

Good Guides.

Just because it works in your home country, do not assume it will in the UK.

Over the past 20 years Goodwille have helped hundreds of businesses from around the world expand their operations into the UK market. During the initial market entry phase businesses can face a number of setup costs for items they may already have in place at group level. In our latest guide, we look at employment contracts and how they vary from those overseas and why it's crucial to follow the local legislation.

1) Disciplinary & Grievance

It is mandatory for UK employment contracts to have clauses that refer directly to the disciplinary and grievance policy, i.e. you must state that you have a policy and where it can be found, also that the disciplinary and grievance policy does not form part of any contractual agreement. It may seem direct to address this issue when your employee has only just joined, but this is a legal requirement for the UK and the employee is likely to expect it to be part of their agreement.

The disciplinary and grievance policy must be fair & clear, but stored separately to the contract of employment.

2) Absences

Holiday allowance varies from country-to-country when it comes to statutory holiday and public holidays. Also the way that holiday is treated, i.e. if it is accrued during the year or paid in advance is another international variance. Sickness also varies when it comes to statutory sick pay and statutory sick leave. Using an employment contract which is not drafted for UK law is therefore likely to not only contain incorrect information, but risk leaving the employee with the incorrect holiday and sickness entitlement, which could also land you in hot water as the employer.

3) Notice period

If an employee is not performing, and the decision is made to terminate the agreement then a non-UK employment contract may leave you vulnerable should the employee raise a dispute. The garden leave and PILON (payment in lieu of notice) process varies from country-to-country and without the correct clauses you are likely to be left exposed. It is not uncommon for UK employees to seek legal advice when faced with a termination of their contract, so getting it right from the off is vital for all involved.

Typically international employment contracts can be just a couple of pages long, whilst UK employment contracts are in excess of fifteen pages and contain clauses and appendices – the agreement will then be underpinned by a staff handbook which contains information about company policies and procedures.

If you are looking to expand into the UK market, or if you need help to ensure you run a compliant UK operation please contact Goodwille.