colleges across Oman.

Attracting through (The Traditional methods)
Sourcing through the traditional methods i.e. newspapers, has become obsolete, it worked in the past and with latest technology and social media trends, newspapers has not been delivering the results needed, this has made employers to direct their efforts into headhunting or use LinkedIn, or other recruitment sites, with the availability of social media and internet, candidates are now using online job search and the scope is
not limited to Oman only as in the past but candidates go beyond Oman and exploring opportunities in the GCC.

In Oman many companies have not been very successful in attracting good talent or good candidates “Experienced Omanis” through adverting in newspapers on both front quality and the numbers and most of them have been facing the same issues, the lack of quality experienced candidates, and the limited number of experienced applicants.

“Logistics Industry” post launch of one of “high profile project” posted several high exposure job adverts in the local newspapers to recruit experienced Omani professionals, the quality of applicants was poor and they had to head hunt and use different means to recruit, despite its high profile, the project struggled to attract good experienced applicants, bearing in mind project like the rail is new to Oman and such expertise are non existence.

“Telecom Industry” has seen similar trend, the reduction of numbers and low quality of applicants, local job adverting is reduced to minimum and moved to other methods like LinkedIn and others, when a 2nd provider launched in Oman, similarly expertise in Telecom were non existence unless they poach from once source “the 1st provider”!

“Waste water industry” a high profile well established government Company faced similar issues in attracting good quality Omanis, similarly it is a new industry and lacked experienced Omanis.

“Banking Industry” two new Islamic banks were launched, Nizwa Bank in 2012 and Alizz Bank in 2013, both banks created opportunities for experienced Omanis to jump the ship from their existing employers and try new venture, the recruits came from the same local talent pool.

These well-established reputed Companies are facing huge challenges, if such large firms face such challenges, therefore SME’s face even tougher challenges, below are the highlight of the workforce challenges;

• Major existing Companies are expanding and thus created more openings and opportunities for internal promotions or external recruitment
• Recent development and new major projects in Oman has absorbed many good professional candidates from existing local companies.
• The GCC challenges are similar and act fast in attracting local Omanis to work in UAE and Qatar, i.e. Etihad airways having a special leadership programme, they have launched recruitment campaigns in Oman to selected and recruited quality Omanis
• The Saudi & Bahraini markets are facing their own challenges and the high unemployment of young locals.
• The GCC Rail project is in similar situation, a new industry in the region and all are sourcing & attracting from the same limited pool in GCC or overseas.
• Omani experienced professionals are limited in the overall workforce pool and companies are headhunting from the same limited pool
Available experienced Omani professionals who are roaming and / or hopping from company to company and regarded as job seekers from the statistics if we consider the experienced Omani pool with 10+ years experience represent 4653 only 10% of the job seekers!(Source: PAMR June 2017).

Attracting through (The Social Media)
47% (23965 of Omani job seekers are Millennials), and 26% (13187 of Omani job seekers fall within generation “Z”), and 60% of them are diploma and degree holders, this indicates a large educated segment and most probably conversant with the use of technology and latest trends, in total 72% of the job seekers are young and both the public and private sectors need to fundamentally change the way they attract or search for Omanis.

The Social media significantly changed the way Organizations source or search for talent and similarly the Job seekers are using the latest technologies to search and find jobs, including other websites that recently have been contributing positively in to employment trends in Oman sites like Mujeeed.com and Omancareers, below is an overview of 4 of major social media sites that contributes positively towards employment.

LinkedIn; is an interconnected network of experienced professionals from around the world, There are over 500 million professionals users (April 2017)
Facebook; is the largest of the social networking sites with over 1 billion users
Twitter; is a microblogging social networking service, messages, better known as tweets, are no more than 140 characters, according to their website, “Twitter is a simple tool that helps connect businesses more meaningfully with the right audience at the right time it has 328 million users(Q2-2017)
Instagram; is a mobile, desktop and internet-based photo sharing application and service that allows users to share pictures and videos either publicly or privately, it has 700 million users (June 2017).

