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COVER PAGE AND DECLARATION

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1. Introduction:

PETRA engineering industries, an HVAC company with more than 1500 manpower, located in kingdom of Saudi Arabia western provenance, A highly skilled manpower-based company. With human resources categorized and subdivided into 4 levels, managers/ engineers/ foremen/ workers.

The first 3 level is a unique and requires high investment (time/ training/ practice/ accumulated experience) to create the required minimum acceptable level of performance, With the loss of such employee will be a big loss for the company.

Recently, the company started to face an increased rate of skilled employee leaving and resigns for different reasons. An analysis and solutions required to retain the employees and insure the win/win situation between the company and employees.

2. Current situation analysis:

PETRA company do have and HR department in their “organization structure” (PETRA industries quality manual, 2018, Organization structure) with unclear level of dependency and hierarchy. It doesn’t distinguish between the HR subdivision.

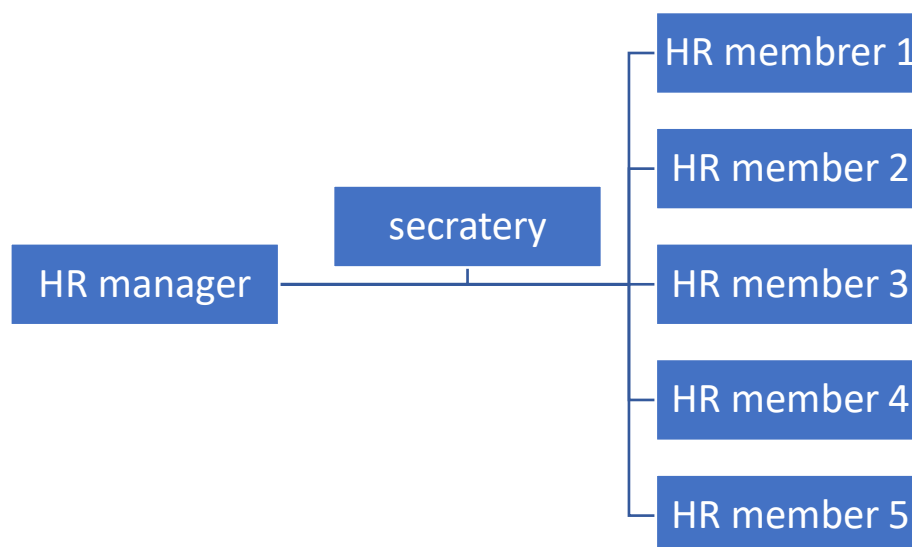


Fig 1 “PETRA HR organizational structure”

PETRA doesn't have any written HR policies systemize and unify the work and the actions, only a work procedure for HR& training available (PETRA industries HR & training procedure ,2018, QP-3.6). leading to ambiguity, feeling of unfairness and inequality among employees. bellow criteria are missing in the company HR system:

- a- Currently the company relying on work procedure and work instructions only without any policies.
- b- the main documents the HR department using for controlling the work environment is the “Saudi labor law” and the work procedures ONLY. (Ministry of HRSD, 2020)
- c- The work procedure which used doesn't use clear wording which enable unified understanding
- d- No periodic review take place in regular basis, annually or semi-annually, the current version of HR procedure is 10 years old without updating.
- e- The HR procedure are not communicated with the company employees which makes the employee un-aware about prohibited behavior.

Gap analysis report shows bellow results:

Missing policies	Need development policies
No retention policy	training policy (only a training procedure available)
No recruiting and hiring policy	safety and health guidelines (only a guidelines available)
No customer service policy	Unclear disciplinary and termination policy (only a table of violation imbedded inside the HR procedure)

No annual performance review and appraisal policy.	
Missing Employee structures	
Missing confidentiality policy	

An action plan required to create an HR system with operating procedures and policies covers the HR operations matching with the local and governmental regulations and best HR practices.

