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## SECTION ONE

### 1.0 INTRODUCTION

#### 1.1 NEED FOR UPDATING THE EXISTING HR DOCUMENT

The intent of this revised Human Resource Policy and Procedure Manual is to provide a single unified, current, and comprehensive resource document to better inform the management members and employees. This recent manual is the continuation of the first manual which was issued in Ginbot 2006E.C. Since six years has elapsed of the first manual, various acts of the state Legislature have defined; Labour Proclamation amended, Company's labour union established, new collective agreement signed, company's strategic plan management document prepared, new business management tool ISO 9001:2015 introduce, continuous improvement tool 'kaizen' established; thus due to these major reasons the existing human resource manual need to be reviewed and updated. The new manual contains twenty sections and nine of them are newly added, namely Organization and the management, Rules of Conduct and business ethics, performance management system, Employee Turnover and Exit Monitoring System, Health Safety and Environment, Benefit entitlement, Allowance, Security and Prevention, Employee Relation and Creativity Award. Moreover consolidating the already existing sections with the current change, updating and putting clear policy, scope, procedure and the like works has been done. In order to support and track compliance, more than eighty (80) standard operating format, criteria document and work instructions have been prepared along with this Human Resource Policy and Procedure Manual.

#### 1.2 PHILOSOPHY

This Policies & Procedures Manual collects in one place the human resources philosophies, policies and procedures of Steely RMI. This manual is designed to be a working guide in the day-to-day administration of our human resource programs and related works in a way that supports a positive work environment at the company. Managers and supervisors are expected to become familiar with these philosophies, policies and procedures and to apply them consistently in their day-to-day operation so that all employees, regardless of work area, location or shift assignment, are treated fairly.

#### 1.3 POLICY AND SCOPE

- a) The prevailing Ethiopian Labor Proclamation in force is the overriding force of authority as far as relations between the company and its employees are concerned. Such legislation, however, is not exhaustive and does not cover all aspects of employer and employee relations. Consequently, the Proclamation recognizes the need for collective

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agreement, internal regulation and contracts of employment within the framework of the Proclamation

- b) This manual is not all-inclusive and the information it contains is to be used as guidelines. It may be changed, amended, or rescind at any time by the Company.
- c) The master, controlling copy of the manual is maintained by Human Resource Development and Administration Department. Employees can access the most recent version through directives.
- d) This manual has the force of law to which every employee at all level has the obligation to adhere.

## **1.4 MISSION AND VISION STATEMENTS OF STEELY RMI AND THE HUMAN RESOURCES**

### **1.4.1 PHILOSOPHY**

Steely RMI is a private limited company dedicated in producing quality different size Reinforcement Bar and Wire-rod for the construction and manufacturing sector. It is essential that every employee is knowledgeable of the mission, vision and values statements and strives to accomplish them through their words, deeds and actions related to Steely RMI.

### **1.4.2 VISION STATEMENT**

To be one of the leading, dynamic and competitive steel manufacturer in Africa by 2025.

### **1.4.3 MISSION STATEMENT**

To support the development of construction and manufacturing sectors by supplying quality steel products with competitive price.

### **1.4.3 HUMAN RESOURCE MISSION STATEMENT**

- a. The mission of the Human Resource Development and Administration Department at Steely RMI is to assist the Company by developing and interpreting human resources policies and by providing timely and accurate information on human resources issues. Human Resource Development and Administration Department is responsible for ensuring the proper implementation and maintenance of this manual.
- b. The main areas of service include records management systems, hiring and staffing procedures, benefits administration, safety and health, training and development programs, compensation administration, employee relations, etc.

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### 1.4.5 OBJECTIVES

Based on the above mission statement, the following Human Resource Development and Administration Department goals have been identified:

- a) Effectively implement the Company human resources management policy as it develops.
- b) Implement record management systems to maintain computerize and paper personnel files.
- c) Evaluate staffing levels and hiring procedures for effective human resource management.
- d) Address training and development issues throughout the Company.
- e) Follow survey studies and strategies to salary competitiveness.
- f) Improve employee relations throughout the Company.

## 1.5 MANAGEMENT RIGHTS

### 1.5.1 POLICY

Steely RMI Company retains the full right and responsibility to direct operations, publicize policies, rules, and regulations, and otherwise exercise the rights of management, which more particularly include but are not limited to the following:

- 1.5.1** To manage and direct employees including the right to select, hire, promote, transfer, assign, evaluate, lay off, discipline, suspend, or discharge;
- 1.5.2** To manage and determine the location, type, and number of physical facilities, equipment, programs, and the work to be performed;
- 1.5.3** To determine the level of work, goals, objectives, programs, and services and to utilize personnel to effectively meet these purposes;
- 1.5.4** To determine the size and composition of the work force and the organizational structure;
- 1.5.5** To determine and modify the hours of work and work schedules required to operate most efficiently;
- 1.5.6** To establish, modify and discontinue policies, directives and procedures;
- 1.5.7** To determine when a job vacancy exists, the duties to be included within all job descriptions, the position classifications of all jobs and the standards of quality and performance to be maintained;
- 1.5.8** To determine the need to schedule overtime and the amount required;

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- 1.5.9 To maintain the security of personnel and financial records and other important data or information;
- 1.5.10 To determine the overall budget of departments;
- 1.5.11 To maintain and improve the efficiency and effectiveness of the operations;
- 1.5.12 To determine and implement necessary actions in emergency situations;
- 1.5.13 To determine and execute the annual action and budget plan of the company.
- 1.5.14 To evaluate and monitor the proper implementation action and budget plan.
- 1.5.15 Issue policies, procedures and directives to manage and maintain the company's property and assets effectively and efficiently.
- 1.5.16 To exercise any and all other functions deemed necessary by management.

## SECTION TWO

### HUMAN RESOURCE POLICY AND PROCEDURE

#### 2.1 OBJECTIVES OF THE MANUAL

The objectives of this Manual are as follows: vague

- a) Define policies and procedures that govern all aspects of the company's human resource functions.
- b) Provide a frame work for harmonizing the company's approach to human resource management.
- c) Protect the company's interest and safeguard is assets and operations by setting out clear and concise rules that will be followed when executing Human Resource related functions.
- d. It's designed to provide relevant information as guidance to management and employees on subjects related to terms and conditions of employment and company policies.

#### 2.2 SCOPE

This manual cannot exhaustively cover all issues, henceforth some cases may arise which may not be covered by any of the general statements therein. Therefore, some degree of flexibility and common sense are necessary to allow such cases to be handled on an individual basis. In such circumstances and on matters of interpretation of any article of this manual, it is very important to consult with Human Resource Development and Administration Department.

#### 2.3 USE OF THE MANUAL

- a. The Human Resource Development and Administration Department is the owner of this Manual. All inquiries and matters relating to the Manual will be addressed to the department.
- b. The Human Resource Development and Administration Department has the overall responsibility for initiating, implementing and making future updates to the company's human resource policies, processes and procedures and reporting to the General Manager on any non-compliance by company's staff. Responsibility may be delegated as necessary.

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- c. Requests for updating the manual can be originated by any of the users of the Manual. The user can formally write to the Human Resource Development and Administration Department, describing the suggestions and the rationale for such change.
- d. The Human Resource Development and Administration Department is also responsible for defining broad guidelines to ensure compliance with Human Resource policies.
- e. Whenever an update concerns a policy, the Human Resource Development and Administration Department will review the request and if deemed appropriate, the Manual will be updated upon receiving the requisite approval from the General Manager.
- f. Procedures associated with these policies require the approval of the General Manager, at the recommendation of the policy owner via the Human Resource Development and Administration Department.

## **2.4 MONITORING & REVIEW**

This Human Resource Policy and Procedure Manual will be reviewed once in three-five years by Human Resources in conjunction with operational managers. Where review is necessary due to legislative change, this will happen immediately.

## **SECTION THREE**

### **RULES OF CONDUCT AND BUSINESS ETHICS**

#### **3.1. POLICY STATEMENT**

- a. It is the policy of the Company to establish Code of Ethics and Business Conduct, which will serve as a guide to proper business conduct for all employees. All employees will be expected to observe the highest standards of ethics and integrity in their conduct.
- b. This means the need to follow for a basic code of ethical behavior that includes the following

#### **3.2 BASIC CODE OF ETHICS AND BUSINESS ETHICS**

##### **3.1.1 BUILD TRUST AND CREDIBILITY**

- a. The success of Company business is dependent on the trust and confidence it earns from employees, customers and shareholders.
- b. The Company gain credibility by adhering to its commitments, displaying honesty and integrity and reaching company goals solely through honorable conduct.

##### **3.1.2 RESPECT FOR THE INDIVIDUAL**

- a. All employees deserve to work in an environment where they are treated with dignity and respect. Steely RMI is committed to create such an environment as it brings out the full potential in all direction which in turn, contributes directly to company business success.
- b. Steely RMI is an equal employment/affirmative action employer and is committed to providing a workplace that is free of discrimination of all types from abusive, offensive or harassing behavior. Any employee who feels harassed or discriminated

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against should report the incident to his or her manager or to the Human Resource Development and Administration Department.

### **3.1.3 CREATE A CULTURE OF OPEN AND HONEST COMMUNICATION**

- a. This means the need to follow for a basic code of ethical behavior that includes the following.
- b. At Steely RMI everyone should feel comfortable to speak his or her mind, particularly with respect to ethics concerns.
- c. Managers have a responsibility to create an open and supportive environment where employees feel comfortable raising such questions.
- d. Everybody benefit tremendously when employees exercise their power to prevent mistakes or wrongdoing by asking the right questions at the right times.
- e. The Company will investigate all reported instances of questionable or unethical behavior.
- f. In every instance where improper behavior is found to have occurred, the company will take appropriate action.
- g. The Company shall not tolerate revenge against employees who raise ethics concerns in good faith.

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### **3.1.4 SET THE TONE AT THE TOP**

- a. Management has the highest responsibility for demonstrating, through their actions, the importance of this Code.
- b. In any business, ethical behavior does not simply happen; it is the product of clear and direct communication of behavioral expectations, modeled from the top and demonstrated by example.

### **3.1.5 CODE OF ETHICS AND BUSINESS CONDUCT**

- a. To make Company Code work, managers must be responsible for promptly addressing ethical questions or concerns raised by employees and for taking the appropriate steps to deal with such issues.
- b. Managers should not consider employees' ethics concerns as threats or challenges to their authority, but rather as another encouraged form of business communication.
- c. The Company wants the ethics dialogue to become a natural part of daily work.

### **3.1.6 UPHOLD THE LAW**

- a. Employees' commitment to integrate begins with complying with laws, rules and regulations where they do business.
- b. Further, each of the employees must have an understanding of the government laws, company policies, rules and regulations that apply to our specific roles.
- c. If they are unsure of whether a contemplated action is permitted by law or Company policy, they should seek the advice from the immediate supervisor or Human Resource Development and Administration Department.
- d. Employees are responsible for preventing violations of law and for speaking up if they see possible violations.

### **3.1.7 COMPETITION**

- a. The Company dedicated to ethical, fair and vigorous competition. The Company will sell its products based on their merit, superior quality, functionality and competitive pricing. It makes the company independent pricing and marketing decisions and will not improperly cooperate or coordinate our activities with its competitors.
- b. Employees will not offer or solicit improper payments or gratuities in connection with the purchase of goods or services for the company or the sales of its products, nor will they engage or assist in unlawful boycotts or assistance of particular customers.

### **3.1.8 AVOID CONFLICTS OF INTEREST**

- a. Employees must avoid any relationship or activity that might harm, or even appear to harm, their ability to make objective and fair decisions when performing their jobs.

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- b. At times, they may be faced with situations where the business actions they take on behalf of the Company may conflict with their own personal or family interests because of the course of action that is best for them personally may not also be the best course of action for the company. In such circumstance, the employee shall need to consult Human Resource Development and Administration Department or avoid such action.
- c. They owe a duty to Company to advance its legitimate interests when the opportunity to do so arises.
- d. Employees must never use Company property or information for personal gain or personally take for them any opportunity that is discovered through their position with the Company.
- e. Determining whether a conflict of interest exists is not always easy to do. Employees with a conflict of interest question should seek advice from management. Before engaging in any activity, transaction or relationship that might give rise to a conflict of interest, employees must seek review from their managers or the Human Resource Development and Administration Department.

### **3.1.9 ACCEPTING BUSINESS COURTESY**

- a. Most business courtesies offered to employees in the course of the employment when they are offered because of their positions in the Company. They should not feel any entitlement to accept and keep a business courtesy. Although they may not use their position to obtain business courtesies, and they must never ask for them, they may accept unsolicited business courtesies.
- b. Employees who award contracts or who can influence the allocation of business, who create specifications that result in the placement of business or who participate in negotiation of contracts must be particularly careful to avoid actions that create the appearance of favoritism or that may adversely affect the company's reputation for impartiality and fair dealing.
- c. The careful course is to refuse a courtesy from a supplier when the Company is involved in choosing or reconfirming a supplier or under circumstances that would create an impression that offering courtesies is the way to obtain Company's business.

### **3.1.10 ACCOUNTABILITY**

- a. They owe a duty to Company to advance its legitimate interests when the opportunity to do so arises.
- b. Each of employees is responsible for knowing and adhering to the values and standards set forth in this Code and for raising questions if they are uncertain about company policy.
- c. If employees are concerned whether the standards are being met or are aware of violations of the Code, they must contact the Human Resource Development and Administration Department



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- d. Employees take seriously the standards set forth in the Code, and violations are cause for disciplinary action up to and including termination of employment.
- e. Integral to company business success is our protection of confidential company information, as well as nonpublic information entrusted to us by employees, customers and other business partners.
- f. Confidential and proprietary information includes such things as pricing and financial data, customer names/addresses or nonpublic information about other companies, including current or potential suppliers and vendors. Employee shall not disclose confidential and nonpublic information without a valid business or legal purpose and proper authorization.

### 3.1.11 USE OF COMPANY RESOURCES

- a. They owe a duty to Company to advance its legitimate interests when the opportunity to do so arises.
- b. Company resources, including time, material, equipment and information, are provided for company business use.
- c. Employees and those who represent the Company are trusted to behave responsibly and use good judgment to conserve company resources.
- d. Department Heads are responsible for the resources assigned to their departments and are empowered to resolve issues concerning their proper use.
- e. The company expects its employees to devote their full time and attention to the work assigned to them.
- f. Employees shall not use company equipment such as computers, copiers, and internet and fax machines in the conduct of an outside business or in support of any religious, political or other outside daily activity.
- g. Solicitation of Company employees by non-employees is prohibited at all times. Solicitation by an employee of another employee is prohibited, while either the person is doing the soliciting or the person be solicited is on working time and or Company property
- h. In order to protect the interests of the Company network and our fellow employees, the management reserve the right to monitor or review all data and information contained on an employee's company -issued computer or electronic device, the use of the Internet or company's intranet.
- i. The Company shall not tolerate the use of company resources to create, access, store, print, solicit or send any materials that are harassing, threatening, abusive, political content, sexually explicit or otherwise offensive or inappropriate.

### 3.1.12 COMPLIANCE

- a. They owe a duty to Company to advance its legitimate interests when the opportunity to do so arises.
- b. Compliance with these principles is an essential element in company's business success.
- c. Human Resource Development and Administration Department is responsible for ensuring these principles are communicated to and understood and observed by all

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employees. Day to day responsibility is delegated to all management members who are responsible for implementing these principles, if necessary through more detailed guidance.

- d. Compliance with the code is subject to review by the board and subject to audit review.
- e. Employees are expected to bring to management's attention any breach or suspected breach of these principles.

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### 3.3 DRESSING AND UNIFORM CODE

#### 3.3.1 POLICY & PURPOSE

- a. Dressing and uniform code company policy outlines how the company expects its employees to dress at work.
- b. Proper dressing helps employees maintain a professional look.
- c. Uniforms help promote a culture of safety and protect workers from harm.
- d. Uniform gives customers a greater sense of confidence in using the business.
- e. Uniform can help build a company brand.
- f. HR and Admin. Department as well as the Departmental Head shall be responsible to check and ensure about the wearing of uniform in each case.

#### 3.3.2 SCOPE

This policy applies to all Company employees.

#### 3.3.3 Manager, sales person and secretary dressing

These policies include wearing only business suits and dress shirts. The policy typically also requires men to wear ties and dress shoes and women to wear closed-toe shoes.

#### 3.3.4 Casual Saturday

Saturday has taken as the day of the week when employees may dress more informally than the normal day-to-day formal business or business casual attire. These provisions usually apply only to employees who work at head office and have no client or customer contact.

#### 3.2.5 Prohibited Clothing

List of prohibited clothing but are not limited to the following:

- a. Wearing dirty or wrinkled clothes to work
- b. Wearing overly tight or revealing clothing to work
- c. Wearing t-shirts with offensive messages to work

#### 3.2.6 Uniformed Employees working at Factory

All employees who are uniformed are required to wear the uniform provided and agreed by the Company. This includes Personal Protective Clothing. Employees are required to wash their own uniform. The following must be observed:

- a. All uniforms must be clean and presentable.
- b. Uniforms should not be worn in any retail or recreational premises while not at work, to ensure a professional image is maintained at all times.

#### 3.2.7 Visitors to the Factory

- a. Any visitor entering the factory must wear personal protective equipment and Human Resource/ Safety Officer provide guidance to visitors on what to wear.

#### 3.2.8 Manager's Responsibility

Managers must also ensure the following:

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- a. Endeavour to maintain a safe and healthy working environment where dress code, appearance or uniform is appropriate to the duties being undertaken, including the use of personal protective equipment.
- b. Any deviation from the policy, where appropriate, shall be approved by the General Manager.
- c. Take action where an employee does not comply with the dress code, appearance or uniform requirements set out in this policy.

