

Salary and Benefits Benchmarker | 2016

) Commute

Benefits

Bonus

pinpoint positioning[™]

Salary and Benefits Benchmarker | 2016

Understanding the legal recruitment landscape

Introduction

We are delighted to present our 2016 Annual Salary and Benefits Benchmarker.

This year we have crunched through what we believe to be 173m of salary data to produce the most credible insight of its kind in the legal profession.

A huge thank you to over 3,300 legal professionals who responded to our survey, as well our clients who instructed us on over 4,500 jobs in 2015 and the 4,483 new candidates who subsequently registered with us.

Finally it only seems fair to extend our gratitude to the creatives at Blumin who once again have helped bring our data to life.

About us

Douglas Scott are multi-award winning legal recruitment experts with a network of connections spanning local, regional, national and international law firms and In-house legal departments.

Our business – put simply – is to remove the pain-points hirers and candidates can experience on their recruitment journeys. We are the only REC and APSCo affiliated professional services recruitment agency with an ISO9001 accredited quality management system and Investors In People Gold Standard.

Meaning customer experience sits firmly at the centre of our business proposition.

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And the happiest person in legal?



That'd be Lucy Atwill. Lucy specialises in Private Client work and heads up the Wills & Probate Team at Curtis Whiteford Crocker, a high street, multibranch, private practice based in the South West, where she's also a Partner.

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The science:

We analysed factors such as job, salary and benefits package, and satisfaction as well as other triggers such as commute and stickiness in their current role.

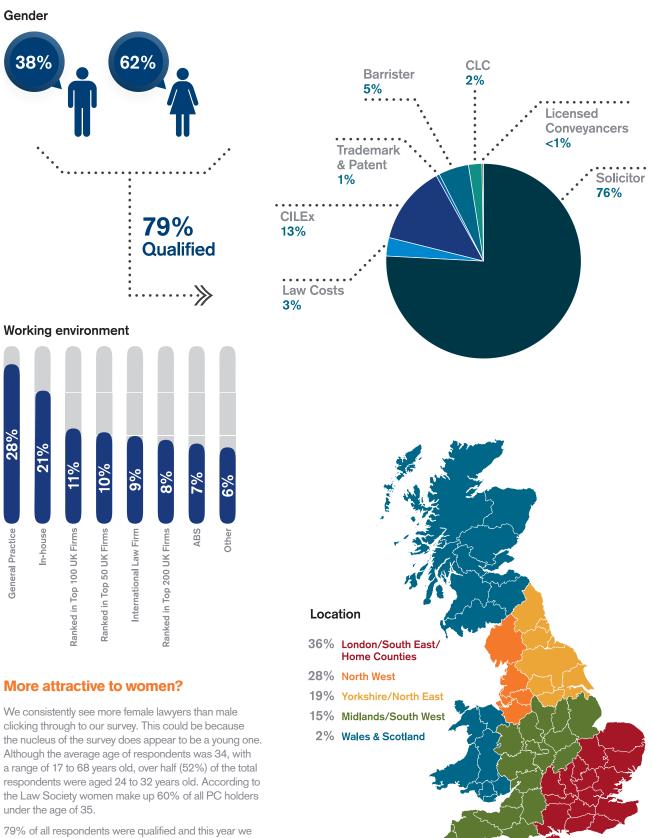
And another happy person in legal?

Well that's Sarah Wilson, an Associate at Addleshaw Goddard, specialising in Construction Litigation. Sarah was the lucky winner of a \$500 House of Fraser gift card – received just in time for a Christmas shopping spree.

Many thanks again to everyone who took part in the survey.

Demographics of respondents

The number of female respondents completing our survey remained higher than males again, with the same 60:40 split for a third year running. In terms of geography, we have seen a significant increase in respondents from London and the South East and our international reach continues to grow, increasing to almost 600 respondents this year.



also saw another rise in the number of In-house legal professionals completing the survey.

