



Optimizing Your Policies for Both Compliance and Culture

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Today's guest



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Four key areas where culture and compliance intersect

1 Onboarding

2 Employee Handbooks

3 Leave Policies

4 Separations

Onboarding

Setting expectations of what a successful employment relationship looks like in all aspects

What do you want out of an onboarding?

1

Welcome new employees to the organization

2

Explain organization values and mission

3

Set expectations for behavior and work performance

4

Provide the new employee with information and resources

Compliance checklist: Starting new hires off on the right foot

- ❑ Collect I-9 verification
- ❑ Provide new hire notices (which vary by state)
- ❑ Display or distribute employment posters (can typically be provided electronically if employees are remote)
- ❑ Collect handbook acknowledgment
- ❑ Help employees take required training (varies by state)



Discussion

- How do you strike the right balance between “culture-building” and “rule-setting” during onboarding?
- What are some of the most common mistakes you’re seeing HR teams make when it comes to onboarding?

Employee handbooks

Making your policies purpose-driven and easy to understand is the key to adoption

What do you want your employee handbook to accomplish?

Here are some common answers:

- An effective resource for our employees
- A way to establish expectations for our employees
- An instrument for creating and maintaining our organization's culture and values
- A tool to help us comply with federal, state, and local employment laws

Different ways to structure an employee handbook

All-in-one

All of your policies for all of the states where you have employees in one handbook.

Core + Addenda

Core policies in main handbook with state differences in addenda.

Universal

Core policies set to comply with all of the states where you have employees.

Separate Handbooks

Separate handbook for each state where you have employees.

Pros and cons of different employee handbook structures

All-in-one

Pros

- Easy to navigate and maintain

Cons

- Can get long if you have employees in multiple states
- Employees in different states can compare benefits

Universal

Pros

- Can help keep handbook short and easy to maintain
- Treats employees in different states uniformly

Cons

- Likely requires giving some employees more benefits than they are entitled to under state law

Core + Addenda

Pros

- Allows for a shorter core handbook when employers have employees in lots of states
- Relatively easy to update when hiring an employee in a new state

Cons

- Employees may have to flip between core handbook and addenda and can compare benefits

Separate Handbooks

Pros

- Handbooks can be shorter and easier for employees to navigate
- Employees can't compare benefits across states

Cons

- It can be a larger administrative burden to maintain multiple handbooks

Discussion

- How do you get employees to *actually* care about engaging with your handbook?
- What are some unique ways you're seeing companies approach policy design in order to build strong cultures?

