Monthly Strategies

HR Strategies, LLC

Volume 23, Issue 8
August 1, 2026

What Leads to Lawsuits?

Employment lawsuits rarely occur from a single event. Often times they result from overlooked details, inconsistent enforcement, and poor communication. When an organization handles a workplace issue carelessly, employees have the chance to fill the gaps with their own assumptions and often times those assumptions lead to lawsuits.

Below are some of the reasons that frequently land employers in court and some suggestions to assist in avoiding these pitfalls by strengthening compliance and workplace decision-making.

Performance review sabotage: A manager or supervisor tolerates poor performance for months, then moves to terminate even though their personnel file shows either "meets or exceeds" ratings on their evaluations. This makes the firing looks suspicious and invites a discrimination claim.

Suggestion: Document consistently: Make written evidence of poor performance a prerequisite for any termination.

Inadequate separation reasons: Letting an at-will employee go without any explanation gives the employee room to invent one, often assuming retaliation or bias.

Suggestion: Memorialize separation reasons: Put the honest reason for a termination in writing so employees cannot fill the gap themselves.

Insufficient interactive accommodation processes: Not fully engaging in or going through the interactive process for a disability accommodation request, can lead to Americans with Disabilities Act (ADA) claims.

Suggestion: Use accommodation checklists: Standardize the interactive process and keep job descriptions accurate, current and include the physical requirements of the position.

Poor investigation practices: Delaying, rushing, or skipping an investigation into a complaint sends a message to employees that their concerns do not matter and erodes trust across the organization.

Suggestion: Standardize investigations: Identify trained investigators in advance, follow clear steps, and close the loop with whoever filed the complaint.

Untrained or poorly performing managers: Supervisors or managers who misunderstand the law drive employees out or mess-up compliance requests, exposing the company to liability.

Suggestion: Invest in manager training: Coach supervisors on the essentials, centralize HR decision-making, and remind them of personal liability.

Wage and hour compliance errors: Sloppy time tracking, miscalculated regular rates of pay, and misapplied exemptions fuel costly wage claims.

Suggestion: Track hours and pay carefully: Get the basics right on the regular rate of pay and record every working hour.

Failure to follow company policies: A thorough handbook means little when one employee faces discipline for a violation and another is not handled similarly.

Suggestion: Enforce policies evenly: Update handbooks as laws change, review the relevant policy and how it's been handled previously for others before disciplining anyone.

Misclassification of employees as contractors: Engaging a worker as a contractor while controlling their work like an employee violates the Fair Labor Standards Act.

Suggestion: Audit classifications regularly: Track current U.S. Department of Labor guidance and reassess contractor relationships often.

Neglecting leave alternatives: Terminating an employee the moment their Family and Medical Leave Act leave runs out is ignoring that added leave can be a reasonable ADA accommodation.

Suggestion: If an employee tells you they cannot return when FMLA expires, avoid automatically terminating employment. Instead:

- Request updated medical information if appropriate.
- Determine whether the employee has requested or may need a reasonable accommodation under the Americans with Disabilities Act.
- Engage in the interactive process to discuss possible accommodations.
- Document the discussions and any decisions made

Maintaining an unhealthy work environment: Allowing bullying and incivility to fester builds opportunities for conduct that genuinely breaks the law.

Suggestion: Build a respectful culture by setting a top-down standard of zero tolerance for harassment, with clear reporting channels. Strong compliance is not a one-time project. It is a daily practice that protects your people and your bottom line.

Workforce Pell Opens New Doors, But Employers Will Shape Its Success *by Roy Maurer*

New federal aid for short-term credential programs promises to expand access to workforce training, but implementation challenges and employer partnerships will determine whether the initiative reaches its full potential.

Employers have called for faster, more flexible pathways to help workers gain the skills needed for today's labor market. Community colleges, workforce boards, and state agencies have responded by expanding short-term credential programs in high-demand fields ranging from advanced manufacturing and healthcare to information technology. Yet one obstacle has consistently limited participation: financial aid.

Beginning July 1, the new Workforce Pell program expands federal Pell Grant eligibility to qualifying short-term workforce training programs, marking one of the most significant federal investments in workforce education in years. Unlike the traditional Pell Grant, which generally requires longer academic programs, Workforce Pell allows eligible students to receive need-based financial aid for programs lasting between eight and 15 weeks and totaling 150 to 599 clock hours.

For HR leaders facing persistent skills shortages, Workforce Pell could eventually broaden the talent pipeline by making high-quality credential programs accessible to workers who previously could not afford them. But education and workforce experts caution that the rollout will be gradual, with relatively few programs qualifying initially and states still developing the systems needed to administer the new benefit.

"Workforce Pell can break down barriers for learners who often have had limited access to need-based financial aid because their programs do not meet credit hour requirements," said Jennifer Stiddard, senior director of government affairs at Jobs for the Future. "This program expansion has the potential to broaden pathways to quality jobs and expand opportunities for learners and workers from a wide range of backgrounds to pursue careers that lead to economic advancement."

In future editions we will provide more information on the Workforce Pell and how it expands access to short- term, career-focused training programs; how it may support employer efforts around upskilling, reskilling, credential attainment, and workforce development; and how eligible workers and learners may use Workforce Pell to pursue approved training programs tied to in-demand occupations.

Contact HR Strategies at 302.376.8595 or info@hrstrategies.org if you would like support or would like to learn more about the items in this newsletter. Please contact us if you would like to be removed from our Monthly Strategies mailing list or if you would like for us to add someone to our mailing list.