

Trap to Avoid: Assuming Enforceability of Employment Manuals



Most employers have an Employment Manual or Handbook that sets out the organization's policies and procedures. Although Manuals are useful for communicating the ground rules of employment and employee conduct, they can be hard to enforce—especially when the Manual provision isn't incorporated directly into the employment contract.

3 Key Points about Enforcing Employment Manuals:

1. Employment Manuals don't carry the same legal force as a written employment
2. Having employees sign a form acknowledging that they read and understood the Employment Manual isn't enough to make the Manual enforceable; in many cases, the acknowledgement has no bearing on the court or arbitrator's decision about whether to enforce the provision.
3. Even putting a Manual provision into the contract doesn't necessarily make it enforceable if the employee doesn't receive consideration, i.e., extra compensation or something else of value, for agreeing to it.

3 Do's & Don't's

DO incorporate any provisions of your Employment Manual that you deem essential terms of employment directly into the employment contract itself.

DON'T rely on a signed acknowledgement alone to make a Manual provision enforceable. It probably won't work. Thus, the fact that the designer in *McLean* did sign an acknowledgement had no impact on the Manual's enforceability.

DO provide specific consideration to the employee for agreeing to the term, especially if it's favourable to the employer.