3. Recommendation

Work policy to systemize the HR operation must take place in cooperation with different departments in the company. Building an organization structure clearly showing the dependence and responsibilities and intercommunications between different department.

Bellow structure prepared in cooperation between top management and different department managers.

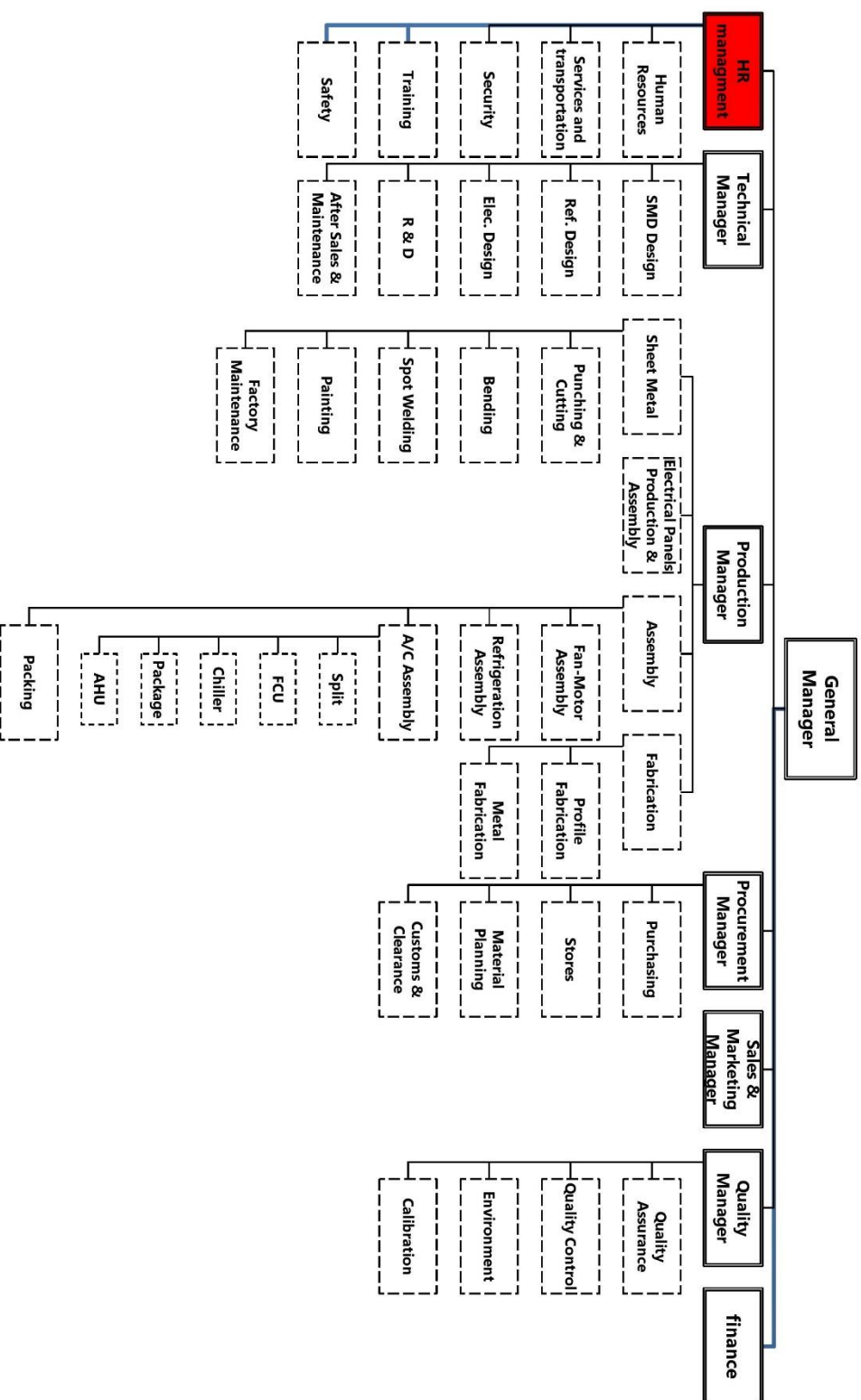


Fig 2. PETRA organizational structure (PETRA quality manual, (2018). Organization structure)

3.1- Policies proposal:

PETRA HR department currently working without written or controlled policy. bellow policies development required to ensure the fair handling of employee and work matters, and the acceptance and satisfaction for HR department decisions.

