

## Legal directory rankings and their effect on lawyer recruitment

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**Despite sometimes mixed views on the value of ratings in legal directories, they have a dramatically positive impact on law firm recruitment; moreover, for individual lawyers a good rating often adds as much as 20% to their market value in law firms and opens doors at senior level in-house.**

A while back I attended the launch of the most recent annual legal directory - the International Financial Law Review 1000 (IFLR). As I watched the milling of lawyers and PR types around The Royal Exchange, eagerly awaiting their latest rankings, a quote from Othello came to mind: "Reputation is oft got without merit and lost without deserving." In my experience nothing better illustrates this than the slew of legal directories which, like the IFLR, rank law firms, departments and individual lawyers. In the UK, by far the most referenced of these is the Legal 500 and Chambers & Partners; however, the IFLR, Martindale Hubble, Practical Law Company and Who's Who Legal are also regularly used in law firm marketing in the UK and elsewhere.

Despite the best efforts of these directories it is common for law firm partners to downplay the significance of a ranking with the utterance that "no in-house counsel has ever instructed a law firm or individual partner on the basis of their ranking in a directory". Another charge laid against directories is that resource-rich law firms with large marketing teams can, and do, secure inclusion or improved positioning in a triumph of form over substance, as evidenced by the sometimes wide variation between ratings in different directories; viewed sceptically, you can't fool all of the people all of the time.

Having spoken to some of the past editors of such publications I am somewhat less cynical of the ability of law firms to overly influence the ratings processes and I'm told that vast amounts of submitted material is simply ignored by the directories for being unsolicited and off-point. Nevertheless, skilful law firm marketing and hyperbolae must have an impact and mistakes and inaccuracies do occur - just about everyone knows a partner listed as a "leading individual" by one or other publication in say "nuclear" or "derivatives" who, although delighted with the recognition, will candidly disclose that their inclusion was on the back of a particular matter and that their real knowledge of the specialist area is peripheral at best. Most experienced lawyers will also know the odd "leading individual" who, as their long suffering assistants constantly attest, has somehow managed to retain the approbation of the directories entirely through their client-winning skills rather than their technical excellence. Worse still, and probably more commonplace, a number of truly

excellent individual partners, eulogised by many in their firms for their technical skills but perhaps lacking in internal political clout or self-marketing flair, are simply missed altogether.

I am not qualified to state whether or not directory listings result in elevated workflow for individual lawyers and law firms. I have spoken to partners who hold strong views either way, although in my experience in-house counsel rarely profess to being in such a legal advice vacuum as to need to turn to directories as a first resort. Nevertheless, I can categorically state that, at least from a recruitment point of view, favourable directory rankings are of very significant benefit to law firms. For any given department hiring assistants anxious to obtain high-end work, a directory ranking acts as an objective “guarantee of quality” which, more often than not, vastly eases the recruitment process, particularly when a firm is targeting a skittish lawyer from a more highly regarded outfit. Moreover, in my experience of selling law firm opportunities to individual partners or teams, I have found that being able to demonstrate to, say, a corporate partner, that support functions required by their practice - in tax, employment or finance - are directory rated, goes a long way to reassuring them (and their clients) that the proposed move will work out. Curiously this logic seems to apply even to partners who are themselves ranked in directories, and yet still profess a mild, even studied, insouciance towards such rankings.

The recruitment benefits of a directory rating are even greater for individual lawyers. I have often noticed that, when marketing candidates to law firms, a good rating can often distort the “three-to-one rule” (the ratio of client following to partner compensation, broadly used by most UK firms as a metric to assess partner market value) in favour of the candidate. It can also help with the recruitment process itself; in addition to projecting instant objective credibility on a given candidate I’m told it often acts as an extra lubricant in circumstances where there is a tight partnership vote. This is particularly noticeable in circumstances where the candidate’s practice area is not one that is “core” to the firm in question.

For those few assistants and associates fortunate enough to be favourably commented on by the directories, a listing is also a very powerful advocate in their partnership application, whether that be at their current firm or elsewhere. The effect is just as marked for those lawyers looking to move in-house, particularly into very senior roles where the ultimate hiring decision is made by the CEO or FD and for whom a ranking often seems to provide an independent benchmark of quality.

The result is often a direct or indirect increase in a lawyer’s marketability and hence compensation. In my totally pseudo-scientific estimation I would suggest the net result of a good directory ranking in most areas of commercial law can generally be monetised into a 10-20% compensation increase for an individual lawyer in a recruitment context.

That being said, lawyers should not get too carried away by the economic value of individual rankings even where accompanied by compelling commentary. A good directory ranking in, say, the Legal 500,

is likely to lead to a sharp increase in headhunt calls from unimaginative recruiters but it will never substitute for a structured business case. To this extent the freestanding value of a listing generally remains minimal. Indeed, I have even come across a few situations where a directory approbation can have a negative impact. In one instance, after going through a long recruitment process, a law firm purported not to proceed with hiring a hapless partner because his recent individual ranking in an insurance specialism, which was allied to, but different from, the one for which he was being considered, was deemed a “brand pollutant”.

For all their faults, rankings in legal directories are still part and parcel of the business of law. Regardless of your view as to their efficacy in obtaining instructions from in-house counsel, they do provide a vital function in lateral law firm recruitment at both partner and assistant level; however, it is for the individual lawyer that the importance of a personal ranking really comes into its own, very often increasing both their marketability and compensation. At least as far as the Legal 500 and Chambers & Partners go UK law firms and lawyers are wise to expend time and treasure on securing favourable listings. Individual lawyers in particular should also be mindful that they are in a firm whose marketing team will fairly extol their virtues; if not, they may want to consider alternatives.

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