



GLOBAL PERSPECTIVES: ACC IN-HOUSE TRENDS REPORT 2017

LEARN ABOUT TRENDS affecting in-house careers and the law department.

FIND OUT WHAT in-house lawyers say about outside counsel relationships, their pay, and reasons they switch companies.

DISCOVER INSIGHT from 1,889 in-house lawyers in 53 countries including 11 industry and six regional profiles.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	4
KEY FINDINGS (visit www.acc.com/surveys for full report)	8
IN-HOUSE PRIORITIES	8
Regulatory Issues Drive Business Practice	8
Law Department Resources Earmarked for Regulatory/Compliance	8
Cybersecurity	9
PROFESSIONAL ISSUES	11
Protection of Privilege and the Corporate Client	11
In-house Status Continues to Rise	13
Outside Counsel Working Relationships	13
IN-HOUSE CAREERS	15
Law Departments Are Doing More Cross-border Work	15
In-house Lawyers are On the Move	16
Familiarity Breeds Contempt	19
A Sense of Mission Drives Job Satisfaction	19
In-house Lawyers Do Not Miss Working at Law Firms	20
Returning to Work: Gender Issues Persist	20
COMPENSATION	21
Department Size Does Not Predict Pay	21
The Glass Ceiling Quantified	21
REGIONAL PROFILES	23
INDUSTRY DATA AND PROFILES	30
OVERALL RESULTS	52
METHODOLOGY	108

Survey Questions

DEMOGRAPHIC SEGMENTS SHOWN FOR EACH QUESTIONS LISTED

Region

Company Revenue

Gender

Generation

Total employees in organization

Median number of lawyers in department

GENERAL

Overall, how satisfied are you with your current job? (54)

How often do you work additional hours beyond what you had expected or planned to work? (64)

CHANGING JOBS

Have you changed companies in the past 12 months? (59)

Do you anticipate receiving a promotion at your current company in...? (60)

Would you consider a position at another company? (61)

Which of the following, if any, make a new position with a new company more attractive than your current position? (Rank the top three) (62)

Thinking about your career in the future, how likely are you to leave the in-house profession for a different position/career opportunity? This may include other positions in a company, outside law firm, or government organization, for example. (63)

PROFESSIONAL BACKGROUND

Prior to becoming an in-house lawyer, did you work as a lawyer in a law firm or an outside legal position (such as work in academia or government)? (65)

What prior work experience do you have in the legal field? (Select all that apply) (66)

Were you more or less satisfied with your job when working as a lawyer in a law firm or outside legal position compared with your experience as in-house counsel? (67)

CAREER/PROFESSIONAL DEVELOPMENT

Do you have a formal professional development plan to achieve career goals within a specific timeframe? (A formal professional development plan is a set of written goals with steps to achieve those goals on a defined timeline.) (68)

In the past six months, has your supervisor (or another manager) provided you with meaningful feedback on your progress toward achieving the goals on your career? (69)

Have you ever had to take a temporary leave of absence from a job as an in-house lawyer to provide full-time care for a dependent/other person (i.e., a child, spouse, partner, parent) or for some other personal reason? (70)

Have you ever quit a job as an in-house lawyer to provide full-

time care for a dependent or other person (i.e., a child, spouse, partner, parent) or for some other personal reason? (71)

Which three topics are of greatest interest to you that would help you in your professional development/career development? (78)

RETURNING TO WORK

How long is/was your leave of absence you took/are taking from work? (72)

Following your leave of absence, did you return to your previous company and position, find a new position at the same company, or find new employment with a new company? (73)

Would you say the new position is/was a desirable position or a position taken out of necessity for a job/income? (A desirable position is defined here as a position that matches your career goals, professional qualifications, skills, experience, and compensation requirements.) (74)

Following your leave of absence, once you started looking, how long did it take you to find and accept this position as in-house counsel? (73)

How easy or difficult was it to find this position? (76)

What work culture or organizational traits were most important to you in accepting a job when you returned to work? (Select all that apply) (76)

COMPENSATION

In your opinion, do you receive adequate compensation for the work you perform in your current position? (80)

Would you say that you are able to live comfortably based on your current compensation? (81)

