

Circular No. 20 of 2016

Regarding

Human Resource Budget Preparation Guidelines of 2017

To all government departments and authorities

Greetings,

In order to accurately prepare a human resource budget draft for jobs, salaries, wages and other expenses related to human resources at the government departments; and to objectively specify the human resource future needs in light of the requirements of the strategic plan execution, organizational structure and the expected work load at the government department, please take the following rules and guidelines into consideration upon preparing the employment annual budget:

1. Obligatory employment budget:

- Obligatory employment budget shall include the actual cost of all employments for which salaries were paid until 31.08.2016. the same shall be calculated according to the salaries and wages of all employees at the government department including all general compensations, allowances and social security costs (for citizens of UAE and Gulf Council Countries.)
- All special compensations and allowances and actual job privileges paid to the employee shall be added (career allowance, position allowance, educational qualification allowance, car fee compensation, fuel fee compensation... ect.)
- Periodical allowance value shall be estimated in the light of current basic salary of the employees who meet its condition and measure entitlement for the next year, and all allowances and compensations related to the same shall be modified as a percentage.
- To take into consideration the accuracy of calculating the costs of employments under contracts related to projects to be implemented within the year and the time defined employment contracts.

2. Vacancy budget:

- Vacant positions until 31.08.2016 must be enlisted (whether such vacancies are due to resignation, end of service, transfer, promotion or death.)
- To take into consideration the existence of some vacancies expected to be filled after submitting the employment budget draft and before the end of

2016. In this event, they are considered vacancies under occupancy; and in case that the position could not be occupied before the beginning of the next year, it must be justified and subject to position creation terms.

- Transfer of a position created in 2016 must be justified if it was not filled in 2016, as its approval shall be subject to position creation terms and it shall be listed in the created positions.
- Vacancy budget shall include the estimated cost of the vacant positions or the contractual relation of their occupants ended and appointment has been done, and they were transferred to the next year, including the general and special compensations and allowances, the job privileges related to the position and social security cost (for citizens of UAE and Gulf Council Countries.)
- Estimations shall be made as of the month in which the position is wanted to be occupied.
- Vacancy information may not be changed upon appointment unless that was necessary, and the same shall be subject to an approval made by Human Resource Department.

3. Created position budget:

- Created position budget shall include the estimated cost of the positions wanted to be created in 2017, including the general and special compensations and allowances, the job privileges related to the position and social security cost (for citizens of UAE and Gulf Council Countries.)
- Request for position creation shall be based on the strategic plan, organization structure and the burden analysis of the job based on the quantity techniques. The number of positions wanted to be created shall be related to the expectation of the business growth at the respective department. (attached a business growth volume estimation form)
- No permanent position may be created for filling a vacancy during employees' vacations, as there can be other uncostly means.
- Productive energy surplus at some organization units must be used and redistributed to fill any gap at any other units before requesting a position creation.
- There shall be creativity in seeking alternatives other than hiring for achieving a particular job.
- Temporary positions may be created, provided they do not exceed three months, for vital and strategic jobs during end of service notifications for the occupants of such positions.
- Temporary positions of no less than nine months and no more than two years may be created to appoint employees to replace the employees who join the national service, subject to the percentage of the national service

specified for each department taking into consideration the ability to deputize to the original jobs, and in this case, only the deputation cost will be estimated.

- Any position creation shall be approved through the attached method; and accordingly, position creation request form and job description shall be filled.
- Estimations shall be made as of the month in which the position is wanted to be occupied.
- Created position information may not be changed upon appointment unless that was necessary, and the same shall be subject to an approval made by Human Resource Department.
- Financial allocations of the positions created after the budget has been prepared may not be used pursuant to high-leveled instructions or for private purposes other than the original one.

4. Promotion budget:

- A plan shall be made to identify the employees entitled to promotion based on promotion terms and priorities of the government department to keep its proficient staff, and the same shall be stated in a clear table of priorities.
- Promotion budget shall include the estimated cost of all kinds of expected promotions to which the government department employees are entitled in 2017 and the changes in their related allowances and compensations.
- To avoid the duality of calculating the costs of positions related to status modification and reassessed job degree change, so it shall not be obligatory and created at the same time; rather, only the financial difference in the cost will be listed.
- Promotion costs of 2017 shall not exceed 2% of the actual cost of the current year salaries and wages of the government department employees.
- This percentage shall not include the promotions for supervising purposes, as they must be accurately estimated and listed as a status modification. In addition, it shall not include the cost of transferring employees from personnel to special contracts, as they will be listed as a status modification.
- The annual increase in the salaries of the contracted employees and reward-system appointed employees shall not exceed 5% in case the contract states the entitlement of such increase.
- Valid special contract employees' salaries shall not be increased before the expiry of the contract in the current period.

- Employee promotion cost enlistment does not necessary mean a final approval of promotion, as the request shall undergo a revision upon an official recommendation to be submitted by the government department to the Human Resource Department.
- Promotion related cost shall be estimated as of the month specified for the promotion, not the whole year.
- The rate specified for the promotions shall not be exceeded even if there is a financial surplus in the other clauses of the budget.
- No modifications to the annual budget allocated for promotions shall be made in terms of adding information of employees whom were not enlisted in advance, except if priorities were rearranged and their names were replaced with other employees in order to avoid the excess of the approved cost.

