



Employability Research

Root Causes of Female High Turnover in the Jordanian SMEs, and the Retention Rates across SMEs

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Introduction

Mercy Corps (MC) and with funding from the Dutch Ministry of Foreign Affairs under the Addressing Root Causes (ARC) fund, has implemented an extensive program 'Access to Justice and Jobs in Jordan (A2J)' consortium. The A2J program included 3 main components:

1. Increase ability to access rights including work rights, secure legal status and work permits.

2. Increase employability of youth and women through transferrable skills training, apprenticeships and start-up grants.
3. Increase capacity of micro, small, and medium-sized businesses (MSMEs) to expand and create employment opportunities.

MC A2J employability team was able to provide Syrian refugees and vulnerable Jordanians with a multitude of employability services that catered to the Jordanian job market. The services witnessed high rates of participation with many participants reporting better perceptions about their prospects and economic future. Although this growth in economic self-empowerment is important, it was rather difficult for the team to translate that actual steady employment. Although more males were trained (this is due to multiple cultural and social factors), the percentage rate of female dropout was significantly higher. This has spurred the MC A2J team into investigating the root causes for this phenomenon, without accepting the traditional justification of low female participation in Jordan's labour market. A2J endline surveys were not designed to acquire information regarding the pattern of female dropouts; therefore, MC decided to conduct a deeper assessment of the situation by interviewing female participants. The surveys drafted are aimed at collecting significant information regarding the trends of female labour participation as well as the root causes of their lower rates of retention.

Regional Background

Women around the world are less well represented than men in labor markets. According to the International Labour Organisation (ILO), in 2007 the female labour force participation rate worldwide was 53%, compared to 78% for men. In macroeconomic terms, this lesser presence of women in the labour market leads to low returns on investment in education and training and underutilisation of productive capacity, and as a result, less economic growth. In social terms, the fact that there are fewer women earning a formal wage undermines efforts to reduce poverty. And for the individual women concerned this state of affairs works against their economic and social empowerment and signals a lack of freedom to fulfill their full potential.

Education, skills and access to work are intimately related; in order to be employed, women and men need qualifications and skills which are in demand on the labour market. Conventional wisdom has it that rising levels of education and skills boost labour force participation rates by improving people's productivity and giving them better opportunities for paid employment in the formal sector. Furthermore, the more educated people are, the greater their individual income potential will be. Various studies on the impact of education on GDP have found a positive correlation between the two.

In the MENA region, there has been significant progress in providing education for both boys and girls in recent decades. Gross enrolment in primary education has reached almost 100% for both sexes, and in secondary education, an average of almost 80% has been achieved. When it comes to translating those achievements in education into gains on the labour market, however, women lag far behind men. Female labour force participation rates in the region, 23% on average, are the lowest in the world. The proportion of females enrolled in education is still lower than that of males, but this educational gender gap is too small to explain the disparity in labour force participation rates. Furthermore, female (and male) youth unemployment remains a pressing issue, particularly the

female transition from school to work, which results in many women becoming discouraged and dropping out of the labour force.

Female Youth Retention in Jordan

Youth make up the majority of the population in the region and in a country like Jordan, where around 70% of the citizens fall under 30 years of age, this is a critical issue that must be addressed immediately.



The youth unemployment rate in Jordan for the year of 2018 stands at a staggering 37.2%, which is noted to be one of the highest figures in the past 30 years and among the highest globally. This is even higher amongst vulnerable groups such as women, where despite having a slightly higher ratio of educated females to males in Jordan, the female labour force participation rate is at only 14%. According to the World Economic Forum's 2018 Global Gender Gap Index, Jordan has one of the lowest employment rates for women worldwide, suggesting that those females face more obstacles when attempting to enter the workforce than their male counterparts.

In Jordan, females account for 49.3% of the total population, and young females between the ages of 15-24 boast a 99.11% literacy rate. Exclusion or limited use of such high potential of human resources carries huge implications for Jordan. Even when viewed through an economic lens, UNICEF estimates that an increase in the female participation in the Jordanian labour force by 25% over the next seven years would help Jordan's GDP to grow by 5% annually. This is not just an attribute of the Jordanian labour market, but a common feature across the Arab States which has the widest gender gap in workforce participation globally at 55%. While various policies and reforms to alleviate this have been put in effect, the outlook shows marginal improvement.

