

SHIP JUMPERS

frustrated over salary



Jacqui Pearce

A Brisbane legal recruitment expert expects a 'hit of movement' of senior associates between firms in the next 12 months, as lawyers become frustrated with salary reviews and a lack of promotion opportunities.

LEGAL recruiter Alex Correa says many firms have been in long negotiations to attract partners and senior associates from rivals and that it's only a matter of time before contracts are finalised.

"I think probably in the next six to 12 months we'll see it (movement) hit. Some have been in talks with senior lawyers for over 12 months to lure them across," she says.

"It's a delicate process and there are so many factors to take into account, not just with client needs and team needs, but the idiosyncrasies of firms and individuals, what their needs are.

"One firm we're talking to at the moment is in need of a partner level position, but this is happening in a closed door environment, just like at Allen & Overy where no one knew about it until it hit."

Correa says partners from various Brisbane firms often know each other well, sometimes working on relationships to lure across talent by offering fresh opportunities.

"At a senior associate level people are looking for a career path but if they can't find it or see it where they are, you're going to see them leave the top-tier firms and find what they want at mid-tiers or boutiques that would love to get more of that expertise," she says.

"Those decisions might be made for all sorts of reasons and they can be very complex, ranging

from national structures where people feel their demands are getting greater and greater.

"It's not necessarily just going to be about remuneration, it might be about clients or the pressure that's been put on them, so the challenge will be about retaining staff."

While Correa rules out a 'frenzy' she does highlight the importance for firms to keep morale high when staff move on.

"I've seen examples where it hasn't gone as well but other processes have been managed better – it's a kind of damage control because there's not only gaping holes once partners leave but it can affect client serviceability and morale for those left behind. They can recover from that and most do, but it can take time," she says.

Jacqui Pearce from u&u Executive Recruitment points to dissatisfaction with salary reviews as another likely cause of staff movement in the next 12 months, with an increase from firms to in-house jobs.

"With the end of financial year we have been seeing a lot more salary reviews," she says.

"I think there will be a lot more movement in the legal jobs market if people are dissatisfied with their reviews, and remember they didn't get reviews last year because of the GFC.

"I think because a lot of people will move between firms or from firms to in-house in the second half of this year."

Pearce says a lot of lawyers have stayed with their firms out of loyalty, but if their salaries don't go up or they only go up marginally that loyalty won't be as strong.

"If they're on \$100,000 and they just get a \$1000 or \$2000 raise it won't be enough, particularly if they've performed and have met billable hour targets."

One important retention strategy is for firms to set out timeframes so lawyers can plan for partnership in the future.

"If they know when they meet their KPIs over a period of time, there is room for promotion then they're more likely to stay, but if it's not defined then there's uncertainty and they'll get frustrated," says Pearce.

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Recruitments statistics are changing too. While in the past 70 per cent of recruitment was with private firms, in the last six months 80 per cent has been for in-house roles.

Correa says another way to retain staff is to create alternatives to partnership, like Freehills did with an 'executive counsel' position in March.

"The reason they created that position was to create an alternative career path to partnership, recognising that senior lawyers do need to be offered those opportunities," she says.

"Many partners don't necessarily retire so there aren't that many available positions, and these partners have so much to offer with their knowledge that can be used for mentoring partners through."

There's also talk of Brisbane firms extending reach into Sydney and Melbourne over the next 12 months.

"A lot of Queensland-based firms have always had the idea but it's been a question of do we go south, do we expand? They need to consider what areas they might be able to make an impact. I'm talking to three firms that have firm plans to do that in the next 12 months," says Correa.

She says expansions south will likely involve small teams of 'four or five staff'.