

Personnel Handbooks – A Basic Overview

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Personnel handbooks, otherwise known as employee handbooks or company manuals, however defined, and used interchangeably in this article, carry with them varying degrees of approval from executives at companies these days ranging from an absolute necessity to a complete waste of resources to an invitation for a lawsuit. On the one hand it may seem, the more that is written down, the more responsibility a company and employee has to each other, perhaps an “implied contract” is created, which is not far from the truth. States are more willing these days to treat a handbook as a contract depending on the circumstances. On the other hand, if something is never made an “official policy” then how would an employee or employer have known an obligation existed and it follows, how can you hold either party responsible? The employer-employee relationship is complicated but the simple answer is that whether the rules and company policies are written down or not, federal and state laws still exist to protect employees and it is in the employer’s best interest to have a carefully crafted employee handbook.

What is a Personnel Handbook? A personnel handbook is a roadmap to a company’s policies and procedures that govern how the company and its management will interact with its workers. To illustrate, a handbook may contain policies such as vacation and sick leave if offered or it may contain language referencing mandates under state and federal law including guaranteed leave under the Family and Medical Leave Act, minimum wage & hour requirements, overtime pay or a harassment policy. A state institution’s handbook will certainly differ from a private company’s handbook just as a handbook applicable to a company with union employees may vary from one that does not employ union workers. Regardless of a handbook’s content and the type or size of the company, it is vital to the company that the handbook is clear and comprehensible - including in a language the employee is able to understand.

What are the Benefits of a Personnel Handbook? The principle benefit of having an employee handbook, from both an employee and employer’s perspective is to align the expectations of employees with employers. A second benefit is risk management – discrimination in the workplace for example – it may not be able to be eliminated all together but it may be reduced when everyone knows that the company is taking an aggressive position against such a practice. HOWEVER, it is important to note that the policies and procedures laid out in a handbook must be followed routinely by managers and supervisors alike, to establish a pattern and practice of adherence to the manual. From a company’s perspective, if it receives a harassment complaint on behalf of a current or former employee from the Equal Employment Opportunity Commission or state counterpart, the employer will have a much stronger defense if it can point to both its policy prohibiting discrimination AND the steps it has taken to enforce such policy. Finally, without common expectations clearly laid out between employees and the company, old practices will be followed, many of which may be discriminatory and unlawful.

When is the right time for an Employer to consider a Personnel Handbook? It is never too early to outline and implement some basic expectations between the company and the employees in

the form of several free-standing policies or an employee handbook. These may include some of the sections mentioned above in addition to the policies governing hiring, firing, use of company technology and workplace etiquette, just to name several. Although many federal laws do not cover employers which have under a minimum number of employees on their payroll, several states impose labor restrictions on all employers of any size as well as extend civil rights protections to an employer with as few as one (1) employee.

A Final Word - Beware of “canned” handbooks – There are numerous organizations out there that will promise to provide your company with a “legally reviewed” handbook. A properly drafted personnel handbook should be done by a qualified Labor and Employment Attorney. It is a mistake for a company to try to tailor one of these “canned” handbooks to meet its particular needs, without proper legal advice. It may save some money in the short-term, but whether it is a sole member LLC or public corporation, this is not the type of risk any company should be taking in this market place with the level of employment complaints filed rising steadily. It is a good investment to have an employment attorney review your company handbook annually for compliance with new state and federal laws.

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