

# FIVE EMPLOYEE RELATIONS PRIORITIES IN THE NEW LITIGIOUS ERA

A guide for UK organisations navigating the Employment Rights Act and building resilient HR operating models.

## 2025 TESTED THE CAPABILITIES OF **ALL** EMPLOYEE RELATIONS TEAMS

“Employee relations must evolve to match the rapidly changing workplace.”

**Rena Christou**, CEO, Empowering People Group

The world of HR is approaching a seismic transformation with the new Employment Rights Act 2025. According to market data, employee relations cases are already rising by up to **40%**, as is demand for outsourced advisory services, even before the most significant wave of legal reform in a generation has come into force.

Coupled with the highest rate of sickness absence in a decade, and the wellbeing crisis facing many workforces, HR's focus in 2026 needs to be on proactive, data-driven and people focused strategies that support employee engagement and align with business goals.

2025 truly tested HR and business leaders, with the Budget bringing significant employment cost pressures, and the ping-pong of the Employment Rights Act keeping HR teams constantly on their toes. Resilience, agility and strategic problem-solving remain essential to navigate the ongoing complexity this year.



**To prepare for what's next, organisations need a new ER operating model: Employee Relations as a Service (ERaaS).**

In 2026, proactive, data-driven employee relations, and an evolution to a manager-led model for managing ER matters, will transform HR from a reactive function, bogged down in tactical tasks, to a strategic driver of workforce experience and organisational resilience.



**CHECK OUT THIS FREE EMPLOYMENT RIGHTS ACT 2025 TRACKER**  
to stay ahead of upcoming legal reforms

- 1** Transforming the ER operating model in the AI era - ERaaS
- 2** Early employment process reform and proactive probation management
- 3** Manager empowerment as a non-negotiable
- 4** Navigating the politicised workplace
- 5** A new approach to wellbeing and beating burnout



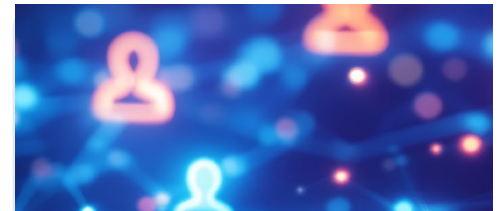
**If you feel like your team is constantly firefighting while the caseload keeps growing, *you're not alone* - and it's time for a different approach.**

HR teams need to evolve outdated employee relations operating models that are overly reliant on HR for tactical people matters. This is not scalable for the modern workforce, rising ER case volumes and increasing cost and compliance risks. In many businesses, managers still default to HR for everyday people management matters that don't require specialist expertise, and with new legislation coming, the pressure for managers to do the right thing at the right time is increasing - and so is the risk of poor process leading to costly tribunals.

Addressing these challenges requires rethinking the employee relations operating model. By combining technology, training, advisory support and analytics, organisations can ensure consistent, compliant processes, gain visibility into risks and trends, and free HR to focus on strategic priorities. This approach enables proactive decision-making, faster issue resolution and better case outcomes. We call this model **Employee Relations as a Service (ERaaS)**.

**"To change the tide and keep pace with the evolving pressures, HR needs an operational refresh to handle growing caseloads and complexity. That means using the right technology, leaning on expert advisory services with solid legal support, and taking a data-driven approach to strategy. For many businesses, this will be a completely new way of working - and we've coined the term for this fit-for-the-future operating model 'ER as a Service'."**

**Rena Christou**, CEO, Empowering People Group



### The AI productivity paradox - AI is impacting ER teams in two distinct ways

Firstly, employees are using AI tools like ChatGPT to raise more detailed, legally informed ER complaints as the awareness of their rights grows, increasing the time required to manage cases.

Secondly, more and more HR teams are utilising AI tools to streamline routine tasks and improve productivity, but the steep increase in volume and complexity in ER cases isn't being mitigated by these efficiencies and HR teams are facing rising burnout.

Organisations need to invest in solutions that simplify work and help free up HR professionals to use their skills where they matter most.

