## HRD

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"INCLUSION BRINGS VALUE, ENSURES ALL VOICES ARE HEARD AND OPENS UP A VARIETY OF PERSPECTIVES AND IDEAS FOR INNOVATIVE THINKING"

YASMEEN DIWAN SETH
PEOPLE DIRECTOR
GENERATION UK & IRELAND



INSIGHT

## COMPLIANCE VS COMMERCIALITY

2025 IS SHAPING UP TO BE A LANDMARK YEAR FOR EMPLOYMENT LAW, WITH THE SWEEPING LEGISLATIVE CHANGES BROUGHT BY THE EMPLOYMENT RIGHTS BILL (THE BILL).

MOST OF THE CHANGES PROPOSED BY THE BILL WON'T TAKE EFFECT UNTIL 2026,
BUT PEOPLE LEADERS AND ORGANISATIONS MUST ACT EARLY TO AVOID FALLING

FOUL OF THE AGE-OLD ADAGE OF 'FAILURE TO PREPARE'.

ARTICLE BY RENA CHRISTOU, MANAGING DIRECTOR AND EMPLOYMENT LAWYER - HALBORNS LIMITED

Several major changes from the Bill will significantly impact employers: Day-one right to unfair dismissal an estimated nine million employees will gain additional protection from unfair dismissal. A statutory nine-month probation period with a "lighter touch" dismissal process is expected, making proactive performance routines more important than ever. Employers should ensure contracts clearly define probation periods and train managers on effective probationary practices. Enhanced harassment protections - employers will need to take "all" reasonable steps to prevent sexual harassment at work and will be liable for third-party harassment. This significantly raises the bar, especially in customer-facing industries. Businesses must establish clear policies, conduct thorough risk assessments, ensure customer codes of conduct are enforced and regular training across all levels of the organisation is rolled out. On top of this solid foundation employers need to be prepared to take a strong and consistent stance in dealing with these issues. Harassment without consequence breeds a culture of acceptance.

Collective consultation changes - the removal of the "at one establishment" requirement means redundancy thresholds will apply across entire businesses, not just individual sites (a significant change that has been met with little fanfare). For example, three sites making ten redundancies each within 90 days will trigger collective consultation obligations. Employers should review their process, upskill people teams, ensure systems are in place to track redundancy proposals and consider whether upcoming reorganisation projects could be brought forward before the changes take effect. The cost of failing to meet collective consultation requirements increased in January so Tribunals can now apply

a 25 percent uplift to compensation awards. While legal compliance is essential, it doesn't have to come at the cost of operational flexibility. A wellstructured approach to contract updates and policy reviews can help businesses stay ahead. The key is integrating these changes without disrupting workflow or causing unnecessary friction. Key steps would include: Audit existing contracts and policies reviewing what is already in place will identify the extent of any changes required and avoid lastminute, piecemeal change. Strategic communication and training - a phased, well-communicated rollout of changes will help employees and managers adapt smoothly. People leaders could create guidance packs and briefing sessions to ensure consistent understanding across all levels of management. *Embedding a culture of compliance -* proactively addressing behavioural issues shows leadership and commitment to fairness, rather than simply reacting to legal mandates. Employers that successfully integrate these changes will benefit from increased employee trust and engagement long-term. The Bill aims to promote fairness, but poorly managed implementation could discourage inclusive hiring. If employers fear litigation risks, they may default to "safer" candidates with conventional career paths, reducing diversity. This creates a paradox, the very laws designed to protect employees could make hiring managers more risk-averse. To counter this, businesses should equip managers for proactive performance routines. Early intervention and structured support helps ensure new hires succeed, reducing the perceived risks associated with hiring outside traditional talent pools.

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