HR Policies And Practices Of HDL Company

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Introduction

HR management has become a technology-oriented profession in this globalized world due to the growing number of TNCs and MNCs and a large number of employers throughout the world. Whereas this diversity has become a source of huge success in the business market, this success has also brought many challenges. Managing and selecting the best HR policies for a company is one of the major challenges while complying with the labor laws of world states and the rules and regulations of employment. As a result, the demand for technological solutions to HR issues is increasing.

HDL Supplier, an electric company in the UAE, manufactures products for customized building automation as well as stage lighting equipment in a professional way. It has offices in over 80 countries throughout the world. HDL UAE sells products and solutions, including centralized control, comfort, added security, energy-saving, and convenience to national as well as international customers. Presently, business firms all over the world are facing issues in HRM that affect the efficiency and success of the firm. HR management plays a very important role in the success and decline of any company or organization.

This paper will discuss HR policies and practices and will suggest the best policy option for HDL Company to cope with its issues by complying with UAE labor law. The major concern of Human Resources is employee engagement in any company, the plans that are taken forward to improve the engagement of employees in the firm, and the policies that are suitable and beneficial for employers. This study will focus on the activities that are beneficial for companies to acquire to improve their employee engagement in the workplace.

HR Policies & Practices

HR policies and practices are the result of HR strategy. HR strategy is a development of behaviors, skills, and attitudes among the staff that helps the organization to reach its goals. Human Resource strategies consist of the principles that help to manage the workforce of the firm by acquiring HR policies and practices. These policies and practices include performance management, recruitment of employees, compensation of employees, rewards, recognition, training, and retention of employees. Companies acquire these practices, which are their strategies to make useful HRM in the business and workforce. In developing HR strategies, companies align their industry, the competitive advantage of

the industry and the essential characteristics/people associated with the plan. These strategies are closely linked with the skills, responsibilities, and knowledge of the people and the organizations. Based on the information and characteristics, companies acquire certain plans to maintain their culture, processes, and structures. That plan is called their policies and practices.

UAE Labor Law

In 2017, the Ministry of Labor UAE introduced new labor laws as a comprehensive set of rules to establish stronger relationships among employers and workers all over the UAE. The purpose of these changes in labor law is to improve the labor market for more labor mobility for workers. Major changes in UAE labor law are standard work contracts, conditions for terminating any contract and a few procedures pertaining to work permits. One of the debatable issues that arose after these changes is how new labor regulations affect employment and employers' contracts. As per new UAE labor laws, employers must acquire a standardized official letter from the ministry's electronic system. That letter includes sections covering various aspects of new labor laws regarding worker and employer rights, duties, and responsibilities. Both parties sign that particular legal letter before submitting it to the ministry. The aim of this legal letter is to promote a transparent relationship between the company and the worker; this contract of employment must define wages and salaries, contract dates, and agreement duration, including all the details related to the nature of work and its timings.

Key provisions of UAE labor Law

- ## Working hours

Article 65 of the UAE Labour Law deals with working hours for employees of private sectors and government sectors, which are from 8 hours to 48 hours per week. In the month of Ramadan, two hours are reduced daily from normal working hours.

- ## Overtime

Overtime gives an employee the right to receive pay equal to normal working hours, including twenty-five percent of that pay.

- Official leaves and vacations
- Public holidays

- Annual leave
- Sick leave
- Special leave
- Reduction in working hours
- Minimum wages
- Wages Protection System (WPS)
- End-of-service benefits
- Calculations for gratuity pay

Under limited contract

When the company ceases a limited contract:

- If the employment of any worker is less than 1 year, he is not able to get any gratuity pay.
- If the employment of any worker is more than 1 year, he is able to get gratuity pay based on 21 days' salary.
- If the employment of any worker is at least 5 years, he is also able to get gratuity pay for a full month.

Under unlimited contract

When a company ceases the employment of an employee having an unlimited contract:

- If the employment of any worker is less than 1 year, he is not able to get any gratuity pay (Armstrong & Taylor, 2020).
- If the employment of any worker is more than 1 year, he is able to get gratuity pay based on 21 days' salary for each 5 years of work.
- If the employment of any worker is at least 5 years, he is also able to get gratuity pay of a full month endowed with the complete recompense.

Companies Negotiation and Resolution of Disputes

Find a Competitive Bid

Regardless of the volume of the firm (small or large company) globally, negotiation must be a part of its prime strategies as it comes down to leverage. The aforesaid firms must have enough knowledge about the capabilities of their partners. However, obstacles can be removed only through effective

negotiation.

- Target the Main Motivator

In any business dealing, it is significant to know what is motivating and inspiring the other party. They need to focus on the needs and demands of the client to expect positive outcomes. Business firms need to resolve issues through negotiation instead of making the deal more complicated. Therefore, it is required to know the main motivator and make the deal through negotiation.

- Mutual Gain

Business is all about give and take. Business firms have affiliations with other firms in a market. Some business firms fail to get a competitive advantage in a market due to the lack of mutual gain tactics. Business firms should focus on adopting a mutual gain strategy for enhancing their productivity.

- Ask What They Need

Major business deals have minor issues that can be resolved through effective negotiation. Business firms need to be more specific and clear with their clients by asking about their needs and demands. They can simply negotiate by asking, “What is it going to take to get it done?” This will help them get the deals done more effectively.