### The tangible benefits of ERaaS

**10%** reduction in sickness absence rates and costs

**50%** fewer employment tribunal claims

**65%** in savings outsourcing ER advice



Evolving the ER operating model in this way protects the human in human resources but also frees them up to focus on the tasks that deliver most value in the ever-evolving workplace landscape. With **ERaaS**, proactive risk protection and absence reduction come as standard, but these benefits are only effective if managers are equipped with the right technology and training to lead confidently.

## The clock is ticking fast, and the stakes for getting probation management right have never been higher.

Strengthening probation practices ties directly into empowering managers as the unfair dismissal qualifying period is set to reduce to just six months. Probationary periods have always been a critical part of the employee journey, but the Employment Rights Act is raising the stakes.

### Critical change:

Reducing the unfair dismissal qualifying period to six months from 1 January 2027 means organisations are facing a sharp rise in probation-related activity – potentially increasing by up to **230%** according to our assessment.



Managers are at the frontline of this change, responsible for shaping culture, driving performance and managing legal risk within a much shorter and higher-risk timeframe.

This puts pressure on managers to make fair, evidence-based decisions while supporting new hires effectively. It is no longer enough for managers to rely solely on their own experience – they need structured guidance, clear objectives and robust processes to navigate probationary periods successfully.

### Essential capabilities for 2026:

Improving capabilities of managers to support all employees, including those with disabilities or neurodivergence, is essential to:

- Embedding inclusion from day one
- Minimising legal and reputational risk
- Improving performance and engagement

This is where **ERaaS** plays a transformative role. By providing step-by-step guidance, this new manager-led ER operating model empowers managers to make confident, compliant and fair decisions.



## MANAGERS ARE ON THE FRONTLINE OF **RISK**

**Line manager capabilities must evolve as the legal risk of employee relations missteps increases under the Employment Rights Act. They are on the front line of managing complex people matters, yet many are not adequately prepared for new legal responsibilities.**

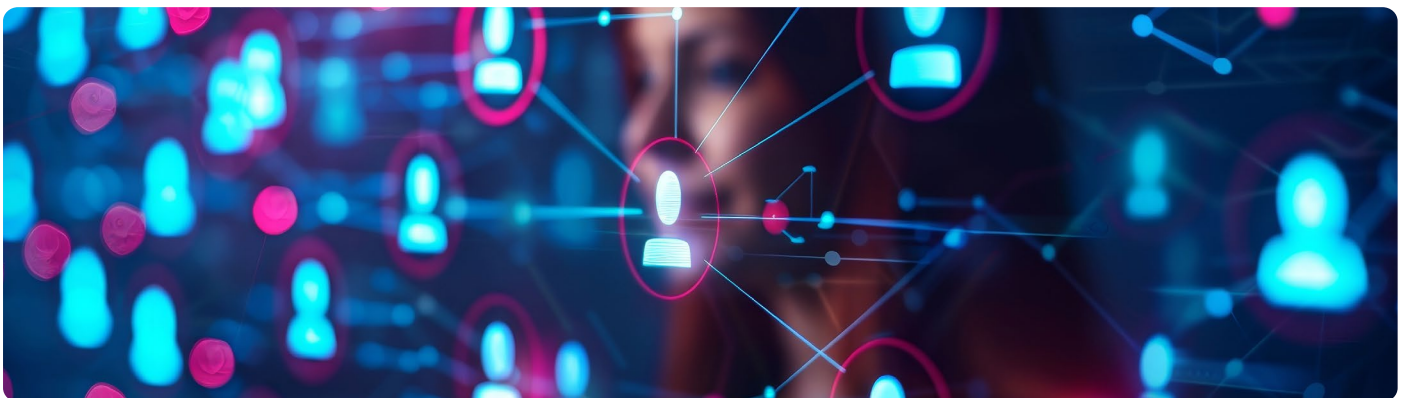
Managers' roles are rapidly evolving. No longer just task managers or policy gatekeepers, today's managers are pivotal in shaping culture, wellbeing and performance - and they are going to be a single point of risk as new process compliance requirements and unfair dismissal rights intensify the need to understand and follow fair and consistent processes.

