



Producing a company handbook

What is the aim of this guide?

This guide:

- gives you practical advice on how to write a company handbook
- contains a series of checklists, although you don't have to include everything in these checklists in your handbook. The object is to help you to identify and review your existing employment policies
- gives example sections of a company handbook which you can customise for your own use
- indicates where you can find further information about employment topics
- helps you determine what information should be placed on your Intranet site.

Why produce a handbook?

Information about employment rights can be outlined in the company handbook so that both employees and employer know where they stand. Company handbooks can bring real benefits to your organisation because they can help to improve communications, set out employment policies and help to recruit and induct staff.

Training for managers - Acas training sessions

Managers should be familiar with company rules and procedures and employment legislation. Acas offers [Training sessions](#) for businesses of all sizes on key employment issues.

What is the legal position?

You don't have to produce a company handbook by law. However, you are legally required to give written statements (which summarise employees' main particulars of employment) to all employees who have been with you for at least one month. Employees should receive this written statement within two months of starting work. The law allows written statements to refer to other documents for information on certain aspects of employment. A company handbook can be an ideal place in which to put this information.

Further information can be found in Acas [Self help guide - Producing a written statement](#)

Getting started

How do you start?

Before you begin writing the handbook you should ask:

- who are the intended readers of the handbook?
- how can you involve employees and employee representatives in producing the handbook?
- what existing company documents are available? Can they be included in the handbook?
- do any employees have legal, copy writing, graphic, illustrating or layout skills?
- if there is an existing handbook, does it need revising? (Remember that you cannot vary employees' contracts without their agreement.)

What format should the handbook take?

Format

Electronic versions of handbooks are flexible and easy to update. Many organisations make their handbook available on the company Intranet and let staff print pages as required. A printed version of your handbook can either be loose leaf or bound. Loose leaf folders are more expensive to produce but they are easier to update and give employees the opportunity to insert other documents (such as their written statements) in the handbook folder. Blank sheets can be put at the back for personal notes.

Size

Most handbooks are printed in A4 or A5 page size. Some organisations produce diary sized company handbooks. However, this restricts what can be put in the handbook and it is unlikely that employees will want to keep their company handbooks with them at all times!

Illustrations, photos and charts

Photographs or illustrations can give more accurate information in less space than a long list or wordy description. They can also make the handbook more attractive and more likely to be read. So maps, charts, photographs and illustrations should be used provided they are well done, relevant and not too numerous.

Style

Write short sentences and paragraphs. It is generally more effective to write directly to the employee. For example:

'If you are unable to attend work due to your sickness you should telephone the Personnel Department.' **sounds much more personal than:**

'Employees who are unable to attend work due to sickness should telephone the Personnel Department.'

Ask questions

The 'question and answer' format can be effective because it focuses the attention of the writer and the reader on specific issues. If you adopt this approach, then make the questions as straightforward and brief as possible. For example:

'How much parental leave are you entitled to?'

'The maximum leave that you can take for each child is 13 weeks, and 18 weeks for each child entitled to a disability living allowance.'

Layout

The width of the text should be narrow (around four inches) because it is easier for the eye to take in short lines of text. However simple and clear the writing may be, it looks dreary if presented in solid blocks of print. Use plenty of white space - don't cramp the page with text. Flow charts can work particularly well for complicated procedures.

Accessibility

It is worth bearing in mind that most employees will only look at their company handbook on two occasions: when they start and when they have a problem. You must make sure that when employees have a problem or a query they are able to find the answer quickly and easily in the company handbook. Begin the handbook with a contents page and place an alphabetical index at the back. If you are producing an electronic version use hyperlinks to take people straight to the information they require. Tell employees where they can get further information and how they can give feedback. If you have employees whose first language is not English, consider translating all or selected parts of the handbook.

Distribution

And finally: most of the hard work you put into producing the handbook will be wasted unless you make sure that everyone who should get a copy receives one. It's advisable to get employees to sign for their copies of the handbook. One approach is to distribute the handbook at a series of briefing or training sessions. If your handbook is on your Intranet you will need to be sure that everyone knows where it is and how to access it.

What goes in the company handbook?

Contents

Be sure to have a full list of contents with page numbers.

Introduction

The introduction to the handbook is generally by the owner or managing director of the company. It can be useful to accompany it with his or her photograph. It should be brief. Avoid expressions which may appear pompous or self congratulatory.

Checklist:

- the purpose of the handbook
- the attitude of the company to its staff
- where employees can get further information

Example - a message from the chair

May I take this opportunity of welcoming you to the company. I hope your career with us will be both enjoyable and rewarding.

It is our policy to communicate regularly with you on matters that are important to us all, such as product quality, production levels, and information about your job and your terms and conditions of employment. We will encourage you to give us your views based on your own experience of the company's operation.

It is our firm intent that all employees should have an equal level of advancement, access to opportunity, and the training necessary to that end, irrespective of the employee's sex, race, colour, religion, disability, sexual orientation or age.

