



# LONDON PARTNER COMPENSATION SURVEY

 MAJOR, LINDSEY & AFRICA

**Acritas**  
SHARPER INSIGHT

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# MAJOR, LINDSEY & AFRICA LONDON PARTNER COMPENSATION SURVEY

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## Introduction

The Major, Lindsey & Africa (MLA) London Partner Compensation Survey presents data analysis and opinion on partner compensation among London's leading law firms.

The survey was conducted by Acritas, the specialist legal research agency, on behalf of MLA using an online questionnaire. The survey included both objective questions and personal perceptions on compensation, capital contribution, monthly draw, bonus pool and firm retirement plans for the 2016 fiscal year. It focuses exclusively on London law firms collecting information from partners at the Magic Circle, the top 30 UK firms and the AmLaw 100 firms with London offices.

## The Survey

The survey consisted of 39 questions, the responses to which are broken into four general categories:

- › Demographic information about each participant and the participant's law firm
- › Participant's perception of her/his compensation, compensation system and satisfaction with her/his life as a lawyer
- › Compensation and practice metrics for financial year 2016
- › Capital contribution, monthly draw, bonus pool and firm retirement plans.

The key topics explored in this report with regard to compensation are:

- › Satisfaction with life as a lawyer and the role of compensation
- › Willingness to trade compensation for other benefits
- › Compensation metrics by gender
- › Perceived bias impacting compensation
- › Transparency of remuneration structure and compensation system

# Methodology

Responses were received from 180 partners representing 67 firms, an overall 3% response rate. As often occurs in surveys, not all participants answered every question. In certain questions participants were given ranges as response choices. In order to calculate some data points in this Report, Acritas used the midpoint for responses that were expressed in ranges.

In order to protect participants' identities, this report does not disclose any information about any individual or any individual law firm. All information is reported in the aggregate to ensure anonymity. Acritas did not provide the names, email addresses, individual answers or any other identifying information of individual participants or any law firm to Major, Lindsey & Africa.

## Key Findings

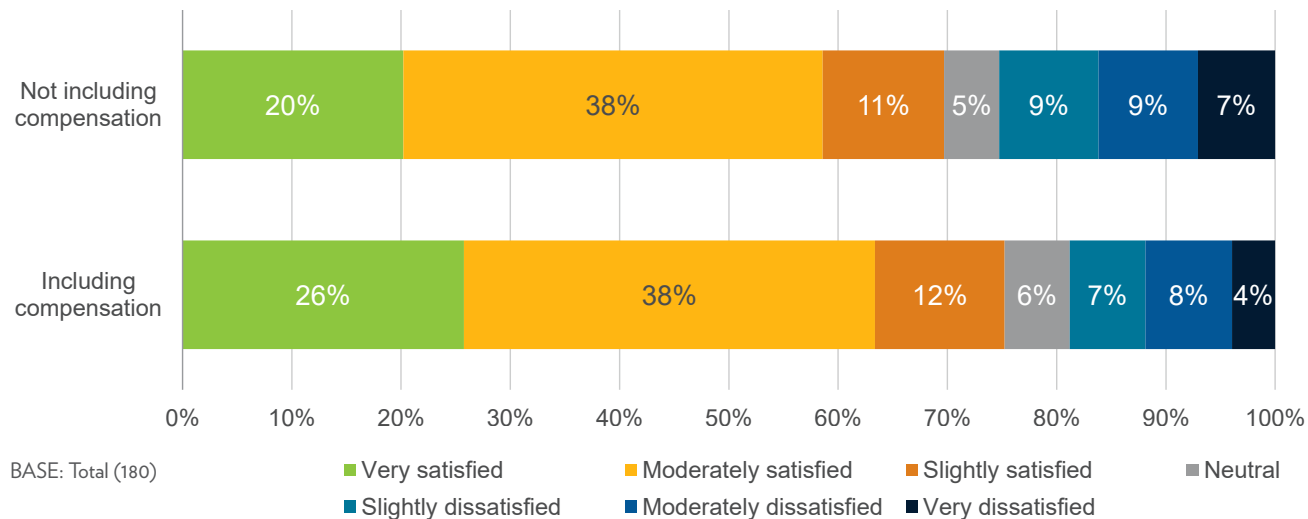
- Partner satisfaction in London is relatively high with a majority of partners describing themselves as net-satisfied with their lives as lawyers, without factoring in their compensation. The proportion of satisfied lawyers increases further when partners factor in compensation.
- More than half of the participants would trade in a portion of their compensation for another benefit. The most popular is more time off, followed by flexibility and reduced billable hours. Home-grown partners are most likely to consider trading in a portion of their compensation in return for other benefits.
- Average total compensation for female partners in London is 24% less than for male partners. However, the difference in average originations between female and male partners is significantly less at 10%. This suggests that factors other than originations are impacting the determination of female partners' compensation.
- Over half of the partners surveyed feel that bias plays a role when it comes to determining compensation. Cronyism is the most commonly identified bias. Female partners are also more likely to identify gender bias than male partners.
- Only one third of partners know whether their firm has calculated its gender pay gap. UK firms and Verein firms are more likely to have done so. Visibility appears limited even amongst those firms that have undertaken the calculation, with few partners able to confidently state the value of the gap.
- There is clear correlation between openness of the compensation structure and partners' satisfaction with their compensation. Overall the survey participants working in open compensation systems identified themselves as more satisfied than those working in less transparent compensation structures.
- Most law firms have now moved away from lockstep towards more meritocratic systems, at least notionally. This move is perceived to have had a positive impact on earnings, retention and transparency. However, the data suggests that there has been a negative effect on collaboration, information sharing and allocation of work.

