

# CHAPTER 7

## THE EMPLOYEE HANDBOOK

*When you have a good person and you create a good environment for that person, he or she doesn't come to work to do a bad job—they come to work to do a good job.<sup>1</sup>*

Leonardo Inghilleri, vice president of human resources, the Ritz-Carlton Hotel Company

### CHAPTER OBJECTIVES

After completing this chapter, you will be able to

- Describe the reasons for having an employee handbook in the workplace.
- List the key elements an employee handbook should include.
- Identify the legal ramifications of an employee handbook.
- Describe some of the uses for an employee handbook.
- Explain how a well-designed employee handbook can increase employee morale.



#### HRM IN ACTION

“When do I get paid?” “Where am I allowed to park?” “Am I allowed to eat or drink here on my days off?” “Does the company provide an employee meal, or will I have to pay for that?” It is not at all uncommon for new employees and even seasoned veterans to have dozens of questions about their company policies and procedures. When hos-

pitality industry employees ply their managers and supervisors with questions like these, it's extremely helpful to direct them to an **employee handbook** that clearly describes the established policies and procedures for a particular establishment. If your workplace doesn't provide employees with any written documentation of formalized policies and procedures, misunderstandings, low employee morale, and even expensive legal problems are likely to occur.

## RATIONALE FOR EMPLOYEE HANDBOOKS

Perhaps one of the most important reasons to provide a handbook to employees is to alleviate employee confusion regarding the company policies and day-to-day operating procedures. Providing an employee handbook prevents employee confusion, because it provides everyone with the established policies and procedures for the operation. Employees are clear on what the restaurant or hotel's policies are, and they can refer to the handbook to answer any of their basic questions. A thorough and informative handbook will not only make the operation more effective because it helps to encourage consistency of procedures, but it will also improve employee morale, prevent disagreements among employees and between employees and upper management, and may even keep the company out of court, because no one is in the dark about company policies. Because all employees are well informed about the company's policies and procedures, they are more likely to promote the business within the community by spreading the word that it is a good place to work. Ultimately, this may result in a higher caliber of applicants for job vacancies and less employee turnover. Always a good proposition!

Another important reason for providing an employee handbook to employees is to provide a document of management's expectations. Most employees want to grow professionally and be successful; they are eager to know what is expected of them and how they can improve their job performance. A solid orientation and training program will go a long way in helping new and more seasoned employees achieve their goals (and subsequently help management achieve its goals), but a well-crafted employee handbook can serve as a valuable road map that assists the employee along the way.

The actual process of writing an employee handbook forces management to assess and improve its own leadership skills. Management must analyze the practicality and utility of policies in its own unique operation, and then, after concrete policies are established, it can lead employees more effectively because objectives for each position have been evaluated and set, benefits have been considered and perhaps retooled, and personnel policies are in place before contentious issues have an opportunity to arise.

## TALES FROM THE FIELD

**W**hen I first graduated from culinary school, I took a job as a line cook in a medium-sized hotel operation. A few months after I started work, the chef was suddenly fired for cashing personal checks out of the restaurant's change bank, even though he had apparently been doing this every week for many months. The chef sued the hotel and won his job back—including back wages—because there was no specific policy about this in the hotel's employee handbook. Within two days, the corporate office amended the handbook to specifically include a policy which prohibited employees from cashing personal checks at the hotel.

**Jeremy, 23, St. Louis, Missouri**

## EMPLOYEE HANDBOOKS ARE COMMON IN LARGE OPERATIONS

Large hospitality industry enterprises, such as hotel and restaurant chains, have provided employee handbooks to their full- and part-time employees for years to communicate rules, regulations, procedures, and policies. Newly hired employees in these enterprises are typically given the employee handbook within the first day or two on the job. They are asked to read the handbook, and then they are required to sign a document stating that they have not only received and read it, but that they also understand and agree to the policies and procedures contained therein. While this process may seem somewhat formal and perhaps even unnecessary for smaller, privately owned hospitality businesses, this is certainly not the case. Remember that the success of any lodging or food service operation is largely dependent upon whether these establishments are able to achieve consistency in the way they deliver products and services to their valued customers and guests. This important success factor is primarily dependent upon whether each and every employee is using the same set of guidelines set forth in the employee handbook. The employee handbook enables all operations, whether large or small, to maintain order within the organization because this manual helps to ensure that all employees are in sync with one another, abiding by the same policies and following the same procedures.

