

Do I really need an employee handbook?

Yes, but why?

Most employment relations experts agree that employee handbooks are an essential part of effective human resources (HR) management and positive employee relations. Handbooks set a great foundation of transparency for your employees. It not only shows what you expect from the, but more importantly, it shows what they can expect from you. Handbooks can also play a critical role in demonstrating employment law compliance, communicating policies and procedures, and protection against lawsuits.

While carefully drafted employee handbooks can be an important part of employee relations media, handbooks that are unskillfully or improperly drafted can create organizational and legal headaches. Courts increasingly view employee handbooks as binding contracts subject to judicial enforcement. Accordingly, employers must carefully review every policy and procedure contained in a handbook to minimize potential contract claims and be prepared to update them periodically. Includes positive employee relations provisions that will improve employee morale and create a positive image of an organization.

The following are examples of the intent of a handbook:

- Plays a key role in the orientation process for new employees.
- Contributes to uniform and consistent application, interpretation, and enforcement of company policies.
- Contains the necessary protective language to minimize the threat of litigation and/or employee complaints to governmental agencies.

Handbooks that are properly drafted and tailored to an organization's needs can serve as the cornerstone of human resource management.

Purpose

Since employee handbooks are not specifically required by law, organizations are generally free to determine the best method and most effective means to communicate important HR related information to their employees.

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The handbook should help to achieve organizational goals and objectives. The primary goal of any handbook is to get employees to act in ways that benefit the organization. At a minimum, the handbook should reduce workplace stress by conveying useful information about the following:

- Hours of work
- Paydays
- Leaves of absence
- Benefits
- Other important information

The employee handbook will help create an atmosphere of trust and respect and give employees a sense of belonging, make them stakeholders in the organization's success, and inspire them to become advocates for the organization.

Handbook Aligned with Hiring

An organization should ensure that the message communicated by the handbook to employees, applicants, supervisors, and third parties is the same message that is communicated by the following:

- In interviews during the interviewing process
 - In employment application and other personnel action forms used during the hiring process
 - In comments made by supervisors during an employee's initial period of employment
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Handbook Methods

An employee handbook should indicate on each page the date of issuance. As a general rule, employers should review the handbook annually, however, specific policies may need to be changed or revised much more frequently. The review should include the following assessment of the handbook's:

- Contents
- Format and design
- Methods of distribution
- Effectiveness in communicating policies and programs

Federally & State Compliant

Employment of workers in multiple states can complicate attempts to provide a single uniform HR management message, to standardize benefits and to keep employment practices consistent. There can be significant differences in state EEO laws, wages, benefits, leave requirements, notice requirements, and a host of other issues. As the number of states in which an employer operates increases, the need to have state specific handbook sections or even separate handbooks also increases. In addition to the need to tailor handbook sections to meet the requirements imposed by various states, other factors that could require an organization to create company specific sections include the following:

- Diversity in the types of industries an organization employs workers
- The ability to communicate with workers who have limited English language skills or visual or cognitive impairments
- Diversity in the composition of the workplace
- Having a variety of employment categories, such as full-time regular and part-time temporary employees

Statements describing EEO and sexual harassment policies put employees on notice as to the organization's commitments in these areas and alert employees to the importance attached to these policies. An EEO policy statement should at a minimum include a listing of the federal protected categories, for example: "Our organization does not discriminate on the basis of race, color, religion, sex, pregnancy, national origin, ancestry, disability, or veterans status". And employee handbook needs to include a statement concerning the organization's commitment to comply with state and federal laws, code of ethics, and a commitment to no retaliation. In addition, handbooks need to include how the employees bring violations to an employer's attention.

Correct and Legal Phrases

Employers must guard against using terms and phrases that imply anything other than an employment-at-will relationship, unless of course an employer wants to establish relationships. If any of these terms or phrases are used in a handbook, on an organization could be inviting a claim that its handbook guarantees a greater degree of job security or protection than originally intended.

For example, the term "probationary period" may imply a certain degree of job security once the period has concluded. This is also true of other phrases (permanent) instead of employment. Ensure the handbook is clear and does not contain any verbiage that would "promise" future employment or "unlimited" advancement. Be advised to stay away from explicit language or implied language that an employee will **ONLY** be fired for cause, just cause, or similar terminology.

Disciplinary Actions

Most handbooks contain a statement of employment rules and regulations and a listing of the disciplinary actions that will result from the failure to follow those rules. An employer must be extremely careful not to limit disciplinary prerogatives to the list of infractions specifically enumerated. This may be accomplished by including language in the handbook that indicates that the enumerated offenses are not all-inclusive and that the organization retains the right—at its sole discretions—to add, change, or enforce those items listed, depending on the seriousness of the infraction in question.

To limit exposure to unnecessary lawsuits, employers should be certain that their handbooks do not unintentionally limit the ability to take proper disciplinary action and that the employer retains the ability to take and make procedural changes as it is deemed necessary. In another words, employers must protect themselves from being constrained by a specific listing of offenses. It must be clear which infractions are serious enough to warrant immediate discipline up to and including discharge, and which transgressions warrant less severe penalties.

Mandatory Statements and Notices to Protect Employer

A receipt and acknowledgment form is a must for every employee handbook. By signing the form, an employee acknowledges that he or she has been given a copy of the handbook. This form needs to be accounted for and filed with the employee's personnel file. If an employee refuses to sign the acknowledgment form, the employer needs to annotate the employee's refusal on the form.

In order to be protected from breach of contract lawsuits by current and former employees, employers must specifically state that they retain the right to revise the employment relationship and that any employment handbook is not an employment contract, but a policy guide, which the employee has the right to change or revise at any time—with or without notice.

An employee handbook needs to have an employment-at-will statement. The at-will statement needs to be prominently displayed and highlighted in the front of the handbook.

The employment-at-will statement is a disclaimer, and should read as follows:

Your employment with “Company X” is on an “at-will” basis. This means your employment may be terminated at any time, with or without notice and with or without cause. Likewise, we respect your right to leave the “Company X” at any time, with or without notice and with or without cause. Nothing in this handbook or any other “Company X” document should be understood as creating a contract, guaranteed or continued employment, a right to termination only “for cause,” or any other guarantee of continued benefits or employment. Only the “President” has the authority to make promises or negotiate with regard to guaranteed or continued employment, and any such promises are only effective if placed in writing and signed by the “President”. If a written contract between you and the “Company X” is inconsistent with this handbook, the written contract is controlling. Nothing in this handbook will be interpreted, applied, or enforced to interfere with, restrain, or coerce employees in the exercise of their rights under Section 7 of the National Labor Relations Act.

Handbooks are an amazing tool—if created, reviewed, and enforced in accordance with all state, federal, and county laws. It is vitally important that each and every employee—both new and current—receive a copy of the employee handbook. If an employer can conclusively demonstrate that the employee received a copy of the employee handbook and agreed to abide by the handbook’s provisions, the employer will have

Example of Employee Handbook Topics

1. Welcome
2. Key Employment Policies
3. General Working Policies
4. Employee Development
5. Hours and Attendance
6. Pay Periods and Paychecks
7. Leaves of Absence/Time Off
8. Benefits
9. Employment Life Cycle
10. Agreements