

Arbitration prevents court fights
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The Record

Q. Should my company require our employees to sign arbitration agreements?

Employment litigation can be very expensive. The best way to avoid it is to make sure your employment decisions are legally sound and that your company has all of its personnel policies reviewed by an experienced employment law attorney.

Should a dispute arise, however, more and more employers are avoiding expensive court proceedings by entering into arbitration agreements with newly hired and existing employees.

Arbitration eliminates a jury trial, with its potential for a runaway jury verdict and adverse publicity, and often is more streamlined and cost-effective than a court proceeding.

Employers must be careful when seeking to have employees enter into binding arbitration agreements, especially when those agreements require employees to arbitrate discrimination claims.

Arbitration agreements are different from other employment contracts or policies. They cannot be imposed on employees unilaterally without their express agreement.

Considering that employees are being asked to waive important legal rights when entering into arbitration accords, courts will scrutinize the circumstances relating to the agreement to arbitrate. Over the years, courts have looked upon arbitration

clauses much more favorably, but still will refuse to enforce arbitration clauses if they are unconscionable or too one-sided.

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Do you have a business question for a lawyer? E-mail businessnews@northjersey.com.

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