3.1-1. Code of conduct policy:

Addressing dress code, smoking, alcohol and drug use, harassment, and bullying.

The policy clearly addressing what accepted/rejected behaviors.

3.1-2. Recruitment policy

Setting out candidate selection and equal opportunity treatment, including the vacancies announcement and time boundaries for submitting application and interviewing.

3.1-3. Disciplinary and termination policies

The employee should be clearly made up to the case and the circumstances and to make him with no doubts of fair treat. The disciplinary process should have clear structure of progressive measures and action. Ending with termination in case of repetitive wrongful behavior.

3.1-4. Employee retention policy

The company facing a high employee turnover. With a company based on manpower asset, that represent a catastrophic situation and major loose. “The employee turnover cost almost 9 monthly salaries” (Real Cost of Losing an Employee), with almost 70% turnover for a

company with 1500 employee that represent almost 9450 monthly salary (with average 10 million USD yearly. A huge lose must be managed and controlled.

Also, the unwanted turnover by losing a highly skilled employee directly affecting the performance of the organization. Which eventually will have direct impact on product delivered to end clients.

3.1-4.1. **Scope:**

All employees of the company with positions level A, B in the employee structure.

3.1-4.2. **Turnover and retention limits:**

Semi-annually the HR department must calculate the employee turnover and retention and summarize it in bellow table to be presented for top management for study and decision taking

Turnover rate:	$\frac{\text{employee left}}{\text{average \# of employee}}$	Acceptable limits $\leq 15\%$
Retention rate:	$\frac{\# \text{ employees beginning} - \text{employee leaving}}{\# \text{ employee beginning}}$	Acceptable limits $\geq 80\%$
Highest department have turnover rate:	(i.e. production department...etc.)	
Lowest department have turnover rate:	(i.e. sales IT department... etc.)	

Highest department have retention rate:	(i.e. sales department ... etc.)	
Lowest department have retention rate:	(i.e. quality department...etc.)	

3.1-4.3. Staff Retention strategies:

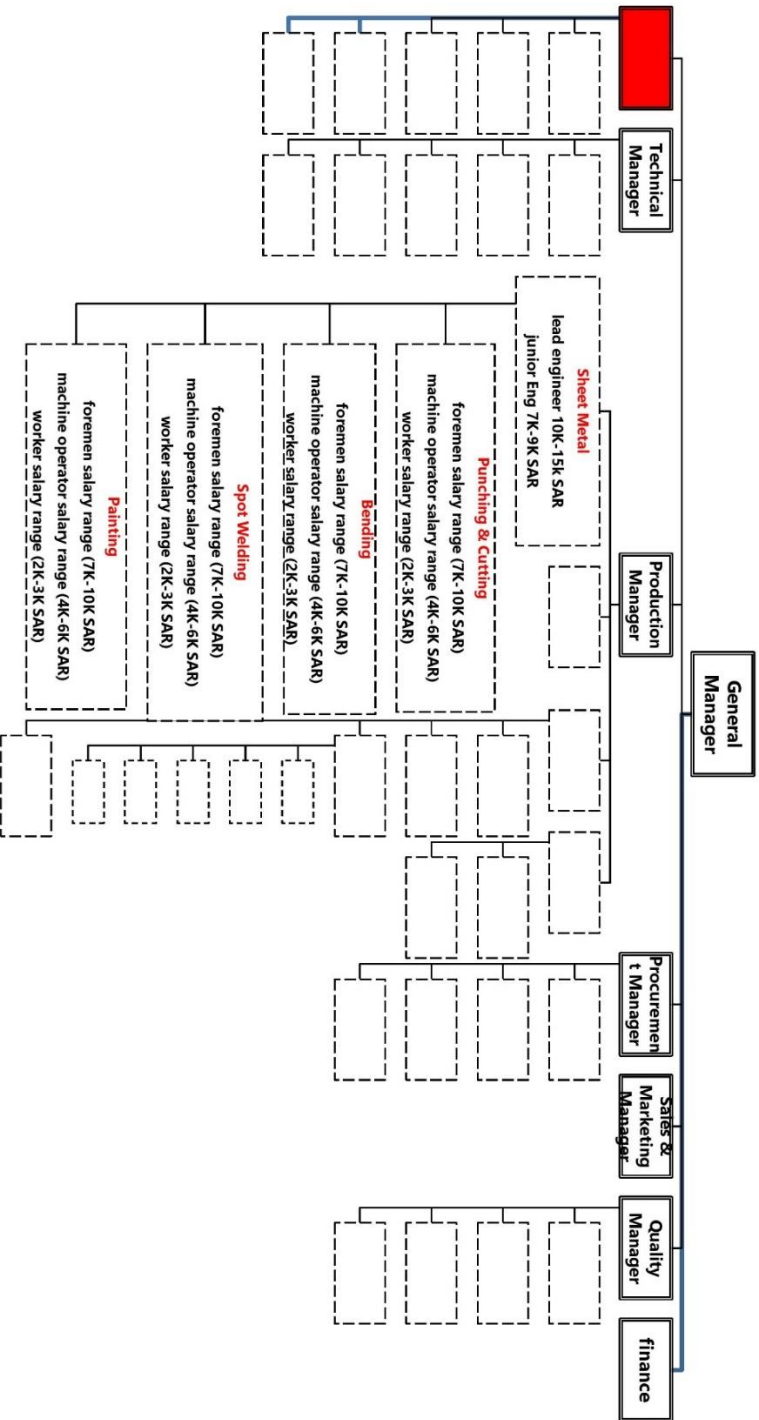
5 retention strategies agreed to enhance support the employee retention.

- A. salary and benefits
- B. onboarding and orientation
- C. exit interview
- D. Training
- E. recognition and reward system.

3.1-4.4. Procedure

A. Salary and benefits:

PETRA must regularly review and revisit the salary structure to insure it adequacy with the current market and ministry of labors regulations. And organization structure updated to includes the positions available in each department with the salary range (min – max) according to the market, bellow shows the production department:



B. Onboarding and orientation

Integrating the new employee with the company and its culture and to become a productive member. The new hired employee still blind in the company structure and communications channels and work practices.

Onboarding and orientation plan should last complete one year with review every three months to insure the new hired truly developing and moving on track.

- At the first Day.
 - o A safety representative should make a safety tour with the new hired employee showing all safety related concerns which needed during his work in the company. (emergency exit, assembly point, safety signs and meaning, safety PPE's in each location inside the company, how to use a fire extinguisher, how to report a safety concern, restricted areas which need written permissions, photo's policy, and safety officer direct emergency NUMBER)
- At the first WEEK
 - o A welcoming tour among the company different department (all department) with spending full day in each department to understand the function of the department and how the new hired employee will relate to that department in his future role in the company.
 - o HR onboard new hired employee to IT department for PC, laptop, email, landline number, mobile number, access cards and parking pass.
- At the first 6 MONTH's
 - o The new hired employee will begin in depth with his future work department and procedure.
 - o Participating on the department weekly review meeting and be responsible for the preparing of meeting MoM.

- Updating the training follow-up form regularly on weekly basis.
- Meeting with the training manager on monthly basis to insure the proper receiving of training outcome.
- At the first YEAR
 - The second 6 month, the new hired employee being peered with the direct manager to so show them how their career looks likes at the company.
 - HR Evaluate the first year and summarize with conclusions and recommendation and advises.
 - The official end of on-job training to continuous development.