This booklet describes our general working conditions and the rules of the company. If you need further information or help in any way, do not hesitate to ask your line manager.

About the company

The history of the company helps to set the scene in explaining how it has developed.

Describe the goods or services produced so that employees will see how their jobs fit into the organisation. Keep it brief.

Checklist:

- highlights in the history of the company
- market and customers
- foundation, progress, developments
- achievements, awards
- future plans for development
- company mission statement
- the use of drawings or charts to explain developments
- a glossary of technical terms
- an organisation chart
- a map or plan of the site.

Example - about the company

Pulchester Plastics was founded in 1967. Pulchester Plastics moved to its present 12,000 sq. ft. factory in 1998.

The firm uses heat and vacuum forming techniques to make a wide range of plastic goods for the electronics, food, toiletries and pharmaceutical industries.

A high proportion of Pulchester Plastics products are exported and the company won a Queen's Award for Industry in 2002.

To meet increasing demands for our products we plan to double the size of our factory unit over the next two years.

Diversity

When you include a diversity policy in the handbook state clearly who is responsible for ensuring that the terms of the policy are maintained and tell employees what procedures they should follow if they feel they have been victims of discrimination, harassment or bullying.

Checklist:

- race
- sex
- disability
- sexual orientation
- religion or belief
- age
- part-time workers
- fixed-term workers
- harassment
- bullying
- recruitment and selection
- training
- facilities for disabled people
- training for managers

Further information can be found in Acas [Advisory booklet - Tackling discrimination and promoting equality - good practice guide for employers](#)

Example – diversity

It is the company's intention that all employees should have an equal chance of advancement, access to opportunity, and the training necessary to that end, irrespective of the employee's:

- sex
- race, colour nationality, ethnic origin
- sexual orientation
- religion or belief
- age

It is the company's policy to employ and provide a suitable environment for people with disabilities. All reasonable facilities will be provided for employees with disabilities to pursue their careers without difficulty or disadvantage.

It is the responsibility of every manager to ensure that the terms of the policy are observed.

If you feel that the letter and general intent of the diversity policy has not been fully implemented then you should draw this to the attention of your line manager, in the first instance.

If the matter is not resolved satisfactorily you may raise a grievance through the company's grievance procedures.

Joining the company

Reassure the new employee. Explain where information or advice can be obtained and outline employment practices which affect employees, especially at the start of their employment, such as policies on induction, medicals and references.

Checklist:

- personal problems - who should the employee approach?
- references
- medical assessments
- probationary periods
- induction
- job mobility

Example - joining the company

Personal problems

If you have any personal problems with which you believe the company may be able to help then you should approach your line manager. He or she may arrange for a personal discussion with the company secretary or personnel officer which will be in absolute confidence.

Probationary period

On joining the company you will serve a 12 week probationary period. During this time you will be making your own mind up about whether you wish to remain working with this company. Your manager, at the same time, will be assessing your capabilities, attitude and potential.

If you do not reach the standards required by the company your employment may be terminated at any time during the 12 week probationary period, or the probationary period may be extended beyond 12 weeks, but no longer than 24 weeks.

Induction

Your induction programme is designed so that you fit in quickly and effectively. You will meet your new colleagues and you will receive information on the company, your terms and conditions of employment, company rules, health, hygiene and safety.

Changes in personal circumstances

To help us to assist you, especially in cases of emergency, it is essential that all information on your personnel records is complete, correct and up to date. Please inform the personnel department of any changes in your personal circumstances, including a change of:

- address and telephone number
- name
- next of kin.

Your personal information is classified as confidential and will not be released to outside sources without your prior authorisation.

Pay and benefits

The sections on pay and benefits are some of the most important parts of the company handbook. Misunderstanding about pay generates mistrust and suspicion. Make sure that this section is as comprehensive and unambiguous as possible. Refer employees to their terms and conditions of employment for information about rates of pay. Make it clear which groups of employees qualify for particular benefits.

The National Minimum Wage rates change every October.

There is a rate for workers aged 22 and over, a development rate for workers aged 18 - 21 inclusive and a special rate for 16 and 17 year olds.

Further information and details of current rates can be found on the [National Minimum Wage](#) section on the DTI website and the Acas [Advisory booklet - Pay systems](#)

Checklist:

Pay

- job evaluation and job grading
- pay periods
- method of payment of wages
- bonus schemes
- allowances, for example for clothing, tools and travel
- overtime - compulsory/voluntary
- overtime rates
- shift work: how shift premiums are calculated
- call out/standby allowances
- National Minimum Wage.

