Why Do You Need an Employee Handbook?

Comprehensive, customized handbooks can be wonderful tools. They provide specific easy-to-find and understand information for your employees. They set forth reasonable procedures to minimize conflict and error. And they enact a standard so that your employees know what is expected of them and can trust in your organization’s fairness and consistency.

But many employers do not want to shoulder the cost of a carefully drafted, lengthy document they feel no one will actually read. Or employers will spend as little as possible to get a generic book crammed with policies they don’t actually want, with the hopes that it will also provide them with legal cover if there’s ever a problem.

So what are the *most* important policies to have in an employee handbook? These are the top two:

1. A Vacation Time (or Paid Time Off) Policy. How vacation time accrues, how it can be used, whether it “rolls over” after a year, how much time can be taken at any one instance, and how can be forfeited or paid out are all crucial details that must be spelled out, in writing, as clearly as possible.

2. An Anti-Harassment and Reporting Policy. Employers have one “affirmative defense” if they are ever sued for a hostile work environment and they did not know it was occurring: if they can prove the employee failed to report the harassment and give the employer a chance to correct it, they will not be liable. But if the employer does not have a reporting policy *in writing*, they cannot assert the affirmative defense.

There are, of course, many other policies that are advisable and beneficial to have in a handbook: employee classifications, hours, overtime, payment of wages, disciplinary issues, drug policy, leaves of absence, etc. And no matter what size of business you have, a lawyer review of your handbook is highly advisable. But if you are missing either of the two policies above, a revised handbook should be a top priority. Year end is always a good time to make a fresh start!