



# Ipsos Marketing Research

Building Business Through Innovation



## **Training, Development & Placement Survey**

Jan – Feb 2008

Report Prepared For:

**Labour Fund, Bahrain**

10 Mar, 2008



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**Research Background**



# Introduction

The Labour Fund (LF) as part of its reform initiatives and continuous efforts at supporting Bahrainis in the labour market and supporting the growth and development of Bahrain's private sector commissioned Ipsos to conduct a structured market research survey to understand current wage structures in Bahrain's private sector and to understand preferences on training and employment schemes.

The aim of the study is to help the Labour Fund design and develop appropriate training and employment schemes catering to the preferences and requirements of key stakeholders in the private sector and aims at optimal labour market enhancement and development.

This report presents the first draft of the research findings.



## Key Information Requirements

Attitudes towards employing Bahrainis. Reasons for preferring expatriates. What would make companies hire more Bahrainis?

Current minimum wage levels. How have they evolved over the last couple of years at the companies surveyed? What led the change: government legislation, increased skills/productivity, increased cost of living, etc?

Do employers perceive this wage increase as an extra burden or have they benefited from increased skills and productivity of their workforce.

Do employers expect minimum wages to increase even further in the next 2-3 years? To what level? What is fuelling the increase? Are they willing to commit to such an increase?

Understand expectations of private sector employers apropos training, development and placement programmes aimed at enhancing employment opportunities for Bahrainis. Specifically: What is the disposition of private sector employers to such programmes? What do they believe are its strengths and weaknesses? In their opinion, how successful are such initiatives in enhancing employment opportunities for nationals?

Which of the following models is deemed more appropriate and preferred by employers: on-the-job training or development by government and then employers selecting and placing job ready employees? Why?

Employer suggestions on how to model future training, development and placement programmes to best serve labour market needs and best prepare labour market entrants for the job market currently and in future.



# Research Methodology

## Methodology

Data collection was arranged through a mix of face-to-face and telephonic interviews with employers from private sector establishments. At the smaller companies, the interviews were conducted with the owner or the person responsible for taking key decisions relating to the business. In larger organizations the interviews were conducted with the Administration Manager, HR Head or similar person responsible for recruitments.

## Sample Size and Selection Criteria

214 Interviews with private sector companies in Bahrain. Samples selected from small (less than 10 staff), medium (10-50 staff) and large (more than 50 staff) companies.

Quotas were set by industry sectors.

## Quality Control

100% of the completed interview forms were reviewed and edited by the field supervisors for the purpose of identifying all incomplete or wrongly filled questionnaires, which were then substituted.

More than 50% of the forms were back checked by calling the respondent over telephone to verify some of the responses.

The data processing department reviewed and checked in detail, all the information in the questionnaires before entering the questionnaire.

## Fieldwork Timings

Fieldwork was conducted throughout January and February 2008.

Average interviewing time was around 20 minutes.



## Survey Limitations

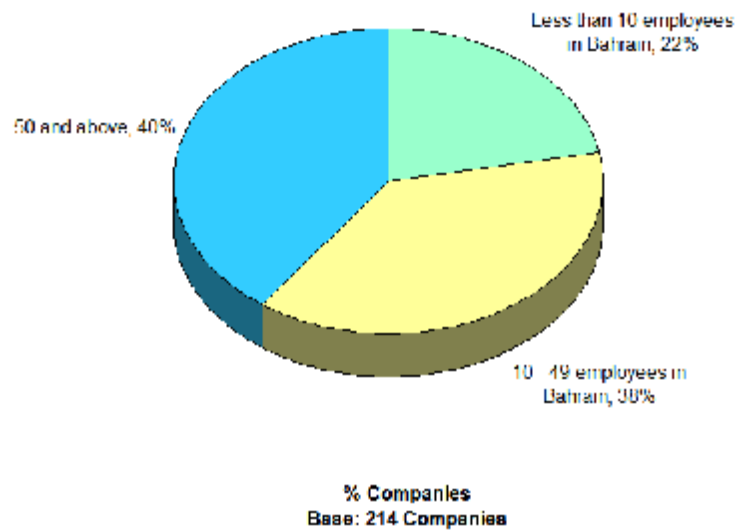
From the start the survey met with an uncooperative stand from private sector businesses. Feedback from interviewers (informal comments from respondents) suggests that this has been mainly because of the ongoing LMRA clampdown and many companies see the survey as part of this process rather than as a genuine effort by the Labour Fund to provide appropriate training programmes. In the end, although they finally participated in the survey, the quality of information provided has been relatively poor and it has required many call backs to obtain missing information (where possible).

For the health sector, it was possible to achieve only 3 interviews (target was 10) and even among these, information relating to wages was refused. The small sample size for certain sectors means that the reader should view the findings for these sectors cautiously.

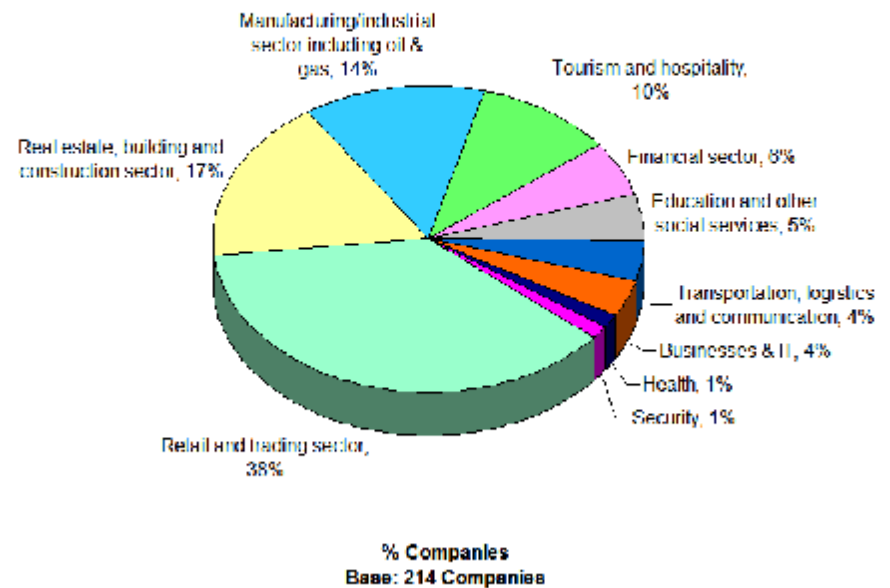


# Sample Break

Sample Profile by Staff Size



Sample Profile by Sector





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## **Executive Summary**



## Executive Summary

An overwhelming majority of the companies surveyed (78%) admit that unemployment among Bahrainis is a problem but are split over the extent of the problem. Of these, 44% feel that it is a serious issue that needs to be addressed immediately to alleviate other potential problems including economic downturn and rise in criminal activities while 34% say that while unemployment is of concern, it is not very critical. The latter claim that unemployment is the result of Bahrainis being choosy and on the lookout for easy jobs that pay high; generally shunning opportunities in the private sector.

Only 32% of the smaller organizations claim to have recruited Bahraini staff in 2007 with the number increasing to 81% among companies with 50 or more employees.

With the exception of the smaller companies (less than 10 staff), the majority of those surveyed (44%) mention specialized job skills and work experience to be the dominant reason for preferring to hire expatriate staff. 32% also mention cheaper labour. Better work ethics and attitudes are generally mentioned as a secondary deciding factor. The findings hint at the importance of a training and development programme.

Most companies (47%) indicate they are more inclined to hire Bahrainis who are trained and technically competent. Good work ethics/ attitude (25%) and commitment to remaining with the company (19%) for a reasonable period of time follow next in line. Interestingly, fewer companies (only 9%) have selected wage subsidies as an incentive instead favouring a skilled workforce with good work ethics and commitment to remaining with the company over handouts from the government.

