Employment Arbitration Agreements: Effective Design and Implementation

Over the past two decades, more and more employers have instituted employment arbitration programs in the hopes of reducing their legal liability and litigation expenses. In deciding whether employment arbitration is the right choice for a particular employer, an organization must analyze the pros and cons of the process. The advantages and disadvantages of the system are susceptible to change through the actions of the courts and Congress, making it necessary to be aware of the latest legal trends on the subject. If an employer decides that it wants to institute an arbitration program for its employees, it is critical that the employer designs a program that courts will enforce. This article examines and discusses each of these issues, and provides suggestions for employers considering employment arbitration.