Sector health

According to the SRA, at the end of 2015 there were 132,245 practising Solicitors which is the highest ever year end figure. Research by Chambers Student suggests trainee retention figures are nudging 81% which is a 5 year peak and the Law Society is forecasting that the value of the legal services market will exceed £32bn in the next 12 months.

So it's fair to say the sector is primed for growth again in 2016, but it's worth remembering we will be another 12 months down the road towards liberalisation of the legal services market so full business rules apply. More locally the government is still demonstrating an appetite for lawyer bashing, so on top of the impending rise in the small claims limit the legal services market is also going to be subject to a competition review. "Why always me?" I hear you say. It's a fair comment. Has no member of the cabinet ever had a bad experience at the hands of an accountant?

From a recruitment point of view we expect to be busy. In January The Law Society Gazette reported that "Hiring and retaining talented lawyers and identifying the next generation of partners are the key priorities of law firms in 2016". According to our research nearly a third of all legal professionals will be actively looking at opportunities in the first half of this year. And 70% of lawyers who move jobs are securing pay rises. In fact legal professionals are securing an average 30% increase in salary moving jobs compared to 11% by staying in their current role.

But money isn't the story here as only 9% of legal professionals cited cash as the main motivator behind a change in jobs. Career minded candidates want to know about the whole of the employer proposition.

And this is why, according to our research, 41% of legal professionals engaged with a recruitment consultant last time they changed jobs. A good recruitment consultant will always be in demand – both from legal professionals wanting to make a fully informed decision about their move and from hirers who are working hard to achieve stand out in a crowded sector. Naturally I would steer you towards using a regulated, multi-award winning legal recruitment specialist with over 10 years' experience recruiting in your sector.

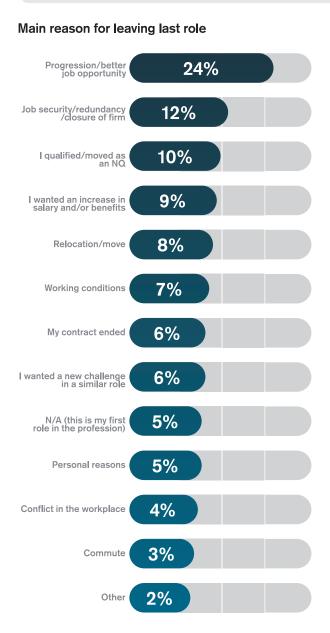
Jonathan Nolan Director, Douglas Scott

Multi-award winning legal recruitment experts



Career motivators

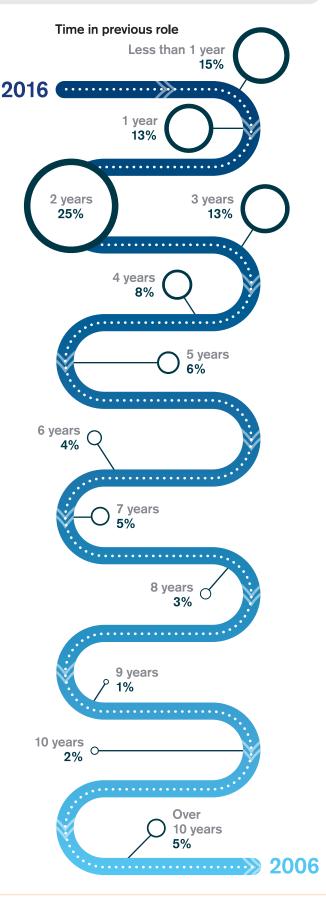
We asked respondents to tell us about their time in their current role and why they left their past role. We noted another year on year increase in the average time legal professionals are staying in their roles and that job security motivators have been displaced by the desire for an increase in salary and a new challenge.



The rolling stones

While it might take a pack of wild horses to drag a Baby Boomer from their job, Generations X and Y just won't settle. 69% of Millennials or Generation Y and 41% of Generation X were in their last role for 2 years or less. 31% of Baby Boomers were in roles for the same length of time. The average length of time in a role across all respondents was 4 years, an increase of 8 months from last year. One respondent was in a previous role for 37 years.

