

# TAKE FIVE

Five things  
employers should  
do in the new year



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## Five things employers should do in the new year

2022 has been a difficult year for businesses, many of which are still recovering from the impact of the pandemic. One challenge set to continue for employers in 2023 is how to respond to the cost of living crisis while supporting your people.

In this guide, we explore five things you should consider in the new year as an employer.

### 1. Prepare for a rise in flexible working requests

The debate around whether people work best from home or the office will rage on but you should be prepared for a number of informal and formal requests for flexible working to continue to rise. This month, the Government supported a proposal to make [flexible working the default](#). This will bring a 'day one' right to flexible working - removing the requirement that currently employees can only request it after being employed for 26 weeks. [Read our blog](#) for more detail.

This may present a challenge, ensuring requests are treated consistently and fairly and making sure all employment contracts, staff handbooks and internal policies will reflect the new 'default' once it is in force.

As an employer, you will be at increased risk of employment tribunal claims if you fail to take these changes into account. Compensation for such breaches is capped at 8 weeks' pay, but disputes in relation to flexible working often form part of larger discrimination and detriment claims.

### 2. Review salaries and consider alternatives to pay rises

In November, the Government announced an increase of the National Living Wage and National Minimum Wage would apply from April 1 2023. Despite this, pay rises are failing to keep up with the cost of living.

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It's generally assumed that salary will be discussed at least every 12 months. Legally there is no right to a pay rise unless it's stated in an employment contract, which would be unusual, but employees may put in a request, especially due to the increase in inflation and the spiralling cost of living.

Individual requests may put pressure on you to grant pay rises across the board, but despite your best efforts, you may have to turn down such requests.

When it comes to pay reviews, we suggest starting with looking at salaries available across your industry. You should also think about what will help to recruit, retain and engage staff instead of salary. Two examples are reviewing your benefits package or helping with travel costs.

Given the current levels of industrial action over pay, you may also want to brace yourself for potentially challenging pay negotiations with trade unions. With this in mind, we can help support you should industrial action arise.

### 3. Recruitment - become an attractive employer

[CV-Library reports](#) that 75% of UK professionals are now considering a new job purely because of the cost of living and rising inflation costs they're facing.

The difficult recruitment market employers are facing now is set to continue in 2023. This means, to attract the talent that is available you need to look attractive as an employer. Think about what benefits you can offer and is your company culture inviting? Remote, hybrid and flexible working are here to stay and embracing this will widen your talent pool and could relax some of the strain on recruitment.

[Equality, diversity and inclusion](#) is now more important than ever to job seekers. You should consider how your EDI efforts appear to candidates. It can make you a more attractive place to work but equally, failing to hit the mark can reduce employee satisfaction. We can provide practical advice to help you adhere to regulatory requirements, safeguard your employees and business, and maximise opportunities to create a diverse workforce.

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#### 4. Level up employee skills

Where recruitment is currently a challenge as businesses are restructuring and cutting costs, this has led to a general skills shortage. If ready-made candidates are hard to find, then apprenticeships, training schemes and retraining have an even more important role. As a result, we anticipate increased demand for training courses to fill skills gaps.

We are also seeing an uptick in grievances, informal complaints and disciplinary issues, and believe this can be linked to the inexperience of some managers and their lack of skills in dealing with issues well, and early, before they escalate. Managers are pivotal in delivering to a business's ambitions and reinforcing its culture - so it's vital to give them the training and support they need. Our [training services](#) cover a variety of topics from the basics of UK employment law, to managing absence, resolving conflict in the workplace and equality and diversity.

#### 5. Focus on wellbeing

Wellbeing has become a top priority over the last three years and it's important not to lose focus now. There are new pressures employees may be struggling to cope with such as the financial impact of the cost of living crisis, increased workloads due to redundancies or problems with recruiting. This will all take a toll on their mental health and wellbeing.

One way you can help reduce stress and anxiety is supporting financial wellbeing - workshops or 1:1s with a financial advisor can give employees advice they need or just peace of mind. This might cover cost of living, understanding tax relief, child benefit rules, benefits available, debt management and more. Also consider an employee assistance programme, which offers employee access to online resources, counselling and referral services.



#### Would you like to know more?

The Things employment team helps businesses thrive by providing practical advice from leagl specialists. [Find out more here.](#)