

HUMAN RESOURCE (HR) POLICIES AND PROCEDURES

Introduction

The purpose of this document is to highlight areas within Human Resource Management and to provide guidelines for devising the Policies and Procedures of an organization relating to HR. As such the HR Policy Manual should attempt to guide the management to take decisions for day to day interactions with and between employees.

The intention of this document is to provide guidance for preparation of an HR Manual and this document should not be considered as a sample HR Policy Manual.

Code of conduct

Management needs to lay down its own Code of conduct, which engulfs the entire organization. This is a generic code, which will guide employees in situations where an employee is unsure how to respond to a scenario. This code should define management's response to various situations such as:

- *Personal and Professional Business Ethics and Integrity* – This will cover areas such as Conflict of interest and disclosure requirement for employees and management; anti-bribery and corruption policies etc.
- *Health, Safety, Security & Environment.*
- *Corporate Social Responsibility.*
- *Respect for people*, for example policies regarding equal opportunity, harassment etc.
- *Information Technology Ethics*, for example personal use of resources, email code etc.
- Other areas where the governance body of the company believes that emphasis is required.

Recruitment & Hiring

Recruitment policies will describe general principles governing hiring of individuals as well as policies specific to certain categories of employees. General principles would include rules such as:

- *Age Criteria for Employment:* The maximum age of employees is specified – generally in Pakistan, the maximum age is 60 years.
- *Employment of Relatives:* Usually employers not to have relatives working in the same department, and especially not in the same reporting lines. Definition of relatives is also required to clear ambiguities.
- *Non-Discrimination in Employment:* Employers should specify themselves as equal opportunity employer with no discrimination based on gender, religion ethnicity. For

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any specific job, if there is a requirement for certain people not to apply, it should also be clarified with reasons.

- Probation and Confirmation (and situations, if any, where probation can be ignored)

Further, policies for specific job categories may include:

- Pre-recruitment Activities for Experienced Hires: Interviews including panel interview, tests, assessment centres, etc.
- Recruitment of Graduate Student: Universities/Board of education may be specified, in furtherance to the interviews, tests & assessment centres.
- Internships

Compensation and Remuneration

In this area management needs to clearly define the salary and related benefits an employee should expect from the Company. It should be specific about various benefits employee can avail depending on the individual's job category. Policies should be written for:

- Base Salary Definition
- Remuneration Structure
- Monthly Salary Payments
- Performance and Rewards
- Personal Taxation
- Promotional Increases

Benefits

This area would include all benefits, which the Company is willing to provide to its employees. Following areas may be covered:

- Employee Loans policy, such as Loans for Motor vehicles, housing etc.
- Job category Related Benefits such as Company maintained cars etc.
- Subsidized facilities (for example lunch)
- Medical (inpatient /outpatient)
- Recognition & Gift Policy
- Retirement Benefits (pension, gratuity policy)

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Employee Relocation

If the Company has offices at multiple locations, it would need to define policies regarding relocation, including:

- Broad Rules for Relocation – i.e. define jobs where relocation may be required and insert clauses in the employment contracts for clarity. Organizations may also need to specify circumstances where relocation is must and consequences if employees are not willing to relocate.
- Details of Relocation Expenses to be borne by the employer.
- Relocation Expense Claim Process.

Time & Attendance Policy

This area defines the discipline the employer wants to observe within the organization. Specific areas can include:

- Absence and Leave policy: Types of absences /leave including:
 - i) Medical/sick leave
 - ii) Casual
 - iii) Maternity/paternity
 - iv) Marriage
 - v) Compassionate
 - vi) Compensatory (i.e. in lieu of working on off-days)
 - vii) Long leave (i.e. for further campus studies etc.)
- Working Hours: Organization needs to define its working hours per day/per week.
- Overtime policy.

Business Entertainment

Expenses incurred on behalf of the Company, which are in the category of entertainment need to be clearly specified for better control environment. Polices may include:

- Business Entertainment Claim Procedure
- Entertainment at Company offices
- Entertainment during Business Travel
- Entertainment of Third Parties
- Meetings, Away Days & Symposia
- Staff Business Entertainment
- Staff Social Get-Together

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Business Travel

Policies and rules regarding employees travelling for business purposes are required. Areas for policy making may include:

- Tours or visits to offices of the organization
- Business meetings
- Learning programs, workshops, conventions and seminars
- Business programs, business get togethers and team events
- Accommodation – Domestic & International
- Domestic and International Air Travel
- Domestic Travel Expenses
- Medical Treatment During International Travel
- International Travel Expenses
- Spouse and Dependents Travel
- Procedure for reimbursement of expenses

Disciplinary Action & Termination of Service

- *Disciplinary Procedures and Action* – Employer needs to lay down rules when disciplinary action can take place and a process for taking these actions. Examples may include forming Ethics committees to review disciplinary charges reported by employees and taking appropriate actions as per the laid down rules.
- *Termination of Service* – To define under what conditions and misconduct, an employee shall be terminated from service. Due to the importance of organizational discipline and the consequences in case of breach of rules and regulations, this section of the Manual should be comprehensive.
- *Types of Misconduct* – To define what is deemed to be misconduct.

Others

Organizations may include further areas as per their own requirements.