And with age comes responsibility. Whilst 12% of all respondents were motivated to change jobs through reason of job security, only 5% of Generation Y felt the same pressure. 15% of Generation Y were motivated to leave their last role for reasons of job security, whereas a fifth of Baby Boomers switched roles for the same reason. Whilst just under 10% of respondents said they moved primarily for a salary increase, over 70% said that they got a pay rise when they moved to their current position – a happy outcome indeed.



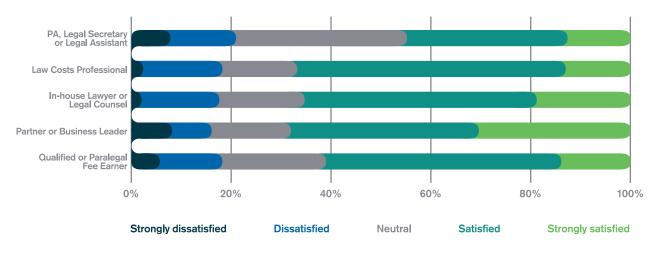
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Job satisfaction

It would seem that more of our respondents feel happier in their role again this year, with the majority claiming to be satisfied or strongly satisfied, whereas a lower % than last year indicated that they are likely to change jobs in the next 6 months – from 42% to 32%.



Job satisfaction by job function



How likely are you to voluntarily change jobs in the next 6 months?



Lawyers even happier in 2016

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For the third year running, our respondents are generally happier in their roles – with women marginally more satisfied in their current positions than their male counterparts, and the happiest bunch overall based in the North West. There isn't a great deal of difference in job satisfaction across practice areas and even those affected by cuts in public spending are still holding their own.

As you might expect, salary and financial incentives appear to have some impact – despite the fact that only 9.3% of respondents cite 'more money' as motivation to jump ship. Those that received a pay rise when moving roles were happier on the whole, as indeed were those due to get a bonus. Although interestingly 47% of those who took a pay cut were equally as happy. And, whilst those who believe their salary is above market average are 26% more satisfied in their roles, those who simply felt they are getting paid what their peers are were equally as happy.

Working week & commute

It's the year that legal professionals scored a few points in the battle for work/life balance. Although a larger percentage of lawyers regularly worked longer than their contracted hours, the average extra-contractual hours worked over a week dropped from 7 to 5.

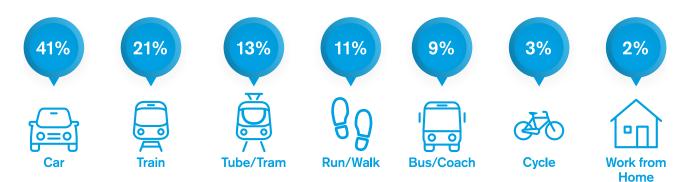
Average extra hours worked by practice area



Average working week



How do you get to work?



