

Does Your Law Department Need An Administrator?

By Debra L. Rhodunda

As a company's legal needs change, managing attorneys and general counsel should consider how much time they spend on administrative tasks that take time away from client matters and managing outside counsel. Employing a legal administrator allows certain tasks to be delegated, freeing up time to concentrate on more substantial matters, and often getting the work into the hands of someone better trained to do it.

It would be nice if there were hard and fast rules about when it is time to hire an administrator — if you knew, for example, that when you got to a certain number of lawyers, the time had come. Unfortunately there is no magic formula or rule. What normally drives law departments to hire their first administrator is a fear that things are slipping through the cracks — a fear that usually peaks when turnover rises or morale plunges.

What to Expect from a Law Department Administrator

Administrators of corporate or government law departments have assumed increasing stature and responsibility. The functional responsibilities of law department administrators can vary, but typically cover management and oversight for:

- **General office business administration:** including policies and procedures such as operational processes and file management
 - **Financial management:** financially oriented tasks such as budgeting and financial planning, invoice tracking, and payment
 - **Human resource management:** professional and support staff recruitment and supervision, compensation, and benefits
 - **Systems management:** tasks related to information technology and serving as a liaison between the department and corporate IS
 - **Facilities management:** tasks such as space assignments and maintenance/housekeeping of office space
- **Special projects:** projects such as client surveys and retreats

Depending on experience, law department administrators may also perform more complex work, such as developing strategy for outside counsel management.

Hiring the Right Administrator

There are many factors to consider when evaluating candidates. In 1995, the Association of Legal Administrators conducted an extensive study and analysis of the occupation and identified important competencies:

- strong human relations skills
- communication skills, both written and oral
- knowledge of legal industry matters
- leadership skills
- technology and project management skills — today's law department administrators must have a good understanding of related technology and how it can benefit the law department
- understanding accounting and financial principles; law department administrators especially need the ability to implement solid internal controls

Sounds like common sense, right? What sets good candidates apart from ideal candidates are the following characteristics:

- **The ability to accomplish tasks.** As an implementer, the administrator is a problem solver who gets things done. Whether it is completing the budget, recruiting for a replacement paralegal, or preparing agendas for senior staff meetings, the administrator can be trusted to accomplish goals and not let anything fall through the cracks.

continued on page 12



Debra L. Rhodunda

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Does Your Law... continued from page 11

- **Negotiation skills.** A good administrator must be able to mediate between the conflicting demands of lawyers and staff, or between lawyers, or between staff and clients on such matters as budgets, promotions, and compensation. This person needs good judgment to know when to fight and when to compromise.
- **Familiarity with the company.** An administrator must know to whom to go for help and what resources are available within the company. According to the 2003 *Law Department Legal Administrator Compensation Survey*¹, more than 60 percent of law department administrators are hired from within the organization.

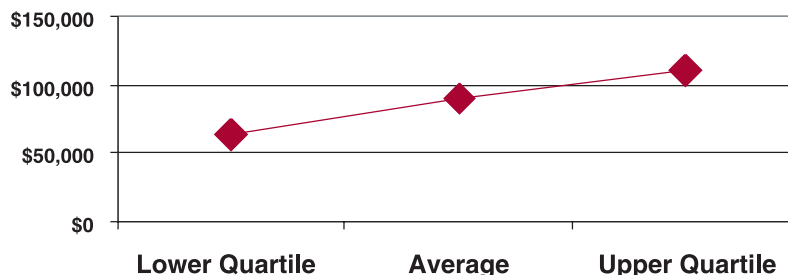
How Much to Offer an Administrator

Finally, when the law department's needs are reviewed and the candidates are being interviewed, do you know how much to pay? How do you justify to corporate human resources what a legal administrator is worth when this is a new position?

Consulting legal-specific compensation surveys is a good start. They are not, of course, the only tool. No survey can measure all the special requirements and duties that distinguish one specific position from another. Survey data, however, can help position compensation within an industry and a region. The data are just a starting point, since compensation should depend on an individual's day-to-day responsibilities, training, length of employment and performance, as well as the internal equities of a corporate compensation system.

The recently released 2003 *Law Department Legal Administrator Compensation Survey* indicates that average national cash compensation (salary plus bonus, if any) is \$89,000. Some administrators are paid as much as \$130,000.

**National Department Administrator
National Total Cash Compensation**



Compensation depends on a number of factors, including department size, type of industry, and geographic location. Survey data reveal that total cash compensation can vary by up to 50 percent between a department of 50-plus lawyers and a department with less than 15 lawyers. The Association of Legal Administrators surveys compensation and benefits at hundreds of law firms and law departments, covering the many administrative/managerial positions found in law offices.²

Most important, the law department must balance what it finds in surveys with day-to-day responsibilities and expectations. What if the "right" number is not one with which the department, or the company, is comfortable?

Performance Evaluation

Legal administrators should have their performance reviewed at regular intervals — at least annually. Performance feedback is extremely important as it provides an opportunity for candid discussions between the legal administrator and the managing attorney or general counsel. This process helps administrators better understand expectations.

Return on Investment

If your law department is like most law departments without an administrator, lawyers are performing too many administrative tasks. Good administrators will more than pay for themselves through the consistent

application of effective management skills. And if you leave your administrator alone to do the job, you will free yourself and other lawyers of unnecessary administrative burdens so that you can focus on serving your clients.

The 2003 *Law Department Legal Administrator Survey* published by Altman Weil Publications provides data broken out in a variety of ways: national, geographic, number of employees in the organization, annual revenue, type of industry, type of ownership, type of department organization, number of lawyers in the law department, number of direct reports, number of indirect reports, reporting structure for position, years in position current organization, years in position at other organization(s), and type of hire. The *Survey* is now available from Altman Weil Publications Inc., which can be reached at 1.888.782.7297 or <https://store.altmanweil.com>. ♦

1 March 2003, Altman Weil Publications, Inc.

2 The *Survey* is available by contacting ALA headquarters at (847) 816-1212 or www.alanet.org.

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