Benefits

- staff canteen
- sports and social club
- company cars
- pensions
- travel and subsistence allowances
- relocation
- advances on salary/wages
- private medical cover
- purchase of goods
- profit sharing
- loans
- savings schemes
- luncheon vouchers
- crèche
- counselling service
- insurance benefits e.g. for accidents, disability

Example – pay and benefits

Payment of wages

Wages are paid at the end of each calendar month. Wages are paid directly into your bank or building society account on the last working day. An itemised pay statement showing gross earnings, fixed and variable deductions and net wage will be given to you at the time of each wage statement. Your starting wage is that stated in your written statement of your main terms and conditions of employment. We will let you know of any subsequent changes to your wages, which are normally reviewed in May.

Part-time employees

You are considered a part-time employee if you work less than thirty hours a week. Part-time employees will receive the same terms and conditions of employment as their full time counterparts, but these will be scaled down according to the number of hours worked. You will not be entitled to overtime payments unless you work more than thirty-eight hours a week.

Working parents

The government has introduced measures to provide parents and carers with more opportunities to balance their work and childcare responsibilities. You should set out these policies in your handbook and indicate whether the terms offered by your organisation are more favourable than the minimum standards required by legislation.

Further information is available in the section [Work and Families](#) on the DTI website. (opens a new window)

Checklist:

- definition of 'part-time worker'
- pay and benefits for part-time workers
- parental leave
- paternity leave and pay
- adoption leave and pay
- maternity leave and pay
- time off for dependent care
- flexible working: the right to request and the duty to consider
- childcare support
- crèche facilities

Example - time off from work

More information on these topics can be found at [Time off](#) in the rights at work section of this website and [Time off, maternity and other parental legislation](#) on the DTI website. (opens a new window)

Antenatal care

All pregnant employees are entitled to time off with pay to keep appointments for antenatal care. Antenatal care may include relaxation classes and parent-craft classes made on the advice of a registered medical practitioner, midwife or health visitor. Except for the first appointment, you must show your manager, if requested, a certificate from a registered medical practitioner, midwife or health visitor, confirming the pregnancy together with an appointment card or some other document showing that an appointment has been made.

Maternity

Women are entitled to 26 weeks maternity leave, during which time they are entitled to benefit from all their normal terms and conditions of employment, except for remuneration (monetary wages or salary). At the end of it, they have the right to return to their original jobs.

Women who have completed 26 weeks' continuous service by the beginning of the 14th week before the expected week of childbirth are entitled to an additional 26 weeks' maternity leave. During this period their contract of employment continues but with limited terms and conditions. This means a woman can be away from her job on maternity leave for 52 weeks or longer.

The Work and Families Act 2006 removes the qualification period for additional maternity leave.

Women with babies due on or after 1 April 2007 will automatically be entitled to 52 weeks maternity leave.

Maternity pay

A woman is entitled to Statutory Maternity Pay (SMP) if she has been employed by the company for a continuous period of at least 26 weeks ending with the 15th week before the expected week of childbirth, and has average weekly earnings at least equal to the lower earnings limit for National Insurance contributions. SMP can be paid for up to 26 weeks; it is payable by the employer but partly (or, for small firms wholly) reimbursed by the state.

For information about current rates of SMP visit [Time off, maternity and other parental legislation](#) on the DTI website. (opens a new window) For the first six weeks the rate is 90% of average weekly earnings with no maximum limit. The standard rate of SMP is reviewed every April.

The Work and Families Act 2006 extends the SMP period from 26 to 39 weeks. The new regulations came into force on 1 October 2006 but apply to employees with babies due on or after 1 April 2007.

For further information on the [Work and Families Act](#) 2006 visit the DTI website: (opens a new window)

Time off to deal with a family emergency

All employees are entitled to a reasonable time off work without pay, to deal with an emergency involving a dependant. For example, if a dependant falls ill or is injured, if care arrangements break down, or to arrange or attend a dependant's funeral.

Parental leave

Employees who have completed one year's service with the company are entitled to 13 weeks' unpaid parental leave for each child born or adopted. The leave can start once the child is born or placed for adoption with the employee or as soon as the employee has completed a year's service, whichever is later. It may be taken at any time up to the child's fifth birthday (or until five years after placement in the case of adoption). Parents of disabled children can take 18 weeks up to the child's 18th birthday.

Paternity leave

Employees are entitled who:

- have or expect to have responsibility for the child's upbringing
- are the biological father of the child or the mother's husband or partner and
- have worked continuously for the company for 26 weeks ending with the 15th week before the baby is due or the end of the week in which the child's adopter is notified of being matched with the child.

They can choose to take either one week or two consecutive weeks' paid paternity leave (not odd days).

Paternity leave must be completed:

- within 56 days of the actual date of birth of the child, or

- if the child is born early, within the period from the actual date of birth up to 56 days after the first day of the week in which the birth was expected.

Employees have the right to return to the same job after paternity leave. Most employees are entitled to Statutory Paternity Pay (SPP) from the company.

Adoption leave and pay

Adoption leave and pay are available to:

- individuals who adopt
- one member of a couple where a couple adopt jointly (the couple must choose which partner takes adoption leave).

