

Recruitment Market Insights – Legal & Company Secretarial 2023

Welcome to the Barclay Simpson 2023 Legal & Company Secretarial Recruitment Market Insights report

Welcome to the Barclay Simpson 2022/23 Legal Market Insights report. 2023 has been an interesting year, with the Legal Banking and Company Secretarial market experiencing a rebalancing from the buoyant highs of the previous 18 months. Private practice hiring has slowed significantly with numbers coming back down below 2019 levels. Budget concerns have meant there are more replacement hires than new hires across most financial services sectors. Despite this the market is ticking along. Certain skillsets – mainly Corporate M&A, Regulatory and Company Secretarial – are still highly sought after. Co-Sec roles are reasonably busy, making up a proportionally higher share of the market than previously.

Like many others the legal and company secretarial market is feeling the pressure from external economic factors. The graph below, indicating the levels of new vacancy creation since 2018, clearly shows the lingering aftershocks of the pandemic and for the first time since 2020 we are seeing law firms announce redundancies in certain – mainly transactional – product areas. As a result, there are more transactional lawyers in the market looking for in-house roles and new opportunities than we have seen in previous years.



Source: KPMG/REC, UK Report on Jobs

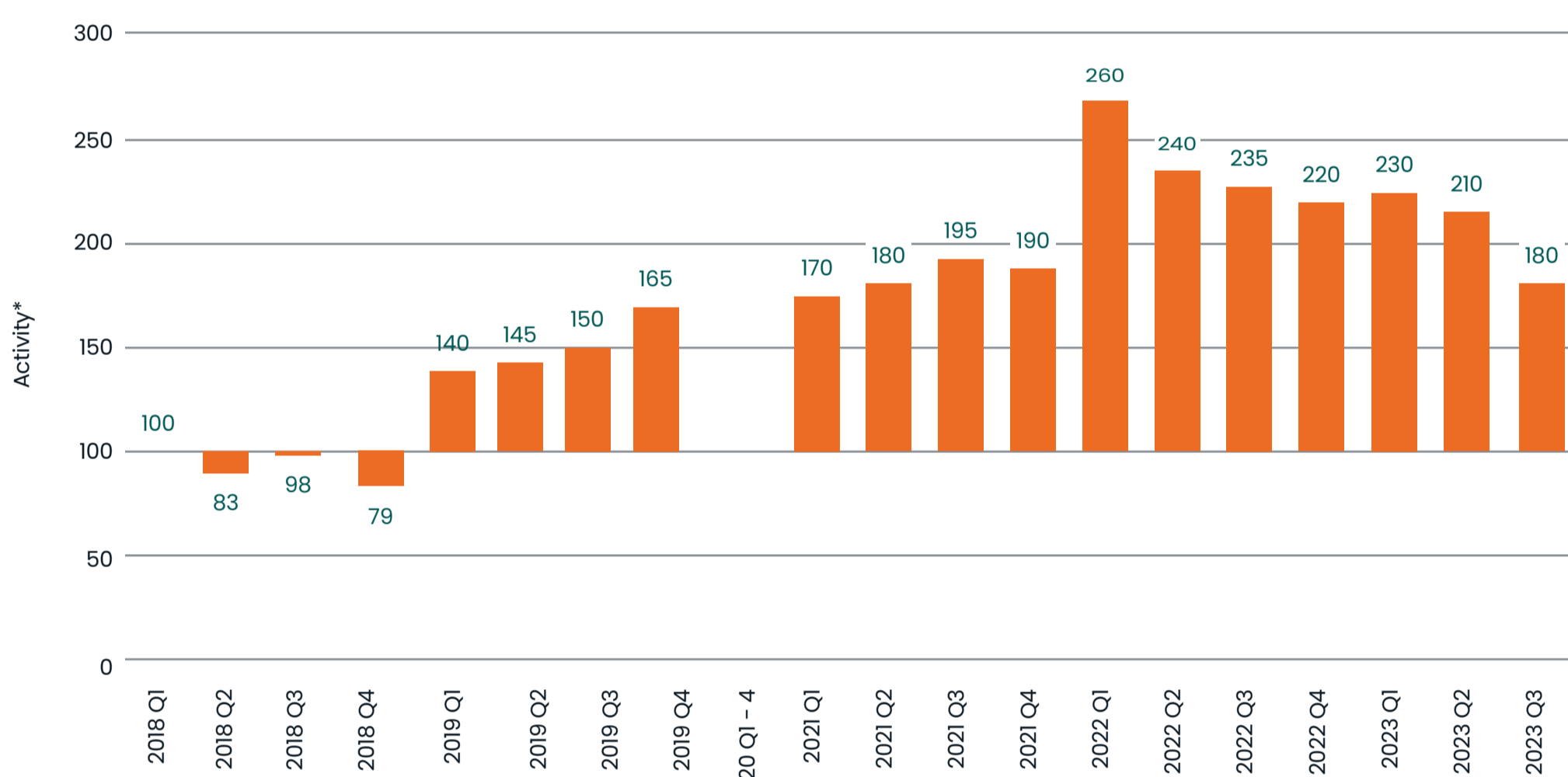
Supply & Demand of Legal Professionals and Jobs



