Writing Employee Handbooks



If you have more than a few employees, consider creating an employee handbook that clearly explains your employment policies. The benefits of having an employee handbook are many. Every employee receives the same information about the rules of the workplace; your employees will know what you expect from them (and what they can expect from you) and you'll get legal protection if an employee later challenges you in court.

TOPICS TO CONSIDER INCLUDING IN AN EMPLOYEE HANDBOOK

- Introduction: Begin the handbook by describing your company's history and business philosophy.
- Hours: State the normal working hours for full-time employees, rules for part-time employees and how overtime compensation can be authorized for those entitled to it.
- Pay and salaries: Be clear on how you set pay and salaries and how you raise them. Also explain any bonus programs.
- Benefits: Explain the rules relating to benefits, including vacation pay, sick pay, unpaid leave, health benefits, other insurance benefits and retirement benefits.
- Drug and alcohol abuse: Most businesses have a policy prohibiting employees from using drugs or alcohol in the workplace. Some also offer to help employees deal with substance abuse through counseling or employee assistance programs. Include this information in your handbook
- Sexual harassment: Use your handbook to remind employees that sexual harassment is illegal and violates your policies. Let them know that you will not tolerate unwelcome sexual comments or conduct and that you will treat any complaints of harassment seriously. Specify how and to whom an employee can complain of sexual harassment, what procedures you will follow to investigate complaints and what actions will be taken against harassers.
- Attendance: Emphasize the importance of good attendance and showing up on time. Explain that numerous unexplained absences or repeated tardiness can be a basis for disciplinary action or even firing.
- Discipline: List the kinds of conduct that can get employees in trouble – for example, theft, violence, repeated performance problems or fighting. Be sure to let your employees know that this is not an exclusive list and that you always reserve the right to decide to terminate a worker's employment.
- Employee safety: State that employee safety is a major concern of your business and that employees are expected to follow safety rules and report

any potentially dangerous conditions.

- Smoking: Most businesses need a written policy for on-the-job smoking. Because many cities and some states now prohibit or restrict workplace smoking, you will have to check local ordinances to be sure your policy is legal.
- Complaints: Let employees know what procedures they should follow to make and resolve complaints. Designate several people in the company to receive employee complaints, and state that there will be no retaliation against any employee for filing a complaint. Having – and enforcing – a written complaint procedure can help shield your business from liability if an employee later sues for illegal harassment or discrimination.
- Workplace civility: State that employees at all levels of the company are expected to treat each other with respect and that the success of the business depends on cooperation and teamwork among all employees.
- Conduct not covered by the handbook: You cannot write an employee handbook that will cover every possible workplace situation. It's best to make this clear to your employees by saying so in the handbook. Otherwise, your employees may argue that any action you take outside of what's explicitly set forth in the handbook is unfair.

DON'T CREATE OBLIGATIONS THAT WILL HAUNT YOU LATER

Some courts – and employees – interpret the language in employee handbooks to create binding obligations on employers. You should avoid any unconditional promises in your employee handbook unless you are willing to face lawsuits by former employees trying to enforce those promises later. Here are some of the most common trouble spots:

- Promises of continued employment: Unless you want to create an employment contract that obligates your employee to work for you for a period of time (and limits your right to fire the employee for the same period), don't put language in your handbook that promises employees a job as long as they follow your rules. A court might interpret this as a contract of employment that promises employees will not be fired absent good cause. To avoid this result, state in your employee handbook that your company reserves the right to terminate employees for reasons not stated in the handbook or for no reason at all. Even though you may never have to rely on this language, at least your employees will know where they stand.
- Progressive discipline: Most employers follow some form of progressive discipline for performance problems or misconduct (attendance problems, difficulties getting along with co-workers or missing deadlines, for example). You may choose to start with a verbal warning, followed by a written warning for a second offense, followed by a probationary period or suspension, then termination for subsequent problems. Whatever system you implement, make sure to keep your options open. Don't obligate yourself to follow a particular disciplinary pattern for every employee in every circumstance; otherwise, you may find it difficult to fire an employee for truly egregious behavior.