### 3.2.9 Employee's responsibility

- a. Adhere to the standards of dress and personal appearance appropriate to their staff group and job role at all times
- b. Inform their manager of any discretionary reason they may need adjustments to be accommodated to this policy.
- c. Uniforms should not be worn in any retail or recreational premises while not at work, consumption of alcohol and drugs whilst in uniform is prohibited
- d. Selling and transferring of uniform to third party is prohibited and leads to serious disciplinary action including dismissal.
- e. Employees should not wear Uniform after hours except when travelling via a reasonable route to or from work.
- f. Employees must recognize that when wearing company's uniform they are representing the company and should therefore ensure their behavior reflects their responsibilities under the Code of Conduct.

### 3.2.10 Identification Badges

- a. All employees must wear their identification badges at work all times for security and identity purposes. Identity badges remain the property of the company and must be returned to the Human Resource Development and Administration Department when employment ends.

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## SECTION FOUR

### ORGANIZATION AND MANAGEMENT

#### 4.1 ORGANIZATION

- 4.1.1 Organizational structures of steely RMI are designed to maximize each department's ability to contribute value to the achievement of the company's mission, vision, values and objectives. Generally, visual representations of the organizational structures provide information to company's employees about how they fit into the overall achievement of the company's goals and provide the external public with information about the company's accountability structures and whom to contact for information and services.
- 4.1.2 A representation of the company's organizational structure provides information on the lines of authority of the Company and outlines the existing internal relationships. It is the responsibility of management to draw the organizational structure that will help the company to successfully meet its short term and long-term business objective.
- 4.1.3 The purpose of this policy is to provide a visual representation of the company's key organizational and functional departments/units and outline the relationship between and among them (See Annex-attached in this Human Resource Manual). The organization is to be dynamic and hence constant review shall be required to make necessary adjustment in line with developing situation.
- 4.1.4 The Company shall maintain a visual representation of its organizational and functional structure. The visual representation shall be in the form of a high-level organizational chart indicating organizational reporting linkages.

#### 4.2 MANPOWER PLANNING

- 4.2.1 **OVERVIEW:-** This section covers policies relating to workforce planning, recruitment, internal transfers, job descriptions, classification and evaluation, and term of appointment including acting.
- 4.2.2 **POLICY**

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- 4.2.2.1 Manpower planning and budgeting shall be driven by the departments manpower need. The manpower plan defines the number, cost, skill set and timeframe requirements for each position as well as reflecting future areas of growth.
- 4.2.2.2 The Human Resource Development and Administration Department designate shall sign off on the manpower plan for each year and the associated budget shall be integrated into the respective departmental budgets.
- 4.2.2.3 Position deletion and recruitment requests for new and/or replacement positions shall be in accordance with approved departmental manpower plans.
- 4.2.2.4 Ad hoc/unplanned recruitment may be required to overcome unforeseen staff requirements such as, replacements for sudden resignations, new projects etc.
- 4.2.2.5 The Human Resource Development and Administration Department shall monitor the implementation of all department manpower plans; and

#### 4.2.3 PURPOSE

- 4.2.3.1 To identify the current and future manpower needs
- 4.2.3.2 To have a proper utilization of workforce this shall help save money now, and as plan for company's future.
- 4.2.3.3 To recruit quality manpower at all levels in terms of knowledge, skills, attitude and character without any discrimination.
- 4.2.3.4 To operate an economically flourishing business, so there exist consistent level of work and equal opportunity to grow.
- 4.2.3.5 To increase work productivity.

4.2.4 SCOPE:- This policy is applicable to all departments of the Company.

4.2.5 OBJECTIVE:- The Company is committed to recruiting the right employees, for the right positions in an efficient and effective manner. The objective of this policy is to outline how staffing requirements are planned in advance to achieve the company's business objectives and assist the company towards managing the employment of an optimum level of human resources with the required skills.

#### 4.2.6 PROCEDURE

- a. **Inventory of Present manpower:-** understand the current workforce and how it is projected to change over time; current number of employees, their capacity, performance and potential shall be analyzed. To fill the various job requirements, the internal sources (employees from within the organization) and external sources (candidates from various placement agencies) shall be estimated.
- b. **Forecasting Demand and Supply of manpower:-**The human resources required at different positions according to their job profile shall be estimated. The available internal and external sources to fulfill those requirements are also measured. Forecast the

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number of employees to be retired, transferred and promoted and the number of position to be concealed and newly opened.

- c. **Estimating Manpower Gaps:-** Comparison of human resource demand and human resource supply shall provide with the surplus or deficit of human resource. Extensive use of proper training and development program shall be done to upgrade the skills of employees.
- d. **Formulating the Manpower Action Plan:-** The manpower plan depends on whether there is deficit or surplus in the company. Accordingly, the plan may be finalized either for new recruitment, training, interdepartmental transfer in case of deficit of termination, or retirement schemes and redeployment in case of surplus. Thus, final manpower plan shall be submitted to General Manager Office for approval.
- e. **Monitoring, Control and Feedback:-** It mainly involves implementation of the manpower action plan. Manpower shall be allocated according to the requirements, and inventories are updated over a period. Comparison between the manpower plan and its actual implementation is done to ensure the appropriate action and the availability of the required number of employees for various jobs.

## SECTION FIVE EMPLOYMENT

### 5.1 INDEFINITE PERIOD (PERMANENT) EMPLOYMENT

- 5.1.1 When a person is employed on an indefinite basis, subject to a probationary period, this is normally referred to as permanent employment (SRMI-OF- 061).
- 5.1.2 The Indefinite Period contract of employment shall contain the following:
  - a. The full name and address of the employer and employee.
  - b. The title of the position
  - c. The place of work.
  - d. The duration of term of the contract of employment.
  - e. The prescribed hours of work, as applicable to the work location
  - f. Full details of the monthly salary and applicable allowances (if any)
  - g. Job grade
  - h. Details of the specific items and conditions of employment, and
  - i. Signature of the contracting parties
  - j. Official seal of the company

### 5.2 DEFINITE PERIOD OF EMPLOYMENT

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- a. Definite period of employment contract should be terminated at their expiration dates and if the prescribed work is completed prior to the fixed date, the contract should be terminated immediately.
- b. Employees whose employment is under Definite Period shall not be given benefits like Special holiday pay and bonus, Medical unless for emergency cases, Uniforms and shoe and the like enumerated in this Human Resource manual.
- c. Young worker a natural person who has attained the age of 15 but is below the age of 18 years. By no means to employ a person less than 15 years of age is allowed.

#### 5.2.1 CONTRACT EMPLOYMENT

- a. Employment for definite period of contract.
- b. In this case the employer engages the services of persons for a fixed term or in respect of a particular project. Upon expiry of the fixed term or termination of the project the company shall terminate the contract. It is not necessary to follow any of the procedures mentioned in respect of permanent employment (see SRMI-OF-061).
- c. This contract has a time limit in its duration of employment. A termination date is clearly written in the contract document.
- d. This contract is normally issued to those employees, whose services are needed for the company on a temporary basis.

#### 5.2.2 "CASUAL" EMPLOYMENT (DAILY LABOURERS)

- a) This includes but not limited to any person who is employed to work for an approximate period of time for the weekly or daily hours for works like cleaning jobs, loading and unloading, collecting scraps, digging holes for fencing purpose, collecting off-cut, bending re-bars, washing vehicles, etc. This means that the provisions regarding working hours, overtime and meal intervals would apply.
- b) Departments shall request daily Labourer (casual Employee) through SRMI-OF-082 and the request shall get approval of the factory manager.
- c) Workers under daily labourer shall not be eligible for benefits that are applicable to permanent employees.

#### 5.2.3 TEMPORARY EMPLOYMENT SERVICE

As an alternative to employing persons, an employer may approach Employment Service Agencies. The labor that is needed is employed by the Employment Service Agencies and the laborer given to Company consider as the client. However, the Agency and the Agency's employees are jointly and severally liable for compliance with the Basic Conditions of Employment. As far as security and termination of employment are the responsibility remains with the Employment Service/Agency as the employer.

#### 5.2.4 INDEPENDENT CONTRACTING



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- a. The manner in which the person works and the hours of work are subject to the control or direction of another person not the Company.
- b. It is like a person forms part of the organization to give service for other organization.
- c. A person provided service with his/her tools of trade or work equipment to other person or organization.
- d. The person does only works or supplies services to one person or organization, and has economic dependency.
- e. Appropriate where certain specialist skills are needed on a temporary basis; the contractor is required to provided a result - supervision and control not required; contractor acts independently and invoices the client.

### **5.3 PRINCIPLE OF EQUAL EMPLOYMENT OPPORTUNITY**

- 5.3.1 The company is committed to providing equal employment opportunity for all employees and applicants in compliance with applicable laws.
- 5.3.2 No personnel decisions concerning any term or condition of employment shall be unlawfully based upon race, color, religion, sex, national origin, marital status, political belief, disability (unless the disability can't be reasonably accommodated, it significantly impacts their job, and it actually disqualifies them from the job) and any other protected class protected by law that does not prohibit performance of essential job functions to a job or work environment that permits.
- 5.3.3 This may be reflected in practices and policies regarding hiring, training, promotions, transfers, rates of pay, layoff, and other forms of compensation.
- 5.3.4 Once hired all matters relating to employment are based upon ability to perform the job, as well as honesty, dependability and reliability.
- 5.3.5 As per Ethiopian Government Labor proclamation in force, Candidates may not be qualified for the conditions like; the age below 18, unfit on medical ground, addicted with alcohol or drug and Convicted of crime which is unacceptable to the company for the intended position.

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## SECTION SIX RECRUITMENT

### 6.1 POLICY STATEMENT AND SCOPE

- 6.1.1 Steely RMI is committed to following fair hiring practices when filling positions and the purpose of this policy is to outline the process used in recruiting, selecting and appointing persons to positions in the classified department.
- 6.1.2 This policy applies to all employees who are responsible for or involved in selection and hiring.
- 6.1.3 Priority shall be given to women if they get equal result with men when competing for employment, but the nature of work may be the determinant.

### 6.2 PRINCIPLES

- 6.2.1 The selection process is based upon a set of guiding principles.
- 6.2.2 Staffing decisions are to be made based on the principle of qualifications, relative ability, knowledge, skills, etc.
- 6.2.3 Objectivity, fairness, and consistency guide all selection activity.
- 6.2.4 All information obtained during the staffing process is treated as confidential and is not released or shared outside of the official staffing process.

### 6.3 PROCEDURES

The selection process consists of four stages:

1. Pre-posting
2. Pre-interview (screening)
3. Selection
4. Post Interview

#### 6.3.1 PRE-POSTING

- 1<sup>st</sup>** The hiring Department Head submits an Employment Requisition Form (**SRMI-OF-084**) along with an updated job description to the Human Resource Development and Administration Department.
- 2<sup>nd</sup>** The Employment Requisition is reviewed for accuracy and completeness (job title, job status, salary grade, salary range, Minimum qualifications required, etc).
- 3<sup>rd</sup>** For new positions or changes to existing positions that impact title and/or grade, the hiring Department Head should contact the Department of Human Resource and Administration for preparation or modification of the job description, classification and grade.
- 4<sup>th</sup>** Once approved the position is advertised by Human Resource Development and Administration Department (SRMI-OF-094) and (SRMI-OF-0131), depend on the

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necessity of the position it shall be advertized through internet, newspaper, contact with the institutions or by posting on public bulletin board.

5<sup>th</sup> Any vacancy announcement shall, as minimum, include the following: The title of the job, the position (grade) of the job, short description of the position, the required educational qualification types and grade level, the required time of work experience and ability, condition of employment, place and location of the work, time, place (address), date and mode of application, Supporting documents required, and others as appropriate.

6<sup>th</sup> The vacancy announcement shall stay for at least five days.

#### **6.3.1.1 STEPS FOR FILLING THE VACANT POSITION**

- a. First, efforts shall be made to fill vacancies by transferring employees who are fit for the vacant position from internal staffs.
- b. When it is not possible to fill vacancies by transfer, the company shall invite candidates through internal vacancy announcement for promotion including sister companies staffs.
- c. When it is not possible to fill vacancies from within, the company shall invite candidates from the labor market using different means including direct contract and head hunting.
- d. The company shall try other means such as contracting academic institutions or directly contacting qualified persons etc. to fill vacancies.

#### **6.3.1.2 NECESSARY DOCUMENTS REQUIRED FROM THE APPLICANT SIDE**

- a. All lists found in 'SRMI-OF-071 Application for employment' shall be fulfilled.
- b. Experience letter ( may tell about salary, position, pension contribution, income tax, benefit, perk, allowance, reason for separation, etc)
- c. Clearance letter from previous company (if he/she had worked before)
- d. Certificate (diploma, degree, etc)
- e. If the necessary documents not fulfill the applicant shall not be eligible for registration.
- f. Applicant shall sign on the applicant log sheet (SRMI-OF-071A Applicant's logging sheet)

### **6.3.2 PRE-INTERVIEW (SCREENING)**

Duties of a selection Committee

- a. For a vacant position that requesting diploma and below qualification, screening process conducted by Personnel Officer together with requesting department manager/Head in consultation of Human Resource Development and Administration Department Manager.

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- b. For a vacant position that requesting 1<sup>st</sup> degree and above qualification, screening process conducted by a committee consisting of Human Resource and Administration Manager, Department Head, the supervisor/Foreman of the position being filled, employee administrator and another individual who has good knowledge of the responsibilities of the position being filled.
- c. Establishes rating criteria: The rating criteria must reflect the qualification, experience, skills, abilities and knowledge required to perform the job responsibilities of the position as listed in job description to a satisfactory level. Information from the position analysis shall be helpful in developing the rating criteria.
- d. Develops questions/tests to be used as part of the interview/selection process.
- e. Screens applications for eligibility and qualifications.
- f. Sets up interview/testing times
- g. For over qualification, screening process shall be given high attention

### 6.3.3 SELECTION

- 6.3.3.1 Interviewing/written or practical examination shall be made by the Human Resource Development and Administration Department in Conjunction with the requesting Department (General Interview Questions SRMI-OF-208) and in cases of professional and management staff, the interview may contain senior management staff. Sometimes for special skill Testing Centers may be used.
- 6.3.3.2 Duties of a selection Committee
  - i. Identify and screen out suspicious and forged applicants document and forward the case to concerned government organ for further investigation.
  - ii. Conducts interviews and/or testing with the qualified applicants
  - iii. Scores and ranks the applicants
  - iv. References are completed, usually by the Human Resource
- 6.3.3.3 It is recognized that the reliability of a referee's assessment is enhanced if they understand that their information shall be kept in confidence.
  - a) Information obtained in a reference is to relate only to the ability and suitability of the applicant to perform in the position applied for.
  - b) A minimum of two references shall be completed
  - c) References' are usually with people who have direct knowledge of an applicant's previous employment performance.

### 6.3.4 POST INTERVIEW (APPOINTMENT)

- 1st. Once the evaluation and referencing of applicants is complete, an employment list is created, listing the applicants in order of merit.
- 2nd. One of the top three candidates based on merit, shall be eligible to the position.

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- 3rd.** The candidate who fully meets all the requirements shall be given letter of employment signed by Human Resource Development and Administration Department.
- 4th.** The main orientation (see Employee orientation Check List, SRMI-OF-205) shall be conducted by the Human Resource Development and Administration Department and the requesting department of the employee and shall include Company history, Organizational structure and corporate mission and its relation to the departmental goals etc.
- 5th.** The Employee Administrator and Safety officer shall conduct subsequent orientation and induction on the following points: Introduce staff, Orient work area and Policies
- 6th.** The candidate selected accordingly shall then be asked to produce clearance from his/her previous organization, legal authorities for criminal back ground and physical examination certificates from health institutions.
- 7th.** The employee after successful completion of the probation period, shall be given a permanent letter and Identification Card and Procedures, Conduct tour of department and other operation areas; and Safety and Security facilities.

## 6.4 PROBATIONARY PERIOD

All newly permanently hired employees are subject to a probationary period from the date of hiring. Permanent appointment as an employee of the Company is conditional upon satisfactory performance during the formal probationary period.

- 1st.** The first 60 working days duration of indefinite term contract of employment shall be considered as the probationary period.
- 2nd.** A probationary assessment is completed by the Supervisor and reviewed with the employee on or before 50% of the probationary period has been completed (SRMI-OF-085). The Department Manager/Head forwards the completed assessment (Performance appraisal Result) to Human Resources for the personnel file; and advises the Human Resource Development and Administration Department of the employment continuation recommendation. In general, evaluation of employees on probation shall be made two week before the end of the probation period.
- 3rd.** During their probationary period, employees are entitled to all rights and privileges except with respect to discharge/delegation;
- 4th.** Employment of such employees may be terminated at any time during the formal probationary period without notice.
- 5th.** It is the responsibility of the Department Head to ensure that the performance of a probationary employee is monitored and that proper documentation is completed and forwarded to Human Resources before the final assessment date.

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**6th.** The decision to dismiss a probationary employee is recommended by the Department Head to the Human Resource Development and Administration Department.

**7th.** The employees shall be notified, in writing, of the company's decision either to continue with or to terminate their contract of employment

**8th.** The first day an employee report to work shall be taken as Employment Date /official anniversary date and it helps to work out various financial and administrative rights of the employee in the company.

#### **6.4 HIRING OF RELATIVES (Nepotism)**

**6.4.1** The policy is intended to eliminate any practice that may give rise to conflicts or difficulties for supervisors, co-workers and subordinates when recruiting, maintaining order, maintaining discipline and terminating employees when an employee is aware that the Supervisor, co-worker or subordinate is a relative of another employee.

**6.4.2** For the purpose of this policy, a 'relative' is defined as a parent, spouse, common law spouse, brother, sister, child, grandparent, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law and daughter-in-law.

**6.4.3** No recruitment of an individual shall take place in a Department in which a relative of that person is a supervisor of, or may be supervised by, the applicant;

**6.4.4** Recruitment of a relative of an employee, other than a supervisor/subordinate relationship, is permissible if the recruitment is approved by the General Manager.

