

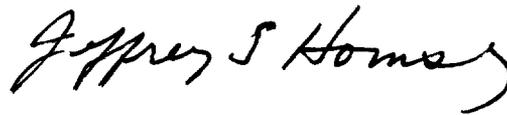
The Process of Creating a Useful Employee Handbook

An Honors Thesis
(HNRS 499)

by

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A handwritten signature in black ink that reads "Jeffrey S. Hornsby". The signature is written in a cursive style with a large, sweeping flourish at the end.

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PURPOSE OF THESIS

This paper gives a brief explanation of how to create a successful employee handbook. It gives guidelines on how to go about writing the handbook as well as what topics to include in the book. Included as part of this thesis, as an example, is a copy of Ball State University's Handbook for Nonexempt Staff Personnel. This thesis should not be used as a step by step procedure, but as a guide to the overall creation of a quality handbook. All situations vary with every company, so what works for one may not for another. Every handbook should be specific to the individual organization. This paper offers the reader an outline for producing a handbook that will make any organization proud.

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The Process of Creating a Useful Employee Handbook

An employee handbook is a vital part of any organization. A guidebook to all the do's and don'ts of a particular company, it is an effective and relatively inexpensive way to communicate simple things like a company's rules, procedures and goals as well as more abstract things like a company's expectations and philosophy to the company's workers. Employee handbooks save valuable time explaining how the organization functions to new employees. A good employee handbook will provide a reliable source to which employees can turn when questions arise. In addition to helping to train new employees, handbooks also serve to open lines of communication between employees of any business. When workers know the company's philosophy, goals and motivations, they are likely to feel as if they are a part of the big picture.

The first step in creating a viable handbook is to determine who will be responsible for planning the manual. A single individual or small committee is the best choice when selecting someone to coordinate the production of the book. This person or group should be familiar with all aspects of the organization and its personnel policies. This requirement may best be filled by someone from the company's human resource management department or, if this department does not exist, whoever is in charge of the company's personnel practices. Human resource or personnel experience will help in the planning and production of the handbook.

Once someone has been selected to head the process, it is important for the company to determine what the objectives of the handbook are to be. Writing without direction is perhaps one of the

greatest pitfalls in creating a employee manual (MIC 12). Handbooks can be designed to serve several purposes, and successful books narrow these purposes down to a realistic goal. In its 1968 book How to Prepare an Employee Handbook, The Management Information Center identified five basic objectives in writing an employee handbook, based on responses it obtained from 65 companies who produced handbooks for their workers. Respondents said they wanted their handbooks to develop an understanding between employer and employee, accurately communicate the company philosophy, make the new employee comfortable, improve employee and community relations, and keep management aware of its responsibilities and those of the employees. An individual company's goals for its handbook can include none of these or all of these, but regardless of what the goals are, it is vital to establish them early in order to give the contents of the manual direction.

One way to determine the book's objectives is to evaluate the attitudes of the employees (MIC 29). What areas have new employees had the most trouble with? Does everyone know what is expected of them? How many people don't know how to do something because they are afraid of asking "dumb questions?" How are employee/employer relations? How complete is the training process? How many seasoned employees still do not know the company philosophy? In realizing where weaknesses may lie, the objectives of the handbook fall into place. The manual should fill any voids left after all areas of the company are examined.

Once these steps are out of the way, it is time to get down to the business of writing the book. It is important to note here that the handbook coordinator should not sit down and whip out the finished

product. Every section of the book should be carefully researched in order to provide the new employee with the most accurate information available. The coordinator should determine who in the company is most qualified to provide this information .

The content, of course, depends upon the objectives, but there are several basic concepts that a good handbook should include. Joan Harris' book on creating an employee handbook identifies fourteen areas to include when assembling the book's content.

WELCOME

Somewhat self-explanatory, the welcome section should welcome the reader to the company. It should also welcome the new employee to his first company contact - the handbook. This section should explain what the purpose of the handbook is and how valuable a resource it can be in succeeding as a part of the company. Harris also suggests that this section "provide positive reinforcement for the new employee about joining your company" and "extend good wishes for the person's future at your company" (25). The welcome can make or break a company's handbook, as it can be how the employee forms a first impression. It sets the tone for the rest of the book - if it is very formal and strict, the reader may not want to continue, while a light, fun tone may make him want to read on. Getting the employee to read the book should be a primary concern.

