

Policies and Handbooks



“Sierra Gold Nurseries takes accident prevention and safety enforcement very seriously. We have a strong and comprehensive Injury and Illness Prevention Program (IIPP), and consider it an important Nursery objective to prevent employee accidents wherever possible. We firmly believe that all nursery jobs can be performed safely and efficiently. Unfortunately, accidents may still happen. Should you have an accident, even a minor one, or become ill at work, notify your supervisor immediately.”

**Sierra Gold Nursery Personnel Handbook
Yuba City, California**

While every chapter in this book can be used as a reference for policy formulation, in this chapter we provide a conceptual framework for thinking about policies. An outline of possible topics to include in a personnel handbook is provided. Not everything that goes in a handbook is a policy, such as the inclusion of a “Historical Statement.” Farm employers are urged to be cautious in the creation of policies.

Often, even simple problems have many alternative solutions. One such policy area, sick leave benefits, is discussed for illustration purposes.

DEVELOPING POLICIES¹

In general, policies are guidelines to decision making—once in place, each decision does not have to be made anew from scratch. Policies reflect a com-



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The active participation of key managers, supervisors, and workers, and a final review by an attorney and a labor management specialist will generally make personnel policies better and more effective.

pany's value system. The tone and language of policy statements will be taken as reflections of management attitudes toward employees. Personnel policies also outline expected worker conduct.

Most personnel decisions can be guided by policy determinations. Should all workers be given a practical test before being selected? Should employees be paid at the going rate, a cut above, or a cut below?

Supervisors may vary in their management approach. While distinct styles can serve different managers well, at some point inconsistency may have a negative effect on worker morale. Policies establish uniformity. Well designed policies help reduce the incidence of inequities and give employees the reasoning behind what may otherwise look like favoritism.

With some notable exceptions, my preference would be to develop policies as a guide to supervisory action. Accordingly, I feel most policies can be included in a *supervisors' handbook*. Despite this preference, there are some policies that need to be provided up-front to employees as a potential legal defense. Consult with your attorney on such a list of "required" policies. For

example, farmers who have not developed a policy against sexual harassment may share liability for wrongdoing committed by their employees. Other policies that need to be distributed to the employees may include those related to workplace violence, housing (if it is provided), and the establishment of a drug-free workplace. Having policies consistent with government regulations helps to ensure farm employers operate legitimately and avoid the penalties associated with violations.

Written policies in an employee handbook may also promote good public relations in representing the farm enterprise to local residents, banks, courts, and prospective employees. Statements made in a handbook, however, are often equivalent to an employee contract and deserve thorough analysis before implementation. Farmers who construct policies without sufficient deliberation may later regret their guidelines.

The formulation of personnel policies is influenced by past and prevailing practices, present challenges, management styles, and employee needs and preferences. The active participation

SIDEBAR 17–1**Lindemann Farms History**

We welcome you to Lindemann Farms and want to tell you about our company. Rudolf H. Lindemann was one of the original “Westside” farming pioneers who began farming and developing the ranch in the 1920s. He was succeeded by his son, Rudy Lindemann, who continued his successful farming practices. Presently, George and Tom Lindemann, grandsons of the founder and third generation California farmers, are managing the family farm. Over the

years the land has evolved from native pasture to a highly productive irrigated ranch. For over 50 years Lindemann Farms has provided the people of California, the United States, and the world with high quality products. These products include fruits, vegetables, fiber, meat and milk. We are one of the foremost producers with a reputation of growing and marketing high quality products. This success is principally due to the interest, enthusiasm and efforts of our employees. We welcome you to this dedicated team.

George & Tom Lindemann

of key managers, supervisors, and workers, and a final review by an attorney and a labor management specialist will generally make personnel policies better and more effective. Sample policies from other employers and commercial computer software packages can be useful references.

To be effective, policies need to be well-communicated. Written policies, in employee handbooks, are a strong defense against complaints of ignorance. Handbooks should be well-organized and readable, and when length justifies it, contain a good index. Even so, when used alone, an employee handbook is impersonal and unlikely to be read. Meetings provide management a chance to encourage and answer questions. The orientation period is a natural time to tell new employees about policies.

Once communicated, policies may do more harm than good if ignored. Policies are reinforced when the employer follows them herself. Reasonable exceptions need not subvert policy if they are kept to a minimum and explained when they occur. Frequent exceptions may reflect a need for explicit policy change. It is much easier to review and update policies periodically than to operate either in violation or without them entirely. To be effective, policies need to be adjusted to meet the changing needs of the organization.

