



## 705 - Harness Core Motivators to Enhance Legal Team Technical Skills

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## Faculty Biographies

### Claire Miller

ACLA New South Wales President  
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### Ronald Pol

Ronald Pol is the past president of the Corporate Lawyers Association of New Zealand, he acts as general counsel for private and public sector organizations in focused engagements. He also assists the development of legal department strategic focus and best practices, and improving connections and effectiveness between organizations and their professional service providers.

Mr. Pol is a columnist for ACC Docket, and was the only non-US member appointed to the ABA's Billable Hours Speakers' Bureau following the presidential commission report on the impact and future of hourly rate billing. He was appointed to the Edge Awards Review Board for US-based Law Practice magazine, the Editorial Board of UK-based international lawyer-selection guide Who's Who Legal: The International Who's Who of Business Lawyers, and has advised on the design and conduct of national Law Awards.

Mr. Pol has published and spoken internationally on motivating professionals, and leads development of a system connecting organisational strategy with teams' key motivating factors.

Mr. Pol formerly managed litigation for the Telecom Group in New Zealand and Australia. His private practice experience was with leading national and multinational commercial law firms in Auckland, London and Hong Kong.

## GenLaw 2006

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JOHNSON & JOHNSON LAW DEPARTMENT  
STANDARDS OF LEADERSHIP  
COMPETENCY MODEL QUESTIONNAIRE

Please provide the following information:

Your Name:

{Enter text answer}

[

]

Select your Job Category from the list:

{Choose one}

- Attorney (Law Dept)  
 Business Development  
 Finance  
 Human Resources  
 Marketing/Sales  
 Operations  
 R&D  
 Regulatory  
 Scientist/Engineer  
 Other [ ]

Select the name of the attorney to whom this questionnaire applies:

{Choose one}

- [Insert Names of Attorneys]

Are you:

{Choose one}

- Client / Peer  
 Attorney's Manager  
 Evaluating Yourself

Select your Company from the list

{Choose one}

- [Insert names of client companies and business units]

- Other [ ]

Select your Organizational Level from the list:

{Choose one}

- Executive Committee Member  
 Company Group Chairman  
 Company President

- Company Vice President
- Management Board (or equivalent)
- Director
- Department Head
- Manager
- R&D
- Other [ \_\_\_\_\_ ]

If Attorney Not Listed. Please add name here.

{Enter text answer}

[ \_\_\_\_\_ ]

This questionnaire seeks your opinions concerning the selected attorney's performance. It consists of 11 multiple-choice questions, followed by two opportunities to provide written comments. Under each question is a listing of factors that you should consider before answering.

### 1. TRUSTWORTHINESS

- Tells the truth; is candid and frank in discussions and dialogue
- Takes tough, principled stands even if they are unpopular
- Demonstrates a sense of responsibility to client's business by adding value and meeting objectives

{Choose one}

- Not Applicable
- Unacceptable
- Needs Improvement
- Competent
- Superior
- Outstanding

### 2. ORGANIZATIONAL COMMITMENT

- Does whatever it takes, including working long hours or on weekends when necessary, to have a positive outcome for J&J and customers
- Takes appropriate actions to reduce potential financial or legal threats to J&J

{Choose one}

- Not Applicable
- Unacceptable
- Needs Improvement
- Competent
- Superior
- Outstanding

### 3. SELF-CONFIDENCE

- Says "no" respectfully, sets limits, or enforces standards regardless of the rank, stature or posturing of other parties involved in a situation
- Appropriately challenges ideas or approaches put forth by others
- Is decisive and able to make sound decisions despite the uncertainties or pressures of a situation

{Choose one}

- Not Applicable
- Unacceptable
- Needs Improvement
- Competent
- Superior
- Outstanding

### 4. CUSTOMER SERVICE ORIENTATION

- Makes an effort to understand and take on the perspective of the business
- Provides timely legal information or service tailored to the needs of the customer
- Becomes a part of the business team by contributing more than just legal advice

{Choose one}

- Not Applicable
- Unacceptable
- Needs Improvement
- Competent
- Superior
- Outstanding

### 5. COMMUNICATION

- Simplifies complex information so that anyone can understand
- Asks questions which bring important details to the awareness of others
- Clarifies a situation by putting facts and issues out on the table

{Choose one}

- Not Applicable
- Unacceptable
- Needs Improvement
- Competent
- Superior
- Outstanding

6. INITIATIVE AND EFFICIENCY

- Responds promptly to the urgency of a situation
- Anticipates future requirements and appropriately plans ahead
- Manages situations efficiently by controlling own use of time, project timeframes, or schedule of others

{Choose one}

- Not Applicable
- Unacceptable
- Needs Improvement
- Competent
- Superior
- Outstanding

7. TEAMWORK & COLLABORATION

- Makes a conscious effort to be part of a group by contributing to achieving its goals
- Encourages collaborative work among fellow group members
- Provides relevant information to keep group members and management up-to-date and involved
- Promotes collaboration within the Law Department to ensure that the delivery of legal advice avoids the practice of "forum shopping"

{Choose one}

- Not Applicable
- Unacceptable
- Needs Improvement
- Competent
- Superior
- Outstanding

8. ANALYTICAL & CONCEPTUAL THINKING

- Uses logical analysis, such as if --> then reasoning
- Makes subconscious connections, identifies abstract issues, discerns previously undetected threats, or sees discrepancies in random data

{Choose one}

- Not Applicable
- Unacceptable
- Needs Improvement
- Competent
- Superior
- Outstanding

9. TECHNICAL LEGAL COMPETENCE

- Demonstrates mastery of assigned fields
- Demonstrates competence outside assigned fields

{Choose one}

- Not Applicable
- Unacceptable
- Needs Improvement
- Competent
- Superior
- Outstanding

10. EFFECTIVENESS AND PRODUCTIVITY

- Demonstrates good balanced judgment
- Is articulate and persuasive in spoken communications
- Is articulate and persuasive in written communications
- Demonstrates maturity and experience
- Is a colleague you would recommend to others to handle a difficult or challenging assignment
- Is a colleague you would recommend to independently handle an important customer
- When faced with a difficult or challenging assignment, is one of your first choices for the team to tackle the assignment
- Is particularly productive in terms of the volume of high quality work product and/or the number of matters successfully resolved
- Achieves a better than expected number of favorable outcomes

{Choose one}

- Not Applicable
- Unacceptable
- Needs Improvement
- Competent
- Superior
- Outstanding

11. OVERALL SATISFACTION

How do you rate your overall satisfaction with this attorney's performance?

{Choose one}

- Very Dissatisfied
- Dissatisfied
- Satisfied
- Very Satisfied

( ) Extremely Satisfied

12. Please describe any situation or project in the last year where you feel this attorney was or was not particularly effective, responsive, strategic, collaborative and/or dedicated.

COMMENTS:

{Enter answer in paragraph form}

[ ]

13. Please provide any comments that may be helpful to understanding your previous responses and/or to improving this attorney's future performance. You may wish to identify one or two areas of potential improvement, as well as any areas of notable achievement.

COMMENTS:

{Enter answer in paragraph form}

[ ]

## Leadership Training for Attorney Managers:

In our experience, the typical job history of a chief legal officer (CLO), or senior in-house counsel who manages other attorneys (managing counsel), has just a few steps. They often look something like this:

1. Law school,
2. Law firm or in-house counsel, then
3. CLO or managing counsel.

This description is, of course, a glittering generality. There are many variations on the theme. They may include a stint with the government, an additional loop-de-loop between a corporate law department, law firm and then back to the law department, or perhaps a few lateral moves between companies.

However, one fact remains abundantly clear and repetitious: In the past, very rarely have you seen any management or, better yet, leadership training interjected into the picture. Instead, the non-supervisory line attorney of yesterday, promoted to be tomorrow's manager of 10, was often left to sink or swim. The negative ramifications of this result rained upon the new manager, the people he/she manages, the legal department and, ultimately, the company.

If You **Lead,** Will They **Follow?**

By Frederick J. Krebs and Deborah M. House

**Planning a Winning Team**

Winning football coach Vince Lombardi advised that, "Leaders are made, they are not born. They are made by hard effort, which is the price which all of us must pay to achieve any goal that is worthwhile." Suffice it to say he knew what he was talking about: Lombardi, named "Coach of the Century" by ESPN, coached the Green Bay Packers to nine winning seasons in the 1960s and boasted a record of 105-55-6, unmarred by a losing season in a 15 year professional coaching career. Companies appear to be taking heed of such advice, realizing the inadvisability of the alternative. Accordingly, those with greater resources—and typically those with larger legal departments—are taking steps to assure that their rising legal managers get the leadership training that they need.

Recently, as part of ACC's commitment to provide value for in-house counsel at each stage of their career through targeted resources and services, the authors worked with a large international law department to create leadership training for its lawyer managers-to-be. Among other topics covered by the training was strategic planning. [See information regarding leadership training that ACC offers to its members on page 84].

Good strategic planning answers many of the questions that run through the newly minted legal manager's mind as he/she breaks into a cold sweat wondering what to do next. And make no mistake, this is not just about CLOs for large law departments. Such questions have universal application for small law departments as well. In fact, if you are the only attorney the company has, given your limited resources (you!), isn't it essential that you know where you are going and how you are going to get there? Similarly, although you might be part of a larger legal department's overall plan, attorney managers of subunits within a large law department are going to need to engage in strategic planning for their practice area.

Summarily stated, strategic planning addresses itself to inquiries such as:

- Why does the law department exist and what is its mission?
- What is the vision we aspire to for the department?
- What are the strengths and weaknesses of the department?
- What are the factors that may negatively affect the law department?
- What are the positive opportunities that the law department has for change?



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DEBORAH M. HOUSE is ACC's vice president and deputy general counsel for legal resources and strategic initiatives. Prior to coming to the ACC, Ms. House was the vice president and deputy general counsel for multinational legal services, and then compliance, at Fannie Mae. She can be reached at [house@acc.com](mailto:house@acc.com).

- What actions can/should be taken to make the law department what it should be?
- How can the budget process support and reflect strategic planning?
- How do we go about making these actions a reality?

These are the types of questions that have been asked and answered during the careers of almost a dozen current or former CLOs from a wide variety of industries that we interviewed to gain insight into the law department strategic planning process for training purposes. Their answers underscore the importance of leaders understanding the process and seeking more education where they do not. From our discussions with them we gleaned the following nuggets of wisdom:

**One Size Does Not Fit All**

Your strategic planning process should take into account that the needs of companies/organizations (clients) will differ significantly and will constantly be subject to change. As a result, what they need and what you do will vary greatly. For example, if a company is in an aggressive acquisition mode, or implementing a new brand, or downsizing—all of those needs will drive the legal department's plan. The strategic plan for the legal department should also take into consideration the history/status/structure of the department (what it is and what it should be and how that will affect the delivery of legal services).

Creation of the strategic plan also provides a valuable opportunity for in-house counsel not only to respond to their clients' needs, but to be pro-active as well. Moreover, client input can help determine how in-house counsel respond to client needs (e.g., how important legal news should be communicated). It can also be used to manage client expectations.

