

# Simple steps to create an employee handbook



Employee handbooks are large documents that list out a variety of company policies and procedures. They're incredibly helpful to management and staff, but creating an effective employee handbook is a large undertaking that will require proper time and planning.

If you're feeling stuck and are unsure how to go about creating an employee handbook for your business, you're not alone. To help you get started in creating an employee manual for your business, we've put together some key preparation steps and a list of topics to cover in your handbook.

We promise, it doesn't have to be as daunting as it seems, so let's get started.

## **Why do you need an employee handbook for your business?**

Every business should have an employee handbook. It's important to invest your time and resources into creating.

Employee handbooks are an essential part of the employee onboarding experience for new hires. Employee handbooks help new employees get acquainted with the policies, culture, and expectations of the company. Having these all written down also helps take the pressure of new staff that may be overwhelmed by all the information being given to them. The handbook provides a quick reference to help new hires understand

schedules, policies, pay, and benefits.

Current employees can also benefit from having a quick reference guide when a question or concern arises about sick days, various types of leave, reporting harassment, or office policies. These handbooks provide a wealth of information that all staff can benefit from.

An employee handbook can also help with compliance. The employee handbook is a reference point for employees, managers, and human resources on leave, time tracking, wage, accessibility, and other compliance concerns.

## How to create your employee handbook

### Decide who will write it

One of your first steps, once you've identified a need for an employee handbook, is to decide who will write the handbook.

Who in the company has the time and skillset to create a thorough employee handbook? If the answer is nobody, consider outsourcing the project to an expert. Often human resources will take charge here. If you do not have an HR department, it may fall to operations. Sometimes interns can help update or create handbooks and policies — but they'll need some guidance and oversight.

In a larger organization, the handbook may be a team effort. If multiple people will be contributing, put someone in charge of coordinating the completion of the handbook to keep everyone organized, motivated, and on track.

### Consider your business needs

Regardless of who is going to be creating the employee handbook, they'll need to know some information about your company and business operations. Take some time to look at the current state of your organization including size, resources, departments, and growth goals.

### Some key considerations are:

- **Do you have multiple worksites or office locations?** Employment laws vary by state, and even sometimes by city or county. Ensure that your handbook is compliant with state and local laws for all locations in which you employ people. You may need to create different versions of the handbook if there is a significant variance, list different policies by region in some sections, or add wording to your policies to express that local laws will be followed.
- **How many employees do you have?** Some employment laws and regulations vary based on the size of your company. For example, FMLA covers employers with 50 or more employees within 75 miles, so you'll need to know how many employees you have at each location. Remote employees' home offices do not count as worksites, for FMLA purposes they count towards the worksite that they are assigned work by, so you'll need to factor that into your employee counts as well.
- **Do you have remote or hybrid employees?** Some policies and procedures will differ for those working from home. If remote staff use their own computers, you may need to update your technology policies to include guidelines on data security on personal computers and properly deleting or transferring company files upon the termination of employment. There may also be different policies regarding schedule flexibility, dress codes, communication, and other procedural differences when working from home.

- **What assets do you provide to employees?** If you provide company-owned cell phones, laptops, tablets, or vehicles you will likely need additional policies governing the use, maintenance, and return of these assets.
- **How does your organization handle complaints or concerns?** Who will you direct employees to for harassment or discrimination complaints? If you don't have a policy in place, start thinking of how your business can best investigate and handle these concerns should they arise. Also consider who to direct staff to with policy questions, leave requests, or workplace safety concerns or accidents. Take a look at your org chart and see who these should fall to so that your handbook can provide appropriate direction and resources.
- **What is your company's culture?** The handbook should reflect your company's individual culture and work style.

## Do your research

The research portion is probably the most time-consuming piece of creating an employee handbook — and one of the most important.

You'll want to research applicable employment laws for your region including those related to pay, employee classification, required paid or unpaid leaves, breaks, and more. You may want to consult an employment law attorney. Be sure that any sources you use are credible and up-to-date.

Your research may also include reviewing sample handbooks or templates to get a better feel for what you want your handbook to look and sound like.

## Outline your handbook

There's a lot to cover in an employee handbook. An outline can help you stay organized and ensure that all of the necessary information is being included.

The outline can also be used to eventually create your handbook table of contents. Always start your handbook with a table of contents so that employees can quickly locate what they're looking for instead of having to sift through fifty pages of policy.

