

## The Current Job Market for In-House Attorneys

*By: Jesse Travis, Corporate Counsel Weekly*

**Editor's Note:** ESQ Recruiting is a national legal recruiting firm dedicated to the search and placement of in-house attorneys for companies in the United States and around the world. Vanessa Vidal is the President of ESQ Recruiting. She recently answered questions from BNA concerning the current job market for in-house attorneys who are seeking a position in a corporate legal department.

### **BNA: Why does ESQ Recruiting focus exclusively on in-house attorney search placement?**

**Vidal:** We believe that to recruit effectively, you need to fully understand the market that you are servicing-what the trends are and who the players are. We decided to focus on in-house search because our clientele was primarily corporate, and we felt that there was a need in the marketplace for this specialization. Our in-house specialization allows us to understand our clients' competitive landscapes, business strategies, and unique recruiting needs. We are experts on the in-house legal market, we know the neighborhood, and we can reach contacts within companies that may not be available to recruiting firms with a different focus. As a result, at ESQ Recruiting we have unrivaled access to and knowledge of corporate law departments and their in-house legal professionals in various industries across the United States and around the world.

### **BNA: Could you briefly describe your client base and what services you provide? Also, is all information kept confidential?**

**Vidal:** We represent companies of all sizes, from Fortune 500 to startups to non-profit organizations, and in a variety of industries, including but not limited to financial services, health care, consumer goods, aerospace, manufacturing, energy, and technology. We have completed successful searches ranging from general counsel to staff counsel to a company's first in-house attorney, and everything in between. All information provided by attorneys who register with us is kept strictly confidential. We do not submit resumes to prospective employers without the candidate's prior express permission, and we do not share any information with unaffiliated third parties without explicit authorization.

### **BNA: Should an attorney who is looking to change jobs work with more than one search firm?**

**Vidal:** If an attorney is searching for an in-house position, I recommend that they work with a couple of national legal recruiting firms; others with strong reputations include Major, Lindsey & Africa and Robert Half. When companies engage a recruiting firm, the relationship tends to be exclusive. Therefore, no single recruiting firm has access to all of the in-house attorney jobs that are available, and each recruiting firm tends to have its own unique client list. The opposite is true on the law firm side-I always recommend that attorneys looking for a law firm job select only one recruiting firm to represent them.

### **BNA: To what extent does the law school that an attorney attended affect employment prospects?**

**Vidal:** Because corporate legal departments tend to hire experienced attorneys, generally with a minimum of five years of experience, academic credentials don't carry as much weight as the attorney's experience. Companies tend to be more interested in a candidate's practical legal skills and abilities-in other words, they are looking for lawyers that can do the job and do it well, whether they graduated from Cardozo or Yale, and earned As or Cs. That said, if the candidates are equal in all other respects, the candidate who has graduated from a top law school might have a better chance of being interviewed over one who graduated from a less prestigious school.

**BNA: What advice do you have for attorneys who are currently unemployed?**

**Vidal:** If an attorney is able to ride it out financially and can afford to take a break, I would recommend that they get an MBA, which may give them an edge in their next job search. Otherwise, I would simply encourage attorneys to hold-on and not lose hope, because we are starting to see improvements in the marketplace.

**BNA: How has the legal search business changed in the last five years?**

**Vidal:** It has become a lot more competitive. Clients are engaging recruiting firms that are not just providing excellent candidates, but also adding value to the process, by learning about the client's business and thinking creatively and strategically about ways to improve its personnel.

**BNA: What trends are you seeing in compensation for in-house attorneys?**

**Vidal:** Base salaries have remained flat, and salary freezes are still in effect in a lot of companies. Today, the great majority of all salary increases are merit-based, which is pushing in-house attorneys to find more ways to add value to their organization. With the focus on tying compensation to performance, stock options also remain a popular form of compensation as a way to incentivize performance.

**BNA: What are the primary characteristics you look for when interviewing a candidate for a corporate legal department?**

**Vidal:** I look for someone with strong academic credentials who spent the first five years of their practice working with a well-known law firm. Next, I look for a very stable work history—in other words, someone who has made very few transitions and has stayed with a firm or a company for a significant amount of time. I look for industry specific experience, to make sure that the candidate is familiar with my client's industry. Finally, I look for candidates who are business savvy; in other words, candidates who can provide legal advice that is rooted in sound business principles.

