



## **Special focus: Legal recruitment 2015**

Talent spotting

**An abstract from Iberian Lawyer  
January / February 2015**

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## Talent spotting

**With workflow increasing at law firms in Spain and Portugal, many are looking to increase the size of their teams in the coming year as the battle for the best candidates intensifies**

A pipeline of transactional activity has led to a more optimistic economic outlook and law firms across Iberia are stating their intention to increase headcount in 2015. Indeed, last year, a number of firms said they experienced a growth in personnel of more than 20 per cent. This represents a contrast to the restrained approach to recruitment in recent years.

Jones Day's Madrid-based partner Miguel Bermúdez de Castro says the firm will be increasing the size of its office as "we open new practices and grow existing practices". He adds that the firm will be looking to expand in a number of areas including banking and M&A. "If we find a lawyer with a new set of skills or speciality that we don't currently offer, and that we see a real need for, we are keen to hire."

Lois Thornton, a recruitment consultant at Taylor Root, confirms that, while recruitment across Spain had previously been very slow due to the global financial crisis, firms are now increasingly making lateral hires in response to a "generally improving market and in an effort to ensure that the relative experience levels of their teams is well balanced".

Filipa Mendes Pinto, a partner at recruitment firm

FIND in Lisbon, agrees with this analysis. "In 2014, firms showed a greater will to make lateral hires," she says. "The reasons included: the feeling of some economic recovery; the lack of junior lawyers, namely in corporate/M&A and IP, due to the strangulation of the recruitment of trainees; the need to have new teams that strategically had been identified as relevant for the repositioning of the firm in the market; and normal replacement moves."

Recruiters and lawyers identify M&A, tax, real estate and dispute resolution as the practice areas in which lateral hires are most likely to take place. Historically, many firms have handled their human resources (HR) matters themselves with a focus on hiring younger lawyers. Adela García de Tuñón, Hogan Lovells' HR manager in Madrid, explains: "Normally we cover any vacancies internally. Our HR team is specialised in the selection and hiring process and knows the market well."

Also, we believe our own professionals are the best ambassadors for transmitting and promoting our culture." This organic approach is mirrored at Uría Menéndez, where general secretary Iciar Rodríguez Inciarte says the firm very rarely uses legal recruitment agencies, preferring to recruit young law graduates from university

“ Laterals have to be open minded and pro-active, but the firm must work on the integration ”

Manuel Santos Vitor  
PLMJ



the recruitment process, and organises written tests, interviews and our summer trainee programme."

It is a similar scenario in Portugal. João Caiado Guerreiro, managing partner at Caiado Guerreiro, comments: "We want to keep the Caiado Guerreiro 'one team spirit' so we normally recruit trainees. That also marries well with our organic growth strategy." Meanwhile, Manuel Santos Vitor, managing partner at PLMJ, says his firm's trainee recruitment strategy involves a dedicated committee, led by three senior partners, with an additional support team that includes a HR advisor working exclusively in the legal market to recruit talent.

### Firms turning to recruiters

The legal recruitment market is getting more intense and when sourcing candidates, especially mid-to-senior level lawyers, some firms do not solely rely on personal relations and in-house expertise, instead turning to recruitment agencies to manage the high volume of candidates and filter applications. Bermúdez de Castro says his firm's strategy involves the use of personal relationships as well as recruitment agencies. "At partner level, [the strategy]



is to fulfil the positions that our clients deem as necessary as their businesses expand," he says. "In particular, if we find a lawyer with a new set of skills or specialty that we don't currently offer, and that we see a real need for, we are keen to hire. We do not take on many graduates as we work closely with select universities to ensure we get the best students to come and work for us as trainees during their studies. Many of our partners hold academic positions and can identify good juniors."

Thornton observes that the main complaint from HR departments at smaller to medium-sized law firms, however, is that they felt obliged to hire candidates referred by partners, despite them not necessarily being an ideal fit in terms of their experience. "As the market grows again, this model becomes unsustainable and in order to ensure that they get the best possible people in a busier market, external recruitment agencies are once again becoming the preferred means of accessing a larger, international pool of prospective hires," she adds.

