

# Finders and Keepers: The Critical Role of Retention in Recruitment

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## A Changing Landscape

Most businesses responded to the economic downturn by scrutinizing all aspect of their operations. The provision of legal services (both from in-house departments and law firms) were no exception. As difficult decisions continue to be made about legal spending, there is a heightened focus on things like alternative billing arrangements, virtual law firms, outsourcing and 'insourcing'. Most CLOs plan to increase the size of their departments, an expansion that is being fuelled not only by the economic recovery, but also as a result of strategic plans to (to the extent possible) internalize legal work and rely less on external counsel. The growth of existing in-house departments, along with the continued establishment of new ones, will no doubt come as welcome news to the enormous pool of candidates wishing to go in-house. The question is: what does the increased movement in the in-house market mean for companies and their recruiting practices?

## More Supply, More Demand, What's the Problem?

While a huge pool of candidates *can* ease the task of recruiting the right people, increased work pressures, and the rapid expansion of in-house departments have a tendency of driving hiring decisions based more on immediate needs than on long term plans. Complicating matters further is the sophistication levels of candidates, most of whom are now extremely adept at finding out exactly what a company is looking for and tailoring their message accordingly. Lawyers used to sit tight in private practice until the perfect in-house opportunity arose. However, given the softened in-house market in 2008 and 2009, many candidates grew impatient and are now more willing to take a risk and accept a less than ideal in-house position in order to get a foot hold in the market and "trade up" when a better in-house opportunity arises. This practice can represent a considerable bleed for companies, costing roughly 300% of an in-house counsel's annual compensation to replace them!

## Recruitment is all About Retention

The high cost of losing an in-house counsel means that retention should be a primary consideration during any hiring process. The key for any company looking to recruit an in-house lawyer is knowing what it is looking for before starting the recruitment process and knowing the company's long and short term strategic plan, and the ways in which the in-house team fits within that plan. Implement a recruitment strategy for the hire and ensure that you:

- Understand your [and your team's] strengths and weaknesses, and hire people who help fill the gaps.
- Ensure the compensation package reflects the skills sought and is competitive. This can be challenging for most companies as information has not been readily available. The Counsel Network in conjunction with the CCCA has produced an annual compensation and career survey to assist companies.
- Select the right person, with the right skills, for the right job, at the right time, with the right attitude.
- Evaluate not only what the candidates do, their technical experience and track record, but how they do it and decide if their approach fits with the organization's culture.

- Look for traits which are becoming critical for in-house counsel, including communication skills, problem-solving ability, decisiveness, creativity, relationship building skills, ability to adapt to change and capacity for increased responsibility.
- Take references to identify the career path of each candidate and assess the implications of any anomalies.
- If working with a recruitment firm, make sure it takes a long term view of its own business, to ensure it tracks its candidates over a significant period of time and can offer considerable insight into their chronology, personal circumstances, strengths, weaknesses, etc.
- Upon hiring the candidate commit to informal and formal reviews on a regular basis and ensure that that the team's and candidate's goals are aligned.

Everyone wants to go in-house! Well, not quite, but almost. And while this huge pool of candidates can represent a boom for employers, many are not taking the time to carefully consider the applicants with respect to their long-term fit with the company. As lawyers become savvier about the job search process (and more desperate to move in-house), employers must be more (not less) strategic with respect to their hiring decisions. The company's long and short term plan, the skill sets of the existing lawyers, any new practices being adopted in the in-house department and a particular candidate's commitment level and ability to contribute to the vision of the company should *all* be carefully considered before a new lawyer is brought on board. It is only by going through a comprehensive process like the one described here that a company can select the best candidate with any degree of certainty. Although this may seem like a daunting task, the cost of getting it wrong is simply too high!

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