

NEW YEAR PRESSURES AND RESOLUTIONS FOR EMPLOYERS IN 2019

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Firm news

Wage growth and increased levels of employment may be dominating headlines as 2018 draws to a close, but organisations are being warned to be cautious as the latest economic data does not reflect political and social trends that will affect UK employers in 2019.

According to [Andrew Taggart](#), partner and head of Herbert Smith Freehills' EMEA employment practice, "the next 12 months are likely to present even greater challenges to organisations' ability to attract, retain and protect their employee base in the face of geo-political uncertainty, legislative changes and staff expectations."

Against this backdrop he has identified some of the core issues likely to be faced by employers in 2019:

- **clarity over conduct:** in the wake of the #MeToo campaign and ongoing cases involving allegations of inappropriate workplace behaviour, 2019 will be a year in which the Government is likely to introduce regulations restricting the extent to which non-disclosure clauses can be used in employment settlement agreements. Employers will need to have robust policies on harassment, invest more in staff training and focus on driving changes in workplace culture
- **equal pay for equal play:** with the second gender pay gap reporting deadline approaching, employers need to maintain momentum in their efforts to reduce their pay gap, particularly as the reporting duty has increased awareness of equal pay as a workplace issue. Employers could also face pressure from men to pay shared parental leave at the same level as maternity leave if a Court of Appeal ruling due to be heard in 2019 goes their way

- **staff exit due to Brexit:** as uncertainty over Brexit continues, workforce planning on a no-deal Brexit will be a priority for HR teams given that EU nationals recruited to the UK after 29 March 2019 would no longer be able automatically to acquire the right to remain here and would be subject to a new, as yet unspecified, immigration regime. Employers may also face tight deadlines for complying with consultation obligations should Brexit force sudden relocations or restructurings
- **enhancing mental health:** more than 25% of those questioned in a recent report* suggested that work had a negative impact on their wellbeing and employers are increasingly recognising that a focus on prevention is more important than treating the symptoms. It means employers are likely to raise the issue of mental health higher on the Boardroom agenda
- **data breach class action:** in the wake of the Court of Appeal ruling that organisations can be liable for data breaches, even if appropriate measures have been taken, the publicity surrounding GDPR may embolden customers and employees to take action in the event of a data breach

Taggart adds: "The UK Government has already made it clear that workplace conduct, recognition and equality of opportunity are basic rights that everyone is entitled to. Much has been made, rightly, of cases where standards have fallen below expectations, but the focus as we enter 2019 will move away from treatment towards prevention, in particular in relation to harassment and mental health. Although the new year will be one in which there is much to do companies are already starting to focus on the specifics and the next 12 months should see significant strides rather than small steps."

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