## EMPLOYEES MUST SIGN FOR IT

Keep in mind that simply passing out an employee handbook to each member of the staff won't do. Employees must sign a statement that they have received the employee handbook, read it, and understand the company's policies and

procedures. The employee should be allowed to keep one copy of the signed statement, and the other copy should go into the employee's personnel file. This procedure helps protect management from possible claims that a person was fired because he or she did not know the rules. A competent labor attorney can assist in drafting this form.

## A WELL-CRAFTED EMPLOYEE HANDBOOK

A very large organization may have an employee handbook that is quite lengthy, with dozens of headings and subheadings. However, it is important to note that a well-crafted employee handbook does not necessarily have to be a big, thick, professionally printed manual. Many smaller hospitality operations can make do with something much simpler. It's not the look of the handbook that's important; it's what inside that counts.

It is not unusual for some organizations to provide a digital version of the company employee handbook in an effort to facilitate ease of use. Providing the employee handbook digitally also allows management to quickly and effectively make changes to the handbook when necessary. In cases such as this, newly hired employees log on to the company Web site, read the digitized version of the employee handbook, and submit their acceptance of the policies and procedures contained therein electronically. Figure 7.1 provides an example of the numerous headings and subheadings that may be found in a larger hospitality organization's employee handbook. Clearly, many of the employee handbook topics presented in Figure 7.1 would be unnecessary for a small restaurant or lodging operation. Even so, a smaller operation should expect to have an employee handbook that contains a minimum of 10 to 15 pages.

Because each operation is unique, management must develop and document its own unique book of policies, practices, and procedures relating to the hiring and employment of staff. The prudent operator will also hire a competent labor attorney who is familiar with local employment law to review the contents of the employee handbook before management adopts its contents and distributes it to its employees.

## WRITE IT YOURSELF BUT HAVE AN ATTORNEY REVIEW IT

While it's true that management could turn the entire project of creating an employee handbook over to an attorney, the fees for doing so could be cost-prohibitive for a smaller hospitality operation. For those who do not feel that they are up to the task of writing an employee handbook from scratch, there are resources available to help management streamline the process a bit. Human resources consulting firms as well as industry trade groups such as the

**Welcome to XYZ COMPANY**

Disclaimer

**Introduction**

XYZ COMPANY Mission Statement

**Employment**

Equal Opportunity Employment

Eligibility for Employment

Familial Employment

**Discipline**

Criminal Convictions

Violence

Weapons

Alcohol, Drugs, and Illegal Substance Abuse

Sexual and Other Unlawful Harassment

**Policies and Procedures**

Attendance

Parking

Work Schedule Requirements

Bulletin Boards

Suggestion Box

Time Cards

Breaks

Workplace Dress Code

Medical Attention

Compensation

Overtime

Wage and Salary Disclosure

Payroll Schedules

Taxes, FICA, and Medicare

Tipped Wages

Individual Retirement Accounts (IRAs)

