

## Hiring and Compensation Trends in the Legal Field

By: Megan Usovsky, [Robert Half](#)

Despite soaring inflation, rising interest rates and general chaos in global markets, talent shortages remain a major obstacle for companies, legal employers included. At a time when demand for skilled candidates is high, job seekers are finding numerous opportunities, including fully remote jobs offered in other markets. Across industries, 51% of hiring managers said quits at their company have increased while 78% are concerned even more employees will leave.

Corporate legal departments are doing all they can to attract and keep skilled professionals. They know how long-term open positions and the inability to bring in new expertise can jeopardize their client service quality and growth plans, including digital projects.

### Starting salaries continue to rise for new hires

According to the [2023 Salary Guide From Robert Half](#), demand is high for legal expertise in data privacy, healthcare, labor and employment and litigation, among other areas. Corporate legal departments are keen on hiring paralegals, contract managers and other legal specialists, many of whom in larger markets are seeing sizable starting salary increases.

A sign of the times is the way rising salaries are generating dissatisfaction among longer-serving employees who are often paid less than new hires. In a Robert Half survey conducted for the Salary Guide, 60% of U.S. employers said workers have raised concerns about pay discrepancies between new and existing employees. Some of these firms are addressing the issue by benchmarking salaries and giving raises to those who are underpaid.

Employers are also offering unique benefits and perks to attract talented professionals. Eighty-three percent of HR managers said their company has added new perks in response to the hiring market. These include mental health resources, wellness programs and stipends to cover home office expenses.

### Flexible work is here to stay

Remote work, which began as a business necessity at the start of the COVID-19 pandemic, has evolved into a recruitment and retention strategy now that it's just as important as compensation — or even more so — to some professionals. Of workers responding to our survey asking what they want more of in their professional lives, 80% said flexibility on where and when they work. Forty-one percent of senior managers in the U.S. said some employees have quit rather than return to the office full time. Employees also want flextime, windowed work and other flexible scheduling options, with 56% reporting increased morale and 32% seeing their productivity jump when they have these options.

Corporate legal departments tend to be more flexible than their law firm counterparts about allowing their professionals to work remotely, especially departments serving a large national

or global business, but this isn't a hard and fast rule. 76% of legal hiring managers in both law firms and legal departments responding to a Robert Half survey said offering remote or hybrid work alternatives has helped them hire strong candidates.

### **Contract roles offer much-needed flexibility**

Nearly half (48%) of U.S. legal managers surveyed for Robert Half research said they plan to increase the number of contract professionals within their department in the year ahead. These contract professionals will work on large projects that require more resources than currently exist, provide companies with access to skills not available internally, help fill in for permanent employees who are on extended leave, enable employers to evaluate potential hires and more. This approach can also include experienced lawyers, which allows law firms to simultaneously gain budget flexibility and diversify their legal services. According to Robert Half recruiters, lawyers are attracted to working on a project basis because of the better work-life balance and greater variety of responsibilities it provides.

Many corporate legal departments access these contract professionals by tapping the resources of talent solutions firms. For more complex or highly sensitive matters, contract legal professionals can be a good solution either singly or in teams.

In addition to reacting to market conditions, it's crucial for employers to recognize the fundamental shift in worker sentiment that has taken place in the past few years. Employees and job seekers are attracted more than ever to a company culture that aligns with their personal values. Professionals eager to change with the times want employers to offer more upskilling opportunities. Employee-centric efforts — including fostering a corporate culture of belonging where everyone can connect, thrive and grow — can be a big factor today in drawing in and keeping talent.

*Megan Usovsky is practice director of the legal practice at Robert Half, the world's first and largest specialized talent solutions firm. Robert Half offers contract and permanent placement solutions. For more information, please contact [Megan.Usovsky@roberthalf.com](mailto:Megan.Usovsky@roberthalf.com).*

###