

# HRDF's strategic plan

*According to Royal Decree (13/A) dated Muharram 13, 1439 AH corresponding to October 4, 2017, the National Development Fund was established, which enjoys legal personality and financial and administrative independence, and is organizationally linked to the Prime Minister. It is also linked to many development funds and banks, one of which is the Human Resources Development Fund. In 2019, efforts were made to align and unify the strategic direction between the National Development Fund and the Human Resources Development Fund.*

*During 2019, a project was launched to review and develop the strategy of remove the represented by the Board of Directors and the Executive Committee - the owner of the project - and all its leaders and employees in cooperation with the best cadres of consultants in strategic planning at local and global levels. The aim of this project is to develop a strategy based on global best practices using proven scientific and methodological methods. The strategy was based on data from the labour market and not on intellectual assumptions.*

*While the project was in progress, HRDF adopted an implementation plan in 2019, based on targets that will be applicable until the project of developing and reviewing the strategy of the HRDF is complete.*



## The National Development Fund

The National Development Fund aims to raise the performance level of development funds and banks to enable them to achieve the goals intended from their establishment. Further, to align the goals and pillars of the Kingdom’s Vision 2030 to economic and development priorities. The NDF has the ability to exercise the following broad powers:

1. General supervision on organization, control and implementation of development funds and banks.
2. Take the necessary measures to achieve integration and coordination between development funds and banks in a manner that contributes to achieving their goals.
3. Take the necessary steps to increase the adequacy of development financing and lending and enhance their sustainability in development funds and banks.

4. Review the terms of reference, strategies, organizations and structures of development funds and banks and their implementation plans in addition to applied financing and lending mechanisms and updating them as to meet the requirements of development priorities, without prejudice to the powers of the regulatory authorities, and report on requirements for completion of procedures in this regard.
5. Participate in representing the Kingdom in regional and international organizations, bodies, forums, and conferences related to the Fund’s terms of reference.

Since the beginning of 2019, the National Development Fund exercised these powers by setting six key performance indicators for HRDF in order to record the numbers of nationals who have been employed and trained in the private sector in general and in small and medium-size enterprises (SMEs) in particular. These key performance indicators (KPIs) are directly linked to the goals of the Kingdom’s 2030 Vision as shown in Figure No. 1 below, and will be linked in the future to the strategic goals of the Human Resources Development Fund after the completion of the approval of its strategy by the Board of Directors of the National Development Fund.

