Insight article February 6, 2025

## Staying Ahead in a Changing Legal Landscape

Regularly reviewing employment contracts and policies is essential for legal compliance and risk mitigation. Stay updated on legislative changes, workplace trends, and best practices to protect your business and employees.

Home » Staying Ahead in a Changing Legal Landscape

# The importance of regular reviews of employment contracts and policies

In today's business environment, employment law is constantly evolving. From updates to statutory rights and obligations to shifts in case law and regulatory guidance, businesses must navigate a complex and everchanging landscape. One critical step for employers to remain compliant and protect their interests is regularly reviewing employment contracts, workplace policies, and procedures—something that is easy to overlook.

### Why regular reviews of employment contracts and policies are crucial

#### Legislative and regulatory changes

Employment law frequently changes because of new legislation, government initiatives, or societal shifts. In recent years, we have seen updates to laws regarding worker status, parental leave, minimum wage increases, and flexible working arrangements. Failing to update contracts and policies to reflect these changes can lead to non-compliance, employee disputes, or even costly tribunal claims.

#### Case law developments

Employment law is shaped not only by legislation but also by decisions made in Employment Tribunals and courts. High-profile cases concerning gig economy workers have significantly impacted how businesses classify employees and independent contractors. Regular reviews ensure contracts and policies align with the latest judicial interpretations.

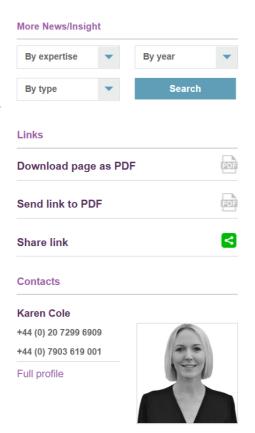
#### Changing workplace norms

The workplace is evolving, influenced by remote work, diversity and inclusion initiatives, and mental health awareness. Businesses must adapt their policies to reflect these shifts, supporting employee wellbeing and fostering a positive workplace culture.

#### Mitigating risk

Outdated contracts and policies expose businesses to unnecessary risks, including litigation, reputational harm, and financial penalties. Failure to provide a written statement of terms and conditions containing certain key information might result in a claim against the business. Such risks can easily be avoided by regularly reviewing and updating documentation.





**Download V.card** 

Email

#### Key areas for review

#### **Employment contracts**

The employment contract is crucial as it essentially governs the relationship between employer and employee. It incorporates the statutory particulars given to an employee (a written statement of key terms and conditions) as well as clauses that provide additional protection for the employer. Such clauses are likely to include a probationary period, permitted deductions, and, where relevant, post-termination restrictions. Regarding the latter, it is sensible to ensure such clauses are kept under review and confidentiality clauses are updated to reflect current business needs and legal standards.

#### Workplace policies and procedures

If not in the employment contract, there are policies and procedures that an employer is legally required to have elsewhere, such as disciplinary and grievance, sickness and holiday procedures. There is a compelling reason to house some policies outside of the employment contract, which gives the business flexibility in updating them. Some policies, whilst not mandatory, have strong legal reasons for being included, such as bribery and data protection policies.

#### Training and implementation

- Employee Awareness: Bring any changes to employees' attention and ensure they understand updated policies and procedures.
- · Manager Training: Equip managers with the knowledge to apply changes consistently and fairly.

#### Best practices for conducting reviews

- · Set a Regular Schedule: Conduct reviews annually or more frequently if significant legal changes occur.
- Engage Experts: Work with employment law specialists to ensure accuracy and compliance and have such documents tailored to the business' needs.
- · Consult Employees: Involve employees in the review process to identify gaps or practical issues.
- · Document Changes: Record all updates and communicate changes effectively to staff.

#### Conclusion

Mutual rights and obligations form the foundation of the employment relationship, and employers must maintain up-to-date contracts and policies to preserve this balance. Regular reviews ensure legal compliance and demonstrate a commitment to fairness, adaptability, and best practices. In an era of rapid legal and societal change, proactive employers can safeguard operations, foster employee trust, and position themselves for long-term success.

By taking a strategic approach to reviewing employment contracts and policies, businesses can stay ahead of the curve and create a robust foundation for growth and resilience.

Contact Karen Cole to update or review your employment contracts and policies today.

Note: This article is not legal advice; it provides information of general interest about current legal issues.