The Importance of Employee Handbooks

Employee handbooks are often considered to be unavoidable by both employees and employers. Employees don’t like reading them and employers don’t like writing them. But, it must be done; so, we are here to help.

Handbooks don’t just set expectations for your employees. Your employee handbook also communicates to your employees what they should expect from you.

As much as we love our teams, discrepancies can happen easily, employee handbooks can clarify anything that might have been misconstrued in other communication.

Although there are no laws requiring employers to have an employee handbook, they can help save your company from liability in case of a lawsuit.

Clauses like an employ-at-will or drug testing policies in your handbook provide full disclosure to your employees.

The next sections will be an outline of what we think is the best way to build your employee handbook.
Contents

In the following, you’ll learn how to form your own employee handbook. You’ll learn how best to organize all the topics and areas not to omit.

01 Company Overview

02 Time off Policies

03 Employee Behavior

04 Company Benefits

05 Company Legal
A company overview is a great way to kick off a handbook. It will give a strong foundation of knowledge to your employees and let them know where your company is coming from in the rest of your handbook.

**Welcome**

Provide a welcome to your new employees from the board of directors or CEO. Although it may seem impersonal, at least we’re starting out this necessary evil on a positive note.

**History**

Include a brief overview of how and why your company started. Include a fun anecdote like a name origin or how your board of directors came together.

**Mission**

In this section divulge your secret plans to take over the world. Provide insight to your employees about where you see the company going. Why are they doing their jobs and why is the company in existence?

The purpose of the company should be something like providing the world with sustainable transportation through teleportation. Which would be awesome, I hope that’s your mission.

**Goals**

State some long-term company goals to let your team know where you expect to be in ten years. If you want your company to be the top barrel cacti farm in Rhode Island by 2050, let them know.

**Culture**

Add a culture section to your handbook to remember what the culture your company was when founded.
Purpose of Handbook

This will be an introduction to the rest of your employee handbook. Give an overview to your readers about what they will see for the rest of the employees.

Values

Describe the company values. What principles is your company founded on? Do you want employees to say when they see something wrong to try to improve the team?
If you’ve established a great company with great employees, they might not want to leave. But if they do, don’t worry, they’ll come back. Be sure to include your leave policies in the next section of your employee handbook.

**Vacation**
What is your company’s vacation policy? Do you have 0 days or do you have 30? Use this section to spell out your policy and classify whether vacation is paid or unpaid. You likely went over this with your new hires in their offer, but this will give them a reference.

**Sick Leave**
Your employees shouldn’t be coughing all over their desks. Let them know how many days they have for their immune system to fail. Also, let them know if you just want them to work from home whenever they feel toxic.

**Family and Medical Leave Act**
Commonly referred to as FMLA, this is a law. This section in your handbook will be a quick reference for your employees to know how many weeks they are legally allowed off for the birth of a child or serious health conditions. Also includes family emergencies.

**Holidays**
Let your employees know which holidays to start planning their family vacations around. Sure, there may be some pleasant surprise vacation days at some companies, but let them know the initial plan.

**Voting**
States have their own laws about voting. Add your operating states’ or state’s laws to your handbook just to clarify.
Jury Duty
Also a law. Employees are entitled to time off to serve on a jury.

Military Leave
We hope that we won’t see another military draft in our lifetimes. If we don’t, even active or inactive services in the National Guard qualify for full pay while away.

Leave of Absence
A leave of absence is where an employee leaves the company for a certain amount of time while maintaining employment status. This usually happens for exceptional circumstances so be sure to list a few and offer a contact for others.
We love our employees and you likely love yours. Let’s give some guidelines to keep it that way.

**Attendance Policies**
Clarify the expectations of your employee attendance. If you expect them to be at every quarterly announcement and in the office every day, say it in this section.

Also include in this section, how you want your employees to communicate their absences. Choose to either require an email or leave it up to manager preference.

**Tardiness**
If tardiness is an issue in your company, address it here. If employees are expected to be at their desk when their schedule begins, use this section.

**Insubordination**
This section would talk about write-up's through HR or customer complaints. List reasons for write-ups.

**Breaks**
Your employees likely will need a break from their desks. Tell them what they’re allowed to take, or even leave it up to them. If they have 30 minutes, put it in the handbook. If they have as long as they need, omit the section.