The partner of an individual who adopts, or the other member of a couple who are adopting jointly, may be entitled to paternity leave and pay. Statutory adoption pay (SAP) is paid for up to 26 weeks and is the same as the standard rate of Statutory Maternity Pay. Visit

Further information is available in the section [Work and Families](#) on the DTI website. (opens a new window)

To qualify for adoption leave, an employee must:

- be newly matched with a child for adoption by an adoption agency
- have worked continuously for their employer for 26 weeks ending with the week in which they are notified of being matched with a child for adoption.

The Work and Families Act 2006 extends the SAP period from 26 to 39 weeks. The new regulations came into force on 1 October 2006 but apply to adoptions where the child is expected to be placed for adoption on or after on or after 1 April 2007.

Flexible working

Parents of children under the age of six or disabled children under the age of eighteen have the right to apply to the company to work more flexibly. The request can cover hours of work, times of work and place of work and may include requests for different patterns of work. From April 2007 carers of adults also have the right to apply for flexible working.

The request must be made in writing and the company has a statutory duty to consider the request seriously and to refuse it only if there are clear business grounds for doing so. Employees making applications for flexible working have the right to be accompanied at meeting by a fellow employee.

Special conditions apply to the employment of young people, particularly relating to health and safety and training. Regulations impose a duty on all employers to ensure that young persons (above school leaving age and under 18) are protected at work from any risks to their health and safety arising out of their lack of experience and lack of maturity. Under these regulations employers are required to carry out an assessment of the risks in the workplace affecting young persons.

Further information is available at: www.hse.gov.uk (opens a new window)

Young employees who have left school without having attained a prescribed 'standard of achievement', have the legal right to be given a reasonable amount of paid time off work to pursue studies or training leading to a 'relevant academic or vocational qualification'.

Further information about the [Right to Time Off, for Study or Training Regulations 1999](#) is on the DFES website. (opens a new window)

Young workers may not ordinarily work more than 8 hours a day or 40 hours a week. However, there are certain permitted exceptions.

Further information about the [Working Time Regulations](#) is on the DTI website. (opens a new window)

Checklist:

- health and safety
- risk assessment
- time off for education and training
- 'in house' training
- day release and block release
- apprenticeship schemes.

Hours of work will probably vary for different groups of employees so it will be necessary to refer employees to their written statements.

Further information about the [Working Time Regulations](#) is on the DTI website. (opens a new window) and further information about hours of work can be found in the Acas [Advisory booklet - Changing patterns of work](#)

Checklist:

- overtime - compulsory/voluntary
- overtime rates
- shift work- how shift premiums are calculated
- call out/standby allowances
- time recording arrangements and rules

Example - hours of work

- Your normal hours are those set out at the time of your engagement in your written statement of your terms and conditions of employment
- Depending on trading conditions, the way in which you work these hours may be changed, and you may be asked to work extra hours on a week to week basis
- Your normal lunch and tea breaks are those notified to you at the time of your engagement, and must be taken at a time agreed with your supervisor or manager
- You will be given reasonable notice of and change to your hours or requirement to do overtime.

Overtime

From time to time, you may be requested to work overtime, and you will be expected to cooperate with any reasonable request. All overtime must be authorised in advance by your departmental manager. No compensation is made for overtime not authorised in advance.

The overtime rates are:

Weekly overtime: time and a half for the first five hours each day, then double time.

Weekend overtime: time and a half on Saturdays and double time if you work on Sundays and Bank Holidays.

Holiday

Further information about the [Working Time Regulations](#) is on the DTI website. (opens a new window)

Checklist:

- holiday entitlement - how it is calculated
- sickness during holidays
- accrual of holiday pay
- restrictions on when holidays may be taken
- public and statutory holidays
- leave year - when it begins and ends
- system for booking holidays
- sabbatical leave.

Example - holidays and holiday pay

Public and bank holidays

The days of public and bank holidays in England and Wales are:

New Year's Day
Good Friday
Easter Monday
May Day
Spring Bank Holiday
Late Summer Bank Holiday
Christmas Day
Boxing Day
Holiday entitlement

You are entitled to four weeks' holiday. After five years' service you will be entitled to five weeks' holiday.

Holiday year

You must take your holidays between the 1st October to the 30th September. You will be allowed to 'carry over' into the next holiday year up to five days of holiday not taken by the 30th September.

You must agree all holidays in advance with your manager.

Holidays are granted on a 'first come first served' basis so the earlier notice you give the more likely it will be that you will be able to take your holiday when you wish.

If you terminate your employment you will be entitled to payment in lieu of leave which is untaken on the date which termination of employment takes effect. Overpayment of leave will be recouped from your final pay.

Holiday payment

Holiday pay is calculated on the basis of the rate of pay recorded on your personnel records.

State your company's commitment to the development of employees. Make it clear that employees have a responsibility for their own development. You may wish to explain how often appraisals take place, and how employees can obtain more information on their use.