Based on a research from iCMS, a web-based employment software company, it shows that most HR professionals aren’t looking for candidates in the right places. Refer to the info graphic below;
iCIMS, Inc. is an American software company founded in 1999. It is a leading provider of software-as-a-service talent acquisition software solutions for growing businesses.
Linked In report on 2017 Employment Trends in MENA region

What are the top motivators to hire?

- Connections within the community: 57%
- Connections outside the community: 52%
- Electronic job ads: 40%
- Internal referrals: 34%
- Direct applications: 28%

Learn more:
Why employee referrals are the best way to hire | How to post a job on LinkedIn

Major Changes and the Challenges “Oman Job Market” 56
The 2014 survey results indicated obvious direction of job search by the students, job seekers and the employers are heading towards the Internet and the high utilization of social media. To connect effectively with the job seekers the Employers, the Ministry of Manpower & the Ministry of Civil Service need to align themselves to the market trends, adverting in newspapers is no longer an optimal option, organizations must move towards better use of the technology and the social media to better enable them to connect with the public and the job seekers and reap fast and better results.
### The Challenges of “Job Seekers”

Below is an overview of the challenges that can be experienced in these groups and the recommended solutions;

#### First Timers “Job Seekers”

<table>
<thead>
<tr>
<th>Secondary Diploma &amp; below</th>
<th>College and University Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Low morale (work culture shock, moving from being a student to an employee)</td>
<td>• Received some kind of support in CV preparation</td>
</tr>
<tr>
<td>• Readiness for a “job or work”</td>
<td>• Received some kind of support in interview skills</td>
</tr>
<tr>
<td>• Limited knowledge on CV preparation</td>
<td>• Better English language</td>
</tr>
<tr>
<td>• Weak or non English language skills</td>
<td>• Many had one or more internship</td>
</tr>
<tr>
<td>• No internship or work experience</td>
<td>• Basic understanding of private sector</td>
</tr>
<tr>
<td>• Limited knowledge of private sector</td>
<td>• Salary expectations is more realistic</td>
</tr>
<tr>
<td>• Salary expectations is not realistic</td>
<td>• Basic understanding on work ethics</td>
</tr>
<tr>
<td>• Not had any induction on “work ethics”</td>
<td>• Logistical challenges</td>
</tr>
<tr>
<td>• Logistical Challenges</td>
<td>• New environment, new location</td>
</tr>
<tr>
<td>• New environment, new location</td>
<td></td>
</tr>
</tbody>
</table>

**Proposed Solution**

The Ministry of Manpower with collaboration with the private sector to design special workshops to address the above challenges and conduct workshops in smaller groups. 

Explain the challenges of work, not just in Oman, anywhere.

#### Resigned or Terminated “Job Seekers”

<table>
<thead>
<tr>
<th>Secondary Diploma &amp; below</th>
<th>College and University Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Low morale (not able to adopt to work culture)</td>
<td>• Low morale (not able to adopt to work culture)</td>
</tr>
<tr>
<td>• Lack of interest</td>
<td>• Lack of interest</td>
</tr>
<tr>
<td>• Challenges at work</td>
<td>• Challenges at work</td>
</tr>
<tr>
<td>• Challenges with employer</td>
<td>• Challenges with employer</td>
</tr>
<tr>
<td>• Challenges with supervisor</td>
<td>• Challenges with supervisor</td>
</tr>
<tr>
<td>• Challenges of new location</td>
<td>• Challenges in new location</td>
</tr>
<tr>
<td>• Job not challenging or not interesting</td>
<td>• Job not challenging or not interesting</td>
</tr>
<tr>
<td>• Job not related to specialization</td>
<td>• Job not related to specialization</td>
</tr>
<tr>
<td>• Career prospects is not clear</td>
<td>• Career prospects is not clear</td>
</tr>
</tbody>
</table>

**Proposed Solution**

The Ministry of Manpower with collaboration with the private sector to design special workshops to address the above challenges and conduct workshops in smaller groups. 

Explain the challenges of work, how to grow as a professional and how to overcome the challenges at work and to include work ethics.
What are the Success Factors for the above to work?

