

Human Resources Risk Management

In Partnership with BusinessHR



Since 1995 employing staff has become increasingly complex and the risk of an employer facing legal action has significantly increased. In this time, around 20 major new employment and discrimination related laws or regulations have come into force. Some of the more recent changes cover age discrimination, flexible working and the employment of non-EC nationals.

In addition, the existing laws and regulations are being continually expanded by both the government, the EC and the courts and there is no sign of the pace of change slackening.

The Cases

Employees are also becoming more aware of their rights and in the year to April 2008, nearly 190,000 claims were submitted to the Employment Tribunal Service, a 42% increase on the previous year.

As employers often settle claims long before they come to court, the real number of cases is probably even higher.

The Costs

Awards are the most obvious cost and some examples are:

- £22,000 for sexual discrimination in an internal recruitment
- £36,000 where an employer retired a man one day early
- £40,000 for sexual harassment of a man by his female boss

However, awards can be much higher and have been known to exceed £500,000.

Legal costs can amount to as much or more than the award. It is worth noting that an employer will incur legal costs even if they win the case!

Finally, most Employment Tribunal claims absorb considerable management time, which detracts from the business.

Minimising the Risk

So what are the major pitfalls for the employer?

The three key elements that can increase the employer's risk of facing financial penalties are:

- HR documentation:** If an employer's HR documentation is not legally compliant then they may automatically lose the case.
The employer should also ensure their managers and where appropriate, their employees are aware of the policies.
- Following procedure:** It is essential the employer follows their procedure when problems arise. This procedure also needs to be up-to-date.
- Acting correctly:** It is vital that when a problem arises the employer acts correctly and does not prevaricate. Taking the wrong action and/or taking too long to act can result in the employer losing the case.

In partnership with BusinessHR, Oval Risk Services (Oval) provides HR support services that ensure clients have in place legally compliant HR documentation, that these documents stay compliant and that the employer acts correctly and speedily when problems arise.

The Oval solution

In partnership with BusinessHR, Oval provides a range of solutions which minimise the risk to employers. Clients can choose the solution that best fits their needs and their resources.

These packages are summarised below:

Service Components	HR Support Packages		
	Essential Care	Compliant Care	Total Care
Interactive HR Website	●	●	●
Unlimited Access to HR Advice Service	●	●	●
HR Legal Compliance Service		●	●
Insurance			●

Oval delivers these risk reduction packages using technology and high quality staff as explained below:

The **Interactive HR Website** is not only a source of information and practical advice but also enables clients to easily customise and download a wide range of HR policies, contracts, and letters, complete with their logo. The advice contained on the website not only covers the law but also good management practice, including 'Step by Step' guides.

The **Advice Service** provides unlimited access, by phone or email, to a team of HR Advisors who are all CIPD qualified and have wide HR experience. Clients receive clear, practical guidance to help them solve their HR problems; we do not just quote the law. All the advice given by phone is confirmed by email so that clients are always clear about the recommended action.

The **HR Legal Compliance Service** ensures clients HR policies, contracts, etc. are not only legally compliant but that they stay compliant.

Our approach is NOT to send clients a set of standard policies for them to implement. We will provide an HR Advisor to work closely with the client to ensure that the policies etc, are relevant

for their organisation. Once successfully implemented, we then use a combination of Advisor assistance, technology and annual onsite reviews to ensure clients stay compliant.

Insurance exclusively from Hiscox. This provides protection for the client from unexpected legal bills or awards and includes:

- Legal costs and awards arising from an employment or discrimination claim
- Defence costs for any Health & Safety (including corporate manslaughter), environmental or trading standards prosecution
- Designated claims against Directors or Managers
- Other company risks including taxation claims, data protection claims and losses due to employee dishonesty

Our e-update keeps clients informed of changes in employment law and regulations. This comprehensive e-newsletter not only informs clients about legal changes but also explains any action they should take.

The Oval solution minimises the clients risk but also saves them time when HR issues arise and removes the cost of consulting expensive solicitors.

Contact Us

For further information simply telephone or email your normal Risk Services contact at Oval. Alternatively email: riskservices@theovalgroup.com

www.theovalgroup.com