

Are You Too Junior for an In-House Attorney Job?

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The lateral job market between law firms and corporate in-house legal departments is a tale of two cities. What law firms are finding attractive in a potential candidate can sometimes be quite the opposite from what corporate legal departments are seeking. One of the best examples is experience. While attorneys with three to five years of experience are considered “hot” commodities by law firms, the great majority of corporate legal departments give them the cold shoulder. This begs the questions, are you too junior for an in-house attorney job?

The sweet spot for law firms that are hiring is three to five years of experience. There are several reasons for that. First, law firm associates with three to five years of experience have the highest level of attrition. According to statistics released by The National Association for Law Placement, almost 80 percent of attorneys at large law firms no longer work there five years later. The reasons for this high rate of attrition are varied. They include disillusionment with law firm life, not “cutting it,” being in a practice area that is drying up, or simply realizing making partnership is an unlikely goal. Whatever the reason might be, large firms hire significantly more associates than they plan on keeping for the long-term. Therefore, law firms are always on the lookout for talent to replenish these classes.

The other reason law firms have a strong appetite for attorneys with three to five years of experience has to do with their profitability. At this level of experience, associates can tackle more complex work with little supervision at a relatively affordable hourly rate. Whereas law firms claim to lose money on associates during their first three years of practice, they have plenty to gain once these same associates have been trained and can handle the bulk of the work partners are bringing in. They are instrumental to a law firm’s profitability.

When it comes to in-house legal departments, the story is quite different. Corporate legal departments are generally not interested in attorneys with three to five years of experience. Of course, there are always exceptions that prove the rule, but what we are discussing here is the rule, not the exception. Traditionally, corporate legal department are seeking experienced attorneys, with at least ten years of experience to join their ranks. The most sought-after candidates are transactional attorneys with strong business acumen, who can get up to speed quickly, understand operations, and deliver results in a fast, practical, and efficient manner.

Corporate legal departments are not good training grounds for junior and inexperienced attorneys. Corporate legal departments expect their attorneys to have a strong depth and breadth of knowledge, work independently, and with few resources. Generally, they are seeking attorneys who have developed a solid understanding of their industry, which also comes with practice experience. Sometimes, companies advertise for less-experienced lawyers who have been practicing for five to seven years. This is typically driven by a need to hire experienced candidates, but at a reduced cost. Attorneys with five to seven years can usually deliver the type of work handled by in-house legal departments, but they are generally less expensive than their more experienced counterparts. That said, more often than not, attorneys who are more experienced than the position requires fill these same positions.

What does this mean for junior-level attorneys with three to five years of experience? It’s typically best for them to hold off on their in-house search for a while. There are several reasons why they should wait. The most obvious one is demand. There simply isn’t much of a demand for junior attorneys in-house. Junior attorneys need to be patient and wait before trying to make a lateral move in-house. We are not likely to see an increase in demand for junior-level attorneys in-house, even if the economy picks back up. Attorneys thinking about going in-house should focus on developing

their practice skills, business sense, and industry-specific knowledge. Attorneys typically start being marketable in their fifth year, and have more available options starting in their tenth year in practice. In the meantime, cultivating skills, until the optimum time has come to begin an in-house job search, is the best way to prepare for that type of lateral move.

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