After a bustling market in 2022, the legal job market has quietened, but data indicates a steady rebalancing towards pre-2021 norms. Economic instability has brought some uncertainty to hiring decisions, but with certain law firms announcing redundancies in the more transactional product areas we are witnessing a slight powershift in the market away from candidates and back to clients.

Where the market was previously heavily candidate-led, with candidates able to pick and choose roles, the surplus of potential applicants now allows firms to be more selective in their hiring process. That being said, highly sought after candidates with international experience in the 2-5 PQE banding will still have a few options at the offer stage. Internal hiring departments may find the expertise of experienced recruiters invaluable in securing the right candidates for the job.

Legal Recruitment Activity Index



*Composite measure of recruitment process activities

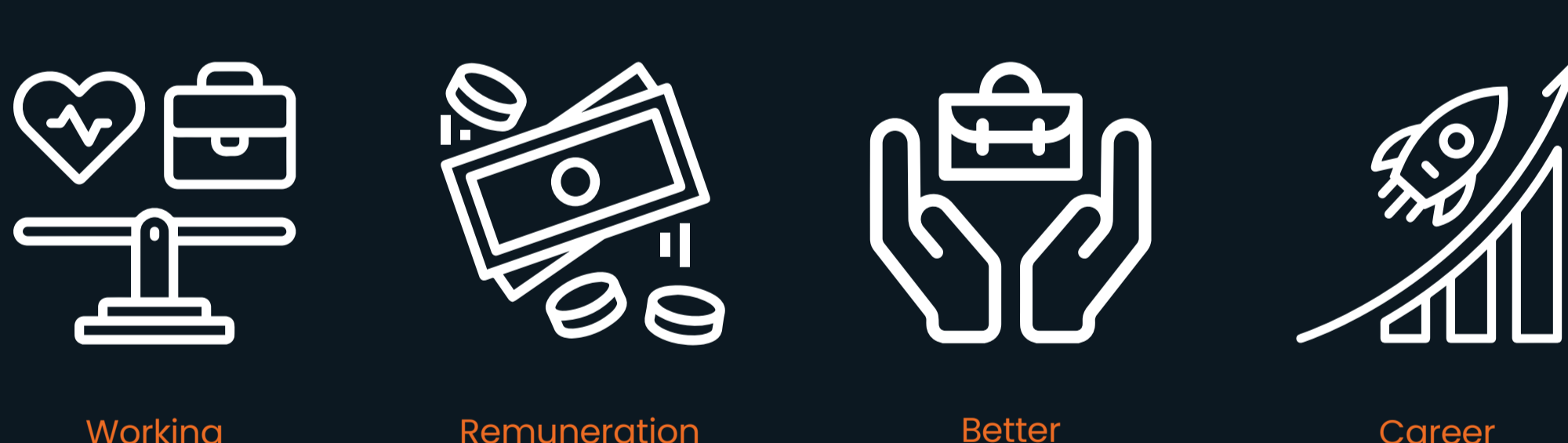
Recruitment activity in the legal sector has been dynamic, influenced by various factors shaping candidate behaviour. Amidst record activity over the past year, law firms tended to over hire to meet soaring client demand. However, economic uncertainty, especially in the mergers & acquisitions sector, has led to a drop in business.

Consequently, employers are reassessing their hiring strategies, while candidates now have more time to ponder their career choices. Many legal professionals are enticed by opportunities elsewhere that offer greater flexibility and improved work-life balance. The surge in available candidates has resulted in an increase in applications, making it challenging for employers to identify and secure the best-suited candidates for their roles.

In-Demand Roles Businesses are Looking For

Challenger banks and leading global banks are still looking for Corporate M&A experience for both transactional and advisory roles. Always in high demand even in bear markets are regulatory lawyers and Company Secretarial individuals as there will always be a need for in-house counsel and company secretarial teams to keep abreast with ever changing financial services regulation. We are also seeing a push for more senior level recruitment in the corporate governance/Co-Sec space with several positions in London at the D/MD level.

