



Creating an **EMPLOYEE HANDBOOK**

Going without this necessary tool can create confusion among employees and, more importantly, open your company to litigation.

By Bridget White

Most small companies, and especially small retailers, are unable to invest in a full-time human resources (HR) expert as part of their staff. And while it makes sense to allocate tight resources where they are most needed, HR does bring some real benefits to a company; most notably, it formalizes policies and procedures and sets the tone for interaction between employees and management.

This kind of formalization is, unfortunately, becoming increasingly necessary for even the smallest company, as litigation continues to rise in the United States and as resources become more limited. Having an employee handbook that is tailored to your industry and your company's needs will act as a preventative for both litigation and time-consuming employee disputes.

WHY HAVE A HANDBOOK

Every organization involving people has to have terms of employment and rules to govern employee as well as employer conduct if it is going to survive. While it is impossible to have a complete list of such policies to cover all situations that might arise, companies need to have the most complete guide possible in the form of an employee handbook.

According to Robert Noonan, an attorney specializing in green



industry employment law, having an employee handbook can provide multiple benefits to employers. "An employee handbook is nothing more than a decision that's been made in advance," explains Noonan. "When an employer has a handbook, it allows them to decide how to handle problems before problems occur, when the employer can think about the situation some before having to give a response. Additionally, some of the employment problems that arise through the misunderstanding of employees as to what their rights and obligations are in the workplace can blossom into a legal problem."

For example, Noonan described a situation he encounters often with green industry companies where an employee walks up to his supervisor one day and says that he is entitled to two breaks each day plus a lunch break and that he has already spoken with the labor board who verified these rights. This assertion about breaks may or may not always be true, and having a written policy about breaks and lunches that has been given to employees often prevents this kind of misunderstanding and certainly prevents it from escalating to the point of labor board involvement.

A less tangible benefit of having an employee handbook, according to Noonan, is employee satisfaction. "Generally, every employee wants to know what the rules of the road are. Every employee wants to know what's expected of them, and the employee handbook is a mechanism for conveying many of those expectations."



Top and left: Employee handbooks may help your employees better understand how to work independently.

SECTIONS OF NOTE

While employee handbooks will vary based on a company's needs and the state's requirements, there are some basic sections that should be common to all. The sections outlined below define basic principles for employment with any company and are a necessary part of protecting your company from litigation. Please note that these sections are just a starting point; before constructing your employee handbook, consult with your attorney and/or a human resources expert.

Introduction. This is usually the first part of the employee handbook and gives both a welcome to the company and some history and information about the company. It should not be long and should be from either the owner or president, typically with their signature at the bottom.

Conditions of Employment. This brief section should define the terms of the employees employment, namely that employment is at-will and not under any contract. You should also use this section to outline your company's policies on harassment and equal opportunity, including definitions of harassment, how to handle a complaint about harassment or equal opportunity and what will happen if the employee does or does not file a complaint.

Job Particulars. This is the section most employees will read the closest, as it pertains directly and immediately to them. Here, you should define the different types of employee status — exempt, part-time, temporary, etc. — as well as the basic requirements for continued employment: hours of work and breaks, overtime policies, pay cycles, attendance, travel policies and reimbursement, etc.

Employee Evaluation. Though most small, retail companies think their part-time and hourly employees exempt them from having to do evaluations, nothing could be farther from the truth. All employees should be evaluated on a regular schedule, and this section of the employee handbook will outline that schedule, as well as generally what an employee will be evaluated on. Other related subjects, such as new employee orientation, a definition of a probation period if applicable and procedures for filing complaints should also be included in this section.

Employee Benefits. Whether you have a rich benefit package or none at all, the details of employee benefits should be outlined to employees. This would include any insurance benefits and how employees enroll, retirement benefits such as profit sharing or 401k, as well as less tangible benefits such as opportunities for advanced training or employee discounts. Don't forget that any time off work is a benefit, whether it is paid or not. You will want to detail company policies for holidays, especially if you are open on holidays, personal leave such as vacation or sick days, bereavement leave, etc. And since all companies are required to offer leave under the Family and Medical Leave Act of 1993, you should detail the provisions of this act and what they mean for an employee. Most employees do not understand what circumstances provide eligibility or what their benefits are during and after the leave. It is your responsibility to inform them of this benefit.

General Work Policies. This is exactly what it sounds like: a catch-all section. Even after all of the above, there will be a number of policies that have not been covered; anything that has not been covered at this point should be included in this last section. You can include such items as dress code, solicitation on property, smoking on property, workplace violence, building access and, of course, general rules of conduct. This will be kind of a lengthy section, as there are often many stand-alone policies that can not be grouped together.

Employee Acknowledgement. At this point, all of your company's policies and procedures should be outlined. It is important that this section contain no new information. This final one-page section might



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An employee acknowledgement section in the handbook may prevent unacceptable customer service.

be the most important in the employee handbook because it shifts the responsibility of knowing policies from the employer to the employee. The employee acknowledgement page confirms that the employee has received a complete employee handbook, they will be responsible for reading it on their own and they will be held accountable to the policies contained therein. There is a place for the employee to sign and date their agreement, after which you should remove this page and keep it in the employee's personnel folder.

GETTING STARTED

Creating an employee handbook is a fairly easy undertaking, and with the Internet explosion, it has become even more so. A quick search under employee handbook will bring up hundreds of companies offering their services or their templates on a contract basis. And while Noonan recognizes these resources as a possible starting place, he advises not to place too much stock in them.

"Unfortunately, one of the positive aspects of the Internet has also become one of the negatives," explains Noonan. "And that is that the Internet can provide employers cheap models of handbooks." And while having a model as a starting point is a great first step to get an owner thinking, Noonan identifies several problems that can arise from using a handbook template that has not been customized for your industry or company. "First, the handbook must reflect that status of the law both at the state level and the federal level. Second, even if it does, it's very important for the employer to have a discussion about what they want the handbook to accomplish. Having a readily available form does not mean it will accomplish what the person wants it to accomplish."

Noonan has worked with the Connecticut Nursery and Landscape Association to develop a template for Connecticut green industry companies that has been tailored for state law (a template can be obtained from CNLA at connnrsry@aol.com). And though he does not know if other state associations have similar templates, he advises garden centers preparing employee handbooks to work with their local association, company counsel or another expert to develop an appropriate employee handbook. "This is definitely a case," advises Noonan, "where an ounce of prevention is worth a pound of cure." 

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