Performance and Evaluation Reviews

Visitors

Safety and Security

Smoking

**Company Property**

Confidential Information Security

Office Supplies and Postage

Company Vehicles

Company Equipment

Phone Systems, Voice Mail, and Personal Calls

Conservation and Recycling

**Computer Related**

Computers and Related Equipment

Internet

E-mail and Electronic Communication

**Policies for Leave of Absence**

Eligibility

Personal Leave of Absence

Sick Leave

Short-term Disability Leave

Unpaid Family and Medical Leave

Funeral Leave

Jury Duty

Military Duty

Severe Weather Closings

**Benefits**

Overview

Eligibility

Group Medical Insurance

401K Plan

Worker's Compensation

Holidays

Vacations

COBRA

Education—Tuition Reimbursement

Employee Discounts

**Termination of Employment**

Termination

**Acknowledgment**

Notice

**Figure 7.1** Table of contents page from a sample employee handbook.

## ethical dilemma

**You recently took a job** as a dining room supervisor in a medium-sized restaurant chain. You and one of the restaurant servers have become close friends, and she soon confides to you that she has been dating the bar manager for several months, even though this practice is a violation of written employee policies and procedures. If you inform upper management, both employees could lose their jobs, and you could lose a close friend. If you do nothing and it is later discovered that you knew about the relationship all along, you will appear unprofessional, and it may ruin any chances you may have had for a promotion. Which of the *10 Ethical Principles for Hospitality Managers* is being violated? Can this ethical dilemma be avoided? What will be the negative and positive consequences of your decision? Will any other parties be affected by your decision and, if so, in what way? You have decided that your final decision must be based on the best possible outcome for the greatest number of people. What is your decision?

National Restaurant Association and the American Hotel & Lodging Association can provide guidelines and templates that would at least provide management with a starting point. Remember, however, that each operation is unique, so guidelines and templates must be tailored to the specific operation in order to be effective. A competent labor attorney should always fine-tune the employee handbook before it is distributed to ensure that all wording, policies, and procedures are in accordance with federal, state, and local laws.

## BE CLEAR, CONCISE, AND CONSISTENT

It is essential that the handbook be written in a clear, concise, and direct manner so that there is no chance for confusion. The handbook should detail the operation's own unique human resources policies. The fact is that many lawsuits occur because companies do not have documented consistent policies, which may potentially open the door to charges of discrimination or wrongful discharge. A good handbook will rectify this.

## SETTING THE PROPER TONE IN THE INTRODUCTION

A well-crafted employee handbook almost always includes a welcome note or greeting from the company's owner or from management. Because many small operations view their employees as valued team members working toward



**Photo 7.1**

Supervisors can set a positive tone for new employees by answering questions after thoroughly reviewing the employee handbook with them.

achieving shared goals, the overall tone of the handbook should be positive. The employee handbook should serve as a positive tool for encouraging growth, improving employee morale, and aligning employee behavior with company policies. A friendly letter or greeting in which the organization's **mission statement** is outlined helps to set the proper tone for the manual and informs employees of the organization's primary goals.

## LEGAL ISSUES AND DISCLAIMERS

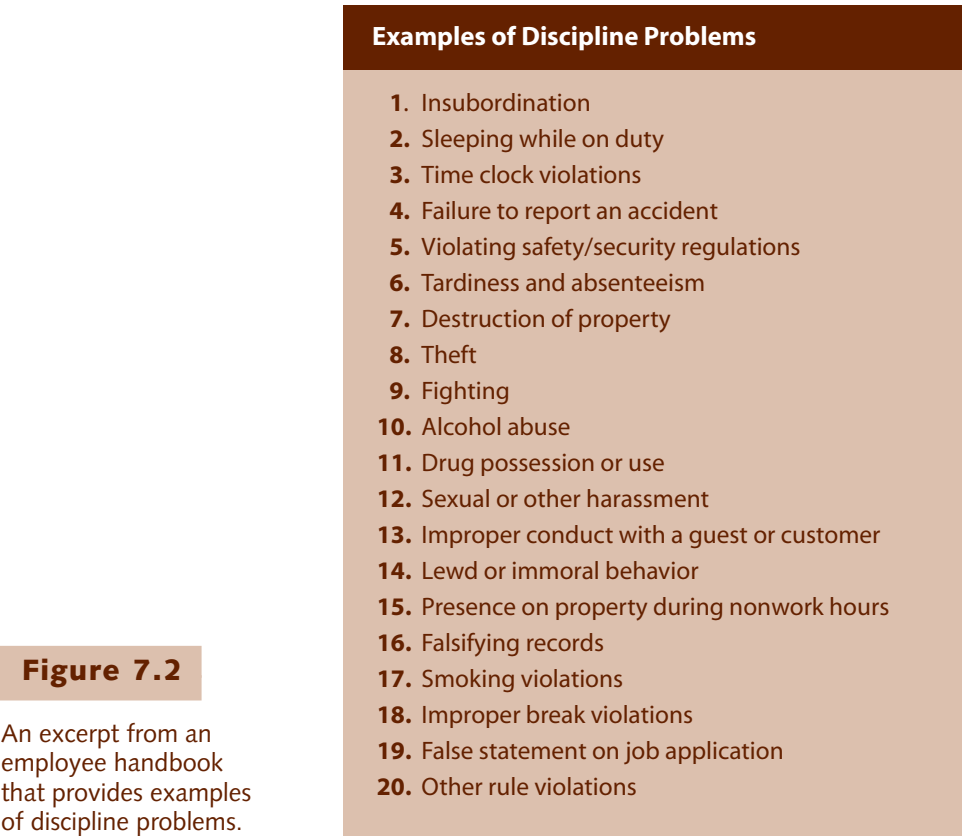
Based upon what you learned about at-will employment in Chapter 4, it should come as no surprise that most organizations include a carefully worded **disclaimer** within the employee handbooks that indicate that the handbook should *not* be considered a contract of employment. When employees try to sue their employer, so long as there is an explicit statement indicating that the handbook and its contents do not represent a contract of employment and that the company retains the right to terminate employment at any time and for any reason,