**There Is No Substitute for Careful Thinking and Planning**

Although approaches may vary, traditional strategic planning contemplates a progressive analysis and undertaking that typically starts with the creation of a clear mission and vision statements, identifies strategic issues, progresses to the development of strategic goals and objectives, and finally to the creation and implementation of an action plan to meet the identified objectives. While the process should not be tortuous or any element belabored—it does require some important work that should

not be avoided. Perhaps most importantly, you should understand the end goal and what you need to achieve. As one CLO put it: "Think before you plan!"

#### Align With and Participate in the Company's (Client's) Strategic Planning

While the level of sophistication of strategic planning may vary from company to company, as a general matter our business partners are ahead of us in the strategic planning department. This fact can be used to the distinct advantage of the legal department because aligning with the corporate goals facilitates the creation of the strategic plan for the legal department (to say nothing of enhancing counsel-client relationships). For example, if the client determines that one of its goals is to invest in a new foreign market, that goal should direct the legal department's plan as it determines how it will support that endeavor. And even if you don't tailor every law department goal to a company goal, you can at a minimum keep the company goals in mind as you work on the plan.

**Finally, make sure that your clients have knowledge of your plan. It will enhance your reputation as a true business partner.**

It is important to stress, however, that the legal department's strategic planning should not be simply a reactive endeavor. Rather, it is vital that the legal department secure a chair at the table of the corporate planning process and contribute to that process. For example, if the client's strategic goal is to move into a new foreign market that is subject to a legal and regulatory framework that makes outside investment very difficult—that fact needs to be brought to the attention of the client during the strategic planning process—not afterwards. That will not happen unless counsel is at the table. On a more mundane note, several CLOs noted that the department's plan should be written in the same style and format as the company plan to facilitate communication and alignment.

And make sure you have the right people at the table when you do your internal department planning. You should involve appropriate staff in your planning process.

#### Communicate Your Plan

Once you develop the goals, objectives, and action plans that come from your strategic planning be very intentional about communicating them. First of all, make sure that all legal department staff understand the where, why, how, what, and when that underlie those plans, and align their

goals and activities appropriately. Note too that outside counsel should understand the plan and even may be appropriate participants in this process—especially if you anticipate they will be important participants in achieving your goals. Finally, make sure that your clients have knowledge of your plan. It will enhance your reputation as a true business partner.

#### The Right Horse for Your Course

While we hesitate to compare in-house counsel (as one of our interviewees did) to equines, the underlying analysis attached to this phrase makes a good point. Your best attorney may not be the best attorney for the jobs required by your strategic planning. It does not mean existing staff is not competent. Rather, consider this—even a Kentucky Derby winner is not going to perform well in the Grand National Steeplechase or as a performing Lipizzaner Stallion! As corporate goals and legal department goals change, you must constantly reassess your department. Do you have access to the right skills sets to get the job done and if not, how will you get

them? Perhaps you need more generalists and fewer specialists or vice versa given new corporate needs. Or, perhaps you need a lawyer with good solid "detail" skills rather than a "visionary" counselor. And do not limit this evaluation just to in-house counsel; it applies to outside counsel as well.

#### Understand Your Client's Business

This cannot be said often enough as it applies to everything that you do. If you do not understand how the business works, then you cannot help your client go where it needs to go; you cannot be a true business partner. And this applies from start to finish, including knowing how your client makes money, the business climate in which it operates, and the legal and business risks that it faces.

For example, say your client engages in a particular type of transaction that by sheer numbers is profitable for the company, but on an individual basis, runs on tight margins. In your strategic planning, you will need to provide legal services that match those characteristics (e.g., by securing one outside law firm to do all of the transactions, but at a below market fixed price that would not be profitable for several firms splitting the business). If you did not understand how the business operates your analysis about how to provide legal services may be faulty.

#### The Bottom-line Counts

As a general matter, lawyers have a bad reputation as budget planners who traditionally argue that you cannot predict or control legal costs, especially litigation. In today's business environment many (if not most) clients do not tolerate this position. Good legal department strategic planning requires good budget planning. Part of this process requires understanding how you spend your legal dollars and determining whether you spend them in the right places. For example, you may find the work done by your lawyers can be handled more cheaply and more effectively by others, such as paralegals or even clients with the right training and support. In other cases, you might pinpoint areas of high risk and a greater need for legal services. It also means that you must develop and live within accurate budgets and projections of your legal expenditures. Several CLOs emphasized that legal costs can and should be estimated with accuracy.

Data from past activities will be useful in making this analysis. One CLO said he intended to develop a metric based on "the cost of failure" with failure being defined as anytime the company gets into a dispute where the company paid more than originally obligated including for legal services, settlements or because of contract disputes, or even to address employee disgruntlement. Lawyers do not like to project and adhere to proposed expenditures—but it can be done.

#### You Are What You Track

The importance of securing and applying the appropriate metrics cannot be underestimated. One of our interviewees noted he works off a pyramid structure to demonstrate this. At the bottom of the pyramid is data, the next layer up is facts, the next ascending layer is knowledge, and the pinnacle component is wisdom. Data may come in many forms—crunching of numbers from outside counsel, numbers relating to transactions provided by clients, estimated hours to accomplish projects, timelines, client surveys, legal spending inside and out, as well as the number and types of lawsuits. Collect the data and then use it in the strategic planning process and to measure your results.

#### Culture Matters

Strategic planning cannot be conducted in a vacuum. The existing culture of the company—or perhaps the absence of an appropriate culture—must be taken into consideration. For example, if the culture of the company is to marginalize lawyers or to view them as obstacles—that fact should be taken into consideration in strategic planning. In fact, part of the strategic planning in such an

**Avoid a never-ending search for the appropriate data that may not exist or overspend your energies on compiling it.**

instance may be to establish an action plan to turn this culture around since the ability of the legal department to be effective is going to be directly affected by such a culture. Similarly, if the culture of the company is that business units work in competitive silos, and the goals of the company contemplate maintenance of the status quo, that also must be taken into consideration in planning and providing legal services.

#### Do Not Overanalyze

The traditional strategic planning process contemplates a certain analysis. However, beware of getting bogged down in the details. For example, do not torture yourself over whether something is an objective or a goal or whether your mission or vision statement is perfect. Avoid a never-ending search for the appropriate data that may not exist or overspend your energies on compiling it. Dive in and get started with your planning and recognize your first time through the process may not be perfect. You can always start creating the data you now know you need; do not spend time bemoaning the fact that it doesn't exist currently. Moreover, the strategic planning process is not stagnant. You will have plenty of time to correct course as you move forward, and in fact should do so regularly.

#### Strategic Planning Can Be More Than Strategic Planning

Use the planning process to achieve other goals. For example, one CLO saw it as a great tool for team building. It might also present a chance for an attorney to step out of his/her comfort zone and act as a leader where they otherwise might not have such an opportunity. Finally, it can be a way to direct and implement change in a manner that allows staff to understand the reasons therefore, and gives them an opportunity to climb aboard or remain behind.

#### Break Down the Barriers

One CLO succinctly captured the law department planning process when she summarized her approach as follows:

1. Require and implement the discipline of accurate forecasting and budget management in the law department.
2. Then convince the business to use lawyers early and often.

**Peer Advice on Strategic Planning**

"I would say that strategic planning is not a highly quantitative exercise except when we set out the action plans to get us to our objectives. We debated long and hard about it. So, in the intellectual property area we decided that we would have at least two high profile enforcement actions every year and publicize those in order to establish our reputation as an aggressive enforcer of our intellectual property. And in the first year of our plan we did four. So now we are on the radar screen as people you don't see lightly in the IP area. So the key is to select objective, measurable items that you're going to take on as part of your strategic plan."



*Barry Nagler, senior vice president, general counsel and secretary, Hasbro, Inc., and former Chairman of ACC*

"The truth is that the law department is responding to the higher crises that are hitting the company. You can't anticipate them. In fact, you have to manage your department so that while you think you might know what's going to happen this year, you sure as heck know it is not going to happen that way. So the law department, more than any other department, has to be proactive in its strategic plan, and nevertheless still be nimble enough to be responsive to what really is happening to others that you have no control over."



*Michael Rostec, former general counsel of Golden West Financial Corporation, and former general counsel of Stanford University, and former Chairman of ACC*

"Lawyers need to understand how to develop better business plans for their own departments. For example, if a company decides that within the next 3 to 5 years, strategically, it is going to be in an acquisition mode, the first thing the general counsel should do is sit down with the business development people and the lawyers that support that client and talk about what is coming down the pike in the next 18-24-36 months. Unless you sit down and have that discussion, you're not making these decisions strategically, or thoughtfully. You're just making them as they happen and you'll be constantly reacting."



*Anastasia D. Kelly, executive vice president, general counsel, and senior regulatory and compliance officer, American International Group, and ACC Board Director*

"In terms of implementing a performance management system that furthers the goals of the department or the team it is just best to get it off the ground and accept that it is going to be imperfect the first time. So, get started as opposed to worrying too much about whether it is going to be perfect from the beginning, because it won't be."



*J. Daniel Fitz, general counsel and company secretary, Mays plc, and ACC Board Treasurer*

"I absolutely keep my attorneys apprised of how what they are doing relates to the strategic goals. I give them the corporate objectives. I drill down from those corporate objectives to the legal department objectives which are all supportive of the corporate objectives. I give them feedback from the executive committee about what's going on and what the current emphasis is. So through constant communication I keep reminding them what the corporate objectives are and what the current status of the achievement of those objectives are."



*Susie Flank, group general counsel for The Body Shop International plc*

"I wish in the beginning I had taken a very long hard look at the corporation's strategic plan and decided what seats I needed to have on the legal department bus going forward. And once I decided what skills and experience I needed, then I would have gone through and made sure I had the right people sitting in those seats."



*Kate Chisholm, vice president, general counsel, and corporate secretary for EPCOR Utilities, Inc., and EPCOR Power LP*

"I have found that communicating how the legal department thinks about strategy, thinks about helping the company achieve its goals, and does this in a manner consistent with how the operating units manage their own businesses, is tremendously helpful to the law department's reputation and perception by business managers. All of a sudden you are a strategic partner, not a necessary evil or group overhead to be borne by the guys making the money."



*James T. Ballerbeau, general counsel and secretary for Mettler-Toledo International, Inc., ACC Europe Chapter Treasurer*

3. Implement metrics to measure success regarding the allocation of legal department resources.

**Questions to Ask**

Nearly every CLO interviewed mentioned questions that he or she felt necessary to a successful planning process. Here are some of them:

1. How should the law function be structured? Centralized reporting to the CLO, decentralized and reporting to business units or a hybrid? Centralized location or "on the ground" with the business units?
2. Is the law department capable of aligning with the corporate goals? If not, what must be done to achieve that goal? Stated simply, does the department have the skill sets necessary to help the client achieve its goals?
3. What can the legal department do to help the company achieve its goals? What does the client need?
4. What will this cost? Can we estimate our legal expenditures for litigation? For transaction work?
5. Do you staff for peaks or valleys?
6. Do you handle core strategic issues inside or with outside counsel?
7. What metrics work best? Do you measure input (e.g., time, dollars spent, turnaround) or output (e.g., dollars saved, risks eliminated, client satisfaction)?

