

Expertise Matters

Employee Handbook How an outdated handbook can cost you

Could your employee handbook be dangerous? Have you ever looked through it, pretending to be employee? Better yet, have you ever had your employment attorney read through your handbook to see how an employee might be able to use it in court?

This type of auditing can help spot potential time bombs... time bombs that employees could use against you.

Here are examples of what might be found -- statements that might seem innocent but could turn into costly lawsuits.

- In a company's definition of a "full-time employee," a handbook states: "After completing a three-month probationary period, you then become a full-time permanent employee."

Why is this statement dangerous? You promised full-time employees permanent employment after they complete the first three months. Did you mean to promise an employment relationship that you could never terminate? A court could tell you permanent means permanent.

- In a maternity leave policy, a handbook says: "Pregnant employees are to notify management as soon as possible once they find out they are pregnant. Upon entering the seventh month of pregnancy, employees are required to begin a medical leave of absence."

Why is this policy dangerous? This is a loaded statement that pregnant employees could use to charge your company with discrimination. Under federal and most state laws, you must treat pregnant employees exactly as you treat other employees who are temporarily disabled. It must be voluntary for a pregnant employee

to inform the company of her pregnancy and the need for a leave of absence.

- An employee handbook has a statement on wages that reads: "Discussion of wages among employees is prohibited. Any employee who violates this policy will be terminated."

Why is this statement dangerous?

Because it violates the National Labor Relations Act, which gives employees the right to talk about working conditions, including wages. If the National Labor Relations Board finds you in violation of this law, your business can be heavily fined.

- A policy in an employee handbook includes definitions of types of employees, with wording like this: "Regular employees are paid on an hourly basis. Salaried employees are paid on a salary basis and are not eligible for overtime pay."

Why is this policy dangerous? Because paying an employee a salary doesn't automatically make the employee exempt from qualifying for overtime pay. Federal and state rules govern which employees are exempt from overtime pay and determine whether or not an employee qualifies for exemption. Simply paying an employee a salary or by the hour isn't the legal test.

And what about your workplaces' policies and procedures?

Effective policies and procedures have never been more important than in today's challenging, ever-changing business world. It is essential for organizations to have policies and procedures developed and implemented based on best employment practices, if for no other reason than to protect your organization and its employees. But effective policies and procedures offer

benefits beyond this – they provide for:

- Uniformity and consistency in decision-making and operations
- Demonstration of the organization's values
- Quick and efficient action and resolution when a problem occurs
- A framework for business planning
- Direction of the organization despite periods of change
- Assistance with performance assessment and accountability
- Clarification of functions and responsibilities
- Improved communication for employees
- An overall sense of stability and dependability to the workforce
- And of course, employment practice-related risk management.

HR Consultants, Inc. develops both individual policies and procedures for our clients, as well as entire Personnel/Employee Handbooks, all based on industry best practices and in alignment with today's ever-changing state and federal regulations.



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HRC offers solutions to fit any organization size or need including:

- Review of your current policies and procedures to ensure compliance with the most current regulations
Development of individual policies and procedures to meet organizational changes
- Development of your entire Personnel/Employee Handbook from start to finish.
- HRC also provides custom training at both the supervisor and employee level to ensure your workforce understands its roles, responsibilities, and expectations.

Don't guess when it comes to your Employee Handbook OR your Policies and Procedures – Depend on an experienced professional – Depend on HRC! You can reach us at (814) 266-3818 or by email at info@hrconsults.com – or visit our website at www.hrconsults.com to see our wide array of HR services to help your organization!

About HR Consultants, Inc.

HR Consultants Inc. provides employers with human capital solutions that result in measurably improved employee and organizational performance while minimizing employment practice risk. We can help organizations large and small establish, out-source and troubleshoot any and all essential Human Resource functions. Learn about our full service offerings.

At HR Consultants our prime role is to assist the client to identify needs, develop an action plan and facilitate change to enhance the success of your organization. Our management, human resource, and training services are designed to improve productivity, efficiency, communication and employee morale. Visit our website.

Here's how you can help!

Let us know what topics you'd like to see addressed in Expertise Matters, or you might volunteer to write for us, too. Just get in touch with Lauren Brewer at lbrewer@jari.com.