**40%**

of HR leaders believe managers know how to handle employee relations issues well

**82%**

of managers start their roles without ever having training on how to lead (**CMI research**)



Our **new Employment Rights Act research paper** indicates a very real need for action as HR are concerned about manager capability and a lack of preparedness.

In many cases, the challenges faced by managers are not due to a lack of intent or commitment, but rather because many are promoted into managerial roles based on their technical expertise, often without adequate training or support. This leaves them unprepared for the responsibilities of leading teams, especially in today's complex, hybrid and high-pressure workplaces.

**CHECK OUT OUR FREE HR RESEARCH PAPER**  
for insights into organisational preparedness and practical guidance



## When managers have clear frameworks in place:

- Issues are identified earlier
- Teams follow a consistent approach
- Employees benefit from a fairer, more transparent process
- Ambiguity reduces and confidence grows.

Organisations can effectively address this capability and preparedness issue by investing in the technology, training and support that empower managers to lead with confidence. This is key to improving the employee experience and building a resilient, high-performing workforce committed to fairness and care – and this is at the heart of **ERaaS**.

*“Regulations will always change. We’ve built the solution that creates the agility to handle constant change.”*

*Once new working practices are firmly established, your team will naturally adopt a more proactive approach to problem solving, making it a standard part of how you operate, creating an environment of continuous improvement.”*

**Rena Christou, CEO, Empowering People Group**

Considering that unfair dismissal rights will impact new hires in employment now, equipping managers to effectively assess whether new employees are fit for their role is now critical, requiring effective training, clear accountability and the right level of advisory support when performance issues arise.



**When every workplace conversation can become a flashpoint, staying silent isn't neutral - it's a choice your employees will *remember*.**

In a world where news travels fast and every decision is under the spotlight, acting with honesty and backing up choices with robust data and analytics is what will set strong leaders apart.

With global events and cultural differences shaping our everyday lives, employees now expect their organisations to listen and take action that matches their values. This puts HR and business leaders in a position where they need to handle these matters thoughtfully and clearly.



**Leaders who succeed will be those who:**

- Act openly and consistently
- Back decisions with solid data
- Communicate with clarity and transparency
- Reduce discrimination and build trust.

Clear expectations and transparent communication reduce ambiguity and build trust, and HR plays a critical role in developing open communication channels and addressing issues proactively.

***"Even though times may feel overwhelming, your organisation's values can - and should - stay steady."* - Rena Christou, CEO, Empowering People Group**

The organisations that will thrive through this era of constant change are the ones that understand this balance - those that stay grounded in purpose, flexible in execution and confident in navigating whatever comes next. Yet even with fairness and transparency, employees cannot thrive if the growing wellbeing and burnout crisis is left unaddressed, which is why new employee relations operating models and manager empowerment are vital investments.



## 9 in 10

employees experienced high or extreme levels of pressure or stress in the last year  
([Mental Health UK](#))

Stress and burnout are rising across all sectors, driving up absence rates. Heavy workloads, gaps in leadership capabilities and clunky systems are major contributing causes, along with external factors.

Manual HR processes and limited tools only add to employee stress and reduce productivity, undermining workforce confidence and efficiency. Progressive HR leaders now use technology to spot early signs of stress or disengagement by analysing data from wellbeing, performance and attendance.

### Mental health in 2026:

Mental health won't just influence case volume in 2026 – it will shape the very nature of the cases ER teams handle. Employees are bringing more of their whole selves to work, including personal struggles that affect performance, engagement and wellbeing. Anxiety, burnout and other mental health concerns are now central to everyday employee interactions, placing unprecedented pressure on managers and HR teams.

By evolving the ER operating model and prioritising manager empowerment, with the right training and technology, organisations can proactively support mental health in the workplace, reducing frustrations, boosting retention and strengthening workforce resilience .

