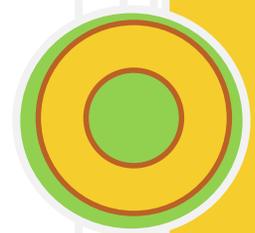


HUMAN RESOURCES PROGRAMS: STRENGTHENING THE CORE

Employee Handbooks

Robert M. Rogers, SPHR
3C Human Resources Consulting, LLC



What are HR Core Programs?

The current mantra in the fitness industry is “core” strength training. Basically, if we want to be fit, then we have to ensure that our core body parts are in the best shape possible. Strengthening the core can also be applied to the human resources programs that are in place or should be in place within most companies. As with a fitness industry that struggles to define exactly what muscles are included in the body’s core, there are different opinions of what makes up “core” human resources programs. Core HR programs include a well-developed employee handbook, useful job descriptions, effective performance management systems to help employees succeed, and a benefits package that allows a company to attract and retain quality employees. One can hardly disagree that a “core” program for any organization is development and implementation of an effective employee handbook which is the focus of this article.

Effective Employee Handbook Policies Will Show Returns

An employee handbook is utilized in many regular and unusual situations during a company’s operation. It is one of the most important forms of communication utilized by a company and should be one of the very first documents provided to a new employee. If developed appropriately, a well-written handbook will reaffirm the benefits of working for the company, provide employees with a sense of the company’s history and culture, and establish expectations during employment.

Most importantly, a well-written handbook can save time and money. It saves time during the orientation process by introducing important information to a new employee in an informative and systematic way. New employees will become productive staff members more quickly when company information is provided at the start of employment. Supervisors can then reference the document, as needed, to answer employee questions, reinforce expectations, and maintain consistency within the company.

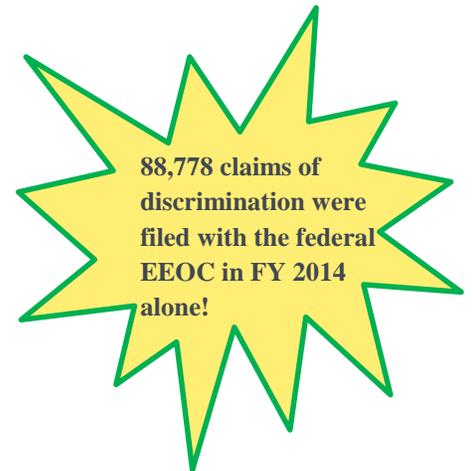
Handbooks, however, are not only an effective form of communication with employees. Many organizations have discovered this document is also needed as a reference with a variety of third parties, such as business associates and governmental agencies. Unfortunately, some organizations also find that not having a handbook (or policies) places them in a more challenging position with these business associates or governmental agencies at times. Consider these basic examples that highlight the benefits of a well-written employee handbook:

- *Unemployment Insurance (UI) Administration* – Employees separated for disciplinary reasons (e.g., tardiness) will often go ahead and file for unemployment benefits. However, in New York State for example, an employee who is terminated for misconduct or insubordination is not eligible for these benefits. If an employer does not fight this claim or

loses its case during the proceedings, then the unemployment benefits (i.e., dollars) are paid from the employer's established UI account to the separated employee. In New York State, this could mean a maximum weekly payout of \$425 (\$11,050 for 26 weeks). As you can see, failure to manage these claims can result in a significant dollar reduction in an employer's UI account which can, in turn, increase your annual UI tax rate.

How does a handbook help? During these proceedings, an employer is often contacted by an initial intake investigator from the Department of Labor (DOL). The DOL representative will first want to know the facts of the separation. At some point during the discussion, the DOL representative will inevitably ask for a copy of the applicable policy(ies) for their review as they determine eligibility. The fact that there is an established policy in place (and the employee has signed a receipt of that policy) is often the crucial supporting evidence that the representative needs to determine that the employee violated a policy and is ineligible for benefits. Using the employee handbook will save the company both time required to respond and prevent reduction in your account dollars.

- *Obtaining EPL Insurance* - a business may decide that it wants to purchase Employment Practices Liability Insurance (EPLI) to cover itself against claims by workers that their legal rights as employees of the company have been violated. Invariably, before providing coverage, the prospective carrier will submit a questionnaire to a representative of your organization and one of the first questions asked is typically, "Do you have an updated employee handbook or published policies?" Before approving this coverage, the prospective carrier wants to be sure that the company has the basics covered with regard to sound management practices.
- *Unfair Labor Practices, Discrimination* – Effective policies and practices can assist in the defense of claims of discrimination, harassment or wrongful employment action. When published, communicated and followed, an employer can use these policies to demonstrate that no unfair treatment occurred or, in the case of discrimination and harassment that the employer has taken some of the steps necessary to ensure that this does not occur in its workplace.