Further information can be found in the Acas [Advisory booklet - Employee appraisal](#)

Checklist:

- company's training policy
- internal training resources available
- external training
- further education (including day-release)
- appraisal and promotion schemes
- secondments and attachments

Example - training and promotion

Company training policy

The aims of our training policy are to:

- help you develop the skills and give you the knowledge necessary to do the jobs for which you have been recruited
- help you develop the skills and give you the knowledge required in other jobs in the company, so that flexibility may be achieved at all levels in the company
- equip you for promotion, should the possibility arise
- increase the effectiveness of everyone in the company, and therefore of the company as a whole

Appraisal

Your manager will complete a formal annual appraisal which he or she will discuss with you. You will have the opportunity to air your views, record any comments and discuss plans for your development.

Promotion

All promotions are made solely on the basis of individual merit, and all suitable candidates will be considered regardless of their sex, race, religion, disability, sexual orientation or age.

Your potential for promotion is assessed by considering many aspects of both your current performance and your future capabilities.

Concentrate on the practical aspects of communication, such as how you communicate with employees on a day-to day basis. Explain to employees that communication should be a two way process. Emphasise that you want to get the views of your employees, not just for the sake of it, but to help make the business more effective. If there is a trade union, outline the part that it plays in communications. You may wish to tell employees that they have a responsibility to keep themselves informed and up to date about company developments.

Further information can be found in the Acas [Advisory booklet - Employee communications and consultation](#)

The Information and Consultation Directive establishes a general framework for informing and consulting employees. It applied to organisations employing more than 150 from April 2005 and applies to organisations with more than 100 from April 2007 and ones with 50 or more employees from April 2008.

Further information about [Information and Consultation](#) is on the DTI website. (opens a new window)

Checklist:

- role of the line manager
- notice boards
- use and misuse of Intranet, Internet and emails
- team meetings
- company newsletters
- consultative committees
- attitude surveys
- suggestion schemes

Example - communications

Suggestion scheme

The company welcomes any ideas that lead to greater efficiency and productivity or ideas for the greater safety and well-being of all employees. You should write your idea and personal details on a suggestion form and post it in the suggestion box in the reception area. If your idea is adopted by the company you will receive a monetary reward.

General notice board

There are two notice boards, in the factory and in the office areas for the use of all staff. You must get permission from the company secretary before you post messages on notice boards.

You should look at the boards regularly to ensure that you do not miss any valuable information.

Communications – the role of your manager

Perhaps the most important means of communications are the informal face-to-face discussions that occur each day – about your job, the company and your benefits. Your prime source of information about your job or the company is your line manager. It is part of his or her job to inform, answer questions and listen to constructive opinions, comments or suggestions.

Employee representation

Describe any representational bodies, such as employee forums or works councils. If you recognise trade unions outline their role within the company.

Further information can be found in: Acas [Advisory booklet - Representation at work](#)

Checklist:

- trade unions
- staff association
- works council
- check off
- employee representatives – appointment, functions, responsibilities, facilities and time off

Example - consultation

Company committee

The company committee meets every month to discuss matters which affect your employment with the company. The chair of the committee is the managing director and the committee consists of representatives from management and from employees. Employee representatives are elected to the committee and you may seek election if you have been with the company for a period of one year or more.

The company does not recognise trade unions to bargain on your behalf, but you have the right to belong, or not to belong to a trade union.

Absence

This is one of the most important parts of the company handbook because employees need to know their position if they are sick or are absent for other reasons and the help and support available. Tell employees what they should do if they are unable to come to work, such as who they should inform and by what time they should contact their workplace. You should also outline employees' statutory rights to sick pay, and time off for maternity, paternity, parental or dependent's leave.

If your organisation offers more favourable conditions than the statutory schemes then describe these terms. Make clear whether leave in each case is paid or unpaid. You should also describe the steps the company will take if employees are persistently absent for short periods or are on long term sick leave.

Further information can be found in the Acas [Advisory booklet - Managing attendance and employee turnover](#)

Checklist:

- the consequences of persistent absence or long-term sickness
- timekeeping policy
- staff welfare facilities
- help returning to work after long illness (e.g. part-time initially)

Example - absence

Your attendance is important to the business and is monitored. This policy identifies points at which the company will take action if your sickness absence reaches unacceptable levels.

Statutory sick pay

You are entitled to Statutory Sick Pay (SSP) when you are absent from work due to sickness. The main features of the scheme are:

- the first three days of incapacity are unpaid (called 'waiting days')
- SSP is paid for up to 28 weeks. Visit www.hmrc.gov.uk/employers/employee_sick.htm
- once SSP is exhausted, an employee normally transfers onto benefits paid directly by the Department for Work and Pensions
- if two periods of sickness are separated by less than eight weeks (56 days) then they are linked and the employee need not serve the waiting days again.

Short-term absence

- Your manager will formally review your absence record if in any three month period there are three separate periods of absence (whether these are certificated or not), or if there is an unacceptable pattern of absence, for example, regular time off on Mondays or Fridays.