#### **6.6 RE-EMPLOYMENT OF FORMER EMPLOYEES**

To be eligible for rehire, former employee must

- a)** Have resigned from the Company with timely notice in compliance with Company policy.
- b)** Received performance evaluations showing satisfactory performance in terms of job performance, attendance, and similar measuring factors. If an employee resigned prior to receiving an evaluation, the employee must have successfully completed the probationary period and have no disciplinary or similar record in the employee's prior employment file;
- c)** Receive a favorable report from a background check.
- d)** Court decisions that oblige the company to rehire an employee.
- e)** Positive agreement of his/her previous department
- f)** Termination was not carried out for serious conduct or behavior violations.
- g)** Written approval of the General Manager must be obtained prior to any commitment of employment to the former employee.

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### 6.6.1 PROCEDURE

When an employee applies in written for a position about rehiring, the following should be followed:

1. Human Resource Development and Administration Department reviews personnel records to decide whether the employee is eligible for rehire.
2. If applicant is eligible, hiring department manager decide whether the employee is qualified for a particular position. If applicant is not eligible, HR department should inform him/her.
3. If applicant is qualified and get the General Manager's approval, then HR together with hiring department contact the former employee and make necessary arrangements.
4. At any moment, the company may choose to contact former employees proactively. Their eligibility should be established beforehand.

### 6.7 REFERENCE CHECKS

- a. Reference checks (see SRMI-OF-207) are conducted to obtain additional or substantiating information concerning an applicant.
- b. Personal and professional reference checks are undertaken on all employees by the Human Resource Development and Administration Department or designate prior to any offer of employment; and a reference check is not conducted without first obtaining the written authorization of the applicant (see SRMI-OF-071).
- c. New employee shall provide certificate of clearance from his/her former employer.

### 6.8 CRIMINAL RECORD CHECKS/ POLICE CLEARANCE FOR EMPLOYEES

- a. The offer of employment is conditional upon successful completion of a criminal record check/police record check (see SRMI-OF-077).
- b. Any costs associated with obtaining a criminal record check/police record check are the sole responsibility of the employee

### 6.9 MEDICAL CERTIFICATION

As a condition of the offer of employment, each employee must do the following:

- a) The offer of employment is conditional upon successful completion of Physical Examination Certificate from (SRMI-OF-080) recognized Government Hospital, and certifying that the employee is physically able to perform the essential duties of the position.
- b) If the department head requires the employee's service before a doctor's appointment can be made, it is permissible to submit the certificate within thirty (30) days of the reporting date.

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- c) Any expenses incurred in complying with these requirements are the sole responsibility of the employee.

## 6.10 EMPLOYEE CONFIDENTIALITY STATEMENT

- a) All new company employees must sign ('employee confidentiality statements' SRMI-OF-199) as a condition of a written offer of employment to ensure the security and confidentiality of records and personal information under the control of the Company.
- b) The 'Employee confidentiality statements' is signed, dated, witnessed, and placed in the individual's personnel file with the Human Resource Development and Administration Department.
- c) A new employee's refusal to sign an 'employee confidentiality statements' after signing a written offer of employment voids and nullifies the written offer of employment. In that circumstance, the next eligible person shall be contacted if he/she is willing to abide by this employment policies and procedures.



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## SECTION SEVEN EMPLOYEE RECORDS INFORMATION

### 7.1 PURPOSE

To provide the standards for maintaining employees' personnel files.

### 7.2 POLICY

- 7.2.1** The Human Resource Development and Administration Department is responsible for maintaining the personnel records system.
- 7.2.2** Employee personnel records are kept in a central archive in the Human Resource Development and Administration Department.
- 7.2.3** Departments may also keep employee records for immediate reference purpose; like goal setting, personal progress tracking, performance records, coaching and other assistance give, etc
- 7.2.4** For a smooth and successful personal file handling, the company shall create an electronic recordkeeping system that is accessible, secure and functional.

### 7.3 PROCEDURE

- a) The employee's personnel file shall be available for examination and review by the employee. Such review or examination shall take place during regular business hours in the Human Resource in the presence of the Human Resource Development and Administration Department Head or his/her designee, and only upon prior written notice. Employees shall be required to sign a written form requesting access to his/her file and present valid identification.
- b) Access to employees' personal files is limited to the relevant staff member of Human Resource Development and Administration Department.
- c) The employee can have access to his personal file in the presence of the Human Resource Director/Head or his designee.
- d) Every staff member must report changes in personal status including name and address changes, so that the records properly reflect the current status of every person employed.
- e) As a matter of policy with regard to employee personal privacy, it shall be used only that information is necessary or relevant to the operating needs of the Company. Internal access shall be limited to those who have legitimate business reasons. Information regarding an employee's home address and telephone number shall not be released unless there is an obvious "need to know" or in case of an emergency. Employees' home addresses and telephone numbers shall not be given to other employees for use in mailings.

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- f) All other information maintained in the personnel file for all staff members is considered confidential and is released only after written request and consent of the employee.
- g) Information shall be released to government agencies when required by state laws.
- h) All reference checks by outside employers requesting information on current or former employees and verification of employment must be referred to the Human Resources, other departments should not release information.
- i) Human Resource maintains employee's updated personal data in soft copy with Microsoft Office Excel and Access. Moreover, the hard copy data mentioned in Art. 7.4 below shall be computerized.
- j) The company Human Resource Development and Administration Department at Head Office and Factory keep employees' personal file, and senior staff personal file may be kept at General Managers Office.

#### **7.4 THE PERSONAL FILES CONTAINS**

- a. Job application/ Resume/ Resume cover letter
- b. The announcement for vacancy
- c. Minutes of employment committee proceedings
- d. Health and police clearance certificates
- e. Five passport size photographs
- f. Probationary period rating report
- g. Correspondence, notices, notifications etc.
- h. Job offer letter or employment contract
- i. Copies of any performance appraisal used or employee development plans
- j. Employee self-assessments
- k. Records from any formal counseling sessions
- l. Notes on attendance or tardiness
- m. Disciplinary action reports
- n. Employee recognition presented such as certificates, recognition letters, and so forth
- o. Training records
- p. Competencies assessments
- q. Complaints from customers or coworkers
- r. Exit interview documentation
- s. Position job description
- t. Emergency contact information
- u. Life of employment official forms including: requests for transfer, promotion, internal job applications,
- v. Family information-Name list of spouse, children, mother, father, sisters, brothers, etc.

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- w. Employee resignation letter at the time of separation
- x. Pension documents

## 7.5 ORGANIZATIONAL COMMUNICATION

### 7.5.1 SCOPE:

The subject of managing organizational communication encompasses formal and informal communication throughout an organization, including communication to employees, with employees and from employees to upper management.

### 7.5.2 IMPORTANCE OF A FORMAL AND COMPREHENSIVE COMMUNICATION

The company believes that linking corporate communication to business strategy is essential to effective and consistent business operations. With a formal and comprehensive communication, the Company can ensure that:

- a. Communicate consistent messages.
- b. Establish a recognizable employment brand.
- c. Deliver messages from the top that are congruent with the organization's mission, vision and value.

### 7.5.3 INTERNAL COMMUNICATIONS

- a. Department managers'/Heads' shall communicate with formal written letter horizontally and vertically (SRMI-OF-132 interoffice memo, SRMI-OF-157 performance report, SRMI-OF-012 Outgoing Records & Letters Registration Form, SRMI-OF-008 Incoming Records and Letters Registration, SRMI-OF-011 File and Recording movement control form etc).
- b. No need of Stamping on internal memo, except exceptional case.

### 7.5.4 EXTERNAL COMMUNICATIONS

- a. For third parties formal written letter shall be made by General Manager or Human Resource Development and Administration Director/Manager, some issues may need General Manager's consultation while conducted by Human Resource Development and Administration Director/Manager (see SRMI-OF-170 Outgoing letter).
- b. Some department managers like Marketing and Procurement may communicate formally with customers, suppliers, government bodies, etc regarding their department.
- c. Stamp management shall be managed by secretary or a person delegated by General Manager, and the liability in this regard consider this employees.

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- d. Secretary shall verify the responsible official's signature before stamping and or a person delegated by General Manager

## SECTION EIGHT TRAINING AND DEVELOPMENT

### 8.1 PURPOSE

- 8.1.1 By communicating the strategic vision and mission down to training and development goals, employees are able to see them operationalized. To enable employees become tangible and meaningful in relation to their own jobs and tasks.
- 8.1.2 Because training programs are designed and developed based on business strategy, employees are able to better understand how *they* personally contribute to the achievement of business objectives.
- 8.1.3 The achievement of strategic business objectives is quite clearly related to the people who work in the business. Their knowledge, skills, and motivation to learn are key to increase sales, improved brand reputation, efficient production, and competitive advantage.

### 8.2 PRINCIPLES

- 8.2.1 The policy shall be implemented in conjunction with the Training Procedure (SRMI-OP-010), Knowledge Management Procedure (SRMI-OP-012) and Knowledge Management (SRMI-CRD-016).
- 8.2.2 Employees training shall be given to new programs, systems, procedures, or technologies.
- 8.2.3 Training activities may be used to facilitate change by broadening the outlook of individuals or by providing what is necessary to enable them to manage change.
- 8.2.4 Training may also be used to help individuals to develop skills and gain qualifications which shall contribute to the development of their work and equip them for their future career path.
- 8.2.5 Training and development provision may encompass a wide range of activities including classroom training, coaching, mentoring, job shadowing and workshops.

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**8.2.6** All training and development activity shall be evaluated to ensure that appropriate development activity has been undertaken. Evaluation information shall be used to review and improve the quality of the development provision.

**8.2.7** Evaluation shall also be used to ensure that staff are benefiting from these activities to improve their overall effectiveness at work, and to ensure that the financial commitment made by the company to develop its staff is well invested.

### 8.3 PROCEDURE

- a) Training requirements should be identified by Human Resource Development and Administration Department and department managers on an ongoing basis. This is an essential part of the Performance Management Process.
- b) The company shall perform a training need assessment (see form SRMI-OF -131) of its employee once a year in accordance with training criteria document and sometimes training needs may be identified from inefficient performance of employees (input from performance appraisal) or, introduction of new technologies, methods of work demand or promotion. See also the directive issued on Ginbot 15, 2007.
- c) After conducting 'employee training need assessment', the yearly training plan for in-house training and external training schedule shall be prepared by Human Resource Development and Administration Department in consultation with Department Heads; and the schedule shall contains:- title of the course, course content, duration, venue, qualifications required of the employee for participation in the course, trainers, and trainees' name, position, department, estimated training cost, etc.
- d) Participate employees in the training shall be nominated by Human Resource Development and Administration Department in consultation with Department Heads.
- e) Training programs must be pre-approved on the 'Training Request form' (see **SRMI-OF- 078**)
- f) The yearly training plan (action Plan) and training budget shall be approved by General Manager.
- g) Mandatory training like Safety & Health, Induction Training for new employee, etc conducted as per the demand.
- h) Training expense conducted by employee himself/herself without the company's permit shall not be refunded.
- i) An employee who attends external training initiated by the company, after one week of completing the training, he/she shall produce reports and provide certificate.
- j) For external training employee shall sign an agreement with the company (SRMI-OF-078).

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- k) Refusal of training may lead to the termination of employment as per the prevailing labour proclamation and collective agreement.

## 8.4 TYPE OF TRAINING

### 8.4.1. IN-HOUSE TRAINING

#### 8.4.1.1 NEW EMPLOYEES

- a) New employees shall serve an initial training period of 30 days from the date of hire. This period is used to assimilate the new employee into the job as quickly as possible through a structured performance coaching system.
- b) Supervisors shall evaluate the performance of new employees before 60 days (Probation Period) of employment period.
- c) Supervisors shall monitor and evaluate the performance of new employees throughout the training period.

#### 8.4.1.2 TRANSFERRED AND PROMOTED EMPLOYEES

- a) Employees transferred or promoted into other positions or who return to previous positions shall also be placed on training status.

#### 8.4.1.3 YEARLY SCHEDULED IN HOUSE TRAINING

- a) In house training begins with an induction program, enabling the employee to learn how to do the job, its purpose and how it fits into the corporate strategies.
- b) By training staff internally, an organization can customize the learning to fit business needs exactly, adapting some elements and omitting any considered unnecessary for the job. This enables the employees to focus more clearly on the organizational goals and strategies, while sensing their individual contributions to its success. A structured internal training program shows staff the organization recognizes their worth and it is in their interests to stay.
- c) The training can be workshops, seminars and short-term trainings.
- d) Trainers shall be company's senior staffs, supervisors, managers, directors, etc.

#### 8.4.1.4 TRAINING BASED ON JOB ROTATION

Some of the major benefits of job rotation are:

- a. It provides the employees with opportunities to broaden the horizon of knowledge, skills, and abilities by working in different departments.
- b. Identification of Knowledge, skills, and attitudes required
- c. It determines the areas where improvement is required
- d. Assessment of the employees who have the potential and caliber for filling the position

##### 8.4.1.4.1 PROCEDURE

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Step	Responsible Party	Action
1	Department Head	<ul style="list-style-type: none"> <li>✚ Identify Job Rotation opportunities and determine the qualifications, duties and duration.</li> <li>✚ Obtain approval from Production and Technique Head &amp; Factory Manager to open the job rotation.</li> <li>✚ Notify HR in writing of the Job Rotation and include: <ul style="list-style-type: none"> <li>✓ Duration</li> <li>✓ Duties</li> <li>✓ Qualifications</li> </ul> </li> </ul>
2	Department Head	Sign agreement
3	Supervisor	Send original of agreement to HR and copy to Employee
4	HR and Admin.	Conduct Performance Evaluation at end of job rotation and submit Performance Evaluation Form to HR within 10 days of completion of Job Rotation.

#### 8.4.1.5 REFRESHER TRAINING

8.4.1.5.1 Importance of refresher training at workplace:

- a. To retain the existing talent.
- b. To keep pace with the new technologies.
- c. To become the beneficiaries of the current innovations.
- d. To update with the latest trends.
- e. To bridge the gap between a millennial and a boomer.

8.4.1.5.2 Below are some of the reason to deliver refresher training to employees.

- a. Repeatedly failing to complete the assigned tasks on/in time.
- b. Poor response to training given.
- c. Less output.
- d. Unwilling and indifferent attitudes.
- e. Frequent accidents and safety factors.
- f. Finding it difficult to take-up/accept new concepts.

#### 8.4.2. EXTERNAL TRAINING

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- a) Unscheduled third party training- participation in a training program including workshops and seminars arranged by Government, Organizations, Institutes or Training Centers outside company.
- b) Yearly planned external training schedule is given by external body in the company's or outside company premises.

## **8.5 RESPONSIBILITIES**

### **8.5.1 EMPLOYEES HAVE THE RESPONSIBILITY TO:**

- a) Participate in training opportunities to improve their job performance and potential.
- b) Trainees shall sign on Training Attendance Form (SRMI-OF-031) after and before training session conducted.
- c) Obtain approval from their supervisor to attend training programs.
- d) Employees trained on company expenses shall serve the company for the period determined in the training agreement (see SRMI-OF-078) or as a minimum, shall be twice the training period.
- e) If an employee trained on company expenses and want to terminate his contract of employment of his own accord before serving the company for the period indicated here above, he/she shall refund all training expenses incurred including the salary paid to him/her during the training period.
- f) Employees trained on company expenses shall submit their training testimonials along with a precise training report within a Month of completion of the training.
- g) An employee who does not accept training thus adversely affecting the growth of the company shall be terminated with notice in accordance with the prevailing Ethiopian Government Labor proclamation in force and the company administrative guidelines.

### **8.5.2 SUPERVISORS AND DEPARTMENT HEADS/MANAGERS HAVE THE RESPONSIBILITY**

- a) Support and provide opportunities for individuals to pursue job-related training.
- b) Make every possible effort to allow individuals to participate in training during working hours.
- c) Have the obligation to assist Human Resource Development and Administration Department in Training Need Assessment and training delivery.

### **8.5.3 HUMAN RESOURCE DEVELOPMENT AND ADMINISTRATION DEPARTMENT RESPONSIBILITIES:**



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The Human Resource Development and Administration Department has the responsibility to serve as a provider of training for employees. This training includes, but not limited to:

- a) Developing training and development strategies with department heads support by considering immediate and long-term staff requirements by conducting employee performance gap analysis.
- b) Conducting and analyzing training needs in conjunction with department heads.
- c) Drawing up a training plan.
- d) Inform employees training period (SRMI-OF-033).
- e) Providing materials and other facilities needed for training (brochures and training materials, multimedia visual aids and presentations),
- f) Working with training providers to develop suitable content for the courses
- g) Develop, implement, and monitor training programs within an organization.
- h) Conduct orientation sessions.
- i) Monitor and evaluate training process.
- j) Prepare and implement training budget.
- k) Conduct performance evaluations (SRMI-OF-32).
- l) In addition to its regularly scheduled training programs, it shall responds to requests by departments and units for on-site training as required and approved by General Manager.

### **8.6 Evaluation**

All training and development shall be monitored, recorded and evaluated to ensure that appropriate development activity has been undertaken. Evaluation information shall be used to review and improve the quality of the training and development provision. (see SRMI-OF-032 Training And Method Evaluation Form, SRMI-OF-034 Training Matrix, SRMI-OF-031 Training Attendance Form). Human Resource is responsible for annual training impact assessment and on demand.

## SECTION NINE PERFORMANCE MANAGEMENT SYSTEM

### **9.1 OVERVIEW**

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The purpose of an effective performance management system is for employees to have a clear understanding of the work expected from them, to receive ongoing feedback regarding how they are performing relative to expectations, to recognize rewards accordingly, to identify development opportunities, and to address performance that does not meet expectations. A comprehensive performance management system empowers employees to have greater input to their personal career progression and shall enable managers to better identify, recognize, and reward individuals based upon an agreed set of criteria.

