

The Legal Strategist

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FIRST QUARTER 2026

TEXAS ESOTERIC FACTS

As a small business owner in Texas, you wear many hats—operations, sales, finance, and often HR. With growth comes more employees, and informal “we’ve always done it this way” approaches can quickly lead to misunderstandings, disputes, or costly legal issues. An employee manual (or handbook) is one of the smartest investments you can make to protect your business, clarify expectations, and promote a professional workplace.

- ♦ The Weather Modification Act of 1967 prohibits the modification of the weather.
- ♦ Before 1973, it was illegal to plant Johnson grass on another person's property

The Feature Topic is a cursory review. If you would like more information on this, or any other topic previously covered in my newsletter, which can be viewed on [The Legal Strategist](#) tab of my web site, please contact my office at 713.526.1883.

Scott Barrett

FEATURE TOPIC: Why Every Small Business in Texas Needs an Employee Manual

An employee manual is essential even if you have only 1 or 2 employees. A well drafted employee manual will:

1. Set Clear Expectations and Promotes Consistency—An employee manual outlines policies on attendance, conduct, performance standards, dress code, and more. This reduces confusion and ensures all employees—regardless of who supervises them—are treated fairly. For small teams, where owners often make ad-hoc decisions, a written manual prevents favoritism claims and helps maintain a positive culture.

2. Protect Against Legal Risks and Liability—Texas is an at-will employment state, but that doesn’t eliminate risks. Federal laws (Title VII, FLSA, FMLA, ADA) and specific Texas requirements (such as crime victim leave, equal employment opportunity statements, and certain notices) apply even to small employers. A well-drafted handbook:

- Demonstrates compliance with required policies.
- Serves as evidence in disputes with the Texas Workforce Commission (TWC) or in court.
- Helps defend against harassment, discrimination, wage, or wrongful termination claims.

Without documented policies, verbal instructions are hard to prove, making small businesses especially vulnerable to expensive litigation.

3. Save Time and Reduces Disputes—New hires can quickly get up to speed instead of relying on inconsistent verbal training. Managers have a ready reference for handling issues like time-off requests, disciplinary procedures, or safety protocols. This consistency minimizes complaints and internal conflicts.

4. Support Business Growth and Professionalism—As your Texas small business expands, a handbook helps scale operations smoothly. It communicates your company culture, benefits, and values—improving retention and attracting better talent. Many owners find it also boosts morale by showing employees the business takes fairness and transparency seriously.

5. Key Texas & Federal Considerations—Include (at minimum) sections on: At-Will Employment (with proper disclaimers), Anti-Discrimination/Harassment, Wage & Hour policies, Leave policies, Confidentiality, and Acknowledgment forms (signed by employees). Texas has relatively few mandatory state policies, but combining them with federal requirements in one accessible document is the most efficient approach.

Even if you have just a handful of employees, an employee manual is essential preventive medicine for your Texas small business. It’s far cheaper than a single lawsuit or TWC investigation.

If you would like more information on this or any other topic covered in *The Legal Strategist*, please contact [Scott Barrett](#) to set up a consultation.