Long-term absence

- 'Long term absence' is a period of sickness which lasts longer than two calendar weeks
- The company takes a sympathetic view about genuine ill-health problems and will provide a supportive approach to all employees in such circumstances
- Your line manager will monitor your absence and will counsel you through a period of sickness absence. If, after discussion it appears that you are likely to be away from work for more than four weeks your manager will telephone you every fortnight and

visit your home every month. These arrangements may be varied by agreement. Home visits will not be made without your consent

- Ultimately, if absence does reach problematic levels then the company may have no choice but to dismiss you. The point at which this action may be taken will depend on the nature of your work and the difficulty caused to the company by your continued absence. Dismissal will be regarded as a last resort and the company will try to ensure that the following criteria are fulfilled:

- relevant medical information is sought and considered
- options for alternative duties or working arrangements are examined
- your views will be taken into account


- Before any dismissal the company will comply with any applicable statutory dismissal procedure

Return to work discussions

- When you return to work from any absence (excluding holidays) your line manager will have a discussion with you on the first day of your return to work or as soon as reasonably practicable after that.

Disciplinary procedure

The disciplinary procedure must be included as part of employee' written statements but sometimes appears as a separate document. For ease of reference it is best if it is also included in the company handbook. Workers have the right to be accompanied by a fellow worker or trade union official where they are required or invited by their employer to attend certain disciplinary or grievance hearings.

Further information is available in the Acas [Self help guide - Producing disciplinary and grievance procedures](#), Acas  [Code of Practice - Disciplinary and grievance procedures \[327kb\]](#) and the Acas [Advisory handbook - Discipline and grievances at work \(section 1 of 2\)](#)

Employers must at least follow the statutory three step discipline and dismissal procedure.

In *step one* you must give a written statement to the employee setting out why you have decided to take disciplinary action.

In *step two* you must meet the employee, who has the right to be accompanied by his or her colleague or union representative. You should state your case, let the employee respond and then, after the meeting, give the employee your decision. You should explain that the employee may appeal against your decision.

In *step three* the employee may appeal against your decision and choose to be accompanied at the appeal meeting, which should ideally be heard by a different or more senior manager. You should inform the employee of the decision of the appeal.

Checklist

- purpose of the procedure
- informal warnings
- formal written warnings
- gross misconduct - examples of offences
- rights to be accompanied
- suspension
- dismissal
- appealing against disciplinary action

Example - disciplinary procedure

In order to ensure that you are treated fairly if your conduct or performance does not meet the standards required, the company will adopt the following procedure.

Informal warning

If an employee fails to meet the standards required by the company they will initially be given an informal warning by their line manager. This will not be recorded on their personnel records.

First written warning

If the employee's conduct or performance fails to improve they will attend a disciplinary hearing at which they may be accompanied or represented by a colleague or by a trade union official.

If the outcome of the meeting is a first written warning this will be kept on record for six months and disregarded for disciplinary purposes after that period.

Gross misconduct

If an employee commits an extremely serious disciplinary offence the company may dismiss them without prior warnings and without notice.

Some examples of offences which constitute gross misconduct are:

- dishonesty, theft or fraud
- malicious damage
- fighting, assault on another person
- serious incapability through alcohol or illegal drugs
- actions which endanger employees' safety
- falsification or unauthorised removal of company records or property
- a serious act of insubordination.

(This list is not exhaustive)

If the employee is alleged to have carried out such an act of gross misconduct the company will suspend them on full pay whilst it carries out an investigation into the alleged offence.

At the disciplinary hearing the employee will be given the opportunity to state their case and be represented or accompanied by a colleague of their choice or by a trade union official.

If, after investigation, it is confirmed that an employee has committed an act of gross misconduct the normal consequence will be dismissal without notice or payment in lieu of notice.

Three step statutory discipline and dismissal procedure

If an employee faces dismissal or action short of dismissal such as loss of pay, demotion or suspension without pay the three step statutory disciplinary and dismissal procedure will apply. This involves:

- Step one: a written note to the employee setting out the allegation and the basis for it
- Step two: a meeting to consider and discuss the allegation
- Step three: a right of appeal including an appeal meeting

The employee will be reminded of their right to be accompanied.

Appeals

An employee who wishes to appeal against any disciplinary decision must appeal to their line manager within five working days

The Managing Director will hear the appeal and decide the case as impartially as possible.

Company rules

It will be easier for managers to maintain discipline if employees accept that the rules are reasonable and fair. Employees are more likely to be amenable to rules and regulations if they are involved in drawing them up and altering them when necessary. It is impossible to legislate for every offence, so, wherever possible keep written rules to a minimum.

It is a useful exercise to consider the reason for every rule, even if it appears to be self evident to the rule maker. If an explanation needs to be given, it should be convincing on practical grounds, not just 'because it is good for you'. Wherever possible explain the reason for rules and present them as information rather than orders. For example:

'For safety and security reasons, you may not bring visitors on to the company premises without getting permission from your manger.'

