Proskauer

Proskauer Releases Survey Results on Delivering Value in Labor and Employment Law

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October 11, 2017 (New York) – In this rapidly changing business landscape, the pressure to adapt, foresee and manage legal risk while reducing spend continues to rise for in-house lawyers responsible for labor and employment. International law firm Proskauer has released its report on their second *Value Insights: Delivering Value In Labor and Employment Law* survey which addresses how in-house counsel can better maximize the performance of their own legal team; optimize partnerships with outside counsel; enhance collaboration with HR and other business units; and manage and mitigate labor and employment risk. The report serves as a benchmarking tool for in-house counsel and provides unique insight on how their peers address key challenges.

“With the focus on federal deregulation, there has been an increase at the state and local levels surrounding the scope of protections under the discrimination, leave and wage and hours laws,” said Elise Bloom, co-chair of the Firm’s Labor & Employment Department and co-head of the Class & Collective Actions Group. “With the continuing pressure to do more with less, the survey provides information on how in-house lawyers are allocating intellectual and financial resources to manage labor and employment matters and increase the value added to their business partners and organizations.”

This year’s survey expands upon last year’s inaugural release, including more than 300 respondents across a wide range of industries and geographic coverage. Almost half of the survey respondents work for businesses with annual revenues of $1 billion or more, and half work for businesses with at least 1,000 employees. Respondents are decision makers and influencers in labor and employment matters, including 64% who are in Chief Legal or Associate/Deputy General Counsel roles.

Key findings from the *Value Insights: Delivering Value In Labor and Employment Law* survey include:

The average in-house legal team is comprised of 20 lawyers, three of whom handle labor and employment work. Only one in-house lawyer focuses solely on labor and employment.

- Only 11% of in-house legal teams were able to increase headcount in the past year.
- 79% of advice and counseling is handled by in-house counsel and this consumes 45% of their time. 76% of litigation is handled by outside counsel and this only consumes 20% of in-house counsel's time.
- In the past year, the average number of labor and employment related claims received were 12 threats of litigation or demands from potential plaintiffs, 9 administrative charges and 5 non-class action lawsuits.
- One in five businesses faced a class action lawsuit in the past 12 months. Collectively, the respondents faced 125 class actions in the past year.
- While discrimination claims were the most common (and predicted to increase), respondents were most concerned with Wage and Hour claims as these often arise in, or evolve into, class action disputes.
- On average, respondents spent $4 million a year on outside legal counsel.
- One-third of companies did not set a budget for legal spend and of those who did set a budget, only 36% met their budget.
- Unpredictability in budgeting and predicting labor and employment legal spend emerged as a theme: 24% of respondents expect to increase legal spend in the coming year, while the same percentage expect to decrease legal spend.
- The average business works with 4 firms for labor and employment matters and nearly one-quarter fired a law firm in the past 12 months.
- 34% of respondents use AFAs for at least some labor and employment work, with litigation being the most common type of work billed on a non-hourly basis.
- 76% of respondents meet regularly with the Head of Human Resources and/or Business Units.
- 81% of respondents have taken various measures to mitigate and manage labor and employment risk.

Only 9% of respondents sit on the board of their company and only 20% in a labor and employment role have a voice on the board.

View the *Value Insights: Delivering Value in Labor and Employment Law* survey.

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