



Protecting Your Business: Choosing the Right Employment Agreement

How to Use This HR@Work Tool

Employment agreements can help protect your confidential business information, customer relationships, employees, intellectual property, and other important business interests. This HR@Work Tool helps you identify the employment agreements that may be appropriate for your organization.

For a more detailed discussion of each type of agreement and important Massachusetts legal requirements, see our companion *HR Insights, How Do You Protect Your Business? A Practical Guide for Massachusetts Businesses*. Download it at www.YourHRatWork.com under Publications/HR Insights.

What Do You Want to Protect?

Before choosing an employment agreement, think about what you want to protect. In many cases, more than one agreement may be appropriate. The chart below is a good place to start.

If You Want to Protect...	Consider...	Why It Matters
Confidential business information	Confidentiality Agreement	Helps protect confidential business information from unauthorized use or disclosure
Customer relationships	Customer Non-Solicitation Agreement	Helps protect customer relationships after employment ends
Employees	Employee Non-Solicitation Agreement	Helps reduce the risk of former employees recruiting your employees
Intellectual property	Invention Assignment Agreement	Clarifies ownership of inventions and other work created for the business
Your business from unfair competition	Noncompetition Agreement*	May help protect certain business interests when other agreements are not enough

* Massachusetts law places significant restrictions on the use of noncompetition agreements. They should be used only when appropriate and when all legal requirements are met.

 Don't assume you need a noncompetition agreement. For many employees, other employment agreements can provide the protection your business needs. Choose agreements based on the employee's job responsibilities and the business interests you want to protect.



7 Common Mistakes to Avoid

Employment agreements can help protect your business, but only when they are used appropriately.

1. **Using the same agreement for every employee.**

Not every employee needs the same agreement. Select agreements based on the employee's job responsibilities and what you want to protect.

2. **Assuming every employee needs a noncompetition agreement.**

Many employers can adequately protect their business with confidentiality, customer non-solicitation, employee non-solicitation, or invention assignment agreements.

3. **Waiting too long to use an agreement.**

Whenever possible, have employees sign employment agreements before they begin work or before they take on new job responsibilities. Waiting until after employment begins may create legal or practical challenges.

4. **Using outdated agreements.**

Review agreements periodically to ensure they reflect current business needs and changes in Massachusetts law.

5. **Relying on generic forms or templates.**

Templates found online may not comply with Massachusetts law or reflect your organization's needs.

6. **Not explaining the agreement to employees.**

Employees are more likely to understand and comply with an agreement when they know why it is being used and what it covers.

7. **Forgetting to review agreements when job responsibilities change.**

A promotion or significant change in duties may be a good time to review whether existing agreements remain appropriate.

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