

Suite 902**EMPLOYING PEOPLE**

Setting Policy
Setting General Company Policy
Writing Staff Policies
Introducing New Policies

Please note that the information provided herein is not intended to be absolute. It is a compilation of information which has been harmonized to adhere to the foundation of principles as put forth by The UN, the United States and the Commonwealth so it is important that you should check current details with your particular government.

As first you may be able to run your business by yourself, if not, or as your business expands, you may need to employ people. If you do need to recruit employees, you should know your responsibilities as an employer.

902.01 SETTING POLICY

Most employers produce policies that set out the rules and procedures that their staff need to know. Policies help employees to understand what the employer expects of them, and how they should carry out certain activities. They also advise employees of the rules and rewards available to them.

Clear policies will help your business to:

- **Identify** and prevent potential risks to your employees
- **Ensure** that you comply with the law when you deal with such issues
- **Encourage** your employees to follow policies carefully
- **Create** a culture where issues are dealt with fairly and consistently

What types of policies should I set up?

Policies generally aren't contractually binding, but where they give specific rights and responsibilities they may be enforceable.

The policies that you implement will depend on the size and nature of your business. Different policies will be more pertinent to some businesses than others. For example, if your staff operate machinery, it may be a good idea to implement a specific policy on drugs and alcohol use.

There are many benefits to having suitable employment policies in place. Setting standards is the key to healthy employer-employee relations. It can reduce the need for disciplinary and legal action. It may also increase productivity and morale as well as help employee retention.

Clear policymaking can also be positive for your business' image externally among clients and the local community. Aside from boosting your reputation, it can also help in attracting new staff to your business.

Certain employment policies would or should have minimum legal requirements; the following are based on policies within the United Kingdom:

Type of policy	Minimum legal requirement	
	Yes	No
Maternity/paternity/adoption	x	
Leave and absence	x	
Equal opportunities	x	
Working hours and overtime	x	
Health and safety	x	
Pay	x	
Dealing with harassment, victimisation and bullying	x	
Conduct, disciplinary	x	
Rewards, benefits and expenses		x
Measures to improve performance or manage change		x
Use of company facilities, e.g. email, Internet and phone use		x
Training		x
Right of search		x
External work		x
Patents and copyrights		x
Confidential information		x
Whistle blowing		x
Drugs and alcohol		x

Working time policies

There are a number of areas where it is good practice to set up working time policies.

Leave and absence

Occasionally your employees will need time off work. How you handle leave and absence may depend on a variety of considerations, including legal rights and contracts of employment or it may be discretionary. In certain circumstances you are legally obliged to give your employees time off work, e.g. taking annual leave, health and safety training, and trade union work.

There are cases where best-practice policymaking applies, e.g. requests involving moving house or looking after a sick relative. Having policies in place which preempt these types of requests will insure consistency.

Working hours

Working hours are subject to legal limits.

In the United Kingdom working hours for employees above 18 are limited to a 48-hour week on average. However, workers have the right to sign an opt-out agreement. It's a good idea to manage these working hours and keep appropriate records.

Overtime

There are no statutory rules that oblige you to offer overtime to your employees or which require your employees to work it. However, it is best practice to have policies in place so that it is handled effectively. If you think that overtime is a regular feature of an employee's work, this should be included in their employment contract.

Rates of overtime pay should also be agreed with employees. In Britain no minimum statutory levels apply.

Work-life balance

Encouraging work-life balance is important for your business and you may wish to introduce appropriate policies for the purposes of best practice. If employees are, for example, undertaking external work such as a second or part-time job, you may find that this impacts negatively on their performance. Setting up family-friendly policies is one way of addressing work-life balance issues. Such policies should include opportunities for employees to work flexible hours, job-share and take above minimum maternity and paternity leave.

Health and safety policies

See Health, Safety and the Environment Suite 804

Disciplinary and conduct policies – harassment, bullying and disputes

It is good practice to have clear policies on harassment and bullying, and you are required to set out your disciplinary and dismissal rules and your grievance procedures in a written document.

Harassment, victimisation and bullying

Employers are responsible for taking steps to stop harassment, victimisation and bullying. The forms that these can take are varied and sometimes subtle. However, they can lead to serious problems for your business if they aren't handled properly, eg potentially large compensation awards against you.

It's a good idea to set up clear policies in this area so that employees are aware of the standards of behaviour which you expect. Rules should also specify clearly what type of behaviour will qualify as gross misconduct – when employees may be dismissed without notice if their misconduct is judged to be very serious. This should include advertising these policies and using induction processes to get the message across.

Settling Disputes

Businesses have to set out to their staff their disciplinary and dismissal rules and their grievance procedures in a written document. These can be incorporated in the staff contract or handbook or within a separate written statement.

If you fail to issue your procedures on discipline, dismissal and grievance in a written format, and one of your employees takes an employment tribunal case against you and wins, in the UK you could be liable for a fine of up to four weeks' wages on top of the other tribunal expenses.

Setting guidelines on whistle blowing will promote a culture where employees raise concerns internally, rather than outside the business. Likewise, implementing a policy on equal opportunities will communicate the fact that your business is committed to preventing harmful discrimination of all kinds. This is beneficial both for you and your employees as well as for your business' image externally.

902.02 SETTING GENERAL COMPANY POLICY

It is good practice to set out your business' expectations on more general company policies such as dress code and use of company facilities.

Dress code

Unless there are health and safety considerations involved, employers can usually set their own dress code. You must ensure that these codes are non-discriminatory. Employees should be made aware of those types of dress code which are not suitable.

