



UAE SME HR STARTER PACK

*A quick-start guide to hiring,
compliance, and keeping your
team happy in the UAE.*

British HR standards. UAE & GCC know-how.



Welcome

Running a business in the UAE is exciting, fast-moving, and full of opportunity, but it's also full of rules. And when it comes to HR, those rules matter.

Get them wrong, and you risk fines, disputes, or even losing great talent.

Get them right, and you'll have a team that's motivated, protected, and ready to help your business grow.

At Thryve, we take the rigour and professionalism of British HR standards and blend them with real-world UAE & GCC experience. That means you get practical, compliant, founder-friendly HR solutions that make sense for your business.

This starter pack provides the essential tools every UAE SME needs to protect their business and set their people up for success.

Let's get started.

Claire Selwood

Essential UAE HR Rules for SMEs

Here's what every SME founder should know about UAE labour law basics:

Employment Contracts

1. All employees must have a MOHRE-issued or free zone contract.
2. Include role, salary, benefits, working hours, and notice periods.
3. Private agreements can exist alongside, but they must match UAE law.

Probation Periods

1. Maximum of 6 months.
2. Termination in probation: 14 days' written notice (employer) or 1 month (employee).
3. After probation, standard notice periods apply

Annual Leave

1. 30 calendar days per year after 1 year of service.
2. Pro-rata entitlement before that.

End of Service Benefits (Gratuity)

1. Based on basic salary only.
2. Different rules apply for limited vs unlimited contracts (post-2022 law changes).

Overtime

1. Governed by law - premium rates for extra hours.
2. Some roles (senior management) may be exempt.

Pro tip: Keep all HR records organised and accessible - *if the Ministry calls, you'll be ready.*

Contracts Checklist



Before you onboard anyone, make sure your employment contract contains:

1. Employee's full legal name and nationality
2. Job title and clear job description
3. Start date and contract duration (if fixed-term)
4. Working hours and work location
5. Salary breakdown (basic salary, allowances, bonuses)
6. Annual leave entitlement
7. Probation period terms
8. Notice period for termination by either party
9. Overtime rules (if applicable)
10. Confidentiality and non-compete clauses (where relevant)



Pay attention to the following:

1. Avoid using “off-the-shelf” templates you found online without checking UAE compliance.
2. Vague role descriptions often lead to disputes later.

Pro Tip: Always issue a bilingual contract (English & Arabic) to avoid disputes. Ensure it matches your internal offer letter exactly.

3 Policies Every SME Should Have

Even if you have just 5 employees, these three policies are non-negotiable:

Employee Handbook

- Explains working hours, leave processes, dress code, and workplace behaviour.
- Sets the tone for your company culture.
- Outlines rules, benefits, and expected behaviour.
- Helps new hires integrate quickly.

Grievance & Disciplinary Policy

- It'll protect you if you need disciplinary action.
- Outlines how performance issues and misconduct will be handled.
- Gives employees a clear way to raise concerns.

Leave Policy

- Clarifies entitlements for annual leave, sick leave, maternity/paternity leave, and public holidays.
- Explains how annual, sick, and unpaid leave requests are made and approved.
- Reduces last-minute disruptions.
- Ensures fairness and prevents disputes.

Pro tip: Simple policies are more likely to be followed, and having them written in the UAE can save you thousands of dirhams in legal fees if a dispute occurs.

Avoiding Fines & Disputes

Common HR Mistakes SMEs Make (And How to Avoid Them)

1. Hiring before employment visas are issued. Once the visa has been issued, go ahead with issuing formal hiring documentation.
2. Hiring without a proper employment contract: Always register with MOHRE or the free zone authority.
3. Not paying salaries on time: This can trigger WPS (Wage Protection System) fines and visa restrictions.
4. Ignoring probation period rules: not following the law can lead to costly compensation claims.
5. Missing deadlines for contract renewals or visa cancellations
6. Using “generic” policies copied from the internet: May not comply with UAE law and can be challenged.
7. Failing to document warnings and meetings: If it’s not written down, then it didn’t happen.

The fix:

- Use an HR partner (like us) who keeps track of deadlines, documents, and law changes.
- Always get HR/legal advice before terminations.
- Keep communication transparent with your team.

About Us

We're your on-call HR team, without the full-time payroll cost. With British HR standards and local UAE & GCC know-how, we help founders and SMEs:

- Hire the right people (without the drama)
- Stay fully compliant with UAE law
- Solve HR issues fast before they turn expensive
- Build happy, high-performing teams

➦ Free 30-Minute HR Consult

Let's talk about your HR needs. No jargon. No judgement.



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