الشركة السعودية الاستثمارية لإعادة التدوير

Saudi Investment Recycling Company

سياسات التطوير التنظيمي

Organizational Development Policies

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This document has been developed, reviewed, and approved according to the "Corporate and Operational Polices Approval Matrix"

#	Department / Position	RACI category	Signature	Date
1	EVP of HR and SS	Recommend		
2.1	GRC	Consult/Review		
2.2	NRC	Consult/Review		
3	BoD	Approve		
4	All Departments Heads	Inform		

Contents

1 Introduction to Organizational Development

This document provides the policies and procedures for the function Organizational Development.

These policies are applicable to all SIRC employees.

These policies are developed in the basis of the Saudi Labor Law, in case of any contradiction between SIRC polices and the Saudi Labor Law, then the Saudi Labor Law shall be the main reference.

1.1 Objective of the Organizational Development Function

The overall purpose of the Organizational Development function is to ensure that SIRC has an efficient organizational structure and job grading system that will support the organization to achieve its goals. The function covers the following sub functions:

- Organizational structure and Job content management.
- Manpower planning.
- Benefit management.
- Succession planning.

1.2 Acronyms

Acronym	Description
SIRC	Saudi Investment Recycling Company
CEO	Chief Executive Officer
EVP of HR & SS	Executive Vice President of Human Resources and Shared Services
HR	Human Resources
JD	Job Description
IDP	Individual Development Plan
GOSI	The General Organization for Social Insurance

1.3 Glossary

Term	Description
Functional Mandate	Brief roles and responsibilities of the function.
Headcount	Headcount is the count of all people working at SIRC. These people are budgeted under OPEX (operating expenditure) during the workforce planning cycle and hold a position in the company.
Job Description	Description of an employee's tasks and responsibilities for a position within SIRC.
Term	Definition
Company	Refers to "SIRC".
Conflict of Interest	Refers to situations wherein personal interests clash with SIRC's interests.
Delegation of Authority Matrix	The governance document that sets the controls over the execution and approval of activities within the organizational unit.
Employment Contract	An employment agreement between SIRC and an employee, which specifies the terms and conditions of such an employment.
Manpower Planning	The process of the determination of manpower requirements for SIRC.
Direct Manager	Refers to the person to whom the employee directly reports.
Succession Planning	Process of identifying and developing internal resources with the potential to fill key business leadership positions in SIRC.
Executive Office Services	The service provided by the Executive Office which located in the Kingdom of Saudi Arabia Airports.

2 Organizational structure

2.1 Objective

The purpose of the Organizational structure function is to outline the policy related to setting the controls and the guidelines that govern the review of SIRC organization structure.

2.2 Policies

2.2.1 Organization Design Review Policies

2.2.1.1 SIRC at all times shall maintain an approved organization chart. The HR Manager is responsible for the organization charts (Functional and Positional Charts) which display all current and future established positions, total headcount, vacancies and the reporting relationship. However, reports on headcount and vacancies are managed by the HR Organizational Development.

2.2.1.2 The approved organization structure must provide the regulatory controls required to implement the Company's business strategy and ensure highly effective and adequate control systems that protect SIRC properties and assets.

2.2.1.3 During the annual manpower planning process, the suitability of the organizational structure must be reviewed and changes proposed if necessary

2.2.1.4 A job grading process must be adopted to support the organizational structure. HR Organizational Development should specify the job grading Structure that is aligned to the organizational structure.

2.2.1.5 The job grading system should be available for the staff to see.

2.2.1.6 For each job grade there should be a set of standard competencies and behaviors developed associated with the relevant grades. This will be used in the career development processes, performance management and benchmarking of the job levels. These should also be readily available to all staff.

2.2.1.7 The standard competencies and behaviors should be specified for the range within a job grade in order to accommodate progressive progression of employees

2.2.1.8 Any requests for changes to the organizational structures shall be subject to the review of the HR Organizational Development Team Leader and validation by the HR Manager, Director and CEO if deemed necessary, depending on the level of organization change.

