

TITLE: "WHY WE NEED POLICY MANUALS"

by Tim Bryce
Managing Director
M. Bryce & Associates (MBA)
P.O. Box 1637
Palm Harbor, FL 34682-1637
United States
Tel: 727/786-4567

E-Mail: timb001@phmainstreet.com

WWW: <http://www.phmainstreet.com/mba/>

Since 1971: *"Software for the finest computer - the Mind"*

"A policy is written to protect a company from those who break the rules, not from those who follow them."
- Bryce's Law

INTRODUCTION

In today's litigious society, a Policy Manual (sometimes referred to as an Employee Handbook) is a wise investment for any company, large or small. Let me give you an example, back when we were developing products for the mainframe, our staff blossomed to 25 employees, a small company no matter how you look at it. Like any startup company, our interests in the early days were on product development, marketing, and servicing our customers. As our company grew, we began to take on additional consultants, developers and clerical personnel. We then began to notice people taking advantage of our work environment, e.g., sick days, excessive doctor visits, people began to dress sloppily, they were spending too much time attending to personal affairs at the office, etc. It finally became obvious to us that we needed a well written policy manual to bring conformity to our operations and protect the company from abuse. We thereby devised a formal Policy Manual, and had all of our employees read it and sign a statement they understood its contents.

Policy Manuals may be common practice in large corporations but it is also a shrewd investment for small companies. I am still amazed that a small business such as ours needed to develop a Policy Manual but I am certainly glad we implemented it for it has saved us on more than one occasion from frivolous lawsuits brought on by former employees.

From the outset, understand this, a policy is written to protect a company from those who break the rules, not from those who follow them. In our early days, when there were just a handful of employees, it was easy to monitor what everyone was doing and communicate our corporate position to them. But as the company grew, it added a new level of complexity to our communications

making it harder to assure consistency in the conformance of our rules. An employer would like to believe its employees will maintain the best interests of the company. Regrettably, this is a naive concept as employees normally put their own personal interests before the company's. If it was true, there would not be a need for a Policy Manual. A Policy Manual, therefore, is needed for those people who break the rules; for those who do not, it is a trivial concern.

WHAT SHOULD A POLICY MANUAL CONTAIN?

The manual should provide tightly worded descriptions of corporate positions. The following is a sampling of sections that should be included. Additional sections may be required due to the nature of your business.

Introduction:

- Introductory comments from a senior officer (e.g., President) specifying the purpose and organization of the manual.
- Code of Employer-Employee Relations - specifying the basic rights of both the employee and the employer.
- Optional - organization charts, business function charts, a definition of the corporate culture.

Employment:

- Equal Employment Opportunity
- Sexual Harassment
- Hiring
- Employment Agreement
- Orientation and Training
- Medical Procedures
- Probation
- Transfer
- Promotion
- Hours of Work
- Reporting of time and adherence to defined methodologies
- Temporary and Part-time Employees
- Termination of Employment
- Retirement
- Safety

Pay Practices:

- Salary Administration
- Performance Appraisals
- Bonuses and Pension
- Severance Pay

(continued on page 2)

(continued from page 1)

Reimbursement of Employee Expenses

- Travel
- Automobile Usage/Vehicle Care
- Customer Entertainment
- Meal Reimbursement
- Expense Account Guidelines
- Participation in Trade and Professional Associations

Employee Benefits:

- Vacations
- Holidays
- Lunch
- Health Services

Company Premises and Work Areas:

- Maintenance of Work Area
- Personal Property
- Solicitation
- Parking
- Security

Absence from Work:

- Attendance and Punctuality
- Short-term Absences
- Leaves of Absence

Personal Conduct:

- Behavior of Employee
- Personal Appearance of Employees
- Personal Finances of Employees
- Customer Relations
- Vendor Relations
- Personal Telephone Calls, Mail, and use of Internet (incl. E-Mail)
- Conflicts of Interest
- Confidential Nature of Company Affairs
- Intellectual Property
- Disciplinary Affairs
- Drugs and Narcotics
- Smoking

Miscellaneous:

- Maintenance of Personnel Records
- Updates (Log)
- Forms

It is not uncommon to structure the policies in accordance with a numbering scheme somewhat similar to a financial chart of accounts. Further, the Policy Manual should be prefaced with a Table of Contents which reference the section numbers. An index is also helpful.