8. What should we stop doing? What can someone else do more efficiently or effectively?
9. How should I communicate with the client?
10. How do I manage client expectations? What does the client want?

**What I Wish I Knew**

We asked CLOs what they know now that they wish they had known when they first engaged in the strategic planning process. We felt the mistakes they mentioned to be especially enlightening and that much could be learned from them.

1. I did not understand the importance of the strategic planning exercise. I thought it was simply a "check the box" exercise.
2. I over-analyzed the problem and took too long to get started.
3. I planned before thinking about what I wanted to achieve.
4. I did not take a critical look at what the company needed and the skill sets in our law department.
5. I did a good job reacting, but was not proactive enough in anticipating issues or changes.
6. The biggest mistake I made was not leaping into the strategic planning. I took for granted that the legal department's size and shape was right to begin with.

Based on our analysis and discussions we would offer one more suggestion: Learn more about the process of strategic planning and how to implement it. Learning how to lead definitely was not taught in law school. And although it may be hard, it certainly is a worthwhile goal. And it may make the difference between sinking and swimming. You choose. ☒

Have a comment on this article? Email [editorinchief@acc.com](mailto:editorinchief@acc.com).

**Note**

- 1 Those interviewed included CLOs based in Europe, Canada, and the United States who currently represented (or had represented) corporations and multinational companies in the energy, insurance, technology, consumer goods, financial services, manufacturing, and food industries.

**ACC Extras on... Strategic Planning**

**ACC Annual Meeting Program Materials**

- *Effective Budgeting for the Law Department* (2006). The topics in this program material include making the case for bringing work inside, billing back for time, establishing metrics, using benchmarking effectively, increasing the number and/or experience levels of non-lawyer staff, and using contract or temporary lawyers for specific projects. [www.acc.com/resource/v6274](http://www.acc.com/resource/v6274)

**InfoPAKs**

*Strategic Planning for In-House Counsel* (2006). Strategic planning allows a law department to focus its energy effectively and ensure that its members are working toward the same goals. Such planning also allows a department to assess and adjust its direction in response to a changing environment. This InfoPAK is intended to provide in-house counsel with information focused on strategic planning issues. [www.acc.com/resource/v6813](http://www.acc.com/resource/v6813)



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Best practice survey



# Finding, keeping and motivating talent

## Best practice survey

In-house salary levels may be on the rise but the ongoing challenge for general counsel is to develop successful strategies to retain and motivate their top staff. Derek Bedlow analyses the results of the 2006 <sup>PLC</sup>Law Department survey on finding, keeping and motivating talent.

Much has changed on the legal landscape in the two years since the last best practice survey on finding, keeping and motivating talent in 2004. There has been a sharp recovery in the corporate deals market which has revived law firm profit and produced upward pressure on private practice salaries and charge-out rates.

At the same time, the fallout from the Sarbanes-Oxley Act and associated domestic corporate governance legislation

has brought about a transformation in the relationship between companies and their legal departments, creating a higher profile for heads of legal. Above all, the magnitude and importance of the legal work entrusted to legal departments has continued to grow significantly, with both rewards and consequences for those that work in those departments.

Against this background, the issues of recruiting and retaining high quality

lawyers are more important than ever and comparing this year's results with those of 2004 makes for some interesting reading for those working in the in-house sector.

Additionally, the 2006 survey has added many new questions and areas of debate to provide as comprehensive a guide as possible to the challenges of attracting, keeping and getting the most out of corporate counsel.

Best practice survey

### About the survey

This article summarises the findings of the <sup>PLC</sup>Law Department best practice survey on finding, keeping and motivating talent 2006. It addresses both quantitative measures (for example, salary data) and qualitative issues (such as methods needed to motivate staff):

The main areas covered by the questionnaire were:

- Law department staff benefits.
- Strategies used to recruit lawyers.
- Criteria used when recruiting.
- Strategies used to retain lawyers.
- Techniques used to motivate lawyers.

**Companies surveyed.** The survey was conducted by means of a confidential online questionnaire addressed to general counsel of leading multinational companies as listed in <sup>PLC</sup>Law Department Profiles. Wherever possible the results are analysed by business activity, turnover and law department jurisdiction as well as for the sample as a whole.

The questionnaire was then followed up by a series of telephone interviews. The box "Profile of respondents" indicates the turnover, main business activity, size and headquarters location of the respondents. The data for the survey was collected in December 2005 and January 2006.

**Analysis.** When presenting the results, we have generally used median figures (that is, the mid-point between the top and bottom of the survey) as giving the best indication of an average for the sample. In some cases, we have also given 25 percentile and 75 percentile results: figures below the 25 percentile fall into the bottom quartile of the survey and figures above the 75 quartile fall in the top quartile. All figures are in UK sterling unless stated otherwise.

**Definitions.** When collecting the data for this survey, we used the following definitions:

- Section heads are highly experienced lawyers with responsibility for supervising a group of lawyers.
- Senior lawyers have five or more years' post-qualification experience and may have some managerial responsibilities.

- Junior lawyers have up to four years' experience post-qualification.

**Limitations.** It is important to remember that no two law departments are the same. The respondents to this survey work in a large variety of industry sectors, in companies of varying sizes and in many different jurisdictions. The nature and size of law departments vary (for example, some outsource most work while many carry out the bulk of work in-house). In addition, respondents are based at companies with differing Human Resources policies.

The methods used mean that there are the following limitations with the survey:

- Results are based only on those who responded to the questionnaire. These are not necessarily representative of all the respondents in the sector. By the nature of the exercise those general counsel who respond to questionnaires are generally those addressing law department issues. Where we have felt that the results may be misleading we have said so or not quoted them.

- We only include replies given to a specific question when calculating median figures, ignoring respondents who have not answered the question. This combined with the use of median figures, can sometimes lead to what appear to be slightly anomalous results — for example breakdowns of a total figure may not correspond to the total itself.

- Any financial comparisons may be affected by exchange rate issues.

- Results may also be affected by the financial year for which respondents have provided data. Salary surveys tend to lag behind reality.

**Other surveys referenced.** In some cases we have provided comparative figures from the *January 2004 <sup>PLC</sup>Global Counsel survey on finding, keeping and motivating talent* (references to the "2004 Survey" are to this survey), available online at <http://ld.practicallaw.com/2-102-6017>.

**Full results.** A full breakdown of the results of this survey including breakdowns by company turnover, sector and jurisdiction can be found at <http://ld.practicallaw.com/7-201-8981>.

### Pay scales

#### Rates of pay have increased in the last two years

The improvement in the financial health of the legal profession generally has had a positive impact on in-house salaries. In 2004, the generally poor state of the private practice side of the profession had affected salary growth amongst in-house lawyers, to the point where pay had barely increased in the previous two

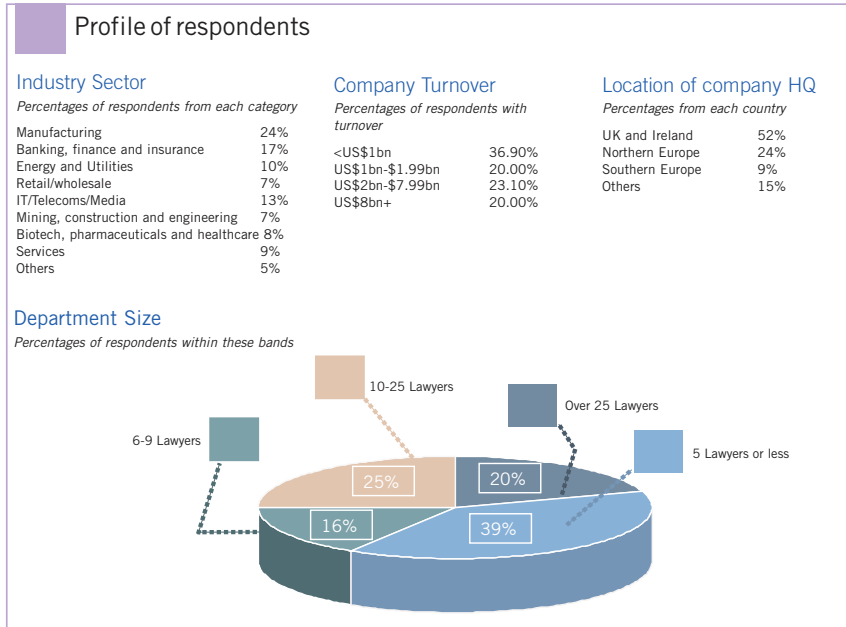
years. This time around, average salary and bonus packages have jumped by more than 10% to a median average of UK£135,000 (US \$241,095) for general counsel, UK£67,000 (US\$119,649) for senior in-house lawyers and a little over UK£46,000 (US\$83,040) for junior qualified staff (see box, *Average annual pay on page 20*).

The rises are the simple product of a change in supply and demand. Recruit-

ment consultants report increased levels of recruitment by in-house departments over the past 18 months, without a corresponding rise in quality candidates on the market. At the same time, recent rises in charge-out rates by law firms make higher in-house salaries easier to justify.

Competition for the best candidates generally comes from other legal departments rather than from private practice.

Best practice survey



Rates of pay vary considerably between jurisdictions. While the average packages available to general counsel in the UK and Ireland are only marginally higher than those in the rest of northern Europe, the difference in average total pay for non-management grades is close to 10% for both senior and junior lawyers. Some similarly wide gaps occur between lawyers employed in different sectors of the economy.

For general counsel, banks and other financial institutions lead the way, with an average package of more than UK£154,000 (US\$272,148), followed by heads of legal in the biotech/pharma/healthcare and energy/utilities sectors. It is a similar story for the lower ranks, although senior financial sector lawyers are just piped to first place by their colleagues in the energy and utilities industries.

#### Larger companies pay their legal staff less

So far, so predictable but surprising differences emerge when comparing the rewards enjoyed by employees of larger companies with their counterparts at smaller



groups. While general counsel do generally tend to earn more the bigger the company that employs them, for the rank-and-file, the survey shows an inverse relationship between the size of a company's turnover and the remuneration received by its legal staff.

This relationship is partly explained by the answers to a later question in the survey which asked what companies base their legal pay scales on. While the range of responses to this question demonstrate that in-house pay rates are the result of a combination of factors, the survey did find that larger organisations were more likely to pay their lawyers according to a company-wide pay scale than their smaller counterparts (see box, *What is the pay of lawyers based on?* on page 23).

Commonly used corporate pay formulas, such as the Hay Point System tend to most generously reward executives on the basis of the degree of discretion they are able to exercise and the size of the budgets they control, neither of which particularly work to the advantage of in-house lawyers.

Equally, although recruiters point out that some heads of legal are still able to negotiate higher rates for legal staff based on market wages, those at larger organisations tend to have less flexibility when it comes to paying a premium for candidates.

Company-wide pay scales seem to be increasingly imposed on a cross-border basis too – the proportion of companies who pay in-house lawyers according to the country in which they are based has fallen from 71% to 60% since 2004.