courts have repeatedly upheld the **employment-at-will** doctrine when employee handbooks are concerned.

A disclaimer should also appear within the handbook when there is any mention of firing an employee or instituting disciplinary procedures. Often, policy statements list specific courses of action that may be taken prior to terminating an employee. Sometimes this process is referred to as **progressive discipline**. Examples include a verbal warning, a written warning, suspension without pay, termination, and so forth. In some cases, however, an employee’s actions may be so unfavorable as to warrant immediate termination. In order to protect the operation from a lawsuit filed by an employee who has been disciplined or terminated, a statement such as the following should appear within the employee handbook, along with the list of examples of unacceptable conduct: “This list is intended as an example only and is not intended to indicate all those acts that could lead to employee discipline.”

With this statement, an employee would most likely not contest a termination because “stealing” was not specifically listed in the handbook. Figure 7.2 lists some of the typical disciplinary problems that often occur in hospitality operations. We will cover the employee disciplinary process more thoroughly in Chapter 14.





## PROBATIONARY PERIOD, TRIAL PERIOD, OR TRAINING PERIOD?

Another issue that management should be aware of when preparing an employee handbook is to avoid restrictive language. Words such as “will,” “must,” or “in all cases” may legally bind managers to actions they may not want to take in a given case or situation. **Collective bargaining** jargon such as “terms and conditions of employment” or “seniority” also may lead employees to interpret the employee handbook as an employment contract. Finally, avoid referring to periods of employment as “probationary” periods. Otherwise, the handbook may imply that employees are entitled to continue employment after the “probation” is over. Instead, use terms such as “orientation,” “training,” or “trial” period. As mentioned previously, given the legal ramifications of the employee handbook, it is important for management to have a competent labor attorney review the employee handbook before it is distributed as an official company document to employees.

## WHAT TO INCLUDE IN THE EMPLOYEE HANDBOOK

While each hospitality business is unique, most small restaurant or lodging operations would want to include each of the following topics:

- *Company overview, mission statement, and welcome message.* Introduce the company with a few paragraphs about its history, growth, goals, ethics, and management philosophy.
- *Disclaimer.* A statement indicating that the employee handbook shall not be construed as an employment contract and that employment is at-will.
- *Equal opportunity employment statement.* State that an employee’s religion, age, race, or sex has nothing to do with hiring, promotion, pay, or benefits.
- *Work hours.* Define the workweek and time allotted for meal and rest breaks.
- *Pay and performance issues.* General statements about when paychecks will be issued; the classification of employees (part time, full time, exempt, nonexempt); vacation pay, if applicable; overtime; and tip reporting requirements are normally sufficient.
- *Performance review and evaluation.* State when and how often employees will be evaluated. A statement about in-house versus external hiring policies may also be appropriate for this area.
- *Insurance and other benefits.* The handbook only needs to define who is eligible for insurance, how long a new employee must wait for coverage,

and what portion of premium cost is paid by the company. The organization's insurance company should provide separate literature that detail limits, specific coverage, copayments, and exclusions.