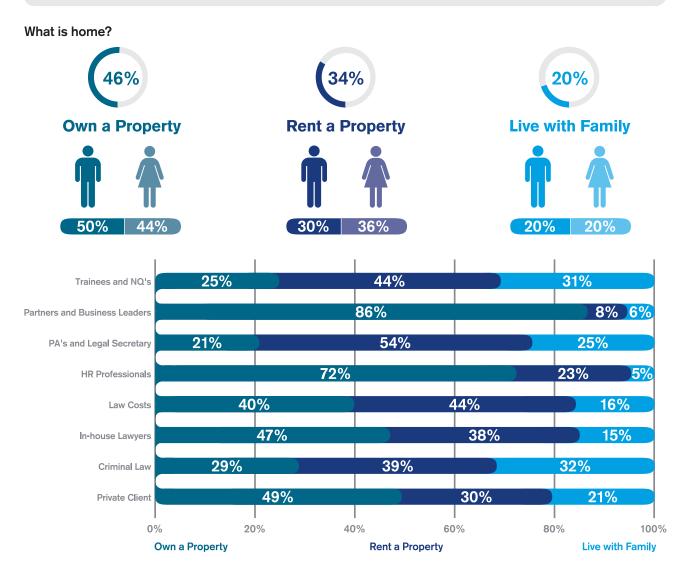
Choosing life

More legal professionals than ever are working extra-contractual hours; 76% compared to the 72% we recorded in our 2015 survey and 60% the year before that. However the number of additional hours our respondents are working has dropped to 5 per week compared to 7 in 2015 and 9 in 2014. There was a general reduction in extra-contractual hours across all practice areas and for the first time ever Criminal Lawyers have been toppled from the top of the table by Corporate, Commercial and Litigation lawyers. Criminal Lawyers are working 2.75 less extra-contractual hours per week than last year. Partners and Business Leaders were more likely to work extra hours (93% work more than contracted) followed closely by those in HR (86%) and In-house lawyers (84%). And, whilst there are numerous theories linking pressures to work longer to satisfaction and wellbeing in the workplace, our data shows no clear correlation between happiness and those who work the most additional hours. In fact, of those who are extremely happy in their roles, 82% work over what they are contracted.

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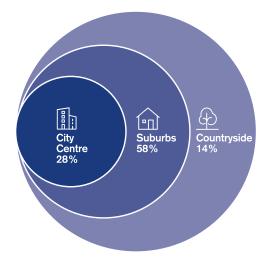
Property ownership

We recorded a slight drop in home ownership amongst our respondents, from just over half last year down to 46% this year. 34% of legal professionals are renting a property compared to 27% last year, with trainees and NQ Solicitors taking up the largest proportion of tenancies.



Where is that property based?

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Bright lights, big city

There was a 6% rise in the number of legal professionals choosing to live in the UK's cities. London and Newcastle were the top places for city living with 45% and 39% of all respondents respectively.

54% of trainee and NQ Solicitors live in the suburbs with 36% opting for city life. Other big city dwellers were In-house lawyers at 33% and Legal IT professionals at 32%. Conversely only 10% of Partners and Business Leaders live in the city with 36% preferring life in countryside.

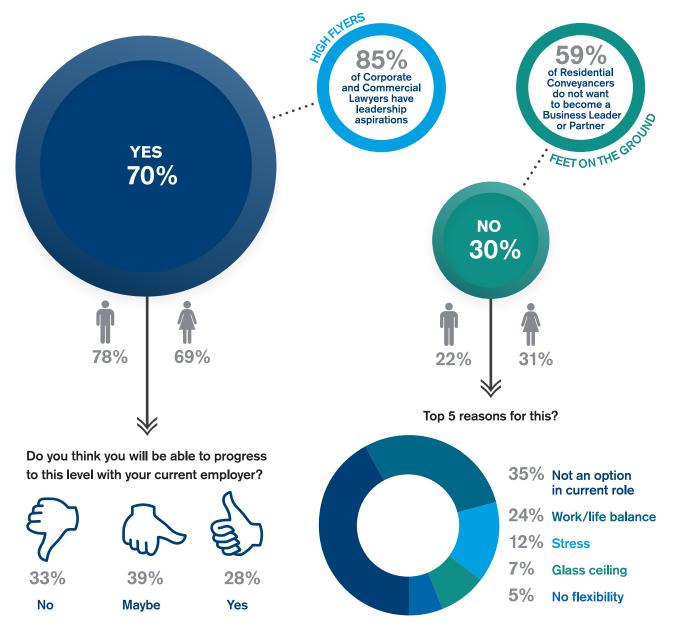
69% of city dwelling legal professionals walk or run to work.

We have seen a slight drop in the number of legal professionals who own a property (46%) compared to data collected for our 2015 survey (52%) and an increase in renting. There is a likely correlation with the increase in the percentage of respondents based in city centres. Partners, Business Leaders and Legal HR are once again the most likely job function to own property.