## Start writing

Your employee handbook should be written in a clear concise tone. It should be easily understood by all levels of employees.

If you're having trouble writing a policy for the handbook, try using a template to cure your writer's block. If you need templates for all of the policies, check out Business Management Daily's [Book of Company Policies](#).

Templates can be a great starting point and expedite the writing process, but be sure to edit them to make them your own. Generic policies are boring to read and may not accurately reflect your company policies and culture. The handbook should help new employees understand your company, so it should truly reflect the business. Use templates as a guide or starting point rather than the finished product.

Be specific but not too specific. Don't leave your employees with tons of questions or confusion after reading the handbook, but also be careful to leave some flexibility. Don't include a bunch of stringent policies that you

know aren't actually followed or enforced in your workplace.

Also, avoid getting too specific with disciplinary measures. Including language like "this behavior may result in disciplinary action up to and including termination" is standard in employee handbooks for a reason — it gives you some wiggle room to adjust your response to policy violations to individual circumstances. Sometimes giving warnings prior to termination is not the right approach, if the misconduct has been especially egregious. In other circumstances, some leniency or empathy may be required due to extenuating circumstances. Don't lock yourself into firm discipline and termination processes.

## **Key topics to include in your handbook**

Now that you've planned out your process for how your handbook will be created, let's take a look at some of the key topics you should cover within the handbook.

### **At-will employment disclaimer**

Many employee handbooks begin with the at-will employment disclaimer. Most employees in the U.S. are considered at-will employees. At-will means that both the employer and employee have the right to sever the employment relationship at any time with or without notice and with or without cause.

### **Company-specific information**

It's a good idea to define your company's mission with a mission statement. A list of your company's values can also be helpful for setting a positive company culture and connecting with your employees through shared goals and values.

To write a mission statement, think about the purpose of the company. What was it founded to do? How is the company meant to serve customers or society? What need is this company meant to fulfill? A strong mission statement will often include what your company sets out to do, how it aims to accomplish that goal, who your target market is, and core values or commitments that your company holds.

Your company's core values are the guiding principles that govern your company's culture and operations. They're often short descriptions like "honesty", "compassion", and "customer first" that describe the values held by the company and its employees.

Some employers also provide a bit of company history at the beginning of their employee handbooks to provide some background information to new hires. A welcome letter from the CEO or Founders can also be a nice touch.

### **Employment classification**

This section serves as an explanation of how the business classifies its employees. How many hours do employees need to work to be considered full-time? Some employers define full-time as 30 or 35 hours per week, but 40 hours per week is the standard.

Give an overview of exempt vs. nonexempt employees. Exempt employees are typically administrative or management staff members paid on a salary basis. These employees are exempt from being paid overtime. The [Department of Labor](#) has set clear guidelines for determining whether an employee can be classified as exempt. Nonexempt employees are entitled to overtime pay if they work over 40 hours in a workweek.



## **Timekeeping and pay information**

Let's be honest, your employees mostly come to work for the pay, so this section will be of great importance and interest.

Detail your procedures for employee timekeeping, reporting, and compensation. Let employees know when they can expect to be paid and how often they need to submit timesheets. It's also good to mention what the procedure is when payday falls on a weekend or holiday.

Also provide information on overtime pay, meal periods, and breaks. Expense reimbursement procedures can also be covered including expense reimbursement schedules, getting prior approval for expenses, and submitting expenses in a timely manner.

## **Employee benefits**

You can give an overview of your benefits offerings and eligibility requirements. It's best not to get too specific here, as benefits offerings may change annually and there are often multiple options available to employees (such as different health insurance plans to choose from).

You can give an overview of the eligibility requirements for health insurance benefits and retirement plans, such as only full-time staff being eligible. You can also include the waiting period for new hires and that changes may be made during open enrollment each year.

## **PTO policy**

Detail how paid time off is accrued and the procedure for requesting time off. Also, be sure to include if there is a waiting period for using accrued PTO for new employees.

Some businesses choose to offer unlimited PTO, but most provide a set amount of sick leave and vacation time. In some states, vacation is considered part of an employee's compensation package and accrued vacation is required to be paid out upon separation. You can clarify in your policy whether or not accrued PTO can be paid

out on termination and whether unused PTO will roll over to the next year for employees.

