

# MANAGEMENT WORKSHOP

By Stephenie Overman

## The Good Book

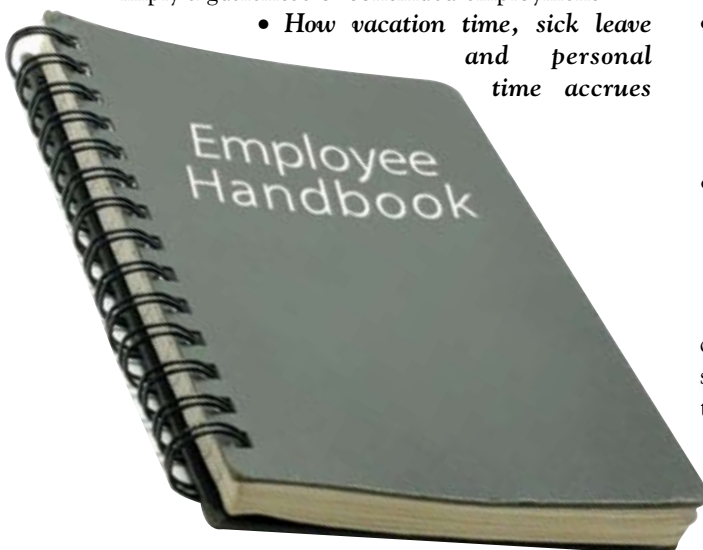
Does your employee manual include everything it should?

AS A SPA OWNER YOU FIND YOUR EMPLOYEES looking to you for direction on how to perform their jobs, and there's no more clear-cut way to define your expectations than with an employee handbook. Dionda Pumphrey, owner of A Natural Touch Salon in Chicago, knows the value of an employee handbook firsthand. When a new hire wasn't working out, Pumphrey says her manual's clear statement that the first 60 days of employment are on a trial basis allowed her to let that employee go without incident. "You want good communication and you want to avoid lawsuits, and you can achieve both with the right handbook," says Maurice Baskin, an attorney with the Washington office of Venable LLP and author of *Venable's Model Employee Handbook*, a guide to drafting a personnel policy manual.

### What's Inside?

Following is a basic list of what experts suggest a comprehensive employee handbook should contain:

- **Definitions of terms, such as what constitutes a full-time or a part-time employee.** Avoid phrases such as "permanent" employee, which could imply a guarantee of continued employment.
  - *How vacation time, sick leave and personal time accrues*



*and what paid holidays you offer.* You should also outline general work protocols, such as procedures for taking time off.

- **Your policies on conducting performance reviews, promotions and merit increases, and any severance pay packages.**
- **A brief summary of benefits.** Benefits change frequently, so avoid being too specific and refer employees to other information sources.
- **Equal employment opportunity and antiharassment policies.** Make sure your antiharassment policy doesn't require an employee to report complaints first to his/her direct supervisor, as that person may be the source of the complaint.
- **Your rules governing access to the premises for employees and nonemployees to avoid theft and accidents.**
- **A reference to your substance abuse policy and rules governing searches in the workplace so employees know what privacy they can expect.**
- **An outline of your discipline procedures.** Define your expectations and consequences. Make sure discipline is appropriate to the offense and explain any appeal mechanisms.
- **An employment-at-will statement that says the employee can terminate employment or face termination at any time.** This helps negate any unintentional implications of a guarantee of continued employment.
- **A statement that the handbook isn't meant to be all-inclusive and that it's only a set of guidelines.** Also make it clear that you reserve the option to revisit your policies at any time.

As a spa owner, you may also want to include a dress code policy in your employee manual. Before she had a policy manual in place, Pumphrey says the lack of a dress code caused problems at her business. "Employees wanted to dress a certain way and people's perceptions of dressing modestly aren't always the same," she says. Before you implement a dress code, however, be sure to check it with a local attorney; state laws may affect what you can require.

