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Navigating the
changing market for
in-house legal talent



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Introduction

Demand for workers is strong.¹ US unemployment is close to the lowest in 50 years.² And many executives and employees are considering leaving their jobs.³

The legal job market is riding the wave. According to the National Association for Law Placement, the number of lawyers making a lateral move between firms more than doubled between 2020 and 2021.⁴ At the same time, more young attorneys are eyeing an exit from their firm—often so they can pursue an in-house career.⁵

What else is happening in the current environment? And is all this activity simply a function of the economic cycle, or does it signal long-term shifts in legal employment? What lessons should current and aspiring chief legal officers (CLOs) take away about the changing nature of the legal profession?

To find out, we sat down with four executive recruiters who specialize in CLO hiring: Jaime Massar of Korn Ferry, Debbie Tang of Bridge Partners, and Bob Barker and Max Gelernter of BarkerGilmore. Here's what they told us.

What does the job market for lawyers look like in general, **right now?**

Jaime: It's a good time to make a move. For senior in-house lawyers, a lot of the activity behind the Great Resignation isn't from people who resign and stop working; it's from people who resign and go work somewhere else.

Debbie: Honestly, there aren't enough lawyers for anything right now—law firms or in-house. I've been recruiting lawyers for more than 10 years, and I practiced law for 10 years before that. And this market is one that I've never experienced.

At Deloitte, we've noticed what seems to be an increase by in-house lawyers going to law firms to build books of business and become active client service partners. Is this a trend you're seeing?

Jaime: I hesitate to say that it's fully a trend yet, but it is something we're noticing. Look, the compensation at big law firms has always been competitive. But right now, it's even more so, even at the associate to senior associate levels. That can be a motivating factor for some people.

Bob: Historically, a return to outside counsel is common at the end of a CLO's career.

Debbie: I'm used to seeing seasoned CLOs transition to a role at a law firm. What's different today is that we're seeing this kind of migration at the deputy general counsel level or below. The candidate could be someone who has no book of business, having spent the last 20-plus years in-house, and it doesn't seem to matter. Firms need people who can do the work.



Eighty-two percent of the respondents in Deloitte's 2022 CLO and CCO strategy survey report that they're working more than they were 12 months ago.⁶ At the same time, anecdotally, we're seeing more in-house legal departments looking to integrate well-being initiatives into their leadership and talent efforts, which suggests concern about stress in the workforce. Do you think the increase in work and likely increase in stress levels could be driving in-house lawyers to move back to firms?

Debbie: "I work so hard, I might as well get paid more." Could be. A lot of those leaving in-house positions after lengthy tenures are joining firms as partners. Sometimes it's the same firm where they started out as an associate. When you look at their life stage—mortgages, tuition bills, and so forth—additional compensation is especially important, and the law firms are offering it right now.

Jaime: We're also in a more hybrid-friendly environment for work in general. If firms offer a level of flexibility that's similar to what lawyers have in-house, that removes another perceived barrier to hiring for law firms.

Debbie: For some people, there's also the desire to just do something different. I do think the pandemic has made people re-evaluate what's important to them.

Explore more insights from Deloitte's 2022 CLO and CCO strategy survey [here](#).



Let's talk skills.

Which ones are in high demand for in-house counsel right now?



Max: Privacy and data security. These are skills that law schools haven't caught up with yet. Law firms are starting to ramp up practices in these areas, but I'd say we're still three or four years away from those big law associates with these skills being ready to make the move to an in-house role.

Jaime: We saw a spike in demand for legal counsel with data security and privacy knowledge when the General Data Protection Regulation went into effect. Now we're looking at what's happening in the United States. At the federal level, something may be coming down the pipeline given the various committees looking into how consumer data is protected. Meanwhile, with no federal rules in place, the state level is a messy patchwork. California, for instance, has codified its own set of robust privacy practices. So privacy and security will continue to be important. It impacts any consumer business.

