

# The Seven Reasons to Get an **Employee** **Handbook**

BY ERIC W. SWENSON

Creating an Employee Handbook should be a top priority for your business. An Employee Handbook is the foundation upon which the employer builds its workplace culture, as well as its legal defenses. If you don't have one, you should get one immediately.

If you already have one, you should ensure that it has been recently updated to comply with the constantly changing laws – both state and federal. Along with saving you time, such manuals can improve employee morale, prevent disagreements and even keep the company out of court.

An Employee Handbook can shift the onus for complying with government workplace, safety and other regulations to employees by putting them on notice of these responsibilities.

There are also practical business reasons to have an Employee Handbook. Employees can no longer excuse inappropriate conduct harmful to your company by claiming ignorance. Supervisors also become more effective because disciplinary decisions can be made based on the handbook policies, leaving all employees with a feeling of fairness and consistency. Here, then, are the reasons to get a Handbook NOW.

## 1. Answers Employee Questions

- What holidays do we get off?
- Does our insurance cover my spouse?
- Do we have a pension plan?
- What is our sick leave policy?
- What is our dress code?

Do you get questions like these? A good handbook gets employee questions answered, saving you time. Formal policies help cut down on

answering the same questions over and over again. More importantly, no employee can feel discriminated against, because the policies apply to everyone equally – and it's there in writing for them to see.

## **2. Documents Employers Expectations**

Perhaps the most important reason to create a handbook is to document the expectations you have of your team. Employees want to be successful; they are eager to know what is expected of them and how they can improve. A well-written handbook describes performance expectations in addition to clarifying policies regarding work hours, dress, and sick or vacation leaves. Employees are best motivated when they know exactly what you expect of them, and how they can improve their position in the company. Along with sections on sick leave, vacation, dress codes and work hours, an employee handbook offers employers the opportunity to resell the business to employees. Sections on promotions and raises can show employees how their investment of hard work with the company will pay off down the road.

## **3. Avoids Legal Disputes**

Well-written policies create uniformity and help prevent disputes. Consistently enforced, these policies can help avoid legal disputes later on down the road. A well drafted and enforced handbook can ward off accusations of favoritism; it provides clear guidance on the company's position(s) against discrimination, retaliation and harassment and provides information on how to report any violations. One of the main advantages of having an employee handbook is avoiding court altogether. A readily available written policy offers managers and employees a better opportunity to avoid misunderstandings that can lead to contentious and possibly litigious situations. When everybody knows exactly what the rules are and sees them followed every day, disputes are much less likely to occur.

## **4. Reiterates Employment At-Will Policy**

Both legal and human resources experts agree – you can never mention your at-will policy enough. Courts have repeatedly upheld the employment-at-will doctrine which the company expressly states that employment can be terminated at any time, for any reason. Such language as the following may be appropriate:

*"We recognize the employee's right to resign at any time for any reason; similarly we may terminate any employee at any time, with or without cause."*

Of course, there are specific causes where at-will termination cannot take place – such as in Montana; for employees subject to either an employment contract or collective bargaining agreement; or for a prohibited act – such as discrimination, retaliation, etc.). A disclaimer should also appear when there is any mention of firing and disciplinary procedures.

Finally, avoid "probationary" periods of employment. Otherwise the handbook may imply that employees are entitled to continued employment after the probation is over. Instead use a term such as "introductory" period.

## **5. Focuses on Your Mission**

Perhaps the best reason for writing an employee handbook is the process itself. Spending time thinking about, and then distributing, the message you want your employees to have regarding your business, improves leadership and helps keep the business on track with its mission.

The process of creating a handbook helps employers improve their leadership, first by thinking through which policies are useful and practical in their specific operation. Then after concrete policies are established, employers can better manage employees because objectives for each position have been examined, benefits have been considered and perhaps retooled, and policies are in place before contentious issues arise. Setting aside time to review your policies will give you the opportunity to better manage employees, select the best address potential disruptive issues before they steal time and valuable resources from your bottom line.

## **6. Reduces the Possibility of a Harassment Lawsuit**

Most employers are unaware of the significant protections that a well written sexual harassment policy can provide. A well-written policy may provide your business with a crucial "affirmative defense" in case of an employee lawsuit alleging sexual harassment. In short, by providing your employees with a written policy of how to respond to and report sexual harassment, you compel them to share responsibility for the work environment and can limit your liability in instances where the policy is ignored.

## 7. Communicate Information You Are Legally Obligated to Provide

A handbook or other written policies are also a good way to communicate information the business is legally obligated to provide. For example, companies larger than 50 must provide information regarding the Family Medical Leave Act to their employees.

### Put It to Use!

Once you've taken the time to write a handbook, don't let it sit on the shelf. Plan on updating your handbook regularly, and change your written policies, if needed, to conform to actual practice or changes in the law. But reserve the right to change, add or terminate policies at any time. Finally, state that all new policies override previous ones, both verbal and written.

The advantages outlined here will only materialize if you consistently follow through with policies outlined in the handbook. There is no quicker ticket inside a courtroom than putting one policy in writing while practicing another. This is extremely important to keep in mind as you draft your handbook so that you don't include policies that look good on paper, but are impossible or difficult to enforce in real life. Courts will look at both your handbook and your actions. If your actions don't follow your handbook, you'll find yourself on the wrong end of a court judgment.

### You Don't Have To Go It Alone

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