

By the Book

No matter how small your business, if you have employees, you need an employee manual.

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Yours is a small family business. It's just you, members of your immediate family, perhaps a part-time jeweler and watchmaker, and a few sales associates. The atmosphere is friendly and informal. You have no need for an employee manual.

Not true, says Kate Peterson, president and chief executive officer of Performance Concepts, Montgomery Village, Md. "It doesn't matter how small you are," says Peterson. "The minute you hire one person, you're an employer and you have to act like one."

Employee manuals are so important that when her firm is hired to assess a business, she says, "The first thing we look for is the book."

Whether you have one employee or 100, experts and jewelers offer the following reasons for having an employee manual:

Consistency. A manual lets you set standards—for training, treatment of employees, and communication. "What

gets people into trouble are not their policies but how consistently they apply them," Petersen says.

Suzanne DeVries, president of Diamond Staffing Solutions, in Derry, N.H., notes that inconsistent practices can lead to a range of consequences, from mild friction in the store to a full-blown lawsuit. "You don't want to get into he said/she said/they said/we said," says DeVries. "You want to be able to refer them to the manual."

No one plans to be inconsistent. But for many independents, the policy manual is "in the owner's head," says Ryan Blumenthal, manager of Corinne Jewelers in Toms River, N.J. And while they do their best to transfer that knowledge, "It's impossible to do that consistently if you don't have something like [a manual]," he says.

Consistency is most important in the way you treat your employees. A written manual ensures that everyone is treated equitably. "Without a manual, you don't always have that

equity, no matter how much you want it," argues Ronda Daily, owner of Bremer Jewelry stores in Peoria and Bloomington, Ill.

It sets employee expectations. "Part of our job as managers and owners is to set up a system of success for employees," says Blumenthal. "That starts with having a manual that outlines clearly what your best practices are and your policies and procedures, everything that makes your store special."

Even the obvious has a place in a manual—like requiring employees to be on time, be honest, and treat others with courtesy and respect. "Common and sense do not exist in the same sentence when we're talking about an employee policy," Blumenthal says. The only way to make sure employees know the ground rules is to tell them: "Just because you know it doesn't mean that [your employees] know it."

Jewelers take certain things for granted, such as security and confidentiality, that may not be the norm in other industries. "Confidentiality

BY SHARON ELAINE THOMPSON

Manual Labor: Doing It Yourself

Some jewelers write their own employee manuals. Templates can be purchased online (do a Google search of "employee manual" and "employee handbook"), and books are available to help you. But the job takes time, and there is no one-size-fits-all template for the jewelry industry or your store. In the long run, it may be easier and less expensive to hire a consultant. However, if you decide to do it yourself, here are some things to keep in mind.

- **Do your research.** Talk to jewelers who have written a manual themselves and those who have created one with an independent consultant. Look at those manuals for ideas. Look at manuals that have been created in other retail industries.
- **Gather memos, bulletins, and other written materials that cover employment policies.** Collect information on health insurance from your insurance company. Contact industry organizations, such as Jewelers Vigilance Committee, and your state labor board for legal information on employment practices.
- **Maintain a positive tone.** Remember that employees are not adversaries but an integral part of your team.
- **Make it readable.** Avoid legalese. You want employees to read it and refer to it. Graphics can make information easy to find and contribute to a friendly tone.
- **Provide explanations.** Whenever possible, provide your reasoning for specific policies, especially controversial ones.
- **Make it easy to find information.** Put the same information in several places and include a good table of contents and index.
- **Know when to be specific and when to be general.** Policies that may change or that will vary with employee should be described in general terms. Wage information should be general (for example, the employee will earn an hourly wage plus a percentage commission, which will be specified in their letter of offer). Policies that won't vary with the employee, such as vacation and sick leave, can be spelled out.
- **Include information you're legally required to give an employee.** State it clearly. You may include the actual text of an applicable law as well as a sentence or two describing how it will be implemented at the store.
- **Spell out the consequences of any policy violations.** "As long as you follow your policy, you have lived up to your obligation to your employee," says Kate Peterson, president and CEO of Performance Concepts, Montgomery Village, Md. "You take yourself out of harm's way."
- **Put operations procedures and policies into a separate manual.** These include items such as how to keep the shipping log and how to ring up a sale.
- **Have a labor attorney review it.** Before you distribute it, have an attorney versed in labor law examine your manual.
- **Review the manual regularly.** Make sure the goals and expectations you describe are still the ones you want employees to meet. Stay current on labor laws that affect you. This doesn't have to be an onerous job. Ronda Daily, owner of Bremer Jewelry stores in Peoria and Bloomington, Ill., has 29 employees, but she doesn't have 29 copies of the manual. Instead, she posts the manual on the store's internal computer network. Changes can be made quickly when necessary.

For more information, see following:

- "Creating an Effective Employee Handbook," from *Small Business Success* magazine, Volume 10, www.sba.gov.
- *Create Your Own Employee Handbook: A Legal & Practical Guide*, Lisa Guerin and Amy DelPo (Nolo, 2003). Written by two attorneys who have specialized in employment law, it offers guidelines, policy templates, a sample handbook, and a CD with sample forms.
- *How to Develop an Employee Handbook*, Joseph W.R. Lawson II (Dartnell Corp., 1991). Although 15 years old, the book offers useful checklists to jog the memory about topics to include in a manual.

Note: None of the above are geared to the jewelry industry or to retail specifically.

is critical," says Peterson. "We hear story after story where employees said the wrong thing to the wrong person at the wrong time and got the store into a lot of trouble."

Written expectations also make employee evaluations easier. "We've made our policies very clear in the manual," says Blumenthal. "If the employees are not living up to those standards, we can see that they aren't living up to them."

This is particularly important when it comes to termination, says DeVries, as there are certain procedures you have to follow. With an employee manual in place, notes Daily, "You can stand behind [your policy] and say, that's the way it was when you were hired, and nothing has changed."

The law. Employees are savvier about their rights than they were in the past. "Today, if you tell employees that they can't take the day off they say, 'Show me where that is written,'" says Peterson. If you can't defend your actions with a written policy, you may have a problem.