Home owning legal professionals are least likely to be changing jobs in the next 6 months (29%) than renters (38%).

Career aspirations

There seems to be some consistency amongst legal professionals when it comes to career aspirations. 70% have ambitions of becoming a Partner, Manager or Business Leader compared to 69% last year. Work/life balance is less of a turn off for the 30% of respondents who don't share those aspirations – instead it is more about a realisation that there is no route of progression to that level in their current job function.



Do you aspire to be a Partner, Manager or Business Leader in your career?

Perceived inflexibility still blocking the advance of female Solicitors

Although 70% of all legal professionals have leadership aspirations, the figure rises to 76% amongst Solicitors. 27% of female Solicitors have no partnership aspirations with a third citing lack of work/life balance as the reason for this. 6% were turned off by the prospect of leadership due to a perceived lack of flexibility at senior level. A quarter of male Solicitors who did not have partnership on their radar gave work/life balance as the main reason and 4% lack of flexibility. In summary just over 1 in 5 female Solicitors believe lack of flexibility and work/life balance is an insurmountable obstacle in the journey to partnership. Just under 1 in 10 male Solicitors feel the same.

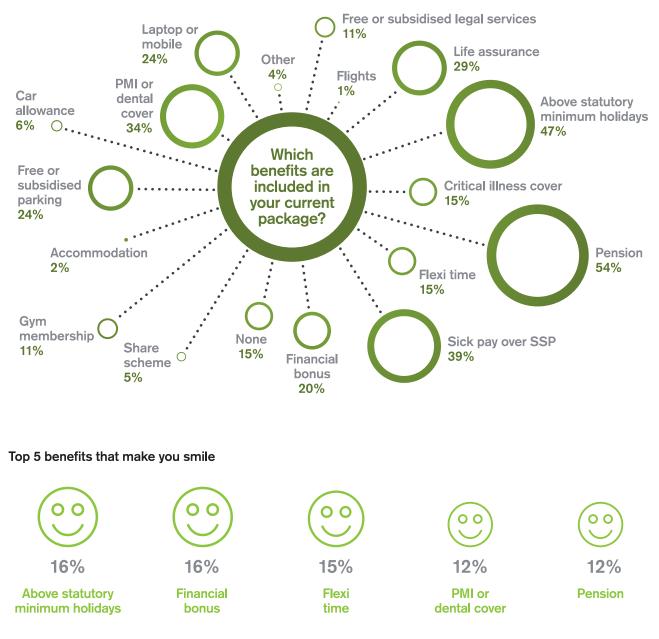
Clearer career paths in Top 50 – 100 firms

Although 70% of legal professionals have partnership or leadership aspirations over a third of them believe they will have to move employers to achieve that. The figure does however vary across the Top 200 UK law firms. In the top 100-51 for example, 41% of Solicitors felt they could achieve partnership with their current employer, with 25% non-committal. Compare that to the top 101-200, top 50 and international law firms where over 50% believed partnership could only be achieved at another law firm. Women were more likely to move firms in search of partnership with 35% of all female legal professionals of the belief that they could not achieve their ambitions with their current employer compared to 28% of all men.

Benefits

There has been a year on year enhancement of the benefits package. 47% of legal professionals benefitted from above statutory minimum holidays compared to 35% last year and PMI crept up. If you are a hirer in the process of refreshing your benefits package then worry no more because the legal profession has spoken – holidays, bonus, flexi and private healthcare were among the top 4 most wanted once again.

Benefits that are included in your current package?



Reward, time off and a bit of risk mitigation

Two thirds of legal professionals were either on the fence or expressed some level of dissatisfaction about the benefits package they received.

