

PORTUGUESE M&A RESURGENCE BOOSTING LAW FIRMS' EMPLOYMENT PRACTICES - PBBR

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Law firms in Portugal are seeing a substantial increase in employment-related work arising from the resurgence in mergers and acquisitions, though cost-efficiency will continue to be a major concern for companies, according to Benjamin Mendes, partner at ABBC in Lisbon.

Mendes says that advice regarding restructuring, collective dismissals, individual employment terminations, the restructuring of benefit plans, as well as the renegotiation of collective bargaining agreements continues to provide a steady stream of work for law firms' labour teams. In addition, instructions relating to outsourcing projects, cross-border and data protection issues – as well as disciplinary dismissal procedures and litigation – are also commonplace, he adds.

However, according to Mendes, although the crisis is receding and the country is creating jobs, the current economic conditions in Portugal are still obliging companies to adopt measures aimed at trimming costs. He adds that this will inevitably result in redundancies and a restructuring of benefit plans, although Mendes says this is counterbalanced to an extent by the increase in M&A, which is driving recruitment.

Mendes identifies three major challenges facing companies in the short term: managing their workforces in a sustainable way; taking advantage of technology and affording employees greater flexibility, such as offering telecommuting; and finding a balance between the necessary legal protection of employees and companies' needs to remain cost efficient and competitive. Mendes says restructuring will be a key trends in the coming year, which is likely to mean collective redundancies and, in turn, an increase in labour litigation.