## **9.2 POLICY STATEMENT:**

- 9.2.1** This policy aims to provide a framework for managing performance evaluation effectively.
- 9.2.2** The company strives to provide an environment where all employees understand the impact of their contributions on the achievement of company's goals and provided the opportunity for ongoing personal growth.
- 9.2.3** The company accomplishes this goal through a strong performance based management program that culminates in an annual performance review (Performance Appraisal).
- 9.2.4** The Company's Performance Management Process consists of a four-phase cycle: Performance planning phase, Performance managing (execution phase), Performance Assessment, Performance review phase (performance appraisal).
- 9.2.5** This also means that the process of performance management must be followed in a committed manner.
- 9.2.6** Performance management is not an annual event. This is a continuous process that takes place throughout the year in all departments. It is also not a process used to determine salary or other material benefits as these can have a negative effect on development of employees, nor is it a tool to punish employees.
- 9.2.7** At the end of the performance management phase, when merit increases are available, employees may receive an increase to their annual base pay and bonus as a reward for best performance. It is important to remember that performance increases should be differentiated between employees based upon their overall performance ratings and, in general, top performers may receive higher pay increases.

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### 9.3 SCOPE

This policy applies to management members and employees; and the Human Resource Development and Administration Department is responsible for the management of this performance Management system.

### 9.4 PURPOSE

- 9.4.1** To provide a system of timely and planned feedback to employees that compares performance to the requirements of the position and establishes goals for future rating periods. This system is a management tool to ensure that organizational requirements are met by measuring, tracking, and improving employee productivity. It provides structured opportunities for managers and employees to discuss individual capabilities, career interests, and training and development requirements.
- 9.4.2** Steely RMI believes that performance management and review is an important component of supporting employee in their work, ensuring accountability for work performed and identifying the professional development needs of employee.
- 9.4.3** The company is committed to ensure that all employees:
- a. Have a clear understanding of the work they are required to complete;
  - b. Are clear about the organization's expectations and requirements of their work performance;
  - c. Are provided with adequate direction and support in their work; perform their role to the best of their abilities and
  - d. Are accountable for the quality and outcomes of their work.

### 9.5 PHASES OF PERFORMANCE MANAGEMENT SYSTEM

#### 9.5.1 PERFORMANCE PLANNING

- a. The planning phase is the foundation of the entire Performance Management process.
- b. In this performance system, employees and supervisors together establish performance plans.
- c. In this phase, individual goals and objectives are set for the performance period.
- d. Goal setting is conducted at the beginning of production year usually in the month of July, review them monthly, communicate them frequently and revise plans based on progress.
- e. At least two performance goals are required for all employees with the recommended average being two to four goals.

#### 9.5.1.1 STAGES IN THE GOAL SETTING PROCESS

The goal setting process passes through the following stages.

1. Managers shall tell their employees that they are starting the goal setting process for the upcoming performance year and indicate the time frame in which they want to have the process completed. Managers shall outline the process for the employees.

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2. In preparation, managers advise their employees to do the following to create a context for current goal setting: re-read the mission and vision for the company; re-read the department's mission and vision; review their job descriptions (role profiles); review their current goals, strategies and tactics; identify any new overarching goals; and develop a working draft of team goals for their departments, if necessary. Of course, this assumes that these documents exist, are readily available and clear.
3. Managers shall share the overarching goals and department goals, if any, with their employees. They also share any other strategic messages that may be important for their employees to consider.
4. Using the above information, managers ask their employees to develop drafts of their performance goals, strategies and tactics, and development goals (see SRMI-OF-339 PMS-GOAL SETTING).
5. Managers meet with each of their employees to review and discuss their goals, strategies and tactics. During this meeting, managers shall ensure that their employees' performance goals are aligned with the overall direction of the company and department, challenging and meaningful, and realistic. Managers shall also ensure that each employee's development goals can help him or her to improve performance in the current job or acquire the skills or knowledge necessary to prepare for future jobs.
6. Once the goals, strategies and tactics have been finalized to the managers' requirements, managers shall ask their employees to develop the goal measures of success and goal measurements.
7. Managers shall meet with their employees to review, discuss and finalize measures.
8. Managers shall review their employees' goals, strategies etc as necessary.
9. Managers shall communicate and discuss any changes with their employees and revise as necessary.
10. Managers and each of their employees shall 'sign off' on the agreed goals, strategies, etc, and each keeps a copy for their files.

#### **9.5.2 PERFORMANCE EXECUTION:**

- 9.5.2.1 Regular communication between the manager and employee is critical during the managing (execution) phase of the performance management cycle.
- 9.5.2.2 Through formal and informal conversations, both parties are kept abreast of progress towards the successful completion of goals and expectations.
- 9.5.2.3 These discussions also enable the manager to provide timely feedback and coaching as the year unfolds. Because the performance cycle spans several months, it is important for managers and employees to keep track of key performance highlights and challenges that occur during the year. These notes shall be used immensely when it's time to prepare the annual review.

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9.5.2.4 **REINFORCING EFFECTIVE BEHAVIOR**-Providing meaningful feedback by managers can bring to an end for ineffective behaviors. It can also be used to guide, encourage and reinforce competent and proficient behaviors as well as motivating employees.

#### 9.5.2.5 **COACHING**

- a. Managers shall make employee aware of how well they are performing.
- b. Controlled delegation: ensuring that individuals not only know what is expected of them but also understand what they need to know and be able to do to complete the task satisfactorily.
- c. Using whatever situations may arise as opportunities to promote learning.
- d. Encouraging people to look at higher-level problems and how they would tackle them.

#### 9.5.2.6 **COUNSELING EMPLOYEES FOR MISCONDUCT**

Rule violations or other misconduct shall demand more severe action than do performance problems. Start with a verbal warning, particularly if it is the employee's first offense or the offense is minor then go progressively.

#### 9.5.2.7 **MENTORING**

Mentoring for exceptional employees who show promise but need help to become top performers.

### 9.5.3 **PERFORMANCE ASSESSMENT**

9.5.3.1 The performance assessment phase evaluates the extent to which desired behaviors have been displayed, and desired results have been achieved.

9.5.3.2 Moreover, the performance review phase provides a formal setting in which an employee receives feedback on past performance, developmental progress, as well as future plans.

9.5.3.3 Exponents of the balanced scorecard approach see it as a way of implementing strategy, linking strategy to action, and making strategy understandable to those on the front line as well as to senior managers.

#### 9.5.3.4 **EMPLOYEES RESPONSIBILITIES:**

- a. Review personal performance over the year.
- b. Assess performance and accomplishments against the development plan.
- c. Prepare a list of accomplishments and achievements and send it to appraiser.

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- d. Write a self-appraisal using the appraisal form.
- e. Consider any revisions needed to key position responsibilities, goals, objectives, competencies, and development plans for the next performance review cycle.
- f. Prepare for the performance review meeting.

#### 9.5.3.5 SUPERVISORS RESPONSIBILITIES:

Providing feedback, coaching, problem-solving, rewards for meeting expectations and scheduled and documented processes for planning performance, communicating about it, and assessing and rating job performance based on BSC and other measures.

### 9.5.4 PERFORMANCE REVIEW/PERFORMANCE APPRAISAL

9.5.4.1 The manager/Supervisor meets with the employee to conduct the annual performance review. If SMART goals have been set (planning phase), ongoing communication/feedback has taken place (managing/execution phase), well assessed performance output, then the overall outcome of the annual review should come as no surprise to the employee.

9.5.4.2 The evaluations shall be measured against a set standard (see SRMI-OF-063 & SRMI-OF-064) relative to the duties and responsibilities of the position he/she has occupied, not the performance of other employees and it is conducted twice a year usually on December and June.

9.5.4.3 Performance appraisals also assess the suitability of the employee for additional responsibilities, promotion, reclassification and merit increment.

#### 9.5.4.1 PROCEDURE

- a. Human Resource Development and Administration Department notifies departments the appraisee employees name list and evaluation period (see SRMI-OF-339).
- b. Rater takes the company plan as a base shall review the job description and/or develop a performance plan for each permanent employee. The plan must establish a standard for each element based on the job description, company plan and performance evaluation form. Self appraisal, Subordinate's appraisal and Peer appraisal can be an input to Rater.
- c. Raters shall keep employees periodically informed about factors or circumstances which affect their work performance.
- d. Management members shall be evaluated annually (SRMI-OF-063).

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- e. All non-management employees shall be evaluated every six month (SRMI-OF-064).
- f. Performance rating: A-graded (Outstanding performance), B-graded (Very good performance), C-graded (Good (average) performance), D-graded (Below average performance) and F-graded (Unacceptable performance).
- g. The points for each grade shall be as follows:

#	Grade	points
1	A	≥4.5
2	B	4.0-4.49
3	C	3.0-3.99
4	D	2.5-2.99
5	F	≤2.5

- h. When an employee receive appraisal rate ‘D and F’ is considered as unable to cope with his/her responsibility, so he/she shall be served with a written warning indicating clearly his short-comings and be given a final period of six months during which he/she has to show significant improvement or otherwise face action including dismissal on grounds of inefficiency.
- i. Those responsible for evaluating other personnel shall also be evaluated as to the soundness of their judgment concerning the performance of the subordinates.
- j. Types of performance evaluation conducted:
  - i.End of Training Period Evaluation (SRMI-OF-032)
  - ii.Probationary evaluation (SRMI-OF-085)
  - iii.Monthly performance evaluation for productivity payment purpose (SRMI-OF-167)
  - iv.Biyearly performance evaluation (SRMI-OF-067).
  - v.Yearly performance evaluation (SRMI-OF-063).

### 9.5.5 RESPONSIBILITIES

- a. Each supervisor shall review their employees in accordance with the guidelines of this policy.
- b. Each Department Managers/Heads shall be responsible for ensuring that performance appraisals and productivity increases happen in a timely manner.
- c. Human Resource Development and Administration Department has the responsibility to maintain these programs and aid in the interpretation of policy. Keep all appraisal results in each employee’s file. Help in the process and facilitation of setting grievances or misunderstandings that may occur between employee and a supervisor.

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## 9.6 KAIZEN MEETINGS

As per the schedule department employees shall have a one day short meeting in a week , the kaizen team gets together evaluate their performance and each team has an opportunity to share their updates on their work over the previous week and plans for the upcoming week, addressing specific achievements, developments and giving comment to team members. The meeting is followed by a weekly plan with each department heads.

## SECTION TEN

### PROMOTION, DEMOTION, TRANSFER AND SEPARATION

#### 10.0. OVERVIEW

When an employee moves to another position at the Company, the move is classified as a promotion, a demotion or a transfer. A promotion occurs when an employee moves to a position that is at a higher Job-Grade and demotion at a lower Job-Grade. A lateral transfer occurs when an employee moves to a position that is at the same Job-Grade. Lower Job-Grade transfer may occur to a position that is lower Job-Grade on medical ground or other management issues including disciplinary measure.

#### 10.1. PROMOTION

##### 10.1.1. PURPOSE AND POLICY STATEMENT

**10.1.1.1**The Company aims to provide career advancement opportunities for employees to develop and utilize their potential whenever possible, while at the same time recognizing their outstanding performance.



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**10.1.1.2** It is in the interest of both the Company and the individual that employee's are encouraged to seek and gain advancement within the Company. Whilst the management reserves the right to appoint the most suitable person to any particular post, whether an internal candidate or external one, it is the company's policy to promote from within whenever and wherever possible.

## **10.1.2. PRINCIPLES**

**10.1.2.1** The basic principles of promotion in Steely RMI shall be high performance and effectiveness, equal opportunities, non-discriminatory and the best person for the job.

**10.1.2.2** Selection for promotion shall be based on merit with due consideration of the following factors:

- i. Job knowledge and technical know-how;
- ii. Competence and potential;
- iii. Performance and quality of work;
- iv. Academic/professional/technical qualifications;
- v. Honesty, integrity and commitment to work;
- vi. Working attitude and interpersonal skills; and
- vii. Personal attributes and tact.
- viii. Team working spirit

**10.1.2.3** Generally, sex, marital status, pregnancy, family status, disability (unless the disability can't be reasonably accommodated, it significantly impacts their job, and it actually disqualifies them from the job), race, nationality or religion shall not be considerations for promotion. However, some jobs may need physical fitness and other consideration which shall be determined based on the job requirement.

**10.1.2.4** Promotion based on merit provides pathways or potential avenues for employees to aspire for higher grades, so as to maintain a clear and stable career development structure enabling the advancement and retention of quality staff.

**10.1.2.5** To be eligible for promotion to the next higher grade, employees should have demonstrated potential for further development and possess relevant experience; qualifications and attributes prescribed for the position and should have served in their present job for a minimum of twelve months.

**10.1.2.6** Once promoted employee shall be eligible to apply for other higher position upon completion of one year of satisfactory performance in his/her current job.

**10.1.2.7** Preference shall be given to employees with above average, greater than or equal to 3.5 (very good), and outstanding performance for promotion purposes. They also need to possess the necessary competence for the higher post.

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- 10.1.2.8 Promotion driven by vacancy is subject to assessment of the Human Resources Development and Administration Department in consultation with the concerned Department Head with the final approval of the General Manager.
- 10.1.2.9 An employee shall be eligible to apply for promotion upon completion of one year of very good performance in the organization.
- 10.1.2.10 Promotions as well as vacancy driven positions are subject to approval of the General Manager.
- 10.1.2.11 Employees shall be promoted to positions which at least one grade higher than their current ones, and their new job titles have to be in line with Company's titles.
- 10.1.2.12 Priority shall be given to women if they get equal result with men when competing for promotion.
- 10.1.2.13 On promotion to a higher grade, employees shall receive the entry pay of the new grade and if the applicant's salary exceeds entry pay horizontal salary level may be considered. They shall also be eligible for benefits applicable to the new grade.
- 10.1.2.14 Generally promotion committee shall comprise Factory Manager, Human Resource Development and Administration Director/Manager, Production and Techn. Manager, employee's Department and employee Administrator, however the members may be decided by General Manager as required.

### 10.1.3 PROCEDURE

- i. Whenever vacancies arise, the Human Resource Development and Administration Department should consider the possibility of promoting existing employees through internal vacancy from within before recruiting externally.
- ii. Employees who fulfill the requirements of and consider themselves suitable for the vacant positions may apply for the positions by responding to internal vacancy announcements.
- iii. Department heads shall fill the employment requisition form (SRMI-OF-084) for the vacant position and submit to Human Resource Development and Administration Department.
- iv. Internal vacancy announcement shall be posted on bulletin board for all companies employees.
  - v. The Human Resource Development and Administration Department shall review the competent applicant and exam day shall be scheduled and posted on bulletin board.
  - vi. Examination shall be conducted similarly as per Section-6 Recruitment-Selection.
- vii. The Human Resource Development and Administration Department shall fill promotion form (SRMI-OF-086) for the selected employee and submit to Director, Human Resource Development and Administration

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- viii. The Human Resource Development and Administration Director checks the promotion process whether it is conducted as per procedure and forwards with recommendation for General Manager Approval.
- ix. Upon approval of the promotion, the Human Resource Development and Administration Department (Head Office) shall prepare a letter incorporating all changes in terms and conditions of employment and send the letter to the promoted employees.
- x. Under exceptional circumstances, promotions driven by business/operational needs, individual merit and competency, and/or added responsibilities shall be considered on a case-by-case basis. Heads of Department shall provide full justifications when making recommendation of the promotion.

## **10.2 TRANSFER**

### **10.2.1 PURPOSE AND POLICY STATEMENT**

- 10.2.1.1** Internal transfer is encouraged by the Company as it gives employees opportunities to widen their exposure and pursue development in other streams within the Company and Sister Companies. It also enables the Company to deploy employees to areas where they can best contribute to and meet the manpower requirement and planning.
- 10.2.1.2** Transfer alone cannot be reason for salary increment.
- 10.2.1.3** It is the policy of the Company to consider internal transfer for existing employees whenever a suitable job opportunity arises. All things being equal, preference shall be given to internal candidates so that employees are provided with opportunities to widen their exposure and further their career development.
- 10.2.1.4** In an effort to match employee with the job for which he is most suited and/or to meet the business and operational needs of the Company, an employee may be transferred from his current job on permanent or temporary basis. This may be either at his/her request or as a result of a decision by the Company.
- 10.2.1.5** Reasons for transfer may include, but are not necessarily limited to, fluctuations in department workloads, shortage of raw material, serious machine failure or need long time maintenance, production flow, a desire for more efficient utilization of personnel, job rotation program as stated on 8.4.1.4, increased career opportunities; personality conflicts, demotion as stated on 10.3.2e, health; other personal situations; or other business reasons.
- 10.2.1.6** To be eligible to claim for the relocation allowance new location must exceed a 50km radius from the employee's original place of work.
- 10.2.1.7** Employee transfer request to sister company shall be approved by General Manager.

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## 10.2.2 PRINCIPLE AND PROCEDURE

- a. All employees shall have equal opportunities for transfer. It should be nondiscriminatory and based on job related factors. Sex, marital status, family status, race, religion should not be considerations for transfer.
- b. Employees may be transferred from one post to another or from one Department to another for career development or operational/structural reasons. Requests for transfer may be made by Heads of Department (See Interdepartmental Transfer form, SRMI-OF-202).
- c. Transfer shall be approved by Factory Manager and Human Resource Development and Administration Director in consultation with General Manager. A waiting period is normally required to enable the releasing Department to find a replacement.

## 10.3. DEMOTION

### 10.3.1 PURPOSE OF THE POLICY

To declare Company guidelines with regards to demoting employees and ensure uniform interpretation and application of this policy. A demotion is the movement to a job with a lower salary range and/or lower contribution level. A demotion results in a title change and may involve a decrease in salary.