Some research shows that a global compensation gap between men and women exists. In your opinion, do you believe this is the case among in-house counsel in your jurisdiction? (82)

CROSS-BORDER WORK AND RELOCATION

Do you have cross-border/multinational work responsibilities? (55)

Do you travel to the United States as part of your job responsibilities? (56)

Please rate your interest in relocating to work outside of the country where you currently work. (57)

What is the primary deterrent to relocating outside your present country of employment? (58)

M&A

Has your company experienced a merger/acquisition in the past year? (87)

Is your company entering into a new market as a result of this merger or acquisition? (88)

What is your legal department's biggest challenge when entering new markets? (89)

Rate your level of agreement with the following: 1) My work

in the legal department contributes to the overall mission of my company, 2) In-house counsel have the same professional status as outside counsel within my jurisdiction, 3) I find the nature of my work interesting and engaging, 4) I work in an industry in which I have a high level of interest, 5) I receive recognition for the work that I do on a regular basis. (90-94)

OUTSIDE COUNSEL RELATIONSHIPS

Rate the overall quality of the working relationship you have with outside counsel with whom your legal department works. (95)

What makes the relationship with outside counsel exceptionally positive or negative? (14)

DIVERSITY

Does your law department track diversity among outside service providers through your e-billing system or another data-driven method that is not reported by the providers themselves? (96)

Does your law department track the number of women in management positions among outside service providers through your e-billing system or another data driven method that is not self-reported by the providers themselves? (97)

Does your company have a formal program to recruit diverse candidates, including women and minorities (meaning a member of a "minority" or "underrepresented" group(s) within your company)? (83)

Rate your interest in a formal program to actively attract/recruit experienced in-house counsel returning to work after a leave of absence (for caregiving or personal reasons). Asked of CLOs and GC only. (79)

GLOBAL BUSINESS PRACTICE

Has your organization adjusted the way it does business as a direct result of recent regulator action (e.g., the US government attempting to require Apple to unlock cell phones)? (98)

How would you say the enactment of the EU-US data-sharing plan known as the Privacy Shield will impact your company's business operations with the United States? (99)

In the next year, where does your law department plan to divert most of its resources? (86)

LEGAL PROFESSIONAL PRIVILEGE

Are communications between in-house counsel and other employees at your company afforded legal professional privilege? (100)

If your communications with employees during internal investigations were not afforded legal professional privilege protections, how would your company's compliance efforts be affected? (101)

CYBERSECURITY AND TECHNOLOGY

Does your department have plans to focus resources on any of the following (cybersecurity areas) in the next 12 months? (Select all that apply) (103)

Please rate how aligned your IT department is with the business operations of your company when it comes to data protection. (104)

Considering the uptick in cybersecurity breaches across the globe, please select the cybersecurity preparedness and prevention actions for which you would need more information. (105)

There is no shortage of “trends” in a world where the only certainty is change. In creating the *Global Perspectives: ACC In-house Trends Report (ACC Trends Report)*, ACC examined a number of subject areas connected by one integrating theme: their direct impact on the day-to-day professional life of in-house counsel. Over 1,800 in-house counsel in 53 countries shared their perspectives and insight on topics ranging from in-house counsel relationships to career mobility.

These trends fell into three separate areas. First, compelling priorities are affected by external changes, influencing the substantive legal and business issues companies face right now. Second, professional and ethical issues affect these lawyers’ daily lives, and third, as career options further determine the in-house experience, we included a range of questions pertaining to job satisfaction, mobility, and compensation.

Substantive legal and business issues that confront in-house counsel on a daily basis — compliance and regulatory as well as cybersecurity — were chosen for their immediate relevance. While that relevance may seem painfully obvious to anyone who reads the news, we were guided further in our choice of survey questions by previous ACC studies in which the respondents rather dramatically prioritized these particular areas. And, with the ever-changing political landscape around the world, there could be a significant shift in the current flow of resources that, as the survey illustrates, have been diverted to compliance and regulatory practices. With one in four companies targeted by regulatory inquiries, it is not a surprise that one in three chief legal officers (CLOs) reported that their company made changes to policies and market plans (Association of Corporate Counsel, 2017).

