



The Labor Law Group

Essentials of an Employee Handbook



When you hire someone as an employee, you enter into a relationship with that person. Setting the parameters of that relationship as quickly as possible will minimize the potential for future conflicts. An employee handbook is an excellent way to define those parameters. It sets down your policies in black and white where any worker can find them and helps ensure that employees are treated fairly and equally.

That said, a poorly written or incomplete handbook won't do your company much good. Worse, a handbook that includes the wrong policies might interfere with your rights as an entrepreneur. It could even cause legal problems for you. To avoid these problems, make sure these five essential elements are included in your company's handbook:

1. The disclaimer. Every employee manual should have a disclaimer (it's a good idea to include it both at the beginning and at the end) specifying that the handbook is not a contract of employment. Without such a notice, a fired employee might attempt to sue you for breach of contract.

2. Employee definitions. Distinguish between full-time staff and contract employees, but avoid using the word "permanent." "Permanent full-time" and "permanent part-time" are not good definitions from a legal standpoint. Calling workers permanent implies an arrangement that you can't terminate under any circumstances — an implication that could make it difficult to fire an unsatisfactory worker.

3. Sexual harassment policy. Make it clear that you won't tolerate any such conduct. Always designate more than one person with whom an employee can register a complaint.

4. A carefully defined work week. Define your work week as the seven-day period within which you calculate overtime. Never specify a "normal" work week of Monday through Friday. Otherwise, employees might refuse to work after five o'clock during the week or at all during the weekend.

5. Vacation policy. Specify that you must approve the timing of employee vacations. That way you can still be flexible, but you will be able to maintain adequate staffing throughout the year — including during peak vacation seasons.

Top 10 Employee Handbook Mistakes



All businesses with employees can benefit from having an employee handbook. By formally writing down your policies and providing clear guidelines, you spend less time answering questions and explaining the rules and regulations of the office. You also lessen your chances of ending up in court. Some common mistakes that occur during the creation of such a handbook are as follows.

1. Not having the handbook reviewed by a labor law expert. There are many ways to state your policies, some of which may be vague or potentially misconstrued. Have the experts at the Labor Law Group, who are well-versed in employment law, review your handbook before running off copies.

2. Not taking into account federal and state laws. You need to keep in mind that laws such as the Family Medical Leave Act, among others, cannot be violated or misstated in your handbook. The same holds true for violating personal rights. This is another reason to have a The Labor Law Group review your handbook.

3. Creating the long version. While you want to cover all of the essentials, you also do not want to go into such great detail that you hand employees

a 250-page volume. Employees will feel too restricted to produce quality work if they are overwhelmed by rules and regulations.

4. Not providing a means by which employees can complain about harassment or discrimination. These are very serious issues, and the law requires that employers provide an opportunity for employees to voice such complaints.

5. Failing to read such a handbook first. It is unnecessary to try and re-create the wheel. There are plenty of employee handbooks available to read as well as templates that can be found to help you construct yours. Use other resources before attempting to write such a handbook. The easiest and most efficient way is to have the experts at The Labor Law Group develop your employee handbook, which will ensure that your handbook is best suited for your business in particular.

6. Failing to update your handbook. Reasons to update your employee handbook include new laws, new technology, and various changes in how you conduct business. Businesses are sometimes better off having no handbook than having one that is years old and outdated. Therefore, once you have an employee handbook, it is a good idea to update it at least once a year. Clients of The Labor Law Group will automatically have their handbooks reviewed once a year and updated as labor laws dictate.

7. Not having a disclaimer. A disclaimer prevents an employer from being boxed into a corner. Without a disclaimer, the handbook can be construed as a contract. There needs to be some room for the employer to use discretion and work within the general guidelines of the handbook. Therefore, do not make the mistake of neglecting the disclaimer.

8. Not using straightforward language. If the handbook is too vague or technical and not clearly understood by employees, then it may not serve the intended purpose. Make sure everything is easy to understand and reader-friendly.

9. Not tactfully introducing the handbook to current employees. The sudden introduction of an employee handbook can imply that the organization is not happy with the way in which employees are conducting themselves. This is often not the case. It is, therefore, preferable to make it clear that the handbook is just a means of clarifying procedures and policies. Also, you should be prepared to answer questions regarding the handbook.

10. Failing to make sure all employees have a handbook. You should have everyone sign off that they have received the handbook.

What to Leave Out of an Employee Handbook



A good HR manual is a valuable document that provides many uses for both small and large companies. It records and communicates official rules and explains policies, benefits and other important information to which employees need to refer from time to time. An HR manual clearly documents what institutional memory will almost certainly distort over time. But a poorly written or incomplete manual could leave your company open to potential lawsuits. Building a useful HR manual shouldn't be too difficult as long as you pay special attention to sensitive legal topics and avoid documenting policies in the following areas.

1. Overtime restrictions. Wage and hour laws require that overtime be paid for any work that exceeds more than 40 hours per week -- whether or not it is authorized by the employer. Never require that overtime work be authorized in advance.

2. Regulations limiting workers' rights as parents or potential parents. Pregnant workers must be treated just as you treat other employees. Never require that an employee disclose facts or plans related to pregnancy -- including a pregnancy itself. Once the baby arrives, you will also have to adhere to regulations

governing maternity or family leave and related issues.

3. Anti-romance rules. As a rule, unless the nature of a job necessitates it, you should avoid banning office romances. Such bans are difficult to enforce and infringe upon workers' personal freedom.

4. Rules about giving notice. Never require that an employee give notice before quitting. Such a rule might limit your legal right to fire an employee.

5. Rules requiring workers to keep information about their compensation to themselves. Don't include any rules that prohibit employees from discussing their salaries with one other. Labor laws protect an employee's right to discuss such work-related issues with other employees.