Employee Handbooks

BEST for RI

Why Have an Employee Handbook?

Employee handbooks help employers to relay important matters and have a good defense towards claims. Although some employers create a single handbook and never update it, it is essential that employers see it as an ongoing process. Frequently updating a handbook allows a company to be up to date with new laws, regulations, and company goals.

An employee handbook should have all of a company's workplace practices and missions. A handbook also serves as a useful defense when giving employers feedback or investigating violations of workplace etiquette, such as harassment or dress code violations. All employees should receive a handbook accompanied by proper training.

Key Components of an Employee Handbook

If a company already has a handbook or is looking to create one from scratch, make sure it addresses the following topics.

Introduction: The introduction can provide a new employee with a brief introduction of the history and mission of the company. It is helpful to briefly describe the company's goals, philosophy, and core principles. Also include the purpose statement for the document. Make sure to include that employment at the company is at-will (unless there is some other arrangement).

Legal Compliance: Ensure that a handbook includes all applicable local, state, and federal regulations. By including the appropriate laws, it protects a business during a government audit or in litigation.

Payroll and Benefits: Policies regarding payroll, pay schedule, overtime policies, deductions, and benefits such as health and dental.

Affirm the Employment Status, whether "At Will" or "Just Cause": A handbook should explain an employment relationship. In an at will relationship, the employer retains the right to make employment decisions at any time, with or without notice and for any or no reason, as long as it is not an unlawful reason. A "just cause" relationship means that a reason must be provided for dismissing an employee, typically a violation from the handbook. This is why it is important to ensure guides are up to date.

Work Hours, Attendance and Leave: Ensure that employee handbooks cover vacations, parental leave, jury duty, scheduling expectations, and sick days.

Employee Conduct and Use of Technology: Include rules of conduct regarding nondiscrimination, forbidden weapons, harassment, behavior towards coworkers, and the use of drugs and alcohol. It is also important to outline technology etiquette related to an employees' use of social media, company owned equipment, and email.

Shortened Limitations Period: In order to protect a business, include a limitations period. State that employees are to bring lawsuits, or demands within a specified period of time (it should not

be less than 180 calendar days) of the time in which the employee knew about the basis for their suit or demand. Make sure to also include applicable statutes of limitation.

Special Considerations for Multi-State Employers: Writing several handbooks to comply with different states and cities can be financially daunting and slow. Instead, consider writing one handbook with federal regulations, including addendums for each state in which a company has employees.

Acknowledgement: As a sign that they have received the handbook and read the company policies, have employees sign an acknowledgement that they have received the document. The Acknowledgement should also include the employees' understanding of the company's shortened limitation period.

Tips for Creating an Employee Handbook

- Have a handbook reviewed by legal counsel before it is shared with employees.
- Have employees sign an acknowledgement form indicating they received the document.
- Document company policies regarding unlawful discrimination or harassment and communicate company values to employees.
- Make sure company policies align with all federal, state, and local laws. Policies may apply to all phases of employment including: recruitment, hiring, placement, compensation, promotion, discipline, and termination.
- Depending on the company's industry, it may be appropriate to address confidentiality, dress code, conflict of interest, intellectual property ownership, outside employment, expense reporting, and professional development opportunities.

Resources

- The Society for Human Resource Management provides Employee Handbook Tools and Samples and tips for Employee Handbooks Updates
- The U.S. Small Business Administration provides guidance on Items to Include in Employee Handbooks
- When Does a Startup Need to Create an Employee Handbook, a guide from Forbes
- The National Federation of Independent Businesses give guidance on How to Write a Great Employee Handbook
- Fast Company wrote an article on How To Create An Employee Handbook People Will Actually Want To Read

Associated Resource Guides

- Health Insurance Benefits
- Retirement Plans
- Supplementary Benefits
- Bonus Programs
- Employee Engagement & Feedback