

As lawyers change roles with increasing regularity, the word “career” seems to describe the speed and frequency of that change as well as it does a lawyer’s lifetime course of employment. This article briefly addresses an organizational element affecting lawyers’ opportunity for change: How the perceived “right” size of legal departments critically determines the expansion and contraction of available legal roles.

How Many Lawyers Are Too Many?

BY RONALD F. POL

The “Right” Number

Legal department managers are often concerned about whether they have the right number of lawyers. Yet, the number of lawyers alone seldom determines whether any legal department is the right size. Different department models have different organizational workflows, yet are equally valid.

For example, some of the largest legal departments may use outside counsel sparingly except for defined areas of work. The rationale may be cost-saving: “Our fully-loaded in-house counsel hourly cost is lower than the average hourly rate of outside counsel, so if we keep expanding we’ll save even more costs.” On the other hand, some comparatively small legal departments manage dozens of law firms and complex teams of external counsel. The rationale may be outcome-focused: “We’re not in the business of being a law firm, so we hire the right lawyers as we

need legal resources to achieve our business goals.”

Competing Objectives

In reality, however, few legal departments operate at either end of this ideological spectrum. In practical terms, the managers of most corporate and government legal functions balance two potentially competing objectives. They need to:

- identify, deliver, and demonstrate value by meeting legal issues faced by any large or complex organization; and
- manage the provision of those services efficiently and cost-effectively.

This task is more complex if you’re trying to minimize both legal risk *and* costs.

Benchmarking

In meeting these twin objectives, the use of performance management tools is sometimes critical, as is the ability to benchmark against other organizations to help achieve (and demonstrate) an effective legal function.

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Common assessment measures include the number of lawyers per full-time employee and the number of lawyers per billion dollars revenue. The calculation of these figures for individual organizations is useful, and the median across comparable organi-

zations provides a valuable relativity measure.

Yet having calculated and identified the relevant measurements and industry standard, it is seldom appropriate to use any metric in isolation. For a more complete picture of an organization’s legal function, it is necessary to view a range of metrics and to analyze them together.

For example, the number of lawyers per full-time employee may be high for small high-tech companies, yet the number of lawyers per billion dollars revenue might paint a more balanced picture overall. Companies with inexplicably high measures in both calculations, however, might ask whether they have “too many” lawyers, while those with unusually low results in each might benefit from strengthening the legal team.

Drawing Comparisons

When I speak with general counsel whose legal teams are in overdrive, they are sometimes concerned by their lawyers’ burnout risks. Yet simple size-of-legal-team comparisons are insufficient in drawing accurate conclusions.

Differences may reflect strategic choices or circumstances: Normative data with reasonable like-for-like comparisons, viewed across multiple metrics, can help determine whether a legal team is operating at normal staffing levels. Otherwise, legal teams continually operating in stress mode might ultimately find their best lawyers seeking to “career” elsewhere. 

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