Checklist:

- alcohol/drugs
- confidential information
- dress codes/uniforms
- gambling
- hygiene
- inventions/patents
- outside work/conflict of interests
- personal appearance
- personal property
- personal telephone calls - monitoring
- protective clothing
- right of search
- security
- smoking policies
- timekeeping
- use of the Internet and emails – monitoring

Example - company rules

Personal conduct

Due to the nature of our business and the high standards of cleanliness we must observe, you must not smoke or eat in the plant at any time. You must not drink alcohol, except during recognised social activities, or gamble on company premises.

Search

For security reasons, it may be necessary to search you, your effects, and your vehicle. These searches will be carried out by your line manager, in the presence of a senior manager, who will be female in the case of female employees.

Out of hours

You are not permitted on company premises outside normal working hours unless you have a special authorisation form from your supervisor or you are participating in recognised social activities.

Personal property

The company will not accept responsibility for loss of, or damage to your property whilst it is on company premises. However, if you lose or find any article please notify the General Office without delay.

Visitors and telephone calls

You must get permission before you receive personal visitors during working hours.

In cases of emergency you should seek your line manager's agreement to make outgoing 'phone calls.

Outside interests

Should you wish to take on part-time employment outside working hours, you must first discuss the matter with your line manager.

Sale of goods

Sale of goods on company premises is not permitted, although you may advertise goods for sale on the general notice board in the main factory and, with permission, in the general office.

Collections


If you wish to carry out collections for charities, for employees, or for outside organisations you must first get the approval of your line manager.

Grievance procedure

The grievance procedure enables individual employees to raise grievances with management about their employment. The grievance procedure should aim to settle grievances fairly and as quickly as possible. It should recognise that most routine complaints and grievances are resolved informally in discussions with the employee's immediate manager.

You must follow the statutory grievance procedures and you must, in the written statement of terms and conditions of employment, give the name or job title of the person to whom the employee can apply if he or she has a grievance.

Workers have the right to be accompanied by a colleague or trade union official where they are required or invited by their employer to attend certain grievance hearings.

Further information is available in the Acas [Self help guide - Producing disciplinary and grievance procedures](#), Acas  [Code of Practice - Disciplinary and grievance procedures \[327kb\]](#) and the Acas [Advisory handbook - Discipline and grievances at work \(section 1 of 2\)](#)

The statutory grievance procedures set out a three stage process.

In **step one** the employee sets out in writing his or her grievance with the employer.

In **step two** the employer arranges a meeting to discuss the employee's grievance. The employee has the right to be accompanied by a fellow worker or trade union official. At the end of the meeting the employer informs the employee of the decision and the employee's right of appeal.

In **step three** the employee tells the employer if he or she wishes to appeal. If an appeal is requested, a further meeting is arranged, if possible with a more senior or different manager. The employee has the right to be accompanied by a fellow worker or trade union official. After the appeal meeting the employee is told of the employer's decision.

Further information on the statutory grievance procedures can be found at www.dti.gov.uk/employment/employment-legislation/employment-act-2002/Dispute-Resolution/page23898.html

Checklist:

- how and when to raise the issue
- the number of stages
- who to apply to if not satisfied
- time limits to each stage
- the right to be accompanied

Example - grievance procedure

Stage 1

If you have a grievance about a matter concerned with your employment you should set out your grievance in writing and send the statement or a copy of it to your line manager.

Stage 2

Your manager will invite you to a meeting to discuss the grievance.

You have the right to be accompanied at this meeting by a colleague or by a trade union official.

After the meeting your manager will inform you of the company's response to your grievance.

Stage 3

If you wish to appeal against the company's response to your grievance you should contact your

line manager.

You have the right to be accompanied at this meeting by a colleague or by a trade union official.

Where reasonably practical the appeal will be dealt with by a more senior manager than the one who attended the first meeting.

Health and safety

Under the 1974 Health and Safety at Work Act you must produce a written health and safety statement if you employ five or more people. In drawing up such a statement you will need to assess the possible hazards to the health and safety of your workforce in connection with their work and working environment. It is advisable to consult with employees and safety committees when such statements are drawn up.

Further information can be found in the Acas [Advisory booklet - Health and employment](#) and at www.hse.gov.uk (opens new window)

Checklist:

- name of manager who is responsible for safety policy
- responsibilities of other managers
- responsibility of employees
- health checks
- steps taken to identify hazards
- protective measures
- first aid and medical facilities at work
- fire prevention policies
- fire drills - assembly points
- good housekeeping
- safety officers and representatives - roles
- hygiene policies
- stress issues
- health and safety training

Example - health and safety

Company health and safety policy statement

We firmly believe that adequate provisions for health and safety are essential to working life. The maintenance of healthy and safe working conditions and the prevention of injuries are not only of vital importance to the company's efficiency and success, but also in the best interests of all our employees and their families.