The second area of this report addresses professional and ethical issues that seem especially impactful on the in-house experience: privilege, the status of in-house counsel, and the inside/outside dynamic. The privilege issue merits inclusion because we are now operating in a global environment; the exclusive right of privilege varies by jurisdiction. In fact, less than 40 percent of our European respondents say they enjoy privilege. At the same time, however, over half the European survey respondents — and 65 percent of the Asia Pacific lawyers — who do currently enjoy privilege believe there would be negative consequences were they to lose it. What should we make of all this? At the very least, it is a reminder of the jurisdictional differences affecting day-to-day legal practice that globalization has not erased.

The findings support a discussion that started in the 1980s regarding the transformation of the in-house lawyer from a legal functionary to a business strategist with increasingly closer ties to both the C-suite and the boardroom. Today's corporate lawyers are increasingly viewed as essential partners in business. A greater number of in-house counsel are now full-fledged members of the company’s strategic and operational teams — they work with C-suites and boards to find solutions to business problems, manage growth, and plan for the future.

58%

Rate relationship with
outside counsel as
"mostly positive"

The *ACC Trends Report* highlights an important part of the transformation in the status of the corporate lawyer: It is indeed global. In-house lawyers in Europe vary somewhat in their perception of professional status, with just over 10 percent reporting they do not enjoy the same status as outside counsel. But lawyers in Africa/Middle East, Asia Pacific, Latin America, and the US are more or less unanimous in their agreement that inside counsel do indeed now enjoy the same status as outside counsel.

The inside/outside dynamic has been a decisive component of the in-house experience. The *ACC Trends Report* underscores how this dynamic is evolving. Over 80 percent of respondents describe their relationships with law firms as generally positive. Notably, a slightly higher percentage in law departments with fewer than 50 attorneys echo those sentiments compared with those in larger departments.

Working conditions and compensation naturally define the in-house experience as well. This report provides valuable updates on job satisfaction, mobility, and pay. We have observed how the in-house role has transformed from a purely legal function to encompass broader and deeper business responsibilities. In-house counsel are highly mobile, willing to consider new positions and looking to master non-legal skills. Growth and professional development placed high among the factors that attract lawyers to other companies. The data show that non-legal education on topics like management and finance are important to corporate lawyers. In other words, CLE (continuing legal education) and/or CPD (continuing professional development) is no longer enough. Forty-three percent of our respondents say they are satisfied with their formal professional development plans. With a significant percentage of lawyers willing to consider a lateral move or a move into a higher position at another company, and with the high importance of career development in seeking a new position, there are significant opportunities for retention and recruitment efforts in corporate law departments.

The bad news in terms of human resources is gender-related. Over a third of female respondents have trouble finding satisfactory jobs after an absence of six months or less. Women were significantly more likely than men to have taken temporary leave of three to six months. One in four women have taken leave to provide dependent care compared with one in 20 men. The percentage of women who say it was difficult to find a new position after an absence from the workforce doubles from three in 10 to six in 10 if the leave extends beyond one year. The percentage of women who report taking a desirable job also shrinks considerably for those out of the workforce for a year or more. Pay inequities persist as well. A higher percentage of women than men occupy lower salary categories, and men are more likely than women to occupy higher salary categories. In fact, there is a higher proportion of men in six of seven tiers beyond \$199,000. It's a dramatic picture of gender pay disparity — yet only 8 percent of male respondents believe that it even exists.

Finally, just as we saw how law department size does not affect perceptions of in-house counsel, so too is compensation unaffected by department size, at least among departments with more than nine lawyers.