A further factor, according to recruitment consultant Juliet McMyn of Hays Legal is that lawyers tend to be drawn to those companies with the strongest brand names, again reducing the incentive for the largest and best-known companies to pay over the odds, a point backed up the survey's finding that respondents from US\$8 billion turnover organisations reported the least difficulty in recruiting, despite their lower pay rates. "When we're selling a job to a candidate, the name that we are selling is very often the pivotal factor." McMyn says. "There's huge competition for the best in-house roles and the vast majority of candidates know that they have to be flexible to get them."

Best practice survey

### Key findings

#### Pay and Perks

**Pay for in-house lawyers at all levels has increased significantly in past two years:** Having been largely static in the two years prior to that, the mean average pay package (including bonus) for a general counsel is now UK£135,000 (US\$241,095), for a senior lawyer UK£67,000 (\$US119,649) and UK£46,500 (\$US83,040) for a junior lawyer. There are marked variations by geographical region, with UK and Irish heads of legal (averaging UK£168,000, including bonus) considerably out-earning their continental colleagues (UK£140,000) at present rates of exchange.

**Fewer junior lawyers seeing additional benefits from their employers:** The use of share options as a perk has declined, with just 60% (down from 73% in the last survey in 2004) of general counsel receiving them, 33% of senior lawyers (down from 47%) and 14% of junior in-house lawyers.

**Few in-house departments base their pay scales on equivalent rates in law firms:** Just 13% say that their salaries are influenced by what private practice firms pay their lawyers of similar qualification; while 59% say that they base their rates on other in-house departments in their sector. Almost two-thirds (63%), say that they try to fit their rates into firm-wide pay scales.

**Senior and junior lawyers are generally paid less in larger companies:** Where there are more of them and in-house salaries are more likely to be tied to company-wide pay scales.

#### Recruiting

**Personality is the most important factor for general counsel when**

**recruiting new lawyers:** This is closely followed by technical ability and commercial awareness. The ability of candidates to 'stand their ground' is also an important secondary factor, whereas sector experience and industry contacts both come in a poor third. Language skills are valued highly in continental Europe, but not in English-speaking jurisdictions.

**The majority of in-house lawyers (59%) prefer to recruit from other in-house departments rather than law firms:** A further 5% had no preference. Just 36% preferred to draw their candidates from private practice. This may be explained to some extent by their clear preference for lawyers with 'general' rather than 'very specific' experience, 79% vs. 21%. The exception to this trend is southern Europe, where 57.1% say that they prefer private practice lawyers, although even here 83.3% prefer generalist to specialists.

**The majority of heads of legal - 78% - automatically set a minimum PQE on legal roles:** With 96% of these expecting candidates to have a minimum of two years' post-qualification experience. Almost a third (31%) look for more than five years' in practice as a minimum.

**The use of recruitment agencies to find staff has increased significantly:** 18.8% say they 'always' use agencies, and a further 40.6% say that they do so 'frequently' (2004 - 10% and 18% respectively). The use of recruitment agencies varies significantly by region, however - for example, 24.2% of UK and Irish legal departments always use agencies, compared with just 5.6% of departments in northern continental Europe.

**The use of headhunters, however, has remained largely unchanged:**

#### In-house benefits

Lawyers at the largest companies can take some solace from the fact that they are more likely to receive other benefits from their employers. More generally, while rates of pay are going up, the provision of other benefits, although still quite high in many cases, has fallen. Hardest hit have been share options, the victim of falling stock markets (until recently at least) and the de-listing of many companies due to takeovers. In 2004, 73% of general counsel said that they were given share options, a figure that has fallen to just over 60% in the 2006 survey, while the number of senior lawyers receiving share options has dropped from 47% to 33%. The figures for junior lawyers have almost halved, from 26% in 2004 to 14% this year (see box, *Benefits on page 21*).

A surprisingly high number of respondents, especially more junior staff - approximately one-third - do not have a

company pension either, although those in the UK and Ireland are much more likely to receive one than those in Continental Europe, reflecting the different levels of state and other provision in the respective regions. The provision of medical insurance has also dropped, and as with other benefits, the likelihood of being given medical insurance diminishes the more junior you are. The only perk that really bucks the trend is the provision of a company car, a benefit enjoyed by two-thirds of general counsel, almost half of senior lawyers (48% - up from 38% in 2004) and even a fifth of junior lawyers (up from 13%).

#### Recruitment

##### Generalists rather than specialists

The profile of the ideal in-house candidate comes across pretty clearly from the survey. Unsurprisingly, there is a marked preference for 'generalists' rather than 'specialists' amongst heads of legal, re-

gardless of geographical location or sector, with almost 80% overall preferring lawyers with general rather than specific experience. Only the financial services industry has a slightly higher demand for specialists - 25% of heads of legal in this sector preferring specialist experience of their recruits. These figures also go some way to explain why a majority of respondents and almost all sectors say that they prefer to recruit from other in-house legal departments rather than take people from private practice (see box, *Recruitment: In-house vs Private practice on page 25 and Recruitment: PQE on page 24*).

##### Minimum PQE

Answers are also consistent across the board when it comes to the minimum levels of post-qualification experience (PQE) that legal departments require of new recruits. 78% set a blanket minimum PQE, with a further four percent applying it to certain roles. The most common minimum PQE falls between two and four years' ex-

Best practice survey

With 4.5% saying that they 'always' use executive search agencies and 11.9% saying they frequently do. Seventeen per cent of respondents say that they 'always', and a further 23.9% 'frequently', recruit directly rather than use agencies.

**The use of additional recruitment procedures, such as assessment centres and psychometric testing, has fallen since 2004:** Just 9.3% of general counsel say that they use assessment centres either always or frequently (compared with 25% in 2004), while 18.4% always or frequently use psychometric testing (down from 22%). The number of respondents who use 'designed exercises' as part of the recruitment process has increased slightly - 14.1% always use them (14% in 2004) and 15.6% 'frequently' do so (6%). Meanwhile, the proportion of heads of legal that involve non-legal members of the business in the interviewing candidates has remained largely unchanged since 2004 - only 29.4% say they rarely or never do so.

**Some legal departments are finding it hard to attract lawyers:** Asked to rate (on a scale of one-to-10, with 10 being hardest) how difficult they find it to recruit good staff, respondents gave an average score of 4.35. However, more than a quarter (26%), answered between seven and nine, suggesting that a significant number of legal departments are finding recruitment very difficult, with the quality, but not quantity, of candidates a common complaint.

**Thirty per cent of in-house legal departments have taken on at least one secondee in the past 12 months:** Almost half of respondents (46%) have had to bear the full cost of secondees' salaries, while 12.5% of legal departments were given secondees at no cost.

perience, although a large number, more than a third, want to see more than five years' PQE before they will consider a candidate (see box, *Recruitment: PQE on page 24*).

**Valued characteristics**

Perhaps more interesting is the variations in the answers to the question of the most valued characteristics general counsel look for in applicants. Three stand out - personality, commercial awareness and technical ability, while an important secondary factor for many respondents is the ability of their potential staff to be able to stand their own ground in negotiations or when justifying their advice to management (see box, *Recruitment: Valued characteristics on page 26*).

Overall, the most important criteria is considered to be personality, a category that is rather open to interpretation but seems to



**Retention and motivation**

**General counsel find it easier to retain existing staff than recruit new ones:** Asked to rate (on a scale of one-to-10, with 10 being hardest) how difficult they find it to retain their legal staff, respondents gave an average score of 3.78, compared with an average of 4.35 for recruiting new lawyers. However, as with recruitment, a significant minority recorded higher scores (34.8% gave scores of five or above) with a lack of career development opportunities for more junior lawyers a frequent factor.

**Being able to broaden their professional experience is the best way to retain key staff:** This is followed by providing training and personal development opportunities. Providing a good balance between work and life is an important secondary factor, but providing sabbaticals, secondments or the opportunity for further study are relatively unimportant.

**No clear preferred strategy to motivate lawyers:** Personal development plans and appraisals, coaching/mentoring and performance-related pay all score highly as preferred techniques to keep staff motivated, although the use of '360' appraisals' has fallen in popularity since the last survey in 2004.

**Almost a fifth (19%) of legal departments report that a member of their legal team has moved into a purely commercial role during the past three years:** Although this is much more common in northern continental Europe (35.3%) than in the UK and Ireland (13.1%) and especially southern Europe, where no respondents had seen a member of their legal team move elsewhere in their companies.

be taken to be an amalgam of interpersonal skills and communication skills and the ability to work in and get on with the team. Commercial awareness and technical ability tie for a close second place. Other attributes considered less important are sector specific experience and industry contacts.

However, the relative importance of these qualities change position quite significantly when the results are divided by sector, location and size.

- Personality is considered rather more important by the legal departments of smaller companies than large ones, where technical ability is more highly prized.

- Commercial awareness is valued most highly in the retail sector.

- Technical skills are most admired by

companies in the services sector and in energy companies.

- In some more litigious industries, such as mining, construction and engineering, the ability to stand your ground is the number one criteria for heads of legal, as it is also in southern European companies.

- Languages are highly valued in non-English speaking parts of the world, but not in Anglosaxon countries, a statistic that speaks for itself.

- Other ad hoc qualities volunteered by respondents included "the ability to influence without threat", "examination results", "quality of training" and "analytical skills".

**Recruitment agencies**

Of course, it is one thing to know what to look for in candidates and another to be able to find a sufficient pool of applicants

Best practice survey

**Average annual pay**

	General counsel			Section head			Senior lawyer		
	Base pay	Bonus	Total	Base pay	Bonus	Total	Base pay	Bonus	Total
<i>All respondents</i>									
Median	108,000	22,000	135,000	80,000	15,000	95,000	60,000	7,500	67,000
75%tile	145,000	48,000	170,000	100,000	30,000	130,000	70,000	13,500	85,000
25%tile	75,000	12,000	90,000	61,500	7,000	72,500	45,000	4,000	52,500
<i>By Turnover</i>									
<1bn	84,000	20,500	95,000	96,000	31,500	131,000	64,000	7,875	68,000
\$1bn-\$1.99bn	119,000	22,500	145,000	Insufficient Data			65,000	10,000	72,000
\$2bn-\$7.99bn	118,500	39,500	151,000	75,000	9,000	75,000	62,500	6,500	67,500
\$8bn+	102,000	20,000	135,000	70,000	12,000	88,000	59,500	7,000	63,500
<i>By geographical area</i>									
UK and Ireland	118,500	21,000	140,000	92,000	25,000	115,000	65,000	10,000	73,500
Northern Europe	88,500	32,500	137,000	87,500	14,000	98,500	60,000	6,250	67,000
Southern Europe	104,500	25,000	120,000	47,000	7,500	54,500	33,000	500	40,000

See [www.practicallaw.com/7-201-8981](http://www.practicallaw.com/7-201-8981) for a full breakdown of results by sector and jurisdiction.

and, despite concerns (about levels of fees) expressed by some respondents, one major trend to emerge from this survey is the extent to which legal departments rely on recruitment agencies to find their staff.