# THE RESULTS

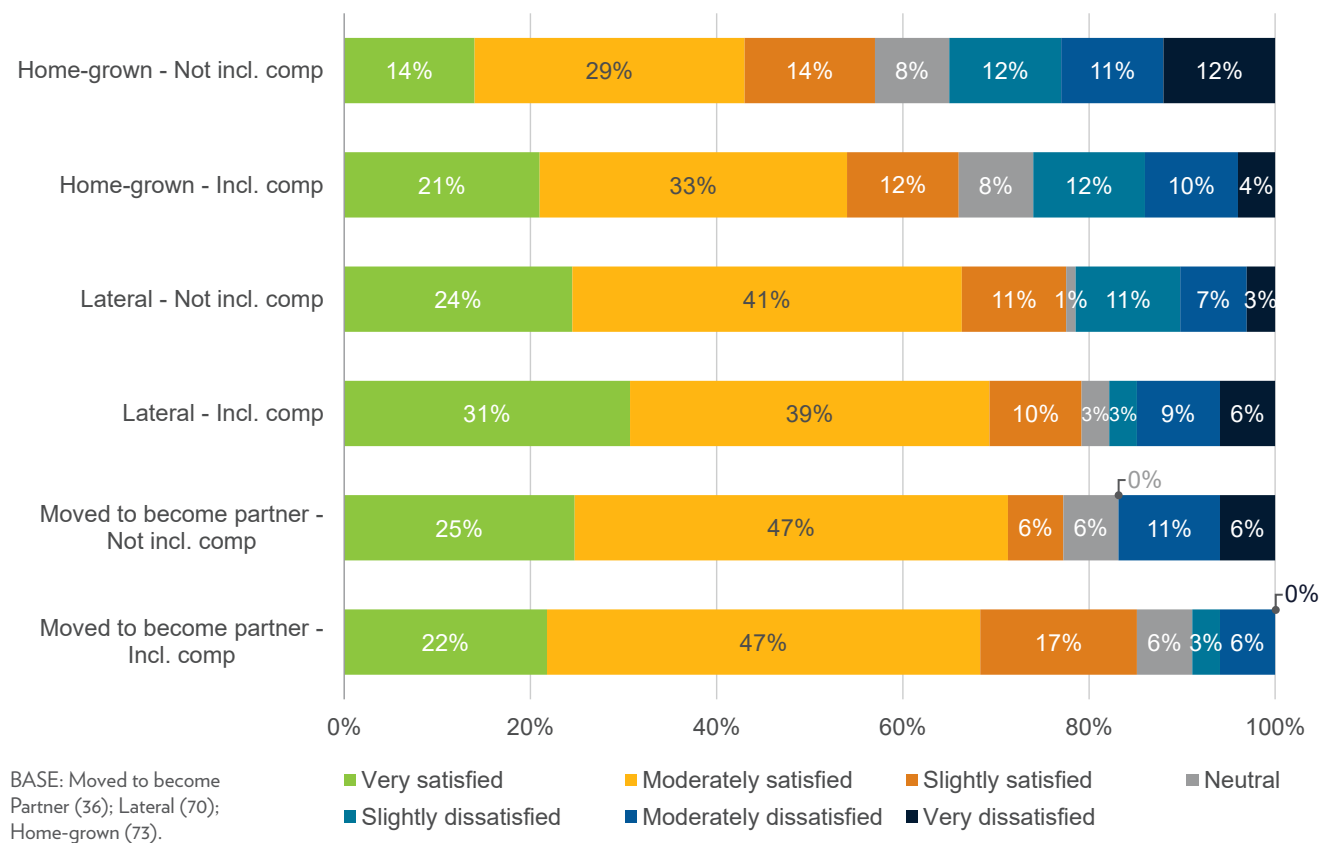


# Satisfaction with Life as a Lawyer

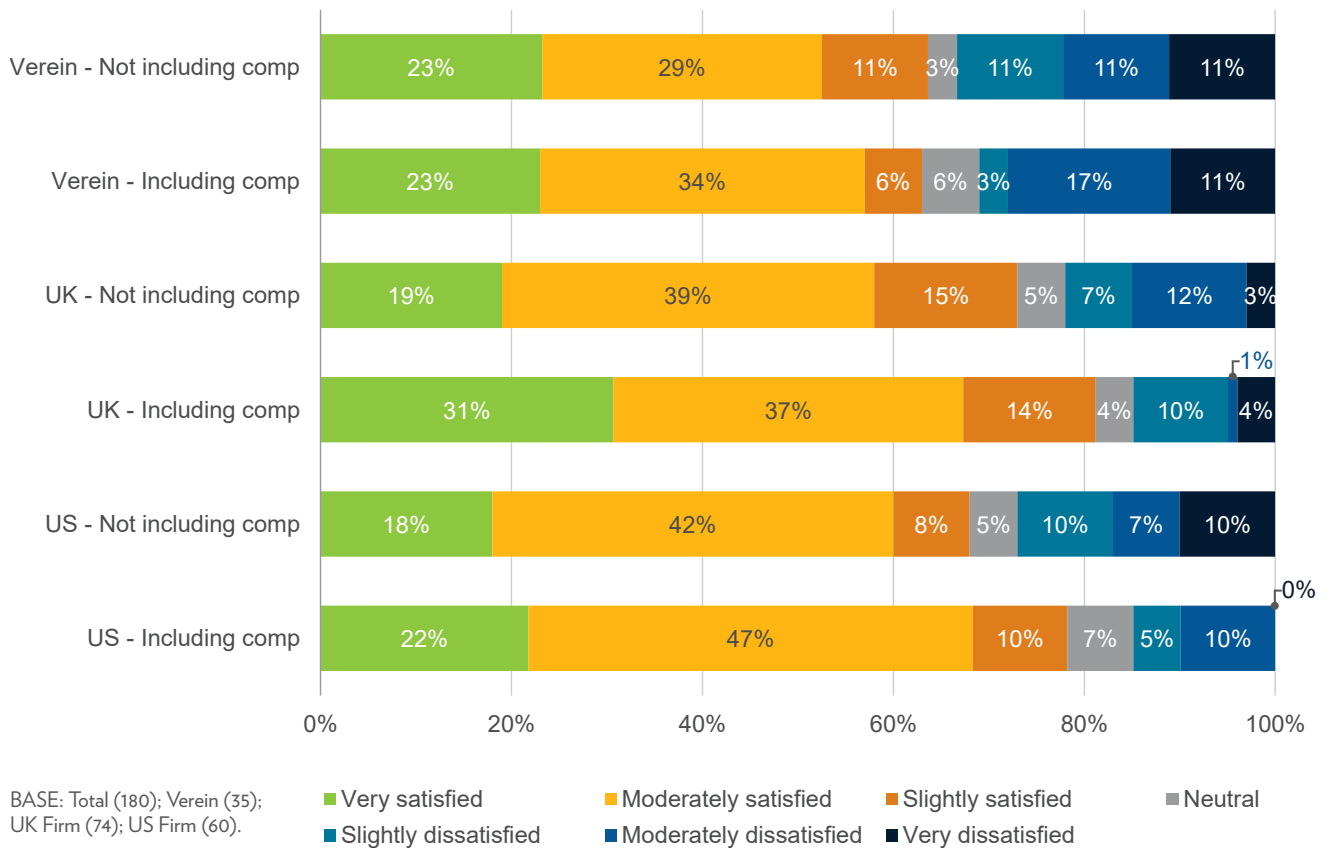
