

# Shortage of skilled candidates poses recruitment challenges for law firms

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Inability to recruit enough qualified professionals may be the largest barrier to growth across all industries today, and the legal sector is no exception. It's a candidate's market right now and, although the market is buoyant, the shortage of skilled candidates is very real.

That's partly because, between 2008 and 2012, most law firms cut their trainee intake, which meant that fewer trainees qualified in disciplines such as banking, corporate and property law. Several significant trends are also affecting the legal industry and its recruitment needs. Law firms are merging at record speed, with no signs of slowing down.

Previously, boutique firms that specialized in a practice area were seen as the desirable option for handling niche areas. But with the merger trend, many firms are looking to increase their bench strength and depth across a wide variety of practices. Firms with these attributes can capitalize on the work generated by larger clients.

## GROWTH AREAS

Corporate business, the long-standing bread and butter of many law firms, continues to be sought for its innate business referral and spinoff potential. Private equity, mergers and acquisitions, and capital markets are also highly valued.

But other areas are also gaining strength. For example, intellectual property and emerging technology practice areas can be main driving forces of firm movement into new markets. This means that competition for attorneys holding degrees in the electrical and/or computer arts is strong.

Biotechnology and pharmaceutical are booming areas, particularly for attorneys holding advanced degrees in the life sciences. Firms are also taking cybersecurity more seriously, especially given breaches at larger companies like Target.

## GEOGRAPHIC EXPANSION

With the improved economy also comes increased expansion of firms into larger, secondary niche markets like Houston, Dallas, Miami and Philadelphia.

For example, over the past decade, Houston, a long-standing energy hub, has been experiencing a large influx of larger national

and international law firms that are looking to capitalize on the market's energy and oil and gas capabilities.

The same is true for Miami as firms look to enter or strengthen their Latin American practices by establishing a toehold in the state's gateway to that area of the world.

Firms need candidates with strong skill sets in each of these areas.

## CHANGING POLICIES AND EMPLOYMENT PRACTICES

Although recruitment practices in law firms are slow to change, many firms are now beginning to abandon retirement-age policies designed to force partner to give up their equity ownership or to retire. These policies were an attempt to promote passing on clients within the firm rather than client hoarding.

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But today law firms are finding that seasoned attorneys are leaving firms with mandatory retirement policies to go to firms without them, which means losing the clients they were trying to retain.

With relaxed retirement-age policies and a general trend toward working longer, four generations of legal professionals are working side by side: traditionalists, baby boomers, Generation Xers and millennials. With more than 50 years' difference between the oldest and youngest employees, many law firms and legal departments find themselves facing new workforce dynamics and challenges.

Moreover, the pending exodus of nearly 80 million retiring baby boomers and the entry of Generation Z will continue to change the workplace.

To address recruitment challenges, firms are also increasing investment in human resources and trying to reduce barriers to entry.

Firms are looking at a wider range of experience and backgrounds to fill vacancies, and recruitment processes have been streamlined to increase the odds that candidates will accept job offers in the face of a counteroffer from their existing firm.

### Smart workforce solutions

- ✓ Proactively pursue qualified candidates through networking, referrals and the use of trusted recruiters.
- ✓ Allow external recruiters to become an integral part of your strategic staffing team.
- ✓ Expand nontraditional legal roles and hire for specialized skills.
- ✓ Make room for part-time and contract talent.
- ✓ Make staff retention a priority.

Firms recognize that a few years ago, a candidate might have one or two suitable opportunities. Today, that number could be as high as 10.

Some traditional recruitment policies remain in place. Nearly all law firms still require lateral hires to immediately generate a certain amount of business by bringing their books of business with them. This can be a deterrent to recruiting the professionals they need to capitalize on new opportunities.

#### SMART WORKFORCE SOLUTIONS

The best response to the challenge of finding and keeping the best talent is to take a creative approach to recruiting and retention.

Here are a number of important and specific keys to implementing that approach:

- Proactively pursue qualified candidates through networking, referrals and the use of trusted recruiters. It is also imperative to take a strategic approach to recruiting by looking at long-term needs. What talent does the firm anticipate needing in the next six, 12, 18 and 24 months? Start recruiting in advance of the actual need. Recruitment can be a lengthy process, so it's important for to allot enough time to seek out qualified candidates.
- Allow external recruiters to become an integral part of your strategic staffing team. Good recruiters are an invaluable resource for finding talent in the marketplace because they keep their fingers on the pulse of the employment landscape in the legal sector. They can also assist in branding the organization in a way that appeals to Gen X and Gen Y candidates. Allowing recruiters inside to understand the strategies, goals and inner workings of the firm enables them to be better advocates for their clients. Top performers must be proactively identified, approached and attracted to the organization.

- Consider hiring mature, experienced attorneys who are retired or semi-retired to handle projected shortages. Not only are these people extremely valuable for their years of expertise and often transferable skills, they are extremely loyal and motivated. They can also serve as training resources and mentors for younger members of the team.
- Expand nontraditional legal roles. Nontraditional tracks are gaining favor as firms seek to increase efficiencies and manage costs by hiring attorneys with specialized skills. One example is the ability to optimize workflows involving litigation document review (review, production and e-discovery). New methods in technology-assisted review require added specialty skills in information systems, process optimization and statistics. For instance, more courts are permitting the use of predictive coding to cull vast amounts of electronically stored information. Practitioners with such skills are expected to become more sought-after to reduce the burden of review and eDiscovery.
- Make room for part-time and contract talent. A population of talented legal professionals needs a flexible schedule, often due to family commitments. Many would consider returning to the workforce if the flexibility were afforded to them. According to the National Association for Law Placement, 82 percent of law firms and corporate legal departments are currently using contract lawyers. Although some professionals have traditionally viewed contract work as less desirable, the outlook on contract work within the legal arena is steadily improving.
- Take retention seriously. It's expensive to hire new staff, both from a dollar and time management perspective. Competitive compensation and benefits, creative perks, appreciation and respect for contributions by your staff, as well as educational opportunities to enhance personal and professional growth, are critical. Work-life balance and stability are also important. Employees and prospective employees want to work in well-established, stable environments that provide opportunity for career growth.

The candidate shortage is here to stay for quite some time. Employers must be prepared to compete for the best-qualified talent in the marketplace. Creativity in hiring and retention will be key.

Utilizing networking and referrals along with the help of recruiters as strategic hiring partners will better position law firms for successful hiring.

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## ABOUT THE AUTHOR



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