2.2.1.9 Any updates to the organizational structure should be reviewed and approved by Governance Risk and Compliance to ensure proper governance remain intact as shown in the blow table:

2.2.1.10 The proposals for changes to organizational structures shall contain the following information:
- A description of the organizational change.
- A justification for the proposed change.

- o Trigger for the change (new service line, functional change, expansion, operational inefficiencies, etc.)

- o Goals / objectives the change is expected to accomplish.

- o Analysis of the impact of the change on the company's strategic plan and the individual mission(s) of the effected function(s); and

- Resource and budget implications.

- A description for new positions (i.e. JDs) / new functions.

- A proposed effective date of the change.

- An implementation timeline.

2.2.1.11 Restructuring of the business structure may occur twice a year on specific dates to be specified by the Human Resources Department and subjected to the CEO/ Board approval.

2.2.1.12 To align with the Delegation of Authority requirements, requests for organizational changes must be categorized into one of the following categories:
- Changes involving the top-level structure that needs to be approved by the Board.

- Changes within business units that can be approved by the CEO

- Other minor changes/section and reporting line that can be approved by the Chief Director.

2.2.1.13 The Following table explains the Organizational Re-Structure Request:

Organizational Re-Structure Request			
Request Description	Type of Change	Authorized Requestor	Approved by
Request for full organizational re-structure	Organizational structure (Type 1)	CEO	NRC
Request for organizational re-structure (GRC)	Organizational structure (Type 1)	CEO	GRCC
Request for organizational re-structure (Audit)	Organizational structure (Type 1)	CEO	AC
Request for a new Business unit	Organizational structure (Type 1)	CEO	NRC

Request for business unit re-structure	Organizational structure (Type 1)	CEO	NRC
Request for business unit re-structure (GRC)	Organizational structure (Type 1)	CEO	GRCC
Request for business unit re-structure (Audit)	Organizational structure (Type 1)	CEO	AC
Request for department re-structure	Business unit restructure (Type 2)	Function Head	CEO
Request for a new position	Business unit restructure (Type 2)	Function Head	EVP of HR&SS
Request for movement of a position	Staff Complement change (Type 3)	Function Head	EVP of HR&SS
Request for a level change for a specific position	Grading Position change (Type 3)	Function Head	EVP of HR&SS

2.2.1.14 The HR Organizational Development function shall update the functional mandate and work with the respective Manager of the Department to develop/ revise the job description of newly created/ impacted positions.

2.2.1.15 The Organizational Development unit should review the approved Delegations of Authority for any updates based on organizational changes.

2.2.1.16 Any major amendments in Organizational Structure shall be communicated to employees.

2.2.2 Job Evaluation and Grading Structure

2.2.2.1 The purpose of Job Evaluation exercise is to establish a framework to measure different elements of a role in order to objectively evaluate it in a fair, equitable, systematic and transparent way.

2.2.2.2 All job evaluation results must be approved by Director of HR for positions at grade (55) and below, the CEO approval is required for approving job evaluation results of (56) and above grades.

2.2.2.3 The basis of performing Job Evaluations should be the approved and updated Job Descriptions of the jobs to be evaluated.

2.2.2.4 The Job Evaluation Committee shall be established to perform Job Evaluations to rank all jobs and place them in a hierarchy that shall reflect the relative worth of each job within SIRC.

2.2.2.5 For each job the required qualifications and experience should be specified. This includes the criteria for progressing through the job level to different grading levels.

2.2.2.6 The Job Evaluation Committee shall consist of two members of the HR Department and the Head of the respective function along with the relevant Chief Officer/ Director. The following guidelines shall be followed in formulating the Job Evaluation Committee:
- All members of the committee shall be appointed by the Director of HR.

- Members of the relevant Department must hold a managerial or executive level position.

- At least 2 Members of the Evaluation Committee must be higher in level than the evaluated position except the HR Manager.

