

Employment Contracts Protect the Rights and Interests of Your Business

When we think of employing people, various different images come to mind. We think of resumes, job interviews, or even handshake agreements meant to finalize the hiring of individuals who will add value to a business or organization. What we often don't think of regarding the employing of people are legal contracts or the employment contract. Yet, without these, a business owner can find themselves in a sea of legal and financial trouble without a lifeline to save them. Legal contracts can be that lifeline.

An employment contract is one of many forms of legal contracts meant to not only protect the interests of a business, but also that of others like employees entrusted to work for you. As much as contracts tend to be looked at as legal safeguards used to protect one's self-interest, they should ideally also act as a way to create mutual trust and an environment where business relationships and activities can flourish. This should be the purpose of all legal contracts, and there's no reason why it doesn't apply to an employment contract, too.

Of course, there are various considerations that need to be made when creating one of these contracts. Because, without them, that handshake deal upon employment will be the only thing protecting you in the event of difficulties down the road. Legal contracts that serve as an employment contract should ultimately lay down all the terms of employment, so that when disputes arise — especially those resulting in termination — all your interests and even assets receive maximum protection and safeguarding.

That's why such legal contracts should include various things in pursuit of such safeguarding, such as job duties, length of contract, terms for revision, salary expectations, employer obligations, and so on. In fact, there exist a whole range of issues that a good employment contract should consider. It's in the best interests of the astute business owner to include as much as possible in order to mitigate confusion in the future.

Perhaps the greatest potential for confusion can come at a time when someone's employment is terminated, for whatever reason. Good legal contracts made way back at the time of hiring should include what the obligations and duties are for both sides when terminations occur, and who is liable for what under the scenario that has transpired. Without provisions like this in a good employment contract, an employer might be stuck with financial and legal headaches that simply could have been avoided. They can be avoided with the right contractual framework initiated from the start.

Another reason for the need for such contracts involves the growing complexity of today's working environment. What used to prevail is the notion that people would be hired by a company, and that that relationship would sustain itself for a considerable amount of time. This is no longer the single most dominant contractual relationship available to today's employers. Things like specialization and outsourcing give employers many more options at their disposal, while also giving workers and independent contractors an entry into the market, too.

Because working relationships are more fluid these days, so too should be a business owner's understanding of contracts and employment. Without it, unnecessary personal, legal, and financial turmoil can result. No business owner wants to be stuck with that, do they?

About the Author

James Cochran is the founder of ContractEdge, a provider of [legal contracts](#) and forms designed specifically for IT professionals and contractors. Created by attorneys who specialize in Information Technology law, ContractEdge [employment contracts](#) and legal agreements go beyond the standard provisions and include critical special provisions unique to the IT industry.

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