

Employment Law: Getting ready for 2027

Key takeaways from the Michelmores Employment Law Conference 2026

Employment law and workplace practice are entering a significant period of change. From reforms to unfair dismissal and the growing use of AI, to immigration compliance and wider legislative developments, employers have plenty to prepare for.

We set out below the key themes employers should have on their radar for 2027.



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What's Changing?: A timeline for employers

NOW: Get the fundamentals right	
• Review recruitment and onboarding processes. • Check probationary periods and how they are managed in practice. • Make sure performance concerns are documented and addressed promptly.	• Identify where AI is already being used in recruitment, HR and workplace decision-making. • Review right-to-work and sponsor compliance processes.
MARCH: Fire and rehire	
• Changes affecting "fire and rehire" practices are due to take effect.	• Employers considering changes to contractual terms should understand the new regime before beginning the process.
2027: Unfair dismissal	
• The qualifying service period for ordinary unfair dismissal is due to reduce from two years to six months. • The statutory compensation cap is set to be removed.	• Recruitment, probation, early performance management and record keeping will therefore become increasingly important.
THROUGHOUT 2027: A changing employment landscape	
• Employers will need to keep policies, contracts and management practices under review as further employment law reforms take effect.	• Manager training will be vital so that changes in the law translate into fair and consistent practice.

Four themes for employers

1 Unfair dismissal: focus on the first six months

The proposed reforms change the risk profile much earlier in the employment relationship.

Think about now:

- Recruitment and selection.
- Probationary periods.
- Early performance management.
- Consistent documentation and record keeping.
- Training managers to address concerns promptly and fairly.

Key takeaway:

Don't wait for the reforms to take effect. Review the employee journey from recruitment onwards.

2 AI: keep the human in the loop

AI is becoming increasingly embedded in recruitment, people management and workplace decision-making.

Think about now:

- Where is AI already being used in your organisation?
- Can you explain how an AI-supported decision was reached?
- Is there appropriate human oversight?
- Are decisions and processes properly documented?
- Could AI introduce bias or inconsistency into employment decisions?

Key takeaway:

Technology can support good decision-making, but it does not replace human judgement, accountability or fair process.

3 Immigration: think beyond the visa

For employers of sponsored workers, immigration compliance runs throughout the employment lifecycle.

Think about now:

- Ask every candidate about their immigration status.
- Check your licence monthly and make sure your license and key personnel details are up to date.
- Check your current Right to Work processes are up to date.
- Changes to role, salary and location may mean Sponsorship Management System reporting or even a new Certificate of Sponsorship and Visa.

Key takeaway:

Immigration compliance should be embedded into everyday HR and management processes, not treated as a one-off exercise.

4 Prepare, don't predict

Employment law changes rarely happen in isolation. Businesses are simultaneously dealing with legislative reform, new technology, different ways of working and an increasingly complex regulatory environment.

Your 2027 readiness checklist

- ✓ Review restrictive covenants for key employees.
- ✓ Consider ways of avoiding unfair dismissal cap being removed, through corporate alternatives.
- ✓ Check implementation of reports in full and justify departures.
- ✓ Train managers on forthcoming changes; including how to deal with managers potentially being named respondents
- ✓ Make sure important people decisions have a clear audit trail.

The message for 2027

People. Policies. Processes.
Employers don't need to predict every issue that might arise. Getting the fundamentals right now will put businesses in a much stronger position to navigate the changes ahead.

Need help preparing for 2027?
Michelmores' Employment and Immigration teams advise employers on employment law, HR strategy, business immigration and workforce management.