



Could Your Employment Practices Cause You Trouble?

All businesses have a lot to consider with regard to human resources (HR) and risk management issues. On an average work day, a business may encounter dozens of HR-related issues. How the employer approaches those situations could put the business at risk for employment lawsuits and claims. Employers may approach personnel matters with the best intentions, but their efforts may be derailed by outdated policies or lack of best practices.

The implications for human resource-related errors can be considerable. Average judgments associated with poor HR practices can be monetarily devastating to a business, let alone the disruption they cause. Just defending claims of this type can cost a company a significant amount of money in attorney's fees and legal costs.

It is important to consider all remedies to control the risk and costs associated with HR decisions. While insurance policies can offer protection from these costs, it also makes sense to safeguard your organization with pre-claim best practices and legal expertise to help strengthen your policies, practices, decisions, and actions. Many companies also need access to HR resources or second opinions to update or create new policies, or address new concerns or hot topics, such as workplace bullying.

The Federated Employment Practices NetworkSM (FEPN) provides Federated Insurance clients access to both online and phone assistance for employment-related practices. FEPN also provides Federated's employment-related practices liability clients with access to independent attorneys who can review employment law questions.

Make a plan

"Employment practices" is a broad term that covers hiring, firing, and everything in between. As an employer, you are undoubtedly aware of employees' rights to file discrimination charges. However, you also should be aware of your right to protect yourself against this type of exposure. Having employment policies and procedures that have been reviewed by an attorney, and which are supported by consistent enforcement, can act as a safety net to protect your business from defense costs and business disruption. Complete and accurate documentation is an effective way to record events and procedures. Augmenting your employment policy with insurance designed to protect you from the costs of litigation can also help shield your business from expenses that could significantly cut into your earnings.

Not having a plan when it comes to "hiring, firing, and everything in between" could set you up for HR-related litigation. An effective employment policy isn't a "nice to have," it's a "must have." Planning, implementing, enforcing—these best practices work in tandem to help guide your business toward positive employment experiences while helping to deflect risk and exposure to avoidable litigation.

Some of the client services referenced are provided by third party organizations wholly independent of Federated, and are provided with the understanding that neither Federated nor its employees provide legal or other expert advice.

This article is intended to provide general information and recommendations regarding risk prevention only. There is no guarantee that following these guidelines will result in reduced losses or eliminate any risks. This information may be subject to regulations and restrictions in your state and should not be considered legal advice. Qualified counsel should be sought regarding questions specific to your circumstances and applicable state laws. © 2016 Federated Mutual Insurance Company. All rights reserved.