### Too many CVs

Alejandro Kress, associate director and Iberia head at Shilton Sharpe Quarry, highlights "big data" as an



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Jones Day

additional factor, specifically too much information, too many CVs and too many emails. "We need to cope with time management, hence HR professionals are also

in dire need of search firms who have big databases and have the tools to introduce fewer candidates with the right skills set," he comments. Unlike some candidates who may be applying to firms directly, recruiters claim they often have an understanding of the specific nature of the legal market in question, as well as knowledge of the firms, and practice areas, that are currently expanding. Consequently, recruiters say they are often able to better match candidates with suitable destinations. Whether the sourcing of candidates is done internally or externally, lawyers and recruiters say there are common qualities that most firms are seeing. Kress expects firms will want to grow by enhancing current client relationships and creating new ones with lateral hires.

### Sometimes they don't fit

Sancho Peña Oriol, a Madrid-based recruiter at Acheron Partners, expands on the point, believing that firms usually

want a client portfolio. "Of course, this is a plus and not a must," he adds. "The personal fit is the most important consideration. The hiring law firm wants to keep the hired lawyer as long as possible. The lawyer usually comes

with a different philosophy and sometimes has a hard time getting used to the new job, sometimes they don't fit and have to leave the firm."

Santos Vitor stresses that, while PLMJ prefers internal growth, new laterals have to be open minded and pro-active, but the law firm – and more specifically the team that will accommodate the newcomer – also has to work on the integration process.

“We believe our professionals are the best ambassadors for promoting our culture.”

Adela García de Tuñón  
Hogan Lovells



Peña Oriol says that recruiters also sometimes have to convince lawyers that a lateral move will be beneficial: "Law firms want the best lawyers and they are highly valued within their current firms. The recruiter's work is not only to propose a new project to the lawyer, we also have to make him or her understand why the change is going to be good for their career." Filipe Romão, a partner at Uría Menéndez in Lisbon, adds that one of the biggest challenges is being able to motivate young talent and offer a career opportunity that allows for a satisfactory work-life balance.

### Partnership no longer the main goal

Mendes Pinto believes these sensitivities make lateral hiring a strategic issue because firms have concluded that basing growth purely on the development of their lawyers' careers would not be sufficient. "First, young lawyers don't want to stay in the same firm forever, second, partnership is no longer the principal goal to achieve," she says. "Although there are still many exceptions, the truth is that many lawyers, even males, rather prefer to have a work-life balance instead of spending the

most important years of their lives struggling for a position that has become more difficult to get."

Thornton points out that, in general, law firms in Spain – unlike, say, London firms – are more interested in assessing candidates' experience rather than placing a greater emphasis on whether the candidate has worked for a firm with a large "brand name". She adds: "They [Spanish firms] are not willing to compromise on the quality of the experience that the individual

has built-up. Rather than making the assumption that a lawyer knows what he or she is talking about because they were at an international firm previously, firms in Spain spend more time talking through the types of transaction that prospective hires have been involved in and what their involvement actually constituted, to get a feel for whether there is a synergy with the position that they have in mind."

Lillian Bishop  
of UK recruiter  
Armstrong Bishop,  
which specialises  
in in-house lawyer



recruitment, says it is important to consider the best way of reaching available candidates. She adds: "If not locally then companies may need to look abroad for candidates who are open to relocating. Companies need to be aware of what are the key selling points of their opportunity – including the package – to compete in a competitive market."

Rodríguez Inciarte concludes that as the market gets increasingly competitive, international and domestic firms require candidates with many different skills and attributes. He adds: "We need candidates with a very good command of the English language, a sound knowledge of the law, and soft skills such as business acumen, an understanding of the client's sector and their needs, as well as social skills and efficiency."

## Recruitment poses 'significant challenges' for law firms



Filipa Mendes Pinto

It is now crucial that every lawyer within a law firm is able to offer more than simply technical ability, says Filipa Mendes Pinto, partner at Lisbon recruiter FIND. "Lawyers – even at the earliest stages of their career – must be able to work well in a team, have 'client care' skills and show potential as a future rainmaker," she adds. Consequently, it is vital law firms use more precision than ever when selecting new recruits. "Understanding this approach, and acting in accordance, will certainly make a difference," Mendes Pinto says.