Methodology

This study was conducted on a mixed method approach for both data collection and analysis. Primary data was collected by phone call interviews with A2J female employability participants, while

secondary data was collected from various studies, articles, and reports from reputable organizations.

Data Analysis

By the end of 2020, the A2J team conducted the endline evaluation with 410 program participants. The participants engaged in different vocational training such as beauty, construction, loading and unloading, and mobile repair. Out of those 410, 86 (21%) participants reported an increase in their ability to meet current and future household needs. This result is double the intended target of 10%. The employability team's ability to have selected a wide array of training domains that are in line with market demands in northern Jordan has played an important role in overachieving this indicator. The follow up with participants after they completed their training and creating market linkages between them and the job market has also been a point of strength.

Jordan's weak economy and climbing unemployment numbers in 2020 proved to be a major roadblock in the ability of many participants to make a living income. In many instances the participants expected the MC to instantly find them employment after their training, even though A2J was very clear about the role and the services provided. Furthermore, from the surveys conducted under the Employability Component, findings show that while respondents report improvement in their ability to meet current and future household needs, only a portion report actually meeting those needs. A general trend that is worth noting is beneficiaries' tendency to inflate the intensity of their economic deterioration/status in the anticipation of obtaining continued support. A2J wishes to build on the finding that 'income generating activities/obtaining jobs will result in individuals' perception of a more socio-economic stability', to stress that while improving income is one factor that influences social cohesion/stability, it is not solely sufficient to address the root cause. Therefore, although only 20% reported the ability to meet current and future household needs, the overall rate of improvement is higher. This improvement, however, has not (so far) translated into individuals feeling more socioeconomic stable.

Employability Indicator Results

RA 4.1.1 Increased ability to meet current and future household needs

Based on the endline surveys conducted, a total of 92 beneficiaries from a sample of 460 reported increased ability to meet current and future household needs. These are broken down as follows:

- Beauty training: 30 women out of 47 trained responded to the endline survey. Of those 30, 5 (17%) reported the ability to meet current future household needs.
- Construction training: 72 out of 100 trained responded. Out of those 72, 2 (3%) reported the ability to meet household needs, which indicates a 32% overall improvement.
- Loading and Unloading training: 31 out of 51 trained responded. Out of those 31, 6 (19%) reported the ability to meet household needs, which indicates a 23% overall improvement.

- TVET mobile training: 38 out of 47 trained responded. Out of those 38, 5 (13%) reported the ability to meet household needs, which indicates a 34% overall improvement.
- IRC home-based businesses grants: 29 out of 35 recipients responded. Out of those 29, 10 (34%) reported the ability to meet household needs.
- The 4th cohort of Mobile training was conducted. Out of 16 trained, 11 responded to the survey. Out of the 11 respondents, 3 (27%) reported the ability to meet current and future household needs.
- Solar training: Out of 75 trained, 42 responded to the survey. Out of the 42 respondents, 13 (31%) reported the ability to meet current and future household needs.
- Masmoo3: Out of 12 trained, 10 responded to the survey. Of those 10, 6 (60%) reported the ability to meet current and future household needs.
- Computer repair (Irbid): Out of 46 trained, 28 responded to the survey. Of those 28, 9 (32%) reported the ability to meet current and future household needs.
- Computer repair (Mafraq): Out of 16 trained, 11 responded to the survey. Of those 11, 3 (27%) reported the ability to meet current and future household needs.
- Hybrid (cohorts 1+2): Out of 44 trained, 43 responded to the survey. Of those 43, 5(11%) reported the ability to meet current and future household needs.
- Graphic design: Out of 16 trained, 9 responded to the survey. Of those 9, 3 (33%) reported the ability to meet current and future household needs.
- Secretary: All 16 trained responded to the survey. Of those 16, 3 (19%) reported the ability to meet current and future household needs.
- Hybrid (cohorts 3+4): Out of 55 trained, 34 responded to the survey. Of those 34, 4 (11.7%) reported the ability to meet current and future household needs.
- Teenah: Out of 30 trained, 16 responded to the survey. Of those 16, 2 (12.5%) reported the ability to meet current and future household needs.