### 10.3.2 PROCEDURE:

- a. A demotion may occur as the result of a disciplinary action or employee's poor performance and when it is found that the employee would be more appropriately placed in a lower level of responsibility.
- b. The Department Head shall recommend demotion to Human Resource Development and Administration Department based on performance evaluation result.
- c. Employee may raise a request by his/her own initiation for demotion due to medical ground or other acceptable reasons.
- d. Demotions of staff members to positions involving less responsibility and less skill must be fully documented (SRMI-OF-084), reviewed by Director, Human Resources Development and Administration and approved by General Manager.
- e. If the employee's performance evaluation is consistently inadequate, he may be demoted under conditions that,
  - i. Work performance over the last two evaluation periods has been below the minimum standard (the 'D' rate and below)
  - ii. Efforts to help the staff member to improve his/her performance is made and attested in writing
  - iii. The employee is previously notified in writing and counseled prior to the second evaluation that minimum performance results in demotion.

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- iv. Re-statement to the previous post may be considered after one year if there is vacant position, on the basis of a formal appraisal procedure and shall be approved by General Manager.

## **10.4 SEPARATION MANAGEMENT**

### **10.4.1 PURPOSE AND POLICY STATEMENT**

This policy sets out the conditions and procedures relating to termination of employment. It aims to ensure that the Company is in line with good employment practice and complies with the statutory requirements. This section covers policies relating to employee resignation, termination, payment of pension and exit interviews.

### **10.4.2 PROCEDURE**

- a. The termination of service in the company, whatever the reason, shall be effected after declaring clearance (SRMI-OF-081).
- b. Any employee resigning from the company shall be required to fill an exit interview form (SRMI-OF-079) and Exit Monitoring Questionnaire Form (SRMI-OF-209).
- c. A contract employee's employment shall normally terminate as a result of one of the following occurrences; Voluntary Resignation, Termination of Contract with notice, Termination of Contract for Cause, Termination of Contract on Medical Grounds, Death, Early Contract Completion, End of Contract and Retirement.

#### **10.4.2.1 VOLUNTARY RESIGNATION**

- a) A contract employment may be terminated by either party giving notice in writing or payment in lieu as specified in the contract of employment, the labour law and administrative guidelines.
- b) When an employee voluntarily resigns without demand or request from the Company he/she shall give 30 days prior written notice to the employer as per the prevailing labor proclamation in force.
- c) The company can terminate the services of an employee for reasons other than 'cause' by giving the required period of notice in accordance with the employee's terms and conditions of employment, the labour law and administrative guidelines.

#### **10.4.2.2 TERMINATION FOR CAUSE**

See termination for causes as listed on the disciplinary procedure (Classification of offenses: Section 18.7).

#### **10.4.2.3 TERMINATION OF CONTRACT ON MEDICAL GROUNDS**

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The company may terminate employment at any time if an employee becomes unable to perform his/her duties efficiently due to medical reasons, based on medical opinion by Medical Doctor from government hospitals and recognized private hospital, but medical grounds results from neglect of medical instructions sick pay rules shall not apply and the employee shall receive due notice, in accordance with the employee's terms and conditions of employment.

#### **10.4.2.4. DEATH OF AN EMPLOYEE**

Upon death of any permanent employee who dies while an employee of the company, salary owing, unused vacation leave and overtime payment shall be paid to the beneficiary designated or legal heirs and the employee shall be canceled from payroll immediately.

#### **10.4.2.5. RETIREMENT**

An employee may be retired as per Private Organization Employees Pension Procl No. 715/2011 enforce. Employees who wish to retire must submit a statement of intent to do so to Human Resource Development and Administration Department; and the Human Resource write letter to the local Service Servants' Pension office as per the office's format. The company's Finance Department shall stop the deduction of pension contribution. The retired employee shall be notified about his retirement status with (RETIREMENT NOTICE SRMI-OF-090). See also the directive issued on February 17, 2015.

### **10.5. TERMINATION PAY**

- 10.5.1** Any outstanding vacation balances, overtime, severance pay (who serve the Company five and more years) and remaining salary are paid out as part of the final settlement (SRMI-OF-093).
- 10.5.2** Employees who separate from the Company with outstanding advances/loans extending beyond their last working day shall be required to repay the loan amount
- 10.5.3** Employee s salary shall be withheld a month prior to the effective date of the resignation subject to the completion of the Clearance Form (SRMI-OF-081).
- 10.5.4** Upon termination of employment, all accrued benefits calculated in accordance with the respective terms and conditions of employment shall become due and payable to the employee or his/her nominee in case of death with a form (SRMI-OF-093).
- 10.5.5** An employee with five (5) years and above of service and who has his/her employment terminated for reasons other than just "cause" shall be entitled to severance pay as per the prevailing Labour Law.

### **10.6. CERTIFICATES OF SERVICE**

Certificates of service shall be issued to employees as per the Labour Proclamation No. 1156/2019 enforce and copy of any certificate of service issued shall always be placed on the employee's personal file (SRMI-OF-203A and on duty SRMI-OF-203B).

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## SECTION ELEVEN

### EMPLOYEE TURNOVER AND EXIT MONITORING PROCEDURES

#### 11.1 PURPOSES AND SCOPE OF EMPLOYEE TURNOVER POLICY

- a. These procedures for monitoring employee turnover are concerned with the management of turnover within the Company and the information obtained shall be used to record, analyze and report its prevalence, patterns or trends.
- b. The purpose of exit monitoring is to ascertain the reasons employees choose to leave the Company, in order to
  - i. identify and remedy some of the defects in the management of employees
  - ii. recruit and retain good employees
  - iii. improve productivity
  - iv. reduce employee turnover, where appropriate
  - v. These procedures apply to the monitoring and reporting of voluntary employee turnover for all permanent employees.

##### 11.1.1 GENERAL

11.1.1.2 Turnover can have the following negative consequences:

- a. High replacement costs
- b. Operational disruption
- c. Loss of key skills, knowledge and experience
- d. Employee dissatisfaction and loss of morale
- e. Further turnover may be stimulated by an increase in the workload, or pressure on, those who remain in the Company.
- f. Productivity and creativity may diminish

11.1.1.3 Turnover may have the following positive consequences:

- d. Vacant posts provide opportunities for re-structuring sections or departments
- e. Vacancies in key posts shall increase internal promotion prospects
- f. Promotion of innovation, flexibility
- g. Reduction of pay bill costs – initial employment cost of replacement staff may be lower
- h. Displacement of poor performers
- i. Adjustment of staffing mix to provide greater flexibility

11.1.1.4 The Company also recognizes most recruitment is to replace employee turnover. Although not all turnovers are preventable or desirable, there is a need to understand the causes of ‘controllable turnover’.

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### 11.1.2 PROCEDURE

- i. Employee who leaves the Company shall submit resignation request in writing to Human Resource Development and Administration Department.
- ii. Department Head comments the employee's resignation request and return to Human Resource Development and Administration Department.
- iii. Employee Administrator shall supply Exit Monitoring Questionnaires to employees upon receipt of their notice of resignation and conduct exit interviews with employees who are leaving the Company.
- iv. The employee administrator is responsible for recording, analyzing and reporting all information collected in relation to employee turnover. He/she is also responsible for conducting exit monitoring, analyzing and reporting on the information obtained.

### 11.1.3 COLLECTING AND MEASURING EMPLOYEE TURNOVER

- a. Reliable employee turnover measures can be used to establish the overall magnitude of turnover within the Company, what proportion is voluntary and whether specific groups of employees are experiencing higher turnover rates. Comparisons between departments and with other similar companies can be made.
- b. Upon receipt of a notice of resignation from an employee, the department concerned must complete and forward to Human Resource Development and Administration Department within 48 hours. To facilitate exit monitoring, the employee shall also be issued with an SRMI-OF-209 Exit Monitoring Questionnaire.

## 11.2 EXIT INTERVIEWS AND MONITORING

**11.2.1** Exit monitoring tasks need to establish the real reasons for leaving, any problems or grievances, if and how the job differs from the job description and, if the job needs redesigning, what kind of person should be recruited as a replacement etc.

**11.2.2** Employees shall, depending upon circumstances, be asked to participate in leaver survey or an exit interview

- a. Leaver Surveys- Subsequent to submission of their notice of resignation, employees shall receive an Exit Monitoring Questionnaire from the Human Resource Development and Administration Department and completed questionnaire shall be returned back.
- b. Exit Interviews- Exit interviews shall be conducted by Employee Administrator. These shall be undertaken on a random, face to face, basis or where a pattern emerges or a problem is identified.

### 11.2.1 SCOPE AND POLICY

The objective of this policy is to outline how and when exit interviews and Exit Monitoring shall be held. This policy shall be applicable to all Steely RMI permanent employees.



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### 11.2.2 PROCEDURE

- i. Upon receipt of a notice of resignation request, Employee Administrator shall contact the employee and invite them to participate in exit monitoring.
- ii. In order to enable the department concerned to identify problems or patterns at an early stage, employees who are leaving the Company shall be interviewed by their immediate supervisor and if no agreement reached then Human Resource Development and Administration Department shall interview the employee.
- iii. If the last resort is accepting the resignation, than completion of a confidential Exit Monitoring Questionnaire Form (SRMI-OF-209) or Exit Interview Form (SRMI-OF-079) before or on the last working day with Human Resource Development and Administration Department shall be mandatory tasks for employees leaving the Company.
- iv. Organizing the exit interview shall be the responsibility of Human Resource Development and Administration Department.
- v. Exit interviews shall not be made in cases of termination of services for gross misconduct by the employee.
- vi. In the exit interview, the reason for the employees exit and opinion about the Company shall be covered.
- vii. A copy of the exit interview shall be retained with Human Resource Development and Administration Department.
- viii. On a periodic basis the exit interview data shall be collected and reviewed by the Human Resource Development and Administration Department.
- ix. Exit interviews documents shall be confidential (See Section 3.1J- Rules of Conduct and Business Ethics). Only the trend and analysis of the exit interviews shall be shared with the respective immediate supervisor and senior management as appropriate.

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## SECTION TWELVE HEALTH, SAFETY AND ENVIRONMENT

### 12.1. PURPOSE OF THE POLICY AND SCOPE

The Company endeavors to provide a safe and healthful environment for its employees, Trainee students/ internship students, casual laborers, customers, visitors, and other personnel while on Company premises.

### 12.2. GENERAL RESPONSIBILITIES

- a) Health, Safety and Environment Section in consultation with Department Heads are responsible for establishing procedures, practices, and programs that minimize the risk of personal injury to the employees that they supervise, as well as Trainee students/ internship students, casual laborers, customers, visitors, and other personnel who use the Company facilities and/or equipment under their control.
- b) Supervisors as well as Safety Supervisor/Officers shall report immediately any potentially unsafe or hazardous condition to the Human Resource Development and Administration Department.
- c) Employees are required to follow the procedures (SRMI-WP-002 and SRMI-OP-010) and practices that have been established for their safety and the safety of others. This includes but is not limited to the use of safety and environmental protection devices when required and adherence to procedures outlined in the Company Health and Safety Policy.
- d) Employees are expected to report immediately any potentially unsafe or hazardous condition to their supervisor and Safety Officer.

### 12.3. PROCEDURE

- a. Supervisors shall report immediately each injury/accident incidents to the Safety Supervisor/Officer as well as Human Resource Development and Administration Department.
- b. The Accident notification forms (*SRMI-OF-198*) must be completed, reviewed, and returned to the Human Resource Development and Administration Department.

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- c. The Human Resource Development and Administration Department shall review and monitor all reports of work related injuries and shall be responsible for obtaining any required medical documentation.
- d. Employees benefits who are injured in the course of employment and who are absent from work for such reasons shall be treated in accordance with the prevailing Ethiopian Government Labor Proclamation in force and collective agreement.
- e. Employees who are injured in the course of employment shall be given first aid Assistance with company's clinic (see SRMI-OF-083, SRMI-OF-088, SRMI-OF-089).
- f. Employees who witness a personal injury or an accident on Company premises or at a Company activity are expected to report promptly the incident to the Safety Officer as well as Human Resource Development and Administration Department.
- g. Employees who receive any form of communication, correspondence, or inquiry from any source concerning an observed injury or accident shall notify immediately to the Safety Officer.
- h. Employees shall not provide any oral or written statements or reports concerning an observed injury or accident to any attorney, investigator, insurance or other party without prior approved by Human Resource Development and Administration Department.

## **12.4. PERSONAL PROTECTIVE EQUIPMENTS (PPE)**

**12.4.1** The detail working procedure is outlined at SRMI-WI-002 and Company Safety and Health policy issued on April 2016 and the prevailing collective agreement.

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#### 12.4.2 Personal Protective Equipments distribution as per work post

S/no.	Work Post	The Type of work uniform issued	Quantity
1	Ladle Gate Attendant Leader, Ladle Attendant – CCM, Ladle Gate Attendant Asst., Melter, Furnace Scrap Feeder, Waste Cutter and Asst., Metal Cutter, Scrap Cutter and Asst. Scrap Cutter and welder mechanic	Leather apron/ የቆዳ ሽርጥ	Two in a year
2	For Welder Mechanic, Adjuster Mechanic, Welder, Mechanic who working at welding		one in a year
3	Manual Billet Cutter		
4	Administration, Store and Finance employees	Safety Shoes/ ሴፍቲ ጫማ	one in a year
5	(Melting, Rolling Mill, Workshop, Garage, Electric and oxygen plant) employees and Safety Officer, and Chine's Employees		Two in a year
6	Driver & Asst., Carpenter & Asst.	Trousers and coat/ኮትና ሱሪ	one in a year
7	(Quality Control, Melting, Rolling Mill, Electric, Workshop, Garage, Oxygen-Plant) employees and Forklift Operator & Asst. and Chine's Employees		Two in a year
8	Gardener, Toilet Cleaner	Overalls/ቱታ	one in a year
9	O2 & Acetylene Store Clerk/Keeper, loading & unloading workers	Clothe Cap/ የጨርቅ ኮፍያ	Two in a year
10	Chemical Laboratory (Melting) employees, Metal Cutter and Asst., Scrap Cutter and Asst., Scrap Loading & Collecting, Billet Cutter and Asst.	Local Cap/ የሰሌን ኮፍያ	Four in a year
11	Safety Officer		one in a year
12	K14 Conveyor Operator, K14 Head cutter & tail cutter, K8 Manual Shear Operator and K8 Waste Remover, Mill Coordinator, Adjuster Mechanic, Mill Head and Foreman, Electrician and Asst., Workshop Head and Foreman, Machinist, Machine Operator, O2 Machine Operator Shift Leader, Board Attendant and Pump Attendant, and Chine's Employees	Ear muffle የጆሮ መከላከያ	Two in a year

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13	Safety Officer		one in a year
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S/no.	Work Post	The Type of work uniform issued	Quantity
14	Billet Charging/ Discharging Operator K14 Head Cutter (Metal Cutter)and Tail Cutter	Ear plug	one in a year
15	Crop Shear Operator		Two in a year
16	Quality Controller, Cutter, Fork Lift Operator and Asst., Melting Coordinator, Tundish Attendant and Asst., Ladle Attendant and Asst., Ladle Crane Operator, Ladle Gate Attendant and Asst., Sample Supplier, Cast Sorter, Melter, Explosive Sorter, Furnace Scrap Feeder, Welder Mechanic, Furnace Hose Cleaner, Scrap Loading & Collecting, Final Product Counter, Adjuster Mechanic, Machinist, Mill Foreman, Reheating Furnace Operator and Asst., Billet Charging/ Discharging Operator , Roughing Mill Operator and Attendant, K14 Conveyor Operator, K1-K14 Cooling bed Attendant, 10 Ton Crane Operator, Billet Cutter and Asst., Furnace Slag Remover(Cleaner), Electrician, Work Shop Foreman, Auto Mechanic and Asst., Tyre Man and Asst., O2 Machine Operator, Oxygen Cylinder Filler and Board attendant and Chine's Employees	Eye Goggle	Four in a year
17	Fork Lift Operator and Asst.,	Eye Goggle	one in a year
18	5 Ton Crane Operator and Asst., Ladle, Tundish & Furnace Repair , Furnace Maintenance, Ladle &Tundish Chiseler, Cleaner, Reheating Furnace Operator, Roughing Mill Operator and Attendant, Mill Foreman, Machinist, Mechanic, Auto Mechanic and Asst., Tyre Man, Machine Operator (O2), Oxygen Cylinder Filler , O2 &Acetylene Store Clerk/Keeper, Board attendant, Machine Operator (O2), Oxygen Cylinder Filler and Board attendant , Furnace -Board attendant, Chemical Store Loading & Unloading, quality control	Dust Mask/የአቧራ መከላከያ	Four in a year
19	Machinist, Mill & Furnace Crane Operator, Auto mechanic, Tyre Man		Four in a year

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S/no.	Work Post	The Type of work uniform issued	Quantity
20	Chemical Laboratory, Quality Controller		Two in a year
21	Chemical Laboratory, Quality Controller, Furnace-Crane Operator, Ladle Gate Attendant, Sample Supplier, Melter, Explosive Sorter, Furnace Scrap Feeder, Maintenance Forman, Furnace-Mechanic, Furnace Maintenance, Adjuster Mechanic, Reheating Furnace Operator and Asst., Tundish Attendant, Ladle Attendant – CCM, Chemical Store Loading & Unloading	Chemical Mask	Four in a year
22	For employees working at Rolling Mill, Melting, Quality Control and Gantry Crane	Helmet	One in two years
23	Department Heads		
24	For Security and Protection employees	Rain Coat	One in two year
25	Department Heads, Health Assistance, Safety Officer, Secretary, Personnel Administrator, General Service Officer, Personnel Clerk, Foreman, Scrap Advisor, Senior CNC Machinist, Drafts Man, Purchaser and Accountant	Tissue Paper (Soft) and Hand soap	One per month
26	For Cleaner working at toilet, mechanic welder	Plastic Boots	One in a year
27	For Welder Mechanic, Adjuster Mechanic, Welder, Mechanic who working at welding	Welding Shield/	One in a year
28	Electric Head, Fork Lift Operator and Asst., Machinist , Senior CNC Machinist, Cold Shear Machine Operator, Electrician , Machine Cleaning & Asst., Work Shop Foreman, O2 Machine Operator, Oxygen Cylinder Filler and Chine's Employees	Clothe <b>Glove/ የጤርቅ ጓጓት</b>	One per two month
29	Time Keeper, Nurse, Interpreter, Secretary, Cleaner, Store Keeper, Draft Man, Dep't Heads, Personnel Clerk, Cook	Over coat/	Two in a year

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S/no.	Work Post	The Type of work uniform issued	Quantity
30	Furnace Scrap Feeder and Welder	Leggings/ገንብሌ	One in a year
31	Guards and Security	Trousers Coat and Shirt /	Two in a year
32	Guards and Security	Overcoat /	One in two years
33	Waiter/ waitress	Clothe Apron/ሽርጥ	Two in a year
34	For all employees	Body soap 250gm, Ajacks soap 200gm	1/month
35	Cleaner	Plastic Apron/	One per three months
36	Cook	ሻሻ / ለምግብ ሰራተኛ	Two in a year



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## SECTION THIRTEEN BENEFITS ENTITLEMENT

### 13.1 PURPOSE OF THE POLICY AND SCOPE

The objective of this policy is to outline the type and level of benefits employees are entitled to receive. This policy shall be applicable to all permanent and contract employees of the Company.