**BNA: What type of work experience (i.e., experience in which legal practice areas) is most helpful to an applicant who is interested in a position in a corporate legal department?**

**Vidal:** Corporate legal departments primarily hire generalists with strong transactional experience. The best candidates are those that have a broad commercial and corporate background within a specific industry.

**BNA: How many years of experience does a typical candidate who is seeking an in-house legal job have?**

**Vidal:** The bare minimum is five years of experience. Most in-house counsels have at least 10 years of practice experience.

**BNA: What is the status of the job market for in-house corporate attorneys? Did it improve in 2010?**

**Vidal:** The market improved slightly in 2010 from the previous year. Hiring remains sluggish in most sectors of the economy, and corporate legal departments have learned to "do more with less." As a result, there continue to be very few openings available for a candidate pool that is as deep as ever.

**BNA: Is the in-house job market stronger for attorneys in certain parts of the country?**

**Vidal:** You tend to see geographic variations of practice areas more with law firms than with in-house legal departments.

**BNA: What industries and legal practice areas are currently particularly strong or weak job markets for in-house counsel?**

**Vidal:** Hot areas include corporate governance, regulatory, intellectual property, and healthcare. Cold areas are real estate, finance, and M&A.

**BNA: Do you ever place attorneys directly out of law school in corporate legal departments?**

**Vidal:** Never. Companies that hire in-house attorneys are looking for attorneys who are self-sufficient, who can work independently, with little support and almost no supervision. They are also looking for attorneys that can add "value" to the organization, which means that those attorneys must already be skilled in their practice area, be able to handle all of the documentation and processes that come with it, provide strategic advice to their company, and oversee the legal work of potentially more experienced outside attorneys. These requirements mean that corporate legal departments are not good training grounds for attorneys, which is why they do not hire straight out of law school.

**BNA: What are your predictions for the in-house legal job market in 2011?**

**Vidal:** Base salary increases will most likely remain flat in 2011. Legal departments have deeply cut expenses, and while they could potentially trim a little more, they have a lot less to work with at this time. The bleeding and heavy cost cutting has already happened; now it's more about maintaining status quo, and trying to keep people on board. There is a sense of resignation and acceptance when it comes to low base salaries and freezes. Counsels have no choice in the matter because no one else is offering anything different, and jobs remain hard to come by. Practices that will remain "hot" in 2011 include corporate governance, regulatory, labor and employment, and healthcare. M&A activity has been on a "wait and see" path for some time, but I predict that it will start picking up again. Companies will most likely go in "toe first," and will likely stay away from very large, multi-billion dollar deals in favor of "smaller acquisitions" to complement and strengthen their existing business, rather than enduring the burden and risk after a large M&A deal. As companies look to focus on expanding their core businesses and increasing their market share, they are likely to look outside of the United States as part of their competitive strategy. Therefore, we may see an uptick in international law.

**BNA: What trends are you seeing in the way that in-house corporate legal departments are utilizing law firms, and how do those trends impact the in-house legal job market?**

**Vidal:** The practice of law for corporate counsel has changed significantly in the current economic and political environment. In-house attorneys have seen their responsibilities and workload increase exponentially. As a result, the majority of in-house hires are generalists, who can do a multitude of things, from negotiating contracts, to managing litigation, to addressing compliance and employment issues. In-house attorneys today are doing more legal work at a lower cost, and as a result outside attorneys are increasingly retained for work in specialized practice areas, or for high volume work. This has been the trend for the last three years, and we do not expect to see significant changes over the next couple of years.

**BNA: How have the policies of and legislation passed by the Obama administration affected the in-house legal job market?**

**Vidal:** Companies are trying to respond to what has been termed to be "the most sweeping change to financial regulation in the United States since the Great Depression." As a result, they have increased their reliance on in-house attorneys, who in turn have had to further focus their attention on new provisions and requirements guiding corporate governance matters. This era of heightened scrutiny has also made regulatory demands and requirements increasingly more intrusive, and the practice more defensive. Companies are gearing up accordingly, which has resulted in a demand boost in this practice area.