



Why Every Employer Needs an Employee Handbook

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Every employer should have an Employee Handbook to clarify and communicate with one voice its workplace policies and procedures to all of its employees. In these challenging economic times, employee stress and uncertainty, coupled with the growing number of cases of employee related litigation against management, create an ever greater need to codify and clarify workplace policies and procedures. A written statement of company policy is a business necessity for firms of every size.

There are numerous benefits to having a current, comprehensive Employee Handbook. Every employee receives the same information about workplace policies; expectations are managed; you will receive some protection if an employee later challenges workplace policies in a legal proceeding. This document should contain clearly articulated workplace policies and procedures.

The most important aspect of any Employee Handbook is that it be kept current. Laws change and company policies change. Your Employee Handbook must keep up with these changes.

Your Employee Handbook should be tailored to the state in which you do business and should be customized to address the size and character of your business. One size does not fit all! A New York handbook should not be used in Arizona. A Fortune 500 company's handbook should not be used for a firm with ten employees.

A few of the many items your Employee Handbook should contain are:

- a statement of your company's business philosophy and mission;
- a statement of the normal working hours for regular full time employees, rules for part time employees, and how overtime compensation is authorized and paid for those entitled to it;
- a definitive statement of "at-will" employment status;
- clear explanations of entitlement to benefits, including sick leave, vacation pay, health benefits, and other discretionary benefits;
- clear statements of drug and alcohol policies, including employee assistance programs, if any;
- articulations of the company's sexual harassment policies and policies with regard to discrimination in the work place;

- attendance, dress code, smoking policy, and other policies governing day to day operations of the office
- should be clearly set out;
- guidelines for performance reviews and methods for reporting complaints and concerns to management;
- leaves of absence, such as medical (including FMLA leave, where applicable), pregnancy leave, funeral leave, jury duty and military service should be addressed.

A company's Employee Handbook is an important method of communication between the management of the company and its employees. It provides clear and definite guidelines and sets the tone for workplace expectations. Clarity and detail are critical in maintaining a productive atmosphere, free from uncertainty, where employees know what to expect from their employer and know how their concerns will be addressed. Employees will benefit from an articulation of clear and uniform policies, and they will perceive that they are being treated fairly and consistently.

Most critically, legal claims are minimized if employees know the company's policies in advance. Regardless of the size or complexity of a business, its exposure to lawsuits and claims will be reduced if expectations and guidelines are clearly articulated in an Employee Handbook.

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