- *Leave of absence.* A policy about vacations and all types of leave (paid and unpaid) including sick, military, funeral, personal, family, medical, and jury duty. List paid holidays along with any pay differential, if applicable.

Most hospitality operations—large and small—would also include the following information:

- *Age requirements in compliance with child labor laws.* The laws may vary from state to state and may differ from federal child labor laws. The law that must be adhered to is the law that is stricter and more favorable to the employee.
- *Orientation and training periods.* Clarify policies that affect new employee orientation and training. Most states' labor laws require employers to pay their employees when they are required to be on property for training and orientation.
- *Work schedules.* This section may clarify the individual who is responsible in each department for preparing work schedules and any policies or procedures that may be required of those employees who need to request certain days off. Clarification of where and when work schedules are posted may also be included here.
- *Standards of conduct and disciplinary procedures (include a disclaimer).* Rules, policies, procedures, and regulations should be detailed in this section, as well as any progressive discipline policy that the organization has in place. A disclaimer stating, "these policies are not all-inclusive" is important.
- *Absences and tardiness policy.* Any policies the establishment has in place with regard to employee absences, no-show and no-call policies, or employee tardiness should be detailed here.
- *Employee meals.* Any procedures or policies that dictate employee meals while on the job should be detailed in this section. If employee meals are charged against an employee's wages, a competent labor attorney should be consulted to ensure the business is in strict compliance with federal, state, and local wage and hour laws.
- *Employee safety and security.* A general policy statement about the importance of adhering to safety standards as well as the operation's security standards should be included in this section. This is the first step in providing reasonable care to protect the organization's employees and customers from harm or injury.
- *E-mail and Internet use.* With the advent of technology, many operations now rely on the Internet as well as e-mail for various communication pur-

poses. The organization's policy with regard to Internet usage and e-mail usage should be clarified in this section.

- *Cell phones and camera phones.* Most organizations expect their employees to own a personal cell phone. This was often not a problem until manufacturers began to produce cell phones with built-in cameras. These devices can be abused by employees and could consequently land the operation in legal jeopardy. The organization's policy regarding these devices should be clearly presented in this section.
- *Visiting the property while off duty.* Some lodging and food service operations forbid this practice, so whatever the operation's policy is in this regard, it should be clearly detailed in this section.
- *Food service sanitation.* This is an especially important section for restaurants and lodging operations with food and beverage operations. General guidelines may be provided here with the statement that more detailed guidelines and appropriate health department codes are available at the actual job location.
- *Dress code and uniform policy.* Some organization's policies regarding dress and personal appearance are quite rigid, while others are more relaxed. No matter what the policy, it should be clarified in this section.
- *Alcohol service and awareness policy.* All establishments that serve and sell alcoholic beverages must adhere to federal, state, and local alcoholic beverage control laws. A clear policy as to the organization's adherence to such laws should be included in this section.
- *Proprietary and confidential information.* In most lodging and food service establishments, this area of the handbook would pertain to confidential employee personnel files.
- *Document for employee signature acknowledging the employee handbook and receipt of it.* Once the employee has signed the proper document and receipt, it would be placed in the employee's personnel file.

## SUMMARY

- An employee handbook is a valuable workplace tool that provides written documentation of workplace policies and procedures.
- A well-crafted handbook will prevent misunderstandings, improve employee morale, and help the operation avoid expensive lawsuits.
- A large hospitality organization may produce an extensive, professionally designed employee handbook, but for smaller operations, a 10- to 15-page self-produced handbook would be sufficient.
- Management should always have a competent attorney review the employee handbook and its wording to ensure that it adheres to federal, state, and local laws.

- The list of possible topics that may be included in a well-crafted employee handbook is extensive, so each operation should tailor the handbook and its topics to its own specific and unique needs and goals.
- The employee handbook should be written in a clear and concise manner, and the overall tone of the writing should be positive.
- Employees must be required to sign an agreement indicating that they have received, read, and understood the contents of the employee handbook. A copy of the signed receipt or agreement should be retained in each employee's personnel file to confirm that the employee is aware of the company's policies and procedures.

