

Five GOOD Reasons NOT to Have an Employee Handbook

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Conventional wisdom (from most HR consultants) says that ALL companies should issue an employee handbook. I believe there are times when having an employee handbook is, at best, unwise and in some cases, down right dangerous to your corporate health. Should you have a handbook or would it be better if you didn't? Here are five good reasons (situations) where having an employee handbook is probably *not* in your best interest:

REASON #1:

In a small dealership (less than twenty employees) with one location, a handbook is more than likely unnecessary. One reason to have a handbook is to ensure that important information is communicated in the same manner to all employees. In a small, single location dealership you can communicate important information in-person. If you remain on-site most of the time, you should deal with individual performance and behavioral issues as they occur. Benefits such as health insurance and retirement plans can be communicated through the applicable Summary Plan Descriptions that you must provide to employees. As long as you are confident that your policies and procedures are completely legal under both federal and state law, there is probably no reason to have a handbook.

REASON #2:

If you are just starting up your dealership, or if you have recently acquired an ongoing concern, it is best to wait 12 to 18 months before issuing a handbook. In a new business, it takes time to establish policies, procedures and benefits. It's best to wait until things are somewhat settled before putting things down in black and white.

In an acquisition, there is generally apprehension on the part of the "acquired" employees. If your policies vary significantly from the former management, issuing a new handbook can be an employee relations' nightmare. A word of caution – if the former management has issued a handbook, it needs to be recalled. However, if you already have a handbook, issue it to your new team members immediately. Just be prepared for questions and/or issues that could arise.

REASON #3:

If you think a "boilerplate" handbook will work for your company, don't bother. There are a lot of pre-written handbooks available. In general, they are legally acceptable, grammatically correct and well organized. They are also fast, easy and cheap. Would you advertise your products and services as "fast, easy and cheap?" I didn't think so. A REAL employee handbook is a reflection of your business philosophy and character. It takes time and a sincere effort to develop a handbook that you and your employees can live with. If you can't or won't invest the effort to make your employee handbook meaningful, then it's best not to have one.

REASON #4:

If you prefer to treat each employee and every situation on an individual basis, it's probably not a good idea to write down your expectations, modes of corrective action, or any other criteria

customarily included in a handbook. There is no law that says you cannot make employee-related decisions based upon who you like and who you don't. While that type of management is probably counterproductive to achieving your business goals, it's not illegal. But, that management style is not compatible with a handbook. Most handbooks include topics like scheduling time off, performance evaluation, absenteeism and other areas where guidelines are set. Eligibility for benefit programs is usually not something you can change on a whim. If you want to treat everyone differently, you will end up at odds with your own handbook. That's a dangerous place to be.

REASON #5:

If you believe that an employee handbook is a set of chains, then you don't understand how to use a handbook to help manage your business. There is no doubt that a poorly written handbook can get you into a lot of trouble. A well-written book can be an invaluable tool to help you and your subordinate managers operate your business more effectively. It also helps your employees understand what to expect from you and what you expect from them. A good handbook does not promise anything you are not prepared to deliver nor does it spout a philosophy to which you are not committed. It is entirely possible to have an employee handbook that is legally correct, communicates the core values of your company, and provides employees with useful information without unduly limiting management rights. It takes time and effort to make that happen.

In the end, it's your decision whether to create an employee handbook or NOT. There is no law that requires you to have one. While you can hire someone to do the writing and advise you on style, structure and legality, ultimately you must invest the time and mental effort to create a handbook that works for your organization. If you simply commission someone to write a handbook for you, it's doubtful you will have a useful tool in managing your business. That book will end up in a drawer somewhere and will eventually come back to haunt you.

If you regularly read my columns, you know that I often advise you to "Take out your yellow pad and make some notes." Now, jot down what advantages you believe a handbook could provide. In another column, write down the concerns you have about publishing a handbook. If you already have a handbook, list the things you like and don't like about it. Or better yet, the things your employees have brought up about your handbook.

When you are done, if you would like to discuss this in more detail, call me at the HR Help Line at 800-683-3440 or e-mail lesley@taxfavoredbenefits.com.