



Isle of Man
Chamber of Commerce

Isle of Man Chamber of Commerce Sentiment Analysis on Employment Law Consultations

Introduction

The Isle of Man Government has released a series of consultations on employment law, aiming to align the Island's legislation with comparable jurisdictions. While many of the proposed changes are unlikely to generate significant controversy, there are understandable concerns, particularly from smaller employers, about the additional burden these changes may introduce. Some measures, such as updating financial thresholds in line with inflation, appear straightforward and logical.

The Chamber received input from 103 members who participated in the consultation survey. This feedback provides insights into the views of businesses on the proposed changes and forms the foundation of this report.

This report summarises the general consensus across key consultation areas, based on the feedback provided by members. The insights reflect varying perspectives on the proposed employment law changes and highlight the priorities and concerns of businesses on the Isle of Man.



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Overview

The consultation responses reflect a strong desire among businesses on the Isle of Man to ensure that employment laws are tailored to the Island's unique economic and operational realities. While many proposals align with UK standards, respondents emphasised the need for flexibility and a cautious approach to avoid placing undue burdens on small businesses, which form the backbone of the local economy.

Key themes include balancing employee rights with business viability, the importance of clarity and fairness in legislative changes, and the need for government support in areas where financial impacts might otherwise discourage growth or innovation. Members strongly advocate for avoiding a wholesale adoption of UK policies without careful consideration of their applicability to the Island.

Members expressed support for the large majority of the proposals. Only one proposal produced a very strong majority against, namely to provide unfair dismissal rights from day one of employment. Therefore this document considers this proposal first. The summarised responses to the other proposals then follow.



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Focus on Unfair Dismissal Rights from Day One

The proposal to grant unfair dismissal rights from the first day of employment has garnered significant opposition, with **90.8% of respondents expressing disagreement**. This highlights widespread concern over the potential negative impacts on hiring practices, legal risks, and the flexibility employers need to manage their workforce effectively.

Key Concerns:

- **Legal Risks and Costs:** Employers fear that day-one dismissal rights could lead to an increase in frivolous claims, adding administrative burdens and legal costs, particularly for small businesses.
- **Impact on Hiring Decisions:** Businesses worry that this proposal may discourage them from hiring less experienced, reskilled, or candidates with CV gaps, as the risk of immediate dismissal rights outweighs the potential benefits of giving these candidates an opportunity.
- **Sector-Specific Challenges:** Industries such as healthcare and shift-based roles may face additional complications in adapting to these rights while maintaining operational flexibility.

Preferred Alternatives:

- A majority of respondents support the continuation of probationary periods (3–6 months) as a fair and balanced approach. These allow employers to assess a candidate's suitability while providing a reasonable level of job security.
- Many suggested adopting a phased approach, learning from jurisdictions like the UK, where a probationary framework is being considered.



In Conclusion

This proposal is widely seen as a risk to both businesses and workforce development. Respondents believe that current laws already strike a reasonable balance between employer and employee rights, and expanding these rights prematurely could harm the Island's economic resilience and hiring flexibility.

Therefore Chamber strongly recommends that IOM Government does not take this proposal forward at this time. Instead we should carefully observe the current developments in the UK where a similar proposal is out for consultation. Once the UK has completed its consultation and developed detailed proposals that take into account the needs of specific sectors and roles, the Isle of Man can then assess the proposals and decide how best to proceed. At that time, it may be that the most appropriate option for the Island will be to wait until the UK has implemented its proposals for a reasonable period, say at least a year, so we can learn from the UK's experience before re-considering this matter.



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Annual Leave: Do you support an increase in statutory paid annual leave on the Isle of Man to match the UK's 5.6 weeks for full-time employees?

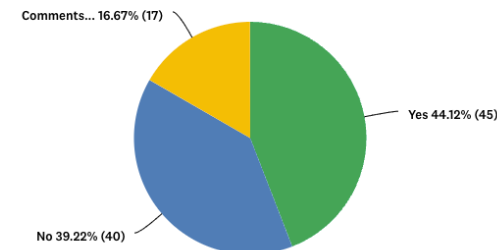
- **52.9% support increasing statutory annual leave, while 47.1% are opposed.**
- Supporters focus on employee well-being and alignment with UK standards.
- Opposition stems from concerns about the financial burden on small businesses and operational issues for shift-based roles.

General Consensus:

- Small businesses worry about economic impacts, particularly in sectors like construction.
- Many employers already offer more than the statutory minimum, questioning the need for mandatory increases.
- Flexibility is crucial for competitiveness, especially for multinational companies.