60% of legal professionals that received a bonus in the last 12 months were satisfied or very satisfied with their package. Similarly 56% of legal professionals who benefitted from PMI, 55% who worked flexi-time and 48% with above statutory holiday entitlement were also satisfied or very satisfied. 64% of all legal professionals who received one or all of the four benefits were satisfied or strongly satisfied in their current role. Bonus was the top rated benefit for male lawyers (18%) followed by flexible working at 12%. Bonus and flexible working were joint top for female lawyers (both 18%). 12% of male lawyers ranked flexible working as their top benefit. 28% of male lawyers received a bonus in 2015 compared to 21% of female lawyers.

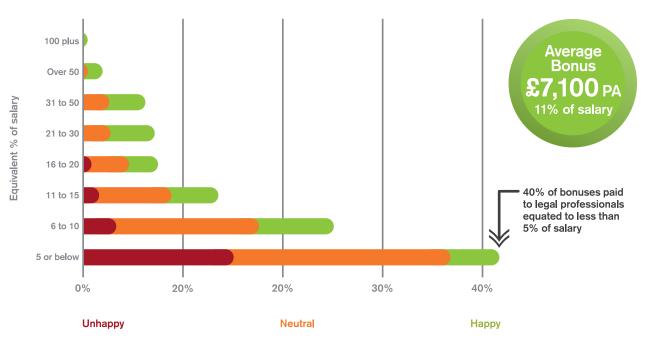
Only 20% of all legal professionals who received a bonus were looking to change jobs in the next 6 months compared to 32% across the board. Legal professionals benefitting from flexi-time, enhanced holidays or PMI were also in general less likely to be moving jobs in the next 6 months.

Bonus

There was no year on year change in the percentage of legal professionals who received a bonus, however the average has dropped considerably (by £2k) to just over £7k.



Bonus as % of salary vs. Happiness



To B or not to B: that is the question

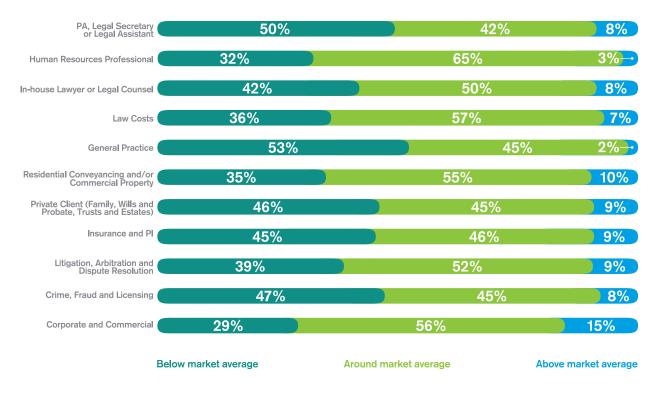
Legal professionals who receive a bonus are a just over a third less likely to move jobs in the next 6 months of 2016. 40% of bonuses paid are the equivalent of 5% or less of salary and only 12% of recipients are happy with that. Start moving up the scale and the happiness increases, although it is only when the bonus becomes the equivalent of over 20% of salary that the majority of recipients are happy with it.

So, if you are a law firm paying a bonus of 5% or less of annual salary, then you may want to consider your options. Up the bonus? Or scrap it and introduce some flexibility or increase holiday entitlement? The latter option could also prove much easier to administrate.

Salary satisfaction

It appears as though law firms have upped their retention game. The average salary in the profession has increased by \pounds 3,000 in 12 months to almost \pounds 40,000. Two thirds of respondents reported a pay rise in their current role and the percentage who felt they were paid below the market rate has dropped from 48% to 41%.

Salary benchmarking by Practice Area



How do you think your salary compares to the market?



Market rate a retention factor

46% of respondents who felt they were paid below market rate were content in their current roles compared to 60% of all respondents and 70% of those paid the market rate.

43% of those paid below the market rate were likely to move jobs in the next 6 months compared to 32% of all respondents and 25% of those who were paid market rate.

Those respondents paid below market rate believed salaries were underpaid by an average 28%.