### Key Performance Indicators for the National Development Fund

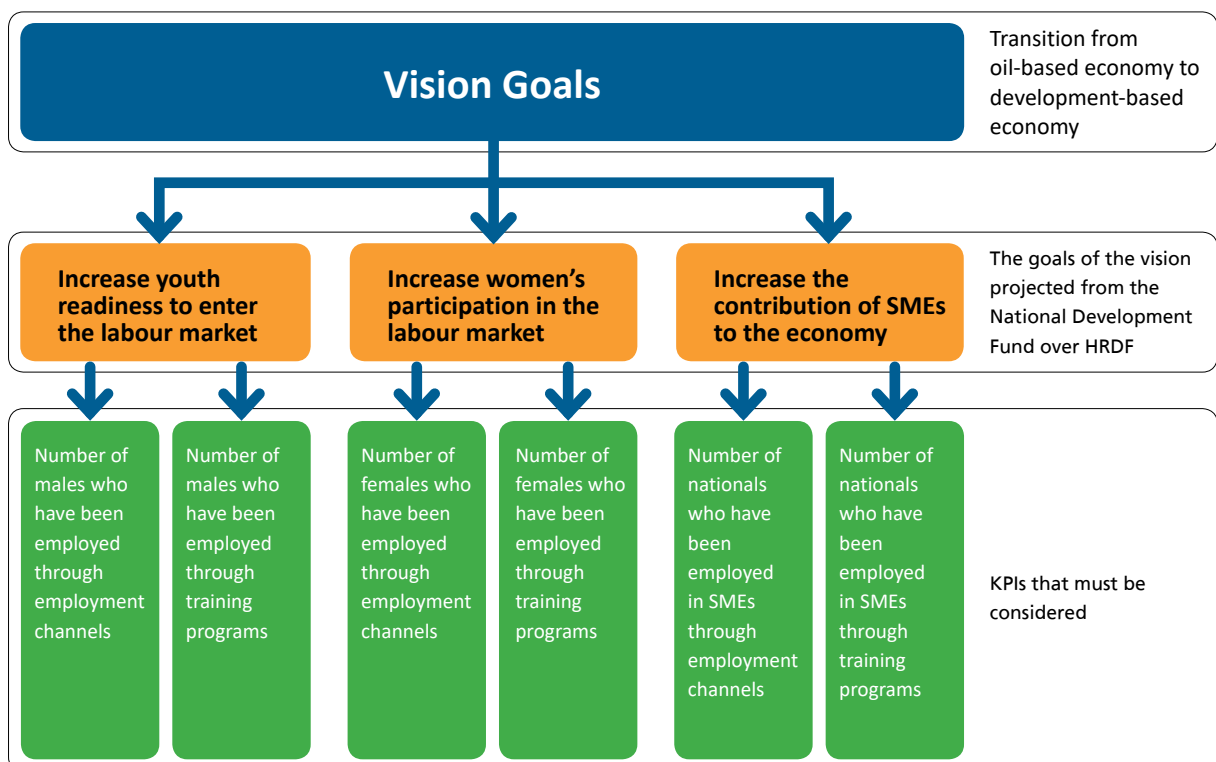


Figure No. (1) The key performance indicators projected from the National Development Fund

## Project of Reviewing and Developing the Strategy of HRDF

The process of reviewing and developing the strategy of the HRDF began in May 2019. In line with the project plan, the stages of work and the implementation mechanism include the following:

### 1. Assessing the Status Quo Phase

- 1.1 **Data Collection and Review:** during this stage, data was collected from multiple sources and benchmarking comparisons were carried out at the local, regional, and global levels. Some of the most important reviewed and utilized data originated from studies done by the National Observatory of Labour of the HRDF.
- 1.2 **Internal Evaluation:** using a bottom-up approach, starting from the second row towards the executive row. During this stage, an internal evaluation was carried out with all internal stakeholders, and several individual meetings were held with some Excellencies, in addition to members of the Board of Directors and the Deputies of the General Director. Workshops were held for all the leaders of the Fund with representatives from sectors and general managers, and an electronic questionnaire was conducted to measure the participation of HRDF's employees.
- 1.3 **External Evaluation:** during this stage, an external assessment was carried out to determine the needs of all external stakeholders. Several individual meetings were held with Ministers, Governors of funds and authorities, and Chief Executives of the 2030 Vision programmes, in addition to sister and private institutions that are linked to the stages of supply-to-demand.

Additionally, a workshop was held for Chief Executives and human resources managers from various parts of the private sector, including technology and communications sector, tourism and hospitality sector, financial services sector, retail, trade and personal services sector, health care sector, food and agricultural industries sector, transport and logistics sector, and contracting and real estate sector.

An electronic questionnaire was also conducted to measure the participation of students and recent graduates job seekers on the National Labour Gateway (Taqat), in which more than (40,000) beneficiaries participated.

- 1.4 **SWOT Analysis:** the outputs of the internal evaluation stage were used as inputs to aid in building the components of HRDF's strategy for this stage and to reach the final results of the analysis of strengths, weaknesses, opportunities, and threats.
- 1.5 **PESTLE Analysis:** the outputs of the external evaluation stage were used as inputs in this stage, in order to reach the final results of the analysis of the external, political, economic, social, technical, environmental, and legislative influencing factors and reconfigure the tools and targets of the fund. The tools of HRDF include financial assets, upskilling, and big data. While the fund's targets include SMEs from the demand side, and medium and high skills from the supply side.