With the exception of the small companies (less than 10 staff) and those from the financial, security and business/IT services sectors, most other companies (88%) claimed to have increased their wages in the last 2-3 years. On average salaries have increased by 25% over the last 2-3 years. Companies attribute the increase in wages to government policies directly or indirectly encouraging this, the rising cost of living and because of the difficulty in recruiting Bahrainis below this wage level.

Only 53% of the companies feel that the increase in wage levels have benefited them by making it easier to recruit Bahrainis, helped retention and increase Bahraini staff commitment to work. The remainder complain that all that the increase has done is increased the operational costs and raised the salary bar even higher making it more difficult to hire new Bahrainis.

Current average wage levels (lowest basic salary) for Bahraini staff as mentioned by companies are as follows: BD 205 for those with secondary school or below qualifications, BD 271 for diploma holders, BD 385 for graduates or those with higher qualifications.



# Executive Summary

Comparing the findings for current salaries with expectations of jobseekers in 2007, there are no noticeable mismatches for Bahraini recruits with secondary school or below qualification. Among diploma holders, those seeking work in financial and transportation/ logistics/ communications sectors, current salaries fall significantly short of expectations. The same for graduate holders looking for work in the financial, education and business/IT services sectors.

On average companies anticipate salaries to increase by around 25% over the next 2-3 years. Future average wage levels (starting salary) for Bahraini staff as mentioned by companies are as follows: BD 258 for those with secondary school or below qualifications, BD 346 for diploma holders, BD 481 for graduates or those with higher qualifications.

The majority of the companies (63%) link the possible increase in wage levels to the increase in cost of living. This in addition to the efforts by government to implement minimum wage levels (45%)

Most companies (86%) have indicated that they would be willing to offer these higher wage levels in the coming 2-3 years. Those from the health, transportation/logistics/communication sectors are somewhat less enthusiastic. Those who indicate willingness to increase wages mention that this is something that they may be forced to do; increased living costs and incidences of wage increases by other companies means that they will have to follow suit in order to attract and retain skilled Bahraini staff. In addition, some also fear that this may be imposed by the government. Those not willing to offer increased wage levels mention that with competition, inflation and increase in overall cost, additional salary cost will be an extra burden and raise question marks of increased wages leading to greater commitment from the Bahraini staff.

40% of the companies feel that a structured training and placement programme would be highly effective and 36% feel it would be successful to some extent in improving the skills and productivity of the Bahraini workforce but while there is general acceptance for a structured training and placement programme, views are divided on its format. Large organizations and those from education/social services, transportation/logistics/communication and business/IT services provide more favourable responses. Those skeptical of such programmes cite failures of past and present training programmes. Still others mention that more than training it should be 'liking the job' (attitudes need to be changed rather than simply providing a training programme) that matters as generally Bahrainis do not prefer to work in private sector.

The majority of the companies surveyed (54%) prefer for the company to be in charge of recruitment and offering the on-the-job training because they feel the company would be able to tailor the training according to its unique requirements and more importantly be able to provide practical job relevant training as opposed to theoretical training. Companies mention that on average they would offer a stipend ranging from BD 130 (secondary school or below qualification) to BD 236 (graduate or higher) during the apprenticeship programme. Companies mention that the apprenticeship programme would typically last around 4 months.



# Prevalent Suggestions from Companies

	% Companies
Force Bahrainis to continue higher studies/ take up specialised training	46%
Change Bahraini jobseekers attitude and mentality towards works	13%
To implement strict rule/ regulation on Bahraini jobseekers/ they are over pampered	6%
Should cultivate work ethics	5%
Higher wages for Bahraini staff supported by wage subsidies	4%
Offer incentives for better performance	4%
Make them look for a job rather than giving the unemployed allowance/ benefits	4%
Government agencies/ institution should be more energetic/ effective in providing training to develop skills	4%
Government should force the companies to employ Bahrainis/ pay higher salaries	3%
Government should provide additional allowances on top of the private sector salaries	3%
Establish factories to produce useful products for Bahrain and employ Bahrainis instead of spending money on training	3%
Government should employ the unemployed in the ministries	3%
Government should enforce minimum retaining period/ make it difficult for Bahrainis to switch jobs easily	3%
The government must not leave their responsibilities to private sector	1%
The government should provide the right place for the right person	1%
Decrease the number of expats and take only the professionals	1%
Government support (wages/allowance) along with the training should be effective	1%
Set clear minimum wage structure	1%
Give the job to the right person, not because he is a citizen	1%



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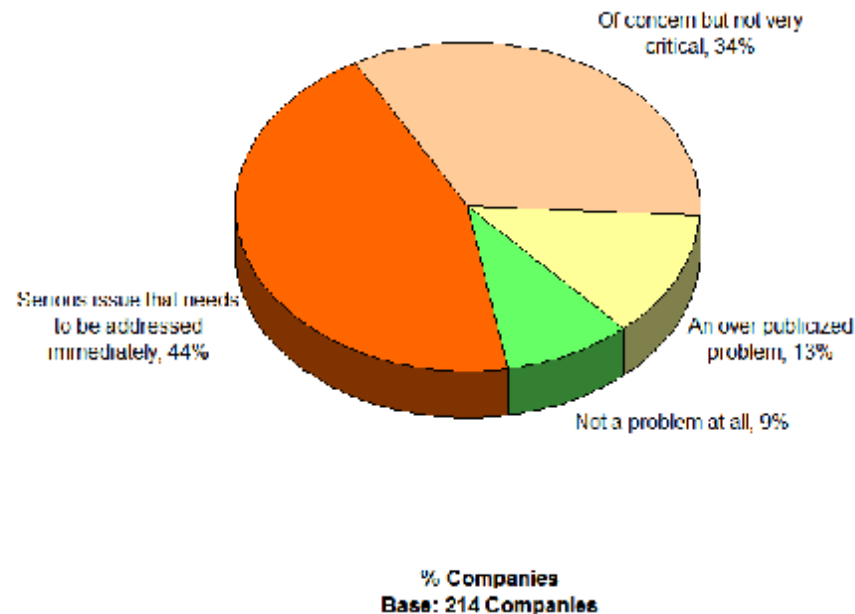


## **Attitudes Towards Employing Bahrainis**



# Views on Unemployment Amongst Bahrainis

Would you say that unemployment among Bahrainis is ...?



An overwhelming majority of the companies surveyed (78%) admit that unemployment among Bahrainis is a problem but are split over the extent of the problem. Of these, nearly half feel that it is a serious issue that needs to be addressed immediately to alleviate other potential problems including economic downturn and rise in criminal activities. They also feel that the issue has been worsening over the past few years.

34% say that while unemployment is of concern, it is not very critical. They claim that Bahrainis are often choosy and on the lookout for easy jobs that pay high; generally shunning opportunities in the private sector. There are also concerns about their job skills, level of commitment to the job and tardiness. Still others point out that the very presence of quotas for nationalization should in theory not give room for unemployment. Similar sentiments are echoed by those companies – mainly those offering Business/IT services and security services, that have indicated unemployment among Bahrainis to be an over publicized problem or not a problem at all.

The following page illustrates findings by size and industry sector.



