

Proper Employment Documentation is Essential!

Security in a File of Papers.....A manager generally spends about 80 per cent of his or her time dealing with people issues. Proper policies and procedures can cut that down immensely. But the 80 percent will climb dramatically when proper documentation is missing.

An entrepreneur recently had a problem regarding vacation time with one of his staff two years after he started his venture.

I was consulted. I asked, "What does your offer letter of employment state?"

"There isn't one," he responded. "We're too small to have those things".

An employment letter, spelling out the conditions of employment, is one of the most important human resources documents whether a company has one employee or 100. Eventually, it was worked out, but not without making the employee unhappy and consuming a lot of the owner's time.

But that wasn't enough to make him follow advice to organize even a minimum of the necessary employment documents.

About 2 years later another problem surfaced that would have been avoided had an employee manual existed. A long-time staff member decided to seek greener pastures elsewhere. Confidentiality about the business suddenly became an issue. No agreement existed and it was too late to sign up the employee before he walked out the door. The company paid out his severance and let him go immediately. The owner lost a key individual, with the accompanying worries about business secrets, and had to spend the time and money to hire and train a replacement.

The woes don't stop there. Just a year or so ago his company was hit with a \$10,000 fine from Worker's Compensation – a hefty enough fine to bankrupt many small business owners.

One of his staff lost the tip of his finger on a machine by lifting the safety guard. Although the employee had been adequately trained on the equipment and knew not to lift the safety guard, the owner could not support the argument with the investigator. He was unable to produce a training record signed by the employee.

Now, after three hits in a decade, the owner is taking documentation seriously.

The following is a minimum list of documents, which, depending on content, will adequately protect a company's liability and time:

- Employment Letter or Contract, including all conditions of employment (Employee signs before starting)
- Position or Job Description
- Records of change in employment conditions such as salary increases, change of hours, etc.) (Employee must sign)

- Record of training received, including safety, WHMIS, HAZMAT, etc. (Employee must sign)
- Record of performance / evaluation reviews whether (written or verbal (Employee suggested to sign)
- Record of disciplinary action, whether written or verbal (Employee suggested to sign)
- TD1 or equivalent (Canadian)

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