Going Global: Legal Issues for Employers

10.8.12

While many employers move jobs overseas in an effort to cut costs, other employers have added foreign employees in an effort to create an international presence or get to a toehold in another market. Still other employers may find that they have inherited foreign employees through a merger or acquisition of another business. Regardless of the reason, more employers are doing business in other countries, requiring them to become familiar with foreign employment laws and practices.

American employers may be surprised to learn that many commonly accepted employment practices in the United States may be culturally unacceptable or even illegal abroad. The hiring and firing of employees at will, setting working hours, requiring employees to agree to noncompetition agreements and even deciding whether to offer health-care, vacation or maternity benefits are all areas in which American employers enjoy a great deal of latitude, with relatively little government restriction or regulation. In none of these areas, however, can an employer assume that American practices can be freely transferred to another country.

While the rewards for doing business abroad are clear, there are plenty of pitfalls for the unwary employer.

This article appeared in the October 8, 2012 issue of Law Week Colorado.