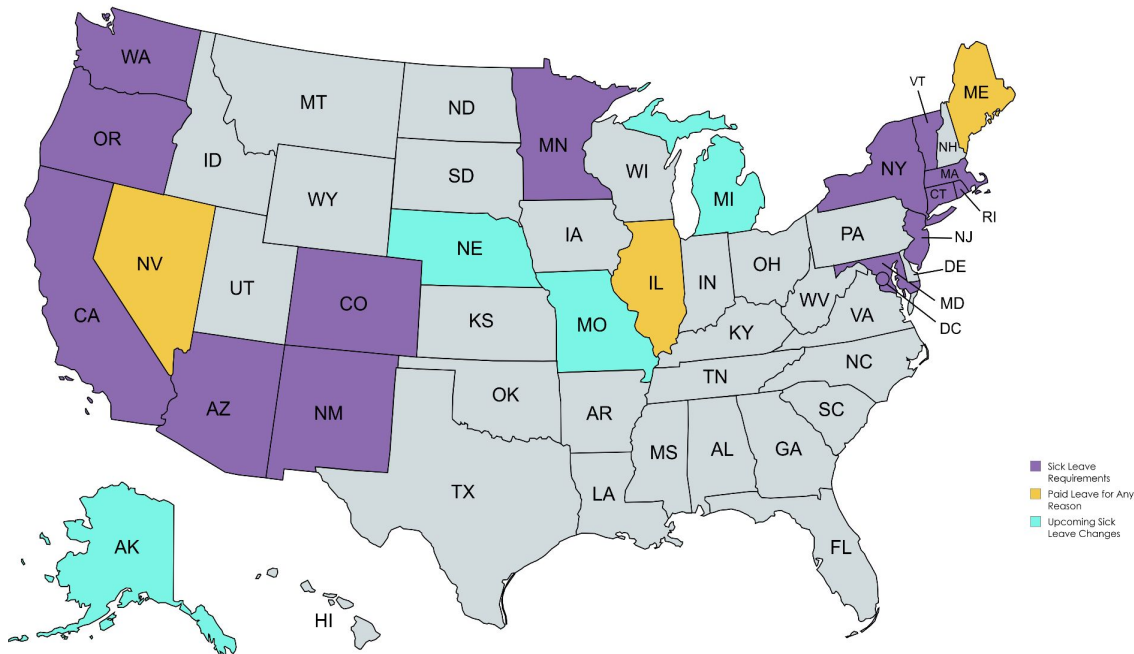


Leave policies

Determining when to go above and beyond can have a profound impact on culture

Paid leave laws

- 17 states and D.C. currently require sick leave
- 3 states have upcoming sick leave requirements
- 22 localities require sick leave
- 3 states and 5 localities require paid leave for any reason
- No federal sick leave law
 - In practice, **81% of U.S. employees have access to paid sick leave**



Using PTO to replace sick leave

- State laws set the minimum requirements that employers must meet when using PTO to cover sick leave requirements,
- Employers typically choose to be more generous by providing more PTO than required by state sick leave laws.

Pros

- Simpler
- More easily managed
- More freedom for employees

Cons

- PTO policy is now subject to sick leave rule
- Record-keeping requirements
- Notice requirements

Unlimited/Flexible time off

Benefits

- Provides employees with more leave and flexibility
- Saves HR time by making leave easier to manage
- May avoid some legal requirements like carryover or payout
- Generally, unlimited time off isn't considered earned leave, so laws controlling earned but unused time off/ sick leave don't apply

Drawbacks

- Requires clear communication from managers and a high degree of trust in employees
- Most laws aren't clear about how unlimited time off interacts with sick leave requirements
- Record-keeping can get messy or overlooked
- Organizations can face legal issues if they claim to provide unlimited time off but their culture discourages taking time off (McPherson v. EF Intercultural Foundation, Inc.)



Discussion

- How can HR teams calculate the ROI of offering leave benefits above and beyond what is required?
- What are effective HR teams doing to better communicate leave benefits, so that they *actually* get utilized?

Exits

Managing your company's reputation and mitigating against risk—even after employment has ended

“At-will” employment

Neither side is obligated to continue an employment relationship

- Employers can fire employees, and they can quit, at any time and for almost any reason
- No probationary period, cause requirements, etc.

Most US employees are “at-will”

- Notable exceptions include Montanans, union members, and some contract employees

Still some limitations on firing employees

- Can’t do it for discriminatory reasons or reasons that governments have decided aren’t in the public interest



Compliance checklist: Release agreements

- ❑ Determine whether the employee is **over 40**
- ❑ Specifically **list the claims** that you want the employee to waive
- ❑ **Include any “magic words”** that state or federal law requires
- ❑ Limit the release to **exclude claims that can’t be waived**
- ❑ Give the employee **something of value in exchange**
- ❑ Include the **reason for separation** (if appropriate)



Exit interviews

- Exit interviews can be opportunities to get candid feedback from departing employees
- They are often held only with employees who are retiring or leaving for another job
- They should be completely voluntary and conducted carefully and consistently
- They are often handled by HR rather than the employee's supervisor
- They can help organizations understand why people leave
- They can also help organizations identify problems and recognize areas for improvement

Discussion

- How does putting in the work on culture and employee experience early (during onboarding and throughout employment) pay dividends during separation?
- What can HR teams do to treat people with dignity during exits—while still protecting against legal risk?





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