## SATISFACTION WITH LIFE AS A LAWYER



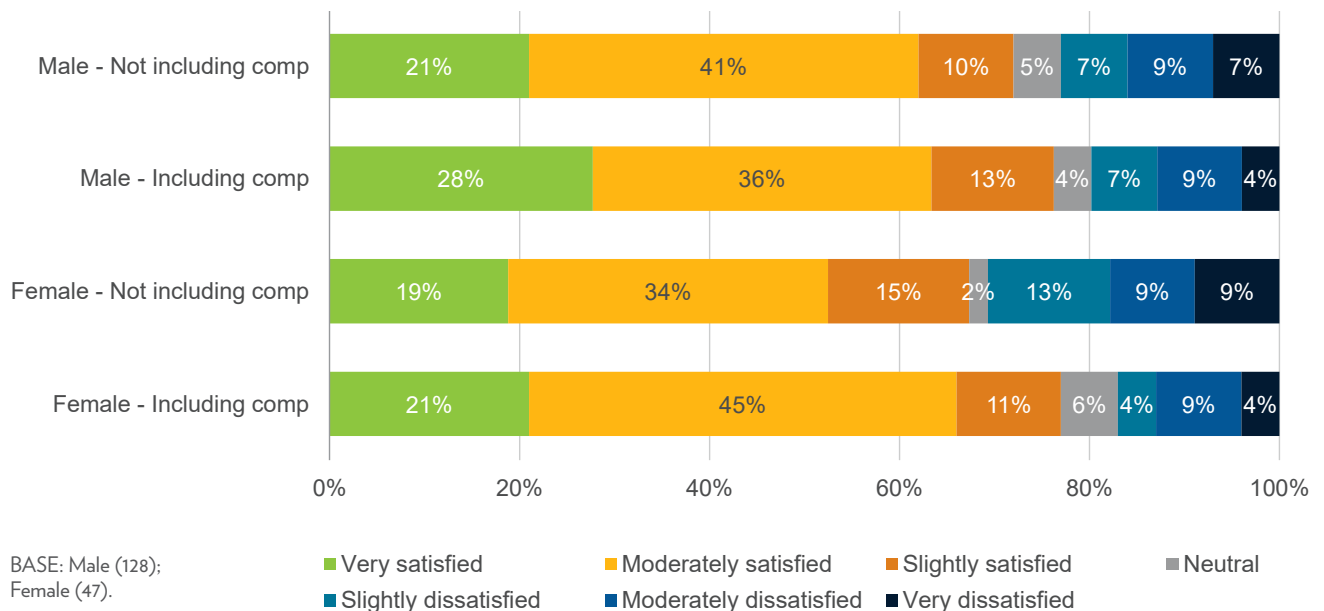