### 2. Strategy Redesign Phase

- 2.1 **Review of HRDF's Strategy:** this stage included a review of the previous strategy of HRDF and the stages of the annual implementation plans that emerged from it, in addition to determining possible improvement points that can be developed in the next stage.
- 2.2 **The HRDF's Grand Strategy:** this stage included the formulation and definition of the vision, mission, strategic goals, key indicators, initiatives and values, in addition to, the value chain of HRDF's role, and the operational model needed to activate the strategy throughout the first level of the administrative structure.

### 3. Updated Strategic Plan Development Phase (the active phase)

- 3.1 **HRDF's Operational Strategy:** goals are ambitiously transformed into key indicators, then linked through initiatives assigned to first-level management units and operational performance indicators to a financial 3- year feasibility model in order to create a budget. This budget is based on annual targets and projects that follow a domain model and an approved project plan with its required budget. Budgets receive quarterly updates as a measure of achievement in addition to yearly ones based on new projects, initiatives, goals, and strategic indicators.
- 3.2 **Annual Implementation Master Plan:** annual implementation plan 2020 will be built on the basis of the initiatives' financial viability, their work progress monitoring methods, their measured achievement, and impact percentage.
- 3.3 **Implementation phase:** this stage includes monitoring of the status quo, change management, communication management, and achievement accomplishment process. It also includes measuring the satisfaction of beneficiaries and what was carried out during the current year in terms of:
- Meeting the scope of work (outputs)
  - Achieving and meeting the desired benefits from implementation (impact as a measurable number)
  - Unachieved sections of the strategy
  - Inputs necessary to plan for next year
  - Change record sequenced historically

## Implementation Plan 2019

The implementation plan consists of two phases:

### First Phase: Planning

In February 2019, several meetings were held to review previous key and operational indicators and to introduce operational indicators in line with development plans which are aimed at reaching harmony and mutual understanding within all sectors and public departments. A baseline was also set for all key and operational indicators and an implementation plan for 2019 consisting of seven targets was reached. This implementation plan consists of six key performance indicators - as shown in Figure No. (2) below- in addition to (42) approved operational key performance indicators. The plan's implementation mechanism was designed through which implementation can be monitored by His Excellency the Director General of HRDF.

In order to manage and ensure the execution of the implementation plan, nine workshops were held in March to discuss the implementation plan approved by His Excellency the Director General for all sectors and public administrations, in the presence of sector representatives, general managers and others who were nominated by the sector to attend, in addition to representative of portfolio managers from each sector from the Project Management department and the Development and Strategic Planning department team. The workshops included review and discussion of the required targets, KPIs and operational KPIs for each sector and a review of implementation models for initiatives and projects. Sector services and public service departments were listed and include shared services sector, operations sector, Legal Affairs department, Media department, Quality and Institutional Excellence Department. In light of the workshops' results, the process of completing forms, agreements and work plans was initiated and reviewed with sector representatives and managers.

During April, all sectors and public departments completed their forms, agreements, and work plans that were subsequently approved by sector deputies as agreements (scope) and by managers as an implementation plan (timeframe). Targets were applied on the performance management system and results were linked with the annual appraisals for 2019 in coordination with the department of Human Resources.

## Second Phase: Execution

The beginning of May witnessed the start of the execution phase of the implementation plan for 2019. This phase is monitored on a weekly basis through a submitted response report that details the response status of administrative units in terms of timely delivery at the start of each month in addition to late deliveries, and unresponsive units, in order to allow for direct and quick corrective actions to be taken. After data is received, it is reviewed, verified, and monitored against the target to determine performance levels of administrative units and gauge continuous achievement of monthly targets by the public sectors and departments.

## Implementation Plan Key Performance Indicators

Strategic KPIs		Achieved	Target
Number of beneficiaries whose employment in the private sector was supported	→	108,757	155,755
Number of beneficiaries employed in the private sector	→	92,887	85,000
Number of beneficiaries of training support programs in the private sector	→	46,198	61,969
Number of beneficiaries upskilled in the private sector	→	99,405	90,000
Overall beneficiary satisfaction with HRDF’s services	→	92%	88%
Institutional excellence achievement index	→	33%	50%

Figure No. (2): Implementation Plan Key Performance Indicators