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A Seller's Market: How Covid-19 Sparked a War for Talent

AUGUST 27, 2021 | STACY HUMPHRIES

The Covid-19 pandemic has dramatically affected many aspects of work, not the least of which is hiring. While law firms and in-house legal departments practically stopped hiring in 2020, both resumed hiring at an accelerated pace in 2021. But everything from sourcing candidates to interviewing to onboarding new hires is different now.

The most interesting recent hiring twist is the increasing number of companies and law firms requiring all employees and new hires to be fully vaccinated against Covid-19. In the last two months, our search firm has worked with several companies that will only consider vaccinated candidates. With the rise of the Delta variant, this trend has gathered steam, with more and more employers now requiring vaccines for all workers and new hires. Most of the nation's largest law firms, including Texas-based firms ranging from Akin Gump to Vinson & Elkins, now require employees to be vaccinated to work in the office.

With most firms planning to reopen their offices in October, the clock is ticking for those who are currently unvaccinated. It is a difficult choice for an employer to restrict its potential candidate pool for open positions, but more companies are prioritizing the health and safety of their workforce over hiring ease.

Even before vaccine requirements gained momentum, sourcing candidates for open positions in this year's job market was more challenging than ever. Portions of the potential talent pool are simply not open to new opportunities. First, some potential candidates have personal circumstances that make it difficult to change jobs. For example, they may have child care challenges, an ill family member or a spouse who lost a job as a result of pandemic-related lay-offs. Second, many individuals don't want the stress of a job change amid all of the uncertainty of the Covid crisis. Third, some potential candidates believe, more than ever, that the 'devil they know' is better than relocating to a new company where their work setup may be less favorable. Maybe their current company allows fully remote work or provides an in-office environment where the employee feels relatively safe from Covid exposure. For these individuals, now is not a good time for a change.

Associates at large law firms comprise another layer of the potential talent pool that has essentially closed to new opportunities. Large compensation raises this summer – and, in many firms, hiring or retention bonuses – have proven to be powerful employee retention tools.

Even those lawyers and legal professionals who are open to new opportunities are playing hard to get and proving difficult to recruit. It's a seller's market for talent. Given the smaller pool of possible candidates, professionals willing to consider a job change have leverage. They feel empowered to demand higher compensation, work-from-home flexibility or remote or hybrid policies and a clear career path in a new position. In addition, candidates frequently are receiving multiple job offers and often counteroffers from their current employers. How frustrating it can be to find the candidate you want to hire, only to have your offer declined.

To compete for talent in 2021, companies and law firms must run an efficient, well-paced hiring process that features frequent communication with the candidate and a competitive job offer at the finish line. Candidates are demonstrating impatience with slow hiring processes as well as expecting market or above market compensation packages.

One key component to landing the best candidates is utilizing an effective interview process. While some companies were hesitant to use video interviews one year ago, video interviewing is now the norm, especially in the early rounds of a hiring process. Easier to schedule and typically less time-consuming than in-person meetings, video interviews can streamline the hiring process. One-on-one conversations via video can often be as effective as an in-person meeting. But because a video meeting typically fails to capture the rapport or chemistry among colleagues, employers should avoid large panel video interviews where the candidate is talking to a number of silent observers. And no one should participate in a video interview with their camera turned off. Candidates want to meet the people they will be working with just as much as employers want to meet their potential hires.

Video interviewing and hybrid work are here to stay. Although (hopefully) not permanent, Covid-19-related hiring restrictions, including workplace vaccination requirements, will likely persist for the foreseeable future. As a result, we believe the seller's market for talent will persist well into next year.

Stacy Humphries is President of Pye Legal Group, an executive search firm that specializes in recruiting and placing legal and compliance professionals with corporations and law firms. Before her recruiting career, she was a lawyer with Vinson & Elkins and the Vice President of Legal Affairs for the Houston Rockets and Toyota Center.