HISTORICAL STATEMENT

If you have a history you are proud of, why not share it with your employees and, indirectly, with the community? Knowing about the ranch they work for helps workers identify with the operation and gives them an early sense of belonging. A historical statement in an employee handbook is also a good place to tell workers more about the commodities or produce you grow or produce (see Sidebar 17–1).

The image your farm projects can affect employees even when they are home or with friends outside of work. When making new acquaintances, most people mention their job and place of employment. The information in a handbook’s historical section reaches employee family members and friends.

PAID SICK LEAVE

In developing policies in any area of human resource management, farm managers have a number of choices to make. Here, we will consider paid sick leave as an example of the many options available to farmers, even in areas that appear straight forward. In regard to sick leave, let us consider (1) what it is and why it is provided; (2) how it is accrued; (3) how it may be used; (4) what unintended effects it may have; and (5) how to control abuses of it.



While the original intent for sick leave was to provide increased pay security for employees, in practice it has often turned into extra days of personal time off. When misused, sick leave can translate into company-sponsored absenteeism. An effectively designed sick leave policy does not reward employees for being absent.

Purpose of sick leave. Sick leave is usually an optional benefit provided by employers. Employees are paid for days not worked due to illness or injury of a nonindustrial nature. (Workers' Compensation insurance procedures normally dictate the compensation and treatment of industrial injuries and illness.) Farmers provide paid sick leave to protect workers from losing pay. In a study of more than fifteen hundred workers,² sick leave was the second most important fringe benefit received by employees. Only health insurance was more important.

Accrual. You determine how many hours of sick leave workers can accrue per month. Some employers use the "use-it-or-lose-it" approach. They do this by either limiting the number of earned sick leave days employees can carry over from year to year, or by eliminating pay for days not taken before job termination.

Allowable use of benefit. Farmers need to determine the legitimate use of

sick leave. Will it be used only for the illness of the worker or will it include family sick leave, bereavement, or participation in "wellness-oriented" fitness or sport programs?³ In some cases, it is even provided for "mental health days" taken whenever an employee feels overly stressed by work or life's pressures.

Employers who allow for paid mental health days or time off to participate in a fitness program are thinking of the long-term health of their work force. Others feel vacation rather than sick leave should be used for such purposes, and in some cases call it "personal time off" to underscore its purpose. Employers who allow workers to use sick leave for family sickness, bereavement, or other alternate uses may limit the number of days that can be so charged.

Misuse. If workers take sick leave only when they are truly ill, the "use-it-or-lose-it" method works relatively well. It may, however, tend to reward workers

who are sick over those who do not miss work. Some healthy workers may take days off simply not to lose them. While the original intent for sick leave was to provide increased pay security for employees, in practice it has often turned into extra days of personal time off.

When misused, sick leave can translate into company-sponsored absenteeism. There are costs of finding and training a replacement who may function at a less productive level for a time. Workers who know fellow employees are abusing the system often become resentful, or decide to join them.

Diminishing misuse. An employer may attempt to thwart the use of sick leave for an occasional “day off” by disallowing pay for any sick leave of less than two or three consecutive days. This may force employees into staying home to more fully recover when they have been ill. Others may require a doctor’s note verifying the worker’s illness, even for one-day absences. Many physicians, however, will readily approve absences.

For longer absences (a week or longer), it may be a good idea for a policy requiring a medical excuse.

Some of the traditional approaches used in preventing sick leave abuse become less necessary when incentives are given to be on the job. Farm employers may prefer to provide “well pay” rather than “sick leave.” Farmers concerned mainly with covering workers for short-term illness may prefer to provide added vacation days in lieu of paid sick leave. Some workers are more likely to be sick on the employer’s time than on their own.⁴

Along with the idea of paying employees for being well, rather than sick, employers can establish a system whereby they pay workers for unused sick leave days upon their quitting, retiring or being terminated. This will benefit everyone, as employees will then accumulate a large number of days over the years, which can come in handy if

there is a catastrophic illness or injury that keeps an employee away for a long period of time.

A variation of the alternative above, is to require workers to accumulate and maintain a minimum balance of unused sick leave days (e.g., four to eight weeks). After this period an employee could opt to either receive the added benefit immediately in terms of cash or personal time off, or when he separates from the job.

The idea is to underscore that these days are given to *reward good attendance*. One caution, however, would be not to make the incentive to come to work so high, that employees would come when everyone’s needs would be better served had they stayed home.

SUMMARY

Policies help guide decisions. While individual supervisory style should not be stifled, inconsistency in approach in some areas may have negative effects on worker morale. Policies can be a fine tool in reducing perceptions of arbitrary treatment of employees. To obtain maximum value, policies need to be understood by both supervisors and workers. Policies can be shared with employees during the orientation period, through meetings, and through handbooks.