### 13.2 SERVICE TRANSPORTATION

- a. The Company shall provide for factory employees with a free bus service from certain designated areas to Steely RMI Factory (Bishoftu Employees) and vice versa.
- b. Vehicles movement shall be controlled by Transport Supervisor. (SRMI-OF-074 Minibus and Service Follow-Up Sheet and SRMI-OF-148 vehicle Transportation Controlling Form)
- c. Company transport shall be provided along established route at scheduled times during normal working days for less than 10km from the factory location.
- d. Routes and times of arrival of the Company transport at various pick up points shall be prepared by Human Resource Development and Administration Department and employees shall be informed on time.
- e. Employees shall wait the transport service at the pickup points early at certain parking place so as not to miss the Company transport.

### 13.3 ANNUAL SALARY INCREMENT

- a. Employee shall be eligible to annual salary increment, if his/her performance appraisal is  $\geq 70\%$ .
- b. Employee shall be eligible to annual salary increment, if he/she have remained in good standing with the entity for at least six month before the production year-end of the year, and have not received final written warnings within six months.
- c. All permanent employees with service year within the company for six month and above shall be eligible to get annual salary increment.
- d. For employee who registered exceptional outstanding performance and creativity or improvement, the top management may see his/her annual salary increment differently from the normal salary increment plan and bonus.

### 13.4 PERFORMANCE BONUS/ (PAYMENT FOR SUCCESS)

- a. This Annual Employee Bonus Plan is designed to provide an effective means to motivate and compensate eligible employees, on an annual basis, through cash award bonuses based on the achievement of business and individual performance objectives during each production year.

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- b. All permanent employees with service year within the company for six month and above shall be eligible to receive a bonus under the plan.
- c. Depending on the performance against its annual production plan and cost reduction of the company and overall business considerations, bonus may be granted.
- d. Annual bonus payment is effected depend on cost reduction in terms of wastage (like under quality or reject, iron oxide, damaged product, cobble, Fuel, lubricant and HFO, off-cut)
- e. If 86-95% planned performance and 4-6% cost reduction is registered of the end of the budget year then a one month bonus shall be given at the end of production year,
- f. And if  $\geq 96\%$  planned performance and  $\geq 7\%$  cost reduction is registered, then the bonus payment shall be two months' salary.
- g. In order to get bonus, both measurement factors annual plan performance and cost reduction.
- h. If one criterion fulfilled as per 'e' and the other criterion fulfilled as per 'f' or vice versa then the bonus shall be one month salary.
- i. Employee shall be eligible to annual performance bonus plan, if his/her performance appraisal is  $\geq 70\%$ .
- j. Employee shall be eligible to annual performance bonus plan, if he/she have remained in good standing with the entity for at least six month before the production year-end of the year, and have not received final written warnings within six months.
- k. For employee who registered exceptional outstanding performance and creativity or improvement, the top management may see his/her annual salary increment differently from the normal bonus plan. For creativity or improvement see art 20.3.

### **13.4 INCENTIVE**

Depending on performance achievement of an individual incentive may be given on monthly basis and it may be canceled any time due to the employee poor performance or any offence he/she does.

### **13.5 PRODUCTIVITY PAYMENT**

Depending on monthly total production and employee monthly performance evaluation, to those who exceed their set target production the company may give monthly productivity payment. However, the company has the right to cancel this benefit package at any time by its own discretion.

### **13.6 LOAN**

When an employee asks with a complete Salary Loan and Approval form (SRMI-OF-076) for a salary loan, he can borrow from one month salary up to five months salary interest free loan and payable according to the internal directive issued on March 21, 2015. But the company has full authority to cancel this benefit any time at its own discretion.

### **13.7 CAFETERIA CREDIT FACILITY AND OTHER**

- a. When an employee asks with a complete Cafeteria Credit Request form (SRMI-OF-072) for a cafeteria credit facility, he/she shall be served on credit basis with bilateral

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agreement with the Cafeteria owner. Based on the document from the cafeteria the amount he/she served shall be deducted from his/her monthly salary by the company and to be repaid to the cafeteria owner.

- b. The company shall provide employees one bread with a cup of tea per day per shift on tea breaks.

### **13.8 FUNERAL PAYMENT AND TRANSPORT SERVICE**

- a. Any employee who had been completed his probation period and dies, the Company shall give ETB 8,000.00 (Five thousand birr) to the family of the employee to cover the expense of the burial ceremony.
- b. Company shall also provide transport service up to 250km from Bishoftu for delivering the corpse to burial place.

### **13.9 LONG SERVICE AWARD / END OF SERVICE**

The Company shall give employees engaged on contracts of employment of unspecified duration who have completed the continuous service due to retirement age, are eligible to receive service award as per the directive issued on February 17, 2015, article 2. But the benefit shall not be given for those employees whose contract of service terminated by his/her initiation.

### **13.10 PRIVATE EMPLOYEE PENSION SCHEME**

- a. The employee pension scheme shall be handled by Private Organization Employees Pension Procl No. 715/2011 and the internal directive issued on 18/02/15,
- b. Employee has responsibility of completing the appropriate pension forms accurately, completely (by attaching his and dependants photo) , and within applicable timeframes for such things as change of address, addition of dependent, and other significant matters that can change. Otherwise for the problem happened due to those reason the company could not be blamed.
- c. Employee shall notify about change regarding his family status with supporting evidence within 30 days of the occurrence of such change.
- d. The company shall not be responsible for an employee who fails to organize, keep and timely submit his/her necessary data to the company within 30 days.
- e. The company shall deduct contributions of its employees from their salaries and pay the amount, together with its own contributions to the pension fund on monthly basis.
- f. The company starts deduction of its employee contribution within the first working days of the following month.
- g. The period of service of employee of a private organization shall begin with the date of his employment.

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- h. The company shall notify employee retirement date before 6 months of his/her retirement in written (see SRMI-OF-090 Retirement- Notice).
- i. A retired employee may be rehired for definite period depending on his/her health and working capability up on the General Manager approval.

### 13.11 PHONE PAYMENT

For qualified employees based on responsibility and job duties that require the frequent use of cell phone, the Company may provide pre-paid or post paid telephone.

### 13.12 MEDICAL COVER

- a. Employee's accident and injury shall be handled as per the prevailing Labour proclamation no. 1156/2019 art. 105-106.
- b. The company shall cover 60% of cost of health care, for the permanent employee & contract employees who signed contractual agreement for one year and above, due to illness for local medical treatment.
- c. The company shall cover employee medical expense up to ETB 10,000.00 (Ten thousand Birr) limit for specific budget year.
- d. Employee shall get medical service from any government hospital or clinic & the medical expense shall be approved by Human Resource Development and Administration Department, or shall get medical service from any hospital or clinic selected by the company for refund as per the internal directive.

### 13.13 INSURANCE

- a) The objective of workmen's Compensation Insurance is to provide cover to the death or bodily injury of workers/employees by accident occurring at the place of work or arising from the work and during the time of work subject to the terms and conditions of the policy and the law of the country.
- b) Insurance shall be handled as per the prevailing Labour proclamation no. 1156/2019 art. 109-112.
- c) Workmen's compensation insurance or personal accident insurance shall be provided to all employees regardless of their employment status.

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- d) The company shall require disablement assessment certificate from a designated board of medical doctors.
- e) When an employee dies, the death benefits provided for under the terms of the insurance, shall be paid to the deceased employee's legal heirs.
- f) In all cases of permanent partial disablement, the employee shall be provided with proportionate compensation as specified under the terms of the insurance.

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## SECTION FOURTEEN LEAVES

### 14.1 PURPOSES AND POLICY STATEMENT

- 14.1.1 To define when employees are eligible for, or may be placed on, a leave of absence for administrative reasons.
- 14.1.2 All requests for a leave of absence must be made on a Leave of Absence Request Form SRMI-OF-127, for expatriate Vacation Leave SRMI-OF-168 and Leave Monitoring Form SRMI-OF-206 for the particular leave.
- 14.1.3 Failure to return to work upon the expiration of the leave may result in voluntary termination of employment.

### 14.2 ANNUAL LEAVE

- a) Employees shall take their annual leave as per annual Leave schedule (See SRMI-OF-059). The annual leave schedule shall be made in suitable months within the year, by reconciling the type of the work with the benefits of the Company and the employee.
- b) Annual leave for the first year of service is 16 working days and an additional one leave day shall be granted for every two years of services.
- c) All Department manager/Head shall work out annual leave schedule of their subordinates by consulting them and made known to the employees. However, vacation period may be adjusted/ dictated by unforeseen circumstances.
- d) Only the urgent matter indicated under the labour proclamation 1156/2019, article 79 sub articles 1-5 and article 79 sub articles 1-3, it is possible to postpone annual leave or to discontinue annual as per the General Manager's approval. In addition it is not possible to postpone annual leave beyond two budgetary years.
- e) If the leave of absence is not foreseeable, the employee must provide notice to his or her immediate supervisor as soon as possible. Medical certifications and/or other documentation supporting the need for the leave may be required.
- f) An annual leave which has been discontinued due to an illness or due to pregnancy leave shall be valid and shall continue.
- g) Vacation accrued but not used by the employee, within the prescribed time period, shall be deemed forfeited unless postponed by the General Manager.

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### 14.3 BEREAVEMENT LEAVE

If there is a death in the family, employees may take up to three working days off as leave with pay. The family is defined as spouse, son, daughter, mother, father, mother-in-law, father-in-law, sister, brother and grandparent.

Bereavement leave shall be given based on the following conditions:

- a. All permanent employees are eligible.
- b. The Company may request verification of the death.
- c. The employee's supervisor shall cross check with Human Resource Development and Administration Department about the employee's relationship to the deceased prior to releasing employee.
- d. The employee shall provide death certificate from *Eder* or local government organ.

### 14.4 SICK LEAVE

- a. Any employee, who has finished his probation period, when he has got an illness which is not related with the work, shall be entitled to get a sick leave.
- b. The exact period of sick leave as per Proclamation. No. 1156/2019 Art. 85 and 86 shall be determined, in the manner, indicated herein below
  - i. The first one month with 100% of his wages
  - ii. The next two months with 50% of his wages
  - iii. The next three months with no pay
- c. An employee shall be entitled to sick leave up on presenting a valid medical certificate from medical doctor of recognized medical facility.
- d. While an employee is on a sick leave, not related with the work, and therefore when his employment contract is terminated, his/her sick leave too shall be terminated simultaneously.
- e. Sick leave due to sickness other than resulting from injury at work place shall in no case, be more than six months counted consecutively or separately in the course of any twelve months period starting from the first day of his/her sickness.
- f. Where an employee absents himself/ herself from work on ground of sickness, he/she shall, except where the employer is in a position to be aware of the sickness or it is impractical, shall notify the company the day following his absence.
- g. No payment shall be made in lieu of sick leave not used by an employee and it shall not be postponed.

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#### **14.5. LEAVE WITHOUT PAY (UNPAID LEAVE)**

- a. An employee shall be entitled to leave without pay for up to five consecutive days in the case of exceptional and serious emergency events. However, such leave may be granted only once in a budget year.
- b. An employee, on account of difficulties he/she may encountered on an emergency basis or conditions/ for legitimate personal reasons, shall be given a leave of absence without pay upon the approval of his/her Department Manager/Head as per article 14.5(a).
- c. Requests up to and including 7 consecutive days must be submitted in writing with appropriate substantiation for the request. However, no employee shall be granted leave without pay before utilizing his accrued annual leave and during a period of unpaid leave.
- d. Any right by the employee to receive accrued benefits shall be suspended during leave without pay. Moreover, a public holiday occurring within a period of leave without pay shall also be unpaid.
- e. Requests shall be submitted to the Department Head/designate for review, and then forwarded to the Employee Administrator. The Employee Administrator reviews and forwards to the Human Resource Development and Administration Department manager for final review and authorization.
- f. Confirmation is sent to the employee by the Department Head with copies sent to the Human Resource Development and Administration Department and Payroll section or department.

#### **14.6 MATERNITY**

- a. Any pregnant permanent employee of the company shall be given a leave of absence for medical examination with pay, on the basis of the order given by a medical doctor.
- b. As per Labour Proclamation No. 1156/2019, article 88(3) any pregnant employee shall be granted a period of 30 consecutive days paid leave of antenatal and 90 consecutive days paid leave after the date of delivery, for postnatal care.
- c. After the employee completes her maternity leave and that when a medical doctor confirms that she needs a sick leave for her sickness; she shall be entitled to get a sick leave in accordance with the proclamation No 1156/2019, article 88.
- d. If the employee encounters a difficulty and provide appropriate justification she can take her annual leave with pay, in addition to the sick leave that she has taken.



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- e. An expectant employee is required to produce to the company, a medical certificate detailing the expected date of delivery.
- f. If the pregnant employee aborts after the 7<sup>th</sup> month of her pregnancy and this has been interpreted as though she has given a birth to a child and confirmed by medical doctor and she shall be entitled to get her maternity leave.

#### **14.7 PATERNITY LEAVE**

Biological father of a child who have or expect to have responsibility for the child's upbringing, are entitled to three consecutive days paid paternity leave after the date of the delivery to care for his newborn baby and wife. The Human Resource Development and Administration Department must have documentation to verify the marriage legal status and the date of delivery.

#### **14.8 MATRIMONIAL LEAVE**

- a. The company may give three working days marriage leave of absence with pay, for those employees who shall celebrate their legal marriage ceremony for the first time.
- b. A marriage leave of absence is given only once to an employee.
- c. All employees shall avail a photocopy of their marriage certificate to Human Resource Development and Administration Department for inclusion in their personal file.

#### **14.9 PUBLIC HOLIDAYS**

The public holidays, mentioned in Labour proclamation no. 1156/2019 art 73 shall be construed as public holidays with pay.

#### **14.10 LEAVE FOR SPECIAL PURPOSES**

Leave for special purpose shall be granted to employee as per the Proclamation. No. 1156/2019 enforces. Special purpose shall includes the following:

- a. A workers who appears at hearings before bodies competent to hear labour disputes or to enforce labour laws shall be granted leave with pay only for the time utilized for the said purpose.
- b. A worker shall be granted leave with pay for the purpose of exercising his voting rights or discharging his obligation as a witness before judicial or quasi-judicial organs.

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- c. The manner in which educational or training leave is to be granted and the form and extent of the financial assistance to be provided may be determined in a collective agreement or work rules.

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## SECTION FIFTEEN

### WORKING HOURS

#### 15.1 HOURS OF WORK (Normal and Shift hours)

- a. Normal hours of work shall not exceed eight hours a day or forty-eight hours a week.
- b. Normal working hours of the company offices shall be as follows:-  
Monday-Friday: Morning 8:30am – 5:30 pm (for Head Office Employees- Addis Ababa)  
Saturdays: Morning 9:00am – 12:00 am (for Head Office Employees- Addis Ababa)  
Monday-Saturday: Morning 8:00am – 5:00 pm (for Factory management employees- Bishoftu)
- c. Factory employee working hours may change from time to time and shift work hours shall be adjusted accordingly by the management decision based on work condition.

#### 15.2 OVERTIME

- a. Employees are compensated for hours work performed after normal working hours and payment of over-time work shall be calculated in accordance with the provisions of Labor Proclamation 1156/2019 in force.
- b. Employees shall be paid the regular hourly rate for all hours actually worked up to and including forty-eight (48) hours during the workweek. As a condition of employment, employees shall work overtime as required by the operational needs of the Company. Abuse of overtime by supervisors can be causes for administrative action.
- c. Supervisors are required to maintain complete and accurate records of the hours worked each day by the employees they supervise and Time Keepers are also responsible in rechecking the overtime sheet against attendance records which they received from departments. (see SRMI-OF-146)

#### 15.3 MEAL PERIODS

For the employees who work on shift basis 30 minutes meal periods/break shall be given to them for recreation and to eat their food. This shall be construed as part of the normal working hours. However, for those types of works which must not be discontinued, the manner, in which a break is given, shall be decided by the company.

#### 15.4 WEEKLY REST DAYS

In as much as possible Sunday shall be a day for rest. However, for those employees who work on a shift basis it shall be counted as one of the weekly rest days of the employee. Moreover, Saturday afternoon is considered as weekly rest days for Head Office employees.

#### 15.5 OTHERS

- 15.6.1 Employee may be given temporary time off if it is needed through the Time-Off Form **SRMI-OF-092.**

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15.6.2 Employee shall move from departments to Administration or other working areas with the Permission Form **SRMI-OF-165**.

