



**Lab**<sup>®</sup>  

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## **Best Practice Guide**

# **Creating an Employee Handbook**

A robust, detailed and customized employee handbook will allow a company to communicate important policies, rules and procedures to their employees. It contains useful information and sets guidelines/expectations for employees and employers, bridging the communication gap between the two, improving both consistency and transparency for all parties.

This guide will share recommendations for how to write your own handbook as well as provide some template examples from other businesses to guide you on your way.

# Things To Know Before You Write Your Handbook

Whether you're writing your first handbook or working on providing an update, the style and content and what goes in there will have implications for your company. Before you get started, there are a few things in particular to be conscious of:

## Handbooks Create Accountability

Once something is formalized in policy, then the company can be held accountable and legally liable. It is therefore to be particularly conscious of what the company is committing to in their handbook, and to ensure that all of its content is compliant with country or state laws and regulations. In the company operates in multiple jurisdictions, it might actually be necessary to create multiple versions or supplements. Consider having your handbook reviewed by a human resources expert or lawyer.

## There's more than one way to write a handbook:

Have your handbook match your company culture and industry, both in terms of its length, formality, and content. Companies in highly regulated industries like financial services will likely need detailed policies on ethics and data security, while an advertising agency might be simpler and more creative in what they share. An employee handbook will serve as one of the first introductions an employee receives to your organization's culture, mission and values, and should purposefully fit the size, age, and corporate culture of your company. Recognize when and if a specific practice might not be applicable to the company or might not belong in your handbook, and feel free to be creative in some parts (while still mindful of accountability mentioned above).

**Tip** Present your completed employee handbook to your employees with a formal celebratory roll out, and expressly announcing if/when changes have been made. Provide a copy of the employee handbook to all new employees upon hire, and ensure that it is accessible to all employees, at any time.

## Make sure it's understandable

Make sure that the content of your handbook is clear, concise, and practical so it is understandable on its own without additional guidance. It's also important to be clear about which sections or policies are binding and which may be more flexible. This will help to avoid misinterpretation of any policies and minimize risk of non-compliance. Take into consideration your own workforce; if for instance a portion of your staff speak a foreign language, have the handbook translated.

Many smaller businesses choose not to have an employee handbook in favor of having a more informal work culture. Having an employee handbook, however, can manage the risk of legal action by employees against the company, help regulate the work environment and performance, hold the company and its managers accountable to consistent and objective application of rules, and can even help communicate, codify, and preserve the type of culture desired. The key is to find a type of employee handbook that suits the company, and to not include any content in the handbook that is not yet "ready" to be formalized.

## Reflection Questions

- *What are the primary reasons for creating or updating your employee handbook?*
- *How would you classify your company culture and how could that be reflected positively in your handbook?*

## Impact Snapshot

As B Lab grew from an early stage organization with less than 20 employees to a more complex 50+ employee organization, it recognized the need to expand its formalized policies and employee procedures in order to more accurately communicate expectations and benefits to all employees. To do so, they transitioned from a 5 page employee handbook focused on general policies and values to a 30 page handbook with more formalized procedures.



## How To Write Your Employee Handbook:

Here are the basic steps that you should go through when writing your employee handbook. Feel free to adjust and expand upon them based on the context and complexity of your own circumstances.

### Brainstorm

After you've decided you need to write (or update) your employee handbook, go through a process to identify the type of content that is necessary to include. Consider looking for sample employee handbooks of other companies (an internet search will yield results), and use the checklist below as a guide as well.

### Draft

Once you've decided what types of content you'll want in your handbook, you'll need to fill in the details. This will likely include collecting those policies and benefits you've already established, either formally or informally. It is also a good time to ensure that those policies are still appropriate and to write any new policies to fill in gaps that your initial review may have revealed. Consider utilizing an employee committee to brainstorm and contribute to writing the employee handbook -- they may not be dictating or deciding upon the final content, but can play an important role in generating ideas and providing feedback to make sure the handbook is reflective of what employees want and need.

### Review and Finalize

In addition to any employee input, be sure to get final sign off with all relevant decision-makers in the organization, including Human Resources and executives. You may also want to have the handbook reviewed by legal counsel to ensure compliance with all laws.