Annual Leave: Do you support an increase in statutory paid annual leave on the Isle of Man to match the UK's 5.6 weeks for full-time employees?

Answered: 102 Skipped: 0





Isle of Man Chamber of Commerce

Rest Breaks: Should a mandatory daily rest break (20 minutes for work shifts over 6 hours) be introduced for all employees, in line with the UK?

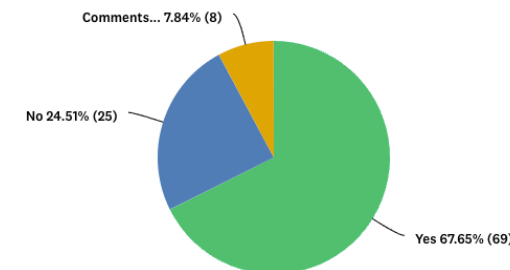
- **73.1% support mandatory daily rest breaks.**
- High demand roles like healthcare and logistics benefit from breaks, but continuous roles (e.g., care settings) face challenges in implementation.

General Consensus:

- Employers stress the importance of safety and performance in physically demanding jobs.
- Responsibility for taking breaks should lie with employees to avoid operational disruptions.
- Hourly paid employees align well with this change, as it reflects existing work conditions.

Rest Breaks: Should a mandatory daily rest break (20 minutes for work over 6 hours) be introduced for all employees, in line with the UK?

Answered: 102 Skipped: 0





Isle of Man Chamber of Commerce

Time Between Shifts: Would you support the introduction of mandatory rest periods between shifts to promote health and safety?

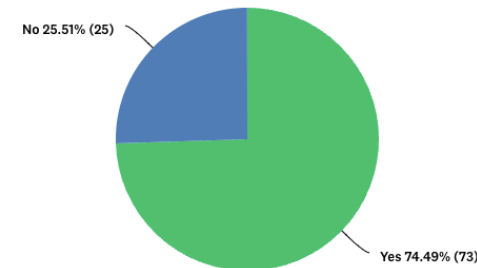
- 74.5% support mandatory rest periods between shifts.
- Concerns about secondary employment and specific sector challenges like healthcare were highlighted.

Time Between Shifts: Would you support the introduction of mandatory rest periods between shifts to promote health and safety?

Answered: 98 Skipped: 4

General Consensus:

- Ensuring sufficient time off reduces burnout and workplace errors.
- High-stress roles (e.g., doctors) require stricter rest standards, while low-stress roles may not.
- Employers prefer flexible policies to accommodate operational demands.





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Unfair Dismissal: Do you agree that the right to claim unfair dismissal should be available from the first day of employment rather than after one year?

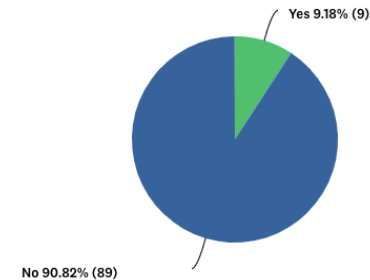
- **90.8% oppose day-one unfair dismissal rights.**
- Many favour probationary periods as a fair solution.

Unfair Dismissal: Do you agree that the right to claim unfair dismissal should be available from the first day of employment rather than after one year?

Answered: 98 Skipped: 4

General Consensus:

- Employers fear increased legal risks and reduced hiring flexibility.
- Probation periods allow balanced assessment of new hires.
- The proposal risks discouraging employers from hiring less experienced or reskilled candidates.





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Do you support the proposal that the IOM should wait until the UK has completed its consultation and provided more detailed proposals before the IOM should proceed?

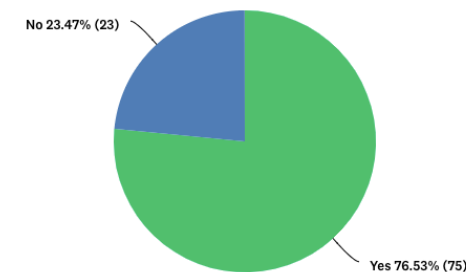
- **76.5% support waiting for the UK to finalise its proposals.**

General Consensus:

- Members advocate for a "wait-and-see" approach, tailoring policies to the Isle of Man's unique needs.
- Blindly following UK changes could lead to unsuitable or burdensome legislation.

Do you support the proposal that the IOM should wait until the UK has completed its consultation and provided more detailed proposals before the IOM should proceed?