- Members of the Committee must be trained on the adopted job evaluation methodology.

- The Committee shall be formed only when needed.

2.2.2.7 The re-evaluation of positions may only be considered by the HR Department after receiving a Job Re-evaluation Request *(Appendix 2 - Job Re-Evaluation Request)* approved by the concerned Chief Officer/ Director.

2.2.2.8 The Job Evaluation Committee may only re-evaluate a position if the roles and responsibilities of the position changes significantly.

2.2.2.9 In cases where a job is re-evaluated and reduced to a lower level, the current employee's compensation and benefits shall not be affected by that reduction of job weight.

2.2.2.10 The job evaluation results are highly confidential. The HR Department shall keep the records for all of the performed job evaluations within SIRC and shall be the point of reference in sharing the job evaluation records with the Job Evaluation Committee.

2.2.2.11 The Grading Structure shall be designed based on the performed Job Evaluations, where positions will be allocated to their relevant grades based on their weight.

3 Job Content Management

3.1 Policies

3.1.1 Job Description

3.1.1.1 The HR Department is responsible to ensure that a job description exists for every position within SIRC.

3.1.1.2   The HR Department shall conduct a job analysis exercise for newly introduced positions or roles within SIRC, through conducting job interviews with the Concerned Department.

3.1.1.3   The results of the job analysis exercise shall allow for better understanding of the key roles and responsibilities, competencies, academic qualifications, years of professional experience, and reporting relationships of each job position.

3.1.1.4   Job Descriptions shall be developed in a way that allows its utilization in the following activities:

- Job Evaluations.

- Recruitment & Selection.

- Setting of performance goals.

- Development of Succession Plans.

- Selection of Learning & Development activities.

- Compensation benchmarking.

- Progression through the job level.

3.1.1.5   Job Descriptions must be drafted in a consistent and standardized manner by the concerned Department Manager in conjunction with the HR Department, following a standardized template *(Appendix 1 - Job Description Template)* and guidelines, and shall be approved by the respective Chief Officer or Director.

3.1.1.6   The review of job description shall take place upon any update in organization structure or functional mandate. The review will be led by the HR Department in coordination with Concerned Departments to ensure that all current Job Descriptions are up-to-date and developed in a consistent manner and that business requirements are captured within the content of Job Descriptions.

3.1.1.7   The HR Department is responsible for keeping the most updated versions of all Job Descriptions within SIRC, and for sharing these job descriptions internally as required.

4 Manpower Planning

4.1 Objective

The objective of the Manpower Planning chapter is to outline the policy related to assessing manpower requirements for SIRC based on functional requirements and vacancies to ensure meeting the manpower needs in both the short and long term.

4.2 Policies

4.2.1 Manpower Planning Input

4.2.1.1   The Manpower Plan shall be developed by the HR Department and Concerned Departments based on the following major qualitative and quantitative inputs:
- Corporate and Departmental Objectives.

- Mode of Operation (i.e. increase in volume of business handled, existing and new projects, introduction of a new function, expansion in existing functions, outsourcing decisions, etc.).

- Saudization targets and objectives.

- Competencies (knowledge, skills and abilities) required within SIRC.

- Newly introduced processes and technologies.

- Newly introduced positions.

- Employee Turnover Rate.

- Employee Transfers.

4.2.2 Manpower Demand Analysis

4.2.2.1   The analysis of manpower demand involves determining the manpower demand required to achieve the Department's objectives.

4.2.2.2   The Concerned Directors shall conduct and complete a manpower assessment study utilizing the identified manpower drivers and operational requirements and using the Demand Analysis Form (Appendix 1 – Demand Analysis Form). The outcome of this study is a forecast of the numbers of employees, and type of required competencies.

4.2.2.3   The qualitative and quantitative manpower planning inputs should be identified and utilized in formulating manpower drivers that will be used to determine the manpower demand.