- Overall, almost a fifth of legal departments say that they always use recruitment agencies when looking for new staff, while a further 40% say that they frequently do. Both these figures represent significant increases from the survey in 2004, when just 10% of heads of legal said that they always used agencies and 18% said they used them frequently. (see box, *Recruitment: strategies on page 26*).

- Again, the figures vary quite markedly by geographical region; with companies in the UK and Ireland much more likely to always use recruitment consultants (24%), compared with a little over 5% in northern Europe and none at all in southern Europe. Interestingly, while the use of recruitment agencies has increased, the utilisation of head-hunters appears to have remained largely static, with about 20% of legal departments using their services always or often,

- The figures suggest however, that it is not that many heads of legal have experienced dramatic conversions to the merits of using recruitment agencies, but that those who have always used them do so much more regularly than in the past. In 2004, those who 'sometimes' or 'rarely' used agencies comprised 27% and 19% respectively of the survey. This time around, these figures have fallen to 17.4% and 8.7%,

while the number of legal departments that never use them has remained almost unchanged - 16% in 2004 as against 14.5% in 2006.

There seem to be a number of reasons behind the growth of agencies. Heads of legal themselves put much of it down to the increasing demands on their time, which means that they are forced to outsource the process of advertising, sifting, short listing and preliminary interviews rather than handle it in-house. It is telling that smaller companies are quite substantially more likely to use agencies than the biggest companies, which may have greater internal resources to cope with the process. Meanwhile, recruitment consultants put part of this growth down to the expanding size of the in-house candidate pool, meaning that the conventional networks of in-house lawyers are likely to miss out on many potential candidates.

These assertions would appear to be backed up to some degree by the survey results. Sectors such as energy and utilities, where the pool of potential candidates is smaller and more likely to be known to each other, are much less likely to always or frequently use agencies (12.5% 'always' and 25% 'frequently') than more populous ones such as banking and finance (41.7% 'always' and 25% 'frequently') and retail



(80% either 'always' or 'frequently'), which record very high rates of agency use. They are also, the figures show, more likely to recruit direct - more than half of heads of legal in the energy and utilities sectors say that they always or frequently do so.

A further factor is the increasing involvement of companies' mainstream human resources departments in the recruitment process and the inclusion of legal recruitment in the preferred supplier agreements that many large companies have with recruitment consultancies. The professionalisation of the in-house legal recruitment process, can only be a good thing given the minefield of is present-day anti-discrimination and employment law.

**Candidate selection and assessment**

But the greater professionalisation of the in-house recruitment process is not leading to the greater adoption of professional methods of candidate selection and assessment, such as psychometric testing, assessment centres and the use of designed exercises.

The increasing demands on the time of general counsel may go some way to explaining why the use of these recruitment tools have waned in recent years.

- A little over 18% of heads of legal say that they either always or frequently use psychometric as part of the selection process, compared with 24% in 2004, while the proportion of respondents who say they always or often use assessment

Best practice survey

Junior lawyer			Legal assistant			Secretary		
Base pay	Bonus	Total	Base pay	Bonus	Total	Base pay	Bonus	Total
40,000	5,000	46,500	30,000	1,250	31,750	23,000	1,000	24,075
51,000	10,000	60,000	35,000	5,000	39,250	27,000	2,000	28,000
33,000	1,500	34,500	22,000	0	22,250	18,500	0	18,500
55,000	7,500	57,500	32,750	1,500	34,000	25,000	2,000	26,000
37,000	5,000	42,500		Insufficient Data		22,000	0	23,000
40,000	3,000	40,000	25,000	1,500	26,500	21,000	0	23,000
40,000	2,000	47,000		Insufficient Data		27,500	0	27,500
44,000	7,250	55,000	29,000	5,000	32,500	22,000	1,100	23,500
42,500	2,000	43,500	35,500	5,000	38,000	26,500	0	28,000
23,500	0	24,500	17,000	0	17,000	15,000	0	15,500

*All figures given are in UK currency.*

centres has dropped dramatically, from 25% in 2004 to a little over 9% now – and almost two-thirds of legal departments say that they never do. The exception is the use of designed exercises, the invariable or frequent utilisation of which has climbed from 20% in 2004 to a touch under 30% now.

■ Broken down by region, company size and sectors there is some divergence in their rates of adoption. The use of psychometric tests is markedly more popular in the UK and Ireland than elsewhere (more than 30% use them either frequently or all the time), and are also more popular amongst manufacturing and energy/utilities companies, sectors where perhaps more general commercial skills are more important than specialist knowledge.

■ Manufacturing, services and biotech make above average use of assessment centres, which are also disproportionately

popular with smaller rather than large organisations.

■ Usage rates for designed exercises are considerably higher amongst larger companies and very popular in southern Europe where two-thirds of respondents say that they always or frequently use them.

■ Much more popular, however, is the involvement of members of the business in the recruitment process, something that almost half (47%) of respondents say that they do all or most of the time. This is especially popular in northern continental Europe and in the manufacturing and services sectors.

In-house legal management consultant Paul Gilbert of Lawbook Consulting is sharply critical of the decline in the use of these methods. "It is essential to do some psychometric testing and assessment of skills," he says. "They can be artificial and

it's difficult to replicate a live environment, but you are taking on an investment of tens or hundreds of thousands of pounds and basing that investment on two or three interviews alone is asking for trouble. They shouldn't be the only basis for a decision, but they are useful building blocks that can minimise the risk of getting it wrong."

**How difficult is it to recruit?**

Finally on the recruitment front, the survey also asked heads of legal to estimate on a scale of one-to-ten (with one being the easiest) how difficult they find recruiting in-house legal staff to be.

■ The average score of 4.35 would suggest that it is not an insurmountable problem for general counsel, but within that average, some individual legal departments registered some very high scores and there are also significant variations by region and sector.

Best practice survey



■ Companies in the UK and Ireland find it rather more difficult than the average to find staff, with an average score of 5.03, while the smaller a company's turnover, the harder it is likely to find it to recruit.

■ By sector, the financial biotech/pharma, services and retail industries report the most problems in attracting staff, with a member of the latter commenting that the "market in retail is currently difficult and would not particularly entice people to join the business" (see box, *Comments on recruitment market*).

The question was not part of the 2004 survey, so there are no figures to compare these results with but anecdotally heads of legal are finding it more difficult to recruit now than a couple of years ago, when the legal recruitment market was at the bottom of a protracted slump. As more than one respondent remarked: "There are plenty of candidates out there, but the quality is variable. It's finding the good ones that's hard."

**Retaining and motivating**

**Larger departments find it easier to retain staff**

On average, heads of legal report fewer problems retaining staff than recruiting them in the first place, giving an average score of 3.78 (on a scale of one to ten with one representing very easy), compared with 4.35 for recruiting them.

The devil, however, is in the detail and there are real differences between the experiences of larger companies in this respect.

■ When asked to put a figure to how difficult they find it to hold on to key staff, the biggest companies, (those with a turnover in excess of US\$8 billion) give an average score of 3.15, whereas the same question to the smallest legal departments at the other end of the spectrum comes up with an average figure of 4.6 – not disastrous, but certainly indicative of staff retention representing a much greater challenge for smaller departments.

■ By sector, the energy, mining/construction/engineering and finance industries seem to be having the hardest time of it

while by region, the differences are not huge.

**Tactics employed to retain and motivate lawyers**

The disparity in the figures between large and small companies is largely down to the bigger departments being able to offer a better defined career path and a greater diversity of roles than their smaller counterparts, but whatever the size of the employer, there is a high degree of consensus about the best methods of retaining staff (see box, *Retention: Strategies on page 27*).

■ The most popular tactic for encouraging lawyers to stay on is giving them the opportunity to broaden their professional experience closely followed by the provision of training and personal development opportunities.

■ Providing a decent work-life balance is considered a strong secondary factor in retaining staff, but there is relatively little enthusiasm for the efficacy of sponsoring further qualifications, providing sabbaticals or secondments elsewhere. These figures are virtually unchanged

from the results of the same question in the 2004 survey.

Respondents were less clear, however, on the best strategies for motivating their staff. All four categories attracted an average score above two (1 being most important, and 5 being least), indicating a wide range of opinions as to the best method of keeping their lawyers on their toes.

The top choice was for the use of basic appraisal schemes leading to personal development plans, which proved more popular than its more involved alternative, a 360 degree feedback programme, the popularity of which seems to have fallen quite drastically since 2004, when it was the most popular option, with an average score of 1.79. This time, it came fourth with an average mark of 2.94. The next two most popular choices - providing coaching and mentoring and performance-related pay – enjoy similar levels of popularity as they did two years ago. There is little significant difference in the scores when broken down by region, sector or size.

The key messages from the 2006 <sup>15</sup>Law Department best practice survey on find-

**Comments on the recruitment market**

Respondents were asked how difficult they find recruiting. There was significant variation by region and sector. Some of the comments included:

"There's a lack of calibre for in-house lawyers at a reasonable price."

"Buoyant market; lots of choice; fluidity between in-house and private sector."

"The market in retail is currently difficult and would not particularly entice people to join the business"

"Many law firm assistants want to escape long hours culture, but barrier is often their pay rates."

"There are too many jobs, not enough lawyers and the grass is always greener."

"We have good brands, and it's an exciting industry."

"There is a keen desire for people to move in-house."

"It's difficult to find specialist lawyers as opposed to general commercial lawyers and the location of our offices also makes it difficult to attract lawyers."

"Recruitment is quite often a difficult exercise due to the overheads control policy of the company."

"There are plenty of candidates out there, but the quality is variable. It's finding the good ones that's hard."