**PRACTICE  
QUIZ**

1. Seasoned employees who have been with an organization for a long period of time rarely have questions about company policies and procedures.  
A. True B. False
2. A well-crafted employee handbook can take the place of new employee orientation and training.  
A. True B. False
3. An employee handbook can have a positive impact on misunderstandings and employee morale.  
A. True B. False
4. Large hospitality organizations may digitize their employee handbooks and make them available to employees on the company Web site.  
A. True B. False
5. Even a well-crafted employee handbook would have no real impact on an operation's ability to attract and retain quality workers.  
A. True B. False
6. A successful employee handbook can do which of the following?  
A. Save management time  
B. Improve employee morale  
C. Prevent disagreements  
D. All of the above
7. Which of the following topics would most likely *not* be found in an employee handbook?  
A. Company overview and welcome letter  
B. Pay and performance issues  
C. A listing of each employee's address and phone number  
D. Leave of absence policy

8. The best reason to have a competent attorney review the employee handbook prior to its distribution to the employees is to ensure the following:
  - A. The writing is clear and concise.
  - B. The format of the handbook follows industry regulations.
  - C. The policies adhere to federal, state, and local laws.
  - D. The handbook can be digitized for delivery on Internet.
9. The sentence, “This list is intended as an example only and is not intended to indicate all those acts that could lead to employee discipline” is an example of
  - A. A rejoinder
  - B. A faux pas
  - C. An epitaph
  - D. A disclaimer
10. The writing tone of the employee handbook should be
  - A. Positive, so as to engender the spirit of teamwork and shared goals.
  - B. Formal because of the legal nature of the handbook.
  - C. Funny and witty to ensure that employees do not get bored while reading it.
  - D. Stern and severe so that employees know the company means business.

### REVIEW QUESTIONS

1. Explain in your own words why an employee handbook requires a disclaimer asserting that the handbook is not to be construed as a contract of employment. What does this disclaimer have to do with at-will employment? Be specific and use examples from the lecture and the textbook where appropriate.
2. Many cities and some states now prohibit or restrict workplace smoking, and some states require that employers have a written smoking policy. Research the law in your own community and write a smoking policy that would apply to the employees in a typical lodging or food service establishment in your community. Compare your written policy with that of at least one other student. Print a copy of your local ordinance and compare your smoking policy with the ordinance. If you are in a community that has no specific legislation regarding smoking in the workplace, write a smoking policy that clarifies your operation’s employee smoking policy. Be prepared to share your findings with the rest of the class.
3. Draft a form letter that each employee must sign when he or she receives a copy of the employee handbook. Be prepared to explain in class each of the elements of your form letter and how those elements will protect your legal rights as the business owner or manager.

4. Should a restaurant or a lodging operation have a written policy regarding employees' use of the Internet, e-mail, and camera phones? If so, why? If not, why not? If an organization chooses not to have a written policy, what legal problems might the organization encounter? Explain in detail.
5. If you have a copy of an employee handbook from either a current or previous employer, identify some of the key features of the handbook and explain how those features follow the information presented in this chapter. Are there features that are unusual or do not follow this chapter's guidelines? Explain in detail. If you do not have an employee handbook, conduct an Internet search and download a copy.

### HANDS-ON HRM

Barry Dither's hands began to shake as he opened and read the first letter on the neatly stacked pile that his secretary, Mrs. Hickton, placed on his desk earlier that morning. Dithers, the general manager of the downtown Royal Arms Hotel, has dealt with a lot of mail during his eight-year tenure with the property, but he cannot remember any letter frightening him quite as much as this one. His hands were still trembling as he picked up the phone and rang his secretary's outer office: "Mrs. Hickton," he said in a shaky voice, "get Franks from human resources up here right away, and put in a call to our attorneys: we're being sued for \$4.5 million dollars!"

Dithers read and reread the letter from one of the state's largest law firms. He was just starting to grasp the magnitude of it when Leo Franks, the hotel's director of human resources, burst into his office. "What is it, Barry?" asked Franks. "Mrs. Hickton said she thought you were about to have a heart attack." Dithers, without muttering a word, handed the letter to Franks. As Franks quickly scanned the letter's contents, he located a chair, looked up at Dithers, and said in disbelief, "Why, he's suing us for millions! This is crazy! That was a clean termination if ever there was one."