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## SECTION SIXTEEN

### REMUNERATION

#### 16.1 SALARY POLICY

##### 16.1.1 PURPOSE AND POLICY STATEMENT

**16.1.1.1** Steely RMI aims to provide employment which offers fair and equitable remuneration in relation to responsibility and performance. The salary policy of the Company is designed to attract, motivate and retain a high-caliber workforce.

**16.1.1.2** This policy sets out the guidelines for salary administration in Steely RMI. It should be noted that while the Human Resource Development and Administration Department in consultation the Management Board formulates the salary policy and manage the salary administration, it is primarily the responsibility of Human Resource Development and Administration Department to execute the policy in accordance with the principles set out.

**16.1.1.3** The core objectives of this policy are to: Attract, retain, engage and motivate staff and executives, ensure a high standard of ethical behaviour is maintained at all times, treat employees with respect, remunerate fairly, recognize superior performance and have in place appropriate processes to resolve poor performance, provide a safe working environment, ensure business sustainability through the identification and development of successors for key roles.

##### 16.1.2 PRINCIPLES

###### I. Steely RMI's salary policy is governed by the following principles:

###### a) External Competitiveness

- i. The Company aims to pay salaries which are competitive in the market for similar jobs.
- ii. Consideration shall be given to the market pay levels, pay trend and supply and demand in the labour market.

###### b) Internal Equity

- i. All jobs are categorized into job grades with reference to the job contents and job sizes.
- ii. The same salary range shall be applied to individuals of the same job grade.

###### c) Individual Profile

Salary shall correspond with the employee's qualifications and experience.

###### d) Performance

Results achieved and personal efforts are prime factors in determining the salary progression of individual employees.

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**e) Cost Efficiency and productivity**

Steely RMI aims to achieve these principles at a reasonable cost and within budget which shall be depend on productivity and cost reduction success.

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### **16.1.3 SALARY ON TRANSFER AND RELOCATION**

**16.1.3.1** Employees transferring between divisions/departments on the same grade or to a different professional business stream without taking up a higher level of responsibility shall not receive a salary increase.

### **16.1.4 SALARY ON PROMOTION**

**16.1.4.1** Salary progression scheme shall be worked out as per Section 10.1.2.

### **16.1.5 CONFIDENTIALITY OF SALARY INFORMATION**

**16.1.5.1** Salary information is strictly confidential (See Section 3.1J- Rules of Conduct and Business Ethics). Only the individual employee, his Head of Department or his Immediate Supervisor and employees who process salary and benefit administration shall have access to the employee's salary information.

**16.1.5.2** Employees shall not disclose their salaries to persons other than their Heads of Department or his designated officer.

**16.1.5.3** Employees who have access to salary information in the course of their duties must handle the information with extreme care to ensure confidentiality.

## **16.2 PERFORMANCE MANAGEMENT AND BASE SALARY REVIEW**

### **16.2.1 PURPOSE**

**16.2.1.1** The objectives of pay review are to reward employees in accordance with their responsibilities and performance throughout the year. To review their remuneration against the market so that they are rewarded equitably internally and competitively with the market.

**16.2.1.2** From time to time throughout an employee employment, his/her performance shall be reviewed to facilitate ongoing development and continuous improvement. Any issues regarding employee performance shall be addressed at these times. There shall be an annual review of employee base salary. The above factors (16.1.2) shall be considered in determining whether a base salary increase shall be paid.

**16.2.1.3** Annual salary increment shall be conducted based on the company salary scale.

### **16.2.2 ELIGIBILITY**

a. It is not mandatory for the Company to conduct pay review for individual employees. Generally, employees who have successfully completed the probationary period on 30 June of the year may be considered for pay review.

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- b. Employees who are not entitled to pay review or have submitted their resignation letters prior to the formal notification of the pay adjustment shall not be granted any increase.
- c. Employee shall be eligible to annual salary increment, if his/her performance appraisal is  $\geq 70\%$ .
- d. Employee shall be eligible to annual salary increment, if he/she have remained in good standing with the entity for at least six month before the production year-end of the year, and have not received final written warnings within six months.
- e. All permanent employees with service year within the company for six months and above shall be eligible to get annual salary increment.
- f. For employee who registered exceptional outstanding performance and creativity or improvement, the top management may see his/her annual salary increment differently from the normal salary increment plan.

### **16.2.3 PROCEDURE**

- a. The pay review shall normally be conducted on August to September each year and the merit award shall be considered on performance achievement at the discretion of management.
- b. The Top Management may provide indicative adjustment rates for specific job grades or positions that require special attention. However, Human Resource Development and Administration Department in the consultation of Department Heads shall provide justification to the Top Management for any exceptional pay increase.
- c. Recommendations for pay review shall be subject to final approval of the General Manager.
- d. Department Heads or any person who have access to salary review information shall not make any premature commitment or disclosure to employees and doing so may cause disciplinary measures including termination of employment.

## **16.3 PAYMENT**

### **16.3.1 POLICY STATEMENT**

- 16.3.1.1** The Company ensures that salary and other related pay is issued to employees on a monthly basis.
- 16.3.1.2** All other conditions related to mode and execution of payment shall be as per the Ethiopian Government Labor Proclamation in force and collective agreement.

### **16.3.2 PROCEDURE**

- a. Time sheets are Controlled and completed by time keepers and checked by Employee Administrator/Personnel Officer and authorized by the Human Resource Development and Administration Manager or designate.



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- b. The deadline for submitting time sheets to Finance for Payroll is 2:00 PM via internet and the Hard copy shall follow on the 24<sup>th</sup> to 25<sup>th</sup> of the month before pay-day.
- c. Pay is usually issued through bank on 28<sup>th</sup> to 31<sup>th</sup> Gregorian calendar month. In case the 31<sup>th</sup> day falls on rest day or holiday, the day of payment shall be extended to the preceding working day.
- d. All salaries and wages shall be paid in cash or through bank by check or account.
- e. All Salaries and wages shall be paid directly to the employee or to a person officially delegated by him/her in writing and approved by Human Resource Development and Administration Department.
- f. Any legislated deductions (like Cost Sharing, Pension, Fine, income tax, Court order, Bonds, etc) are calculated in accordance with the legislation.
- g. Any other deductions (like Company Loan, Cafeteria Loan, Bonds etc,) may only be made or changed with the written authorization of the employee.

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## SECTION SEVENTEEN

### ALLOWANCE

#### 17.1 THE PURPOSE AND SCOPE OF THE POLICY

**17.1.1** To declare Company guidelines with regards to allowance and ensure uniform interpretation and application of this policy.

**17.1.2** This policy is applicable to all employees of the Company.

**17.1.3** The objective of Business expense and allowance policy is to outline the authorization, the rate/amount amount of payment and the authorized forms standards.

#### 17.2 TRAVEL ALLOWANCE

##### 17.2.1 PROCEDURE

- a) Business travel (including conferences and training) requires pre-approval from the Human Resource Development and Administration Department in consultation with General Manager.
- b) Travel expenses are reimbursed on a per-diem basis to cover accommodation, meals, transportation and related incidental expenses (see SRMI-OF-075 Per-diem Advance Form)
- c) Rates and mode of payment are outlined in the company per diem directive issued on October 12, 2014 and the prevailing collective agreement.
- d) All business travels shall be initiated by completion of Per-diem Advance Form (SRMI-OF-075) attested by the respective department manager and approved by Human Resource Development and Administration Department.
- e) The company shall determine the most practical means of transportation to be used.
- f) The Human Resource Development and Administration Department may allow higher per diem rates as per the government policy in consultation with the General Manager for places for situations which demand special consideration (like weather allowance).
- g) No overtime payments shall be effected during field trips unless otherwise approved by General Manager.
- h) Prior to travel abroad on company business, the employee's business trip plan must be approved by the General Manager or his nominated representative.
- i) All expenses associated with the business travel outside the country, such as visa, embarkation, vaccination, passport, photographs, transportation, airport departure charges/taxes and similar regulatory charges etc., shall be covered by the company and shall be settled with receipts.
- j) The routing of the Air Travel shall be determined by the company.

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- k) The employee shall be required to submit a business trip report and settle all expenses relating to the trip within one week after return.
- l) Foreign country business travel allowance rate and means of transportation shall be determined by the General Manager up on recommendation by Human Resource Director.

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## 17.3 CASH INDEMNITY ALLOWANCE

### 17.3.1 PROCEDURE

- i. The company management shall pay cash indemnity allowance at the rate of Birr 200.00 to Cashier and Birr 300.00 to Main Cashier per month unless otherwise changed by the General Manager.
- ii. Cash indemnity shall not be paid to an employee during the first 36 months. Instead the allowance shall be deposited in favor of the employee. However, it can be paid on monthly basis with salary to him/her deducting any shortage incurred by him/her after the thirty six months.
- iii. No cash indemnity allowance shall be paid if the Cashier or Main Cashier is found guilty for the cash shortage and shall be legally responsible for the lost amount.
- iv. Finance department shall check the petty cash balance every three months.

## 17.4 ACTING ALLOWANCE

### 17.4.1 PROCEDURE

- i. Acting work is performed temporarily on managerial position when the ordinary occupant (incumbent) is away due to different reasons and a person for acting assignment can come from within the department, from other department or from sister companies.
- ii. Acting allowance shall be given for acting work amounting to uninterrupted period of 30 days (short period acting) and more than 30 days (long term Acting) and shall be paid acting allowance 60 % of the difference between his/her current salary and the position salary for at most five months.
- iii. The period during which an employee is expected to work as acting should normally be not more than six months but in no case more than one year, after which the acting employee must either be place permanently on the post, transferred, or reinstated or any other measure shall be taken by the management.
- iv. A new employee cannot be eligible for acting before he has completed his probation period unless approved by the General Manager.
- v. Acting assignment must be approved by the General Manager and conducted in writing.

## 17.5 OTHER ALLOWANCES

Depending on the specific nature of each job, other allowances may be provided.

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## SECTION EIGHTEEN

### DISCIPLINARY AND GRIEVANCE CODE

#### 18.1 PHILOSOPHY

- 18.1.1** Steely RMI uses this discipline policy as a guide for the uniform administration of discipline. Employees and the company are best served when discipline is administered to correct actions rather than to punish. Except in the case of more serious infractions, the Company believes in a progressive disciplinary procedure that shall promote fairness and equality in the workplace and serve to guide and improve an employee's behavior.
- 18.1.2** Labour proclamation no. 1156/2019 and prevailing collective agreement is the source for disciplinary action management.

#### 18.2 SCOPE AND POLICY

- 18.2.1** Disciplinary action is intended to maintain the efficiency and integrity of the Company service. In the event of a violation of Company and/or department rules, regulations, policies or procedures, any one of the following actions may be used at any time according to the seriousness of the offense: Verbal Warning, Written Warning, Final Written Warning, Suspension and Dismissal /Discharge
- 18.2.2** Where possible attempts shall be made by the company to consecutively correct employees through a process of counseling before initiating the disciplinary procedure. In all instances the decision to counsel shall depend on the seriousness of the case. Written warning letters shall remain active on the employee's personal file for a period of six months from the date of issue and remain in the file permanently.
- 18.2.3** This policy applies to all employees, excluding casual employees.

#### 18.3 PRINCIPLE OF THE DISCIPLINARY CODE

The following principles shall apply:

- 18.3.1** Policy infractions shall be dealt with as soon as possible according to the disciplinary guidelines and the disciplinary procedure shall be applicable to all employees within the company.
- 18.3.2** Each offense shall be dealt with as objectively and privately.
- 18.3.3** Discipline shall usually be progressive, but depending on the severity of the offense, certain levels in the process may be omitted and immediate discharge shall be applied. Moreover, the application of disciplinary acting shall be firm, fair, consistent and with understanding.
- 18.3.4** The company may change the rules as and when deemed necessary or institute new rules from time to time which shall be effected in writing.

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18.3.5 Discipline may be administered by immediate supervisor, the employee administrator and Human Resource Development and Administration Mgr./ designee and depend on the seriousness of the offence the case shall be investigated with a committee and the necessary actions shall be taken with the consultation of G. Manager, Factory Manager, Human Resource Development and Administration Director and Legal Advisor.

18.3.6 It is the responsibility of an employee to report to his supervisor or a member of management that any transgression of company's rules by other employees that comes to his attention.

## **18.4 DISCIPLINARY RULES AND REGULATIONS**

**18.4.1** The contents of the reprimands shall be concise and to the point.

**18.4.2** The disciplinary action shall not be pending upon the receipt of the letter by the employee.

**18.4.3** The completed written reprimand shall be delivered to the employee in private, where practical.

**18.4.4** The disciplinary measure request form (SRMI-OF-204) shall be signed by the immediate supervisor and approved by the department head; and it must be submitted to Human Resource Development and Administration Department.

**18.4.5** It shall state the rules violated, or misconduct which has necessitated the disciplinary action

**18.4.6** It shall state that if the behavior continues or other problems occur, additional corrective measures shall be taken, including termination of employment.

**18.4.7** It shall indicate the applicable Labour Proclamation or Human Resource policy article, collective agreement or State/Regional law used to take this measure.

**18.4.8** It shall be labeled as a written reprimand or State clearly the stage of the action ( as oral, first, second, third, etc)

**18.4.9** It shall describe as specifically as possible the situation which prompted the reprimand; including day, date, time, location, and what the supervisor saw or heard; etc

**18.4.10** Reprimand shall remain in the file permanently, but not active for anything if its retaining period expired.

## **18.5 TYPES OF DISCIPLINARY MEASURES**

### **18.5.1 INFORMAL/VERBAL REPRIMAND**

- a. Oral reprimands are appropriate for minor first offenses and the employee's immediate supervisor gives verbal reprimands and the employee may have a fellow employee of his/her choice present as a representative during discussion. At the end of the discussion written verbal reprimand shall follow as evidence. The written letter shall clearly state the word "Oral Reprimand".

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- b. It is important that supervisors not overuse the oral warning for the same type of offense no more than two oral reprimands should be given.
- c. If the supervisor believes that an oral reprimand is appropriate, it shall be made clear to the employee that the oral reprimand is the first step in the progressive discipline process.
- d. If the offence is too minor, the oral reprimand can be given to the employee by department heads. Otherwise it shall be given by Human Resource Development and Administration Department; and both oral reprimand record has date, time and reason and the original shall be recorded in employee's personal file which shall be retained in effect for definite period.

## 18.5.2 WRITTEN REPRIMAND

- 18.5.2.1** After an employee has received an oral warning, a subsequent offense shall be addressed by a written reprimand as appropriate. But this doesn't mean all reprimands shall follow from oral warning.
- 18.5.2.2** If possible the supervisor and employee shall first meet to discuss the problem and the supervisor must review the incident or performance problem which requires the reprimand and the supervisor and employee should exchange ideas and information regarding solution(s) to the problem.
- 18.5.2.3** The written reprimand shall be given to the employee directly by Human Resource and its copies shall be distributed to General Manager, Head Office Finance, Director Human Resource Development and Administration, the concerned department and employee's official personnel file.
- 18.5.2.4** If the written reprimand is given without a prior discussion regarding the incident between the supervisor and employee, the Human Resource Development and Administration Department should discuss the matter with the employee when giving the employee the reprimand letter.
- 18.5.2.5** The employee shall be asked to sign the written reprimand, acknowledging receipt and understanding.
- 18.5.2.6** Employees refusal or prefers not to sign on the document shall lead to other disciplinary measure ( see Progressive Disciplinary measure table-18.3.1)
- 18.5.2.7** Written reprimands shall be retained in the employee's formal record.

## 18.5.3 FINAL WRITTEN REPRIMAND

- 18.5.3.1** The final warning shall make it clear that, unless there is significant improvement, the next reprimands shall be dismissal of the employee.
- 18.5.3.2** In cases where a written warning is not sufficient due to the seriousness of the offence or in cases where a written warning was given and the same or similar

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offence took place within six months, a final written warning or dismissal letter shall be served depending on the types of offence.

#### **18.5.4 SUSPENSION WITHOUT PAY**

- 18.5.4.1** This type of suspension is intended to indicate to the employee that the seriousness of the offence and that the employee shall reasonably expect that the next step is termination of employment.
- 18.5.4.2** Suspension may be issued in order to get time for investigation for further higher disciplinary action up to dismissal for a serious violation of rules or a policy.
- 18.5.4.3** The employee shall be notified in writing of the suspension as soon as possible. The letter shall outline the reason for the suspension and the dates of the suspension.
- 18.5.4.4** Short suspensions are for five (5) to ten (10) consecutive days and the dates shall be determined by Human Resource Development and Administration Department.
- 18.5.4.5** Longer suspensions because of severe offence shall be given not exceeding 30 consecutive days. The employee shall be warned that continuation of the behavior may result in termination of employment.
- 18.5.4.6** Normally suspensions shall be without pay. However, with the recommendation of Human Resource Director, employee may be suspended with pay, pending results of the investigation.

#### **18.5.5 DISMISSAL**

- 18.5.5.1** An employee shall be dismissed if, within six months to two years of receiving a final written warning, the same or a similar offence is committed by same employee. In other word, termination of employment is the culmination of the progressive discipline process.
- 18.5.5.2** An employee shall be dismissed immediately if the offence is so serious that it justifies a dismissal, even if the employee had not been served with final written warning beforehand.

#### **18.6 CLASSIFICATION OF OFFENSES**

The offenses for items listed below can be causes for immediate dismissal.