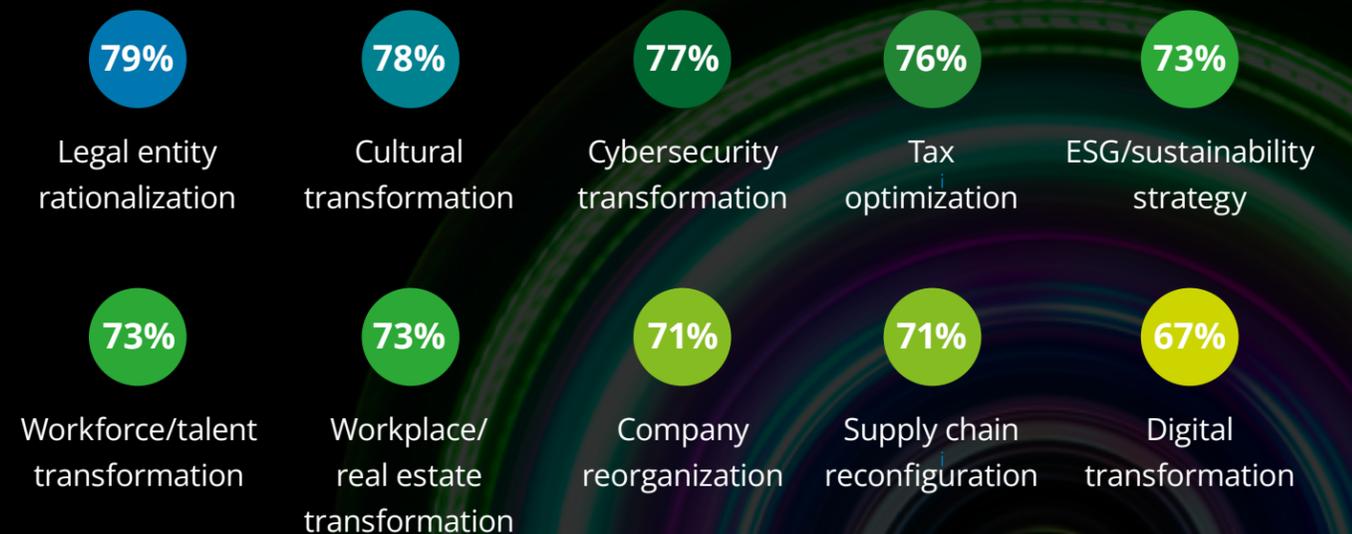
This aligns with what we're seeing, too. In fact, the legal executives in our strategy survey say the top five areas of importance are **cyber/data security, regulatory/compliance, privacy, talent, and litigation.**⁷

Debbie: Communications is another skill that's playing a much larger role than it has in the past. Although most organizations have communications and marketing departments, the CLO is expected to be a spokesperson as well. And internally, CLOs are often called on to coach others when a delicate situation comes up.

Want to learn more about communicating across differences? Explore [Business Chemistry for CLOs](#) and insights on the [future of legal leadership](#).



As the role of CLO becomes more expansive within the enterprise, the needs for a more robust set of leadership skills—including communication skills—is also rising. Deloitte's 2022 CLO and CCO strategy survey⁸ notes that CLOs are leading or co-leading enterprisewide efforts in the following transformational areas:



Then there's **government relations**, which sits at the intersection of regulatory knowledge and communication skills.

Jaime: That's right. Companies ignore Washington at their own peril—especially these days, when we could see some wild swings in policy depending on which administration is setting the agenda. So a legal department that's set up to deal with those swings continues to be important, even for companies in industries that aren't heavily regulated.

Another piece that has been particularly important for CLOs lately is the expectation from the American public for companies to take a stand on societal or political issues. CEOs and boards of directors often struggle with what they should or shouldn't say. They often look to the CLO to help them determine the appropriate action to take.



How do you see this notion of public accountability affecting the CLO's approach to environmental, social, and governance (ESG) concerns? By the way, our survey data indicates that more than 64% of legal executives are responsible for their organization's ESG strategy.⁹

Debbie: For some CLOs, the biggest part of ESG that they can contribute to is around governance. Like compliance and ethics, ESG requires a foundation of disciplined processes. That's something a lot of organizations are very focused on right now when it comes to CLO hires. But much like diversity, equity, and inclusion is different in every organization, ESG is different in every organization.

Do you think the legal profession could take a **bolder stance** toward enabling diversity, equity, and inclusion, or DEI?

Debbie: Our firm's CLO searches are always through the lens of diversity. Seventy-five percent of our placements are leaders of color, and the organizations that come to us have already embraced a more inclusive process. And our phones have been ringing off the hook in the last two years or so. I'm seeing more diverse candidates get a chance at a Fortune 500 CLO role that they may not have had in prior times. But we still have a very long way to go when it comes to bringing diversity to the legal function.

Jaime: One of the greater opportunities that we have right now is the fact that a large percentage of candidates are six to 12 months into a new role. That means they're unlikely to leave now. What a wonderful opportunity to expand your options by executing on DEI at senior levels! Keep in mind DEI has to be executed at every level in a legal department or a company in order to be effective—a token hire isn't in the same spirit.



Take a deeper dive on bold moves for **CLOs to drive DEI.**

Explore **five ways** CLOs can reimagine DEI.

What **advice do you have** for candidates on the brink of their first CLO job?