C. Exit interview:

It's a clear fact that, the company have an employee leaving, he is leaving for a reason which must be defined, It represent a valuable information and an action plan for the company. A procedure must be found describing for the process of interviewing the ex-employee as bellow: (Making Exit Interviews Count, 2016)

- A third-party company to conduct the exit interview.
- Exit interview to be conducted only after the employee leave the company.
- Direct manager for the leaving employee should not be involved directly or indirectly in the process.
- Exit interview to be through phone call, to insure no embarrassment and farther cost on the leaving employee.
- The interviewer must listen more than talking and ask open ended question which enabling the leaving employee to have more broad answer filled with his emotions.
- Conclusion of exit interview must be presented and discussed in between all top-level managers including direct manager and HR manager.

- Confidentiality must be assured for the exit employee.
- An action plan and or decisions to be concluded because of the meeting.

D. Training

“Employees more tend to stay in company offering career bath development in the short and long period”. (Umer Ahmad, 2013)

PETRA developed a career development a procedure with detailed planning for internal/external training resources and clear requirements. The plan detailing as bellow:

- Fresh new hired employee:
 During the first 6 months of the new hired employee, an internal training program must be prepared to cover the main topics for the new position. Including soft and hard skills. to be evaluated to insure the proper perceiving.
- At the first year
 A complementary training program must be prepared. The training program to be taking place in external venues, but to be conducted by internal trainer.
- Within the first 5 years:
 A high-level focused training program including training academies and abroad training program.
 Every employee with yearly evaluation higher than 90% for the first 5 years deserve an abroad professional training program directly required by the daily activities of the employee.
- After 8 years
 If the employee evaluation for 8 years during his career exceeding 90%. The employee deserves a university scholarship onboard. The university degree

will be of PETRA company choice closely related to the work daily tasks and needed education to increase the work performance.

During the university study, the company offer a flexible working hour to the employee.

- After 10 years.

If the employee evaluation for the employee 90% or more for the first 5 years, and 90% of any later 3 years, and 95% or higher for the most recent 2 years.

Then the employee deserves a paid 2-year university degree program of his choice (it can be abroad university with total program cost not exceeding 50000US).

E. Recognition and rewards system

PETRA doing yearly employee evaluation for highlighting the strength and weaknesses of their manpower resources, working on the lower evaluated employees and enhance performance and making them more productive which at some time will end with termination for non-improved employee. At the same time a recognition should be offered to the highly productive employee. (Dr. Pankaj M. Madhani, 2020)

PETRA prepare a recognition system rewarding on behavioral and performance.

Rewarding can be money, certificates, letter, thanks email.

A set system describing rewarding and recognition program in PETRA:

- Thanks email:

Each department manager should be trained on assessing work achievement milestones and showing appreciation behavior on daily-weekly activity and tasks.

Department managers also should be trained on showing appreciation for non-successful task considering the huge effort done by the work team.

- Letter:

A letter from higher management (CEO's, operation manager, top manager, owner) to a hard working with successful results and contributing in achieving higher performance in work compared to usual and similar situations.

Activities to be rewarded with letters can be (but not limited to):

Higher productivity ;

Higher quality ;

Lower resources consuming;

Ability to adopt to new circumstances;

Supporting company vision, mission;

With yearly evaluation more than 95% for 3 consecutive years.

- Certificates:

Department manager to recommend a recognition certificate signed by top manager mentioning appreciation for great achievement with also titling the certificate with the achievement. Certificate appreciation can be rewarded for great and a phenomenal achievement as:

New innovative idea saving time/manpower/material/cost;

A solution for market challenge,

Increasing product competitiveness;

Increasing customer satisfaction to a new level.

- Money rewarding:

Of course, financial and money compensation is the most touching to employee and have almost the height impact. PETRA created a yearly financial rewarding budget for its employees who shows hard work and good working behavior.

