8 Things You Need To Know About Employee Handbooks



As an HR professional, you may view your employee handbook as either an anchor for effective employee management, or an albatross around your neck. But love it or hate it, a well-designed, up-to-date employee handbook is a valuable company resource that can effectively establish workplace parameters and legally protect your organization.

Here are eight things you need to know about employee handbooks including why you need one, what your handbook should contain and best practices that will help keep you out of court.

1. Why you need an employee handbook

Regardless of the number of employees you have, all companies have formal and informal policies that set out terms of employment and company expectations.

Depending on where in Canada you do you do business, some policies are legally required. Examples include health and safety policies; workplace violence and harassment policies; and customer service standards for disabled employees. Other discretionary policies deal with issues like working hours, dress code, vacation policies and employee benefits.

Having policies clearly spelled out in one document creates a historical record and common reference tool for all levels of the organization. The manual can be used as part of the orientation process to quickly bring employees up to speed. And because it clearly outlines company expectations, it can also help to keep you out of court or protect the company if litigation does occur.

2. Pitfalls of not having an employee handbook

Where you do not have policies required by legislation, you could be subject to prosecution and fines under the statute. You also will not be protected if you are involved in subsequent union grievances or litigation for wrongful dismissal.

Furthermore, if you do not have company policies clearly set out in a handbook it will be more difficult to deal consistently with unacceptable employee practice on a day to day basis.

Keyser Mason Ball LLP partner Patrizia Piccolo gives the simple example of photocopier use. Assume an employee has used the office copier to reproduce copies of

personal mortgage documents without paying for use.

“If you don’t have a policy or the employee didn’t know you have one, it makes it a little more difficult to discipline him for that behaviour. And you can’t be making up policies on the fly and applying them inconsistently to various individuals.”

3. “Must have” handbook provisions

The essential components of your employee handbook are those that are legally required in the provinces where your employees work.

For example, under section 25(2)(j) of the Occupational Health and Safety Act, an employer must prepare and review at least annually a written occupational health and safety policy, and must develop and maintain a program to implement that policy.

A workplace violence policy and workplace harassment policy is also required for all workplaces covered by Ontario’s OHSA.

Another important area for policy development is Ontario’s *Accessibility Standards for Customer Service,* first passed into law on January 1, 2008. These standards set a compliance deadline of January 1, 2010 for the broader sector and January 1, 2012 for the private and non-profit sector. Broader *Integrated Accessibility Standards* became law on July 1, 2011 and will be phased in for various sectors between 2013 and 2021.

Human rights legislation does not formally require policies for accommodation of employees in protected groups. However, if a tribunal finds you have violated the legislation, they can order you to develop policies in addition to awarding employees damages.

4. “Nice to have” handbook provisions

There are an almost limitless range of policies that can or should be included in your employee handbook. In addition to the “must haves” noted above, in the Top 10 HR Policies Employers Must Have Kelowna B.C. labour and employment lawyer lists the following:

- Privacy policy
- Computer and internet policy
- Termination notice policy
- Progressive discipline policy
- Work attendance policy
- Overtime policy
- Work impairment policy
- Conflict of interest policy

Other useful polices deal with employee benefits; vacations; pregnancy and parental leave. Minimum standards for these kinds of policies may be established by provincial employment/labour standards legislation.

However your company rules may either exceed these minimums or contain a number of unique features. And if you are getting the same questions day after day about vacation scheduling, days off and wage issues you and your employees will be much more productive if you can direct them to the manual for answers.

Many of your policies will also be specific to the nature of your business. “If employees handle food, you may have policies about proper hand washing or tying hair back and wearing hair nets,” says Keyser Mason Ball LLP associate Megan Burkett. Where a sales force is on the road most of the time, Piccolo suggests policies for

reimbursing expenses, safe driving and safe use of cell phones.

5. Resources for developing handbooks

In the case of legally required policies, some governments have made considerable effort to assist employers by posting guides and model policies on the internet. Examples include OHS Policies and workplace violence and harassment policies in Ontario.

A number of legally compliant model policies for the 10 Canadian provinces and three territories that can be adapted for your use can be found by clicking on the appropriate headings in the sidebar on the right on HRInsider.ca. Other publishing companies and consultants will sell you customizable templates.

However, when using model policies or templates:

- Ensure sample language you adopt is legally compliant in your jurisdiction.
- Don’t buy or borrow from U.S. templates where very different workplace laws apply.
- Confirm the policies you include accurately reflect the practice in your company.

It is also is very important in all cases to have your individual policies and your manual reviewed by an experienced lawyer or human resources professional.

6. Multi-jurisdictional companies

Required vacation, severance and termination pay are areas where there is significant difference between provinces labour standards.

If you carry on business in more than one part of the country, you can elect to either comply with separate rules in each location or take a “highest common denominator” approach.

For example, assume you have employees in both Saskatchewan where employees get three weeks of vacation after one year and in Ontario where employees are only entitled to two weeks of vacation in the same circumstances. You can either have separate policies or comply with the rules in both places by implementing Saskatchewan’s more generous standard for everyone.

Regardless of which approach you select, you must ensure your employee handbook reflects local rules and practice. You may have separate manuals or separate sections within one manual to accommodate local variations.

7. Communicating your employee handbook

You cannot depend on a company policy in your manual when you discipline or terminate an employee if they can convince a court they never saw or read a copy.

Your employee handbook can be a booklet or a loose leaf binder to make it easy to update. Many employers now bypass print altogether and post their manuals on their intranet with clickable links to various sections.

Whatever form you prefer, individual policies should be dated so you can easily ensure the most up to date version is available. All new employees should be required to read the manual when they are hired and acknowledge in writing that they have done so.

New acknowledgements should be made available to employees for signature whenever a policy is amended or a new policy is released. An employee meeting reviewing policy changes can also help to bring the message home.

Piccolo says that to draw attention to the contents of her firm's employee manual, they ran contests for several weeks where the first person to email back the page number of a specific policy in the manual won a prize. "Employees loved it and really became engaged in the process," she says.

8. Common employee handbook mistakes

Your handbook should be reviewed at least once a year and updated as required. Burkett and Piccolo have examined hundreds of employee manuals. Here are some of the common mistakes they see over and over:

- Policies in the manual are not compliant with legislation. There may either be new provincial rules, or policies from U.S. parent companies have been adopted without sufficient scrutiny. One example is U.S.-style rules for drug and alcohol testing.
- The manual does not contain a disclaimer stating that in spite of what is contained in the manual, in all cases relevant legislation prevails.
- It is not clear to whom the policies apply or when it is triggered. Overtime policies frequently fall into this trap.
- Conflicting versions of policies exist throughout the organization because amended provisions have not been updated in all cases and re-communicated to employees.
- Different managers or divisions interpret the manual differently leading to inconsistent practice within the organization.

Creating and keeping an employee manual up to date can be a challenge whether you wear many hats in a small organization or you head up a large HR department in a huge company.

However, investing valuable time to develop a user-friendly compilation of important company policies made available to everyone in the organization can actually make your job much easier. It can also lead to a happier, more engaged workforce.

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