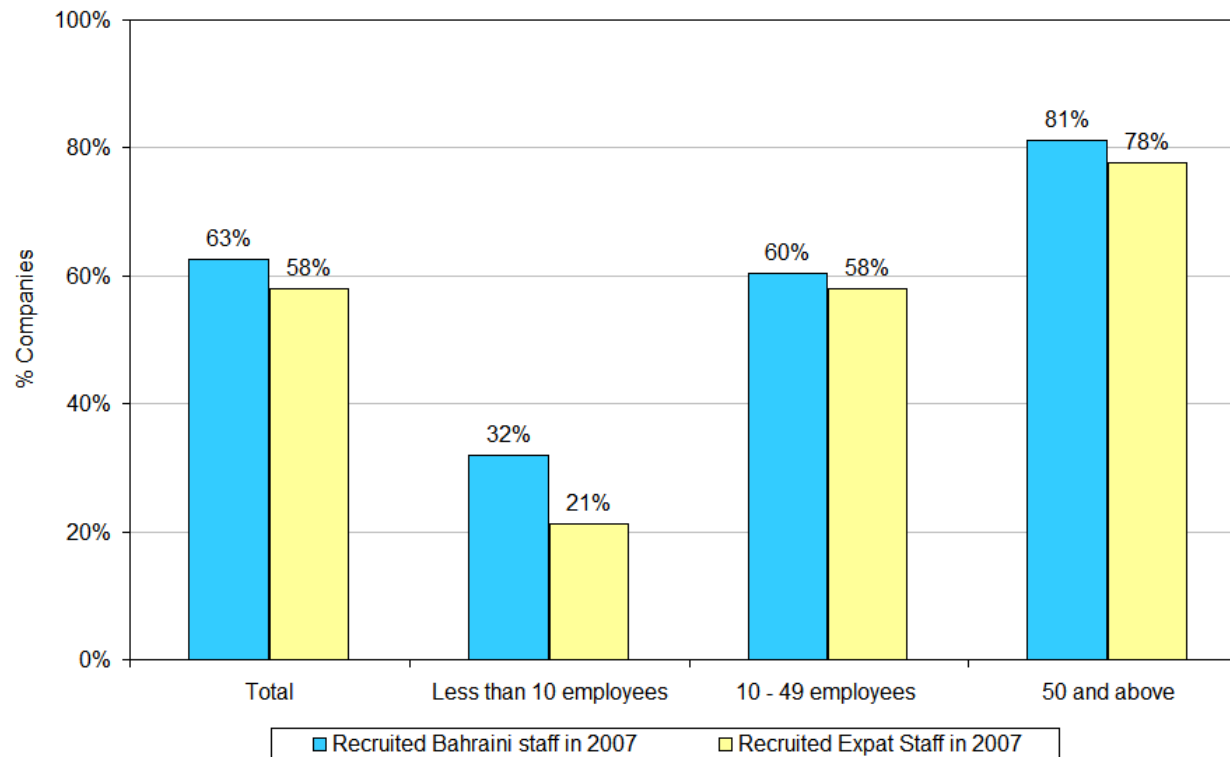
# Views on Unemployment Amongst Bahrainis – Size and Sector

ROW PERCENTAGES		Sample	A serious issue that needs to be addressed immediately	Of concern but not very critical	An over publicized problem	Not a problem at all
All companies		214	45%	34%	13%	9%
Size	Less than 10 employees	47	45%	32%	11%	13%
	10 - 49 employees	81	40%	36%	16%	9%
	50 and above	85	49%	33%	11%	7%
Sector	Education and other social services	11	55%	36%	9%	0%
	Financial	12	50%	33%	8%	8%
	Health	3	67%	0%	0%	33%
	Manufacturing/industrial including oil & gas	29	48%	31%	10%	10%
	Real estate, building & construction	37	57%	32%	11%	0%
	Retail & trading	79	39%	37%	15%	9%
	Tourism & hospitality	22	36%	45%	9%	9%
	Transportation, logistics & communication	9	56%	22%	11%	11%
	Security	3	0%	0%	33%	67%
	Business & IT services	8	25%	25%	25%	25%



## % Companies that Recruited New Staff in 2007 – Size

Recruited New Staff in 2007

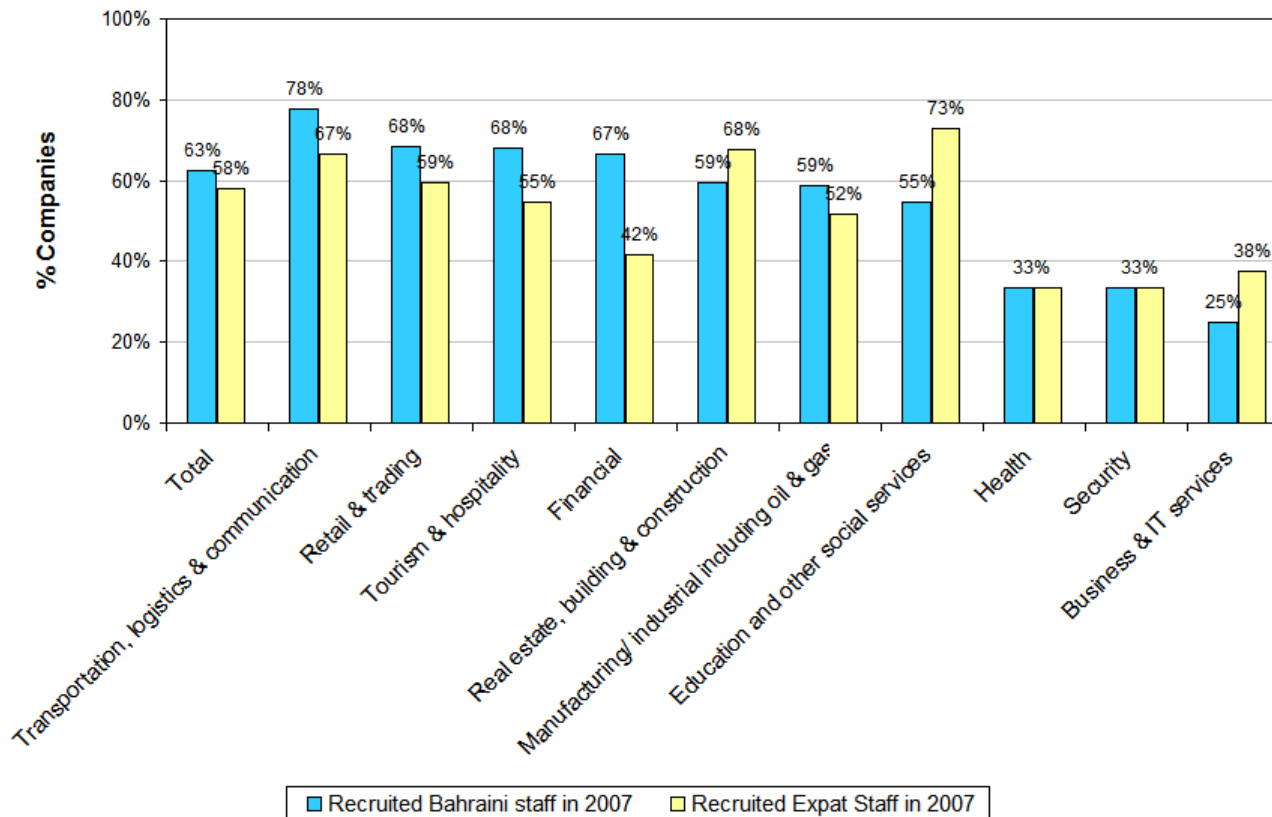


Only 32% of the smaller organizations claim to have recruited Bahraini staff in 2007 with the number increasing to 81% among companies with 50 or more employees.



# % Companies that Recruited New Staff in 2007 – Sector

Recruited New Staff in 2007



Across sectors, recruitment of Bahraini staff in 2007 appears to be stronger among the financial, tourism & hospitality, retail and trading and transportation/logistics/communication companies. Health, security and business/IT services firms mention lower incidences of recruiting new Bahraini staff.