A nomination committee yearly nominate 2 employee for the money reward.

Financial rewarding will be deserved for employees for:

No safety violations during the year;

No morning delay during the year;

No absence;

Excellent working ethics;

ready to delivery class 1 time critical tasks on time;

Cooperative with his colleagues from same and different departments;

3.1-5. Customer service policy

To insure a consistent customer services and with newly interduce communication channels with clients from social media, email, direct messaging contact like WhatsApp, and controlling PETRA employees whose in contact with the end client adhering to a clearly defined customer practices and written policy.

3.1-5.1. Scope

This policy applies to all department in contact with end user and clients, (marketing, sales, after sales and maintenance, top managers, training).

3.1-5.2. Responsibility:

- All PETRA company employees should undertake a training course yearly for the applicable customer service regulations mentioned in this policy.
- HR responsible to inform and notify all company employees with any new updates and modifications on the customer policy

- Marketing department to inform the client for any amendment on customer related policy which directly affecting the service and product used by the client.
- HR department must insure the only last updated customer service policy are available at point of use.

3.1-5.3. Procedure

- Speed of service

PETRA is committed to provide end client with best service and support time, not to exceed 36 hours.

Any service or support intended to take more than 36 hours of execution. PETRA support to inform the client in written with the reasons and when expected to provide the requested action.

- Customer contact

PETRA company approve bellow communication channel as official with the customer:

Emails

Phone calls

SMS

WhatsApp

Social networks (for general updates only)

- Notification

Customer should be notified in case of any un-regular update for his case immediately and before the update taking place. (including discontinuity of product, different payment method.

- Compensation

In case of customer complain found justified, PETRA bear all damage happened.

- Warranty

If no other warranty period is agreed and documented in project order acknowledgment, then The standard warranty period applies and counted from the date of customer receiving for the equipment at his site.

- Complain

If customer have a complain regarding the behavior of PETRA employee, the complain must be handled and followed up by the concerned department manager.

In case the complain not solved within 36 hour, then concerned manager must update the top manager on daily basis for the subject and progress on dissolving the complain for a period of 1 week.

And case the department manager failed to solve the case, then top manager should handle the case and take the appropriate decision to solve the case within 24 hours

3.1-6. Performance appraisals policy

Periodic performance review and appraisals for the employees help to send the message to the employees that the company appreciates their dedications and achievements.

“With the performance appraisal policy, it will insure the performance-oriented work environment in the organization”. (Lumen, steps in the appraisal process)

- 3.1-6.1. **Scope:** the scope of the performance appraisals policy covers each and every company member (excluding general manager).

- 3.1-6.2. **Responsibilities:** HR department responsible for conducting a yearly performance survey in coordination with different department managers. The HR should use the survey results to grade the employee's performance according to procedure.
- 3.1-6.3. **Performance standard:** the HR manager in coordination with department managers establish a reference performance standard for each position listed in the organizational structure. The reference standard should be revised annually to insure its alignment with the company objectives and visions and strategic plan.
- 3.1-6.4. **Communicating performance standard:** in order for the performance standard to be effective it must be clearly communicated and understood what expected outcome the company looking from him. During the communicating of performance standard process, employee must be assessed if he needs additional training to make him up to level to able to achieve the expected
- 3.1-6.5. **Measuring performance:** performance to be expressed in numerical terms, as bellow procedure.
- Twice a year, semiannually, the HR department must conduct evaluation process throughout the company using the established and ISO controlled format with the consideration of different type of form used for the different levels of employee.
 - The department manager fills the form related to his/here employee performance with mentioning justification for each point bellow 50% score according to the form.

- Within the same form, the department manager must mention recommendations which he sees it useful to enhance employee performance and boost his capabilities to achieve better for the future.
- HR department fill their comments on the form regarding employee attendance/warning/safety commitment/absence.
- Final results to be calculated use the formula mentioned in the form to calculate the end score of the employee.