- 1) Engaging in outside employment without the expressed permission of the General Manager.
- 2) Reporting late to work eight times in six months period; and absence from work for a total of five days in six months' period while being warned in writing. However, it doesn't work for a female employee within four months once she gave birth.
- 3) Intentionally giving false testimonies or refusing without justifiable reason to cooperate during an official investigation authorized by the General Manager.
- 4) Commit sexual harassment or sexual violence at workplace; and



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- 5) Theft of company property or company managed commodities.
- 6) Violence, threats or abuse against any company personnel, physically abusing anyone in a work place.
- 7) Embezzlement of Company's fund, falsification of company records and documents, making use of falsified document or an attempt thereof:
- 8) Bribery or other offence involving graft and corruption
- 9) Overturms or seriously damaging company vehicle due to negligent driving.
- 10) Taking liquor or drugs inside company vehicle or being during hours of working hours while he/she is working in the company's premises.
- 11) Causing damage to company reputation and image.
- 12) Insubordination, disrespect, disobedience, refusal to follow the lawful orders of a supervisor and/or the policies of the company.
- 13) Participating in an unlawful stoppage of work, or inciting other company employees to participate in such work stoppage.
- 14) Divulgence of confidential matters or disclosing confidential information without authority.
- 15) Allowing non-company employee to drive company vehicle
- 16) Transport of unauthorized passengers or goods by company vehicle.
- 17) Falling to observe safety regulations, the result of which may have caused serious damage to company property and/or endangered human life.
- 18) Being convicted by a court of law and being given a custodial sentence as per labor proclamation in force.
- 19) Gambling for money in the company's premises or at work.
- 20) Any act in contravention of the company's business principles or policies irrespective of the outcomes of any action outside the company.
- 21) Using the company vehicle out of company work/ for personal use
- 22) Taking/ sucking up fuel from vehicle for personal use.
- 23) Unauthorized posting of any notice in company premises.
- 24) Conducting unauthorized meetings during working hours in against the collective agreement or without obtaining the permission from the employer.
- 25) \*If there is a manifested loss of capacity or skills on the part of the employees which shall be proven by performance evaluation system, termination shall be given with prior notice to the employee.

## 18.7 DELEGATED AUTHORITY

The level of delegation varies with the severity of the particular disciplinary action and is identified in the following table and the authority to impose penalty is vested in the General Manager, who may delegate his powers with respect to imposing all penalties to the appropriate supervisory.

Disciplinary Action	Authority Delegated to the
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Oral Reprimand	Immediate Supervisor or Human Resource Development and Administration department
Written Reprimand	Human Resource Development and Administration department in consultation with concerned department
Final written Reprimand	Human Resource Development and Administration department in consultation with Department Head
Suspension	Human Resource Development and Administration department in consultation with General Manager
Demotion	Human Resource Development and Administration department in consultation with General Manager
Dismissal	Human Resource in consultation with General Manager

## 18.8 PROGRESSIVE DISCIPLINE

**18.8.1** When possible and practical, disciplinary action shall follow a progressive sequence.

**18.8.2** The purpose of progressive discipline is to ensure that the employee is fully aware of any performance deficiencies that exist and to provide the employee with a reasonable opportunity to correct such deficiencies. Employees shall be given an opportunity to respond to any intended disciplinary action on the part of the supervisor either orally or in writing.

**18.8.3** If an employee repeat an offence similar or different offence within six months of the previous offence, the next level of disciplinary action shall be taken as per the below table.

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## 18.9 GRIEVANCE AND APPEALS

### 18.9.1 PURPOSE AND POLICY STATEMENT

**18.9.1.1** The purpose of this grievance policy is to set forth the process for the resolution of complaints and grievances filed by an employee/s applicable by state law.

**18.9.1.2** Employees and immediate supervisors shall make a sincere effort to reconcile their differences at the lowest possible organizational level.

**18.9.1.3** All decisions and resolutions must be consistent with the Rules and Regulations for Personnel Administration, State and regional laws and current policies.

### 18.9.2 PROCEDURE

**Step I:** An employee who believes he/she has a grievance must first discuss the problems with his/her immediate supervisor within three working days after the grievable incident or the grievant's knowledge of the incident. The supervisor shall provide an answer within three working days of the initial discussion. Every effort shall be made to resolve the grievance at this step.

**Step II:** If the grievance is not resolved as a result of Step I, the employee must put the grievance in writing, using the form (SRMI-OF-169) in consultation with the Human Resource Development and Administration Department. Copies of the grievance form (SRMI-OF-169) (including the remedy sought and the supervisor's response) shall be provided to Human Resource Development and Administration Department before five working days of the application date. The supervisor must respond by setting up a meeting within three working days of receiving the written documents.

**Step III:** If the grievance is not resolved at Steps I and II, the grievant must forward the case in writing for consideration to the Human Resource Development and Administration Department within two working days of receiving the supervisor's determination. The Human Resource Development and Administration Department must set up a meeting with both parties within five working days of receipt of the request and must inform the Department Head of the meeting time. The Employee administrator/Personnel Officer shall chair the meeting and direct its course. Within five working days of the meeting the Employee administrator/Personnel Officer must send a written recommendation to the Human Resource Development and Administration Department Manager.

The Human Resource Development and Administration Department Manager must respond within three working days of receiving the Employee administrator/Personnel Officer recommendation. Copies of the response shall go to both parties and the Employee administrator/Personnel Officer.

**Step IV:** If the grievance is not resolved as a result of Step III, the grievant must inform the Employee administrator/Personnel Officer, in writing, within two working days of receipt of the Human Resource Development and Administration Department Manager determination of final decision.

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**Step V:** In the event that the employee is not satisfied with the outcome of Step IV, then a final letter of appeal may be submitted to Director, Human Resource Development and Administration Department and the General Manager.

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## SECTION NINETEEN

### SECURITY AND CRIME PREVENTION

#### 19.1 PROCEDURE

- a. The Company Security Guards shall be the most responsible person in protecting crime attempts and Company property.
- b. All supervisors and employees shall be alerted to security procedures, such as the care and custody of keys, the placement of valuables items in areas where they could easily be stolen, the use of alarm systems, and the reporting of suspicious persons and activities.
- c. An employee shall not approach suspicious persons; rather they should report all suspicious persons and incidents as soon as possible to Protection and Security or the Human Resource Development and Administration Department.
- d. Supervisors shall contact the Human Resource Development and Administration Department for assistance in improving Security system, practices, and programs.
- e. It is the policy of the Company to maintain strict control over access to work locations, records, computer information, and cash or other items of monetary value.
- f. Employees who are assigned keys, given special access or assigned job responsibilities in connection with the safety, security or confidentiality of records, materials, equipment, or items of monetary or business value shall be required to use sound judgment and discretion in carrying out their duties and shall be held accountable for any wrongdoing or misconduct acts of indiscretion.
- g. Information about the Steely RMI, its clients or employees shall not be disclosed or submitted to anyone other than persons who have a right to know and are authorized to receive such information. When in doubt as to whether certain information is confidential or not disclosures shall not be provided without a proper authorization by the authorized person.

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## SECTION TWENTY

### EMPLOYEE RELATION AND CREATIVITY AWARD

#### 20.1 LABOUR UNION

20.1.1 The Company recognizes the principles of freedom of association and assembly and actively supports union representation in strict compliance to the prevailing Ethiopian Government Labour Proclamation enforce.

20.1.2 The union shall be representing general non-management works. The Company believes in the principle of management by consulting as far as practicable.

20.1.3 The company recognizes that it is a business organization and has needs to address all employees' relation with the goal of making sure that the company operates and grows with the benefit of all management and non-management employees as well as the owners and shareholders.

#### 20.2 EMPLOYEES' WELLBEING

20.2.1 The Company is committed to conduct its business activities taking in to account the health and safety of its employees and of other persons. It also gives proper attention to the conservation of the environment.

20.2.2 All employees shall be alert to and concerned with their own and their fellow workers health and safety during accident.

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20.2.3 All employees shall assist any injured personnel to the best of their ability and assist in preventing any further injury to others, or damage to the Company's property.

20.2.4 The company shall take administrative measures in accordance with the provisions of the Labour Proclamation enforce, collective agreement and the directives issued by the company management on any offence on individual employee and Company property.

## **20.3 CREATIVITY AND IMPROVEMENT AWARD**

### **20.3.1 PURPOSE OF EMPLOYEE CREATIVITY AND IMPROVEMENT AWARDS PROGRAM**

#### **GUIDELINES (see SRMI-WI-010 for detail)**

To encourage creativity and improvement idea within the Steely RMI, recognize and reward employees and teams for suggesting new innovations/creativity/improvement on the following areas:

- i. Reduce company's costs through efficiency and effectiveness.
- ii. Improve service to the customer, or
- iii. Result in improvement to workplace safety or wellbeing
- iv. Enhance productivity or promotion process.



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### **20.3.2 APPLICATION OF THE POLICY**

All permanent and contract employees and management members of Steely RMI shall be eligible to submit suggestions/new idea and receive awards as per SRMI-WI-010 Creativity, Improvement Recognition and Award Guide.

### **20.3.3 POLICY APPROVAL**

**21.3.3.1** This program coordinated by Human Resource Development and Administration Department.

**21.3.3.2** Employees and management members of all grades are welcome to participate in the suggestion program for improvements in person or through kaizen team in procedure, methods or practice concerning technical duties of the company.

**21.3.3.3** Innovations which are deemed to be useful for significant improvements in procedure, methods, or practice shall have monetary award.

**21.3.3.4** The suggestions and awards System shall be administered by a committee.

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**21.3.3.5** The committee members shall be appointed by the General Manager.

#### **20.4 INTELLECTUAL PROPERTY**

- a. Intellectual property (IP) may include (but not limited to) any invention, discovery, technology, scientific or technological development or other form of expression that is in a tangible form, regardless of whether it is subject to protection by patent, trademark or copyright laws, or as a trade secret related to “know how” in applying technology.
  
- b. It is the intent of this policy to Intellectual Property to balance the interests of the company and the inventor of Intellectual Property arising by employee of the company. The company further seeks to ensure that inventions, discoveries and creative works shall be used and controlled in an efficient and prudent manner that will result in maximum benefit to the company and the originator/inventor.
  
- c. All inventions conceived or developed by the employee shall remain the property of the company.

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### 21.0 PROCESS OWNER


- Human Resource Development and Administration Department

### 22.0 DISTRIBUTION


- GENERAL MANAGER
- OPERATION DIRECTORATE
- HRD AND ADMIN. DIRECTOR
- HRD AND ADMIN. MANAGER
- FINANCE MANAGER
- MANAGEMENT REPRESENTATIVE

### 23.0 RELATED DOCUMENTS

1. SRMI-OF-008 INCOMING RECORDS AND LETTERS REGISTRATION
2. SRMI-OF-011 FILE AND RECORDING MOVEMENT CONTROL FORM
3. SRMI-OF-012 OUTGOING RECORDS & LETTERS REGISTRATION FORM
4. SRMI-OF-013 REGISTRATION FORM FOR PERSONS TO SIGN ON OUTGOING LETTERS
5. SRMI-OF-014 OUTGOING RECORDS AND LETTERS DELIVERY CONFORMATION FORM
6. SRMI-OF-031 TRAINING ATTENDANCE FORM
7. SRMI-OF-032 TRAINING AND METHOD EVALUATION FORM
8. SRMI-OF-033 TRAINING ANNOUNCEMENT
9. SRMI-OF-034 TRAINING MATRIX
10. SRMI-OF-046 MEETING NOTIFICATION AND CONFORMATION
11. SRMI-OF-047 MEETING ATTENDANCE FORM
12. SRMI-OF-048 MINUTES OF MEETING
13. SRMI-OF-059 ANNUAL LEAVE SCHEDULE


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14. SRMI-OF-060 CONTRACT OF EMPLOYMENT FOR DEFINITE PERIOD
15. SRMI-OF-061 CONTRACT OF EMPLOYMENT FOR INDEFINITE PERIOD
16. SRMI-OF-062 DAILY LABOURER EMPLOYMENT FORM
17. SRMI-OF-063 APPRAISAL FORM FOR MANAGEMENT MEMBERS
18. SRMI-OF-064 APPRAISAL FORM FOR NON-MANAGEMENT MEMBERS
19. SRMI-OF-071 APPLICATION FOR EMPLOYMENT
20. SRMI-OF-072 CAFETERIA CREDIT REQUEST FORM
21. SRMI-OF-074 MINIBUS AND SERVICE FOLLOW-UP SHEET
22. SRMI-OF-075 PER DIEM ADVANCE REQUEST FORM
23. SRMI-OF-076 SALARY LOAN REQUESTING AND APPROVAL FORM
24. SRMI-OF-077 POLICE CLEARANCE FORM
25. SRMI-OF-078 TRAINING REQUEST AND APPROVAL FORM
26. SRMI-OF-079 EXIT INTERVIEW FORM
27. SRMI-OF-080 PHYSICAL EXAMINATION FORM
28. SRMI-OF-081 CLEARANCE DECLARATION FORM
29. SRMI-OF-082 DAILY LABOURER EMPLOYMENT REQUISITION FORM
30. SRMI-OF-083 EMPLOYEES' CLINIC VISIT REGISTRATION FORM-WEEKLY
31. SRMI-OF-084 EMPLOYMENT REQUISITION FORM
32. SRMI-OF-085 PROBATIONARY PERIOD RATING REPORT FORM
33. SRMI-OF-088 MEDICAL REFERRAL FORM
34. SRMI-OF-089 EMPLOYEE REFERRAL SLIP TO HOSPITAL/HIGHER CLINIC
35. SRMI-OF-090 RETIREMENT NOTICE
36. SRMI-OF-092 EMPLOYEE TIME-OFF REGISTRATION FORM
37. SRMI-OF-093 TERMINATION PAY FORM
38. SRMI-OF-094 VACANCY ANNOUNCEMENT FORM
39. SRMI-OF-127 LEAVE REQUEST AND APPROVAL FORM
40. SRMI-OF-130 TRAINING NEEDS ASSESSMENT FORM
41. SRMI-OF-131 NOTICE
42. SRMI-OF-146 OVERTIME REQUEST AND APPROVAL FORM
43. SRMI-OF-147 MATERIAL MAIN GATE PASS
44. SRMI-OF-148 VEHICLE TRANSPORTATION CONTROLLING FORM
45. SRMI-OF-165 EMPLOYEE DEPARTMENT PERMITS TO ADMIN. FORM
46. SRMI-OF-167 EMPLOYEE MONTHLY EVALUATION FORM
47. SRMI-OF-168 EXPATRIATE VACATION REQUEST AND APPROVAL FORM
48. SRMI-OF-169 GRIEVANCE AND APPEAL FORM
49. SRMI-OF-170 OUTGOING LETTER REV.1

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50. SRMI-OF-198 ACCIDENT REPORTING FORM
51. SRMI-OF-199 EMPLOYEE CONFIDENTIALITY AGREEMENT FORM
52. SRMI-OF-202 INTERDEPARTMENTAL TRANSFER FORM
53. SRMI-OF-203A CERTIFICATE OF SERVICE AT TERMINATION
54. SRMI-OF-203B CERTIFICATE OF SERVICE ON DUTY
55. SRMI-OF-204 DISCIPLINARY MEASURE REQUEST FORM
56. SRMI-OF-205 EMPLOYEE ORIENTATION CHECK LIST FORM
57. SRMI-OF-206 ANNUAL LEAVE MONITORING FORM
58. SRMI-OF-207 REFERENCES CHECK FORM
59. SRMI-OF-208 GENERAL INTERVIEW QUESTIONS
60. SRMI-OF-209 EXIT MONITORING QUESTIONNAIRE FORM
61. SRMI-OF-225 EMPLOYEES' FEEDBACK COLLECTION FORM
62. SRMI-OF-226 MEDICAL SERVICE CREDIT REQUEST-BISOFTU HOSPITAL
63. SRMI-OF-240 INSURANCE REGISTER
64. SRMI-OF-251 DAILY LABOURER PAYMENT SHEET
65. SRMI-OF-253 COURT ORDER PAYMENT
66. SRMI-OF-254 PER DIEM ALLOWANCE PAYMENT
67. SRMI-OF-225 EMPLOYEES' FEEDBACK COLLECTION FORM
68. SRMI-OF-257 JOB DESCRIPTION
69. SRMI-OF-258 JOB GRADE
70. SRMI-OF-259 SALARY SCALE
71. SRMI-OF-260 JOB SPECIFICATION
72. SRMI-OF-287 MEDICAL EXPENSES SUBMIT FORM
73. SRMI-OF-295 MISSION VISION, OBJECTIVE OF STEELY RMI PLC
74. SRMI-OF-330 VEHICLE HISTORY CARD
75. SRMI-OF-327 ORGANIZATIONAL STRUCTURE
76. SRMI-OF-329 LIST OF INTERESTED PARTIES
77. SRMI-OF-336 HR FUNCTION AUDIT CHECKLIST
78. SRMI-OF-337 SELECTION CRITERIA AND RATING (CANDIDATE EVALUATION)
79. SRMI-OF-338 COMPANY PRODUCT PURCHASING REQUEST FORM
80. SRMI-CRD-006 EMERGENCY PLAN
81. SRMI-OF-005 CONFIDENTIAL RECORDS ACCESS REQUEST FORM
82. SRMI-OP-010 TRAINING PROCEDURE
83. SRMI-WI-002 TRAINING WORK INSTRUCTION PROCEDURE
84. SRMI-WI-010 CREATIVITY, IMPROVEMENT RECOGNITION AND AWARD GUIDE

## **24.0 REFERENCES**

	Company Name: <b>STEELY R.M.I. Pvt. Ltd. Co.</b>	Document No: <b>SRMI-CRD-009</b>	
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1. Prevailing Ethiopian Labour Law
2. Employees Performance Management Manual Issued in Jan 2015
3. Annual Leave Directive issued in Jan 2015
4. Medical Assistance Directive Issued in Jan 2015
5. Company's Organizational Structure
6. Per diem Payment Directive
7. Salary Loan Directive
8. Annual Leave Directive
9. Statuary Retirement Age Directive
10. Funeral Payment Directive
11. Training and Development Directive

#### 25.0 APPLICABILITY

This Human Resource policy and procedure manual is applicable to all indefinite term of contract employees of the company. Equally provisions in this manual can be used for foreign country citizen employees working in the company to the extent it is practical and applicable to them.

#### EFFECTIVE DATE:

<b>Approval</b>  Name:	Signature:	Date:
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