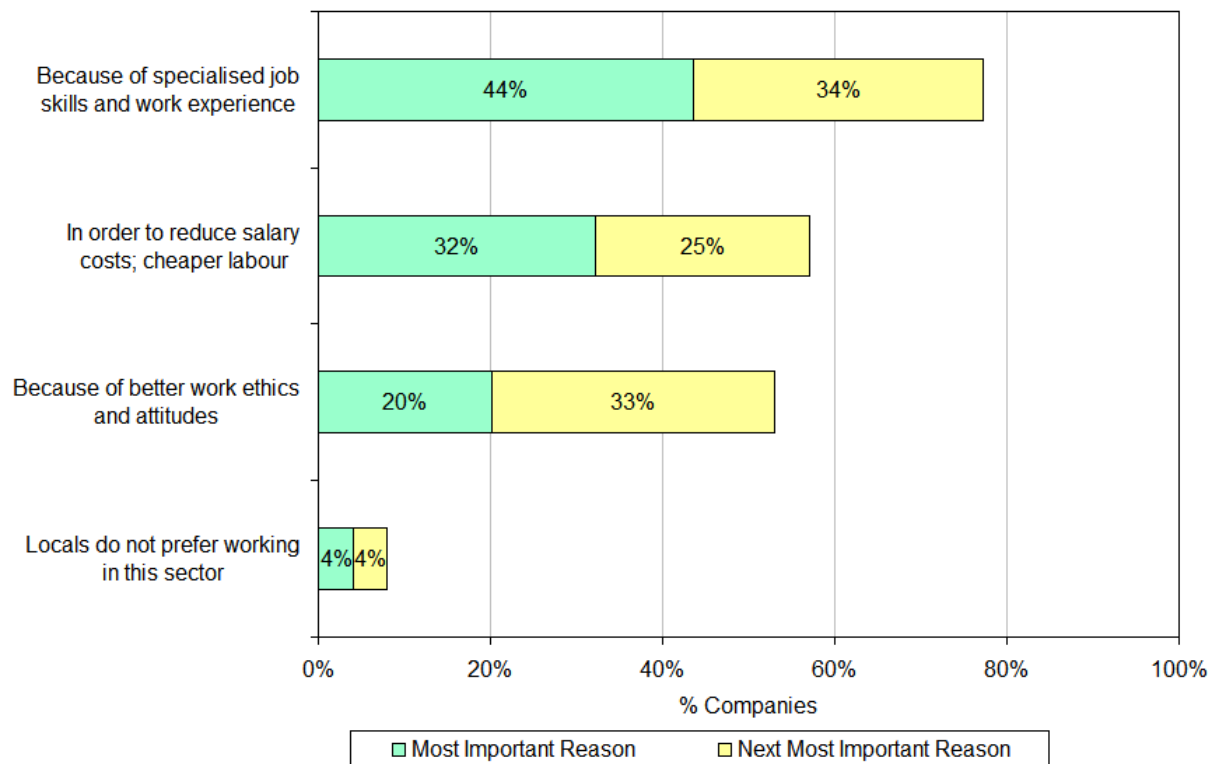
## % Companies that Recruited New Staff in 2007 and Recruitment Size

ROW PERCENTAGES / MEANS		Recruited Bahraini staff in 2007	Recruited Expat Staff in 2007	Average number of new Bahraini staff	Average number of new Expat staff
All Companies		63%	58%	9	11
Size	Less than 10 employees	32%	21%	2	2
	10 - 49 employees	60%	58%	3	4
	50 and above	81%	78%	15	17
Sector	Education and other social services	55%	73%	10	17
	Financial	67%	42%	2	5
	Health	33%	33%	2	1
	Manufacturing/industrial including oil & gas	59%	52%	14	17
	Real estate, building & construction	59%	68%	8	12
	Retail & trading	68%	59%	10	9
	Tourism & hospitality	68%	55%	5	7
	Transportation, logistics & communication	78%	67%	7	11
	Security	33%	33%	10	3
	Business & IT services	25%	38%	3	5



# Reasons for Preferring to Hire Expatriates Staff

Reasons for Preferring to Hire Expatriate Staff



With the exception of the smaller companies (less than 10 staff), the majority of those surveyed mention specialised job skills and work experience to be the dominant reason for preferring to hire expatriate staff. The former and relatively more companies from the construction, retail/trading and transportation/logistics sectors indicate cheaper wages as a key deciding factor.

Better work ethics and attitudes are generally mentioned as a secondary factor. Exceptions being companies in the tourism and hospitality sectors who consider this and lower salary costs as more critical deciding factors.



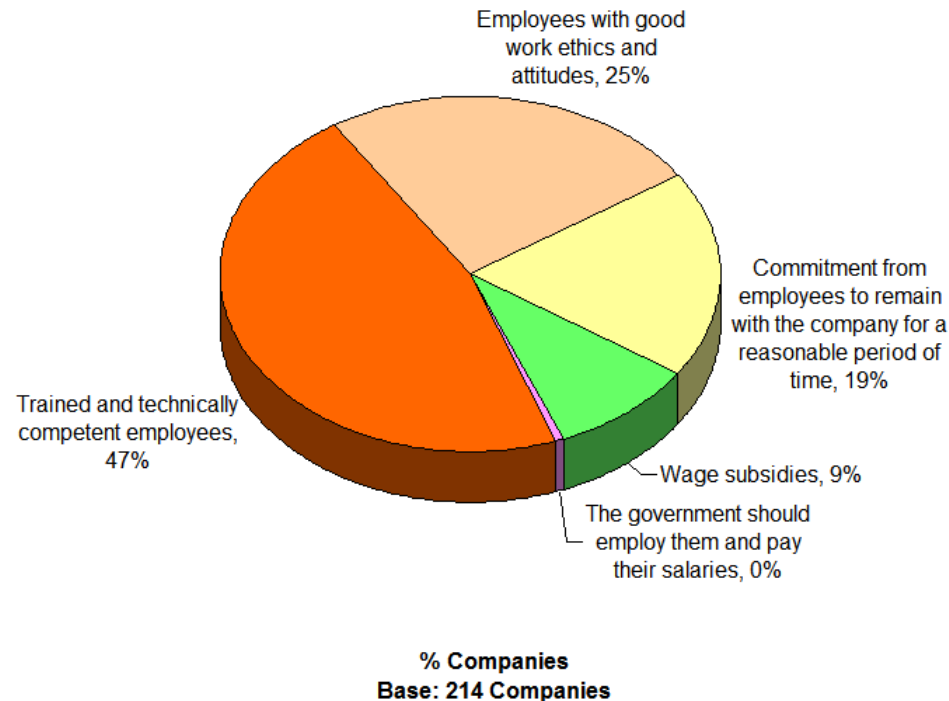
# Reasons for Preferring to Hire Expatriates Staff

Company Profile	Most Important Reason	Next Most Important Reason
Less than 10 staff	reduce salary costs	specialized job skills, work ethics/attitudes
10 - 49 staff	specialized job skills, reduce salary costs	work ethics/attitudes
50 and above staff	specialized job skills	reduce salary costs, work ethics/attitudes
Education and other social services	specialized job skills	work ethics/attitudes
Financial	specialized job skills	work ethics/attitudes
Health	specialized job skills	reduce salary costs
Manufacturing/industrial including oil & gas	specialized job skills	reduce salary costs
Real estate, building & construction	specialized job skills, reduce salary costs	work ethics/attitudes
Retail & trading	specialized job skills, reduce salary costs	work ethics/attitudes
Tourism & hospitality	reduce salary costs, work ethics/attitudes	specialized job skills
Transportation, logistics & communication	specialized job skills, reduce salary costs	work ethics/attitudes
Security	specialized job skills	work ethics/attitudes
Business & IT services	specialized job skills	work ethics/attitudes, reduce salary costs



# What Would Make Companies Hire Bahrainis the most?

What would influence your decision to recruit Bahraini nationals the most?



Most companies indicate they are more inclined to hire Bahrainis who are trained and technically competent. Good work ethics/ attitude and commitment to remaining with the company for a reasonable period of time follow next in line. The latter is especially more pronounced among companies from the education/social services, financial and tourism/hospitality sector. Interestingly, fewer companies have selected wage subsidies as an incentive instead favouring a skilled workforce with good work ethics and commitment to remaining with the company over handouts from the government. A relatively greater number of companies from the education/social services, financial, transportation/logistics and business/IT services sectors have shown interest in wage subsidies.