The employability team's selection of a wide array of training that are in line with market demands in northern Jordan has played an important role in overachieving this indicator. The follow up with participants after they completed their training and creating market linkages between them and the job market has also been a point of strength. However, Jordan's weak economy and climbing unemployment numbers in 2020 (due to the pandemic and other factors) proved to be a major roadblock in the ability of many participants to make a living income.

RA 4.SG.4 Number of direct jobs supported by targeted companies

The A2J team created 135.23 jobs in various sectors related to the technical training provided for participants in both the Employability and SME Expansion teams. The breakdown of the jobs is as follows:

- Vaccination campaign 19 (vaccinators, including 2 trained paravets)
- Olive Oil Association 2 (Grant Supervisor, Assistant Supervisor)
- Olive Oil grantees 1 (Al-Deera)
- Al Watin 6 jobs (3.1 FTE)
- Abu Jabal 27 jobs (13.95 FTE)
- Mirayti 16 jobs (6.92 FTE)
- Construction 58 jobs (21.9 FTE)
- Houson Vet Clinic 2 jobs (0.06 FTE)
- Pruners 35 jobs (17.5 FTE)
- Ma'in Agricultural Equipment 8 jobs (0.9 FTE)
- Kufarat nursery 11 jobs (3.4 FTE)
- Al Yarmouk nursery 12 jobs (2.1 FTE)
- Solar 7 jobs (1.9 FTE), Arabic content 2 jobs (0.9 FTE)
- Computer repair 7 jobs (4.5 FTE)
- Hybrid 8 jobs (4.9 FTE)
- Graphic design 1 job (0.3 FTE)
- Secretary 2 jobs (0.3 FTE)
- Beauty apprenticeship 3 jobs (1.4 FTE)
- e-marketing 4 jobs (2 FTE)
- Advanced excel 3 jobs (1.5 FTE)
- advanced sales 1 job (0.7 FTE)
- Hybrid 5 (2.8 FTE) and Teenah 6 (1.2 FTE).

This indicator is capturing all job opportunities created by companies that received significant interventions. This includes SMEs within the selected VCs, employability grantees, and any other supporting functions within the selected VCs. In 2020, MC Employability team continued to work with partner institutions to provide beneficiaries with technical skills through vocational training and apprenticeship programs. Throughout those activities a number of jobs were created for relevant participants.

Even with the FTE calculation and dire economic situation, Mercy Corps' SME expansion and Employability teams have exceeded the target of 100 full time jobs. This success can be attributed to the follow through of both SME expansion and Employability teams with the program participants and grantees, as well as the market linkage events and other employability activities. One major obstacle the team experienced was the inability to secure more jobs for women. Even though MC's activities target vulnerable populations such as women and youth, it has been a challenge increasing employability opportunities for women. This could be attributed to the cultural sensitivities behind agricultural or freelance work for women, as most families would be hesitant in allowing or encouraging their female family members to engage in such work.

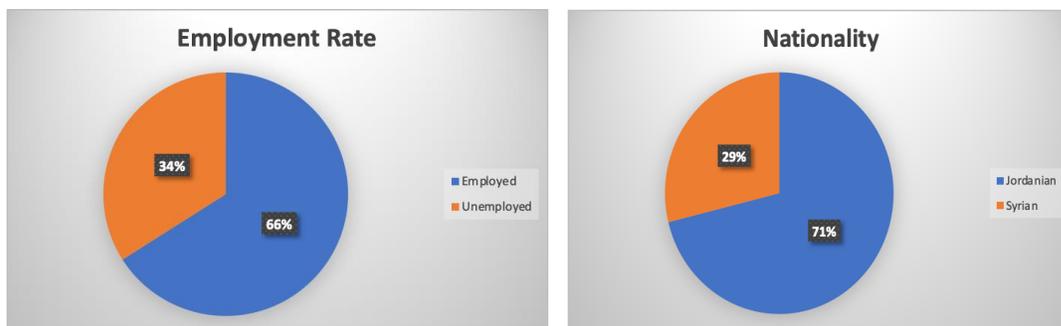
Research Data Analysis

The majority of females interviewed for this study were young, married, but with no children. This is an important distinction to point out as the aforementioned characteristics usually serve as roadblocks to Jordanian females participating in the labour market. It is also important to note that the majority of interviewed females are from northern Jordan. Multiple interesting trends were

observed, especially regarding the women’s motivation for work and professional priorities. The primary data collected somewhat dismisses many of the preconceived assumptions, studies and analytical reports regarding female retention in employability services or employment in Jordan.