Use of company facilities

It's a good idea to set up clear policies about the use of company facilities. These may apply to apply to employee's use of the Internet, email and the telephone. Setting down boundaries regarding personal use of these facilities will help to minimise the risk of disciplinary or legal action and harm to your IT system. Most policies will try to strike a balance between business and personal use.

Another area where your business will benefit from the setting down of clear guidelines is in drugs and alcohol abuse and smoking. These form part of your responsibilities for health and safety.

Policy making may provide details of support on offer to employees and clarify when disciplinary action may be taken. The right of search is restricted to where the employees' contract of employment provides for this. If not, searching without an employee's consent is assault.

Training and performance management

Having a training policy in place will enable you to plug any skills shortages in your workplace. This is beneficial not only to employees personally and professionally but will also have a positive knock-on-effect to business performance. A training policy can be implemented to allow employees to perform their current role more effectively or support them through a change in role.

You should ensure that your training policy is appropriate. This can be achieved through assessing whether it fits with your business plan and through discussions with employees, e.g. you may decide to offer training in-house for specific tasks, generally company guidance for new starters or refresher training for existing employees.

Implementing an appraisal system is another way of improving your business performance. It allows you to touch base with employees and is an opportunity to discuss strengths and weaknesses in performance, and agree aims and objectives going forward. Businesses commonly carry out appraisals within a few months of a new employee starting or changing role within the business. For established employees, you may decide to use the appraisal system once or twice per year.

Some of the benefits of having appraisal-related performance targets are that employees understand what is expected of them and how they fit into the wider aims of the business. They are also a way of gaining useful feedback and ideas on how your business can be more effective in the future.

Is personnel planning built into your business objectives?

- Consider how decisions on training and recruitment are taken; do you have a coherent strategy?
- Consider whether your business has the internal resources to identify training and recruitment needs for the single market.

What new or improved skills do you need for selling in the 'Single Market'?

How do you get new skills? By training up existing staff? Recruiting new staff? Or, buying in specialist services?

How would you provide the training which your staff would require?

How will you plan and manage your training programme effectively?

Pay, rewards and benefits

Pay is a key aspect of your relationship with your employees. Setting the right pay rates for your business will likely take into account your need to attract talented employees and retain those that you have already. Above all, pay rewards should be fair, and the process transparent.

You may decide to implement a results-related pay system, such as commission or bonuses. These are provided by your business in addition to basic pay and can be used to reward employees who perform at a high level:

- Commission is calculated based on the performance of an individual or a team
- Bonuses may be connected to the performance of the entire business.

Depending on the sector in which your business operates, e.g. in the catering trade, setting up a tips and gratuities system may be more appropriate. You should be aware that there are certain types of business expenses which are allowable and need to be disclosed to the relevant authority.

902.03 WRITING STAFF POLICIES

When writing staff policies the main steps are:

- **Preparing** -- collecting information, opinions and examining the options. Policies are more likely to be accepted if staff are involved in their creation. Involving unions, especially if you have collective agreements that specify they should be consulted, and/or existing elected employee representatives. Alternatively set up a joint working group.
- **Developing** - policies should suit the specific needs of the business.
- **Implementing** - inform staff and provide training for business.
- **Reviewing** - this is to check that the policy is being used and is not damaging the business.

How should policies be communicated to staff?

Policies can be:

- Displayed on notice boards
- Added to the company network or intranet
- Communicated via presentations
- Included in a staff handbook
- Included in a collective agreement with a union
- Emailed to staff
- Sent as a letter to staff

Policies that affect employees' employment contracts

Take particular care when introducing policies that affect your employees' contracts of employment. If the contract allows you to vary terms such as house, place of work and/or duties, then a minor variation relating to these will generally be legal if you are reasonable in your demands.

Where there is no express or implied right to vary the contract, you must seek consent from your employees, otherwise they may be entitled to sue for breach of contract or resign and claim constructive dismissal.

Avoiding discrimination

Be careful that your policies do not unlawfully discriminate against employees.

902.04 INTRODUCING NEW POLICIES

The following checklist should be taken into Account when introducing new policies:

- What is the purpose of the policy?
- Have you consulted with managers, workers and their representatives?
- Has someone been given overall responsibility for the policy?
- How are you going to communicate the policy to all workers?
- Have you given employees enough notice about the new policy?
- Does the policy change anyone's employment contract?
- How are you going to monitor and maintain the policy?

CANADA

**Listings and links to all sections
Of the Canadian Government:**

http://www.canada.gc.ca/depts/major/depind_e.html

**The following link will provide the individual information
on each Province in Canada.**

<http://www.bsa.cbcs.org/gol/bsa/interface.nsf/vSSGBasic/su10000e.htm>

IRELAND

The Government of Ireland Official Gateway

<http://www.irlgov.ie/>

Irish local government Council websites:

<http://www.outlood.com/localgov/eire.htm>

UNITED KINGDOM

The Government of England's Official Gateway:

<http://www.oft.gov.uk/Employees/>

Department of Trade & Industry
1 Victoria Street
London SW1H 0ET

AUSTRALIA

Australian Commonwealth Government Gateway

<http://www.australia.gov.au/>

General Information

<http://gov.info.au/>

Federal, State and Local Government

<http://www.nia.gov.au/oz/gov/>

NEW ZEALAND

The Government of New Zealand Gateway

<http://www.govt.nz/>

The E-Government site for New Zealand

<http://www.e.govt.nz/>

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