ABOUT THE COMPANY

This section is the backbone of a good employee handbook. It should show the reader the overall focus of the company and how individual employees fit into the picture. Harris breaks this section down into three areas: what the company does, its philosophy, and its

history.

When explaining what the company does, the handbook should be specific. Explain every facet of the company's operations, from the underlying concept to the actual everyday functions. Harris also suggests listing all of the company's clients, products and services, as it is important that each employee understands how the overall operation runs (26). Whole Food Market's founder and CEO John Mackey stresses the importance of keeping these explanations as short as possible. "If it's too long, they'll blow it off," he says (Posner 88). Give a clear, concise summary of important information and tell the employee where he can get more information if he wants it.

This section should also include information about the company's philosophy. "Employees are much more sympathetic to what (the company) is trying to accomplish if they understand the overall context they're operating in. The handbook is a great vehicle for passing along your goals," says Mackey (Posner 88). The philosophy statement not only gives the company a chance to share its goals with employees, but it also gives the employee the opportunity to see how important he really is (Harris 26). By emphasizing the employee's overall importance, he is very likely to be motivated to do his best work.

Also an important part of the company section is a brief summary of the company's history. By addressing this, the handbook gives the new employee an idea of both where the company is coming from and where the employee can hope to go with it in the future.

COMPANY ORGANIZATION

An organizational chart is a useful tool in giving the new employee an overall look at the company. Show how each position from

management on down relates to the others and tell who the people are who hold each position. Photos of higher management are useful, as this gives the employee an opportunity to "meet" everyone before they run into one another in the elevator or the break room.

Part of explaining the company's organization is outlining each of the departments and their functions. While all the departments should be included on the chart, space limitation usually makes a less detailed explanation necessary. List each department and give a brief description of its functions, as well as a general idea of its structure (Harris 29).

HIRING PROCEDURES

This section should explain everything the new employee would want to know about hiring practices. An equal opportunity statement is an important part of any policy manual, as it insures that employees are hired and promoted because of their qualifications and nothing else.

A good manual should also include an explanation of the company's qualifications for employment and actual hiring procedures. In outlining your company's qualification requirements, this section should explain the reasons for each requirement. Hiring procedures should be listed specifically and each step should be included in the correct order, so the process is clear.

Another concept the Hiring Procedures section may touch upon is what the employee should do if he knows others who want to work there as well. Company policies differ in regard to employees recommending job candidates. Explain your company's policy and explain why it exists. If recommendations are accepted, be sure to outline the process. Can relatives be hired? Are incentives offered?

What is the proper procedure?

Seniority is another aspect of this section. Explain if and how seniority is determined and what difference it makes in the employee's duties, salary or job security. Workers want to know what kind of progress they can make, so be sure this part is very clear. Explain any circumstances under which an employee could lose all or part of his seniority (Harris 32).

The process of transferring to another part of the company can also be covered in this section. While some companies encourage movement within, others discourage it. Make your company's position known and explain it. Explain why an employee would want to transfer, how they should go about requesting to do so and how it would affect seniority or salary (Harris 32).

TERMINATION

Leaving the company is not something most employees are thinking about as they read their employee handbooks, but nevertheless it is something that needs to be addressed. There are several different aspects of this topic as well.

Make it clear why an employee may be fired and the process involved in doing so. Will warnings be given? Is there a probationary period? How much notice will be given in the case of layoffs? Do not be afraid to be negative. An employee wants to know what not to do just as much as he wants to know what to do. Simply explaining the cardinal sins can eliminate confusion later on. Also important here is the issue of severance pay. Under what circumstances is it granted? Who decides? How much is it? (Harris 35).

Also explain what the employee should do if he decided to leave the company of his own accord. To whom should he give notice?

When? Does it have to be in writing? By making the procedure clear, a company is likely to have the process followed as desired, thereby eliminating problems like a hurried search for a replacement.

EVALUATIONS

Use this section to explain when and how often employees are evaluated. Make sure to include who does the critique and how it relates to seniority or salary. Are the evaluations announced or surprises? When does the employee get to see them? Can he appeal an unsatisfactory one? Outline what the evaluations are based upon and what they are designed to measure. Many employees are uncomfortable thinking someone is looking over their shoulders, so let them know what the procedure is and set them at ease.