**Code of Professional Conduct**
Tell your employees how you expect them to act even if it is outside of the office. If they are not supposed to go out in company uniform, tell them in this section.

**Employee Health and Safety**
Employee health and safety should be your number one priority. Describe the safety precautions your company takes in this step and how to handle someone not following protocol.
Dress Code
If you don’t think gray, stained sweatpants really fit your bank's professional level, clarify in this section. Makes some rules about shorts, holiday animal antlers, or singing ties.

Emergency Procedures
If you have procedures during a break-in, tornado, or fire, describe them in this section. They likely will seem fairly obvious, but it’s always nice to be prepared and informed.

Grounds for Disciplinary Action
Discuss the next steps at certain quantities of write-up’s whether it is termination, probation, or even just a discussion.

Termination
State the procedures for termination in this section. Discuss severance pay if it is offered by your company as well as the technology return policies.

Voluntary Termination
If an employee chooses to leave, they likely wouldn’t get their severance pay. Use this section to state that among other policies such as a 2-weeks notice in this section.

Final Paycheck
Whether an employee chooses to leave or is terminated, they are still entitled to their final paycheck if they work the hours. Outline the procedures for the deliverance of the final paycheck.

Exit Interview
If your company conducts an exit interview, list the procedures in this section. What happens after the exit interview?
4 Company Benefits

Make sure all of your employees are on the same page with a benefits section.

Vehicle Policy
Perhaps your company is fortunate enough to give cars to traveling salesmen or employees on-the-road for whatever reason. In this section, detail the procedures of your vehicle policy.

Pay
This section should include the pay process of salary or commission. If your employees are getting paid weekly or bi-weekly, include it in this section. Also include the process whether it is direct deposit or mailed checks.

Company Discounts
If you work in retail, you likely have discounts on your stores or related stores for your employees. You may even have discounts from customers. Use the handbook to put them in the know.

Health Insurance
This section should be a reference of health insurance companies. You don’t need to state every plan that the company offers and continuously update it, but just a contact at the appropriate company for the right insurance.

Retirement Plans
Describe your company’s 401k or IRA contribution levels and programs in this section. If you offer company stock, also include it in this section.

Worker’s Compensation
Also a law, if your employees get injured on the job, they should get paid. Put that in this section as another legal reference. If your company offers disability coverage, let your employees know.
This is arguably the most important section of your handbook. It includes sections that define your handbook for what it is and ensures the rest of it is valid.

**Not a contract**
You need to state that the handbook is not a contract. It does not guarantee employment for any amount of time and employment can be terminated at any time by either party within legal requirements.

**Handbook trumps previous documents**
The handbook should supersede all previous documents. It will likely need to be updated. Your policies back in 1957 are going to be obsolete when it comes to company laptops.

**Policies are subject to change**
If you plan on updating policies, which you should, you need to disclose that the policies are subject to change. It may seem shady to your employees, but they can’t reasonably expect policies to last forever.

**At-Will Employment**
State that employment at your company is at-will and not guaranteed for any amount of time.

**Equal Opportunity Employment**
Be sure to include an equal opportunity section to state that your business is an equal opportunity employer.

**Non-Harassment / Non-Discrimination**
If your company doesn’t discriminate in the hiring, promoting, and firing processes, which is illegal if it does, include a non-harassment and non-discrimination clause.
Drug Free / Alcohol Free
If your employees are expected to remain drug and alcohol-free during their time of employment, disclose it. State there will be a drug test before the hiring process and if there will be drug tests later in employment.

Open Door Policy
If you wish to encourage transparency in the office, put an open door policy in your handbook. This will allow your employees to come to you whenever there may be a business-related ethical issue.

Company Property
State how company property should be handled or taken care and maintained. If receipts are supposed to be sent to accounting, disclose that information here.

Privacy
Your company may reserve the right to investigate all company property at any time. So, more like a no-privacy clause.

Personnel Files
Your employees are concerned about what is going to happen to their personal personnel files when they leave the company. Disclose that information of how you store and dispose of files in this section.

Employment Classification
State which sections and benefits apply to which employees. In which they are exempt, non-exempt, part-time, full-time, or temporary.

Employee acknowledgment page
The employee acknowledgment page should be a tear-away page they can sign stating they read or had the opportunity to read the entire document.
Better work starts here

Empower reps, hone essential skills, and delight more customers with Lessonly. See how.

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