Employer's guide to setting company policies

Setting clearly written company policies sets your business and your employees up for success. Even the most mundane policies can cause confusion or misunderstandings if they are not made readily available to employees in a clear format. Set clear expectations for employee conduct by setting employee policies to address common concerns such as attendance, safety, conflict resolution, terminations, and leave.

By having clearly laid out policies, you can stave off some potential future problems. Simply having a policy in place isn't enough — it needs to be well crafted and well communicated.

If you're not sure how your company policies stack up, it might be time to review and make updates. Just starting to work on setting policies for your organization? Stick around and we'll help lay the foundation you'll need for success.

Company policies your business needs

There are a number of policies that are essential to draft for your business. The list below includes the most commonly needed company policies, but be aware that you may need to draft others related to local laws, industry regulations, or specific concerns related to your company's operations.

Employee code of conduct

The conduct policy gives an overview of the company's expectations for how employees should behave and interact. It often encompasses company values such as respect, fair treatment of everyone, and integrity.

Employees of all levels must interact respectfully with each other, respect company property, and conduct themselves professionally. You can view a sample employee conduct template here.

Dress code

Having a dress code policy is a good idea, even if your workplace is relatively casual. Taking the uncertainty out of workplace attire can help new hires feel more comfortable. Be sure to state the tone of the office; business, business casual, or casual. Also, include any items that are specifically not allowed such as crop tops or athletic wear if applicable. It can also be helpful to list what is allowed, to give new employees a clear picture of how to plan their work wardrobe. Being specific in your dress code policy also allows management to enforce it more fairly and consistently.

Dress code policies aren't a negative addition to your workplace culture, as long as you make them inclusive. Encourage appropriate and professional attire while respecting cultural differences and gender expressions.

Time off

The time off policy should make up a large section of your employee handbook. It should cover vacation, sick leave, and all types of leave offered by your organization.

Be sure to include:

- **FMLA Leave:** The Family and Medical Leave Act is a federal law that grants employees of covered businesses the right to take up to 12 weeks of unpaid job-protected leave annually for medical purposes or to care for an applicable family member.
- **Parental Leave if offered separately from FMLA:** FMLA covers unpaid leave for the birth or adoption of a child, but many companies also offer additional paid time off to new parents.
- **Sick Leave:** Sick leave is required by law in some states. Some employers separate sick days and vacation, others offer a combined PTO pool.
- **Holidays:** Include a list of all paid holidays observed by your company.
- **Vacation:** Vacation accrual can vary by employee and is often included in the employee's offer letter. You can, however, include a policy on vacation request procedures and whether seniority is used to grant requests.
- **Bereavement Leave:** This is not legally required, but many employers choose to offer leave to attend a funeral or deal with the death of a close friend or family member.
- **Military Leave:** Employers are required to grant military leave to members of the National Guard and Reserves of the Armed Forces. Learn more about military leave eligibility and requirements here.
- Any other leave required by your local or state laws. Some states require employers to grant paid time off for jury duty, voting, and victims of domestic violence.

Attendance

A lot of businesses fail to document their attendance policy, or wait until an attendance problem arises before creating one. Detail your attendance expectations, how to request time off, and the procedure for alerting management of unexpected tardiness or absences.

Acknowledge that disciplinary action may occur due to recurring tardiness, unexcused absences, or no-call no-shows. You can also include expectations for standard work hours if applicable, though many businesses do have multiple shifts.

Safety

Workplace safety policies protect your staff and your business. Include information on general workplace safety,

specific safety procedures related to your industry and operations, and how to report and document an injury. Emphasize that accidents or injuries sustained at work need to be reported even if they are relatively minor and do not require medical care. That tiny cut that they sustained while opening boxes could end up becoming infected down the road and requiring medical care.

If your employees drive company or personal vehicles during the normal course of their work, a vehicle safety policy should also be included. This can include how to report an accident in a company vehicle, that employees are responsible for parking tickets and traffic violations incurred while driving for work, and that no employees may drive under the influence of any substances. A general substance abuse policy may be needed as well, particularly if employees operate machinery in the course of their work.