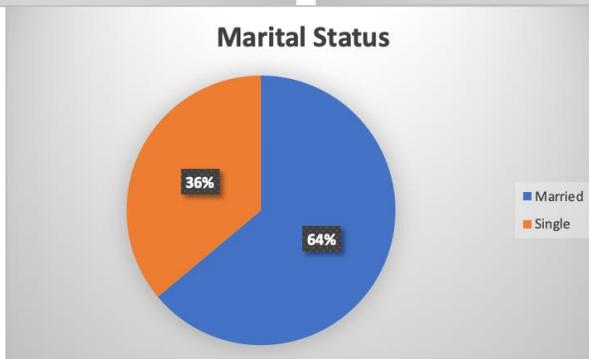
Profile of Women Interviewed

The majority of the women who participated in this survey were Jordanians, at about 71, or 69 out of the 97 reached. The majority (64%) is married, yet most did not have children. About 66% of participants were also employed.



Female Employability

Out of the ones had full time jobs, while freelancers working participants who were asked whether they had flexible working hours, the majority (67%) responded “Yes”.



Retention in Services

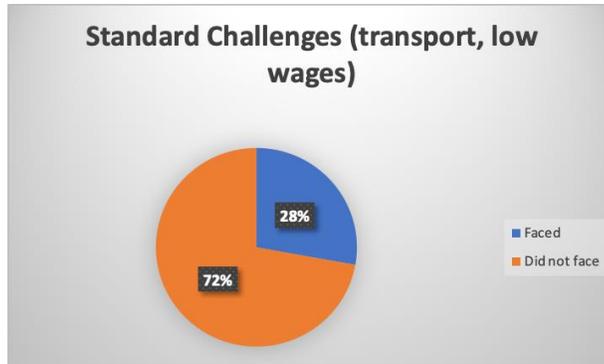
employed, more than half a significant amount were from home. The survey working full time were

asked whether they had flexible working hours, the majority (67%) responded “Yes”.



When the survey participant s wer

asked if they faced any traditional challenges or roadblocks to their employability, 72% responded “No”.



Rather than it being the traditional challenges, an outstanding 82% of women surveyed reported that it was a lack of opportunity regarding professional growth that has served as the single major roadblock for them entering the labor market or completing an employability training.

Conclusion and Recommendations

Conclusion

To conclude, Jordan is an extreme case even within the MENA region. Thus, any explanation for the low female labour force participation in Jordan must not only stem from the experience of the region at large, but should instead illustrate the uniqueness of the Jordanian circumstances. In general, many of the characteristics of the region are starkly presented in Jordan. Even though Jordan is not an oil rich country, Jordan's economic fate is tied to oil prices through remittances from Jordanian emigrants in oil-rich Gulf States and other forms of capital flow. Saying that, there are still some unique aspects that distinguish Jordan from other countries in the region, most notably the fact that it is both agriculturally poor and resource poor as well as simultaneously labour-sending and labour-receiving.

Recommendations

- Develop and build on rural-specific data to inform evidence-based gender-sensitive policies and strategies for rural employment creation.
- Employability services should focus on specific practical skills that women can utilize to enter the labor market.

- Employability services should go beyond the gender typical trainings (beauty, sewing, etc.) and invest more into skills such as coding, machine learning, and other software engineering streams.
- Aid in producing employment opportunities that cater to the demands and ambitions of well educated Jordanian females.
- Advocate for changing the legal expectations of gender roles. Jordanian labor law stipulates that men are the breadwinners and are thus prioritized for employment opportunities.

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About Mercy Corps

Mercy Corps is a leading global organization powered by the belief that a better world is possible. In disaster, in hardship, in more than 40 countries around the world, we partner to put bold solutions into action — helping people triumph over adversity and build stronger communities from within.

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