The 2020 Legal Technology Job Market Year in Review

Like the stock market of 2020, some sectors in the legal technology job market soared with new opportunities while other areas halted, right-sized, RIF’d, and now aim to rebuild, re-establish buy-in, and re-staff.

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The COVID-19 pandemic radically altered the landscape of the legal technology job market, but not entirely in unanticipated ways. TRU’s 2019 Year in Review hinged on the observation that 2019’s legal technology job market trends were continuations and culminations of steadily emerging annual patterns. These trends, specifically remote/work-from-home and contract workforce augmentation, as well as the converging of disciplines, have been hyper-accelerated this year to the point of incredulity.

Other unforeseen new realities have also developed as direct results of our work-from-home containment in 2020, some of which have irrevocably changed hiring practices and industry segmentation growth potential. Like the stock market of 2020, some sectors in the legal technology job market soared with new opportunities while other areas halted, right-sized, RIF’d, and now aim to rebuild, re-establish buy-in, and re-staff.

Data Privacy and Compliance Jobs Prove Most Resilient

According to research conducted by LawCrossing, “Legal Project Manager” job openings went from a whopping 7,116 in April 2019 to an unbelievable 113 by September 2020. “Legal Operations” jobs counted 3,075 in April 2019, then plummeted to a jaw-dropping 34 by September 2020. Conversely, “Compliance” positions, which included privacy jobs, went from 592 openings in April 2019 to only 435 by September 2020. In Q2 2020, TRU tracked over 300 net new data privacy openings in the United States alone and only dozens of ESI, LPM, and legal operations roles. In Q4, well over 1,000 new privacy-centric roles opened in the United States, most of them in the corporate sector.

The reasons privacy-related roles did not evaporate in mid-2020 is three-fold: instant opportunistic demand for technology development requiring privacy compliance oversight (apps for contact tracing, doctor/patient video chat, healthcare tech); corporate top-down recalibration of strategic data governance and privacy leadership; and sudden regulatory risk and compliance requirements surrounding employee and HIPAA-protected data that demand previously unnecessary oversight (i.e., taking employees’ temperatures).

Couple these pandemic-related privacy market shifts with the
raging tide of national privacy regulation legislation sweeping the globe in every country except the U.S., India, and China (though that may change in 2021), and the data privacy job market became the most resilient segment of the legal technology ecosystem in 2020. This resilience morphed into momentum in Q4 and has set the stage for an enriched job market for entry to mid-level privacy professionals to find employment and growth opportunities in 2021. Prior to the pandemic, 2020 was predicted to be a year for mid-level privacy and entry-level growth; instead, 2020 forced corporations to rethink their top-down privacy strategy allowing for an unusual number of CPO-level roles to resurface in Q2 and Q3, which will lead to staff building in 2021.

For legal operations professionals, the job market remains bleak, and compensation is moving away from 2019 highs. For e-discovery professionals, who comprise a substantial segment of the legal project management community, the bell curve of increased opportunities hit squarely in late Q3 and jobs have been abundant ever since; however, the jobs are mostly contract or contract-to-hire opportunities, not full-time direct hire roles. In Q4 2020, three of every four TRU placements for ESI project managers and analysts were a contract or contract-to-hire employee.

**The Proliferation of Contract Jobs**

From 2016 through 2019, contract augmentation comprised 44%, 40%, 44%, and 33% of total placements made by TRU Staffing Partners. The dip to 33% in 2019 speaks to the strong economy, higher demand than supply of talent, and budgets to win talent with higher full-time compensation packages that would be sustainable for years to come; but, by close of 2020, an estimated 69% of all candidates hired through TRU this year will have been/are contractors.

COVID was fuel on the fire of an already emerging preference by employers and employees alike to hire talent in legal technology on a contract or contract-to-hire basis. The stark difference in 2020 was a sudden, highly skilled abundance of immediately available talent. The same thing happened in 2009. Since much, if not all e-discovery work is case/project-based, this has become the primary hiring modality for vendors, law firms, and corporations for the last nine months and will continue to be for years to come. The most requested skill sets for ESI talent on contract include plug-and-play Relativity skills, customer service and client satisfaction, data processing skills (Nuix, Relativity, Ipro), and TAR/CAL workflow deployment.

