Does My Company Need an Employee Handbook?

A well-written employee handbook can serve as a terrific foundation for new hires all the way up to senior leadership to establish a strong company culture.

Published November 20, 2019

And Will Anyone Actually Read It?

Yes, you do need an employee handbook. And no, your people will not read it – unless you make it interesting and relevant to their needs. Let's face it: At many organizations, if you ask employees if they've read the company manual, they'll most likely answer, "We have a company manual?" Sure enough, 43 percent of millennials haven't read most of their employee handbook, while 36 percent don't even know where such an item exists. So why have a handbook in the first place?

It's About Compliance Culture

Because creating the right culture depends on it. Yes, an effective employee handbook should inform people about guidelines around things like attendance, sick pay, internet, and social media use, disciplinary procedures, etc. Yes, it should spotlight benefits related to health, dental, disability, and retirement. Yes, it should reference important rules and information about confidentiality, conflicts of interest, and various discrimination laws. Yet as riveting as "at-will employment," "smoke-free workplace," and flashy legalese will be for employees (in case you're not sure, that was sarcasm), you shouldn't make the mistake of thinking that an employee handbook is nothing more than a compilation of policies. Rather, its main purpose is to convey your mission, vision, and values. The best employee handbook is both a reflection of and a guide to your culture. It may wear a compliance disguise, but it's really a tool to foster a commitment to your culture. That's why at its heart, it should feature a code of conduct that promotes positive behaviors and helps employees make decisions that align with your organization's values.

Codifying Culture

Now, it's totally understandable that codifying your culture might concern you. After all, look at Goldie Hawn and Kurt Russell. It's not like they need a marriage certificate to have a solid relationship. Besides, what if you leave something out? What if you say the wrong thing? Such risks pale in comparison to doing nothing. Not just because an employee handbook can also offer legal protection should your company one day find itself in front of a judge or embroiled in a hashtagged controversy. Codifying your culture via your handbook is important because it:

- Demonstrates that you actually care enough about your workplace to identify and promote how to make it great
- Defines behavioral expectations for all employees
- Builds trust and morale by removing uncertainty – the only thing worse than being disciplined for breaking a written rule is being disciplined for breaking a rule you never knew existed

Furthermore, while it's obviously impossible to describe every dilemma that an employee might face, that's OK. Your goal is not specificity. Actually, the more specific you try to get, the less relevant your manual will be for all employees. Leave the fine print for discussions between managers and direct reports. Your employee manual should instead focus on helping people navigate only the most common scenarios.

Don't Forget the *Why*

Most importantly, your employee handbook should give meaningful context to such situations and policies by couching them in your corporate values and principles. In other words, the *what* is as important as the *why*. People need to connect with their minds as much as their hearts when accessing your handbook. For example:

- When referencing your bereavement policy, you can highlight your commitment to caring about each other.
- Your anti-harassment policy can – *should!* – go beyond legal mumbo-jumbo to showcase the significance of fostering a safe, productive work environment.
- A parental-leave rule can detail the value of achieving work-life balance.
- An explanation of your discipline policy can incorporate messages that focus not on punishment but on improving performance and behaviors.
- When you talk about diversity and inclusion, you can inject real anecdotes from employees of various backgrounds to bring concepts to life.

Bringing Policy to Life

Ultimately, an employee handbook does just that. It brings policy to life by capitalizing on your culture. Except, that's not going to happen if your manual is simply a printed document that someone will stuff in a drawer to rediscover again in 2028. Not only should you make your handbook easily accessible online, but you should also strive to make it multimedia. Include video, audio, lists, etc. Given that people naturally interact with information in different ways, infusing your employee handbook with dynamic pizzazz can help increase engagement with it. (Yes, "employee handbook" and "pizzazz" were used in the same sentence!) Finally, make sure your employee manual doesn't feel like a top-down edict from management or HR. While it's important to include a message from your CEO about the importance of the document, just because this is a formal document doesn't mean it has

to read like a medical manual. Be sure to write in a tone consistent with your culture and emphasize the collective “we” more than the individual “you” when possible. In the end, an impactful employee handbook can serve as a terrific foundation for new hires all the way up to senior leadership to create the culture you want.

This information is for educational purposes only, and not to provide specific legal advice. This may not reflect the most recent developments in the law and may not be applicable to a particular situation or jurisdiction.