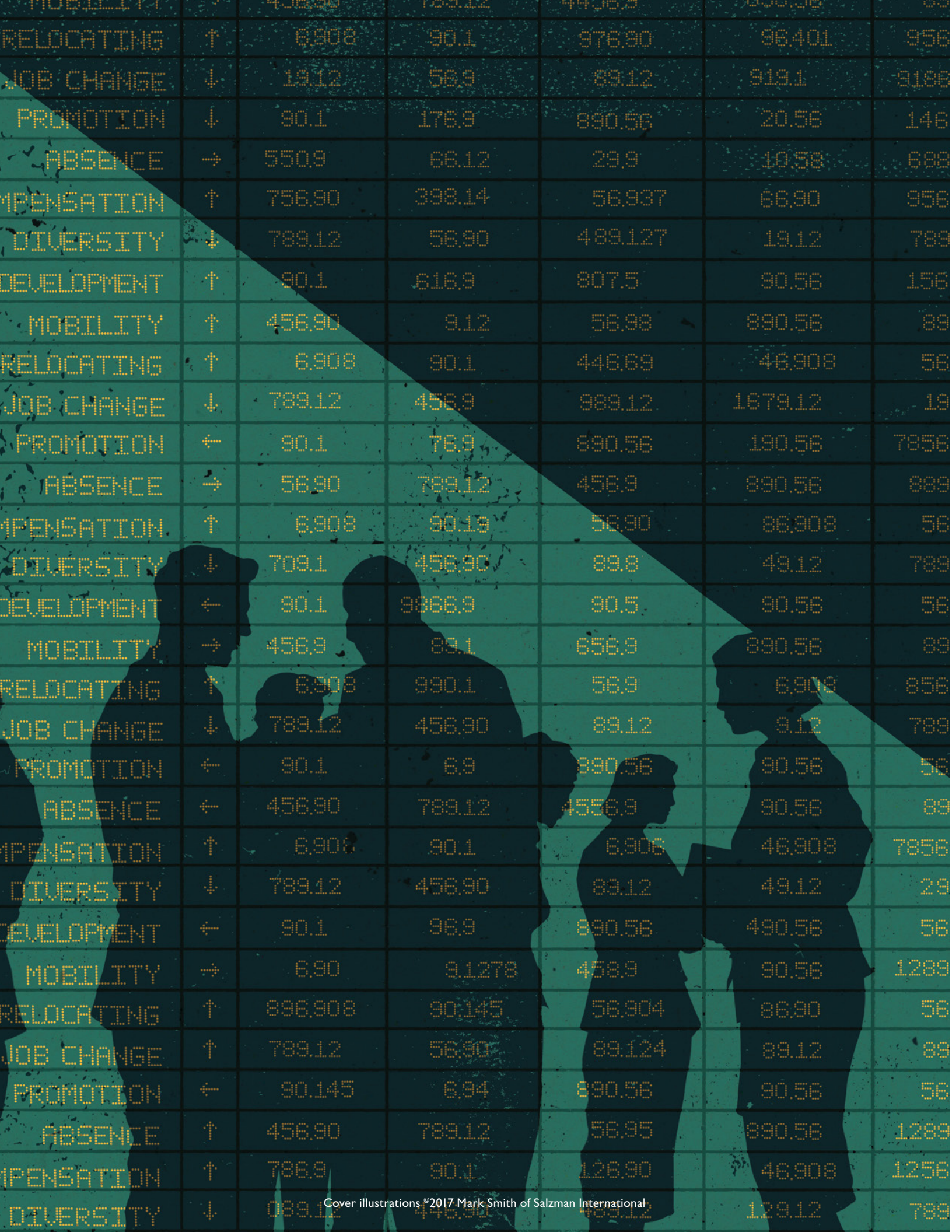
The remaining sections of this report provide a more in-depth look at in-house trends discussed in the executive summary. In addition to in-house lawyers, the findings are relevant to law firms and other legal service providers who strive to maximize the value of their relationship with in-house legal departments and their companies.

The key findings section of this report addresses the subject matter in a more comprehensive discussion with commentary from in-house counsel in global companies around the world. Following this discussion are 16 industry and regional profiles. The overall results section provides question-by-question results for key demographics.

Data are presented by the following segments:

- Industry
- Region
- Company annual revenue
- Gender
- Generation
- Number of employees
- Median lawyers per department

The full report is available at www.acc.com/surveys.



The survey was fielded from June 21 to August 2, 2016. A total of 1,889 in-house lawyers participated in the survey with 53 countries represented. Eighty-one percent of respondents were ACC members, and 19 percent were nonmembers. Thirty-one percent of respondents work outside of the US.

Responses were segmented by department size, company revenue, industry, global region, generation, and gender in order to better illuminate the variation that exists among in-house counsel surveyed, helping to reduce overrepresentation across audience segments. T-tests were used when appropriate to determine whether differences between groups were statistically significant.



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