

Hiring Paralegals Over Lawyers

By: Vanessa Vidal

Are companies hiring paralegals over lawyers? It looks like that might be a trend gaining some traction. The economy is not necessarily on the rebound, and signs of improvements are nothing if not unpredictable and unsteady. After gaining jobs for two straight months, the legal sector lost 1,300 positions in March, according to preliminary data released Friday by the U.S. Bureau of Labor Statistics. Most worrisome are predictions that lawyer jobs may be on the decline.

The Bureau of Labor Statistics predicted, “Growth in demand for lawyers will be constrained as businesses increasingly use large accounting firms and paralegals to do some of the same tasks that lawyers do.” The report estimated that overall legal sector employment will increase 11 percent by 2020, and that paralegal and legal assistant jobs will surge 18 percent.

The good news is that companies are hiring, the bad news is that they are only doing so very selectively. With law departments on the brink of having operated by “doing more with less” for several years, some are looking to hire help. But experts caution that companies aren’t necessarily hiring lawyers. The bulk of the hiring seems to be dedicated to paralegals and contract managers. When it comes to hiring lawyers, the numbers are still very low, and the competition very stiff. That competition will grow even stiffer in the years to come as the Bureau of Labor Statistics predicted that the number of lawyers practicing in the country would grow 10 percent between 2010 and 2020—from 728,000 to 801,800.

While most of the commoditized work may be increasingly relegated to paralegals and legal assistants, companies will still need lawyers. Although many paralegals are skilled in certain legal areas and procedures, they are not necessarily experts regarding complex legal questions. Just because a nurse can take provide a great procedure, it does not mean that a nurse can take over a patient’s care. Companies trying to save money by relying primarily on paralegals to handle matters from beginning to end, and to respond to all client questions, without attorney supervision would be a recipe for disaster. This is not rocket science. If you check into a hospital for heart surgery, you want to be operated on by a skilled heart surgeon, not by a registered nurse or a therapist.

Lawyers will still be required to oversee matters, especially those with strategic implications, and will be able to do so more cost effectively in-house rather than as outside counsel. However, in-house lawyers will need to do more to demonstrate their value and contribute the bottom line. In addition to providing excellent legal services, they will need to be increasingly more strategic by identifying growth and revenue opportunities, while minimizing costs.

Also law degree and law firm experience are no longer enough to make the cut. The lawyer that has spent five to ten years with a big law firm doing sophisticated work may find it challenging to land an in-house job. Many of today’s in-house lawyers have a broad multi-area practice, industry-specific experience, an M.B.A.’s, tested management and budgetary skills, and broad international experience. In other words, versatility is key. While many companies will turn to less expensive alternatives by hiring more paralegals and contract managers, lawyers will still be in demand. However, they will be more accomplished and well-rounded than before, for in addition to facing increasing peer competition, they will now face less expensive alternatives that will look very tempting to many organizations focusing on short term solutions and easy ways to cut cost.