4.2.2.4   SIRC's strategic intent and strategic objectives should always be considered in the manpower demand analysis study.

4.2.2.5   The prepared Manpower Demand Analysis for each Department will undergo the following review and approval process before proceeding to the next phase of the process:
- Review of the HR Manager.

- Approval of the Director of HR.

4.2.3 Supply Analysis and Forecast

4.2.3.1   The analysis and forecast of supply activity involve identifying the existing manpower within the Department, in addition to the skills and abilities that the current manpower possesses.

4.2.3.2   The Concerned Director shall perform the manpower supply analysis using the Supply Analysis Form (*Appendix 2 – Supply Analysis Form*) to determine the current manpower available within their concerned Department.

4.2.3.3   The Supply Analysis should enable the achievement of the following:
- Identifying the current manpower supply at each department.

- Assessment of competencies within the Department.

- Use of these results to evaluate the current manpower and as a basis for modelling the future manpower.

- Assess the gap between current manpower competencies and the requirements of various future competencies.

- Estimation of salaries and costs associated with the current manpower.

4.2.3.4   A general attrition rate should be considered based on a calculation of the total number of resignations, terminations and retirements divided by the total number of employees and yielding the attrition rate percentage.

4.2.4 Gap Analysis

4.2.4.1   A Gap Analysis identifies the differences between the manpower demand and the current manpower supply for a certain Department.

4.2.4.2   The HR Manager is responsible for developing the gap analysis findings report based on the performed Demand and Supply Analysis in coordination with the Concerned Director. This analysis shall be performed using the Gap Analysis Form *(Appendix 3 – Gap Analysis Form)*.

4.2.4.3   The prepared gap analysis findings report for each Department will undergo the following review and approval process before proceeding to the next phase of the process:
- Review of the Concerned Director.

- Review of HR Manager.

- Endorsement of the Director of HR.

- Approval of the CEO.

4.2.5 Manpower Plan Formulation and Consolidation

4.2.5.1   Following the Gap Analysis process, a Manpower Plan should be developed to include action plans and potential programs to address the specific needs of the various departments and to develop options to close the identified gaps.

4.2.5.2 The Manpower Plans & Budgets shall be developed by the Concerned Director supported by the HR Manager.

4.2.5.3 The prepared Manpower Plans and Budgets will undergo the following review and approval process:
- Endorsement of the Director of HR.

- Endorsement of the CFO.

- Approval from the CEO.

4.2.5.4 The approved Manpower Plans shall form the basis for recruitment, training, career development, succession planning, promotions, transfers, etc. for the upcoming year.

4.2.6 Manpower Planning Calendar

4.2.6.1 Manpower planning will be carried out annually as part of SIRC's planning process and will begin before the 4th quarter of every year.

4.2.6.2 The Manpower Demand and Supply Analysis shall be finalized by Concerned Departments in coordination with the HR Department before the 4th quarter and communicated with the HR Manager.

4.2.6.3 The Manpower Gap Analysis shall be performed by the HR Department based on the received Manpower Demand and Supply Analysis during the 4th quarter.

4.2.6.4 The Departmental Manpower Plans and budgets will be developed by the Concerned Departments in coordination with the HR Department during the 4th quarter.

4.2.6.5 A consolidated company-wide Manpower Plan will be developed by the HR Manager and shared with the Director of HR and CFO for initial approvals then It should be recommend by the group CEO and approved by NRC.

4.2.7 Amendments to the Manpower Plan

4.2.7.1 The Manpower Plan may be revised and amended based on changes that occur on business requirements by the Concerned Director.

4.2.7.2 All confirmed and potential vacancies should be shared with the HR Manager by the Concerned Director as soon as possible. As the early identification of recruitment requirements accelerates the recruitment process to fill the identified vacancies.

4.2.7.3 Following recommendation from the Concerned Director, additional revised requirements shall be submitted to the HR Manager for review and approval as follows:
- Any changes on departmental manpower plans that do not incur financial impact, will be approved by the HR Manager.

