Five Reasons Every Employer Needs An Employee Handbook

Publication
9.01.13

The days of believing that a handbook can cause more harm than good are long gone. In today's business environment, a handbook serves both as a sword to carve out your legal rights as well as a shield to protect them.

A handbook sets expectations, encourages employees to behave in certain ways, helps ensure employees are treated consistently, publicizes employee benefits and helps win unemployment claims and lawsuits. These are just a few of the reasons why every employer, regardless of the number of employees, should have one.

Set And Meet Employee Expectations
Employees expect their employer to communicate with them in a straightforward, professional way about all sorts of things. Just having a handbook demonstrates that you understand employees' needs for information and it can go a long way toward making a positive first impression on a new employee.

Get Employees To Behave In A Certain Way
A handbook should outline for employees how to behave and perform and what will happen if they fail to meet those expectations. A handbook should also inform employees about how they can succeed in their jobs. Among other things, a handbook should guide employees on how to request time off of work, complain about operational matters or possible harassment, keep a time record, report possible theft or workplace violence, dress appropriately, refrain from drug and alcohol use, maintain confidential information, use electronic resources, comply with laws, etc.

Treat Employees Consistently
A handbook tailored to the way you do business helps ensure that managers across the organization handle issues consistency. A handbook should not be an "instruction book" on how to manage or deal with every conceivable problem or issue, but it should provide a framework for managers to follow.

"Sell" The Benefits You Offer
You spend a significant amount of money on every employee in ways that employees do not see or appreciate. A handbook allows you to take credit for all that you do for workers. Without a great deal of detail, a handbook should list all of the benefits provided by you at no cost to the employee (e.g., workers' compensation in most states), subsidized by you (e.g., medical insurance) available

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(e.g., workers' compensation in most states), subsidized by you (e.g., medical insurance) available for purchase at reduced rates (e.g., short-term disability insurance) or just available through payroll deduction (e.g., a credit union). Additionally, a handbook should refer to various types of paid and unpaid time off offered to employees.

Help To Win Unemployment Claims And Lawsuits

In case the need arises, a well-written handbook is the first step of a successful defense of unemployment or other legal claims. In most states, winning an unemployment claim requires proof that the terminated employee was on notice of a certain rule and had been warned that violating the rule would lead to disciplinary action up to and including immediate termination. Likewise, many employment lawsuits hinge on consistent treatment of employees and/or ensuring that employees were on notice of important company policies and procedures. The page of the handbook containing the applicable policy, as well as the signed acknowledgement form, should be critical to the defense of unemployment or other legal claims. Certainly, you can expect that these documents will be exhibits in any litigation and can help you win or at least minimize damages.

Final Considerations

A handbook needs to reflect compliance with applicable federal, state and local law. This does not mean that every law needs to be specifically addressed and referenced in detail in the handbook. Rather, the handbook *should not conflict with* any applicable law and should contain a clear statement that you intend to comply with all applicable laws.

A handbook should be tailored to your organization and should reflect how you conduct business. Copying another employer's handbook or one you find online might do more harm than good.

Handbooks that contain typos, are copied askew, are out-of-date, contain another employer's name or inapplicable policies and look sloppy or unprofessional, send a message that you don't really care about employees.

For a minimal investment, you can publish a well-written, professional looking handbook. Alternatively, publishing a handbook online saves printing costs and is just as effective. Even the best handbook fails to provide a benefit to you if employees did not have easy access to it and if you cannot "prove" an employee received the handbook and understood that he or she was required to abide by the handbook. To have such proof, you need a signed acknowledgement form for a printed handbook or electronic acknowledgement receipt for an online handbook.

Considering all of the preceding points, you should make sure that you have an up-to-date, well-written, legally compliant handbook for your benefit, as well as for your employees.

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