**Benefits**

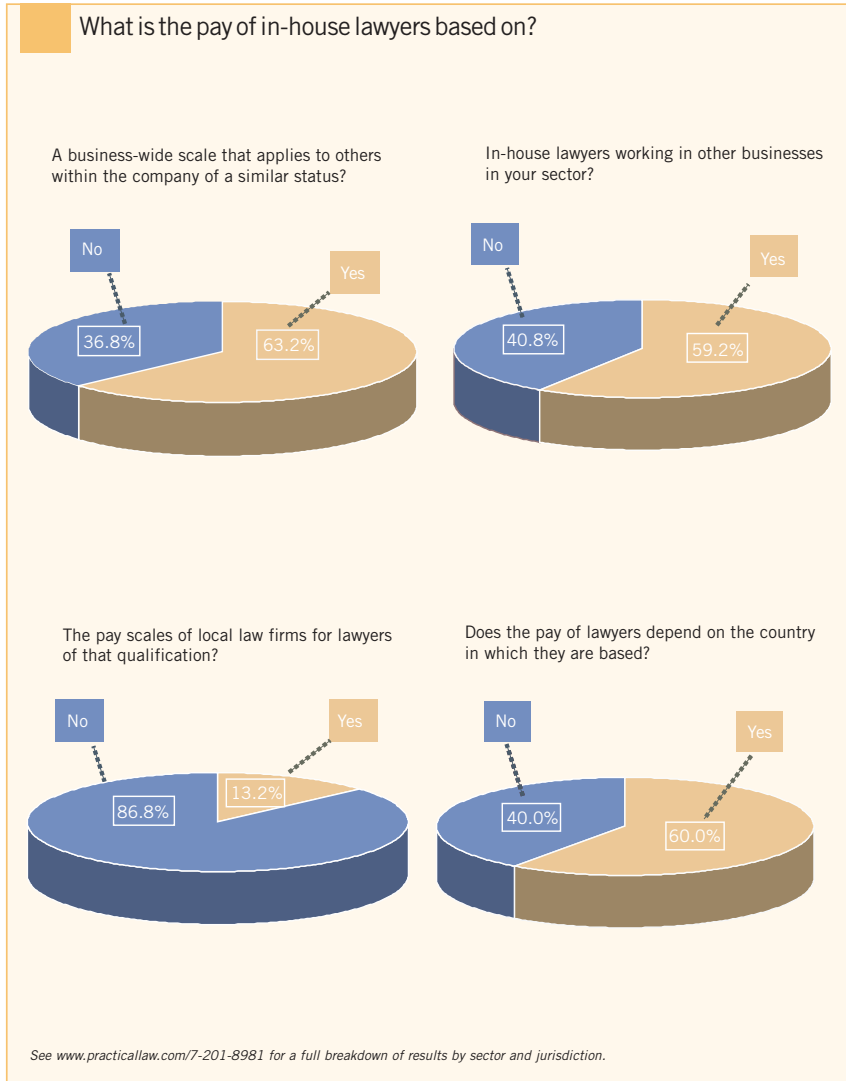
**Percentages of respondents receiving benefits**

	Medical insurance	Company car	Share options	Pension
General Counsel	77.5% (76.1)	66.8% (66.2)	60.6% (73.2)	78.9% (90.1)
Section heads	74.1% (81.6)	59.3% (57.9)	48.1% (60.5)	66.7% (92.1)
Senior lawyers	75.0% (77.4)	48.3% (37.7)	33.3% (47.2)	68.3% (86.8)
Junior lawyers	58.1% (68.2)	20.9% (13.6)	14.0% (25.0)	69.8% (88.6)
Legal assistants	56.8% (73.7)	2.7% (5.3)	16.2% (26.3)	51.4% (84.2)
Secretaries	47.3% (68.3)	1.8% (0.4)	10.9% (18.5)	58.2% (79.6)

Figures in brackets represent the percentages in the 2004 survey.

See [www.practicallaw.com/7-201-8981](http://www.practicallaw.com/7-201-8981) for a full breakdown of results by sector and jurisdiction.

Best practice survey



ing, keeping and motivating talent is that while European in-house lawyers are not yet on a par with their counterparts in private practice they are slowly but surely moving up the salary scales.

And far from its traditional perception as the graveyard of failed private practice

lawyers - in-house departments are turning their backs on private practice as a training ground for recruits and looking to other in-house departments for the best blood.

In a competitive recruitment market the big question for law departments is

how to retain and motivate these lawyers once on board. What is clear from this survey is that no single strategy wins the day. To a large extent it is a question of trial and error but it is an issue that cannot be ignored if a business wants to attract and retain the top legal talent.

Best practice survey

### Private practice vs in-house recruits

Perhaps the most telling statistic from the *Law Department best practice survey on finding, keeping and motivating talent 2006* is the finding that the majority of heads of legal would prefer to recruit their lawyers from other legal departments rather than from private practice (see box, *Recruitment: In-house vs private practice*).

Almost three-in-five respondents say that they prefer to recruit lawyers with in-house experience, with a further five percent expressing no preference. The only geographical region expressing a preference for recruits from law firms is Southern Europe, but even here, as Marco Bianchi, general counsel of Italian truck-maker Iveco, points out, this is more a result of the region's small pool of experienced in-house counsel than any great enthusiasm for hiring from private practice.

Underlying these statistics seems to be a growing perception amongst heads of legal that private practice is increasingly failing to produce candidates with the abilities and outlook to thrive in a career in-house. As one survey respondent lamented: "It is easy enough to find candidates, but getting the right blend of skills, motivation and willingness to adapt is more difficult."

The range of skills and aptitudes required to successfully work in-house is a long one – and getting more extensive each year as the range of responsibilities incumbent on legal departments grows.

In brief, these can be summarised as influencing and negotiation skills; interpersonal and presentational skills, flexibility, and a sufficiently commercial and pragmatic attitude to be able to develop solutions rather than just advise on the law, all of which should add up to the key ability to come up with practical responses to situations and then sell them to the business.

The need for this skill set is demonstrated by the criteria that survey respondents highlighted as being most important when it comes to recruiting - personality, commercial awareness and technical ability. Given that most heads of legal spent their formative years in private practice, why do they think that law firms are failing to deliver the goods?

One answer is the degree of specialisation that private practice lawyers are forced into from very early in their career while, as the survey shows, the vast majority (79%) of legal departments prefer to hire generalist rather than specialists.

For Michael Herlihy, former general counsel of ICI, the increasingly narrow focus of private practice lawyers has had other unforeseen consequences. "It's rather depressing that so many private practice lawyers don't have the skills that in-house want, either as an employer or a client, given that they have all worked their socks off to get into the law firms machine," he says. "What law firm training doesn't seem to provide is common sense, initiative and the self-confidence to handle matters on your own."

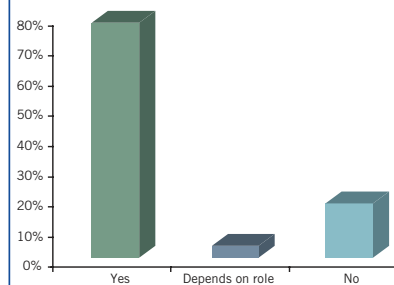
"Unfortunately, the amount of technical detail that young lawyers have to keep up with now squeezes the time available for them to learn practical skills. However, law firms can't afford to give you technically incorrect advice. It's nobody's fault, it's just the way the world is."

For Seán Mac Cann, head of legal at Irish energy company Airtricity, it is both the training lawyers receive and the culture of many of the law firms they work for that is lagging behind. "Some lawyers are content to lob purely legal advice at you," he says. "I don't think that many private practice lawyers understand, or attempt to understand, how to implement the advice that

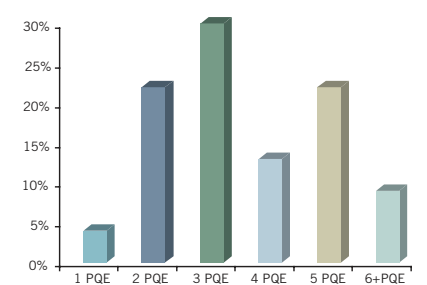
### Recruitment: PQE

Number of years post qualification experience.

Do you normally expect a minimum PQE?



Of those that specified a minimum PQE



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Best practice survey

they give. Being able to implement advice is not really a legal skill, it's a management skill and I despair sometimes of the abilities of private practice lawyers in this respect."

"It is not that lawyers are becoming too specialist in my opinion," he concludes.

"There is something deficient in lawyers' training when it comes to how to deliver a service, but it's something that is fundamentally ignored by both law firms and law societies in terms of training."

Part of the work of Paul Gilbert, in-house management consultant at Law Book Consulting, is to assist with the recruitment of senior legal staff and even at this level, he says, while those with a private practice background will usually have the edge in

terms of their technical knowledge, in most other respects, candidates with an in-house background prove to be the most suitable more often than not. "Private practice lawyers very often fail to impress on assessment, especially in terms of communication and presentational skills," he says. "They are also often very focused on legal risk rather than commercial priorities. General counsel want business people that will be credible when they are put in front of their directors and chief executives. That's 70%-80% of the job these days, but unfortunately, a lot of private practice lawyers are not out in front of clients early enough in their careers to get the experience."

That is not to say, however, that Gilbert thinks that in-house departments should limit their recruiting activity to experienced in-house lawyers – quite the reverse, in fact. "I am firmly of the view that in-house departments should recruit at a very junior level and train them so that they become your resource," he says. "It's actually cheaper than hiring someone at four to six PQE, which is always a lottery and even if they leave two or three years down the line, you get better value."

Herlihy agrees: "At least when you recruit from a law firm, you know what the problems are likely to be with the transition," he says. "Forewarned is forearmed. With people that come from other in-house departments, although they may have already made the transition, my worry would be what bad habits they have picked up while they were there. At least with a recruit from private practice, I can control what I inculcate into them from the start."

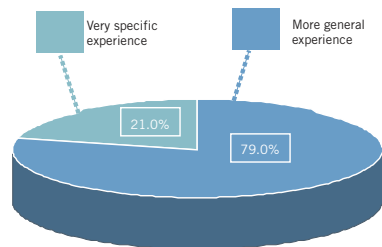
At National Grid, Helen Mahy prefers to test-drive her recruits first. "We have taken on people from private practice, but would prefer to do so only after they have been on secondment here first - it's safer that way," she says.

"Private practice lawyers only see the tip of the iceberg of what we do. Some people can be first class in a law firm but can't make the transition in-house. My personal opinion is that nobody should become a partner in a law firm without having done at least two secondments in house".

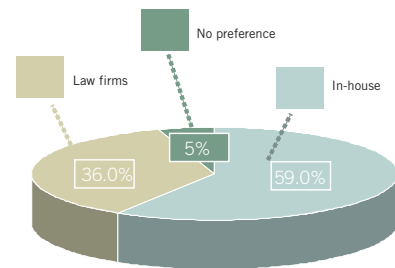
(For a closer examination of the skill set required by in-house lawyers see: *Stepping out of the legal mindset* on page 35).

### Recruitment: In-house vs private practice

Do you prefer to recruit lawyers with...



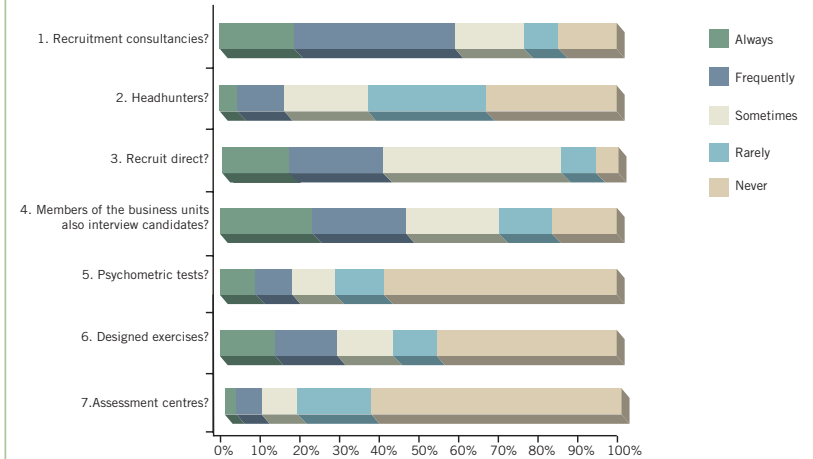
Do you prefer to recruit lawyers from law firms or in-house departments?



