The Importance of Having an Employee Handbook

An employee handbook is a booklet that documents your expectations from your employees and what your employees can expect from your company. In other words, it states your legal obligations as an employer and their rights as employees. It contains important information on your company’s policies and procedures and has all details that employees would need to know about their workplace.

An employee handbook is important as it provides standardization of personnel and benefit policies, preventing misunderstandings, complaints and job dissatisfaction out of misinterpretation of personnel and benefit policies by employees.

What should a good Employee Handbook include? Here's a sample list:

- Standards of Conduct
- Work Schedules
- Anti-Discrimination Policies
- Non-Disclosure Agreements & Conflict of Interest Statements
- Compensation
- Workplace Safety and Security
- Employee Benefits
- Leave Policies
- Complaints

Reasons to have an Employee Handbook:

- It brings uniformity across your company. It explains expectations for everyone and mentions the consequences of violating these rules. By explaining workplace ethics and expected behaviour with colleagues and the management, an employee handbook minimises workplace disputes.
- It saves time on your personnel or administration team. Documented rules and procedures in the handbook save your managers time from explaining the same policies over to new employees joining and to others.
- It helps new employees to set their expectations from the company in terms of work schedules, leave, compensation and benefits, dress code, performance reviews, salary and pay revisions, holidays, training, termination policies, and more.
- It is a guidebook for your Human Resource team and a reference manual for your managers.
- It reduces the start-up time of your new employees by giving them clarity on their job responsibilities by including details on the company’s expectations from them. It also conveys performance parameters and ways of acknowledgement of their good performance.
- By giving information on your company’s policies on use of personal gadgets and devices within the premises, the employee handbook must include the terms and conditions for use of these equipments and the fallout from non-compliance of these rules.
- It helps your business in complying with federal as well as state employment laws and can be a beneficial legal defense against an employee lawsuit.
- It helps your company come forward with its stand on issues like favouritism, discrimination, harassment and also provides information on how to report any violations regarding such issues.

Precautions to be taken while preparing your Employee Handbook:

- It should be straight-forward and in simple language. Avoid legal jargon that will confuse your employees.
- It should be regularly updated, especially because the laws change and your employee handbook can become an important tool in case of lawsuits.
- Don’t include policies and procedures that your company doesn’t adhere to.

An excellent Employee Handbook brings the employer and the employees on the same platform about how a job needs to be done and what to expect when doing so. It informs your employees of their rights while at the same time defends your company against lawsuits arising out of their lack of understanding of your company’s rules and policies.