

Recruiters Face New Obstacles in an Unstable Market

In-House News:

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By Jen Woods

In today's uncertain economic climate, lawyers are more reluctant to change positions, forcing recruiters to come up with innovative strategies to convince them to reenter the job market.

About 70 percent of the 300 recruiters surveyed in the 2003 Executive Recruiter Index (Part I) said it had become harder to lure candidates to new positions. Candidates are rejecting positions they might have accepted when the economy was booming, according to the surveyed recruiters.

More than anything, the study results suggest lawyers don't want to gamble in an unstable job market. A typical lawyer is more likely to stay at an unsatisfactory job than take a chance finding a new one. About 84 percent of those surveyed said executives favored larger, "blue chip" companies with stability over smaller firms with high growth potential. In addition, 68 percent of the recruiters said that employees value cash compensation more than equity-weighted deals of uncertain value.

The employment website ExecuNet also conducted two studies in 2003, and they found that 20 percent of executives stayed less than one year at their jobs while 75 percent of officers had held three or more jobs over the past ten years.

"The attrition rate for experienced attorneys with about five years of experience has jumped dramatically, from 60 percent leaving their law firms in 2000 to 78 percent who left in 2005, according to NALP [National Association for Law Placement]".

Different risks are associated with different types of positions. In general, law firms offer more job security, more opportunities for career advancement, and higher salaries than in-house corporations. On the other hand, corporate counsels usually work less demanding hours and are faced with more diverse professional challenges.

"Unlike law firms, attorneys in corporate legal departments are generally not viewed as profit centers, but rather as part of a company's overhead. Therefore, legal departments in companies are more susceptible to the overall economic health of their companies," Alvarez said.

Additional factors can potentially make taking in-house positions riskier than taking law firm positions. For instance, according to Alvarez, "when there is a change of leadership at the top, new CEOs tend to restructure personnel at the senior executive levels, which can often mean a new general counsel who in turn will generate a new staff for the legal department. Mergers and other financial restructurings also tend to change the makeup of the legal department."

However, despite the potential stability risks, Alvarez notes that "in the last year, we have noticed an increase in attorneys transitioning from law firms to corporate legal departments."

"Most law firm attorneys who are switching to corporate legal departments have four main concerns: company stability, compensation, sophistication of the work, and opportunity for advancement," Alvarez said.

Some recruiting firms are implementing new strategies to help job candidates feel more comfortable about entering the job market. For instance, Korn/Ferry International, the world's leading provider of recruitment solutions, recently hired a relocation consultant to tour different neighborhoods and schools. The consultant then sets up informal meetings with executives to discuss how particular job changes or relocations would affect their lifestyles.

Recruiters have to work harder than ever to market job opportunities successfully. Therefore, many recruiting firms are providing more detailed job descriptions (including specifics about compensation, company background, and job skills) because candidates want to know as much as possible about positions before they express interest in openings.

"Attorneys should always weigh the pros and cons of different types of positions before accepting new jobs," Alvarez said. In general, in-house counsels and law firm attorneys have very different job requirements and levels of compensation. However, since in-house corporations are "much more varied than law firms in terms of their size, industries, and overall position in the marketplace," Alvarez said, generalizations about job stability, compensation, and advancement are not always accurate. Therefore, an attorney should look at the advantages and disadvantages of individual positions before making a decision.

General Counsel

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National Association for Law Placement

www.nalp.org

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