When writing policies, keep the language simple, clear, and to the point. Your objective is to write policies in such a way as they may not be misinterpreted or leave anything to someone's imagination. After policies have been written, they should be carefully reviewed by management and modified accordingly.

It is important to recognize that the policy manual is a legal document and ultimately represents a contract with your employees. As such, it should be reviewed by your corporate attorney.

IMPLEMENTATION

Policy Manuals are normally printed and bound and distributed to managers to review with employees. It is not unusual for companies not to allow such manuals off of corporate premises. Further, manuals are often numbered and assigned to individuals. The reasons for this are twofold: to control the whereabouts of the manuals and to assure employees have reviewed it.

Regardless of how the manuals are distributed, it is important to obtain a signed statement from each employee that they have reviewed and understood the policies contained in the manual. This statement should then be filed in the employee's employment jacket for maintenance. In the event of modifications or additions to the policy manual, updates should be issued and employees acknowledge they have read it as well.

Although companies will typically print Policy Manuals, there is a movement underfoot whereby the Policy Manual is made available to employees via a secure corporate intranet. In this instance, there should be concern over unauthorized printing and distribution of the policies.

For more information on developing a Policy Manual, see:

<http://www.managementhelp.org/policies/handbook/handbook.htm>

(continued on page 3)

(continued from page 2)

Kits are also available at office supply stores or on the Internet; for a sampling see:

http://www.mrhvac.com/products/books/employment_policy_manual_kit.htm

<http://www.easystreetinc.com/products/pages/POLICY.asp>

<http://www.templatezone.com/employee-handbook/office-policy-manual.asp>

<http://www.connectsus.com/products/clearsite.htm>

CONCLUSION

If you are going to the trouble of writing a Policy Manual, make sure that it is effectively implemented and enforced. There is little point in enacting legislation if you are not going to enforce it.

I have always found the necessity of a Policy Manual to be interesting. There are those employees who can conceptualize, take initiative, and lead moral and ethical lives. But there are also those who need to be told what to do. It is for this latter group that Policy Manuals were devised, not the former.

Today, the younger generation needs such structure. They have grown up under a rigorous set of rules and regulations and cannot imagine life without such formality. Let me give you an example, as a child, I lived and breathed baseball. In addition to playing little league, we would have pickup games before school, after school, and during recess. We probably played more baseball on our own as opposed to under the rules of the little league. But today's kids are not like this anymore. Having coached for ten years I have observed that kids rarely, if ever, have pickup games. Instead, they feel more comfortable operating under the rules of a league. I knew of a large group of kids who wanted to play recreational slow-pitch softball during the summer. The fields were available for such play, but this never happened. It wasn't until I devised a local league with teams, uniforms, and rules that they all signed up to play. This taught me how structured our younger people have to be; they actually prefer being told what to do as opposed to exercising personal initiative. I find this very odd and somewhat disturbing. Nonetheless, these are the people who are now entering the workforce.

So, if you are a small company, should you develop a

Policy Manual? If you find your employees require structure in their lives or if there is a possibility the company might be sued by an employee, the answer, sadly, is Yes. I cannot imagine operating a company in today's litigious world without one.

END

About the Author

Tim Bryce is the Managing Director of M. Bryce & Associates (MBA) of Palm Harbor, Florida and has 30 years of experience in the field of Information Resource Management (IRM). He is available for training and consulting on an international basis.

"PRIDE" Special Subject Bulletins can be found at:

<http://www.phmainstreet.com/mba/mbass.htm>

They are also available through the "PRIDE Methodologies for IRM Discussion Group" at:

<http://groups.yahoo.com/group/mbaprize/>

You are welcome to join this group if you are so inclined.

The "Management Visions" Internet audio broadcast is available at:

<http://www.phmainstreet.com/mba/mv.htm>

Also, be sure to read Tim's Blog at:

<http://blogs.ittoolbox.com/pm/irm/>

"PRIDE" is the registered trademark of M. Bryce & Associates (MBA) and can be found on the Internet at:

<http://www.phmainstreet.com/mba/pride/>

Copyright © 2006 MBA. All rights reserved.