But lateral hires can pose significant challenges for law firms, as Mendes Pinto points out. "Depending, of course, on the seniority of lawyers, the biggest challenge is the capacity to ensure a successful integration process, which can involve combining different cultures," she says. What are law firms' key considerations when making lateral hires? "Law firms naturally present very specific considerations regarding the recruitment

process and the profile itself," explains Mendes Pinto. She adds the most common requirements include a "solid academic background", relevant professional experience, but also "soft skills" such as teamwork, the ability to be client-focused – including the capacity to "think global" – and a commercially oriented approach.

Mendes Pinto says law firms are increasingly turning to recruitment agencies to help them choose candidates. However, she adds firms need to be "confident in the recruiter's knowledge of the market" as well as their understanding of the "law firm's DNA". Mendes Pinto says: "This makes a huge difference for firms and candidates, if this is the case, the recruiter becomes a strategic partner and will play a more important role in the firm's decision-making." Indeed, according to Mendes Pinto, more firms now believe using recruitment agencies will help them make better choices, "even at partnership level".



# Lateral hires on the horizon as some firms face uncertain future

With competition increasing in the Spanish legal market, top performing lawyers may want to move elsewhere if more senior colleagues are in the 'comfort zone'

As competition increases in the Spanish legal market, a growing number of law firms could start seeking lateral hires, predicts Alejandro Kress, associate director and Iberia head at Shilton Sharpe Quarry. He believes there could be greater market consolidation globally in 2015, which could lead to an increase in demand for specialist recruitment services in specific areas and locations, including Iberia.

"I think we may see one or two law firms decide to open in Spain during the next 24 months, but one of the biggest questions over the next few years relate to the future of the biggest Spanish law firms and certain boutiques," Kress remarks. "There are a significant number of boutiques, so as competition gets more intense, senior partners within these boutiques will retire and new boutiques will be set up by partners coming from full-service law firms. Some boutiques will be tempted in the mid-term to join growing law firms with the right financial muscle, and at the same time there will be more partners looking to move to better hedged legal platforms internationally."

Kress says that, traditionally, Spanish law firms have tended to think they do not need recruiters, or at least, not frequently. "Spanish partners would often conduct the recruitment themselves but the dynamics of the legal market have changed. Now they are starting to appreciate the added value that recruiters can bring to their business strategy. Recruiters know what the real driver is for a move in most scenarios."

Kress says, due to the traditional approach of Spanish firms, there was very little lateral movement, with lawyers staying in the same firm for decades, especially in large, or mature, Spanish practices. He points out that this has both advantages and disadvantages but, on the negative side, such a policy crucially does little to encourage new business, he argues.

"The business case for recruiting a partner is paramount," Kress claims. "A partner practising in a firm for 20 years may be in the comfort zone

and it is unlikely they are going to be attracting new business, while some top performers will have built a solid book of business and can leave the firm with several opportunities to consider in order to improve their careers – and earnings – versus underperforming partners.

"On the flipside, when looking at growing their practices, some managing partners are still sceptical regarding lateral hires, based on an assumption the book of business is attached to the firm. This is not always the case, new hires create new opportunities, new clients and new revenue."

## Cultural fit is important

Kress highlights the different attitude of the younger generation of lawyers as another influence on the market. Younger lawyers want the top jobs in the top firms but, unlike their predecessors, are less inclined to work as hard, he says. "Some younger associates do not appreciate that they have to start from scratch," Kress states. "They have the knowledge and the skills to go far in their career but sometimes not the attention span or dedication."

Kress says that younger lawyers sometimes seem to focus on the bottom-line salary figure and less on the quality of the firm, the brand and the long term career prospects. He also stresses that the cultural fit is a major priority for both law firms and candidates. For instance, issues include: whether a candidate would fit better into a Spanish firm, an international firm, a boutique or a full-service practice; whether they have the right language skills; what type of work they want to do; and whether they are willing to undertake lots of paperwork.

"The cultural fit is important and it links in to the overall business strategy of a law firm," Kress says. He adds: "Many large businesses now use multiple legal advisers so law firms need to build a long-term strategy based on personal relationships and trust with their clients. You need to have the right people in your firm to do that."



Alejandro Kress

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