Those mentioning wage subsidies have indicated preference for lower wage subsidies for a longer duration. Value of subsidy preferred ranged from 10% to 50% with a mean of 26.5%. With regard to the duration of the wage subsidy, opinions have been split between 6/12/18 months.



# What Would Make Companies Hire Bahrainis?

ROW PERCENTAGES	Sample	Trained and technically competent employees	Employees with good work ethics and attitudes	Commitment from employees to remain with the company for a reasonable period of time	Wage subsidies
All Companies	214	46%	24%	19%	9%
Less than 10 employees	47	49%	28%	9%	11%
10 - 49 employees	81	41%	25%	27%	6%
50 and above	85	49%	22%	15%	12%
Education and other social services	11	36%	18%	27%	18%
Financial	12	25%	25%	33%	17%
Health	3	67%	33%	0%	0%
Manufacturing/ industrial including oil & gas	29	52%	17%	17%	10%
Real estate, building & construction	37	65%	16%	11%	8%
Retail & trading	79	42%	30%	20%	5%
Tourism & hospitality	22	32%	27%	32%	9%
Transportation, logistics & communication	9	33%	33%	0%	22%
Security	3	67%	33%	0%	0%
Business & IT services	8	63%	13%	0%	25%



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**Wage Levels**

# Wage Levels (in BD)



The chart above illustrates the average past/current lowest basic salaries that companies have mentioned they pay to Bahraini staff with the listed qualifications. Also shown are salary expectations of new Bahraini recruits as indicated by companies from their experience hiring new Bahraini staff in 2007. On average salaries have increased by 25% over the last 2-3 years.

The tables in the following pages summarise the findings by size and sector. The reader is reminded that the small sample sizes means that findings should be viewed with caution.

**Q6/7. What is the lowest basic monthly salary your company your company used to pay/ currently pays for a Bahraini with the following qualification?**

**Q5. Considering your experience with recruiting new Bahraini staff this year, on average what was the monthly salary including all benefits that most Bahraini job seekers expected?**



## Wage Levels

Wage levels in BD	2-3 Years Back (lowest basic salary)	Current (lowest basic salary)	Expectations of Jobseekers
Secondary School or Below Qualifications	160 (80-390)	205 (100-300)	209 (100-350)
Diploma Holder	214 (100-450)	271 (120-500)	282 (120-550)
Graduate or Higher Qualifications	312 (150-600)	385 (200-750)	399 (200-750)

Figures in ( ) represent the minimum and maximum amounts mentioned by companies

Comparing the findings for current salaries with expectations of jobseekers in 2007, there are no noticeable mismatches for Bahraini recruits with secondary school or below qualification. Among diploma holders, those seeking work in financial and transportation/ logistics/ communications sectors, current salaries fall significantly short of expectations. The same for graduate holders looking for work in the financial, education and business/IT services sectors.



# Wage Levels – Secondary School or Below Qualification

Wage levels in BD		Sample	2-3 Years Back (lowest basic salary)	Current (lowest basic salary)	Expectations of Jobseekers
All Companies		214	160 (80-390)	205 (100-300)	209 (100-350)
Size	Less than 10 employees	47	165 (80-300)	199 (150-270)	212 (120-300)
	10 - 49 employees	81	156 (80-250)	203 (100-300)	203 (120-350)
	50 and above	85	162 (80-390)	209 (100-300)	212 (100-350)
Sector	Education and other social services	11	142 (100-180)	187 (150-250)	222 (150-300)
	Financial	12	174 (150-200)	214 (150-250)	209 (150-250)
	Health	3	-	-	-
	Manufacturing/industrial including oil & gas	29	174 (80-300)	212 (120-300)	208 (120-275)
	Real estate, building & construction	37	162 (80-220)	212 (100-300)	212 (110-350)
	Retail & trading	79	155 (90-270)	202 (100-300)	204 (100-320)
	Tourism & hospitality	22	150 (100-250)	198 (150-275)	213 (150-350)
	Transportation, logistics & communication	9	157 (90-250)	206 (150-300)	235 (180-300)
	Security	3	165 (150-180)	225 (200-250)	200
	Business & IT services	8	150 (120-180)	183 (150-200)	175 (120-200)

Figures in ( ) represent the minimum and maximum amounts mentioned by companies  
Data for Health sector not obtained



## Wage Levels – Diploma Holder

Wage levels in BD		Sample	2-3 Years Back (lowest basic salary)	Current (lowest basic salary)	Expectations of Jobseekers
All Companies		214	214 (100-450)	271 (120-500)	282 (120-550)
Size	Less than 10 employees	47	219 (120-350)	271 (200-380)	295 (200-425)
	10 - 49 employees	81	198 (120-400)	254 (150-500)	263 (150-550)
	50 and above	85	221 (100-450)	282 (120-500)	287 (120-500)
Sector	Education and other social services	11	240 (150-450)	304 (180-500)	323 (180-500)
	Financial	12	230 (170-300)	263 (200-350)	328 (200-550)
	Health	3	-	-	-
	Manufacturing/industrial including oil & gas	29	212 (120-320)	268 (210-390)	267 (200-375)
	Real estate, building & construction	37	222 (120-350)	278 (200-400)	284 (180-400)
	Retail & trading	79	212 (100-400)	275 (120-500)	279 (120-500)
	Tourism & hospitality	22	216 (150-350)	259 (200-375)	282 (200-400)
	Transportation, logistics & communication	9	176 (125-200)	276 (200-350)	326 (250-380)
	Security	3	180	250	250
	Business & IT services	8	216 (150-350)	244 (200-350)	242 (200-350)

Figures in ( ) represent the minimum and maximum amounts mentioned by companies  
Data for Health sector not obtained