- The workshop syllabus “content” must be exciting, dynamic & positive
- To inject positive image of the private sector and it’s successes
- The workshop must contain a section on “Team building” exercises to inject passion and synergy
- The workshop must contain a section on work ethics
- The workshop must contain a test and minimum passing mark
- The workshop to be conducted by professionals, preferably by capable HR professionals with private sector experience
- No one to be registered as a job seeker in the database without passing the workshop “not just attending” but must pass the test.

Employment Opportunities for Omanis

Employment Opportunities for Omanis per Occupation Categories (2009-2015)

<table>
<thead>
<tr>
<th>Job Opportunities Provided</th>
<th>2009</th>
<th>2011</th>
<th>2013</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors, Managers &amp; Administration</td>
<td>1149</td>
<td>1842</td>
<td>2836</td>
<td></td>
</tr>
<tr>
<td>Scientific, Technical &amp; Human Matters Specialists</td>
<td>3729</td>
<td>3947</td>
<td>6337</td>
<td></td>
</tr>
<tr>
<td>Scientific, Technical &amp; Human Subject Technicians</td>
<td>3629</td>
<td>3897</td>
<td>4379</td>
<td></td>
</tr>
<tr>
<td>Clerical Occupations</td>
<td>12345</td>
<td>11621</td>
<td>17022</td>
<td></td>
</tr>
<tr>
<td>Sales Occupations</td>
<td>5272</td>
<td>3967</td>
<td>4820</td>
<td></td>
</tr>
<tr>
<td>Service Occupations</td>
<td>13700</td>
<td>12018</td>
<td>13515</td>
<td></td>
</tr>
<tr>
<td>Agriculture, Stock breeding, &amp; Hunting</td>
<td>314</td>
<td>238</td>
<td>157</td>
<td></td>
</tr>
<tr>
<td>Industrial, Chemical &amp; Food industries Occupations</td>
<td>3377</td>
<td>3478</td>
<td>3592</td>
<td></td>
</tr>
<tr>
<td>Principal &amp; Auxiliary Engineering Occupinations</td>
<td>19247</td>
<td>16972</td>
<td>20780</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>71477</td>
<td>62762</td>
<td>57980</td>
<td>73438</td>
</tr>
</tbody>
</table>

* 2009 details numbers are not available from Ministry of Manpower yearly report

Employment Opportunities for Omanis per Education Level (2009-2015)

<table>
<thead>
<tr>
<th>Education Level of new employed Omanis</th>
<th>2009</th>
<th>2011</th>
<th>2013</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below Secondary Diploma</td>
<td>39598</td>
<td>32784</td>
<td>31689</td>
<td>37368</td>
</tr>
<tr>
<td>Secondary Diploma</td>
<td>25946</td>
<td>23627</td>
<td>19853</td>
<td>25731</td>
</tr>
<tr>
<td>Associate Diploma</td>
<td>5933</td>
<td>2957</td>
<td>2903</td>
<td>6162</td>
</tr>
<tr>
<td>University Degree</td>
<td>3394</td>
<td>3535</td>
<td>4177</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>71477</td>
<td>62762</td>
<td>57980</td>
<td>73438</td>
</tr>
</tbody>
</table>

Conclusion & Recommendations

The job opportunities provided has been constant at an average of 66,000 jobs per year however, over the last 7 years the number of Omani resignations & terminations is on the rise at an average of 45,000 per year (highest is in Muscat region 30% average, followed by Al Batina region at an average of 20%). Some experts may say turnover is healthy, however 20% turnover is very high, significant work and efforts must take place by both the Ministry of Manpower and the private sector to address the reasons and “minimize the turnover percentages” and stabilize the employment market.

Whilst the government is focusing in providing jobs for the new influx of young Omani Secondary Diploma and College Graduates, at the same time it faces a huge number of
job leavers every year, this of course distracts the journey. These 2 categories needs to be managed differently & separately, Omanis “first timers” joining the workplace & resigned or terminated Omanis. Whilst ongoing efforts is continuing in accommodating 45000 job leavers year on year, the onus must be left to the individuals and giving them some kind of support and to redefine how they are supported.