To be effective, policies need to be adjusted to meet the changing needs of the organization. Policies constructed without sufficient deliberation may be regretted later. Sick leave is one policy area discussed in this chapter to provide an example of the numerous alternatives that can affect employees and the organization. Sick leave policies can be designed to protect workers from losing income when sick while also rewarding individuals who do not misuse the privilege. Carefully crafted policies, then, can help farmers act based on a concern for both production and personnel.

SIDEBAR 17-2

Employee Handbook Outline⁵

I. Introduction

- A. Welcome
 1. Purpose of handbook
 2. Mutual expectations
- B. History of Firm
 1. Founding: when and who
 2. Historical development
 3. Present structure: size, commodities, reputation
 4. Future outlook and goals
- C. Philosophy and Company Values/Goals in Relation to:
 1. Employees
 2. Customers
 3. Community
 4. Environment
 5. Operations
- D. Organizational Structure
 1. Organizational chart, including major divisions/units
 2. Names and telephone numbers of key contacts
 3. Regular communication vehicles/channels

II. Staffing

- A. Objectives, Opportunities, and Responsibilities
 1. Criteria/principles of staffing
 2. Statement on non-discrimination and equal opportunity
- B. Hiring Procedures
 1. How to apply for work in the company
 2. Recruitment and announcement of job openings
 3. The employee selection process
 - a. General qualifications for consideration
 - b. Information obtained from or about applicant
 - (1). Drug testing
 - c. Basis of and responsibility for the selection decision
- C. Employee Classifications
 1. Job classification or types
 2. Employment continuity status (regular, seasonal, temporary)
 3. Employment intensity (part-time, full-time)
- D. Orientation and Probation Period
 1. Duration
 2. Introduction to the work and co-workers
 3. Proficiency requirements for progress
 4. Consequences for failure to meet standards
 5. Other terms
- E. Advancement, Promotion and Transfers
 1. Advancement opportunities available
 2. Expected job progressions (career ladders, etc.)
 3. Basis for progression and demotion (seniority, merit, or combination)
 - a. Seniority: units (company, location, department, classification) and measurement
 - b. Merit: means and frequency of measurement
- F. Layoffs, Reassignments, and Recalls (see Termination of Employment under III-K)
 1. Typical swings in employment level
 2. Individual rights and priorities

III. Employment and Work Conditions

- A. Supervision
 1. Major policies guiding supervisors
 2. Relationship of supervisor to employee
 3. Responsibilities of the supervisor
- B. Training and Development
 1. General policy on employee training
 2. Access to company-supported training, formal or on-the-job
 3. Content of training provided
 4. Other training opportunities available
- C. Performance Review
 1. Nature and purpose
 2. Responsibility for making appraisal
 3. Timing or frequency of reviews
 4. Basis for review; performance dimensions rated
 5. Communication of appraisal to employee, others
- D. Hours and Location of Work
 1. Responsibility for reporting to work
 2. Time records (clocks, cards, sheets)
 3. Normal workweek, workday, and break times
 4. Seasonal and daily fluctuations
 5. Overtime opportunities, requirements, and authorization
- E. Leaves of Absence
 1. How to get one
 2. Conditions and constraints: justification, duration, status and seniority implications
- F. Tools and Equipment
 1. Tools supplied by employer and employee
 2. Issuance and accounting of company tools
 3. Maintenance and replacement responsibilities
 4. Internet, E-mail privileges
- G. Safety and Health, Emergency and First Aid Procedures
 1. General policy on employee safety and health
 2. Accident prevention: minimizing unsafe conditions, unsafe acts, and stress
 3. Procedures for dealing with an accident
 - a. Reporting and investigation obligations
 - b. Injury to people: first aid and obtaining further help
 - c. Damage to equipment or stock: immediate response and obtaining further help
 4. Employee Assistance Programs (i.e., to deal with problems associated with work stress, alcoholism, substance abuse, wellness, etc.)⁶
 - a. Purpose
 - b. Eligibility
 - c. Costs
 - d. Confidentiality
 - e. In-house or outside vendor
- H. Work Ethics, Rules of Conduct, and Discipline
 1. General statement about discipline system and its purpose
 2. Obligation of employee to follow directions, except if in violation of safety, morals, or religion
 3. Triggers for disciplinary action (e.g., sexual harassment, workplace violence, abuse of power, unsatisfactory work)
 4. Progression of action for successive

SIDEBAR 17-2 (CONTINUED)

incidents (e.g., penalties, counseling, transfers)