# Wage Levels – Graduate or Higher Qualification

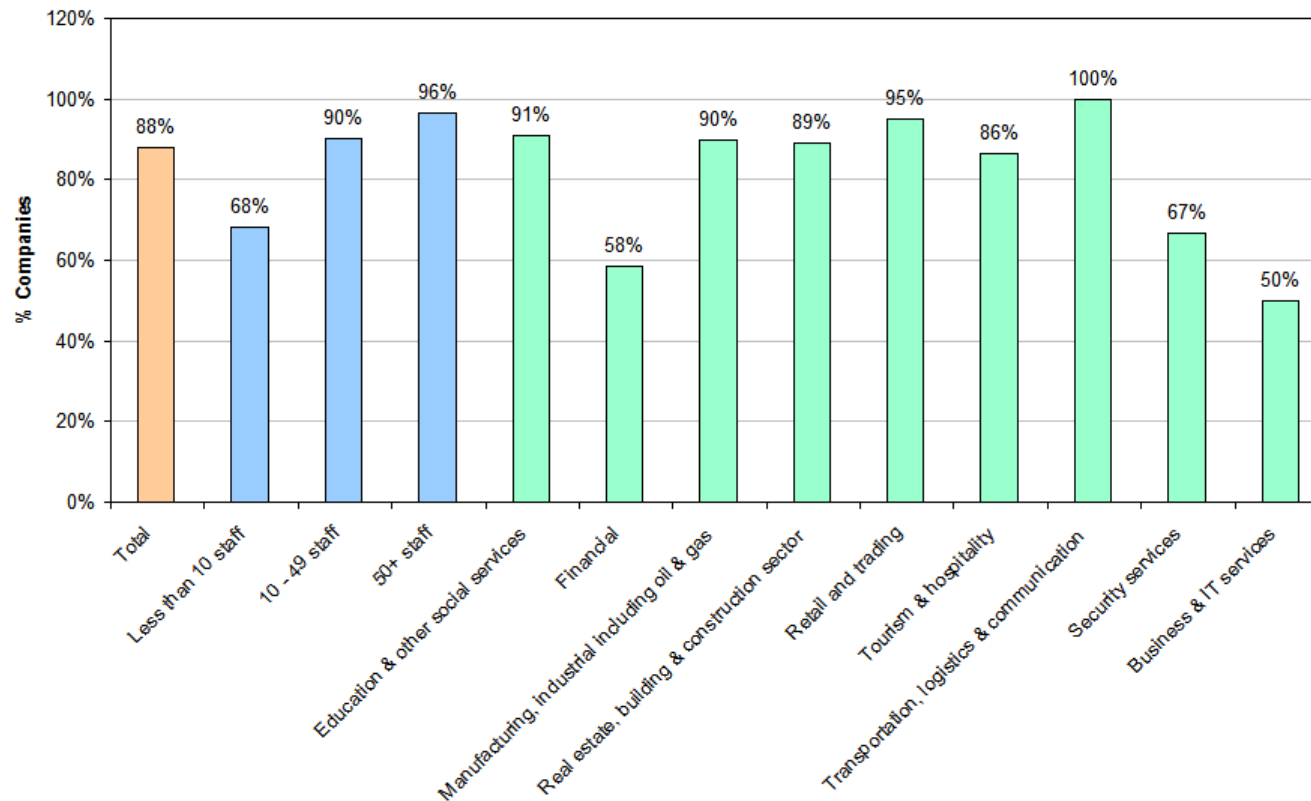
Wage levels in BD		Sample	2-3 Years Back (lowest basic salary)	Current (lowest basic salary)	Expectations of Jobseekers
All Companies		214	312 (150-600)	385 (200-750)	399 (200-750)
Size	Less than 10 employees	47	313 (200-550)	367 (250-600)	404 (200-600)
	10 - 49 employees	81	291 (190-500)	361 (200-600)	385 (200-700)
	50 and above	85	323 (150-600)	401 (200-750)	404 (220-750)
Sector	Education and other social services	11	304 (180-500)	438 (200-750)	461 (350-700)
	Financial	12	283 (200-350)	333 (250-400)	419 (250-600)
	Health	3	-	-	-
	Manufacturing/industrial including oil & gas	29	293 (150-425)	357 (250-550)	359 (250-600)
	Real estate, building & construction	37	318 (150-600)	395 (200-700)	408 (200-700)
	Retail & trading	79	319 (160-600)	395 (240-750)	403 (200-750)
	Tourism & hospitality	22	307 (190-500)	361 (220-500)	388 (200-500)
	Transportation, logistics & communication	9	281 (250-300)	381 (325-450)	400 (300-450)
	Security	3	-	-	-
	Business & IT services	8	369 (275-500)	370 (280-500)	400 (300-700)

Figures in ( ) represent the minimum and maximum amounts mentioned by companies  
Data for Health sector not obtained



# % Companies That Increased Wages in the Last 2-3 Years

% Companies that Increased Wage Levels



With the exception of the small companies (less than 10 staff) and those from the financial, security and business/IT services sectors, most other companies (88%) claimed to have increased their wages in the last 2-3 years.



## Reasons for Increasing Wages

### % Companies Mentioning ...

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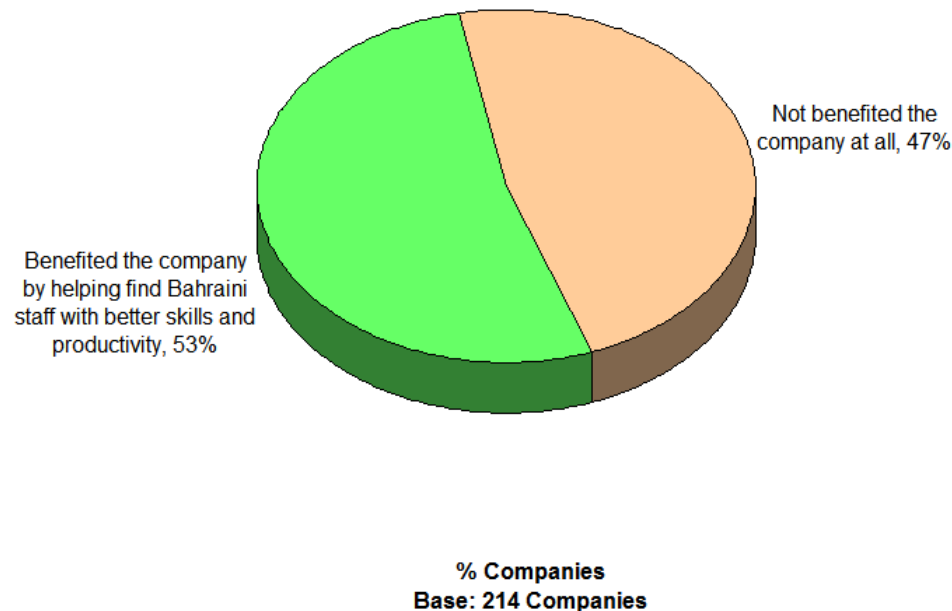
Government policies directly or indirectly encouraging this	42%
Increased cost of living	38%
Difficulty in recruiting Bahrainis below this wage level	33%
Long years of service; promotions; good work performance	3%
To retain/ encourage existing workers	2%
Caring for Bahraini staff	1%

Companies attribute the increase in wages to government policies directly or indirectly encouraging this, the rising cost of living and because of the difficulty in recruiting Bahrainis below this wage level. More businesses in the transportation/ logistics/ communications sector have mentioned the latter.



# Has the Increased Wage Levels Benefited the Company?

Have increased wage levels for Bahrainis ...?



With the exception of larger companies and those from education/social services, health, transportation/logistics/communications and business/IT services sectors, businesses are generally divided in their views regarding the benefits of increased wage levels for Bahraini. Those in favour mention that the increase has helped made it easier to recruit Bahrainis, helped retention and commitment to work. Those against, complain that all that the increase has done is increased the operational costs and raised the salary bar even higher making it more difficult to hire new Bahrainis. Companies from the financial sector are especially sceptical.



# Has the Increased Wage Levels Benefited the Company?

ROW PERCENTAGES		Sample	Benefited the company by helping find Bahraini staff with better skills and productivity	Not benefited the company at all
All Companies		214	51%	46%
Size	Less than 10 employees	47	45%	49%
	10 - 49 employees	81	44%	53%
	50 and above	85	62%	38%
Sector	Education and other social services	11	82%	9%
	Financial	12	25%	75%
	Health	3	100%	0%
	Manufacturing/ industrial including oil & gas	29	48%	52%
	Real estate, building & construction	37	43%	51%
	Retail & trading	79	48%	52%
	Tourism & hospitality	22	55%	45%
	Transportation, logistics & communication	9	89%	11%
	Security	3	33%	33%
	Business & IT services	8	75%	13%