Similarly there is a need to deal with Secondary Diploma & below Job seekers and University job seekers separately, both these two categories needs are different and the way they are managed and supported must be redefined. Locally, there are specific realities needs to be addressed, issues were raised in many reports and opinions on Omani job seekers.

Finally on the dropouts, a survey or study is pivotal to understand what leads these young dynamic students to dropout from school, furthermore the dropouts should be well defined and recorded by the Ministry of Education, and included in the statistical yearly books.

66,000 average Employment opportunities provided every year by the private sector for OMANIS

13. Moving from “Omanisation” to “Creation of the Right Jobs”

1,350,889 registered expatriates (by end 2016) with qualifications less than preparatory certificate, and many can only read and write, there are no Omanis in such numbers to replace the expatriates in this category, as mentioned above Oman has less than 4300 Omani job seekers holding preparatory certificate & below, this is insignificant number and it is alarming that there is unemployment in this category.

260,000 of the working expatriates in Oman holding secondary diploma, therefore 14,000 Omani job seekers can tap in to the pool of 260,000 jobs occupied by expatriates, this is also is insignificant number and it is alarming that there is unemployment in this category.

- 90% of Expatriates qualifications are below Secondary Diploma, meaning they occupy jobs not suitable for Omanis and do not match Omanis skills!
- 81% of Omanis with Secondary Diploma and below!
- 46% of Omanis are with Qualifications of Preparatory & below
Omanisation has worked well in the past especially in the Oil & Gas, Banking, Telecom sectors, and the insurance is following suit. However other sectors have lacked behind and some are extremely low, it is wise to review its Omanisation policy, successes and failures and learn from the Omanisation Journey, what did the Oil & Gas, Banking and Telecom sector do right in Omanisation, what were their success factors and their challenges?

It is possible to focus on specific interesting industries for Omanis, also understand why Omanis are not interested in working in the construction industry, agriculture, farming and stock breeding, industrial, chemical and food industries and how they can work together with these industries to make another “Success Story” between 2020 to 2040.

In a market of average 40,000 Omanis enrolled for General Diploma Certificate (2016) vs. 1.7 million expatriates, it seems it has been a challenge in Omanisation, mainly replacing expats with Omanis in these various sectors, but the fundamental element is the private sectors’ commitment to train & develop Omanis, support Omanis during their onboarding and joining the Company, and to develop state of the art “Transitional Programme” to enable the new job seekers adopt and move from a “Student life” to an “Employee life” and enter the job market and become an enabler rather than a liability.

The focus of the country as a whole must change post 2020, we need to move from the concept of “Omanisation” to the concept of “Creating the right jobs” for Omanis, studies have taken place to identify future skills needed and future jobs, similarly many jobs are disappearing “all the developed nations on earth will see job loss rates of up to 47% within the next 25 years, according to a recent Oxford study. “No government is prepared” The Economist reports. New jobs are emerging with the introduction of new technologies or industries like Solar energy, Driverless cars, Virtual reality, Drones, Artificial Intelligence, Information Technology and Cyber Security are competing for jobs like never before.

The is a need to review the future needs, what kind of jobs Oman needs to sustain its vision, what kind of jobs that will disappear and diminish over time, for example we have been focusing allot on basic jobs like Public Relation Officers (PRO’s), light & heavy duty drivers, etc. by the time the rail project is completed many driver roles will start to diminish, with the new technology of driverless cars coming in to the region, the job of a driver will no longer be needed and it will be very difficult to find other roles or redeploy the Omanis in to other meaningful jobs and will start another challenge of “Employability”, therefore it is wise to start from now focusing on future sustainable jobs and roles that will fit Omanis between 2020 to 2040.

