The Return of a “Buyers’ Market: Suggestions to Law Firm Recruiting Coordinators for How to Best Navigate the Changing Legal Market in 2011”

Although, for some, it seems a long way off, most of us recall the booming legal market in late 2007/early 2008 as a time when associates and partners could move from firm to firm with relative ease, and were able to negotiate salaries, bonuses and start dates with much more flexibility than in recent years. This was certainly a “buyers’ market,” which strongly favored attorneys over law firms and which required firms to act and often negotiate quickly in order to secure the best and brightest attorneys.

In some senses, the current legal market feels very similar to the 2007/2008 market. For example, in mid-2011, we are seeing that many more candidates are now getting multiple interviews at the same time, and are often receiving requests for interviews very quickly after being submitted to law firms. In sharp contrast to 2009 and 2010, these interviews are often resulting in multiple, competing offers from firms. Law firms seeking to hire are now scrambling to fill positions at both the associate and partner level, while attorneys who are looking to transition to new jobs are finding themselves with options that simply did not exist during the recent economic downturn.

The end result is that there has been a rather sudden shift in the power dynamic between law firms and prospective candidates. Candidates looking to make a move are now finding that they are once again in control of the process. They are able to take their time deciding between competing offers and, in some instances, can even negotiate the terms of offers (including such things as clerkship bonuses, salary, start date, and relocation expenses).

Of course, many law firm recruiting coordinators recognize this recent shift in the market. After all, they are busier than ever and are struggling to find enough time in the day to try to meet their firms hiring needs, get interviews scheduled, post new listings, and get offers out to candidates. Understandably, this is not an easy adjustment for firms to make. In recent years, firms have been operating with limited resources (as many firms reduced the size of their recruiting departments during the downturn). Firms also adjusted to a more leisurely pace of hiring over the past few years, but are now suddenly finding that they need to move more rapidly to secure new hires. With all of this in mind, below are some suggestions as to what law firm recruiting coordinators can do to alert their attorneys to the changing market and compete to bring on board top legal talent.

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effectively disseminate the current state of the legal market to their firm partners and hiring committees. This can be done via emails sent to all attorneys in the firm providing updates on hiring trends, by circulating articles and/or newsletters highlighting recent hiring trends in the legal sector, by disclosing details on recent hiring by competitor firms, and via regular, structured conversations with the firm's hiring and executive committees.

Second, law firms need to prepare their attorneys for the changing state of the market, so they can appropriately interview and screen prospective candidates and can more effectively assess the firm's interest level in a particular candidate. This will allow the firm to move more expeditiously through the interview process and to more efficiently make offers to candidates of interest. Attorneys should be encouraged to provide timely and specific feedback to their firm's recruiting departments directly following interviews with prospective new hires. If attorneys are better able to gauge the urgency (or lack thereof) of a specific hire, they will be better positioned to assist the firm in making these important hiring decisions.

Third, law firms need to recognize that, in contrast to prior years; prospective candidates once again have choices and are often being faced with a myriad of possible job opportunities at one time. There is, once again, an abundance of opportunities out there, in virtually all practice areas, for attorneys seeking to transition from one firm to another or from the public to the private sector. Law firms should work to quickly, efficiently and accurately post their hiring needs.

Fourth, law firms should continue contacting recruiters whom they trust and work well with to notify them of their firms' hiring needs. If firms don't move fast to publicize their needs and align themselves with recruiters who can assist them in meeting those needs, they will continue to lose out on top talent. Relatedly, law firms should keep the lines of communication open with recruiters throughout the interview process, and keep them involved in the hiring process. They can do this, for example, by communicating when there is interest in a candidate, asking the recruiters to keep them apprised of a candidate's status, seeking their assistance in keeping the candidate interested and engaged, and providing them with regular updates on a candidate's status - even if just to say that there is no new update yet. Both recruiters and candidates appreciate this communication from law firms, and it often makes a difference in which firm a candidate selects. Law firms should also look to recruiters to help seal the deal with a candidate once an offer is made. Recruiters take the time to build relationships with their candidates and, thus, they trust them to assist them in navigating competing offers and determining what is the best fit for the long-term career goals/interests.

Fifth, recruiting coordinators should make their firms aware of the changing state of the market and should encourage their firms to hire additional recruiting personnel and/or support staff to handle the increased work flow. Law firm recruiting coordinators are especially busy in 2011, and this is even more so given that many firms shifted to a "regional" or "global" approach to recruiting after the economic downturn and, in some instances, dramatically cut staff. This has, unfortunately, left some law firm recruiting departments overwhelmed and understaffed. By hiring additional personnel as needed, law firms can continue to be competitive in seeking to efficiently retain new talent.

Sixth, recruiting coordinators should continue to efficiently move resumes through the appropriate channels, quickly schedule interviews, provide timely feedback to their attorneys following candidate interviews (and vice versa), and work to make quick and effective hiring decisions. We have recently noticed a return to the "you snooze you lose" legal market, meaning that law firms that don't act quickly enough are often finding that candidates have already received and accepted offers from competing firms by the time they get around to even scheduling a first-round interview. Or, similarly, law firms are not moving to make offers to candidates in a timely enough fashion and are finding that they need to scramble to get offers on the table in order to compete with other law firms. The end result is usually that the candidate accepts the earlier offer, or tries to negotiate a higher salary with the subsequently offering firm.

Finally, and importantly, law firms need to recognize that other firms are once again willing to make "counter offers" to their top talent in order to retain their best and brightest attorneys, even after hearing that the attorney has been interviewing elsewhere. This is a strong indicator of the shifting legal market and starkly contrasts with the 2009 and 2010 markets, when firms were all too willing to let talent walk away in order to keep costs down and avoid further rounds of layoffs. Law firms looking to hire should be aware of this shift and should appropriately
train their staff and attorneys on how to “sell” prospective hires on their firm and how to navigate the possibility of a counter-offer.¹

To be clear, law firms should be commended for how well they are handling this sudden shift in the legal market. Recruiting coordinators are, almost as a rule, doing everything they can to meet their firms hiring needs, however they simply can’t do it alone. The above suggestions will, I hope, assist law firm recruiting departments to better navigate the changing legal landscape as we enter the second half of 2011.