"Well, I'm no lawyer," said Dithers. "But even if we can win this, it's going to cost the company a ton of money. We could all lose our jobs over this." Dithers told the human resources director that the hotel's attorneys had asked that he immediately fax them a copy of the letter. "In the meantime," said Dithers, "we need to pull this guy's entire file and prepare a full report of just how all this went down."

Ten months ago, two female banquet servers accused Justin Elliott, one of the hotel's banquet managers, of using the camera on his cell phone to take lewd photographs of the female servers while they were setting up and breaking down the hotel's banquet rooms before and after functions. "He told me to get down under a table and pick up some trash that was on the floor," stated one of the servers in her report to human resources. "He knows these dresses we're required to wear get all hiked up when he makes us do that, and he usually just stands back and gawks and snickers at us

making fools of ourselves.” “This time it was different, though,” the other server had noted in her report. “I saw him holding his cell phone down by his waist, and I knew right away that he was takin’ pictures of us crawlin’ around on the floor.” The servers stated in their reports that they confronted Elliott about the pictures. “He just laughed at us, and he even showed us the pictures he’d taken,” they stated. “He told us to get back to work and to quit complaining or he’d post them on his personal Web site for the whole world to see.”

At the time, both Dithers and Franks had agreed that they would terminate Elliott immediately—no written or verbal warnings—immediate termination. Even though the banquet manager had been with the hotel for more than 10 years, neither executive felt that they could not run the risk of a sexual harassment lawsuit, if they allowed him to remain in his position. During the termination interview, they told Elliott that using his cell phone to photograph his female employees without their permission was particularly egregious and that he would be wise not to use the hotel as an employment reference in the future.

“I don’t see the problem here,” said Franks. “As I mentioned before, this was a clean termination if ever there was one.” “I do,” replied Dithers. “We never had a written policy about employees using their cell phones at work to take pictures of other employees until *after* this all happened.” “But what about the sexual harassment issue?” argued Franks. “We got him dead in the water there, especially with the statements those two servers gave us.” “Wrong again, Leo,” said Dithers glumly. “We didn’t even follow our own sexual harassment policy on this, and I can’t find any documentation in Elliott’s file that indicates that he even completed our updated sexual harassment training.” “I’m going to pull my master copy of the employee handbook,” said Franks, somewhat defeated. “We’re going to have to go through it with a fine-toothed comb and update it big time!” “I wish to hell those attorneys would call,” said Dithers.

## QUESTIONS

1. If Justin Elliott’s lawsuit is claiming “wrongful termination” because the hotel’s employee handbook did not specifically provide a policy regarding the use of cell phone cameras at work, what are his chances of prevailing? What arguments might the hotel’s attorneys present in its defense?
2. Because of the increased use of technology in the workplace, what policies should the hotel have in writing with respect to employee abuse of these technologies? Should there be separate policies on Internet use, cell phone use, instant messaging, and e-mail use? Explain.
3. Why is it important that the hotel’s general manager says that the hotel did not even follow its own sexual harassment policy? Had these managers decided to terminate the employee on the grounds of sexual harass-



ment (as opposed to using his cell phone camera); how should they have proceeded?

4. Explain the importance of documenting employee awareness training with respect to such things as sexual harassment, alcohol awareness, and so forth. If Elliott did in fact miss the updated sexual harassment training, how might this affect his lawsuit against the hotel? Explain in full.

**KEY TERMS**

**Employee handbook** A booklet that explains key benefits, policies, procedures, and other general information about the company.

**Mission statement** A short statement or paragraph that clearly articulates an organization's goals and objectives.

**Disclaimer** A statement made to free oneself of legal liability or responsibility.

**Employment-at-will** A legal doctrine that holds that employees may quit or leave a job at any time for any reason and they may be fired from a job at any time for any reason.

**Progressive discipline** Disciplinary procedures that become progressively more severe as the infraction becomes more severe.

**Collective bargaining** A term associated with labor unions meaning to bargain or to negotiate.

**NOTES**

1. Sandra Sucher and Stacy McManus, "The Ritz-Carlton Hotel Company," *Harvard Business Review* (March 2001).