Similarly at the same time, there is a need to gear the new generation with the future skills needed in the job market by aligning the education curricula with the employers needs, a detailed survey and report was carried out by E&Y in 2014 it highlights what steps to be taken. (Source – How will the GCC close the skills gap by E&Y)
We need to define the meaning of job creation in Oman, and work on the means and ways to create exciting and meaningful jobs, ideally to conduct workshop(s) with prominent Business Leaders, Sr. HR Managers and HR Directors, CEO’s and government top Directors to discuss and work on how to facilitate the creation of future challenging and interesting job opportunities for Omanis aligned with future industries that will be created between 2020 to 2040, below are few of the suggestions on job creation;

1- **The standard Arab gulf directory for occupational classification and specification**
   A review by the Ministry of Manpower on the advantages and disadvantages of aligning to the GCC classifications, and how much such classification hinders the future growth. A good example is to benchmark with Singapore’s 13000+ jobs and reclassify Oman’s jobs to enable identify better future job opportunities, a classic example in the current Arab classification is not in par with latest job trends and latest technology jobs. For example the market has moved and new jobs in the market are not listed to name a few i.e. Engagement Manager, HR Business Partner, Social Media roles, etc.

2- **Categorization of jobs “Omanisable” or “Not Omanisable”?**
   To work closely with the private sector and enable them, the Ministry needs to be realistic in classifying jobs as Omanisable, there are jobs that Omanis do not prefer to work in and the Omanisation becomes insignificant, for example the jobs in the construction industry like “Mason” or “Men Barber” or “Clown”. Proper records of all workforce to be corrected and that will provide a different picture on Omanisation, for now due to limited jobs classification, the private sector tends to use the closest match and that should be avoided at all cost, the next phase is to move away from the number or percentage and move towards quality records that reflect realities “actual jobs”, refer to the above section “The Future of Omanisation in the private Sector”.

3- **Towards a more educated and well qualified Omanis**: Create an incentive for companies who sponsor Omanis for full or part time studies, this needs to be branded and capitalized and honor those companies who sponsor Omanis for higher studies, including Companies who have internal sponsorship study schemes (these companies are contributing to the society and the development of Oman).

4- **Towards providing immediate opportunities and minimize unemployment down time period for Omanis**: Redefine minimum wages for Diploma and Degree holders for SME’s – many of the SME’s and start ups are not able to recruit Omanis at these salaries, and the role of government is to enable both Omanis to get jobs and SME’s to hire Omanis if Diploma holder min wage for SME is OMR 350 and Degree Holders min wage for SME’s is OMR 450, this way more job opportunities can be created for Omanis, and the employment and development can be expedited, certain rules must be in place to avoid misuse and to give the SME’s a time period for such remuneration i.e. upon the completion of 24 months employment with SME employer the Omani employee must be aligned to the normal min wage i.e. OMR 450 for Diploma holder and OMR 600 for the degree holder (subject to his/her
Major Changes and the Challenges “Oman Job Market”

performance), this way we fast track the employment and immediate opportunities for Omani to gain experience.

5- **On job Training (post graduation):** Redefine the on job training post graduation and the Ministry to put rules and a process in place, usually this terminology is defined as a student who seeks training, such definition hinders the on job training opportunities for Omanis post graduation, as Companies can not take a graduate Omani and place him/her as a trainee (without employment contract), Ministry of Manpower inspectors do not allow such practice assuming that employers use Omanis and make them work instead of real training, therefore many companies refuse to entertain training graduates to avoid fines or other consequences.

6- **Creating a mentoring and coaching pool:** Redefine the work for Omani between the ages of 60 to 70 to work in organizations as experts, specialist or consultants, and utilizing their extensive knowledge to inject their expertise back in to the young inexperienced Omanis and mentor/coach young Omani “Y” and “Z” generations. Retirement age needs to be redefined, the Omani are minority in the labour market, and the private sector is able to absorb them, many companies use the rule of reaching the retirement age of 60 years to end the employment of the Omani regardless, this acts as a disadvantage to Omani experts with extensive experience, by redefining the rules, the government sends a positive message to the companies that such Omanis are valuable and should be utilized and benefit the sector and ultimately the country.

