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## July 2023 Update

Welcome to this month's update - where we discuss the latest legislation and guidance.

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In this month's edition, we report on:

- Employee resignations: employer checklist
  - Statutory Paternity leave reforms
  - Optimising team size to boost effectiveness
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### Employee resignations: employer checklist

When an employee resigns, for whatever reason, it's important an employer responds in the right way, to protect your interests and minimise liability.

With quitting now part of today's working environment, keep a clear head and follow a written down procedure, to ensure you are aware of the legal and commercial risks that arise when someone leaves.

Below is a checklist to help employers successfully navigate this potential minefield:

1. Talk to the employee, face-to-face is best, find out what type of resignation it is, heat of the moment where retraction is likely, a new job/opportunity elsewhere, an exciting promotion, or if there are any risks of constructive dismissal.
2. Ensure the resignation has been done correctly, i.e., in writing (email or letter), at a meeting or verbally, following what is written in their employment contract.
3. Regardless how you are told, it's good to have a private conversation with them to talk about the next steps.

4. Check their employment contract to find out their length of notice is. If there is some disagreement about it, try to work out what might be reasonable. If you agree one that is shorter than the one in their contract, there could be tax consequences.
5. Working notice. In some cases, keeping someone in the business is helpful for a productive handover. On other occasions they might become disengaged and less productive. If this is so, gardening leave or paying in lieu of notice might be preferable, but be careful as you don't want their resignation to be interpreted as a dismissal.
6. Paying in lieu of notice. Check the contract allows this and how this is calculated, ie does it include benefits such as the car allowance.
7. Refusal to work notice. Perhaps they are eager to start their new job. You can't enforce them to work their notice, but the contract may allow you to claim damages if you must employ a more expensive option to cover their role. Alternatively, you can argue the reference for their new job may have to refer to this.
8. Holiday pay. Check the contract as it may have a clause to enforce holiday to be taken during the notice period or you may need to pay it on top.
9. Conduct an exit interview. Ask lots of questions to find out their reasons for leaving, if there are similar patterns then something may need to be addressed. This is the time to point out confidentiality, post termination obligations and the return of company property.
10. Remove employee access to all systems and remove from the payroll system.

**Employers:** the key thing is being systematic when an employee resigns and follow a checklist.

**Contact us:** we can assist with guidance

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## **Statutory Paternity leave reforms**

The government has published its response to a 2019 consultation for reforming family-related leave and pay. Within the response, the government has set out proposed statutory paternity leave reforms aimed at providing more choice and flexibility around how and when that leave is taken.

Under those reforms, eligible fathers and partners would be able to:

- take their statutory paternity leave entitlement in two separate one-week blocks, rather than having to decide between taking one week only or taking two weeks of leave in one block (as is currently the case); and
- take that leave at any time in the first year after birth or placement for adoption, rather than in the first eight weeks (as is currently the case).

There are also proposed changes to notification requirements for paternity leave. Although the notice of entitlement to take leave would still need to be given 15 weeks before birth, the father or partner would only be required to provide 28 days' notice of the dates of their leave. Secondary legislation detailing these reforms will be introduced in due course.

Despite calls for an increase to the amount of paternity leave, the proposed reforms do not include any increase to the amount of paternity leave eligible fathers and partners can take. Although the consultation considered potential changes to other types of family-related leave and pay, the only type of leave covered by the latest proposed reforms is paternity leave.

The response did not detail any proposed reforms to shared parental leave, despite the low uptake of this type of leave since its introduction in 2015.

**Employers:** we will update when these reforms are passed.

**Contact us:** for updates to company policies

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## Optimise team size to boost effectiveness

From the ideal number of participants to the factors that drive productivity, what makes up the best-performing teams? Research by Microsoft found that the number of meetings per person has increased by 150 per cent since 2020.

Building and sustaining effective teams that maximise the talent and innovation potential of team members is essential to business success. Yet good teamwork is elusive, teams are often dysfunctional, and even successful teams suffer from 'process loss' as they increase in size and complexity.

This makes defining teams for success more important than ever. Optimising team size and diversity plays a critical part in this.

### **How many is too many?**

Teams should have enough people to generate ideas, but not too many to create unnecessary complexity. One of the most common mistakes is putting too many people in a team. As team size increases, the marginal benefit of each additional team member reduces.

In fact, for very large groups, total team output decreases once a team reaches an optimum size. If possible, keep team membership to eight people or less.

Research shows that productivity drops if team size increases above this. When meeting virtually, where body language is harder to read and relationships are harder to build, four to six people is likely to be the optimal number.

Don't underestimate the impact of adding one more person to a team or meeting. By adding just one more person to a team adds multiple communication lines which changes relationship dynamics.

Another problem is creating a team that is too homogenous. They may get along together but lack the full complement of resources needed to perform well. Of course, while a more diverse team may be more creative, it is likely to experience greater conflict and process losses.

This is where psychological safety and trust become particularly important; they can unlock the benefits of diverse teams by creating an environment where team members can learn and benefit from their differences.

### **What drives team performance?**

Psychological safety – an environment that's safe for people to speak up without fear of rejection or embarrassment – is the strongest factor that drives team performance. Psychological safety is established by leaders being fully present in conversations, actively encouraging speaking up and reporting mistakes, being inclusive in decision making, acknowledging that they don't know all the answers and inviting participation from all team members.

Trust is an essential component of optimising team effectiveness. It relies on all team members having the confidence in each other that they will deliver high quality work. It also relies on building trust by taking an interest in each other.

Virtual and hybrid teams have increasingly become the norm, which create challenges to foster trust and psychological safety. It is important to encourage these virtual teams by encouraging team members to go out of their way to actively share knowledge and seeking out feedback, share positivity about the good things they see in others as well as time for social interaction.

**Employers:** getting the team structure right, including team size and diversity is essential to effectiveness.

**Contact us:** we can support your teams

**For more information or assistance Email:** [caroline@employmentlawsupport.co.uk](mailto:caroline@employmentlawsupport.co.uk)



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