

Recent Law Graduates Should Put Their In-House Dream On Hold

By: Vanessa Vidal

The lure of going in-house for many recent law graduates is as strong as ever. The number of recent graduates looking for in-house positions seems to have grown exponentially in the last year. Recent graduates cite various reasons from wanting to go in-house, ranging from an interest in business to disillusionment with the law firm practice. Whatever the motivation for going in-house, for most attorneys with five years or less of experience, that dream is unlikely to become reality. As a result, recent law graduates should put their in-house dream on hold. Here are some of the reasons why:

The In-House Hiring Market

Even in the best of times, when the economy is booming, and corporations and law firms alike are in the hiring market, opportunities for recent law graduates to go in-house are few and far between. Traditionally, companies hire experienced attorneys with five years or more of professional practice experience that can operate fairly independently. Why? Because most companies, unlike law firms, are not considered good training grounds for recent law graduates. Companies simply do not have the resources available to train recent law graduates.

In addition, most corporate legal departments are thinly staffed to begin with. In-house attorneys, unlike their law firm counterparts, are viewed as part of overhead. They are a necessity, but they do not contribute to the financial bottom line of the companies they serve. As a result, opportunities are limited, especially when compared to the law firm market. Few opportunities with many interested parties usually results in tough competition – even in good economic times.

What about those who are hiring? They are a fraction of the market out there, and they have the pick of the litter. For every position available, companies can expect to receive hundreds of resumes per week. And it's not just the sheer volume that's impressive, but the quality of the applicants as well. Out-of-work general counsels, and experienced Ivy League graduates, will send their resumes to junior-level positions – most of them willing to take the pay cut, and get back to the bottom of the totem pole. Whether they will stay after the economy picks up is another question. But for now, desperate times call for desperate measures, and many are willing to do whatever it takes – or take whatever job is available – simply to survive. How can recent law graduates compete against this? They can't.

The Catch-22 of In-House Hiring

If companies today can afford to be more selective than ever, even during the economic boon the hiring appetite of in-house legal departments was considered finicky. The “ideal” in-house counsel candidate is typically someone who has graduated from a top tiered law school, that has between five to ten years of professional legal experience, who began his/her practice with a prominent national law firm, focuses on a transactional practice, and is now working for a well-regarded company in the same industry as the one now hiring.

Even in good economic times, companies have expressed a preference for hiring attorneys who have both law firm and in-house experience. Ideally, companies are not just looking for law firm experience, but national law firm experience. Moreover, attorneys with only law firm experience, whether with a prominent national law firm or not, can face prejudice from companies who may view

them as too specialized, not business-oriented enough, and lacking in industry experience. That prejudice tends to grow in accordance with the length of time these attorneys have remained in private practice without ever stepping into the in-house world. Partner-level attorneys are viewed as having been on the “track” for too long, and are regarded as too “inflexible” and expensive to successfully transition in-house. In an employer-driven market companies get what companies want, whether or not these preferences are justified.

So if companies are looking for attorneys with both law firm and in-house experience, how do you make that first transition from firm to company? It’s a Catch-22. Clearly, there are companies hiring attorneys with only law firm experience, but again these opportunities are few and highly competitive. Your best chance to break into the in-house world is when the economy is booming, and companies have relatively fewer choices allowing them to somewhat soften their preferences. Whatever the pretexts or reasons behind company preferences that existed during the boom, these have only amplified in the current economic climate. When opportunities are few, why would law departments hire law firm-only attorneys or recent law graduates whom they always perceived as less than ideal, when they can hire one of their competitor’s experienced counsels?

Going In-House

What does it take to land an in-house position? As a recent law graduate, there are certain variables that are out of your control, mainly the condition of the economic market and your academic background. However, there are certain things you can work on to improve your chances. First, focus on a transactional practice. While there are litigation-based positions in-house, they are even more limited than transactional-based positions. Therefore, to improve your odds, you should consider focusing your practice on a transactional practice area. Next, broaden your search and be as flexible as possible. This means looking far and wide geographically, being willing to take whatever position is being offered to you, and taking a significant pay cut if necessary. The most important thing for you to accomplish is to acquire in-house experience. Making that first “big break” can help you put you on the map so to speak, and make you more competitive for better in-house positions down the road.

Finally, work on your connections and increase your network. The majority of in-house positions are never advertised or available to the general public. In other words, it’s often about being in the right place, at the right time, and knowing the right people. Whether or not you are actively looking for a job, you should always be working on increasing your professional network. This can be done by joining professional associations, getting involved in your community, or simply reaching out to practitioners with whom you share a common interest. So while you may have to put your in-house dream on hold until the market improves, it does not mean that you have to remain idle. Instead grow your network and sharpen your skills so you can be ready when that in-house opportunity comes your way.