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### Recruitment: Strategies

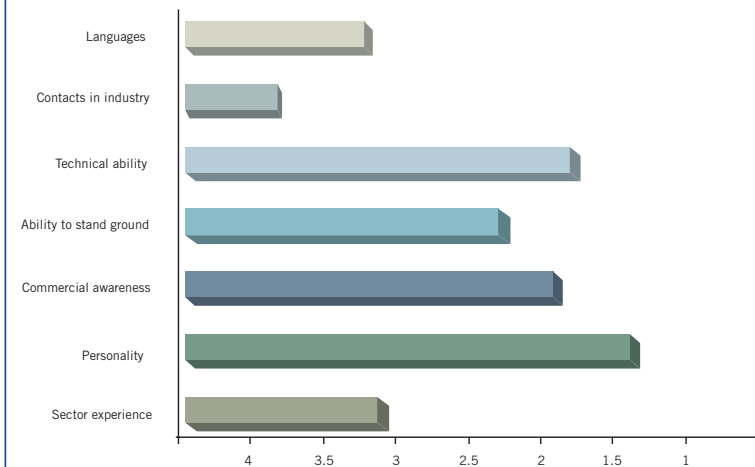
What strategies do you use to recruit lawyers?



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### Recruitment: Valued characteristics

When recruiting, what value do you place on...(1-most, 5-least)



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Best practice survey

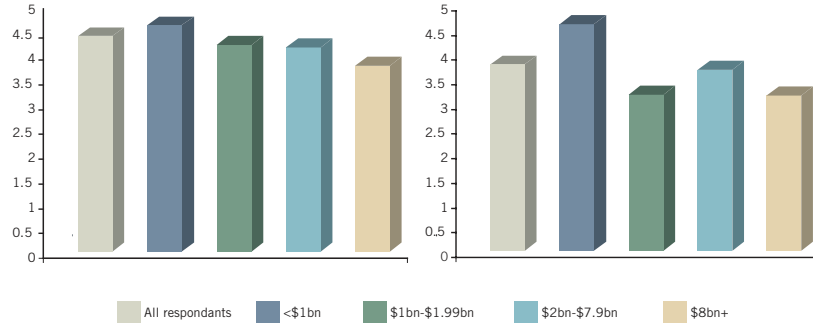
### Recruitment: Market

In the current market, how difficult is it to recruit lawyers?

(Scale of 1 -10, 1-very easy, 10-very difficult)

In the current market, how difficult is it to retain lawyers?

(Scale of 1 -10, 1-very easy, 10-very difficult)

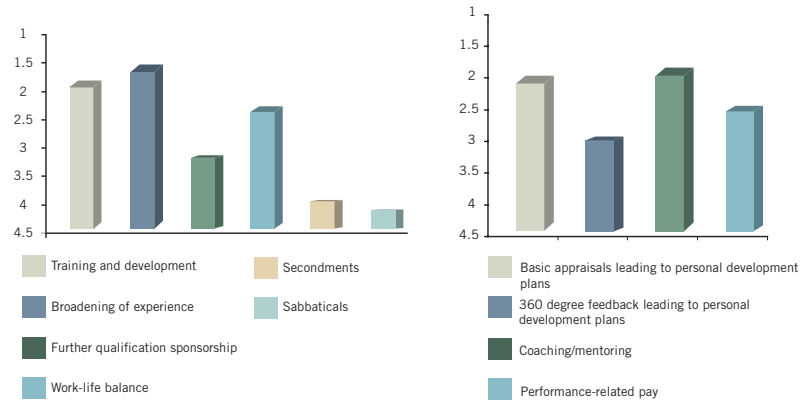


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### Retention: Strategies

What importance do you place on the following strategies to retain lawyers? (1-most, 5-least)

What importance do you place on the following when motivating lawyers? (1-most, 5-least)



See [www.practicallaw.com/7-201-8981](http://www.practicallaw.com/7-201-8981) for a full breakdown of results by sector and jurisdiction.

Best practice survey

### Strategies to retain and motivate in-house lawyers

If ever there was any doubting the maxim that "there's more to life than money", then the respondents to this year's survey seem to have proved it beyond reproach. Larger companies, the survey found, pay their lawyers less on average than their smaller counterparts, yet report considerably fewer problems in retaining their staff.

Money, according to recruitment consultants, tends to be low on the list of candidates' priorities, as long as a package is perceived as 'fair'. Much more important is the opportunity for lawyers to increase their experience, broaden their knowledge and see a clear career path — all requirements that are easier for larger, more diverse, legal departments to meet.

As the survey also demonstrated, legal departments generally find it easier to retain their existing staff than recruit new ones, but for smaller teams, the headaches are growing, especially as the overall recruitment market improves and more vacancies become available. One of the skills that in-house lawyers must develop is how to manage their own careers, and given the flat organisational structures of smaller legal teams, an increasing number of lawyers are coming to realise that the only way to move up is to move out.

One strategy open to departments of all sizes is to provide opportunities for lawyers to move into roles in the mainstream businesses, whether permanently or temporarily, and 19% of respondents say that at least one of their staff has done so in the

past three years, although this again is something that larger companies have had more success at doing - 45% of those with a turnover exceeding \$8bn had done so, compared with just 13% of those with a sub \$1bn turnover.

Meanwhile, one of the traditional draw cards of in-house, work-life balance is still recognised by heads of legal as an important element to retaining staff morale and loyalty, but not an essential one. This is a reflection of the reality of life in-house, which can be just as demanding as private practice, and also a shift in the aspirations of lawyers that are attracted to an in-house career.

In this new, more ambitious, environment, in-house legal management consultant Paul Gilbert of Law Book Consulting says that, ironically, the best method of keeping and motivating your staff may be to provide them with the skills and experience that will help them move on. "There is often an unspoken contract that says we may not be able to offer you a 15-year career path with lots of promotions, but by the time you do move on, you will be a better lawyer," he says. "To fulfil that contract, many departments need to do two things - to establish a structured programme of training and development but also to make sure that they are providing sufficient high-level, high risk work. So many departments are burdened with low-level, low-risk work which is depriving their lawyers of getting involved in more stimulating matters. They need a strategy to get rid of this low-level, routine work - whether to private practice or by

moving it into the business - to stop their lawyers going stale."

Mark Prebble, in-house legal management consultant at Lawyers in Business broadly agrees: "The best method of retention is a relatively relentless personal development programme," he says. "A willingness to equip someone not only to perform well in their current role but also to get a plum job elsewhere can be a great reference for a department and provided the turnover is not too rapid (the minimum period should be 3-5 years), the regular replenishment by new blood can be thoroughly positive. What is regrettable is someone leaving for a lateral job simply because they "have had enough".

Sometimes, too little turnover can be a serious management problem. "For more senior lawyers, those who are in their mid-40s, you are beginning to bump up against the problem of finite opportunities," says Michael Herlihy, former general counsel of ICI.

"It's not just a matter of how you retain them, but also how you motivate to keep them fresh and happy with a spring in their step. While it's frustrating to lose people through lack of opportunities, the more dangerous management problem is what you do with the 48-year-old who is still doing an adequate job and can't be dismissed on performance grounds, but has simply tuned out and has lost the hunger and desire. That is often a bigger problem than losing excellent junior staff."

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### Finding, Keeping and Motivating Talent 2006: General counsel insight

Flexible working is the key to staff retention says Helen Mahy, general counsel at energy group National Grid.



Career breaks, part-time working and the facilities for staff to work from home have all contributed to the fact that the law department at National Grid has lost none of its valued staff since its reorganisation in 2004, according to Helen Mahy.

The recent introduction of a flexible benefits system, where employees can trade in some benefits such as health insurance for others such as holiday, is likely to help to maintain this impressive record.

The company has also just undertaken a group-wide review of how it can become a more diverse organisation, looking at whether it is a sufficiently friendly employer to women and ethnic minorities so that it is able to attract and keep the best talent. "We have family-friendly policies for good business reasons," Mahy says.

The other factor in National Grid's low lawyer turnover rate has been the creation of career development plans for staff taking advantage of the legal department's relatively large size. The legal function has 80 lawyers in all, 38 of whom are based in the UK and the size of the company as a whole has enabled a number of lawyers to move into quasi- or non-legal roles in the mainstream business, such as project managing the production of the company's annual report or managing the company's legal risk and compliance.

In the US, the group's general counsel even spent some time managing a large part of the business for a while. "Not everyone wants to move out of the legal frame entirely, but if a lawyer in one area is keen to move into other roles, we are happy for them to do so," Mahy says.

### Checklist: How to retain and motivate in-house lawyers

- ✓ Provide structured training and development programme. While you may not be able to provide the lawyers with a clear career path you can provide them with the skills to equip them to get a plum job elsewhere.
- ✓ Offer career progression opportunities wherever possible. In larger legal functions this can be done by creating a two-track career path – either to remain as a lawyer or manage a team of lawyers.
- ✓ Maintain interest levels by retaining the high level interesting work in-house– outsource the low-level low interest work.
- ✓ Provide flexible working – career breaks, part time and home working.
- ✓ Create opportunities to move into non-legal roles within the business where the lawyer expresses an interest in this.
- ✓ Set up secondment exchanges with law firms and other companies/regulatory authorities and so on within the sector.

### Finding, Keeping and Motivating Talent 2006: General counsel insight

Coaching still remains a popular strategy to motivate lawyers. But according to Michael Herlihy, who was until recently general counsel at ICI, it all too often proves to be an expensive waste of time. Here he explores some of the reasons why.



Coaching can be one of the most successful methods of motivating your staff and encouraging more effective behaviour. Given the critical importance often attached by the business client to these behavioural issues, coaching ought to play an important part in the development of key individuals in the legal function. However all too often it proves to be an expensive waste of time.

In my experience there are a number of reasons for this:

**The individual does not really accept that there is any need for their behaviour to change.** It is important to understand that just because an individual has agreed to coaching does not mean that they are committed to changing their behaviour. Of course, in their performance review and discussions with management they will have said that, they are "happy to take some coaching on board", but being intelligent individuals they know that this is sometimes the price of playing the game. In reality - to exhume the old cliché - the leopard has no intention of changing its spots, which it actually rather likes and regards (sometimes correctly) as having played an important part in its previous rise up the food chain.

Often, the individual will also recognise (though will probably not say) that some of the behaviour identified is down to deep-seated personal characteristics, which, unsurprisingly, they are not enthusiastic to trawl through with some "quack" sponsored by the Human Resources department.

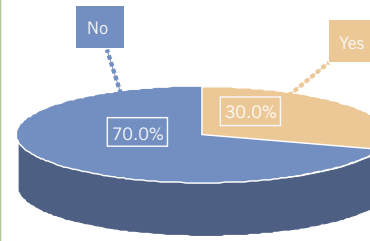
Confusingly, a lack of commitment to change is not always reflected in a lack of enthusiasm for the process. The enthusiasm may be linked to a desire to be seen to be doing the coaching rather than a commitment to the process itself. Amongst the young and ambitious - particularly in organisations where the coaching initiative is personally associated with the chief executive officer - an "I'm getting external coaching" badge may be worn with pride but without the commitment to behavioural change required to improve performance.

