

Scottish legal firms 'behind the curve' on tech and diversity

Further adaptations needed for sector to continue to attract top talent

Scottish legal firms are behind the curve in the transition to cloud-based and mobile technologies and have some way to go before achieving paperless status.

While the sector adapted well to working from home during Covid lockdowns and embraced digital technology in deal-making and transactions, more needs done to embrace customer relationship management systems and end a dependency on paper.

The other main challenge for all legal firms and in-house legal teams for 2022 will be identifying and retaining the best talent whilst progressing diversity agendas, in an exceptionally limited and tight candidate pool.

A result of the shortage of talent has seen significant salary uplifts, with even newly qualified candidates being offered significantly higher basic salaries, exemplified by Pinsent Mason's recent 35% increase in entry level salaries. In turn this is making it increasingly challenging to fill in-house legal vacancies.

These trends have been highlighted in the sixth Annual Salary Guide into Scotland's crucial legal and financial service sectors from [Core-Asset Consulting](#). The report is a forensic review of current salary levels and a guide to the major

issues that professionals need to be aware of.

Kim Bower, specialist in legal recruitment at Core-Asset, said: "Firms must be aware of how to attract the best talent over and above their competitors, differentiating themselves by offering flexibility, access to cutting edge technology and clear outlines on progression.

"Job availability now outstrips candidate availability and the legal sector is now in the midst of a 'buyers' market', a situation in which changes according to the underlying economic conditions that shape supply and demand.

"Scottish legal firms still have ground to make up before they can claim to have fully revolutionised case load management and workflow through the use of technology which can offer new opportunities and greater efficiency.

"With greater automation, everyone – secretaries, paralegals, lawyers and partners – will be able to work at the higher level of productivity, removing the need for the repetitive tasks that still permeate the profession."

The report also cited a November 2021 survey by the Law Society of Scotland which highlighted gender, diversity and ethnicity imbalance in the legal profession.

While annually around two-thirds of newly admitted lawyers are woman, progression to more senior roles remain a challenge, with females under-represented in senior committee and managing partner positions.

There appears to be difficulties in attracting male Black, Asian and Minority Ethnic (BAME) background lawyers into the profession with only 28% of BAME solicitors under 30 being male. It was significant that in a profession where 88% of members are white, less than 4% of members came from a BAME background.

Kim Bower added: “Despite encouraging strides taken by the industry on gender, there appears to be ample room for diversity programmes to be expanded and improved in 2022 and further industry work is required to address issues of disability, gender, LGBTQI+, race and social mobility.”

The report said that against a backdrop of challenging economic conditions, rising cost of living, and greater burdens on businesses engaged in international trade, the demand for legal services and representation will rise.

The COVID pandemic had accelerated changing attitudes in the legal sector regarding the importance of mental health and wellbeing. Creating an effective work-life balance will become increasingly important for legal firm and their employees.

“Flexible and remote working is likely to become the norm rather than the exception,” said Kim Bower.

“The way that advice is given, clients are advised and cases are managed will need to continue to adapt. Shifts in both working practice and the operation of the justice sector means legal firms need to be realistic about the scale of the challenges faced and the speed of technological change required.

“The shift to a candidate-driven market directly correlates with increased operating confidence in the sector, growth and expansion agendas being progressed, and internal projects which were placed on hold as the sector readjusted, moving forward at pace.

“Other markers include increased salary levels to secure applicants and a rise in counter offers from current employers to ‘stop’ individuals changing roles.”

The search for lawyers to work in niche areas may be assisted by remote working and the ability to recruit dual-qualified practitioners based elsewhere in the UK.

Kim Bower added: “Remote working means a London-based candidate pool is now a more feasible option for Scottish-based firms to hire.

“However, the economic disparities on salary levels and the cost-of-operation/living differences between Scotland and cities such as London, will result in significant commercial impacts to Scottish firms.

“This may also result in difficult internal discussions on the equal treatment of employees, with those lawyers at the same level, doing the same work, on different salaries, in different locations.”

[Core-Asset Consulting](#) was formed in 2005. Based in Edinburgh, it is now an £14m business employing 22 people and works across the entire financial services sector, from the smallest boutiques to the biggest global players.

Initially the firm carved its reputation in Scotland’s globally-renowned asset management sector. However, the success of its model allowed it to expand across the wider financial services market. It now boasts dedicated accounting, investment operations and finance teams and also works in Scotland’s thriving legal sector.

To register to receive a copy of the full 2022/23 Industry Trends and Salary Guide report, please visit: <https://core-asset.co.uk/news-and-insight/resources/employer-resources/salary-guide-2022-2023/>