5. Appeals process

I. Suggestion Procedures

1. Statement on value of employee ideas and internal communications

2. Suggestion feedback, follow up, and results

J. Complaint and Grievance Procedures

1. How and with whom to raise an issue

2. Subsequent steps if needed

3. Final step (advisory or binding arbitration, other)

K. Termination of Employment

1. Reasons (quit, fired, job elimination)

2. Exit procedures (interview, pay)

3. Rehire considerations

IV. Wages
A. Method of Pay

1. Payroll period

2. Pay delivery (time, place, and person)

3. Lag time between payroll period and delivery (including terminations)

4. Form of pay (cash, check, product, other)

B. Pay Rate Determination

1. General relationship of overall scale to external factors (minimum wage, union contracts, prevailing wage in labor market, cost of living)

2. Internal factors affecting general wage level (philosophy, ability to pay)

3. Factors affecting individual pay rate (job type, continuity status, appraised performance, results, etc.)

4. Relationships between pay ranges for different jobs

a. Width within classification

b. Overlap of adjacent range

5. Units (hour, week, month) for time-based rates

6. Definition of results (quantity, quality, cost control, etc.) and formula for output-based pay (e.g., piece rate)

7. Performance-based bonuses

C. Overtime pay

1. Definition of overtime

2. Overtime pay calculations and differentials

D. Deductions

1. Specification, by type:

a. Mandatory-statutory (e.g., disability, social security, insurance)

b. Mandatory-company (e.g., required pension plan)

c. Optional (e.g., savings, voluntary retirement)

2. Determination of amounts deducted

3. Check and stub examples

E. Garnishments

1. Procedures; when and how it happens; notification of employee

2. Company attitude and response (philosophy, discipline)

F. Advances, Loans

1. Provisions for and conditions of advances

2. Procedures and terms (requests, amount limits, and payback methods)

G. Privacy and Disclosure

1. Information about individual that is (a) always, (b) sometimes, and (c) never disclosed to self, to other company employees, or to outsiders

2. Procedures for outsiders to obtain information about individual employees

V. Benefits

A. (For) Government required pay or leaves: (1) nature and purpose; (2) who pays for it; (3) procedures for obtaining benefits

1. Workers' Compensation Insurance

2. Disability Insurance

3. Unemployment Insurance

4. Social Security (FICA)

5. Other required pay

6. Military leave

7. Jury duty leave

8. Maternity leave

9. Other required leaves

B. Non-Government required pay, leaves, benefits

1. Health and Life Insurance

a. Types and limits of coverage; options

b. Costs (per employee) to company and employee

c. Eligibility conditions

d. Extension after employment termination

2. Bonuses (rewards for employment itself, not contingent on performance)

a. Eligibility

b. Computation

3. Holidays

a. Holidays observed by company

b. Obligations to work on holidays; pay differentials

c. Eligibility for and computation of holiday pay

4. Vacation

a. Eligibility for and computation of credits

b. Scheduling procedures and restrictions

c. Disposition of unused credits

5. Sick Leave

a. Eligibility for and computation of credits

b. Valid uses

c. Notification requirements on day of leave

d. Verification requirements

e. Disposition of unused credits

6. Other Leave: Provisions and eligibility

7. Housing

a. Form of benefit (allowance or company facilities); if specified facility, location

b. Eligibility; move-in and out procedures

c. Charges to employee; employer cost contributions

d. Inclusions, mandatory or optional

8. Pension, Retirement, and Savings Plans

a. Eligibility for participation

b. Vesting schedule

c. Options

9. Other

a. Facilities for employee use

b. Use of company equipment

c. Product or discounts available

SIDEBAR 17-2 (CONTINUED)

VI. Miscellaneous

- A. Solicitation on company property: permission and prohibitions (persons, times, locations, purposes)
- B. Bulletin Boards
 - 1. Locations
 - 2. Materials regularly posted by company
 - 3. Space available to employees, others
- C. Parking
 - 1. Provision and limitations
 - 2. Reserved spaces and priorities

D. Visitors

- 1. Conditions for admission
- 2. Permitted times and places

E. Social and Recreation

- 1. Clubs and activities sponsored
- 2. Welfare funds

D. Cell phones

- 1. Conditions for use

VII. Conclusion

- A. Closing Statement
- B. Policy Changes
 - 1. How, when, and by whom
 - 2. Method of notifying employees

VIII. Index

CHAPTER 17 REFERENCES

1. This sub-section is adapted from Rosenberg, H. R., and Billikopf, G. E. (1984, January 1). Personnel Policies Smooth Employee Relations (pp. 55-56). *American Nurseryman*.
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4. Harvey, B. H., Schultze, J. A., and Rogers, J. F. (1983, May). Rewarding Employees for Not Using Sick Leave (pp. 55-59). *Personnel Administrator*.
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