

# SWOT and PESTEL analyses

One of the initial steps in the formulation of the HRDF strategy 2018-2020 was to conduct SWOT and PESTEL analyses. SWOT gives an insight on HRDF's internal strengths and weaknesses as well as opportunities and threats in the external environment while the PESTEL analysis concentrates on macro-external factors that impact HRDF's operations and provides input to the SWOT analysis.

## SWOT analysis

### Strengths

- › Flexibility and quick response to labour market fluctuations
- › A large internal database easily accessible to job seekers
- › Highly-skilled workforce, financial strength, and the use of advanced technology by HRDF
- › Brand awareness

### Weaknesses

- › Lack of communication with external institutions which leads to difficulties in extracting data
- › Launching programmes before the completion of their e-infrastructure
- › Weakness of functional incentives, benefits, training of HRDF staff, and lack of human cadres in some sectors

## PESTEL analysis

### Political

- › The structure of the National Development Fund
- › Saudi Government's focus on Saudisation according to NTP 2020 and Vision 2030

### Economic

- › Increase of private sector's contribution to Saudisation
- › Dependence on outsourcing by the private sector

### Social

- › Concentration of economic activity and employment opportunities in the three major cities
- › Youth forms the majority of the population
- › Majority of job seekers are female
- › Difficulties faced in the engagement of women in the workforce
- › Social perception and classification of certain professions
- › Lack of seriousness of some job seekers
- › Social perception of *Hafiz* as a social subsidy

## Opportunities

- › Restructuring of the National Development Fund
- › Introduction of new policies and legislation that support Saudisation
- › Implementation of HRDF strategies in partnership with the private sector
- › Utilising HRDF's financial resources as per Article 3 of the Regulation

## Threats

- › KSA economic growth rate and its ripple effect on the workforce
- › Misalignment of the educational output with labour market needs
- › Backlash to the recent restructuring of HRDF and its programmes
- › Lack of seriousness of some HRDF beneficiaries

## Technological

- › Automation of processes and e-correlation with relevant bodies
- › Easy access to job seekers through the National Labour Gateway
- › Piracy and cyber attacks

## Environment

- › New regulations on matters relating to environment by the Government and the Meteorology and Environmental Protection Administration (MEPA)

## Legal

- › New policies and legislations directed at Saudisation
- › Labour market laws and legislations
- › The gap between the private and public sectors