



How to Develop and Implement a New Company Policy

Employers are often confronted with employee relations issues in the workplace and faced with deciding the best approach in handling these issues. Company policies are created to establish expectations and to provide guidance on how to consistently handle workplace situations. Although most company policies are not all-encompassing, they provide direction regarding what is appropriate as well as inappropriate or unacceptable behavior. Company policies help maintain order within the organization and ensure that people are treated fairly and equally. Policies also help employees understand what is expected of them. The five steps needed to develop and implement a new employer policy are outlined below.

Step 1: Identify the Need for a Policy

Employers do not need to create policies for every unforeseen event as this will limit management's ability to address individual employee needs or unique situations. Policies should provide clear guidelines and expectations to ensure fair and consistent practices and legal compliance. Employers may want to develop a policy:

- If employees' behavior indicates confusion about the appropriate conduct or how to handle certain situations (e.g., attendance policy, cellphone use policy, travel expense policy, code of conduct).
- If legal protection of the organization is necessary (e.g., investigations policy).
- If there is a need for government laws and regulations compliance (e.g., the Family and Medical Leave Act, COBRA).
- If there is a need to create consistent standards and rules (e.g., progressive discipline).
- If there is a need to create consistency and fair treatment of employees (e.g., paid time off, benefits eligibility).

Step 2: Determine Policy Content

Policies are written guidelines that explain generally what the employer's requirements are and how employees will be treated. As organizations create new policies, they should be careful to avoid language that conveys rigid rules that must be followed exactly as written in all circumstances. Flexibility should be built into the wording, and promises that could be interpreted as a contract should be eliminated. For example, organizations should not:

- State that the organization will "only" or "always" do something, or "will" or "must" act in a particular way.
- Describe employees as "permanent."
- State that employees will be terminated only "for cause."
- Make promises of job security.
- Use all-inclusive lists, such as in disciplinary procedures or work rules.

Employers should use terms such as "generally," "typically," "usually" and "may" so that managers have flexibility in interpreting and applying the policies based on the circumstances involved and on the severity of any company policy violation(s).

All policies need to be written in clear language. The policy language itself often varies from employer to employer depending on size, industry and sometimes even location. However, most policies have similar components. The typical components are outlined below:

- **Purpose statement.** The purpose statement outlines why the organization is issuing the policy and what the desired effect or outcome will be. For example, "Employees contribute to the corporate culture and reputation of [Company Name] in the way they present themselves. A professional appearance is essential to a favorable impression with customers, regulators and company shareholders (owners). Good grooming and appropriate dress reflect employee pride and inspire confidence on the part of such persons."
- **Specifications section.** This section includes details about specific regulations, requirements or organizational behavior standards that the policy is creating. For example, "Employees are expected to dress in business attire Monday through Thursday. On Fridays, employees are permitted to wear casual attire unless there is an event at the workplace, or the employee has meetings with external clients or vendors that day."
- **Implementation section.** This section indicates which parties are responsible for carrying out policy statements and how those parties will ensure adherence to the

policy. For example, "Managers will exercise discretion in determining appropriateness in appearance."

- **Effective date.** This date indicates when the policy is considered in force. For example, "All employees will be subject to this new policy/revision as of [date]."
- **Glossary.** A listing of definitions for terms found in the policy (for example, "casual shirts: All shirts with collars, including collared blouses, golf and polo shirts.").

Although employers are free to create policies according to business needs, the policies must be written in compliance with pertinent employment laws. This can be more complicated for multistate employers because it is critical to ensure that policies do not conflict with more than one set of state employment laws. Therefore, all policies should be reviewed by experienced legal counsel prior to communicating the policy to employees.

Step 3: Obtain Stakeholder Support

All too often those who are expected to carry out the policies and ensure adherence to the policies are not consulted prior to the implementation of the policy. Once the policy has been drafted, it will be important to communicate (e.g., meetings, e-mails, teleconferences) with managers and supervisors who will be expected to apply the policy. This communication should include why the new policy (or revision) is needed, address the impact the policy will have on the stakeholder's area(s) and address any potential thoughts or concerns the stakeholders may have. Considerations from these meetings will lead to any necessary revisions before legal counsel conducts its final policy review.

Step 4: Communicate with Employees

Organizations should give employees background information (when possible) as to why the policy is being implemented. Employees should be given enough details to make the organization's position clear while keeping the communications process short and simple. Employers can determine the best approach to introduce the policy to employees based on the nature, sensitivity and ease in which the policy will be understood. The best means of distributing the policy (e.g., e-mail, memo, or individual/small group/all-employee company meetings) must also be determined. If using e-mail or company memo, these communications should be distinguishable from other routine communications that employees may easily overlook. For example, organizations can specify the topic in the subject heading, change the importance of an e-mail, change the background and font of a memo or e-mail, change the delivery method of memos, or add read receipts for e-mails.

Employers should incorporate a communication method that will give employees an opportunity to ask questions about the policy. The policy should consist of an

acknowledgment statement indicating the employee's receipt and understanding of the new policy along with the effective date of the policy. The policy should contain space for the employee's signature and date. It should also be added to the organization's employee handbook or intranet and included in new-hire orientation programs as appropriate. Employers should notify employees where they can access the policy later (i.e., links to intranet site, attachment of policy to print and add to their employee handbook).

Step 5: Update and Revise the Policy

Clear, well-written policies that are regularly reviewed can be effective employee relations tools and communications devices. They illustrate the organization's commitment to a positive work environment. Although written policies in general are not legally required, they can be used to demonstrate nondiscriminatory employment practices and serve as the basis for an effective defense in employee lawsuits.

Policies should be reviewed on a regular basis to ensure they continue to comply with federal and state laws and the needs of the organization. New laws, regulations and court cases can affect both policy language and how employers implement the policies. Most experts suggest a thorough review of policies at least once a year. Employers should also use resources that will keep them updated in the interim, like subscribing to a service or publication or becoming part of an organization that specializes in HR or employment. SHRM is committed to updating its members of the latest news on state and federal laws and the latest upcoming or proposed legislation through Government Affairs that may have an impact on HR professionals.