COMPANY COMMUNICATION

Very few companies are structured in such a way that employees and managers have no contact. Explain the role of the supervisor in your company and how an employee should go about establishing communication with him. This is an excellent opportunity to stress the importance of open lines of communication, both between manager and worker and between employees on the same level.

Another issue to be addressed in this section is that of communication between departments. Explain to employees whether they are expected to "have direct contact with other departments or if such contact should be made through supervisors" (Harris 38).

SALARY

This is probably the most well-read section in the entire handbook among new employees. They want to know how to go about

getting a paycheck, where to pick it up, when they will get a raise, if they can receive bonuses, when they can expect promotions, the basic pay scales and the availability of expense accounts. Cover it all.

Explain time cards - where to get them, what information is needed, when to turn them in. Tell the employees things like what happens if they are turned in late.

State what day is payday. Tell the employees what to expect in that regard. Will the check be hand delivered or put in mailboxes? What happens if payday falls on a holiday? What should an employee do if he loses his check? How can an employee get his check if he is not at work on payday? Tell them what will be coming out of their checks and give them a number to call if they have any questions.

Also important is discussing how and when raises are decided upon, as well as the company's policy on bonuses. An employee generally wants to know if his hard work will be rewarded and how often he can hope for a boost in pay. These usually are based upon promotions, but explain your company's policy. Tell them what the pay scales are for various jobs. Let them know what jobs include expense accounts and how they work.

DAYS AND HOURS OF WORK

Here the handbook should specify what constitutes normal work hours and days. Explain the policy on lunch and coffee breaks. If the company works in different shifts, explain them. Detail any exceptions to the rules. Be specific to avoid confusion (Harris 44). This is also the place to discuss overtime and attendance policies. How should an employee report an absence? What happens if an employee fails

to follow the proper procedure? Also explain any exceptions to the rules like jury duty, unavoidable absences or tardiness, voting time or bad weather closings.

TIME OFF

Here the manual should outline sick leave and personal day policies. Explain when the employees are eligible for sick days, how much they earn, and when they can use them. If your company awards personal days, follow a similar procedure in explaining their purpose and use.

Also to be covered here are holidays, vacations, and emergency leaves. List the holidays observed by your company and your policy on payment for these days. Explain what happens if a holiday falls on a weekend. Religious holiday policies vary, so outline what yours are. Go over vacation rules - when are they eligible, how long do they get, how do they schedule them, what happens to unused vacation time (Harris 49). Also cover what happens in the case of emergencies like death or accidents.

COMPANY PROCEDURES

This large category can be used to cover everything from stationery and filing systems to handling a complaint. Explain the day-to-day operations like what forms to use for what purposes, how to order supplies, using the phone system, how to make suggestions, or how to use the company mail.

RULES

List the company's expectations regarding employee conduct. A code of conduct is fairly common here, as it outlines in general terms the ideal behavior expected of employees. In addition to this code, the rules section usually addresses policies regarding things like

smoking, personal calls, mail, safety, visitors and a dress code.

BENEFITS

Also a closely-read section, this should cover all the benefits offered by your company. Give a complete explanation, but try to avoid delving deep into the intricacies of the benefits. Keep it simple and give a number where more information can be obtained.

SPECIAL SERVICES

Tell the new employee what your company has to offer. Perks like a cafeteria or food service, service awards, a lost and found, free parking, a softball team, discount movie tickets and occasional parties should be discussed in this section. By finding out here, the employee can plan for a summer softball schedule and avoid paying costly parking fees down the street, but he can also feel like part of the team right away, since most benefits do not begin immediately.

SPECIAL POLICIES

If there are any policies not covered in the handbook already, list them here. You want the handbook to answer all the questions an employee may have.

After the content of the book is assembled, it should be examined for completeness, style, syntax, accuracy and legality. This should be accomplished in four separate steps, as it is very difficult to evaluate it on all levels at the same time.

The entire book should first be examined for completeness. Several members of the management team should read the book in its entirety to make sure all the bases have been covered. Each reader should receive an unmarked copy, which they in turn mark with

any suggestions for improvement. The readers should also be given a written survey which asks about specific areas of concern. After the first read-through, the text moves onto the next stage.