Ideally a coaching programme starts at the instigation of the individual as a result of their identifying an issue on which they want to work with some external help. Where - as is normal - this is not the case, it is essential that the manager takes time to really work through the reasons for the coaching and its specific objectives and that at the outset the coach either validates that these reflect the individual's views or, equally, establishes that they do not. This can often be time consuming and by no means as straightforward as it sounds. At the end of the day, though, coaching is not something that is "done to" people; it is something they use - if they choose - to help themselves. If they don't want it, the coach might as well stay at home.

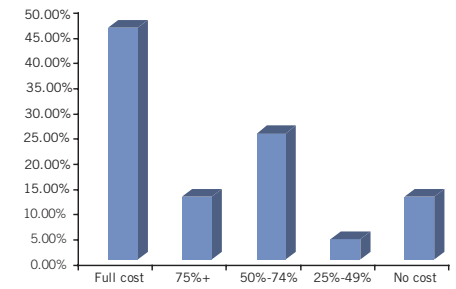
**Insufficient time and priority is committed to the coaching process by management.** Managers play the game too. If you have someone who is doing a useful job at some level but lacking certain attributes required to progress further (or simply labelled as

### Secondments

Have you taken on a secondee in the past year?



What are the arrangements for taking on a secondee?



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"desirable" by the human resources department) what could be more elegant than to palm the problem off onto some outside coach? Provided, of course, it does not interfere with getting the real work done. In fairness to the manager they will doubtless have had some conversation with the individual about the need for change. In many cases though, I would hazard a bet that it didn't go on for too long after the key point at which they agree to involve a coach.

As a result critical practical issues, for instance how the manager will support the coaching; what happens when it conflicts with getting "real work" done and how to deal with some of the individual's likely reactions and issues as the coaching progresses (for example "I've done the coaching so where's my promotion?") fail to be addressed.

**The coaching itself remains at a theoretical/philosophical level rather than being rooted back into the individual's actual job.** For most of us by far the most effective coaching we ever get is at work and on the job. Unfortunately, time pressures and an innate reluctance on the part of many managers and colleagues to address behavioural issues face to face mean that like exercise and fresh vegetables most of us get far less of this than is good for us.

An external coaching relationship can help but only if it can address the individual's behaviour in real work situations. At the end of the day the psychiatrist's couch may get quite comfy but the issue is not whether the individual and their coach have "arrived at a better understanding of the issues" but whether the individual is operating more effectively at work.

Off the couch and back to the workbench!

*Michael Herlihy retired from ICI last year after 26 years with the group. He is now a senior consultant with Jomati Consultants.*

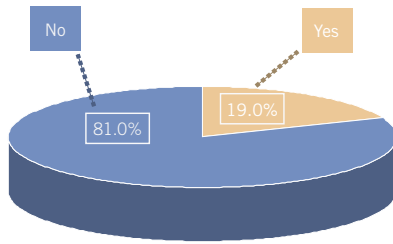
**Checklist:**

**How to make coaching work**

A few questions you might ponder as a manager before picking up the phone to call in a coach

- ✓ Does the individual really want to be coached?
- ✓ Why does the individual want to be coached?
- ✓ What are you aiming to achieve?
- ✓ What would a successful outcome be for you, the individual and others at work?
- ✓ Why do you need to employ an external coach? Are these issues that would be better addressed directly between you and the individual?
- ✓ What are the rules going to be regarding communications between you and the individual and the coach? ("Black box" situations where you have no information on what is going on in the coaching may be popular with some coaches but can be extremely frustrating for managers).
- ✓ How important is it to you that the coaching is successful?
- ✓ What does this mean in terms of how much time you will commit to supporting it and how you will handle conflicts with the individual's day job?
- ✓ What are you going to do to reinforce the objectives of the coaching through work activities and experience?

Have any members of the legal department moved into a purely commercial role in the past three years?



Finding, Keeping and Motivating Talent 2006: General counsel insight

The key to building and maintaining a successful in-house legal services team is the recognition that it is a very different type of lawyer that is suited to the in-house environment says Nick Deeming, group legal director and company secretary at the BOC Group



Not every lawyer has the capacity and competencies for the in-house challenge. Too often I have seen lawyers that have leapt straight into industry or moved from private practice, often with the misconception that it is "the softer option", who then find it difficult to cope with the different approach that the in-house model demands.

**The need for business lawyers**

Lawyers in industry must be business lawyers rather than just lawyers. It is a distinction that is not readily recognised. In practice it means thinking as one with the business people with whom they work. The advice has to be packaged and delivered in a different way and above all it has to be commercial and solution driven. As lawyers, our professional training naturally leads us to be cautious and whilst I wouldn't advocate a "throw caution to the wind" approach, as an in-house lawyer you constantly strive to provide commercial solutions, quite a difference from just providing advice.

Lawyers have a tendency - particularly under pressure to say 'no' - to err on the safe-side. Clearly 'no' has to exist in the in-house vocabulary but it has to be delivered with the big picture in mind and in the context of you as partner to the business, as a team player.

The trick is to always ask, what is the business trying to achieve? And then put yourself in the shoes of the business and ask: "How would I react if I received this piece of guidance and what would be the consequences for the business?" That way, the advice you give is tailored and it becomes inevitably more commercial.

Forget the long advice treatise - the note to file following the telephone conversation. In-house you give an opinion and your overall aim is to influence the outcome of the decision. Your guidance will impact the

bottom line and almost certainly your bonus. In-house you have a stake in the outcome. It is not just about reputation, and it is not good enough to sit back and say: "I have given my opinion; it's up to the business to take the decision. They have my advice. It's ultimately their responsibility."

This approach is so wrong. A chief executive officer I used to work would say: "In business you are part of the team and you put your 'balls' on the line like the rest of us. If you are concerned about the possible outcome you must influence that outcome to get the right result. You can't stand back and not accept any responsibility."

**Getting the recruitment process right**

For a general counsel this means getting the right lawyers in your team and getting the hiring process absolutely right. There is little scope for getting it wrong because the consequences can be very damaging. I suspect we have all worked in teams where one of the team is different, dysfunctional, not a team player and disruptive.

More often than not the problem goes back to the original hiring process. The job may have been ill defined, with the job description poorly thought through and the competencies required not clearly identified. Often the hire is made on the basis of the individual's technical skills and past experience without any real thought being given to whether the individual will fit in.

To get the right candidate you have to ask the right questions:

- Will they fit the team culture?
- Will they fit the company culture?
- To what extent will they complement the team rather than hinder it?

The hiring process has to be well planned:

■ Job specifications should be scrutinised and debated with the leadership team, including the business.

■ All key individuals within the team need to be involved in the interview process including Human Resources and whenever possible one or two business people - typically those business people that the candidate will work with.

■ Do we always use a recruitment firm? Not always. On occasions we have placed the advertisement ourselves and outcomes have always been good. It makes you work harder but it's better than relying on an agency just to send CVs. Such an arrangement doesn't always bring real value and you pay 25-30% by way of fee. My much-preferred route is to use headhunter search, someone who knows the market and knows us as the client. They can then add considerable value to the recruitment process.

■ The short listed candidates are required to give a 10 - 15 minute presentation on a topic we tell them about the previous day. It involves a legal issue but it has to be pitched as a presentation to an executive business team. I am always surprised at the number of presentations that miss the business pitch point - they are stacked with too much detail (the lawyer's comfort zone!) and not relevant to the overall message; moreover rarely do they stick to time.

■ In addition, we require each short listed candidate to carry out some psychological testing. This is a fairly simple process that short cuts the whole process of understanding the individual. It explores many aspects of behaviour, including communication and management styles and the way we influence others. In fact the whole team complete psychological tests on a regular basis.

**Checklist:**

**What makes a successful in-house lawyer?**

To be a successful in-house lawyer you need to:

- ✓ Be business and commercially aware.
- ✓ Be financially aware.
- ✓ Have a range of competencies, for example - strong communication and presentation skills.
- ✓ Be good at developing relationships and forging partnerships.
- ✓ Be constantly developing existing and new skills.
- ✓ Have the ability to coach - upwards, sideways and downwards.
- ✓ Be a change agent - look for opportunities to change things for the better.
- ✓ Have a strong self belief.
- ✓ Be team player.
- ✓ ...Have a sense of humour!

■ The chosen one - verbal references are vital and should be obtained within 24 hours of making your selection; that way you can ask the difficult questions rather than just rely on written references.

So what are we looking for? In a dynamic team we are not looking for the traditional lawyer but the individual that has that spark - the enthusiasm to want to succeed; to want to learn; to try new things and not be afraid of moving outside their comfort zone. The list of skills is endless and all these are in addition to an individual's technical skills which you take as a given. In essence the value adding lawyer (see box, *Traditional lawyer vs. value adding lawyer*).

**Training and development**

Having made the hire, continuous training and development is vital. This has to be built around a 'living' Individual development plan, revisited at least every six months. It needs to record clearly the individual's goals, agreed with their line manager, both in the short and medium terms.

The overall aim is to develop the business lawyer and inevitably key and sometimes difficult questions have to be addressed. It is too easy for a senior team member to say they want my job as legal director when I know and they know - if they are honest - that they have not got a cat in hell's chance of getting it. They have great skills and are good at what

they do but for different reasons they would not be up for the big job.

They need to be coached positively to think differently and their development plan must reflect their goals and their needs and that means a rigorous discussion about their strengths and weaknesses. If they need to work at their relationship skills, - sometimes a difficult discussion - targeted training needs to be identified and accomplished in that current period

**Individual development plans**

We are currently working on a training and development programme at BOC, which has the individual development plan at the heart of it. It focuses on three skills areas:

- Technical skills: building and honing professional skills.
- Soft skills: presentation and speaking skills; relationship and partnering skills; IT skills; and coaching skills.

■ Business development skills: those skills that allow you to really understand the business and to make a real partnering contribution. This includes encouraging lawyers to acquire business skills - for example by completing an MBA (not enough lawyers do MBAs); marketing and sales skills; and secondments into the business. This way the lawyers get a real understanding of what its like to be on the business coal face.

The plan we are working on will present a menu of real choices across each of these skill areas that will allow all the team to fulfill their promise and aspirations, based on their living individual development plan. It will identify courses and costs, to facilitate effective budgeting and completion of targeted skills courses will be a key component in the annual appraisal process.

Taking one aspect, the aim is to avoid the scattergun approach of the one-day technical course, to avoid multiple persons attending questionable courses to listen to questionable presentations at great cost. Targeted training will develop all the individuals alongside each other.

My contract to each of my team is to help them develop their Curriculum Vitae, so that one day they really can get the job that they aspire to. It is an unspoken aim but that is the reality and in return I look for someone who makes a real contribution as a business professional, not just as a lawyer.

Having recruited talent - you want to keep it - and developing this type of training development model gives you a fighting chance.

**Traditional lawyer vs. value adding lawyer**

Traditional lawyer	Value adding
Client/lawyer relationship	Partnership
Reactive	Proactive
Risk response	Risk reduction
Information	Education
Provide advice	Provide resource
Support	Collaboration
Sometimes 'no'	Always a solution
Part business awareness	Full business awareness
Partially owns the outcome	Fully owns the outcome