5. Training & development budget:

- Training and development budget shall include the participations in local and international training programs, conferences, seminars, any untraditional development activities and any relevant compensations.
- A clear plan shall be made for training necessities and priorities of the next year in the light of performance indicators, employee personal development plans, strategic ability construction necessities, supervision and leadership requirements and job talent management.
- According to the financial reports of the current and previous years, the training and development budget was not used well; therefore, training course cost estimation must be specified objectively and applicably, provided it is approved by Human Resource Department and does not exceed 3% of the actual cost of salaries and wages of the government department employees in the current year.
- Training course cost estimation shall be in light of the mainstream rates and organizational requirements.
- Delegation compensation cost shall be estimated in the light of the delegation regulation approved by the government.
- To take into consideration the financial benefit of holding training courses for more than an employee in the Emirate in case it costs more than 30.000 AED outside the Emirate.
- Respective government authorities shall be responsible for organizing general training programs related to vital assistant jobs (institutional excellence, human resources, financial management, information technology...etc.) after identifying the government department needs. training need plan and its estimated cost shall be subject to an approval made by the Human Resource Department.

- There must be a variety of training programs (inside / outside the Emirate) (inside / outside the office) (specialization / supervision) (specialist skills / general job skills) (electronic training / traditional training) with a concentration on the importance of knowledge management internally and cooperation of employees (training the co-workers).
 - Based on the actual training needs, each employee shall have 15 training days or an equivalent period as maximum for the training programs, which are at cost of the government department.
 - A chance shall be given to the maximum number of employees to develop the job abilities, capabilities and skills, and it shall not be limited to specific employees.
6. Other expenses related to human resources:
- Costs of additional allowances and compensations expected to be entitled by employees during the year (position allowance, housing fee compensation for married employees, children allowance, education degree allowance, delegation or secondment allowance), and the estimations shall be made in the light of the rates of previous years.
 - Overtime cost in the light of the overtime guidelines, previous years and future work estimations.
 - Work rewards, in cash or in kind, cost for the government department employees including the replacement employee's reward.
 - Cost of using trainees or volunteers to carry out some works, or using candidates for appointment at the government department.
 - Cost of hiring under a partial contract or time defined contract in case of necessity, and the same shall be subject to an approval made by the Human Resource Department.
 - Cost of hiring advertisements and professional tests.
7. General terms:
- To use the attached form for preparing human resource budget of 2017 for each government department.
 - Financial department shall sanction the employment budget of each government department after the Human Resource Department approves it.
 - After a coordination with the Human Resource Department, government department director may modify the annual budget specified for the employments in terms of adding, removing, merging or transferring the financial allocations between positions, provided such modifications are within the limit approved for the budget subject to the exceptions set

forth herein according to the financial rules and policies approved by the Human Resource Department for the general budget preparation.

- For practical considerations and emergent purposes, a position or a group of positions creation request may be made after the budget approval according to convincing justifications presented by the government department to be assessed by the Human Resource Department, provided the position financial cost enlistment is given a final approval by the Human Resource Department in accordance with its financial policies.

We expect to be provided with government department human resource budget of 2017 as follows:

- A list of obligatory positions, vacancies, created positions, promotions, official and training missions and any other expenditures of 2017 no later than Thursday 5.08.2016 to be reviewed and noted before the meeting with each government department for discussing it. The same shall be provided via an approved official letter, and discussion meeting date shall be suggested.
- No position creation request will be studied unless a new position creation methodology was used, and all justifications and requirements shall be attached therewith.
- No position creation or promotion request will be studied if it was made later than the aforesaid date.

Wishing everybody will comply with the above...

Best Regards...

Dr. Mohammad Abdul Latif Khaleefah

General Manager

Attachments:

- Human resource budget form of 2017
- Position creation form methodology
- Business growth estimation form

A copy to

Financial department

Position Creation Methodology

1. Request analysis (reason for position creation request):

- Is there an increase in the workload and a plan?
 - Supports: government department strategic plan/ department and section operational plan/ initiatives and projects/ new activities and services/ work burden analysis.
- Is there an expected modification to the government department organizational structure?
 - Support: organizational structure modification proposal, practical justifications and new activities related to such change/ workload expected at the created organizational units and the work load expected at the existent units as a result of modification/ a proposal for using human resources at the canceled organizational units.
- Was there a shortage in carrying out a particular work?
 - Supports: studied indicators and a clear logical and objective analysis justifying such shortage (current employee number/ work load distribution to employees/ employee productivity/ number of unachieved or delayed transactions/ received complaints/ mistakes resulting from the lack of employees and workload.
- Is the work demand seasonal, permanent or temporary?
 - Supports: workload increase throughout the year/ work periodicity and repetition.
- Is the work demand growth in harmony with the achievements and growth of the strategic targets and indicators?
 - Supports: a comparison clarifying the growth in the strategic indicators and achievements as a result of new human resource availability.
- What are the number and kind of requested jobs in the light of the above?

2. Supply analysis (study of the current status and alternatives):

- Is there a surplus in the productive energy at the organizational unit of the created position?
- Is there a useable surplus at the government department?
- Can the modern techniques and technology be used to carry out the work?
- Can external companies be used to carry out the work?
- Can the shortage problem be solved through overtime?

- Do current employee training and development cover the skills in demand for which the position was created?
 - Can temporary workforce or part time work be used to carry out the work?
 - Would employee redistribution/ workload redistribution/ job reassessment/ job merge fulfill the needs?
 - Would the organizational structure modification contribute to filling the gap?
 - Can the operations be developed to cancel the unnecessary activities that add no value?
 - Can the client take part in the service achievement process?
 - What are the number and kind of jobs available for the next year to fulfill the job demand?
3. Identifying the supply and demand gap and job analysis (job description)
- What are the jobs in demand in light of comparing supply to demand in terms of quality and quantity?
 - What is the job description in demand? What is the organizational unit to which the job is related?
 - What are the job tasks, the volume of each task, the time needed to carrying it out and the repetition?
 - What are the education qualification and practical experiences in demand?
 - What are the job skills and qualifications in demand?
 - What is the job degree in demand?