When it has been ascertained that the book is complete in its coverage of employee concerns, it should be read for style. As mentioned before, the tone of the book should be light and fun to encourage employees to read it all. The addition of graphics may add to the aesthetic pleasure gleaned from its pages. It should be packed with information, yet not in such detail that it bogs the reader down.

Reading for syntax is the next step. Make sure the grammar and spelling are correct. Make sure the overall structure of the handbook is organized into logical paragraphs. Insure that there are no repetitions. Reading for these specifics is a long process, but it is very necessary. Employees will not be impressed by a handbook outlining the need for accuracy and pride in work if the handbook has spelling errors in it.

After all the initial problems have been ironed out, it is time to have the book reviewed for accuracy by upper management. Ideally, the president should look it over to make sure it adheres to company policies and make sure that it encompasses all aspects necessary to enhance the overall employee performance in the organization. If the president cannot do this review, it should be done by another chief administrator.

When all the company-generated tests have been passed, a lawyer should examine the handbook to insure that everything contained within it meets all legal requirements and that all the policy wordings are clear. This is a vital step in protecting a company from

future legal problems, as several lawsuits in recent years have resulted from the way employee handbooks have been worded (Johnson 42).

Having passed all the examinations with flying colors, the employee handbook is now ready for publication. It should initially be distributed to all employees, in order to enhance communication between everyone. Veteran employees should be aware of what new employees are being told, for communication is usually stronger between equally informed parties.

One pitfall good handbooks should avoid is the idea that they are carved in stone. A viable manual is one that is open to change; even the best handbooks require frequent updating. In order to keep the handbooks updated and accurate, companies should consider allowing employees to become involved in the process. Whole Foods Does. "As much as possible, this needs to be a collective effort. If people don't have input, it won't be alive for them," says Mackey (Posner 88).

Keeping the handbook alive for employees should be a considerable goal when designing, writing or updating a company handbook. Make the book the employees' best friend. Insure that it will be at least as dogeared as their favorite novel. Make it the first place someone turns with a question. If it is all these things, then it is as valuable to the organization as it is to the employee.

A quality handbook breeds quality employees. It is an excellent training tool that costs far less in time and money than other training methods. It is a training tool that does not end when the first week on the job does. A handbook is a resource an employee can turn to when he has a question he did not even think about when he was

being trained. It helps new employees feel a part of the team and older employees on top of the changes every company undergoes. It helps create an atmosphere that cannot help but be productive, as the workers know what is expected of them, know why they need to do it, and know they are appreciated for their hard work - much as a quality handbook is appreciated for its hard work...and success.

Frequent Foul-ups

Use this handy guide to avoid misusing these tricky words.

affect - to influence
effect - to bring about, result

all ready - prepared
already - previously

among - more than two involved
between - two involved

ascent - rise
assent - consent

complement - complete
compliment - praise

counsel - to advise, advice
council - a group

device - contrivance
devise - to convey

dyeing - coloring
dying - death

enforce - to compel
in force - in effect

exceed - to surpass
accede - to agree

its - possessive
it's - it is

farther - in space (distance)
further - in addition (time or quantity)

fewer - numbers
less - quantity

illicit - illegal
elicit - to draw out

loose - unattached
lose - to suffer loss

perquisite - privilege
prerequisite - requirement

precede - to go before
proceed - to begin or continue

principal - chief
principle - requirement

stationary - fixed
stationery - paper

they're - they are
their - possessive
there - location

Also, do not use:

irregardless for regardless
in regards to for in regard to
inflammable for flammable
very unique for unique

WORDINESS



Redundant expressions

at a later time
after the conclusion of
until such time as
because of the fact that
by means of
for the purpose of
in order to
in connection with
continue on
merged together
proceed ahead
consensus of opinion
adequate enough
protrude out of
there is no doubt but that
few in number
thus as a result
refer back to
each of these
have need to
inasmuch as
but nevertheless
inside of

Can be simplified

later
after
until
because
by
for
to
with
continue
merged
proceed
consensus
adequate
protrude
no doubt
few
thus
refer to
each
need
as
but or nevertheless
inside

- from Create Your Employee Handbook Fast and Professionally, by Joan Harris, 1986.

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