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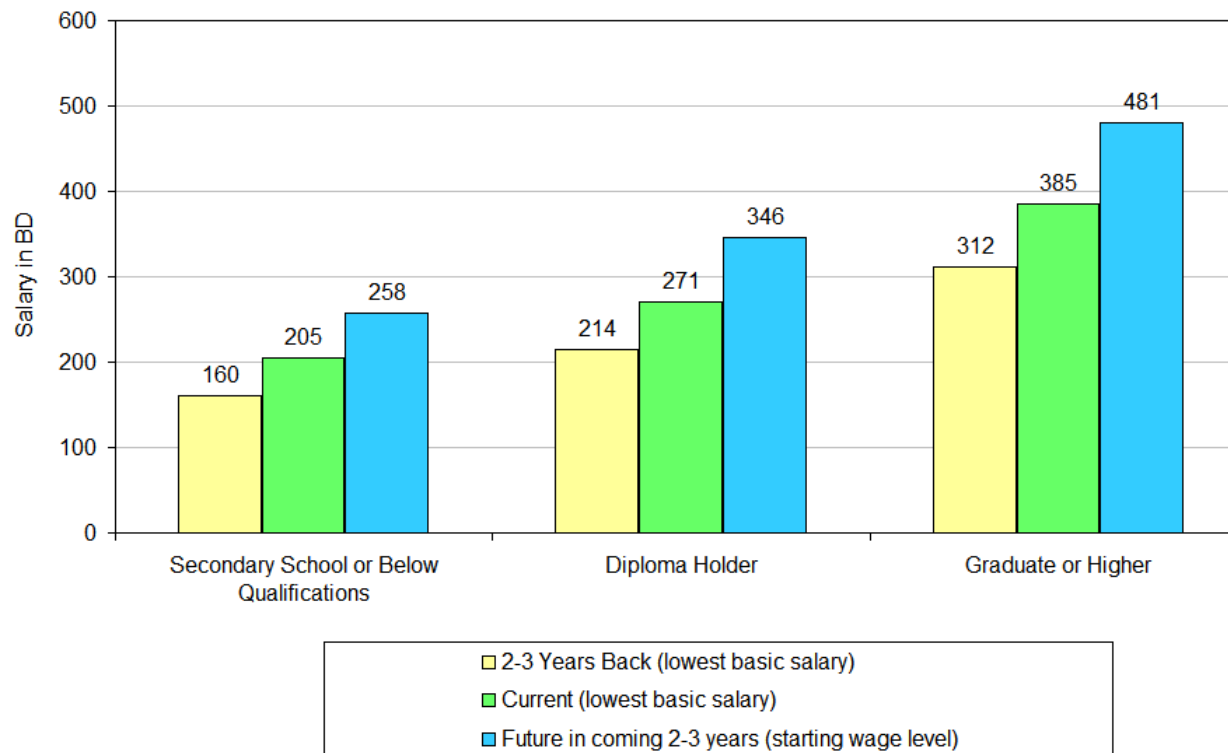


**Future Wage Levels**



# Anticipated Future Wage Levels

Wage Levels



The chart above illustrates the average lowest basic salaries that companies anticipate in the coming 2-3 years for Bahraini staff with the listed qualifications. On average salaries are expected to increase by around 25% over the next 2-3 years. The tables in the following pages summarize the findings by size and sector.



# Anticipated Future Wage Levels

Wage levels in BD		Sample	Secondary School or Below Qualifications	Diploma Holder	Graduate or Higher
All Companies		214	258	346	481
Size	Less than 10 employees	47	259	350	483
	10 - 49 employees	81	244	327	462
	50 and above	85	269	359	494
Sector	Education and other social services	11	256	375	487
	Financial	12	256	341	432
	Health	3	-	-	-
	Manufacturing/ industrial including oil & gas	29	275	353	492
	Real estate, building & construction	37	264	352	494
	Retail & trading	79	251	350	484
	Tourism & hospitality	22	259	330	494
	Transportation, logistics & communication	9	260	361	518
	Security	3	250	325	442
	Business & IT services	8	229	321	433



## Factors Likely to Increase Wage Levels

% Companies Mentioning ...

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Increased cost of living	63%
Government legislation implementing minimum wages	45%
Increased expectations of Bahraini job seekers with better skills	23%
Increased level of national income	1%
Economic recovery	1%

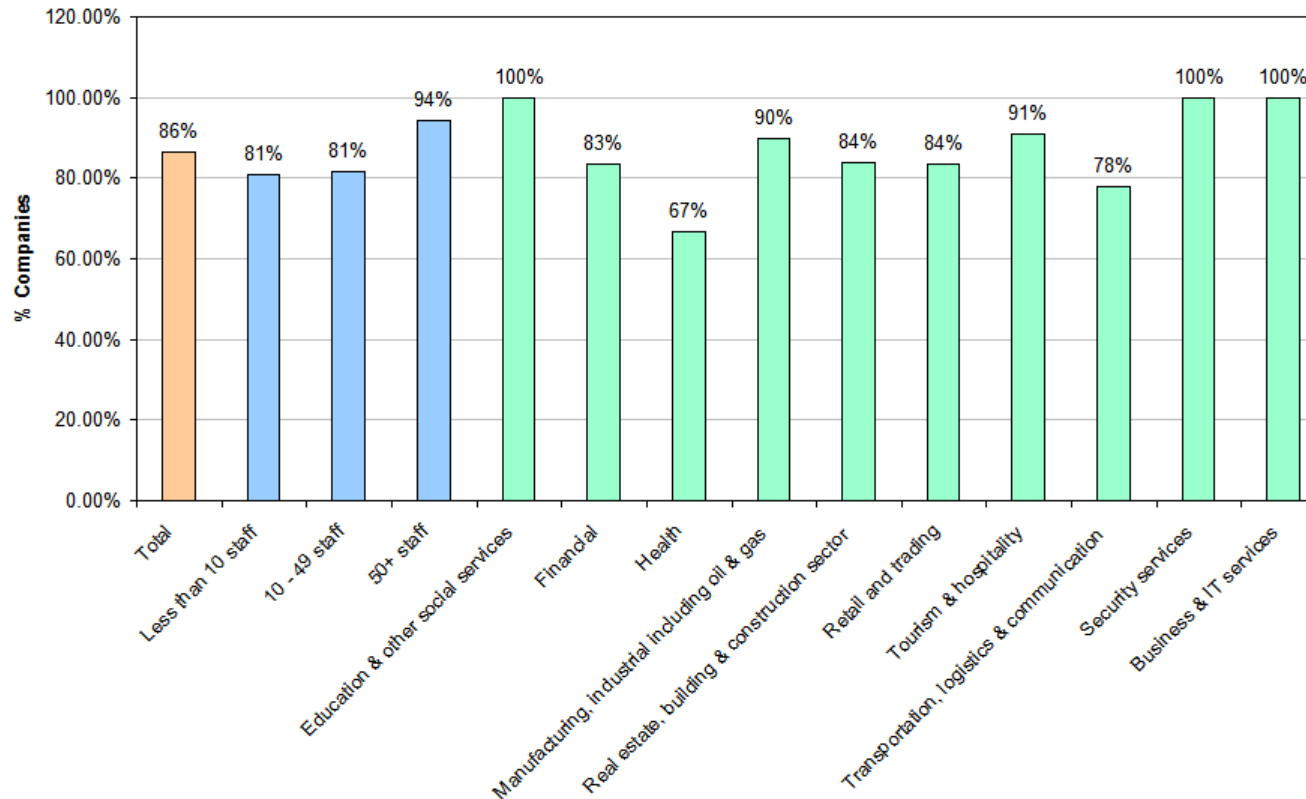
The majority of the companies link the possible increase in wage levels to the increase in cost of living. This in addition to the efforts by government to implement minimum wage levels.

Relatively more companies from the education/social services and manufacturing/industrial sectors are concerned about government legislation for implementing minimum wage levels.



# Willing to Offer These Higher Wage Levels in Future?

% Companies Willing to Offer Increased Wage Level in Coming 2-3 Years



The majority of the companies (86%) have indicated that they would be willing to offer higher wage levels in the coming 2-3 years. Those from the health, transportation/logistics/communication sectors are somewhat less enthusiastic. Those who indicate willingness to increase wages mention that this is something that they may be forced to do; increased living costs and incidences of wage increases by other companies means that they will have to follow suit in order to attract and retain skilled Bahraini staff. In addition, some also fear that this may be imposed by the government.

Those not willing to offer increased wage levels mention that with competition, inflation and increase in overall cost, additional salary cost will be an extra burden and are skeptical of increased wages leading to greater commitment from the Bahraini staff.