There are certainly other instances in which a well-written handbook policy can assist the employer. Managing workers compensation and disability claims with your carriers through effective leave policies is one example that immediately comes to mind. As demonstrated in the few examples above, the importance of having a strong handbook during these times cannot be understated.

Developing the Employee Handbook

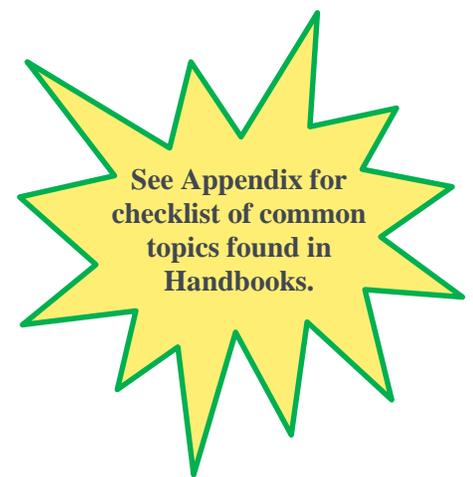
A well-written employee handbook will reflect the vision, mission and values of the company and, as referenced above, will provide a vehicle for effective communication with employees and those third parties. A handbook will contain many policies that reference certain employment regulations in the workplace. However, a handbook should be written in clear, concise language that employees and supervisors can understand and use, as needed. Of course, there are also certain policies that should be included in all handbooks (e.g., employment-at-will). When putting it together remember the following guidelines to ensure that the handbook:

- Communicates important information to employees and, as important, provides employees with avenues to communicate with management.
- Complies with a wide range of federal and state regulations applicable to the company and, yes, ensures that employees are aware of these regulations and their rights therein.
- Creates consistency in HR practices among different departments within the organization.



Contents of an Employee Handbook

An employee handbook will specifically provide employees with information pertaining to their rights, benefits and the work rules while at the company. For instance, we should be sure that they are aware of the company's non-discrimination, non-harassment policies and how to report such an occurrence. Similarly, be sure that they are aware of their rights and their own responsibilities related to the Family and Medical Leave Act, if applicable. It should cover the host of benefits that are provided by the company including items such as holidays, vacation, insurance, and leaves. However, don't forget to include reference to other benefits that the company is supporting or contributing to such as 401k plans, social security benefits, disability insurance, and workers compensation. These leave, insurance and retirement benefits represent a significant investment from the company. Take credit for providing those benefits. Finally, the handbook will cover those every day work rules that will afford a smoother operation and lead to less confusion or uncertainty such as attendance call-in policies, use of company technology, expectations for confidentiality, etc.



Implementing the Employee Handbook

Effectively implementing the employee handbook (and significant updates/revisions) will also pay dividends in the long run. We sometimes hear the “joke” from an employee that they received the document and it is now being used as a leveling device for their desk. While we may cringe when we hear this, it is usually a sign that the document has not been effectively implemented. Here are a couple of suggestions for implementation:

- *Introduce the Handbook* - Introduce the handbook at a staff meeting, review some (not necessarily all) of the policies so that employees have a greater understanding of its contents. Employees will be more receptive to a handbook when they understand that it does not only have important work rules and processes listed in the document but that it also references their “rights” (e.g., non-discrimination, insurance continuation, FMLA entitlements) and the benefits to working at the company. This introduction might last for 30 minutes or so but it is time well spent to engage employees and ensure that the document is effectively implemented.
- *Acknowledging Receipt* - Of course, employees should also sign off for receipt of the handbook and updates to the document so there is a record in the future. Some employees may balk at this request. It is best to engage them in questions as to why they would hesitate or what is in the document that may be of concern. These questions open the door to explaining the policy further where necessary and increasing the comfort level of the employee. Ultimately, though, the employee must sign off on receipt.

Seek Outside Assistance, When Needed

An employee handbook is an important step to building your core human resources function. It may take time to develop and requires vigilance to maintain it. Be sure that you have invested the appropriate resources to complete it properly. Utilizing an outside party such as an HR consultant can also save time and money as well as ensure that the policies are up to date and comply with current employment regulations. At the very least, having the document reviewed by an outside party is highly recommended.

Hopefully, this article has shed some light on the benefits of and need for an effective employee handbook – a core program that will help sustain your organization. If you would like assistance or require further information, please contact *3C Human Resources Consulting* today at info@3c-hrc.com or call (315) 243-9136. We can review your handbook and discuss ways to assist to strengthen your HR core.