### Updating Your Employee Manual

Any employer who has distributed an employee handbook should be constantly monitoring the manual, with the assistance of counsel, to determine whether revisions are needed. There have been many changes to federal and state employment laws during the last few years, which may require changes in older employee handbooks. The latest edition of *Venable's Model Handbook* incorporates regulations recently issued under:

- Health insurance conversion rights under the Consolidated Omnibus Budget Reconciliation Act (COBRA)
- The Uniformed Services Employment and Reemployment Rights Act (military leave)
- Cell phone usage
- Harassment policies relating to sex and other protected categories
- Unions
- "White collar" salary deductions (These refer to the U.S. Department of Labor's recently promulgated "safe harbor" under the Fair Labor Standards Act.)
- New policies recommended for nonpublic companies under the Sarbanes-Oxley Act, relating to warnings against document destruction and protection of whistle blowers from retaliation.

These are all points you may want to consider when updating your employee manual.

According to Baskin, "There are different protected categories such as religious and ethnic groups, and in some states you can't discriminate on personal appearance." *Editor's Note: For more information on appearance discrimination, see "Keeping Up Appearances" by Michael L. Antoline in the December 2005 issue of DAYSPA.*

Another policy matter specific to spa owners is employees' use of spa facilities and services. Perhaps

the biggest challenge in this area is finding a balance between rewarding staff and encouraging them to use the facilities while not allowing them to take advantage of it. Cami Martin, owner of Moda Salon & Spa & Wellness Center in Fort Worth, Texas, has a straightforward rule that requires employees to pay a fee to cover the cost of the products used during any treatment they receive. "We want them to be able to use the spa so they can help promote the services,"

explains Martin, adding, “We also like for employees to stay healthy so they’re allowed free use of the yoga center too.”

Joyce Hampers, president and CEO of g2O Spa + Salon by Giuliano, and Emerge by Giuliano, both in Boston, enforces more complicated rules. Employees’ immediate family members get a 50% discount on Tuesdays, Wednesdays and Thursdays and only pay product charge when their relative performs the service on Tuesday, Wednesday and Thursday or during off work time. Employees are encouraged to schedule treatments amongst each other as a way to fill last-minute free hours. They pay 50% on Tuesdays, Wednesdays and Thursdays unless they book their appointment within the hour. Anytime they book an appointment within the hour, they are only responsible for product costs. In addition there are discounts on retail items.

“There was a problem early on with people abusing [the policy]. Although it’s clearly explained,

staff members would try to slip in extra services,” she adds. “But we’ve been doing it long enough now that we got the bugs out.”

### **The Write Stuff**

Now that you have an idea of what your employee handbook should include, how do you go about writing it? Whether you’re creating a handbook from scratch or updating one that you already have in place, perhaps the best way to start is by seeking advice. When Pumphrey put together her handbook about a year and a half ago, she solicited tips from other spa owners and reviewed the document with a lawyer. Martin also stresses the importance of legal advice. “Employment law is a specialized area so rather than learn the hard way, it’s worth investing in an attorney from the very beginning,” she says.

To ensure that your manual both communicates your rules and procedures effectively and contains the proper amount of legalese, Baskin says the key is

balance. Communicate clearly but refrain from wording that's too rigid. It's better to say "the employer *may* do x" not "the employer *will* do x." For example, if your handbook states that performance appraisals will be done annually, you may have a problem if you fail to do them exactly once a year. According to Baskin, "It's fairly easy to put in qualifiers. A simple sentence protects you down the road; always leave yourself an out." In the case of performance appraisals, your handbook might state that "performance appraisals will be done periodically" or "may be done annually."

Qualifiers are particularly important when it comes to spelling out policies on termination. While discipline generally should be a progressive process, don't mandate a set series of actions before termination. "There may be times when such a major offense has occurred that you want to skip your stated disciplinary steps and terminate the employee immediately," Baskin says. "Allow yourself some flexibility."

## Hot off the Presses

Once you've taken the time to put together a good manual, take even more time to explain it, until you're confident that employees understand its contents and their responsibilities. Include a form that states that the employee has read and understands the manual, and make sure that each staff member has signed and dated the form and received a copy. "When employees start with us, we do an orientation to go over our policy manual with them," Martin says.

An effective employee manual will enable you to successfully communicate policies and protect yourself against lawsuits, but like any tool it will need regular upkeep. As employment laws and the specific needs of your employees continue to change, you'll need to review your manual and update it accordingly. ●

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