In data privacy, CPOs struggled in 2020 to get enough full-time headcount approval to run a program effectively and progressively, so they turned to contractors to achieve project-based goals. Many privacy hiring managers were skeptical that privacy talent would be available on contract, but the pandemic marketplace opened this approach for hundreds of corporations that were not already staffing with contract resources. The highest requested set of skills for data privacy contractors in 2020 included CCPA deployment/refinement, employee data privacy, product development for healthcare technology, Brazil’s LGPD, and OneTrust implementation (whose win as Inc.’s #1 Fastest Growing Company in America also helped thrust data privacy into the limelight yet again).

The employers that hired mid-market full-time employees, not contractors, in Q2 and Q3 were mostly ones that received PPP loans. The terms of the PPP loan gave small businesses the
incentive to not only retain but hire additional staff for which the payroll for a period of six to twelve weeks was essentially loaned and forgiven. So, startups, software companies, and service providers hovering under $30 million in annual revenue were likely those that staffed up full-time hires midyear, while the big vendor players/law firms/Fortune 1000s waited for clear signs of recovery both internally and externally. Many are still waiting, and others are now hiring contractors aggressively.

**Things That Changed and Will Never Be the Same**

**Interviewing:** Everyone got comfortable interviewing and hiring via Zoom and phone in 2020—maybe too comfortable. The expectation of video Zoom availability recalibrated what it meant to work from home and how casually people presented themselves to each other over Zoom versus how they would in an office. Suddenly, and perhaps wonderfully, interviews have become less about how you dress and all about how you express when an employer judges you exclusively through the lens of a camera. For the last nine months, no one has lost a job offer over a poor choice in shoes. Interviewing, much like employment itself, will likely never go back to a 100% in-person process. The expedience of using video interviewing as a legitimate means to conduct first-pass reviews of talent has been adopted, and to expect an acceptance of a complete reversal of this global cultural adjustment may point more to the inadequacies of an employer’s hiring process in a post-pandemic job market in the eyes of a sought-after candidate who does not want their time unnecessarily wasted.

**Remote working:** From 2014 to 2019, TRU tracked how many hires made were remote or remote hybrid versus fully in office five days a week. In 2014, only 4% of jobs were remote. By 2019, 30% of hires through TRU were remote. At the end of 2020, 72% of all new hires will be remote hires. The pandemic has allowed employers to now shop for talent in almost any geography. This has expanded the talent pool infinitely for most, but also increased competition. Job seekers in the future must consider that location will no longer dictate a culling of resumes the way it did in years past, and talent in lower-cost-of-living areas with equal or comparable skills to peers in big cities may find themselves having an advantage in 2021 because they require lower base compensation.

**Educating Online:** The most frequently asked question during interviews in 2020 was, “What are you doing with any downtime you might have during the pandemic?” If your answer to this question was some version of “I invested in my professional development by getting additional training and/or certification online,” then you will have an advantage when job searching in 2021. Hiring managers who won’t have budget to steal talent with higher compensation will turn to less experienced, less expensive talent with some training and the right attitude/aptitude to step into emerging and newly created roles in 2021. Many of these roles will be in privacy at corporations, but a solid amount will also be in e-discovery and at ALSPs throughout the legal ecosystem.

The rippling effects of the pandemic on the legal technology job market during 2020 will likely point to even more clearly defined patterns and trends that will impact everyone’s earning and growth potential in the decade to come. Be sure to read TRU’s “Top 10 Predictions for the LegalTech Job Market in 2021,” coming in January only through Legaltech News!

**Jared Coseglia** is the founder and CEO of TRU Staffing Partners, a cybersecurity, e-discovery, and privacy staffing firm celebrating its tenth anniversary in 2020. TRU has won dozens of accolades, including repeatedly being awarded an Inc. 5000 Fastest-Growing American company and National Law Journal’s #1 Legal & Litigation Support Staffing Agency. Coseglia, who has placed over 3,000 professionals in his career, is a prolific contributor of original content and provides a one-of-a-kind perspective on industry staffing trends.