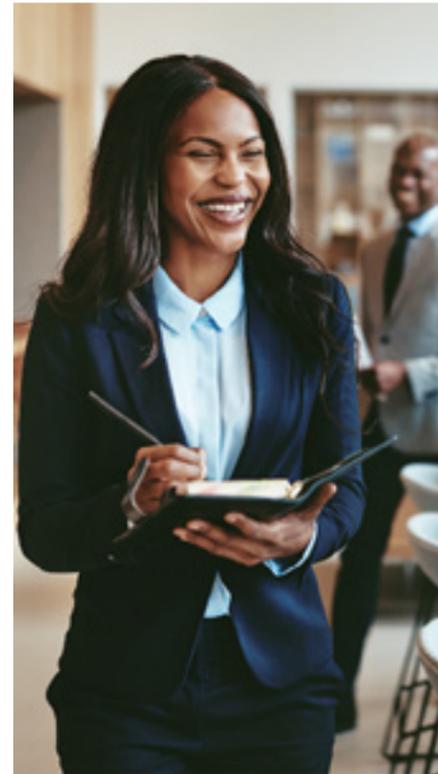
Listen to a perspective on transforming legal experience into board value.

Jaime: First and foremost, get some board-level exposure. If a CEO is taking a risk on a step-up candidate, they want to know they won't be embarrassed in front of the board. So look for those opportunities. Key litigation, crisis management, and M&A are all examples of activities that can put you in front of the board. M&A work can also help you improve your understanding of business operations and financials.

Bob: The finesse required to be a CLO is significant. When you're working with the CEO and the board, particularly if you're in a public company, your responsibility is not to them but to the company. That can create a little tension. Earning their trust is foundational to the role.

Jaime: The biggest differentiator for CLO candidates is their ability to provide an informed perspective at the executive table that is not a legal perspective. That's what CEOs and boards are looking for: a CLO with a decisive business orientation. Everything else—including the capabilities we just talked about—is table stakes.

Max: CEOs and others involved with these hiring decisions are looking for someone who has all the legal skill sets. But they also want a business partner and leader who can sit at the C-suite and have those conversations. A CLO candidate with both IQ and EQ—problem-solving and emotional intelligence—is the real deal.



Learn more about today's complex CLO leadership responsibilities and how to strike a balance between the **"four faces of the chief legal officer."**

What about those early in their legal careers—what should they do to **prepare for a CLO role?**

Debbie: Start with the goal in mind. What kind of CLO do you want to be? A Fortune 500 CLO is a very specific job. To get there, you'll need to follow a more complex route than you would to become the general counsel of a small company in your local area.

Jaime: Build a track record as a legal partner that has found a way to "yes." When I'm conducting a search, I always try to get references from business partners, not from other lawyers. As critical as it is to have exquisite command of your area of the law, it's equally critical for somebody outside the legal department—say the head of a business unit or a head of sales—to vouch for your ability to get things done for the business and contribute to the bottom line in some way.

Max: A great way to understand whether a candidate is a trustworthy business advisor and legal advisor is to see how their responsibilities have evolved over time. Companies will not bestow responsibilities on just anybody. Suppose a candidate started as a senior corporate counsel handling only M&A and then got promoted into being a deputy general counsel who handles all the corporate matters for the company. There's a reason why that happened.

The Association of Corporate Counsel has been keeping track of the various functions that report into legal, and the list seems to be growing.¹⁰

Jaime: That's a very accurate observation. I used to call it "general counsel-plus." Now I think it's evolved into the standard CLO role. Some organizations with a CLO are creating a separate role that they call the general counsel, which is someone who's focused on the legal function (while the CLO maintains a much broader purview). And that's a very effective way to build a bench and succession plan so the organization can promote from within.



What should CLO candidates know about the **interview and negotiation** process in today's market?

Debbie: Be aware of the direction benefits are taking. There's a self-care element to much of what we're seeing. Transportation, car allowances, and car services are on the rise, depending on the location. There's more negotiation around vacation time as well. Unlimited vacation doesn't matter if the culture is such that nobody takes advantage of it.

Max: It really does depend on the culture. Remote work is very attractive to candidates, for instance. And it can bring in legal talent that wasn't previously accessible to ambitious companies based outside of the major metropolitan areas. But on the whole, CEOs still want their CLOs sitting in the nerve center of the company, with physical proximity to the board, although I've seen a little more leniency with individual contributor or specialist roles.

Jaime: One way to get a feel for an organization's culture is to see how they make decisions. For instance, is it this highly democratic process where many different people all have an equal voice and vote in the matter? The answer will give you some real insight in a way that you won't necessarily get just from asking questions.

Listen to a different approach for evaluating culture and taking risk along your career trajectory.

Any other **trends** we should keep an eye on?

Jaime: There's increased pressure to operate in a lean, highly efficient manner, and that involves changing the way the legal function operates. What processes can we automate? What work can we execute in a lower-cost location? How can we take friction out of managing contracts and data? What systems are already available that people could be using more?

A legal department that's consumed with manual processes won't have the freedom to focus on the business-oriented "get to yes" work I mentioned earlier. So, more organizations expect in-house counsel to be fairly savvy about processes and technology. It's not a requirement yet, but the legal candidate who does have that degree of technical sophistication can stand out in a very competitive crowd.

Learn more about creating a technology-savvy legal department in the **"Tech Bytes"** series.



Explore how to overcome **resistance to innovation** within the legal department.

Endnotes

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