

Half The GCs Surveyed Are In A Firing Mood

By: Leslie White

About half the GCs surveyed are in a firing mood, according to a survey by Altman Weil. These GCs say they have fired, or may fire, some of their outside counsel, the Recorder reports. Last year, only around one-third were giving their outside counsel the ax, or considering it.

Whatever you want to call them – layoffs, downsizing, rightsizing, reductions in force – the global economic situation has resulted in more job losses and unemployment than the United States has seen in generations. Since late summer of 2008, more than 5 million U.S. jobs were lost.

While employers lay off workers because there isn't enough work or as a cost-cutting measure, layoffs create potential significant legal costs if they aren't done well and morale, productivity, and loyalty in the workplace may suffer among the employees who are left.

Even law firms that are retained may see less work. Twenty-six percent of the chief legal officers said they planned to decrease their use of outside counsel this year, compared to around 16 percent who had such plans last year.

Asked to rank the most important factors that could improve their working relationships with outside firms, the respondents identified discounted fees, improved responsiveness, better project staffing and familiarity with the company's business as most important.

The legal consulting firm's <u>survey</u> (PDF), conducted in May and June, garnered responses from 126 chief legal officers, nearly half of them from companies with revenues of \$2 billion to \$10 billion.

Meanwhile, the survey holds some good news for lawyers who want to move in-house. Almost half the general counsel planned to hire more in-house lawyers, compared to around 40 percent last year.

© 2008 ESQ Recruiting LLC. All rights reserved.