Harassment and discrimination

It should be made abundantly clear that your business does not tolerate harassment or discrimination. This should be emphasized through the company culture and messaging from leadership, but it also needs to be stated in a company policy.

Here are the policies that you'll need in this section:

- **Anti-discrimination:** Discrimination based on race, ethnicity, religion, sexual orientation, gender identity, age, disability status, or national origin should be expressly prohibited. Any employee that displays discriminatory behavior should be subject to disciplinary action up to and including termination.
- **Equal opportunity policy:** This policy should state the measures that the company is taking to ensure that discrimination does not occur. It should also address that the business does not discriminate in its hiring process. This policy applies to employees and applicants.
- **Anti-harassment:** Define what constitutes harassment including sexual harassment, quid pro quo harassment, and creating a hostile work environment.
- **How to report harassment or discrimination**: Detail how to report harassment or discrimination of any kind. It is a good idea to put HR in charge of receiving and investigating harassment complaints. Harassment often comes from the employees' direct supervisor or a member of their team. Having a third party to report concerns to may help victims feel more comfortable.

Confidentiality

If employees will be privy to private customer, employee, or company data a confidentiality policy is a must.

As part of the confidentiality and data security policy, be sure to specify the expectations for returning company property such as cell phones and work-issued laptops. Also, mention any expectations in terms of deleting company files off of personal devices if employees are allowed to use personal phones and computers for work. Many employees have been using their own laptops for remote work recently, so even if you have an existing policy on this subject matter it may require an update.

Social media

Having a social media policy can help protect the reputation of your business. Your staff's actions are often seen as a reflection of your business and its values, even actions taken outside of business hours.

Your employees should be free to express themselves online, but it's okay to place a few restrictions on their expression.

Here's what to include in your social media conduct policy:

- Do not share proprietary or confidential company or client information.

- Avoid posting defamatory, derogatory, or inflammatory content about the company, customers, or team members.
- Avoid posting information or pictures that imply illegal activity.
- No cyberbullying coworkers, customers, or others.

Employee terminations

One must-have policy is how your company handles terminations. While this may not be something included in your employee handbook, it's vital to have a set company policy to ensure that you're protected and can show fair and equal treatment of employees in case a lawsuit were to ever spring up. Your employee termination policy should include disciplinary actions and break down clear guidelines for fireable offenses, as well as how to handle lay-offs, terminations for downsizing, and more.

For more on employee terminations, check out this guide on [how to fire employees the legal way](#).

How to document your company policies

Setting a company policy is important, but properly documenting it is even more important. Without clear and specific policy documentation it will be tough to enforce your policies. Avoid any room for misinterpretation by providing each employee with a copy of your policies.

Employee handbook

Every business should have an employee handbook. This is the best place to document and store company policies in a central source that employees can reference as needed.

Be sure to have an attorney review your employee handbook prior to distributing it to ensure that the handbook and your policies comply with all federal, state, and local laws. These laws can change frequently, so it's a good idea to update the handbook annually and have updates reviewed by an attorney as well.

Announcing a new policy

Give adequate notice when adding or updating a policy and ensure that every employee receives a written physical or electronic copy before implementing new rules.

It is a good idea to have employees sign or acknowledge receipt of the new policy. This gives you as the employer a written record that they received communication regarding policy changes, which can come in handy if you need to take disciplinary action related to policy violations in the future. It also allows you to double-check that every employee received notice so that you can ensure that nobody was missed or overlooked.

Enforcing company policy

Now that you've created your company policies and documented them, it's time to enforce them. Managers play an important role in enforcing company policy, but it's a good idea to have them loop in human resources on policy matters, questions, or violations. They can help ensure that policies are enforced fairly and consistently to avoid favoritism concerns or legal issues.

Additional resource: Updating your handbooks and company policies? Check our guide to [employee handbooks](#).