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## **Staff turnover at Top 100 commercial law firms down by a quarter this year**

- **150% increase in competition for trainee positions**

The average attrition rate of the UK's Top 100 commercial law firms has fallen by a quarter to 8.2% in 2008-09 from 11% in the previous year, reveals research Sweet & Maxwell, the legal information provider, amongst HR Directors in law firms.

The attrition rate is the percentage of staff leaving a law firm in a year. This includes lawyers switching between law firms but excludes redundancies.

Sweet & Maxwell explains that the number of lawyers switching between law firms had already slowed during 2007-08. The continued decline in the attrition rate has been caused by employees wanting to avoid the risk of moving to a new firm and then being made by their new employer on an informal "first-in-first-out" basis.

Sweet & Maxwell says that lawyers would have built up a network of "sponsors" and connections in the law firm they work for, and would hesitate losing those valuable allies by moving to a new employer during the downturn.

The overall slowdown in legal work has also slowed the rate at which law firms are poaching staff from other firms.

### **150% increase in number of applications per trainee vacancy**

Sweet & Maxwell's research shows that there was an increase of 150% in the number of applications per trainee position over the past year, to 130 applications per trainee position on average, compared to an average of 52 when HR Directors were surveyed by Sweet & Maxwell last year.

Sweet & Maxwell explains that the figures indicate that graduates are casting a wider net in their selection of law firms they want to work for, applying to many more than they normally would and driving up competition for the shrinking number of trainee vacancies.

### **Key concerns of HR Directors**

HR Directors told Sweet & Maxwell that their biggest current concern was retaining key staff with 96% of the survey respondents saying that retaining key staff is a high priority for them. Clearly the

need to need to retain proven good fee earners who may take clients with them becomes a bigger threat when the economy takes a downturn.

Attracting a higher quality of candidates for vacancies is considered to be far less of a problem this year than last with only 64% of respondents rating it as a high priority versus 89% of respondents last year. Similarly the need to achieve headcount targets is also less of a concern this year compared to last, with just 33% of respondents rating it as a high priority compared to 50% in 2008. Presumably so HR Directors feel it is now a buyers market.

However, HR Directors are concerned about how to reduce headcount without jeopardising the quality of service provided in a firm, with 61% rating this as an area of high concern.

\*Sample size was 25 of the UK's 100 largest commercial law firms, including two Magic Circle firms

## ENDS

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