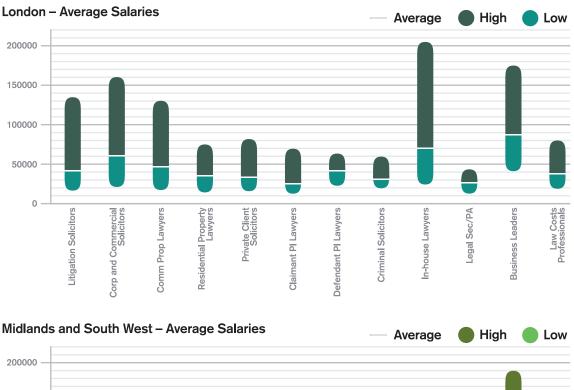
Salary indices

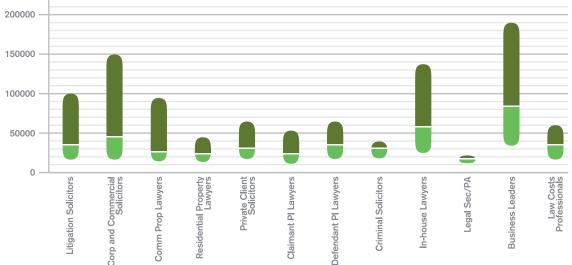
A move makes financial sense for legal professionals

66% of all legal professionals have received a pay rise in their current role. The average pay rise was worth 11% of salary. Yorkshire was the hottest spot for pay rises with 79% of legal professionals securing an increase in salary. The North East was coldest with 55% increasing their pay.

70% of legal professionals who changed roles also managed to secure an increase in their pay. Litigation was the hottest practice area closely followed by Private Client. Law Costs was the coldest with only 53% securing an increase on a move. The average salary increase secured on a move was 30%. Residential and Commercial Property Lawyers secured an average 35%. In-house Lawyers settled for a 27% increase, Partners and Business Leaders 24% and HR Professionals 17%.

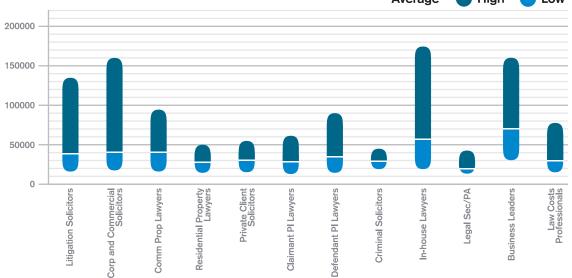
41% of all legal professionals secured their current role using the services of a recruitment consultant. Next best was personal referral at 16%.

