



# ER/IR NETWORK

## IMPLICATIONS OF THE UK EMPLOYMENT RIGHTS BILL

CRF convened senior HR professionals to discuss the employee relations climate in the UK and the recently published **UK Employment Rights Bill** and its implications for employee relations. As well as insights shared by a leading global law firm, the session included a discussion of the legislative changes introduced in the Bill, the challenges organisations are likely to face and strategies for navigating this evolving landscape.

If you are interested in finding out more about **CRF's ER/IR Network**, please contact [michael@crforum.co.uk](mailto:michael@crforum.co.uk)

### CONTEXT: THE INDUSTRIAL RELATIONS LANDSCAPE PRE-BILL

Participants shared insights on the state of employee relations in the UK before the creation of the Employment Rights Bill, highlighting several key trends:

- **Trade unions are increasingly targeting 'green fields'** in sectors like technology, which have historically been non-unionised. These industries are now viewed as untapped opportunities for union growth.
- **The traditional psychological contract between employers and employees has evolved**, with employees often prioritising personal needs over organisational goals. This shift, exacerbated by the pandemic, has made returning to traditional office settings particularly challenging.
- **Rising economic pressures have led to increased union activity**. Although many unions are financially constrained – often relying on action short of a strike – they are leveraging employee dissatisfaction to expand their influence.
- **Broader societal debates, such as those on nationalisation and equality, diversity and inclusion (ED&I), are increasingly influencing workplace dynamics**. It is not always clear where the limits of individual, organisational and governmental responsibility lie regarding these issues.
- **Different organisational contexts bring different challenges**. For example, highly unionised workforces, organisations with no formal union recognition, and organisations who operate under the jurisdiction of European Works Councils all encounter different dynamics.

## OVERVIEW: THE EMPLOYMENT RIGHTS BILL

The Employment Rights Bill introduces the most significant updates to worker and trade union rights in several decades. While the majority of changes will not take effect until 2026, organisations must prepare for additional secondary legislation and codes of practice between now and then, as well as potentially further reforms if the current government secures a second term. The Bill introduces 12 key areas of reform across **individual rights**, **collective rights** and issues relating to **equality, diversity and inclusion** (ED&I).

Provisions for **Individual Rights** in the Bill include the introduction of day-one unfair dismissal rights (with certain caveats), enhanced flexible working rights, changes to statutory sick pay and stricter provisions for zero-hour (and low-hour) contracts.

Regarding **ED&I** issues, the Bill includes provisions for strengthening protections from unfair dismissal for pregnant women/new mothers, expanded parental leave and proposed extensions to the recent sexual harassment prevention changes. Requirements related to gender pay gap action plans will also follow in future legislation.

The implications of the Bill for **Collective Rights** and employee relations were discussed in detail, the key aspects of which are summarised below:

- Removal of the 'establishment' concept in redundancy consultations will likely, in practice, require large organisations to engage in collective consultations for nearly all redundancies. This will be a significant undertaking and organisations should prepare to take action in this space if required.
- Introduction of strict limitations on fire and rehire practices, effectively eliminating the practice unless it is necessary to save a business. Given that some employers currently rely on the implicit understanding that dismissal and re-engagement can be used as a tool of last resort, this may change the dynamics of negotiations. For example, it will be more difficult for employers to change Ts&Cs in employee contracts, including adapting contractual Job Descriptions or changing terms that are potentially discriminatory. In such scenarios, engaging in collective bargaining and creating agreements with one union where possible (rather than several individuals) may be more straightforward.
- Repeal of the majority of the Trade Union Act 2016, creating looser thresholds for industrial action and reduced notice requirements, as well as the repeal of the Minimum Service Levels (MSL) Act. Overall these changes will make strikes easier to organise and complicate operational continuity during strikes, particularly when considered in light of further changes proposed in the recent government consultation.
- Strengthening rules on automatic unfair dismissal for protected industrial action and introducing protection against detriment for taking part in industrial action as well as new rights for union representatives and changes to time-off/facilities.
- Mechanisms to allow unions greater access to workplaces to organise and recruit members. There are currently no clear parameters on the number of access requests, the duration of access or the ability to revoke access once granted and clarity is required regarding how these proposals will impact established unionised workplaces. There are additionally questions concerning how access will function in a digital-first environment and how this will relate to issues of data privacy and operational control.
- Provisions that will make it easier for unions to secure statutory recognitions for collective bargaining.

## FURTHER RESOURCES

CRF. 2021. [Employee Voice and Activism: Why is it on the Rise?](#)

CRF. 2024. [Post Meeting Notes: The New Deal at Work Advisory Breakfast](#)

CRF Learning Open Programme. 2025. [Creating a Win-Win Employee Relations Strategy](#)

UK Government. 2024. [Employment Rights Bill Overview](#)

## CHALLENGES AND RISKS

Senior HR leaders identified several risks and challenges related to the Bill that organisations will need to address and proactively prepare for:

- The sheer scope breadth of changes is a significant challenge. This is further compounded by broader transitions in the workplace, including green initiatives, digital transformation and evolving workforce models.
- Proposals like statutory sick pay from day one could add millions in costs, further straining businesses in an inflationary environment.
- Looser thresholds for industrial action and reduced notice periods complicate contingency planning, particularly for safety-critical industries.
- Many HR teams lack the specialised skills needed to navigate modern employee relations complexities, reflecting a decline in formal education and training.
- The absence of one unified union voice makes negotiations challenging, with different unions pursuing divergent goals and viewing their role in modern industrial relations differently.
- The Bill risks amplifying societal divides and enabling national political debates to permeate local workplaces. National issues like executive pay or environmental concerns may be prioritised by union representatives over employee-specific needs.
- Through reducing employee representation thresholds, recognition agreements could bind the majority of employees to decisions made by a union supported by only a small minority, and employees may find themselves subject to union agreements despite limited consultation or support.
- There is currently a lack of detail regarding how many of the changes introduced by the Bill will function in practice.
- Leadership engagement is uneven, with senior leadership only viewing these changes through a budgetary lens.

## OPPORTUNITIES AND STRATEGIC RESPONSES

Participants outlined how organisations should be proactive in addressing the Employment Rights Bill and related changes and discussed the following strategies:

- Be prepared for union recognition campaigns and adapt to avoid reactive decision-making. Employers should prepare for increased administrative burdens and ensure their organisations are ready to meet these new requirements.
- The skillsets required in this area have often been overlooked, with many managers and HR professionals lacking the confidence to engage in conversations with union representatives. Organisations need to invest in training and equip leaders and frontline managers with the skills and resources to handle tough conversations, encouraging them to approach these interactions as personal, human conversations.
- If union recognition is likely, organisations should consider proactively engaging unions that align with their values, setting the tone for cooperative dynamics.
- Recognise that employee relations are a business – rather than a solely HR – issue. Business leaders must take ownership of tough conversations and demonstrate active involvement in resolving issues.
- Organisations must be proactive in shaping narratives, particularly during industrial disputes. Tools like crib sheets and FAQs can help managers address employee concerns effectively.
- Listening to employee concerns and addressing them early can prevent disputes from arising. External union representatives may not fully understand the dynamics of the workforce, which emphasises the need for employers to genuinely listen to their employees rather than speak on their behalf.
- Organisations can leverage the introduction of the Bill as a chance to reset relations with trade unions and employees, particularly after a period of historically high levels of industrial action.
- Employers must define what reasonable access looks like. One suggestion is offering structured, quarterly opportunities for union representatives to engage with employees in designated settings, ensuring fairness and transparency while mitigating operational disruptions.