

Choose an In-House Counsel as You Would Choose a Business Partner

Actually, when you choose a general counsel, you are choosing a business partner, whether you admit it or not. Unless you are way off in understanding why you need in-house counsel at all, youâ€™d know that in-house counsel are hired for business exigencies that are quite far from how their work externally manifests.

Once, this is understood, it is easy to understand why, when selecting an in-house counsel for recruitment, you have to select the person in the same manner as you would choose a future business partner.

How has the dynamics between in-house counsel and businesses shifted?

A big change that has happened in the labor market over the past two decades is an emphasis of the change in employer-employee relationship. A rise in information connectivity, mobility, economic turmoil, and globalization with subsequent global competition has forced the way businesses were conducted. The focus is on resource optimization, greater information security, and relationship leverages.

Harsh economic realities forced employers to give up on trying to project themselves as bread-providers for generations, and employees, likewise, learned that no employer is for life.

The realization of this shift in employer-employee dynamics also changed the nature of relationships between in-house counsel and businesses. The real reason for creating in-house departments was to lower the risk of switching external counsel or law firms to businesses, as also to optimize workflows to an extent.

However, it worked as long as in-house counsel were more constant elements in the relationship matrix, and not as much of a variable as external counsel. But in-house counsel ceased being more reliable than external counsel, as soon as the permanency in the nature of employee-employer relationship got down to zero.

You are fighting with law firms in a war to win talent â€” the reason why legal recruiters are important

Both law firms and their clients, today, are engaged in a constant war for winning talent. Over the last few decades, companies had been routinely taking away the best and most promising associates from

law firms provided the associates in the organization. The recent recession has optimized and streamlined law firms so much that everyday now, you see law firms poaching senior in-house lawyers back to private practice.

Even though the movement of talent is not always harmful, and sometimes quite beneficial for all involved, the truth is law firms are now posing clear challenges to in-house departments and have evolved to stand neck-to-neck with large businesses. In fact, big law firms are now international and multinational businesses, something they were forced to become in order to outcompete in-house departments of large client businesses.

Ultimately, in-house counsels have to be put in a position where they have stakes in business processes, if retention of talent is crucial

The trend of creating in-house legal departments started from the desires of businesses to free themselves from being hostages to the whims and vagaries of outside counsel or law firms. However, the change in employer-employee dynamics over the past two decades has shifted the danger zone inwards, where an in-house counsel leaving an employer can hurt a business as much as a talented outside counsel or long-time law firm could, by suddenly denying services.

Any business that loses a senior in-house counsel runs the risk of having valuable knowledge of company business processes and internal practices handed over to competitors. Regardless of all employment contract clauses and professional ethics, a person cannot be prevented from applying his or her experience in similar situations and processes in other businesses.

The only feasible way to prevent such calamities is by turning in-house counsel into business partners, where they have more stake in the business and less chance to leave. That is why there are more general counsel on company boards today, than ever before in history. And that is why you need to be aware than ever before, that every in-house counsel you recruit is a potential business partner, and should be selected likewise.