### Distribute and Use

Your employee handbook should be shared universally within your organization, giving employees both an opportunity to ask questions and provide feedback, as well as formally acknowledging receipt. Make sure that new employees receive a copy in a similar way and ensure that copies are accessible for ongoing use, such as through printed out copies in your office, via a company intranet or document storage service, or both.

### Update

Your handbook should be reviewed periodically to make sure that it is still up to date. Share revisions with the staff so they are aware of changes. From the outset, you can even indicate that the handbook is a living document, subject to change and evolution in order to create the expectation that it will change and improve as the company itself changes.

#### *Reflection Questions:*

- *Who should be included in reviewing and/or approving your employee handbook?*
- *What is the best method for you to distribute your employee handbook?*

# Checklist for Writing your Employee Handbook:

## Company Overview and Introduction

Start with a few paragraphs about company history, and philosophy, and a brief description of the handbook's content and purpose.

In some cultures and contexts, employee handbooks can be viewed as binding contracts. Consider clearly stating whether this is, or is not the case.

Include a clause about the company's policy on revisions or amendments to the handbook. (Appendix: A)

## Workplace Commitments

Include a section to detail any formal commitments and policies, universal to all company policies, procedures and practices. This section will likely include any

1. Non-Discrimination
2. Anti-Harassment,
3. Freedom of Association, and
4. Anti-Child/Forced Labor policies that the company may have in place.

This section should be compliant with relevant local, state or national laws. US employers are required to be compliant with the laws set forth by the Equal Opportunity Commission and the Americans with Disabilities Act and include corresponding statements in their handbook.

### Equal Employment Opportunity Statement:

[Company Name] provides equal employment opportunities (EEO) to all employees and applicants for employment without regard to race, color, religion, sex, national origin, age, disability or genetics. In addition to federal law requirements, [Company Name] complies with applicable state and local laws governing nondiscrimination in employment in every location in which the company has facilities. This policy applies to all terms and conditions of employment, including recruiting, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation and training.

[Company Name] expressly prohibits any form of workplace harassment based on race, color, religion, gender, sexual orientation, gender identity or expression, national origin, age, genetic information, disability, or veteran status. Improper interference with the ability of [Company Name]'s employees to perform their job duties may result in discipline up to and including discharge.

### Non-Discrimination:

[Company Name] prohibits discrimination or harassment based on race, color, religion, creed, sex, national origin, age, disability, marital status, veteran status or any other status protected by applicable law. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and is free from discriminatory practices, including without limitation harassment. Consistent with its workplace policy of equal employment opportunity, the company prohibits and will not tolerate harassment on the basis of race, color, religion, creed, sex, national origin, age, disability, marital status, veteran status or any other status protected by applicable law. Violations of this policy will not be tolerated. Discrimination includes, but is not limited to: making any employment decision or employment related action on the basis of race, color, religion, creed, age, sex, disability, national origin, marital or veteran status, or any other status protected by applicable law.

### Anti-Harassment Statement:

Harassment is generally defined as unwelcome verbal or non-verbal conduct, based upon a person's protected characteristic, that denigrates or shows hostility or aversion toward the person because of the characteristic, and which affects the person's employment opportunities or benefits, has the purpose or effect of unreasonably interfering with the person's work performance, or has the purpose or effect of creating an intimidating, hostile or offensive working environment. Harassing conduct includes, but is not limited to: epithets; slurs or negative stereotyping; threatening, intimidating or hostile acts; denigrating jokes and display or circulation in the workplace of written or graphic material that denigrates or shows hostility or aversion toward an individual or group based on their protected characteristic.

Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors and other verbal, visual or physical conduct of a sexual nature, when:

1. submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
2. submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or
3. such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Examples of sexual harassment include: unwelcome or unsolicited sexual advances; displaying sexually suggestive material; unwelcome sexual flirtations, advances or propositions; suggestive comments; verbal abuse of a sexual nature; sexually oriented jokes; crude or vulgar language or gestures; graphic or verbal commentaries about an individual's body; display or distribution of obscene materials; physical contact such as patting, pinching or brushing against someone's body; or physical assault of a sexual nature.

## Code of Conduct/Ethics

Include a section that details expectations you have of your employees. This section may describe acceptable employee behavior, dress code, or policies toward drug and alcohol use. It might be relevant to include digital conduct or social media policies for your employees.