## **Attendance policies**

Give an overview of your company's attendance expectations. Explain what employees should do if they anticipate that they will be late for work or need to report an unplanned absence. Let employees know that excessive absenteeism and tardiness could result in disciplinary action.

## **Leave policies**

This section is important and often lengthy. List all forms of leave, paid and unpaid, offered to employees.

Medical and family leave is one of the most common forms that you'll want to cover. The FMLA (Family and Medical Leave Act) allows for up to 12 weeks of unpaid leave per year for specific medical or family care purposes including the birth or adoption of a child. Some states have additional paid medical or family leave policies. For example, California offers Pregnancy Disability Leave (PDL). Many employers offer their own maternity or paternity leave options as well.

Time off for jury duty, voting, and military reserve service is frequently required, though there is some variation between states. Bereavement leave is not legally required in most states, but it is compassionate and good for morale to allow employees time off to grieve the death of a close family member.

## **Dress code**

Set some guidelines for what is considered appropriate attire for your workplace. Provide examples of appropriate and inappropriate clothing options. It's fine to have a more casual dress code if that suits your company's culture and industry, however, it's still a good idea to have a dress code in place. Be sure that your dress standards are inclusive of all cultures, religions, and gender identities.

## **Sexual harassment policies**

Define sexual harassment and how employees can report instances or suspected instances of sexual harassment. Sexual harassment includes unwanted advances, inappropriate remarks, and requests for sexual favors. This behavior is inappropriate for the workplace and should be expressly prohibited with appropriate procedures in place to investigate complaints and support victims.

## **Anti-discrimination policy**

Prohibit discrimination based on race, ethnicity, religion, sexual orientation, gender identity, age, disability status, and national origin. Any employee that displays discriminatory behavior should be subject to disciplinary action up to and including termination. Also, provide information on how employees can report discrimination that they experience or observe.

## **Equal employment opportunity policy**

This policy should emphasize that the company provides equal employment opportunities to all employees and prospective employees. It can state that the business does not discriminate based on race, ethnicity, religion, age, disability status, genetics, sexual orientation, gender identity or expression, or any other protected characteristic in regards to hiring, promotion, layoff, termination, or compensation.

## **Social media**

Due to the rise in popularity of social media sites, many employers now adopt social media policies.



Your employees should be free to post on social media and express themselves, but they also need to be aware that what they post may reflect back on their employers.

Employees should be reminded not to share confidential company or client information online or post defamatory or derogatory statements about the company, clients, or coworkers. Content involving illegal activity, hate speech, or harassment should also be prohibited.

### **Workplace safety**

Provide an overview of workplace safety expectations including the procedure for reporting any workplace accidents or injuries. It is helpful to include a reminder to report injuries even if they appear insignificant, as they may cause complications down the road and it is helpful to retain accurate records and injury reports in case they need to seek treatment or workers comp at a later date.

### **Substance abuse policy**

Give clear expectations to your staff on substance use. Employees should not be reporting to work under the influence of alcohol or illegal substances.

The wording of this policy can be adjusted to your company's culture. Your company may have happy hours or allow light alcohol consumption at the end of the day if you are in a casual or start-up environment. It is also important to consider your views on marijuana use as more states legalize it for medical and recreational purposes.

If you offer your employees access to an Employee Assistance Plan as one of your employee benefits, you may include language in your policy directing staff to reach out to the EAP for help in accessing counseling or other resources if they are struggling with alcohol or substance abuse.

### **Distribute the handbook**

Once it's time to distribute the handbook, have employees sign a short acknowledgment that they've received the handbook. Keep this for your records in their employee files.

It's also a good idea to make the handbook available electronically to employees, as many of them will misplace their hard copy after onboarding. You could also distribute the handbook fully electronically as an environmentally friendly approach. The handbook will probably be quite long, so printing them can use a lot of paper. Just be sure that employees still acknowledge that they've received a copy of the handbook or access to the handbook.

### **You're not done yet**

You've written your employee handbook and distributed it to your staff, so you're done right? Not necessarily. Your employee handbook is an ongoing project.

It's important to update your handbook at least once per year due to changes in employment laws. You may also need to make updates or add policies as business needs change. For example, if you shift to remote work or add a new location out of state, you'll need to review the handbook and update it to reflect these changes.

**Additional resource:** Updating your handbooks and company policies? Check our guide to [employee handbooks](#).