### Success story: Starbucks UK

**10%** reduction in absence rate and costs in one year

**15,000** hours returned to frontline services

This demonstrates how data-driven initiatives deliver tangible returns and a positive customer experience.

#### [READ THE FULL CASE STUDY](#)

to find out how you could achieve similar results.



### The growing pressure on ER teams

Employee relations is complex and emotionally demanding. ER professionals are on the front lines of the workplace's most sensitive moments, managing everything from allegations of discrimination and harassment to complex wellbeing cases. This work demands empathy, clear judgment and fairness under constant pressure.

### Without the right support, it takes a toll

When employee relations teams burn out, decisions suffer, trust breaks down and employees bear the consequences, increasing risk. Organisations must transform employee relations into a function that is both human-centred and efficient – one that supports employees while strengthening the business.

***In 2026, addressing this challenge is essential with investment in ERaaS.***

## In 2026, if it isn't tracked, it didn't happen.

With increased penalties for process failures introduced in the Employment Rights Act 2025, every interaction, decision and outcome needs to be captured in centralised systems, creating a single source of truth. Consistently tracked data allows teams to surface themes, identify risk and patterns, and measure the impact of interventions – not just anecdotally, but with metrics that matter – whilst also demonstrating processes were followed compliantly in Employment Tribunal situations.

*"We need to leave a reactive mindset behind. In 2026, HR should focus on robust analytics to drive decision-making, using data and benchmarking as a predictive tool to anticipate issues, proactively prepare and stay ahead."* **Rena Christou**, CEO, Empowering People Group



### Data-driven ER goes beyond compliance

Robust reporting is the only way to accurately tell the story of trust and risk. Metrics give leadership clear visibility into where issues are surfacing, how they're being resolved and how interventions are improving the employee experience.

#### Without accurate, centralised documentation:

- Important details can slip through the cracks
- Behavioural trends may go unnoticed
- Organisations risk making inconsistent decisions
- Decisions become difficult to defend legally

### ER as a strategic partner

Employee relations data holds invaluable insights into the overall health and performance of the workforce, yet it is often captured in outdated tools, like Excel or ticketing systems, limiting the ability to utilise it for positive strategic change. Investment in a fit-for-purpose case management platform with robust analytics makes this data a strategic asset.

#### By spotting trends early, ER can make tangible strategic impact:

- Spotting rising turnover in a team
- Identifying manager capability issues
- Understanding spikes in sickness absence
- Managing rising performance issues

*"In 2026, transforming the employee relations function is a non-negotiable - it's now a strategic priority to reduce risk and improve performance."*

**Rena Christou**, CEO, Empowering People Group



## MOVING FORWARD WITH **CONFIDENCE**

Together, these five trends make it clear that HR transformation is essential to maintaining compliance and building a resilient, high-performing workplace culture. To stay ahead, HR must move from reactive problem-solving to a proactive, data-driven approach that aligns closely with business priorities. Embracing **ER as a Service** as a modern HR operating model enables organisations to remain agile, reduce legal risk and deliver measurable business value.

By partnering with employee relations experts now, HR teams can strengthen manager capability, build confidence and develop the resilience needed to navigate an increasingly complex and regulated workplace.



### The year ahead will reward teams that get intentional

Prioritise consistency, prevention and evidence and use that as your toolkit to create stability when it matters most.

**ERaaS** - The future of employee relations



Technology



People



Analytics

**Take the next step to future-proof your HR function for 2026 and beyond**

[Book a demo](#) and see how **ER as a Service** can transform your Employee Relations operating model.

*"At the end of the day, it's all about mitigating risk whilst building a culture employees can thrive in."*

Rena Christou, CEO, Empowering People Group





## The Empowering People Group advantage:

The Empowering People Group is passionate about simplifying the complexity in managing and engaging people, and empowering them to drive business success.



An award-winning ER transformation technology and services provider



Flexible, straight-talking, pragmatic employment lawyers.



Powerful career transition, coaching and learning solutions



A leading digital-learning and Learning Management Software provider