Employment Law Guide for Employers

Employment Contracts and Handbooks
This employment law guide explores the basics of employment contracts and handbooks and offers guidance on how to avoid common pitfalls.

The contract of employment covers a wide variety of terms and clauses which can be introduced into the contractual relationship through various methods, including being expressly written, verbally stated or implied in the relationship.

The contract of employment sets out the employment rights, duties and responsibilities and will cover more than the initial signed document. The document which an employee first signs when offered the job will usually be a statement which contains the main terms of employment.

A handbook is an important tool to allow employees to know what rules they work under but, also, what is required of them in the workplace. Issuing company handbooks upon commencement of employment allows employees to access this information immediately and also to refer back to it at a later date.

When supplying contracts and handbooks to employees it is good practice to receive either a signed and dated copy of these, or a signed and dated notice from the employee, which can be retained as evidence to show the receipt of the documents and understanding of these.

**Written Statement of Main Terms**

Under the Employment Rights Act 1996, employees who are employed for longer than one month must receive a written statement of the main particulars of their employment within two months of their starting date. The information contained on this statement is required by law and has to be covered, though it can include additional information.

The required information includes:

- The name of the employer and employee
- The employee’s start date
- The job title
- Details on the annual leave entitlement
- Details on the rate and frequency of pay
- Details on the normal hours of work
- Notice periods for termination, and
- Disciplinary and grievance procedures, or indicating where these are located
Employee Handbooks

There are useful policies and clauses which can be included in handbooks to provide clarity on the employment relationship. Here are a few which can be included:

Equal opportunities
Whilst employers believe that they are carrying out equal opportunities within the workplace, explicitly showing employees that they are working under such a policy is good practice and can lower the potential for equality and discrimination complaints. These claims can be costly at tribunal. The clause should be easily accessible to employees and the inclusion within a handbook is an easy way of making it so.

E-mail, social media and internet usage
These clauses have become more relevant in recent years so handbooks may need to be checked, and updated, if these are not included. Most policies of these kind will reiterate to employees that any information sent from or through their work email account is property belonging to the company and, as such, should comply with all business policies including those relating to data protection and bullying or harassment. The same principles apply to workplace internet use. The clause can also confirm to the employee whether any checks will be carried out on the content of their emails or internet searches. Laying down set guidelines on the use of social media will ensure that, if any contentious posts are made by your employees, action can be taken against the employee for this. Recent tribunal cases have been lost by employers because their employees were never aware that their actions fell within the businesses’ view of misconduct and powers to discipline.

Protected disclosure
A clause detailing the procedure for how to make a workplace disclosure is important for employees who wish to do so, making them aware that if they follow the correct procedure their disclosure will be protected. The clause should also make clear that a person who does make a protected disclosure will be prevented from unfavourable treatment by reason of them doing so. This will encourage genuine disclosures to be brought forward by concerned staff.

Data Protection
Most companies will deal with sensitive and confidential about their clients, staff, operations and employees. Having a clause which covers the process for storing data, explaining who has access to it and any information regarding how the company complies with subject access requests is likely to remove the potential for any breaches involving data and confidentiality.

Disciplinary procedures
A clause containing a disciplinary procedure will be beneficial when analysing whether action taken against employees is fair or unfair. Transparency of disciplinary action is key in allowing managers, employees and even tribunals to assess the implications of an employee’s act. Clauses will usually contain examples of certain types of disciplinary issues such as misconduct, serious misconduct and gross misconduct though it is important to include specific disciplinary issues which are linked to your business.

Grievance procedure
It is important to include a clause which contains the procedure that employees need to follow when raising a formal complaint, ensuring that this can be handled efficiently and properly. The difference between a grumble and a grievance can be hard to identify but encouraging employees to bring a grievance via the proper channels will allow effective identification and management of grievances.

Also, in the interests of transparency, the grievance procedure can show employees how their complaint will be managed, by whom and how long this process will take.

Termination of employment
Employers may think that ending employment is as simple as giving notice, or receiving a resignation, however there are various areas which should be
covered to make the transition from employee to ex-employee easier, for both the business and the individual. This clause can include information on areas such as payment in lieu of notice, garden leave, return of works property and company vehicles and what the powers the company has if the right amount of notice isn’t given by the employee.

Right to amend
Handbooks should be kept up to date and relevant at all times. The constant development of employment law and employment cases can often mean that certain clauses become irrelevant or outdated.

Including an overall clause which reserves the right to amend, or including the right within each individual clause, will give employers the power to update the clauses to make sure they are enforceable in current situations. When clauses are updated, the handbook should be reissued to staff, again making sure that evidence of receipt and understanding is received.