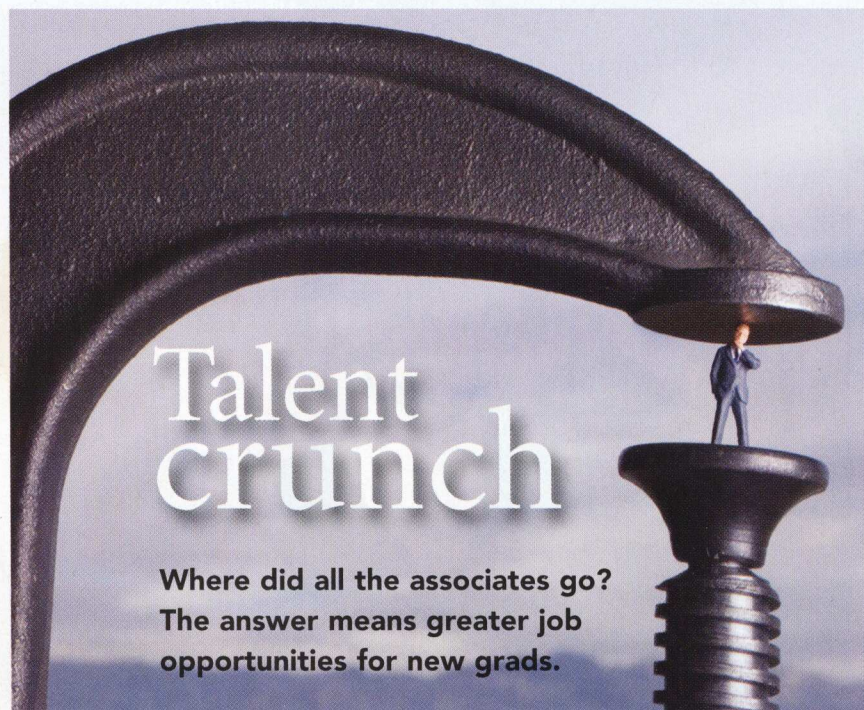


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Talent crunch

Where did all the associates go?
The answer means greater job
opportunities for new grads.

By Warren Smith

2007 has proven to be one of the busiest legal markets in recent memory, with firms posting record profits and practices continuing to grow alongside the economic upturn of the past few years. But there is an unexpected downside for firms: a shortage of associates.

Gone are the days of placing a newspaper ad to bring in a healthy set of résumés. Numerous firms with whom we speak have posted ads for months, resulting in precisely zero applicants. The one recurring question we hear across the country from firms seeking to grow and acquire talent is: where did all the associates go?

Many partners blame generational “value differences” between the baby boom partners and the generation X/Y associates. They believe this new generation is more “lifestyle”-oriented and not willing to put in the long hours private practice demands. Whatever the merits of this view, it does not fully account for the talent crunch the market faces today. Rather, four other significant factors have led to the current situation:

The Past Comes Back to Haunt You. From 2000–2003, the economy suffered through the perfect storm of the Asian economic flu, the “dot-com” bubble bursting, and 9/11. At the time, many firms contained costs by reducing retention rates of articling students, and in some cases, laying off associates. Fast forward to 2007, and those now mid-level associates are, not surprisingly, in short supply. To give you an example, among the 70 largest firms

in Vancouver, there are only 27 corporate solicitors in private practice called to the Bar in 2002 (this includes corporate/commercial, securities, finance, and real estate).

London Calling (unfortunately, it's collect). Magic Circle firms, previously dormant in their Canadian recruitment efforts, returned to Canada in 2005, marking the first of many recruitment campaigns aimed at luring the best and brightest to their offices in London, New York, Paris and Dubai. Offering higher pay, larger deals, and the opportunity to live in one of the economic and cultural centers of the world, their efforts further reduced an already diminished talent pool.

The Real Housing Crisis: In-House Counsel. Many companies instituted hiring freezes during the economic downturn of 2000–2004, limiting in-house opportunities in the market. As the economy regained strength throughout 2005, those hiring freezes were lifted, and the backlog of legal

work, plus the additional needs created by a resurgent economy, led to an increased demand for in-house talent. The siren call of a more “balanced” lifestyle and business-focused career opportunities targeted the same pool of associates that law firms were desperately trying to protect. Once again, the talent pool was thinned.

Economy, Economy, Economy. Of course, at the heart of the crunch is a strong Canadian economy, which has resulted in an increasing supply of profitable, engaging, and talent-demanding legal work. As a result, the need for talent required to manage such deals is all the more acute, further compounding the crunch for mid-level associates, who are already in desperately short supply.

So where does this leave the market? If you are one of the fortunate few to have weathered the economic downturn as an associate, you're probably finding that opportunities abound — so be clear about your long-term goals before setting out to change your career path. Finding a job won't be the hard part — rather, it'll be about finding the *right* job (a recruiter might help...).

And if you're a partner with one of those associates in your group, you may want to pay a little closer attention to the grumbling they made last week about being on pace to bill 2,400 hours. A little flexibility, a thank you, and a small (large?) gift of appreciation might prove a lot less expensive than trying to find a replacement in this talent-crunched market. •

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