

Minimise risk - Invest in your people

Why investing in the skills of your people is always good value, no matter the market conditions

No business can safely ignore the need to train key staff on the basics of employment law. In a time of economic downturn the need to avoid expensive risks is paramount. The range of training required is quite surprising, from managing data protection to avoiding sex discrimination, to the conduct of disciplinary procedures. Whilst directors may feel they are au fait with the latest requirements, how many businesses can safely say the same for those directly supervising and managing their staff?

Companies can protect themselves if they train their managers and supervisors to follow procedures. Failure to do so can lead to expensive mistakes - the current maximum for compensatory awards in the employment tribunal is £63,000 and there is no limit for discrimination claims. Failure to follow the statutory procedures in the current statutory dismissal and disciplinary regulations led to tribunal awards increasing by up to 50%. Even after the amended regulations come into force in April 2009 there will still be an option for tribunals to increase awards by up to 25% for failure to comply with the new ACAS code. It is unrealistic to expect managers and supervisors to be aware of the relevant code without appropriate training.

Another field where training is essential is data protection. The Employment Practices Data Protection Code published by the Information Commissioner calls for training in the eight core principles of the Data Protection Act and the consequences of not complying with the Act for employees who handle personal data. Although the Code does not have statutory force, it is made clear that the Commissioner will refer to breaches of the Code in connection with any enforcement action taken against a company relating to the processing of personal information in the employment context.

Learning the hard way through a lost employment tribunal case is an expensive way of using a lawyer. Using the lawyer's experience and know-how in a training setting can be far more cost effective and beneficial to the business as a whole.

A salutary example is that of the case of Steven Horkulak, who won a case against his employer Cantor Fitzgerald and was awarded £912,000 in damages plus costs, an award which was affirmed by the Court of Appeal. When asked why he had not used the company's formal disciplinary procedure in his dealings with Mr Horkulak, the employee's boss replied that he preferred 'the direct approach'. Some training in avoiding the direct approach might have produced a very different result.

For further information, please contact Claire Bell on 0115 9 100 200 or email enquiries@actons.co.uk.



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