Drivers Impacting Candidate Movement



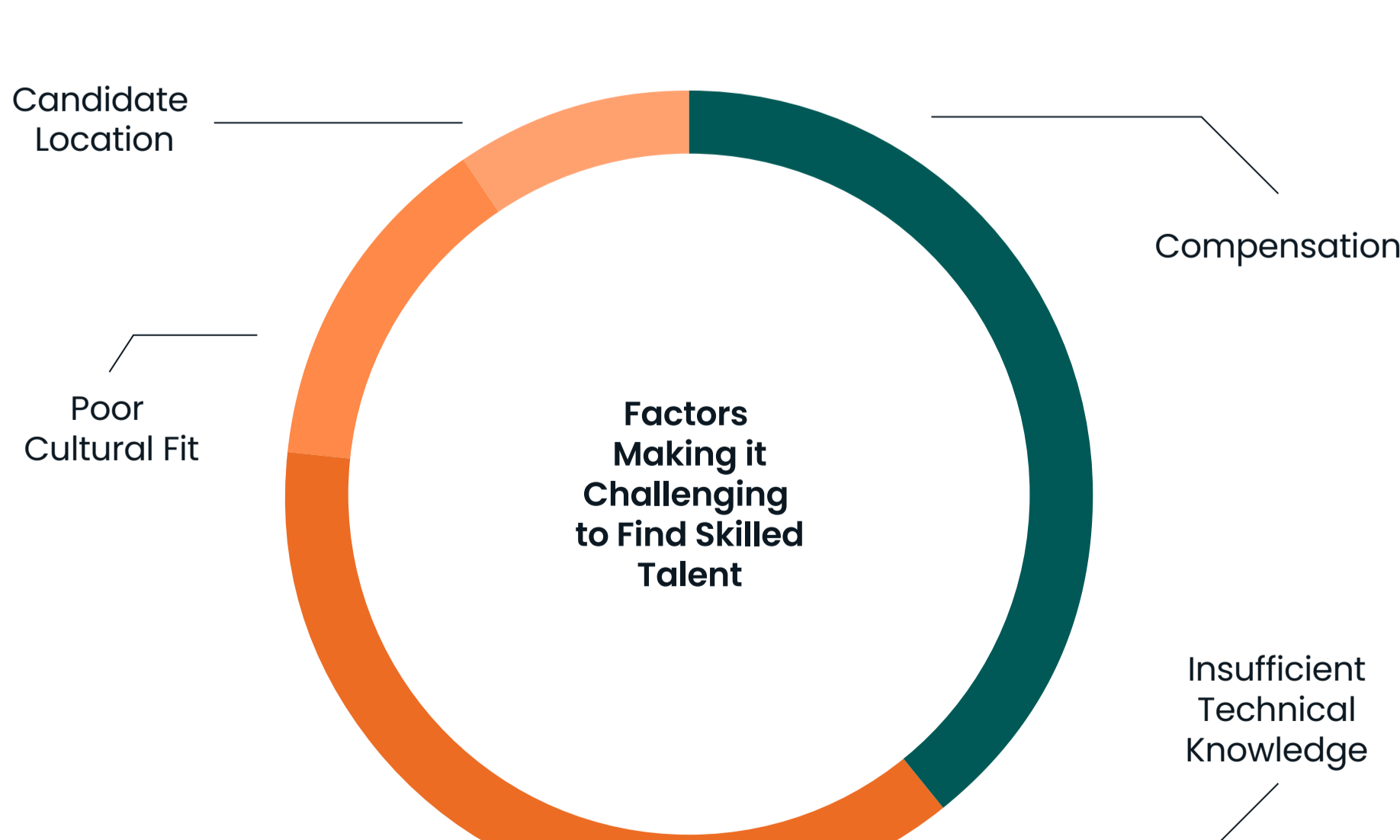
*Data taken from the 2022 Barclay Simpson Legal Salary & Recruitment Trends Guide

Employers hold a lot of power in the current market however with a surplus of candidates available, finding the right fit has become more challenging. For candidates, roles in start-ups have become less attractive, particularly in the FinTech space. Heavier regulation and a difficulty in securing ongoing investment, have put candidates off from opportunities they perceive to be volatile and less secure. The impact of these concerns on recruitment varies by sector with well-established banking and financial services businesses being perceived as more stable, in a year that has seen record numbers of insolvencies.

Pay Growth

Pay rises achieved by candidates with their current employer have been averaging 6-8% compared with the 15-20% achieved by candidates who have changed employer. This is a reduction from 2022 when candidates were achieving 15-30% rises by using the recruitment market. This is where the trade-offs between security of tenure, improved salary and quality of company and opportunity come sharply into focus.

Greatest Recruitment Challenges



With many businesses reticent to overspend in an uncertain economy, employers need to find new ways to attract top talent that takes advantage of candidate desires for increased flexibility and work-life balance. In an oversaturated candidate market recruitment support should be considered to keep hiring efficient and ensure the ability to secure the most sought-after candidates.

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