Answered: 98 Skipped: 4





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Compensation Limits: Should the maximum compensation for unfair dismissal be increased to £76,128 to align with inflation?

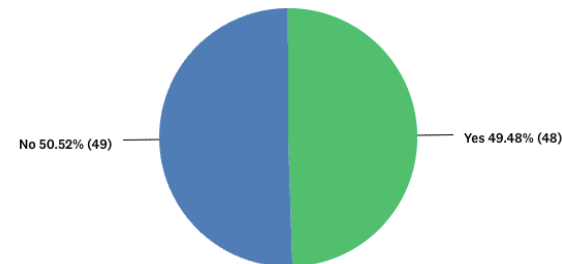
- Mixed opinions, with some supporting inflation-based increases while others worry about frivolous claims.

General Consensus:

- Linking compensation to average wages or earnings ensures fairness.
- Excessive limits could hurt smaller businesses and incentivise unfounded claims.

Compensation Limits: Should the maximum compensation for unfair dismissal be increased to £76,128 to align with inflation?

Answered: 97 Skipped: 5





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Automatic Adjustments: Should compensatory awards be adjusted annually in line with the Retail Price Index (RPI) as in the UK?

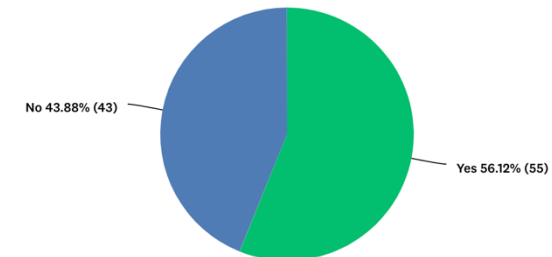
- There is cautious acceptance of adjusting maximum compensation awards in line with the Retail Price Index (RPI), provided it is implemented fairly and thoughtfully.
- Members prefer periodic reviews over automatic adjustments to ensure fairness and alignment with the Isle of Man's unique economic circumstances.

General Consensus:

- Adjustments should reflect local economic realities and employer size to avoid inconsistencies.
- Members are concerned that isolated adjustments to compensation awards could create disparities unless part of a broader, systemic review.
- A transparent methodology and a balanced approach are critical for ensuring fairness and proportionality in implementation

Automatic Adjustments: Should compensatory awards be adjusted annually in line with the Retail Price Index (RPI) as in the UK?

Answered: 98 Skipped: 5





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Extended Redundancy Protection: Would you support extending redundancy protections for those returning from maternity or paternity leave to 18 months post-birth?

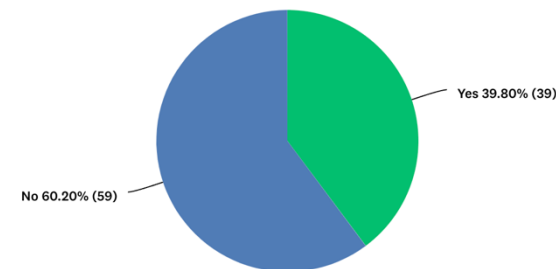
- Responses are divided between supporting workplace equality and concerns over economic impacts.

General Consensus:

- Support for strengthening protections for parents exists, but employers worry about hiring biases and additional burdens on small businesses.
- Current protections are viewed as sufficient by many.

Extended Redundancy Protection: Would you support extending redundancy protections for those returning from maternity or paternity leave to 18 months post-birth?

Answered: 98 Skipped: 5





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Carer's Leave: Would you favour introducing a statutory entitlement for Carer's Leave, whether paid or unpaid, to support employees with caring responsibilities?

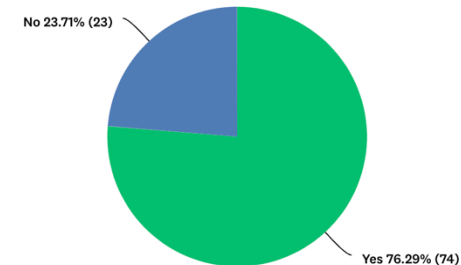
- Broad support in principle, but **many prefer unpaid leave** to reduce employer burdens.

General Consensus:

- Financial support for carers should come from government schemes, not employers.
- Clear definitions and limited timeframes are essential to prevent misuse.

Carer's Leave: Would you favour introducing a statutory entitlement for Carer's Leave, whether paid or unpaid, to support employees with caring responsibilities?

Answered: 97 Skipped: 6





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Neonatal Care Leave: Should the Isle of Man introduce additional paid leave for parents whose newborn requires neonatal care?