- Listen and Adapt

Some firms fail to get the deals done because they walk into negotiations with biases and high expectations. Some of the above-mentioned business firms endured frustrating negotiations with vendors and potential partners because they spoke at cross-purposes. Therefore, they need to listen to the other party and try to settle things through effective communication. Some other negotiating strategies are:

- Keep a Poker Face
- Don’t negotiate with yourself
- Avoid making the first offer
- Barter

- Bundle

Tactics of Effective Negotiation

The following are some tactics of effective negotiation in making the deal successful:

- Be prepared
- Keep the negotiations courteous and professional
- Understand the dynamics of the deal
- Listen to the other party and give offers
- Be ready to walk away and prepared to “play poker.”
- Avoid consistently conceding, as it is a bad negotiation strategy
- Negotiable elements must be known
- Lose or Schmooze
- Go First
- Conduct a post-mortem
- The desired price must be a bookend

CASE Study of HDL Company

HDL Company (UAE) is an electric supplier company, and it was established in 1985. It produces modified building mechanization as well as stage lighting equipment in a professional way. It is known as a global company because it has offices in over 80 countries, including the United Arab Emirates. Its products are effective and of good quality, which is why HDL has several branches in different countries throughout the world. Business firms today are facing issues in Human Resource Management that affect the productivity of the firm. HR policies and practices of any company play a significant role in both the success and failure of the company.

HR Issues of HDL

There are times when HDL is facing financial issues, and it makes false decisions that have the possibility of contradicting labor laws. Several firms have been observed to fire their experienced employees, considering them an expense, and fail to reap and see the utmost value of talent management practices. This practice allows HR managers to review employees’ performance. As far as new UAE laws are concerned, these HR managers need to ensure that their selected practice does not contradict any labor law. UAE’s new labor laws provide an opportunity for both employees and managers to discuss issues that affect their performance before terminating any employee. Positive outcomes are possible only by getting feedback on employees’ activities at the workplace (HDL). One of the major and most important issues of HDL is talent management practices. The labor law of UAE encourages talent management practices, as through those practices, workers get rewards for their

services. This is the most important step of HR management practices because it gives courage to staff.

It is critical to know high-potential and high-performing employees and reward them with incentives and bonuses. The managers must acknowledge the contributions made by the potential employees to the success of the firm. The succession plan based on talent will allow HDL to identify its potential employees as well as reward them by promoting them. Ongoing feedback is a significant practice to maximize employee performance. This is lacking in most firms, as is the case with HDL. Feedback on the performance of employees helps management take corrective action where circumstances might lead to a loss. By adopting this practice, employees and managers can resolve many issues, both minor and major.

Best Policies and Practices to Make Firm (HDL) Successful

HDL has been working on HR practices and their development for many years at a rapid pace. To ensure employee engagement, HR policies and practices are widely diverse and flexible. The company has focused on the integrated approach, which changes every aspect of employee training. HDL took this step to keep engaging with the front-line staff and improve their productivity. Other than that, HDL gives certain tasks to its members, and based on the key performance indicators, they are rewarded with a two-day leadership program, which helps the non-managerial employees get appropriate training for becoming future leaders (Boxall & Purcell, 2016).

Employee engagement is the concept of understanding the relationship between an organization and its employees. An engaged employee is one who is fully absorbed in work and takes positive actions to increase the firm's interests and reputation. An engaged employee will always have positive feedback about the organization and its values. Companies tend to expect high results from highly engaged employees. However, engagement is not natural; it comes from the strategies that organizations acquire to improve employee engagement in the company.

HDL needs to introduce a family plan for its employees, where the employee can cover his/her partner's health cost in the insurance plan. The employees who get benefits, as well as their partners, are more likely to engage in the company's activities. HDL also focuses on preparing monthly meetings with the employees, where every employee is free to comment on any negative/positive thing in the organization or give any feedback relating to the company or employees.

Further Recommendations

In contrast to the engagement activities that can be used by HDL, the company can also look into the following employee engagement activities:

- Involving employees in the planning process

HDL can present the most critical issues in the organization, and then priority actions should be taken to solve those issues. In every quarter, it can do this task by involving the concerned team in the planning of the mission to overcome the problem. Involving the low-level employees can help the company in making appropriate leaders for the future, as the phase of involvement planning can groom the skills of the employees.

- Create your company magazine.

HDL, being one of the leading companies of UAE, should introduce a magazine on a monthly or quarterly basis, where it can present the employee of the month, dude of the month, and employee of the year. These recognitions can be based on performance in the workplace, dress code, communications, queries, feedback, and turnover of an employee. Following this pattern will increase the motivation of an employee toward his/her work.

- Sharing the financial statements

Most organizations do not share their financial terms and reports with internal employees. This makes the employees more demotivated toward work. It also does not support the emotional concerns of the employee. HDL can use the financial statement as a means to gain trust in a workplace. Showing the financial statements to the employees will create confidence in the employees, and the overall work system will improve. It will also increase employee engagement because sharing the means from which the company is earning and selling with the employees will make them more committed to work than ever.

Conclusion

It is essential for organizations to have certain HR policies and practices in place, which help in achieving a high customer turnover and satisfaction of employees. Acquiring appropriate HR practices is necessary for companies, as it makes them more effective in establishing a sound workplace environment. HR managers must implement strategies that will contribute to the success of the firm. They must observe and evaluate the performance of employees and motivate them to perform their duties and accomplish the firm’s goals. However, in line with the HR policies, there are employee engagement strategies that a company makes for its employees to be more engaged in their work

and feel motivated toward the work. UAE’s new labor laws suit the best HR policies and practices and help workers make their firm’s work more effective and of high quality.

References

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