How to Write Excellent Human Resource Policies

Don't wait till it's too late. Craft policies to clarify questions before they arise.

By Jennifer Ellerman and Brian Kleiner

Writing good policies is one of the best ways to be sure you're following employment law and avoiding employee-related lawsuits. When writing human resource policies, follow these guidelines:

Ensure that all policies comply with state, federal, and county regulations.

Human resource policies help ensure that your organization is in compliance with legal requirements. Maintaining written policies lessens the possibility of discrimination and harassment in the workplace. It's important to assess your policies in terms of new legislation from OSHA and to study current employee benefit plans (health insurance, retirement plans, etc.)[1]

Be sure policies reflect your organization's goals and ethics.

Human resource policies are the guidelines managers use in their day-to-day interactions with employees. By drafting rules of conduct, managers are forced to learn why certain policies are important. Writing human resource policies gives them a foundation for managing employees effectively. In case of a change in top management, human resource policies eliminate differences in ethics from one manager to the next.

Make certain that policies dovetail with employees' needs.

Human resource policies guide new employees through the abundance of information presented during the orientation process. Well-written policies help build employee enthusiasm and loyalty, especially if the policies reflect a commitment to fair play and justice.

Watch trends carefully.

Be sure your policies are in line with market conditions and trends as well as the particular circumstances of your organization.[2] Ask yourself four questions:

1. Are your policies sufficient given the current environment? Or do policies need to be updated, new policies added, or outdated policies eliminated?

2. Do your policies address issues affecting your industry today? Do they need to be amended based on prevailing practices of other organizations in your community or industry? For example, you may want to consider adding flex-time or job-sharing policies if they've become the norm.

> ### Policies help build employee enthusiasm and loyalty.

3. Do your policies reflect the philosophy of the board and top management? Are they consistent with your organization's mission, vision, and values?

4. Will upper, middle, and lower management all support your policies? Have you asked people in all levels of management for suggestions in revising your policies? Have you asked them how employees view the policies?

Cover all the bases.

Every organization will have different policies according to its mission. But all organizations should address certain issues. When developing your policies, ask yourself the following questions:

Do you have an at-will policy? Such a policy means an employer can fire an employee at any time without stating a reason. If you have such a policy, it should clearly state that no manager, supervisor, or employee of the organization has the authority to enter into any agreement for employment other than at-will.

Will new hires be eligible for benefits immediately? Or will an established time period have to elapse?

Will an employee have to complete a probationary period before being termed a regular employee? This policy may pertain to either full-time or part-time employees.

What is considered full time? Is it a 40-hour work week? A 37.5 hour week? What benefits will the full-time employee receive?

Will you provide the same benefits to part-time as to full-time employees? If so, how many hours must someone work to qualify for benefits?

How will you define temporary employees? Will they be project-oriented, seasonal, or covering for employees on leave? Will they receive any benefits?

Will you allow flex-time, telecommuting, and job-sharing? If so, are there standards for managing these jobs? For example, how many days in a week must the employee work from the office? Are there set office hours? Can more than two people share one job? If so, who determines the tasks of each employee? What benefits will be provided?

What are your policies regarding vacation, sick days, holidays, and time off without pay? How about pregnancy leave, jury duty, military leave, bereavement leave, and job-related tuition reimbursement? Do you need policies on smoking, parking, employer-sponsored child-care, or personal-space housekeeping?

Do you maintain written policies for medical, dental, disability, vision, and life-insurance benefits? If so, do these policies provide deductible information, cost to the

employee for dependents, and other pertinent details?

Must employees fill out time sheets or use a time clock? Do you maintain thorough timekeeping records for each employee?

What are the parameters of the paycheck? Does your policy include the pay date, pay period, location and time of disbursement, and details regarding bonus and commission pay? Does your organization allow advances? If so, what are the criteria for issuing an advance?

Are employees allowed to work overtime? If so, is it necessary to have management authorization before working overtime? Have you defined a work day and work week for purposes of computing overtime?

Are you complying with the law regarding employees' right to inspect their personnel files?

Will your organization provide employee references? Do you have a waiver from employees allowing your organization to make references?

Do you provide verbal or written performance evaluations? How often? What is included? Who participates in the evaluation process?

Do you have nepotism and conflict-of-interest policies? Will you hire two people from the same family? Can employees date their supervisors?

What conduct is prohibited in the workplace? How will you deal with theft, unauthorized use of equipment, and property damage? What violations are grounds for immediate dismissal? Do your policies clearly state that sexual harassment and discrimination won't be tolerated?

Do you have clear-cut policies for termination? For example, your policy might state that an employee can't be terminated due to deteriorating job performance unless three written notices have been presented to, and reviewed with, the employee.

Do you strive to have a drug-free workplace? If so, how do you promote this policy?

Do you have a confidentiality policy that protects your clients' right to privacy and confidentiality?[3]

Do you have a health and safety policy? Do you train employees for workplace safety? Have you checked to be sure you're complying with state and federal safety regulations?

Has your organization's attorney reviewed your policies to ensure compliance with laws and to advise you regarding potential problems? Have the organization's senior managers and board members approved the policies?

Give copies to all employees.

Assemble your written policies into a handbook. Use a three-ring binder so that amendments and new policies can be added and outdated policies removed with ease. Hold an employee meeting to introduce the handbook and discuss the policies. Have employees sign and date an acknowledgment that they have received a copy of the handbook and are familiar with its contents.

Review the policies with employees at regular intervals, at least once a year. Each time there's an update, give copies of the new information to employees to add to their handbooks. Let people know that everyone in the organization must be committed to adhering to the policies. ■

Footnotes

[1]See "Retirement Options Open Up for Nonprofits" and "Is Your Retirement Plan Engaging in High-Risk Behavior?" in *Nonprofit World* (Vol. 10, No. 1 and Vol. 19, No. 2) available at www.snpo.org/members.

[2]See *Personnel–The Management of People at Work* by D. Beach (New York: Macmillan, www.macmillan.com) and "Personnel" category in *Nonprofit World* Index of Articles, www.snpo.org.

[3]See "Seven Steps to Privacy Protection," *Nonprofit World,* Vol. 19, No. 2 (free at www.snpo.org/members).

Jennifer Ellerman is a senior credit analyst in California. Brian H. Kleiner, Ph.D., is professor of human resource management at California State University, Fullerton. You may contact the authors at 551 Santa Barbara Avenue, Fullerton, California 92834.