



HR Answers: Creating a Great Employee Handbook

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Given the myriad government regulations applicable to credit unions and the need for strict financial controls, a credit union might perceive that an employee handbook is low on its list of priorities. However, no credit union can function without a strong team of employees and, oddly enough, employees like to know the rules. No matter the industry, no matter the company size, any company with even a few employees benefits from an up-to-date, lawful employee handbook.

An employee handbook serves many purposes. It communicates the credit union's rules and performance standards to employees, encourages employees to behave in a certain way, helps ensure employees are treated consistently, publicizes the employment benefits your credit union offers and maximizes the credit union's ability to win unemployment claims and lawsuits.

A well-written, lawful employee handbook has no downsides; it provides a credit union with all the flexibility necessary to address innumerable possibilities when it comes to employee actions and inactions. If you ever believed an employee handbook could do more harm than good, you'd be doing your credit union a great disservice because those days are gone.

Employees Want to Know the Rules and Performance Requirements

Even though employees won't always follow the rules, they do like to know the rules. Employees — both good and bad — like knowledge of what conduct is expected by the credit union and what repercussions to expect if they fail to follow the rules.

An employee handbook is primarily a rule book. Written correctly, a handbook allows a company to address a wide variety of rule violations without limiting the credit union's ability to respond on a case-by-case basis as necessary. For this reason, we generally suggest that most employers avoid a formal, progressive discipline policy wherein a list of rule violations is associated with a particular "punishment." Most credit unions are much better off training managers to respond appropriately and in a timely manner to employee rule violations and/or poor performance rather than simply imposing disciplinary measures.

Employees Need to Behave in a Certain Way

Your credit union handbook should tell employees what your credit union expects from them, not only to avoid disciplinary action, but to succeed.

For example, the employee handbook should tell an employee how to: request time off, inform the appropriate manager about possible harassment or discrimination, keep a time record, report possible theft, dress in an appropriate manner, refrain from drug and alcohol use, maintain confidential information, interact via social media, use various electronic resources, comply with applicable laws, etc.

Employees Should be Treated Consistently (And They Want to be Treated That Way)

Various managers working in the same or even remote branch locations ideally will respond to similar rule and performance violations in a similar manner. A well-written handbook tailored to the manner in which your credit union does business helps to ensure this desired consistency.

While a handbook should not be a manager's "instruction book" on how to manage or deal with every conceivable problem or issue, it should provide a framework for managers to follow in dealing with various circumstances.

Do remember, however, the primary purpose of a handbook is to provide instructions to employees — not to serve as a "manager's guide." To the extent that your credit union uses a manager's guide or believes such a guide is a good idea, that guide should be a separate (but well-coordinated) document from the employee handbook.

The Credit Union Should Sell the Benefits it Offers

Credit unions spend a great deal of money on each and every employee in ways employees often do not see or appreciate. An employee handbook is an excellent way for a credit union to take credit for all that it does for its employees.

Without providing a great deal of detail that could become outdated quickly, an employee handbook should list all the benefits the credit union provides at no cost to employees (for example, workers' compensation in most states); those the credit union subsidizes (for example, many types of insurance benefits); and those it makes available for purchase at reduced rates due to the credit union's group purchasing power (for example, supplemental insurance).

Additionally, a handbook should include the various types of paid and unpaid time off or leave offered to employees — even if such leave is mandated by the government.

The Credit Union Wants to Win Unemployment Claims

In most states, winning an unemployment claim for a terminated employee requires proof that the terminated employee was on notice of a certain rule (or rules) and had been warned that violating the rule would lead to disciplinary action up to and including immediate termination.

A well-written employee handbook lays the foundation for a successful unemployment defense. The page of the handbook containing the applicable policy, as well as the employee's signed acknowledgement page, should be the first step of any unemployment paperwork submission for a rule violation or poor performance termination.

The Credit Union Wants to Win Lawsuits

Many employment-based lawsuits hinge on consistent treatment of employees and/or ensuring employees were on notice of important credit union policies and procedures. A well-written employee handbook that reflects a credit union's actual practices serves both of these purposes.

The employee handbook and the employee's signed acknowledgement form are almost always exhibits in a lawsuit and can help a credit union win a lawsuit. Imagine a jury looking at your employee handbook. What does your current employee handbook "say" about your credit union? What image does it portray?

Is the handbook out of date? Does the handbook contain unlawful provisions or provisions that are no longer followed by the credit union? Does the handbook look "homemade" or cobbled together from multiple sources and documents?

Does the handbook contain inconsistencies? Could the handbook be a better reflection of your credit union? If you don't think a jury would be impressed with the quality of your handbook, consider revising and updating your handbook right away.

The Credit Union Needs to Keep the Handbook Current and Relevant

Maybe your credit union has taken many of the steps outlined in this article – only it did so five, 10 or 20 years ago. If so, it is time for a comprehensive update. Not only do the laws change, but the issues change.

If it has been a while since your handbook was reviewed, it may not cover social media, personal electronic devices, texting, e-cigarettes, tattoos, piercings or other emerging issues employers face. Likewise, many policies could be out of date and no longer reflect best practices. The credit union should consider its handbook a "living" document that is updated and revised frequently to be a consistently accurate reflection of its strong employment-related practices.

Important Considerations for any Employee Handbook

Your handbook needs to reflect compliance with applicable federal, state and local laws related to the employment relationship. This does not mean every law needs to be specifically addressed and reiterated in detail in the handbook. Rather, the handbook should not conflict with any applicable law and should contain a clear statement that the company intends to comply with all applicable laws.

Your handbook should be tailored to the employment practices at your credit union and should clearly reflect how your credit union does business. Copying another credit union's handbook or just adopting a handbook you find online — even from a very reputable source — may do more harm than good.

Your handbook is a reflection of the credit union overall, as well as a reflection of how much the credit union values its employees. Handbooks that contain typos, are copied askew, are out of date, contain another credit union's name, contain policies that don't apply to your credit union in whole or in part, and look sloppy or unprofessional send a message that the company doesn't really care about its employees.

For the investment of a few dollars per employee, any credit union can publish a well-edited, well-written, employment law attorney-vetted, professional-looking employee handbook.

The handbook can be published in hard copy or online. Publishing the handbook online saves printing costs and is just as effective as a printed copy, as long as all employees have very easy and private access to the online handbook and the credit union obtains proof that each employee "has read or will read" the employee handbook.

In the end, even the very best handbook fails to provide a benefit to the credit union if employees do not have easy access to it and if the credit union cannot "prove" the employee received the handbook and understood that he or she was required to abide by the handbook. To have such proof, a credit union needs a signed acknowledgement form for a printed handbook or electronic acknowledgement receipt for an online handbook.

By creating a custom handbook for your credit union that complies with the points listed above, both the credit union and its employees benefit.

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