We therefore aim to:

- ensure that all employees are fully aware of their responsibility for safety and of the safety rules which are relevant to their own jobs
- provide up to date information about health and safety issues at work.

Safety do's and don'ts

The list of safety rules set out below is not exhaustive and is intended for general guidance only. Some rules will be explained to you by your line manager or by an experienced employee. *If you are unsure about health and safety issues don't be afraid to ask.*

Do

- Look where you are going and proceed cautiously and carefully around the factory. Avoid running or rushing about – it's better to be safe than sorry
- Make sure that you really understand what to do before you operate any piece of equipment or machine, however simple, on your own
- Make sure that you use proper methods for lifting and handling: keep your back straight: if a base or tray is too heavy for you to lift on your own, ask someone to help you
- Clean up after you: your untidiness or carelessness may cause injury to someone else
- Wear special protective clothing, including goggles, ear protectors, gloves or boots when advised to do so
- Take care at all times for the safety of yourself and others
- Report any injury, however slight, to your line manager
- Report hazards

Don't

- Run inside or outside the factory
- Attempt to operate any machine or equipment without taking proper instructions
- Attempt to clean any machine or any moving part whilst it is in motion
- Interfere with any safety equipment or machine guards
- Tamper with any electrical wiring or equipment
- Leave things lying around on benches or in gangways
- Obstruct fire exits

Accidents - first aid

Any injury requiring treatment should be dealt with by one of the company's trained first-aiders. Names of qualified first aiders are posted on all notice boards and first aid boxes.

If no first aider is available in your area report to your line manager.

Reporting accidents

You should report any accident, however minor to your line manager who will ensure that all reported accidents are entered in the Accident Book. In the event of a serious or notifiable accident or dangerous occurrence, it is essential that the company Safety Officer is located and advised as soon as possible, in order that suitable action is taken.

In case of fire

Rules concerning fire evacuation are posted on the notice board in your department.

Retirements and pensions

The rules and regulations contained in most pension schemes are usually too lengthy and complex to be included in the company handbook. Explain the main points in the handbook and refer employees to a separate publication on the pension scheme or to an easily accessible reference document.

Checklist:

- is the scheme voluntary or compulsory?
- is the scheme contributory or non-contributory?
- qualifications for joining the pension scheme
- normal age of retirement
- how the pension is calculated
- early retirement
- pre-retirement schemes.

Termination of employment

Employers and employees rights to notice should be outlined in employees' written statements. Some organisations do not include this information in their company handbooks but refer employees to their written statements.

Checklist:

- periods of notice - employer and employee
- variations in notice periods for particular groups of employee
- payment in lieu of notice
- any employees who are excluded from rights to notice, for example those who have committed acts of gross misconduct
- return of company equipment, documents etc
- exit interviews

Example - termination of employment

If you wish to resign you must give the required written notice to your line manager. If the company decides to terminate your employment you will be notified in writing.

Unless your written statement of your main terms and conditions of employment specifies longer periods of notice, the minimum periods of notice are:

- Notice to be given to you to the company - one week
- Notice to be given by the company to you

Length of continuous service	Notice entitlement
More than one month but less than two years	One week
More than two years but less than three years	Two weeks
More than three years but less than four years and so on with an extra week for each year up to 12 years	Three weeks
More than 12 years	12 weeks

The company may give the equivalent pay in lieu of notice.

If you leave the company, you must return all items of company property in your possession.

Redundancy, short-time working and lay offs

Redundancies, short-time working and lay offs are realities for many organisations so this section of the handbook should include information on:

- the measures to be taken to avoid redundancies, or prior to redundancies
- the legal requirements
- the criteria (if any) for redundancy selection

Example - redundancy, short-time working and lay offs

It is our wish to provide regular employment to our staff. However, the flow of work can be uneven and in certain circumstances redundancy cannot be avoided.

Consultation in the event of redundancies

The company will consult with appropriate trade unions, employee representatives and individual employees as soon as practicable and as fully as possible.

The company will seek to reduce the effect of any redundancy situation by:

- re-appraising its recruitment policy
- reducing or eliminating overtime
- investigating the possibility of re-deployment and natural wastage
- seeking applicants for early retirement
- introducing short-time working or temporary lay off.

Selection for redundancy

Where the above measures fail to prevent a redundancy situation the company will use the following selection criteria to determine which employees will be made redundant:

- skills or experience
- standard of work performance or aptitude for work
- attendance or disciplinary record.

Lay offs and short-time working

Although every effort will always be made to ensure full employment, in the event of a temporary shortage of work the company reserves the right to temporarily lay-off or place on short-time working any employees affected. If you are placed in these circumstances you will be entitled to the statutory guarantee payments for five days of any lay-off in any period of three months.

Appendix 1

An example of a company handbook for a small or medium-sized company

-  [Self help guide - Producing a company handbook Appendix 1 \[103kb\]](#)

The information given in this guide is not an authoritative interpretation of the law. Such an interpretation can be given only by the employment tribunals and by the courts.

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