3.1-6.6. **Match the actual performance to standard reference:** Top manager in coordination with department managers and HR manager discuss the performance evaluation results and to measure it in reference to the standard. Conclusions showing how far or close or exceeding reference standard performance and suggesting appropriate action (reward, raise, promotion, corrective action, termination).

3.1-6.7. **Discussion and transparency with employee:**

- Performance Evaluation score to be presented to the employee by HR and direct managers with confidentiality and allowing him to comment and reject the results if he has subjective concerns.
- Re-evaluation for the employee using the re-evaluation form for the employee(s) who reject their results.
- Answering the employee question and trying to insure all cleared with actual examples.
- Managers must be open-minded and remain calm during the discussion and avoid the aggressive impact with employee as this will affect the future performance and efficiency of the employee.

3.1-6.8. **Taking action:** as last point of performance evaluation and appraisal process is the implementation of the decisions taken by top manager, in coordination with HR and department managers. It can be as one of bellow:

- Salary raises (according to the min-max limits of the position)
- Promotion (if performance evaluation showing the employee capable of doing higher position duties and responsibilities described in the position card)
- Reward (according to top manger recommendation)
- Corrective action (and action plan created by the direct and HR manager to consider the gap between standard and measured performance)
- Termination (if poor performance with low chances of improving).

3.1-7. Interoffice communication policy:

In addition to the regular approaches used by the company from meeting, emailing, texting, and face to face. Also, Petra supports the use of new technology for internal communications.

3.1-7.1. **Intent:** to increase employee productivity and insure the proper flow of correct information.

3.1-7.2. **Scope:** all employees of PETRA company.

3.1-7.3. **Approach:**

- Online meeting: the company approving the use of online meeting through the accepted company platforms (Microsoft teams) and consider it and official and alternative to regular face-to-face meeting.

- The company provides a clouds platform for accessing the work remotely and using any device with access to the cloud.

The employee must contact the IT department for access permissions.

- The company developed an APP application allows the employees to access the up-to-date info's, updates, meeting occurring, personal requests (vacations, leaves) and permissions request (meeting request)

The employee must contact the IT department for username/password access.

3.2- job listing:

3.2-1. Secretary:

Job title:	Secretary
Job code:	PET002
Job purpose:	To provide direct secretarial and administrative support to top management
"Education": (linkedin)	BSc's degree managerial management
	MS office tools certified
	Good in English, Arabic and French speaking/writing/listening
Job description and Responsibilities:	Answering phone calls and redirect them when necessary
	Manage agenda, meeting, and appointment
	Facilitate and support on regular reports and MoM
	Develop filing system and procedure

	Arrange for travel
	Insuring availability of office supplies
Work experience:	2 years working experience in relevant field
Salary	Salary 1500\$ - 2000\$

3.2-2. Marketer:

Job title:	Marketer
Job code:	PET001
Job purpose:	Developing and executing new market and assess new potential clients and support sales in targeting the market.
“Education”: (linkedin)	BSc’s degree science in marketing
	MBA is a plus
	Good in English, Arabic speaking/writing/listening
Job description and Responsibilities:	Developing strong relationship with stakeholder
	Assessing and evaluating current and future client requirements
	Follow-up customer feedback and insuring customer satisfaction
	Coordinate with R&D department for new client requirements
	Planning for marketing KPI and developing action plan to insure marketing objectives achievements
	Obtaining approval and licensing from clients
	Arranging and preparing for PETRA participation with national and international exhibitions and industrial shows

	Undertaking marketing research and managing for STP marketing plans
Work experience:	5 years working experience in relevant field in marketing or sales.
	Familiar with ARAMCO standard and approvals procedure
Salary	Salary 3000\$ - 5000\$
	+ competitive package % from sales.