7- **Towards providing good opportunities for (PWSN):** The law on employment of People with special needs (PWSN) needs to be revised in to “employ and train people with special needs”, this segment of the society has been neglected for long time and companies are not taking a pro-active role in recruiting them, using the excuse that they are not qualified or not able to perform the jobs, this concept must change and become the responsibility of the public and the private sector to recruit them first and then train them and place them in to suitable roles and meet their quotas, including stating the number of the (PWSN) job seekers in the public authority for manpower registry.

8- **Rules pertaining Expatriates working in Oman:** The ministry to review all their rules with respect specific work permits for expatriates, a good example Saudi Arabia new rule of years of experience, where no expatriates will be recruited with less than 5 years of work experience, such rule will facilitate the employment of youth, similarly a new rule could be introduced for managerial jobs or experts (not to be exaggerated the world is facing skills shortage so we need to be careful).

In the end of 2013, in an effort to create more job opportunities for the nationals, the Omani government has changed visa regulations, under which only those expatriates earning more than 600 riyals per month will be eligible to bring their wives and children below the age of 21 on ‘family joining visa’, however in Oct. 2017 this rule was evoked and expatriates can accompany their facilities if their earnings
above OMR 300, this rule had a significant negative results to the country economically, expatriate were not able to sustain with their families and this resulted in more money going out of Oman and less expenditure and has significantly affected the real estate market on top of the already low oil prices. Rules should move towards attracting quality expatriates and creating a stable working environment in Oman. (Source -http://www.globalpropertyguide.com)

9- **Increase the work permit “Fees”**: Currently the work permit costs OMR 301, with 1.7 million expatriates working in establishments, an increase of OMR 100 on the work permit fees, will generate OMR 170 million every 2 years of which can be utilized to train & develop OMANis or can be utilized as a contribution from the government to the private sector on the first year of employment of each graduate, 20,000 graduates with degree and the government contributes half of the minimum wage for a degree holder OMR 300 totaling 60 million and 10,000 graduates with diploma holder half of minimum wage OMR 225 totaling 22.5 million, this way every Omani has easy access to a job during their first year of employment and will receive a good exposure of at least one year of work experience and relieves the private sector burden to pay such salaries for inexperienced and fresh OMANis.

10- **Creating job opportunities that covers larger pool of Omani workforce**: a good example on this that will enable a large segment of secondary diploma and below, by redefining security opportunities, for example why not make it mandatory to all hotels regardless of their rating to have a pool of security personnel under the “Security and Safety Services Co”, why not mandatory for every high rise building in Oman to employ building security personnel? The profession of security personnel is an attractive and respectable role for OMANis and with proper training there are growth opportunities, this is one example of job creation.

11- **Free of Charge Centralized Job App**: Ministry of Manpower in collaboration with the private sector to design and launch a job application, and make it mandatory for all jobs to be registered and advertised in the App and candidates can apply directly online, this way ensuring a central database of all jobs adds, and an easy access to all job seekers, eliminates jobs adverts in newspapers and huge savings for Companies, and this will align the Ministry of Manpower towards new technologies and serving the new generation much better.
14. The Power of the Private Sector

The private sector was able on an average to generate 122,000 jobs per year, whilst the Civil service on average 12,000 jobs per year. The private sector generated 10 times the Civil service, this should not be underestimated, even if we consider thousands of intakes by the Royal Sultan Forces and Royal Oman Police, still the private sector opportunities supersedes.

The private sector must be taken seriously and work closely with business owners towards being a true partner in the development of Oman, and move towards clearing all the hurdles the private sector faces.

**The private sector has created on an average of 122,000 jobs per year!**

15. Final Conclusion & Recommendations

With world major challenge of skills shortage, Sourcing and attracting talent will be the next challenge in Oman and the region. Oman and the GCC has a very young generation and growing fast. The market dynamics is changing from total dependence on oil & gas to diversification in different industries within the GCC. Oman focuses on tourism & logistics, whilst Bahrain and Dubai focuses to become the Islamic and the financial hubs, tourism & hospitality, medical & entertainment hubs.

