Guide to Compiling an Employee Handbook

This is a guide for employers who wish to compile a handbook for the first time or are seeking to amend and update a current handbook.

Daunted by the size of such a task? Speak to your HR Rely Advisor about the support we can offer including total project management if required.*

Introduction

The provision of an up to date handbook is an important way of communicating to employees what an organisation’s policies, procedures and rules are and to make them aware of relevant organisational information. A handbook allows an employer to bring all other documents together under one umbrella and provides an easy to access point of reference for employees and management alike. It can also be a motivational tool by providing employees with details of benefits as well giving them a sense of belonging to specific organisation or group.

What types of information should the handbook include?

Typically the handbook would have an introduction and a foreword from management. After that there are a number of themed sections which can be expanded upon:

- General company information
- Code of Conduct
- Recruitment
- Working Hours
- Holidays
- Pay
- Benefits
- Family Friendly matters
- Authorised Leave
- Absence
- Equal Opportunities
- Working Practice
- Facilities
- Communication
- Quality
- Health & Safety
A framework index can help to organise the sections and sub sections of a handbook ready to be filled with the details applicable to each – see our Framework for an Employee Handbook which can be used as a starting point.

It is not always necessary to reproduce all policies and procedures in the handbook as this may make it unwieldy and cumbersome, particularly if it is to be presented as a printed hard copy. Instead summaries and references to other documents can be made as long as those documents are easily accessible elsewhere. This may be sensible for policies on maternity, adoption and paternity leave as over the years this area of law has changed on a fairly regular basis causing policies in handbooks to become quickly out of date. Alternatively some key policies could be provided in an appendix.

**Style and content**

When writing the handbook material ensure that it covers issues that are going to be common to most employees and will be of use and/or interest to them. Avoid a lot of legal or technical jargon and where possible have some “proof readers” to iron out any ambiguities or errors. Handbooks can be useful source documents as evidence in legal proceedings but where mistakes occur these are likely to be read in favour of the employee so careful and precise wording is essential. Equally it is important to ensure that all employees receive the same version of the handbook and old, out of date versions are destroyed where possible. When handing out printed copies it is worth getting a signed receipt from each employee when it is issued.

**Contractual Content**

All employees should have an individual statement of terms and conditions which sets out the main contractual terms governing their employment. However, where these terms are common to many employees they can be included in the handbook, for example, working hours, holidays and sick pay. If this is the case the wording of the introduction to the handbook should alert employees to the fact that some of the content may have contractual status. For other content, such as company policies, a caveat is also needed to remind employees that these don’t have contractual status and may be subject to amendment. If possible, consider organising the handbook into two sections, the first section containing and
headed contractual terms and the second section containing and headed non contractual terms.

For some organisations, the handbook may be an agreed document with a recognised trade union and if this is the case this should be made clear at the front of the handbook and how the content will be changed if required.

Unless an employer wishes to incorporate the handbook into the contract, when issuing statements of terms and conditions reference should be made to the handbook as an appendix rather than being included in the main body of the statement.

If any information in the handbook is likely to conflict with contractual terms you should make it clear how such conflicts will be handled. Normally express terms in an individual statement will take precedence. This can be particularly important where an organisation has employees on different terms and conditions either because of historical changes or because they acquired employees via TUPE transfers.

Discretionary aspects of the handbook, for example, benefits, should be clearly flagged as such to avoid any contractual status being conferred on them. Similarly if these are likely to be subject to change this should be stated too.

As the contractual status of a handbook or parts of it can be a minefield, you should contact your HR Advisor for specific advice on your documents and what appropriate wording should be used. Seek guidance too if you are looking to update your handbook, or aspects of your handbook, where those aspects have contractual status.

**Disseminating the Handbook**

Once the content of the handbook has been determined it is important that it is accessible to all employees and thought should be given to the best way of reaching everyone who needs to read it. For some organisations a copy on the internal intranet is sufficient but for some organisations, where many employees don’t have access to the intranet, a hard copy is essential. The hard copy need not be given out to every employee but could be held by a manager or HR department as long as employees know where it is and how to access it. Enabling all employees to have a copy however is arguably the most effective way of ensuring that employees know and abide by the contents. If employees have not been given their own copy of the handbook and the organisation is at Tribunal arguing that the reason for the dismissal was a breach of the organisation’s rules, then the organisation may have some difficulty satisfying the Tribunal that the employee would have been aware of the rules.
Consideration also needs to be given to how the handbook will be maintained and updated. Responsibility for this is ideally assigned to a particular person, usually in HR. The format of the handbook needs to be one that can be readily amended – so hard bound copies of bulky books may not be ideal – ring binders can be a useful alternative as pages can be replaced. If the document is to be bound then a planned annual re-issue may be the answer. If using the intranet changes will need to be circulated and flagged to employees prior to them being adopted into the electronic handbook.

**Making changes**

Employees will naturally be wary when a document such as handbook is amended or updated. Usually the employer will have good reason for making amendments, e.g. to ensure the content is legally compliant or to reflect organisational changes. Where possible, for major changes, employees should be involved in the process, perhaps through existing consultation groups. Thought needs to be given to how the new handbook will be communicated and how feedback will be handled. Setting up an FAQ list may be helpful. If contractual changes are not involved then a clear implementation date will need to be set and all managers primed to work to the new handbook from that date. Where there are new policies e.g. absence management, anti-bribery managers ought be trained on the new policies. Your HR Advisor will be able to help with this if required.*

Contractual changes will need to be treated differently and employers should consult our Guidance on Changing Terms and Conditions and speak with their HR Rely adviser. Contractual changes not handled correctly could result in legal claims.

* Project work on handbooks is a chargeable activity, as is training for managers. Contact your HR Advisor for a no obligation quotation.