3.2-3. Operation manager:

Job title:	Operation manager
Job code:	001
Job purpose:	communicating the company vision and objectives among company different department and staff and insuring the customer-oriented operation
	Developing and healthy and safe work environment
“Education”: (linkedin)	BSc in engineering (mechanical, electrical, industrial)
	Master’s in business management
	ISO 9001 lead auditor certified
	Bilingual (English, Arabic)
Job description and Responsibilities:	Communicating with manager, staff and stakeholder and maintaining a good relation and organizational and operational flow
	Supervise the operation department objectives achievements and KPI’s proper action plan
	Ensuring the quality control/assurance plan

	Communicating with marketing team to assess the client feedback
	Planning for achieving the strategic and operational objectives
	Developing budget plan and insuring operation work within the budget by proper utilization of resources
	Minimizing the waste during operation by adopting lean6sigma strategies
	Forecasting staffing and recuring plan
Work experience:	15 years' experience in operational and managerial positions
Salary	5000\$-8000\$

3.3- health, safety, and wellbeing

3.3-1. Scope

This guide applies to all PETRA employees, visitors, within the factory premises and for employees dispatched for performing tasks offsite, as sales, marketing and maintenance.

3.3-2. Responsibilities

- TOP manager
 - Instruct to follow legal reequipments
 - Provide the resources needed to achieve optimal safety practices
- Safety committee
 - A safety committee established reporting to HR manager with responsibilities of continuously reviewing safety policy and procedure

- Safety committee represented from 5 team member from different department
- Make recommendation and improvements to enhance the safety practices
- Conducting workplace audit to highlight
- Conducting a regular safety training for the new hired employee
- Review legal requirements and adopt to internal procedure.
- Conduct periodic review for hazard identification, risk assessment, and control measures procedure.
- Conducting an awareness class on monthly basis including video, photos, and meeting with persons suffered from work incidence.
- Formulating and reviewing the safety disciplinary program and insuring the action taken supporting in reducing the number of safety incidents and violations.
- The implementation of OSHA certification program and maintain the certificate. (ISO 45001, 2018)

- Managers

- Insuring the commitment among their team member to safety policies and procedure
- Insure all employees before the start of work to finish the 2 weeks induction safety training and authorized to start on-hand work.
- Assess hazardous activity and report it to safety committee
- Inform and coordinate with safety committee for every new process, equipment's introduced to amend the safety procedure.

- Nominating employee for safety rewards for their high efforts in promoting and elevating safety practices.
 - Insure the emergency action plan execution in emergency cases
- Safety officer
- Conducting daily audit for PPE's compliance
 - Conducting daily audit for equipment's, properties and buildings for safe operations.
 - Reporting daily incidents to HR, manger, safety committee
 - Reviewing the trends of safety compliance/ violations in company and report to safety committee
 - Registering all safety incidents and categorize it into major (with injuries or lose) and minor (with no injuries or lose)
 - Regularly increase the awareness about safety through distributions of safety posters
 - Ensuring the proper operation of firefighting system and alarms and conducting safety drills at least twice a year

3.3-3. Safe work practices

- No smoking work environment except of designated area
- Not allowed to use the emergency exits for other than emergency cases.
- No allowed to save and stock material in such a way blocking the emergency exit
- Totally prohibited to trigger the emergency alarm switch for any cases other than fire alarm.
- No use of any flammable material in the company

- No weapons allowed in company
- No fighting allowed in company

3.3-4. Firefighting and fire alarm

- Safety committee Operates the fire system on monthly basis to insure proper system operation.
- Safety officer conduct weekly inspection for fire extinguishers to insure its operability.

3.3-5. Fire drill (Emergency Management: How to Conduct a Fire Drill at Work)

- Fire drill is responsibility of safety committee.
- conducting fire drill twice a year and insure readiness for emergency cases
- an evacuation plan must be prepared and clearly fixed on big size, colored posters in every area and zone in factory.
- Announce about the fire drill to insure no panic among people.
- Setting up fire drill evacuation time target. From time of drill activation to total evacuation.
- An observer must be appointed and be included in the evacuation plan to monitor and highlights action need improvements.

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