## General Information

Include a section on general information geared toward new hires. This section may include details on company amenities and property (parking lots or passes, company cars, computers or kitchen etiquette). You may also chose to include organizational charts, phone lists, or other broader organizational information that will be useful to your employees.

## Payment and Performance Reviews

Include details how and when employees will receive paychecks, taxes withheld, overtime policies, timekeeping policies, pay advances/leaves and bonuses, as well as your performance review policies. Avoid including specific numbers or targets, but include general statements about how wage increases are handled and employment classifications (part-time, full-time, exempt, non-exempt, etc).

### Impact Snapshot

New Belgium Brewing includes a full description of all employee benefits in their handbook and even goes a step further by sharing it publicly on [their website](#). In addition to standard benefits like health insurance (covered 100% by the company), the company also provides wellness reimbursements, an Employee Stock Ownership Plan, and “anniversary gifts” that include a bike after one year and trip to Belgium after five years.



## Work Hours, Attendance Policies and Leave

This can include an outline of company work

week/hours, attendance policies and leave policies (i.e. telecommuting, maternity leave or volunteer time).

## Benefits, Training and Professional Development

Include a section that details all benefits provided to employees, such as, (i.e. Profit-Sharing, Plan Health Insurance, Tuition Reimbursements)

Be sure cover features of the benefit program, as well as eligibility criteria. Note that certain benefit programs such as health insurance or disability coverage, will be required to be compliant with local, state and/or national law.

### Impact Snapshot

New Chapter Vitamins has developed the [“New Chapter Credo”](#) that all employees receive and sign, which outlines the company’s core commitments and vision for the company and its employees.



## Disciplinary Policy and Termination

Include an explicit disciplinary policy and relevant sanctions to ensure employees are aware of the consequences of misconduct or policy violation. It might be prudent to avoid being too prescriptive, and maintain that the company reserves the right to determine the cause, severity and extent of any disciplinary action.

In some jurisdictions, it may be relevant to add a disclaimer that all employment is “at will.” “At-will” employment refers to the notion that any employment relationship can be terminated “at-will,” without reason or notice by either the employer or employee.

## Grievances and Whistleblowing

Include a complaint/grievance procedure for workplace issues or code of conduct breaches. Your grievance procedure should seek to provide employees with a clear set of steps to follow before and during the address of a complaint. You may also choose to include a Whistleblowing policy in the event an employee discloses wrongdoing within the

company. A Whistleblowing policy should protect whistleblowers from undue retaliation or repercussion.

Consider implementing an anonymous mechanism/line of communication to an independent board member, or other individual to receive and address grievances.

## Workplace Commitments

Include a section to detail any formal commitments and policies, universal to all company policies, procedures and practices. This section will likely include any

1. Non-Discrimination
2. Anti-Harassment,
3. Freedom of Association, and
4. Anti-Child/Forced Labor policies that the company may have in place.

This section should be compliant with relevant

## Reader Acknowledgement

Protect your liability and encourage employees to read the handbook by having them sign a receipt.

### Reflection Questions

- *What else would you want to include your employee handbook?*

## Impact Snapshot

Top Drawer Creative has a comprehensive employee handbook, which provides employees with clear information about company policies, procedures and benefits and also includes a Code of Ethics, non-discrimination policy, statement on work hours and flexible work options.



## Endnotes:

- 1 <http://mdbgroup.com/strategies1>
- 2 <http://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters>
- 3 <http://www.forbes.com/sites/dorieclark/2014/08/21/making-the-business-case-for-diversity/#2b68487e19b3>
- 4 <http://www.visionexecutivecoaching.com/blog/building-diverse-inclusive-businesses-an-imperative-for-conscientious-companies/>
- 5 <http://www.scn.org/friends/ally.html>
- 6 <https://theantioppressionnetwork.wordpress.com/allyship/>
- 7 <http://www.diversityjournal.com/14154-10-ways-employees-can-support-diversity-inclusion/>
- 8 <http://www.edchange.org/multicultural/activities/activity4.html>
- 9 <https://hbr.org/2016/07/why-diversity-programs-fail>
- 10 *Ibid.*
- 11 [https://www.ced.org/pdf/Deloitte\\_-\\_Only\\_Skin\\_Deep.pdf](https://www.ced.org/pdf/Deloitte_-_Only_Skin_Deep.pdf)



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