

The Benefits of an Employee Handbook

Overview

An employee handbook, sometimes also known as an employee manual or staff handbook, is a manual given to employees by an employer. The essential components of an employee handbook build a foundation for the structure of the employer-employee relationship. The employee handbook typically contains information about organizational policies, standards, and procedures.

The employee handbook is an excellent place to bring together employment and job-related information which an employee needs to know, such as leave and benefit arrangements, rules and regulations, and disciplinary and grievance procedures. It can also provide a useful source of information to new workers as part of the orientation process. A written employee handbook gives clear guidance to employees and creates a culture where issues are dealt with fairly and consistently.

Finally, an employee handbook is an important communication tool between management and staff. A well-written handbook sets forth expectations of employees by senior management and describes what employees can expect from their employer. It also sets forth legal obligations as an employer, and employee rights therein; and eliminates confusion, ambiguity and reduces exposure to legal action under employment law.

The benefits of an employee handbook can be summarized in three areas: Communications, Standards and Efficiency, and Risk Management.

Communications

Human resources are the single largest cost of a municipal government, and the employees that make up that cost have a desire and need for a complete and clear understanding of organizational goals, standards, expectations, and policies in order to be successful. And with understanding comes acceptance and conformity, leading to a more productive work force - working in accordance with management needs and desires. If the policies are not memorialized, chances are that employees will have a very different idea about their rights and responsibilities than management.

- ❖ A written employee handbook:
 - Provides everyone the same set of rules to follow.
 - Informs every employee of important benefits and policies, without distortion or mistakes.

- Communicates policies and procedures about issues such as harassment, discrimination, payroll practices, and Federally-guaranteed rights to which employees are entitled including family medical leave, military leave, and jury duty.
- Explains the reasoning for certain policies, which helps employees understand the rationale behind policies and mitigate causes of dissension
- Obtains important feedback on potential or actual problems from employees by establishing a structure for suggestions or complaints.
- Provides information about benefit programs available to employees and what steps are necessary to access those benefits.

Standards and Efficiency

A productive workforce will be established with clear standards and expectations for employee conduct and performance, while at the same time providing a foundation for management consistency in application.

- ❖ A written employee handbook:
 - Allows employees to know exactly what they can expect from their employer and what is expected from them.
 - Sets standards for acceptable and non-acceptable conduct by employees and provides clear guidance about penalties and consequences for undesirable performance or behavior.
 - Provides management with less risk of legal problems when discharging employees with unsatisfactory or undesirable performance when the handbook includes specific causes for dismissal and outlines a consistent disciplinary procedure. In the absence of written policies, supervisors will make their own policies which can lead to inconsistent treatment of employees which can have legal repercussions.
 - Allows employees to learn about organizational policies on their own or refer to policies at any time saving management time and effort.
 - Establishes an orientation (probationary) period with a forthright explanation of the “at will” employment doctrine.
 - Makes management decisions more predictable and less likely to be arbitrary, promoting a greater sense of security and stability among employees. The work environment becomes more ordered and routine, reducing stress leading to performance problems.
 - Increases management effectiveness at all levels with guidelines for front-line supervisors to follow with a reduced risk of inadvertent mistakes that may be cost or embarrassing to the government. Senior management does not need to be consulted on small matters.

Risk Management

The most common cause of problems with employees, including legal issues, are those events and adjustments that occur in a normal workday that become *de facto* policy simply because there is no existing, well-reasoned process to handle the incident. An employee handbook establishes policies and processes to handle events management hopes won't occur, but often do.

- ❖ A written employee handbook:
 - Helps prevent misunderstandings about expectations by defining the standards for all employees.
 - Prevents litigation and regulatory action with policies that are clear and consistent.
 - Prevents past and present activities – both good and bad - that tend to become “unofficial” policy.
 - Helps employees avoid conflicts of interest that could be harmful to the organization by identifying situations which could lead to problems.
 - Informs employees of the limits of supervisory authority to help limit liability in the event of a supervisor’s misconduct.
 - Prevents new hires from getting incorrect information from current workers. Makes it easier to orient and initiate new employees with correct information from the beginning.
 - Reduces the chance of making the wrong hire by letting applicants read the employee handbook in advance to learn about the workings of the organization.
 - Educates employees of their duty to safeguard themselves, assets and resources.
 - Enhances the chance of success in possible litigation by providing evidence that rules and procedures were provided to employees.
 - Avoids being held responsible for illegal acts of employees by specifically prohibiting certain acts and behavior.
 - Reduces excuses from employees for conduct that is harmful to the organization by claims of not knowing organizational policy.
 - Discourages unreasonable requests for exceptions or special consideration since limits on entitlements are specified.

Topics Included in an Employee Handbook

Areas typically covered in an employee handbook include, but are not limited to:

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| (a) Management welcome | (o) Orientation period |
| (b) Employment-at-will statement | (p) Outside employment |
| (c) Employee privacy | (q) Performance evaluation |
| (d) Equal opportunity | (r) Personnel files and information |
| (e) Attendance requirements | (s) Political activity |
| (f) Compensation | (t) Responsibilities on the job |
| (g) Conflict resolution | (u) Retirement |
| (h) Disciplinary action | (v) Safety |
| (i) Dress, uniform and appearance | (w) Timekeeping |
| (j) Gift acceptance | (x) Tuition reimbursement |
| (k) Hours of work | (y) Workplace violence |
| (l) Leave | (z) And many, many more |
| (m) Meal period and rest breaks | |
| (n) Nepotism | |