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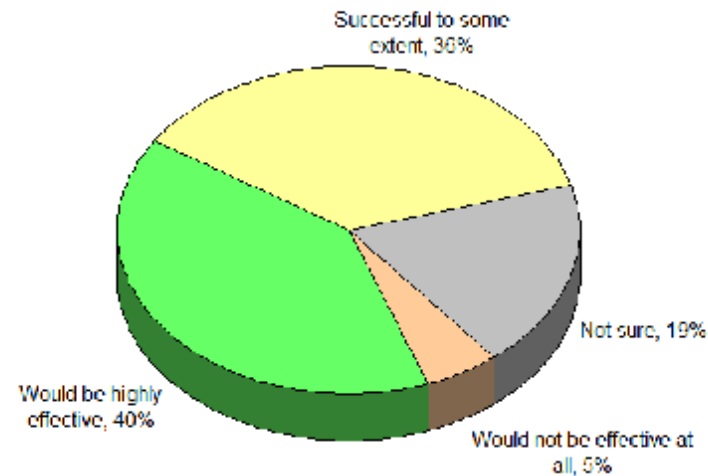


## **Views on Structured Training and Placement Programmes**



# Views on Effectiveness of Structured Training and Placement Programmes

How successful would structured training and placement programmes be in improving skills and productivity of the Bahraini workforce ...?



% Companies  
Base: 214 Companies

40% of the companies feel that a structured training and placement programme would be highly effective and 36% feel it would be successful to some extent in improving the skills and productivity of the Bahraini workforce but as we shall see in the following pages, while there is general acceptance for a structured training and placement programme, views are divided on its format. Large organizations and those from education/social services, transportation/logistics/communication and business/IT services provide more favourable responses.

Those skeptical of such programmes cite failures of past and present training programmes. Still others mention that more than training it should be 'liking the job' that matters as generally Bahrainis do not prefer to work in private sector.

**Q15. One of the initiatives that could help improve the skills and productivity of the Bahraini workforce and make them more attractive to employers is through structured training and placement programmes tailored to the specific needs of the various industry sectors. In your opinion, how successful would such a specialized focused programme be in contributing to increased employment of Bahrainis in your industry sector?**



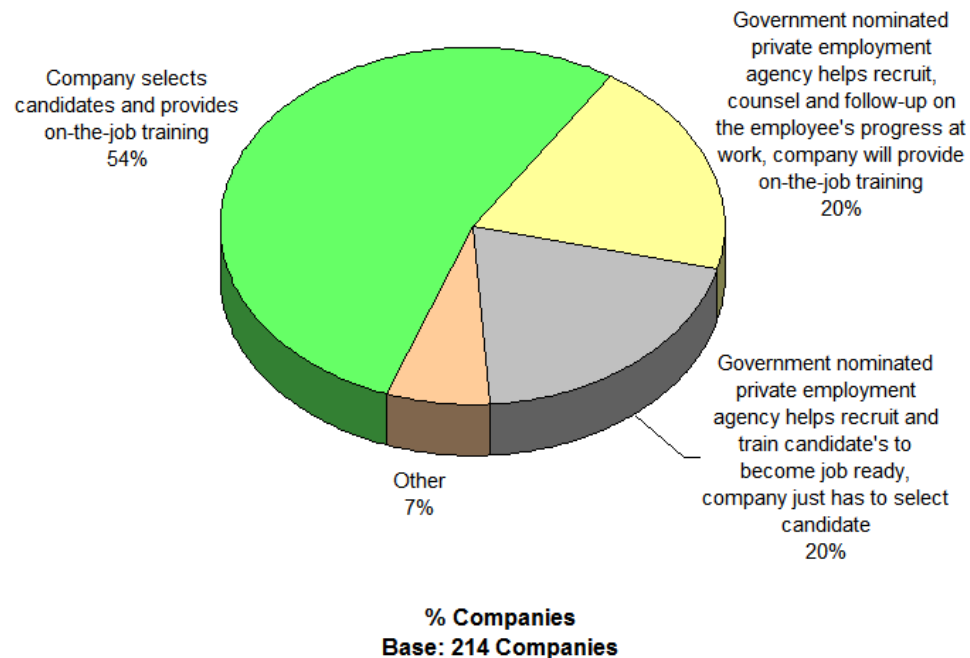
# Views on Effectiveness of Structured Training and Placement Programmes

ROW PERCENTAGES		Sample	% Companies who Judge the Programme to be Highly Effective or Successful to Some Extent
	All Companies	214	76%
Size	Less than 10 employees	47	74%
	10 - 49 employees	81	69%
	50 and above	85	84%
Sector	Education and other social services	11	100%
	Financial	12	67%
	Health	3	67%
	Manufacturing/industrial including oil & gas	29	62%
	Real estate, building & construction	37	76%
	Retail & trading	79	76%
	Tourism & hospitality	22	77%
	Transportation, logistics & communication	9	100%
	Security	3	67%
	Business & IT services	8	88%



# Preferred Format for the Structured Training and Placement Programme

## Preferred Format for the Structured Training and Placement Programme



The majority of the companies surveyed prefer for the company to be in charge of recruitment and offering the on-the-job training because they feel the company would be able to tailor the training according to its unique requirements and more importantly be able to provide practical job relevant training as opposed to theoretical training.

More companies from the health, real estate/ construction, tourism/hospitality, security and business/IT services are in addition also favourably disposed to support from the government in this regard as it would benefit them both in terms of time and money required to train and induct new Bahraini staff into normal service.



# Preferred Format for the TDP Programme

ROW PERCENTAGES	Sample	Company selects candidates and provides on-the-job training	Government nominated private employment agency helps recruit, counsel and follow-up on the employee's progress at work, company will provide on-the-job training	Government nominated private employment agency helps recruit and train candidate's to become job ready, company just has to select candidate
All Companies	214	54%	20%	20%
Less than 10 employees	47	47%	21%	23%
10 - 49 employees	81	56%	14%	22%
50 and above	85	55%	25%	16%
Education and other social services	11	82%	18%	0%
Financial	12	67%	17%	17%
Health	3	67%	0%	33%
Manufacturing/ industrial including oil & gas	29	45%	17%	17%
Real estate, building & construction	37	41%	32%	22%
Retail & trading	79	56%	16%	22%
Tourism & hospitality	22	55%	27%	18%
Transportation, logistics & communication	9	78%	11%	11%
Security	3	0%	0%	100%
Business & IT services	8	50%	13%	25%



# Stipend Willing to Pay During Apprenticeship Programme

Stipend in BD	Sample	Secondary School or Below Qualifications	Diploma Holder	Graduate or Higher	
All Companies	214	130	182	236	
Size	Less than 10 employees	47	130	173	227
	10 - 49 employees	81	110	154	199
	50 and above	85	145	202	260
Sector	Education and other social services	11	134	206	268
	Financial	12	127	200	221
	Health	3	200	250	300
	Manufacturing/industrial including oil & gas	29	171	224	269
	Real estate, building & construction	37	137	176	223
	Retail & trading	79	120	179	237
	Tourism & hospitality	22	119	169	229
	Transportation, logistics & communication	9	100	134	192
	Security	3	125	133	213
	Business & IT services	8	108	132	180

Companies mention that on average they would offer a stipend ranging from BD 130 (secondary school or below qualification) to BD 236 (graduate or higher) during the apprenticeship programme.



# Duration of Apprenticeship Programme

Duration in Months		Sample	Secondary School or Below Qualifications	Diploma Holder	Graduate or Higher
All Companies		214	4	4	4
Size	Less than 10 employees	47	4	3	3
	10 - 49 employees	81	4	4	3
	50 and above	85	5	5	4
Sector	Education and other social services	11	4	5	6
	Financial	12	4	3	4
	Health	3	2	2	1
	Manufacturing/ industrial including oil & gas	29	4	4	3
	Real estate, building & construction	37	4	4	4
	Retail & trading	79	5	4	4
	Tourism & hospitality	22	3	4	5
	Transportation, logistics & communication	9	5	4	3
	Security	3	4	3	4
	Business & IT services	8	3	2	3

Companies mention that the apprenticeship programme would typically last around 4 months.



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**Thank You !**