



# Small Business Assistance & Advisory Service

## Human Resources Process Guide – Policies and Procedures

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This guideline has been produced for general information use only and is not to be considered a replacement for professional advice (professional advisor or legal advice).

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# Developing Policies and Procedures

The following information will only be used as a guide as it does not consider any complexities specific to different organisations.

## How to Develop Effective Policies

Clear, concise and compelling HR policies can make all the difference in managing your workforce and establishing credibility and consistency. Employees thrive in an environment where they understand the company's expectations and are predictably governed by written policies.

Failure to appropriately document important policies can lead to workplace confusion and frustration, thereby diminishing productivity.

### Step 1: Do Your Homework

Gather all pertinent information for consideration before writing any policies for your organisation; it is essential to understand federal and state laws surrounding the subject matter, as this will give you the minimum requirements and limitations of the policy. The other important aspect is understanding the company culture, management style and prior history.

Consider who will be directly affected by new or revised policies and their views early in the policy development discussions.

Review policies regularly to ensure they are current and aligned with organisational changes and legislation.

Where policies are significantly changed, they should be re-issued to all staff, and the changes explained to them to ensure they understand the organisation's new direction. These changes should also be widely publicised.

### Step 2: Template

Use a policy template to ensure consistent layout, fonts and style. Ensure these are documented and placed into a document control environment so that versions and updates can be tracked.

A popular model includes the following sections:

- Purpose
- Scope
- Procedure

These three categories are the bare minimum to outline a comprehensive policy effectively.

Other categories, such as definition and eligibility, are also frequently used. A company may choose to add different categories to cover in their policies depending on the purpose of the policy, such as adding a Complaints section in a sexual harassment policy so that you may identify how employees may report incidents of concern to the proper person – this may also include a hyperlink with further instructions or to government agencies. Be as straightforward as possible. This area will typically be longer than the rest and will consist of a list of items outlining the policy.

### Step 3: Establish Categories

**Purpose:** Start by indicating the purpose of the policy. An example might be: This policy establishes and defines the processes to be followed when recruiting individuals for open positions with the company.

**Scope:** Define the scope of the policy by defining precisely whom or what is covered. For example, this policy covers employees not covered by an Enterprise Agreement.

**Definitions:** Define within this category anything which may be ambiguous such as EBA, Fair Work Commission, EEO etc.

**Eligibility:** This category typically defines when a policy will become effective for a given employee. For example, if the policy is written on a particular benefit for which the employee is not eligible until after meeting a certain length of employment or upon completion of a probationary period such as company share options, promotional opportunities etc.

**Procedure:** The procedure area articulates how the policy will be administered. Write the procedure in a clear, concise and easily understood manner. Please keep it simple without legalese.

### Step 4: Legal Compliance

Have your in-house legal department or whomever you contract (such as SBAAS) provide advice to review the policy, thus ensuring it complies with federal and state laws and other government-regulated agencies.

Consider that when employee rights and company policy issues come before courts, the company's HRM policies are usually taken as a contract between the employee and the company.

There are a few situations where you want to be clear that the standard set by the policy will apply in all cases. For example, in a violence policy, you would like to say, "violence at work will not be tolerated under any circumstances".

If applicable, consider how the policy should interact with any enterprise agreement/s.

Policies must be applied consistently throughout the organisation: including shift workers, field office and FIFO workers, casual, part-time, contractors as well as labour-hire personnel.

## Evaluating Policies and Procedures

Below is a guide on evaluating the effectiveness of an organisation's policies and procedures.

Evaluating new organisational policies and procedures assesses whether they achieve the objectives. Evaluations should occur regularly, soon enough to intervene in any problems that may arise, but after the new procedures have had time to work.

Feedback should be sought from the target audience, staff and managers.

You can evaluate policy by following these simple guidelines:

### **Early planning**

It would help if you started planning early to enable you to determine the main issues with the policy. Summarise any issues or problems resulting in adopting new policies and procedures. State the goals and objectives these new policies are intended to accomplish

### **Customer Involvement**

Policy evaluation can be more successful if you involve customers and stakeholders. This ensures that it appeals to all types of customers and also reduces costs. You can gather feedback through personal interviews, questionnaires, direct observation of their work or a combination of these.

### **Dissemination**

The value of a policy evaluation will be limited if it is carried out without effective dissemination.

### **Follow up**

Conduct follow-up evaluations at regular intervals--at least once a year is a valuable guideline.

## **Implementing Policies and Procedures**

The best policies will fail if they are not implemented or disseminated effectively. Here are some general approaches to implementing policies and procedures.

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Here are some general approaches to implementing policies and procedures:

### **Contracts and terms and conditions**

Before a new employee or contractor starts, incorporate a statement in their contract of employment or engagement that they must familiarise themselves with and adhere to the company's policies and procedures at all times. This ensures that expectations are set even before day one for new hires.

### **Induction**

At induction, allow time for the employee to familiarise themselves with the policies and have them sign a statement that they have done so. This may be supplemented with a WHS induction and other initiatives such as e-learning or assessment tasks.

### **Communication with employees.**

Options here include using an intranet, shared drive or a manual. These options disseminate information about what employees may expect from the company and what the employer expects from the employees regarding work performance and behaviour while on the job. A refresher may be required from time to time. For example, before a staff function, the behaviour/code of conduct policy may be emailed to all staff to remind them of their responsibilities.

### **Communication with managers and supervisors.**

Formal policies can be helpful to managers and other supervisory personnel faced with hiring, promotion, and reward decisions concerning people who work under them. Ensure that managers understand the policies and know where to find them.

### **Benefits of Effectively Implementing Policies and Procedures**

#### **Time Savings.**

Practical and comprehensive human resource management policies can enhance productivity by saving time that can then be spent on other business activities.

#### **Mitigate litigation.**

Organisations can significantly cut off legal threats from disgruntled current or ex-employees simply by creating, communicating and applying a fair and comprehensive set of personnel policies.

### **Other Considerations**

#### **Legal implications**

If the policy has legal implications, it is litigious by nature and has a personal impact on employees and the organisation. As a result, it is recommended that you have an experienced lawyer review the policy before you share it with employees.

The focus of this review will be on legal implications and appropriate wording.

#### **Review the Policy**

You may want to select several employees, or even a small pilot group, to read the policy and ask any questions they might have about the procedure. This review provides feedback that employees can understand and follow the policy. This feedback can then be used to rewrite the policy.

#### **Obtain Management Support for the Policy**

To ensure management is on-board, review the policy with the managers who will have to lead and implement the policy. You will have started this process much earlier, even when you identified the need for the procedure, but management support as you implement the policy is crucial.