

This is How Hiring Arab Employees Will Affect your Business



A new study has found that integrating employees from Arab society into the business sector will yield the organization a profit of up to 5% per year. The organizations that participated in the study reported expanding their customer base, reducing recruitment and training costs, and increasing employee quality. How is the current crisis likely to affect the situation in the future?

Proper and quality integration of employees from Arab society in the business sector in Israel brings with it significant business benefits, which may be reflected in an addition of 1% -5% to the organization's profits (EBITDA) each year. This emerges from a study conducted by Co-Impact, through the research company TASC Consulting & Capital, which was published for the first time this week at the annual Co-Impact event at the President's Residence.

"This profit stems directly from the in-depth work done by the companies, with the aim of integrating practices of diversity and inclusion in their daily lives," says Nawa Jahshan-Batshon, CEO of Co-Impact. "Several years ago, the Israeli government adopted Co-Impact, recognizing that common workplaces for Jews and Arabs is not only an economic need - but also a national and social one. It seems that the way

the large business companies, which are investing a great deal of effort in implementing diversification and inclusion processes, have overcome challenges in the last two weeks, proves that the investment has paid off."

Indeed, one cannot ignore the recent events when discussing this study. Perhaps the timing proves above all, the importance of integrating Arab employees into the business market. "We have recently received significant reinforcement for Co-Impact, after proving itself in times of unrest," agrees Jahshan-Batshon, "Companies that have learned to lead a diverse and inclusive culture have been more prepared for the crisis and have successfully dealt with dilemmas and challenges within the companies and have overcome the instability well. This is evidence that we are probably doing something right. Employment diversity is the foundation for a shared society in Israel. Employment diversity has obvious advantages, such as: opening new markets, adapting products and services, increased amount of talent and supply of employees in industries that suffer from a significant shortage of manpower, such as the high-tech industry, and the advantage of being an organization with a wide range of opinions and ideas."



The proper integration of employees from Arab society brings with it significant business benefits | Illustration: By FS Stock, Shutterstock

"But the most important advantage is the daily encounter, of Arabs and Jews, in the workplace," she adds. "An informal encounter, which is a necessary base for any relationship and trust-building, which is a key to the shared life of all of us here. Considering this, it is important to continue in-depth processes in companies and consistently increase the number of Arab employees. It is worth noting that company managers have shown leadership and demonstrated responsibility, within and outside their companies. Leadership that is based on concern for society at all levels is a driving force for healing, and the integration of employees from Arab society is part of this."

Turning to Candidates from Arab Society Increases the Supply of Quality Candidates

Co-Impact is a non-profit organization that aims to dramatically increase the number of employees from Arab society in the business sector in Israel, in appropriate and equal employment. CI's vision is the full and appropriate integration of the Arab population in employment in the business sector, in a way that will strengthen Arab society, the general society and enable a strong economy, common to the Arab and general society in Israel.

Today, 70% of those employed in Israel work in the business sector, and about 50% of them in one of the 200 largest companies in the economy. To date, Co-Impact has carried out in-depth work with more than 40 of these companies, and has helped them promote appropriate, equal and inclusive employment for Arab society.

And beyond the increase in the company's profits, the companies that participated in the study reported nine main benefits, resulting from the employment of employees from Arab society: Increasing the market share among Arabic-speaking customers in Israel and around the world;

supplier diversity; business continuity; increasing the candidate pool and the preservation of human capital; higher organizational engagement; enhanced creativity and innovation and an increase in organizational reputé. Of these benefits, it is evident that the benefits relevant to human capital (increasing the supply of candidates, high retention rates and an increase in organizational engagement;) are significant and felt in all the companies that took part in the study.

Arab society accounts for about 20% of the total consumption in the Israeli economy. Yet, about 10% of businesses in Israel are owned by Arabs, and only 2% employ over 50 employees, while about 14% of Arab households are in the six lowest income levels. When looking at this data, one understands why contacting Arabic-speaking customers is expected to increase in the coming years, and to boost the incentive for integration and inclusion of Arab employees in the companies. This is also backed up by growth trends in Arab society in Israel in recent years, such as an increase in the level of education and number of graduates, as well as the peace agreements with Arab countries (such as the United Arab Emirates) signed in 2020.



Nawa Jahshan Batshon, CEO of Co-Impact | Photographer: Elad Malka

The study also shows that turning to Arab candidates increases the supply of quality candidates, thus enabling industries that suffer from a workforce shortage, such as the high-tech industry, to enjoy a new pool of quality employees.

Thus we see that between the years 2012 to 2018 the number of Arabs engaged in high-tech professions tripled itself. And that today, about 17% of the students in universities and colleges in Israel are from Arab society and about 12,000 Arab students graduate with degrees in the fields of science, economics, and business.

Arab employees with an academic degree maintain their jobs and their seniority 180% more than parallel Jewish employees. This is another business advantage as it saves costs arising from the replacement of employees - such as recruitment, loss of efficiency and of accumulated knowledge.

As noted earlier, the study's findings were first published at an event held this week at the House of the President, which was also the farewell event from President Rivlin, who has mentored and sponsored Co-Impact since 2015. In fact, this was the first venture he sponsored at the beginning of his term. "I am very grateful for your actions, together with all your partners along the way. You are our 'Israeli hope' and I believe that many more good people will follow you." - the President concluded in a post on his Facebook page. The event was attended by representatives from the largest companies in the Israeli economy, including: Coca-Cola, Tnuva, Amdocs, Osem-Nestle, KLA, Microsoft, Strauss, Nespresso, Discount Bank and more.

The article was translated from Hebrew. For the original please press [here](#).