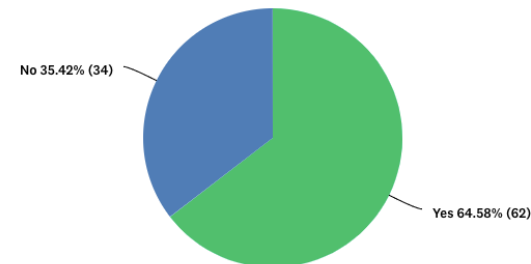
- Limited support as **current maternity leave provisions are deemed sufficient.**

General Consensus:

- Financial responsibilities for neonatal leave should fall on the government.
- Employers highlight the operational and financial strain of mandating paid leave.

Neonatal Care Leave: Should the Isle of Man introduce additional paid leave for parents whose newborn requires neonatal care?

Answered: 96 Skipped: 6





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Agency Worker Rights: Should agency workers have statutory rights to attend antenatal and adoption appointments, similar to UK provisions?

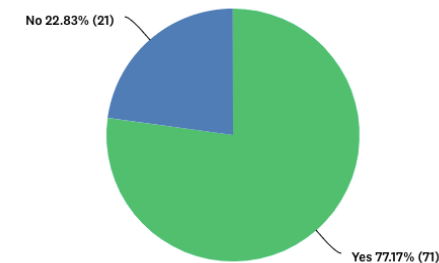
- Strong support for rights, but emphasis placed on these being provided by the agency, not the client organisation.

General Consensus:

- Flexibility and fairness are essential for practical implementation.

Agency Worker Rights: Should agency workers have statutory rights to attend antenatal and adoption appointments, similar to UK provisions?

Answered: 92 Skipped: 10





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Employment Status Definitions: Would clear statutory definitions of 'employee' and 'worker' help simplify employment rights for your business?

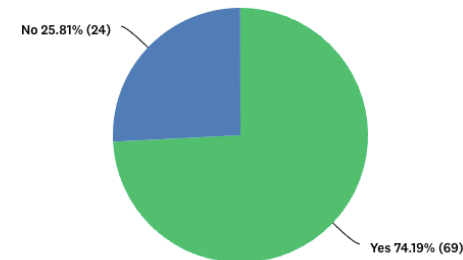
- Overwhelming support for statutory definitions of 'employee' and 'worker'.

General Consensus:

- Clear definitions reduce ambiguity and ensure fair treatment across businesses.

Employment Status Definitions: Would clear statutory definitions of 'employee' and 'worker' help simplify employment rights for your business?

Answered: 93 Skipped: 9





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Licence Requirements: Do you believe all employment agencies and employment businesses should continue to be licensed on the Isle of Man to ensure compliance?

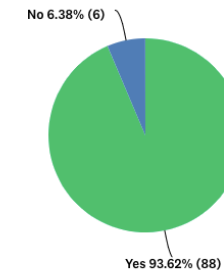
- Strong support for retaining licensing requirements for employment agencies.

General Consensus:

- Licensing ensures compliance, professionalism, and worker protection.

Licence Requirements: Do you believe all employment agencies and employment businesses should continue to be licensed on the Isle of Man to ensure compliance?

Answered: 94 Skipped: 8





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Licence Fee: Should the agency licensing fee, currently set at £108 since 1988, be adjusted for inflation?

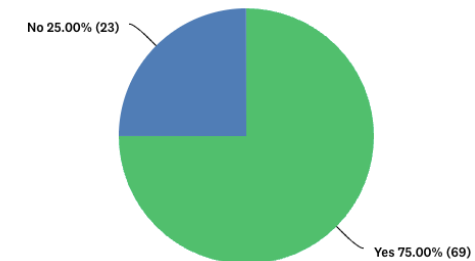
- General agreement on adjusting the outdated licensing fee, provided it reflects actual costs.

General Consensus:

- Members stress the importance of balancing increased fees with supporting industry growth.

Licence Fee: Should the agency licensing fee, currently set at £108 since 1988, be adjusted for inflation?

Answered: 92 Skipped: 10





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Ethical Standards: Would you support the introduction of a recognised 'gold standard' for ethical recruitment practices among licensed agencies?

- Cautious support for a 'gold standard,' with concerns about costs and bureaucracy.

General Consensus:

- Standards should balance professionalism and practicality, avoiding excessive burdens on businesses.

Ethical Standards: Would you support the introduction of a recognised 'gold standard' for ethical recruitment practices among licensed agencies?

Answered: 92 Skipped: 10