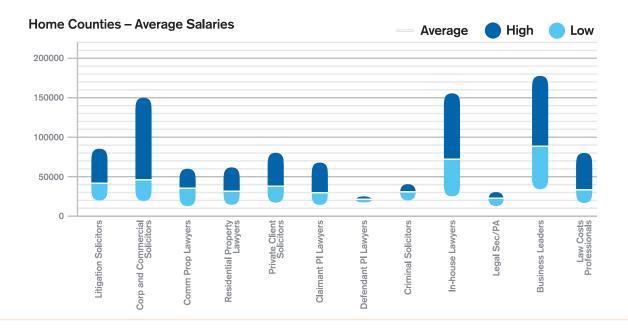




Salary indices



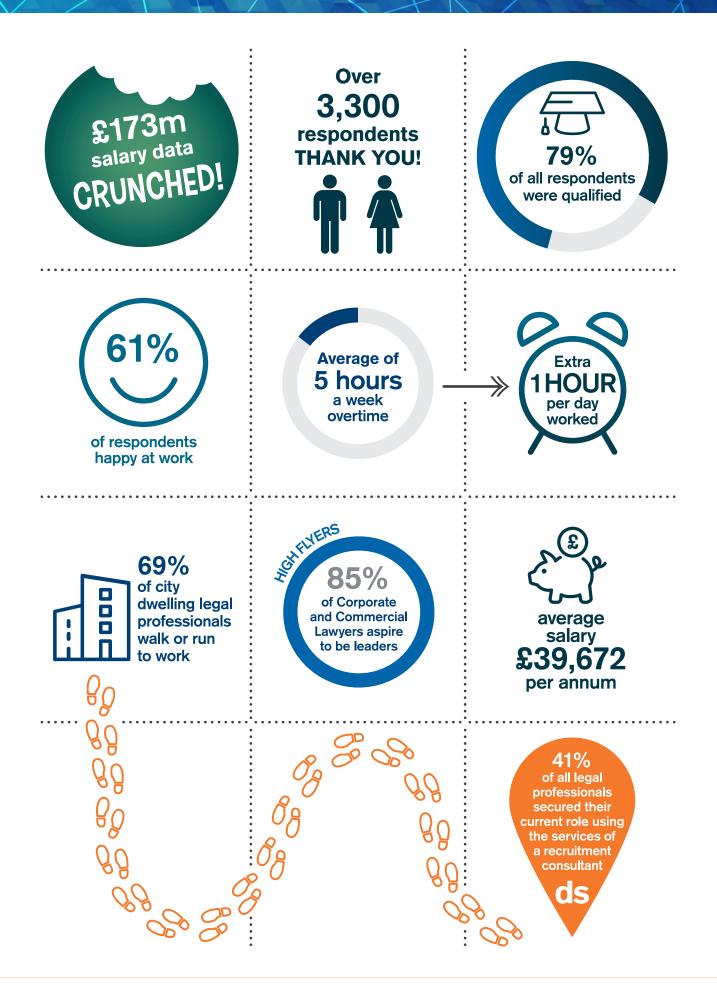




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2016 Salary and Benefits Benchmarker

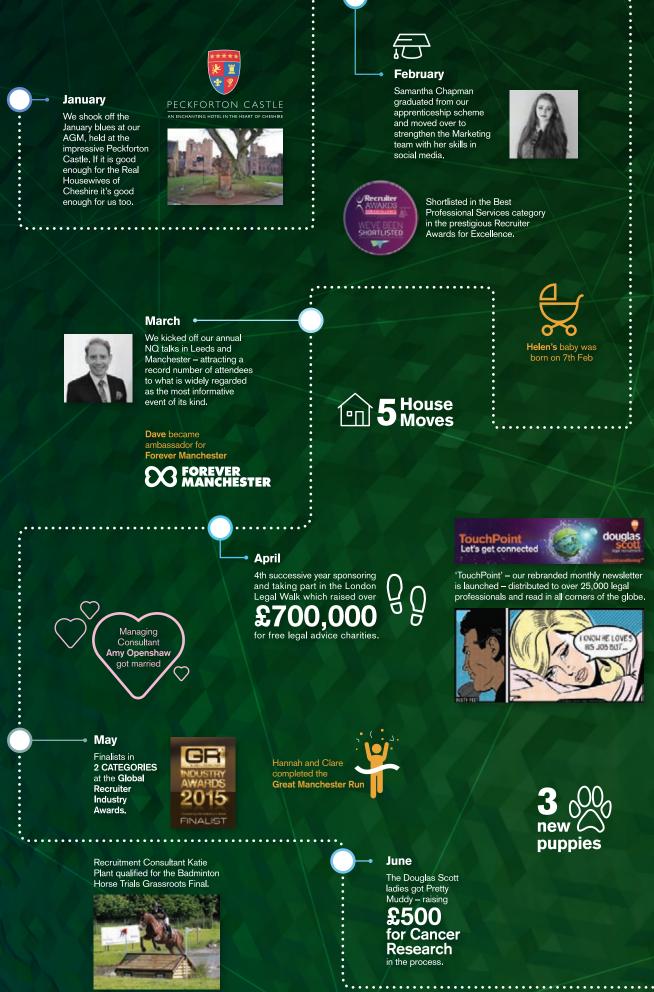
At a glance



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Our year: 2015



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