Despite the high Omanisation and developing of in-house skills and Omani talent in many reputable companies. The employment of Omanis in the private sector still remains only at 12.5%, an indication that many jobs, be it junior or sr. professionals, white or blue collar are still occupied by expatriates, which raises the challenges to focus more on long term training & development of the young Omanis to enable them to take future challenging roles occupied by expatriates or take new created challenging jobs.

Companies must recruit, develop own talent, and put in place developmental schemes to ensure Omanis progress and prosper fast. The current market statistics indicates that majority of Omanis stay with employers less than 2 years and recent study conducted in the Far East indicates the same, retaining employees, is not unique to specific company, even the top players in Oman are facing the same challenges, recruiting locally in Oman, meaning all companies are tapping from the same limited pool and Companies are willing to pay higher to source a well developed and trained local Omani to achieve their Omanisation or fulfilling their business needs.
Majority of Omani workforce is young and will continue to see the trend of resignations and moving from Company to Company either for the betterment or for challenging roles and better career prospects. The turnover rates will be high and at unprecedented rates, (all the recent reports indicates this) this will have an impact on how employees are managed and engaged and the utilization of Human Capital Investments (HCI) in training and developing Omanis will be at all time critical.

The way ahead is clear, if the private sector addresses the challenges and creates challenging and meaningful jobs, commit to high investment in training & developing of Omanis, create an exciting and good work environment and companies learn how to work with the new generation the “Millennials” and the “Z” Generation entering in to the job environment, a different picture of Oman will start to emerge.

The next phase between 2020 to 2040 the government sector will not be able to keep absorbing the same numbers of job seekers as demonstrated since 2011 the government has been recruiting 75% of the Omani workforce be it in the Civil Service sector, Royal Sultan Forces or Royal Oman Police, “it has reached the stage of saturation”.

There has to be a body that oversees and monitors the number of jobs stated in the strategies for example, the National Tourism Strategy 2040 (NTS) and the National Logistics Strategy 2040 (NLS), to define the jobs created, how many jobs are created for Omanis “Only” and how many jobs are open for all. The above must be supported scientifically with a monitored implementation plan, any failure of these plans will cost Oman dearly.

Finally, yes there are immediate and long term challenges to be addressed particularly by the Ministry of Education, Ministry of Higher Education and Ministry of Manpower by supporting Omanis prior entering the job market and by the Ministry of Commerce and Industry by supporting the private sector with robust efficient business regulations and enabling SME’s to grow and removing all their obstacles and work towards incentivizing and enabling the SME to hire Omanis.
Research by;
Engineer. Masoud Al Maskary – Sr. HR Consultant

Masoud Al Maskary, is an engineer by background graduated from Nottingham Trent University in 1989 in Building Management, joined Petroleum Development Oman (PDO) worked in maintenance and major construction projects in the 1990’s, was one of the drivers of ISO14001 certification for PDO pilot project, later was responsible for the development of young engineers achieving major accreditation for engineering development scheme from 6 major UK institutions and managed the planning & development of all engineering employees, after 13 years in PDO moved to Daleel Petroleum as an HR & Administration Manager and later to Nawras (Ooredoo) as an HR Director, and then to Vale as Strategic HR Manager, Oman Sail as an HR Director, and recently Sr. HR Manager at Mazoon Electricity Co.

Masoud’s expertise spans over 27 years, of which 17 years in Human Resources, to highlight few of the major achievements;

- Achieving the highest Omanisation in Nawras, Vale and Oman Sail
- Achieving accreditation from 6 UK institutions (first in the Middle East)
- Developed policies and procedures for many organizations
- Expertise in Developing people, Sourcing Talent, Performance Management, Employee Engagement, Succession Development & Planning

Masoud worked in major industries like Oil & Gas, Telecom, Mining, Sport & Tourism, and the Energy sector, as the Founder and Co Owner of Ajyal HR solutions and services, a Consultancy firm established in 2006, to support the HR industry in Oman and the GCC, the combination of his exposure & experience in various industries and Consultancy business has given him a unique perceptive of Oman market and the challenges Omani’s face in the private sector.

Contact;
e-mail - masoud.almaskary@gmail.com
mobile - 00968 95881310

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