- Any changes on departmental manpower plans that may incur a financial impact will require the initial approval of the CFO and the final approval the CEO.

4.2.7.4 The Concerned Director may transfer a position authorized in the Manpower Plan allocated for his Department to another Department in accordance with the following conditions:
- The original position shall be deemed as cancelled as soon as the transfer decision is approved.
- The created position should have an equivalent grade to that of the original position.

4.2.7.5 The Concerned Director shall estimate the impact of changes caused by the introduction of new technology, processes and systems that could impact manpower productivity and any associated changes in the skill/ competency requirements.

4.2.8 Manpower Plan Contents

4.2.8.1 The Departmental Manpower Plan shall contain the following:
- Gap Analysis Findings.
- Number of required manpower for each position.
- Analysis of the required competencies within the Department.
- Recommendations for closing the identified manpower and competency gap.

4.2.8.2 The manpower requirements that weren't accommodated throughout a certain year should be evaluated by the Concerned Director as part of the forthcoming year's manpower plan.

4.2.9 Alignment to long-term Manpower Planning

4.2.9.1 The HR Manager shall develop a long-term manpower plan for the coming three to five years based on SIRC's strategic objectives.

4.2.9.2 The long-term manpower plan shall be developed based on manpower drivers that are linked to SIRC's strategic objectives.

4.2.9.3 The developed long-term manpower plan shall be amended by the HR Manager as changes on SIRC's strategic objectives occur.

5 Succession Planning

5.1 Policies

The objective of this policy is to ensure the development of potential successors for incumbents of critical positions which are key to SIRC's operational effectiveness

5.1.1 Identification of Key Positions & Potential Successors

5.1.1.1 The following criteria should assist Direct Managers in identifying the key and critical positions within their teams/ functions:

- Positions that have a managerial role.

- Positions that are critical to the business continuity of SIRC.

- Positions which are difficult to find incumbents for.

- Positions that require specialty/ unique experience, knowledge and skills.

5.1.1.2   The nomination of critical positions should follow the following review and approval process:
- Review of Organizational Excellence Team Leader of the identified critical positions.

- Review of HR Head of the identified critical positions.

- Approval of Shared Services Head of the identified critical positions.

- Approval of the concerned Function Head of the identified critical positions.

- Two (2) candidates must be identified to serve as successors. One should be an immediate successor and the second will be a successor in the long-run. The criteria for the selection of successors is:

- Overall performance assessment result of "Meets Expectations".

- Satisfies the minimum educational / experience criteria required for the job / position.

- Recommendation and approval for Successors plan shall follow the approved DOA.

5.1.2 Development of Future Leaders

5.1.2.1   The identification of a potential successor does not guarantee automatic promotion to the targeted position.

5.1.2.2   Confidentiality shall be maintained in the succession planning process; only chosen candidates shall know the status.

5.1.2.3   In the event that internal candidates cannot be identified for critical leadership positions, external recruitment of candidates shall be initiated.

5.1.2.4   Each successor will have a detailed individual development plan, jointly developed by the candidate and his mentor/ coach with input from the candidate's Direct Manager which reflects the candidate's development needs.

5.1.2.5   Individual development plans are very specific on what education, experience, training, targeted behaviors, and skills the successors should possess to become ready to assume the responsibilities of the desired role.

5.1.2.6   The Talent Development team shall be responsible for reviewing the progress of each successor against his/ her development plan.

5.1.2.7   A Succession Plan will be prepared and updated on an annual basis, to include:

- Current and anticipated key and critical positions within SIRC and how they can be filled.

- Two potential internal successors for each incumbent if possible. If not possible the criticality of the position should be determined for possible registering a risk on the corporate risk register.

5.1.2.8   Succession planning will include the following:
- Succession planning IDP.

- Identification of position.

- Requirement of position.

- Candidate level against the position's requirement.

- Development plan.

    Refer to Succession Planning template.