## SATISFACTION WITH LIFE AS A LAWYER BY PARTNER TYPE



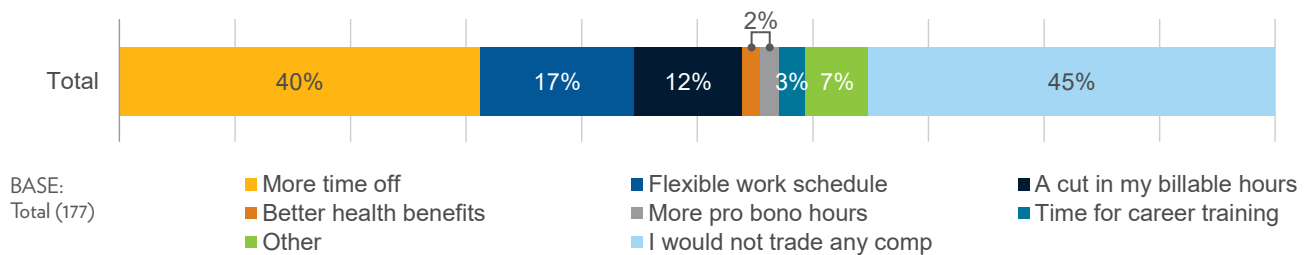
## SATISFACTION WITH LIFE AS A LAWYER **BY FIRM TYPE**



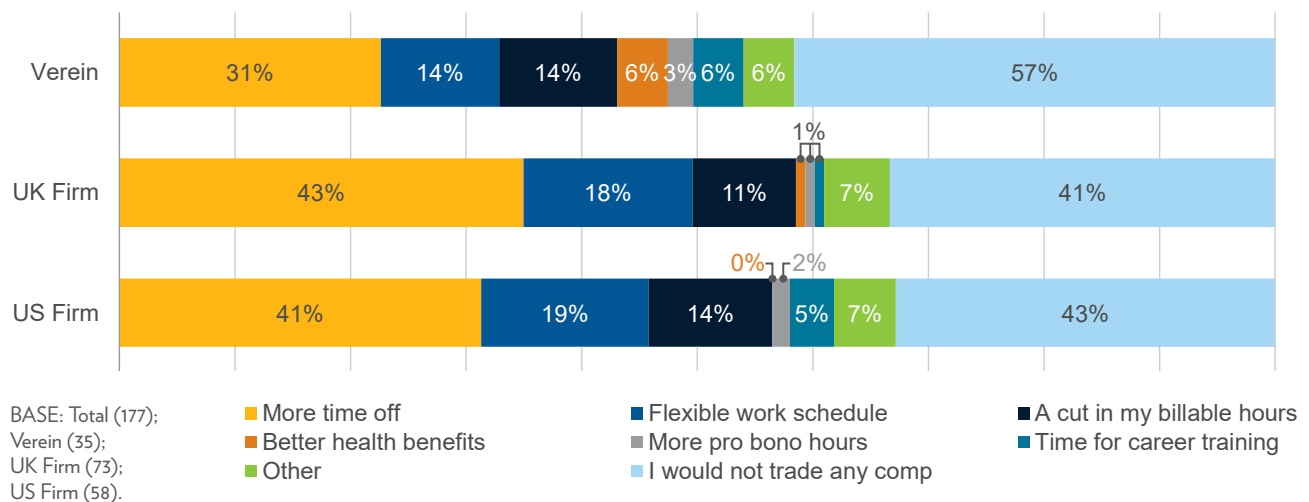
## SATISFACTION WITH LIFE AS A LAWYER **BY GENDER**



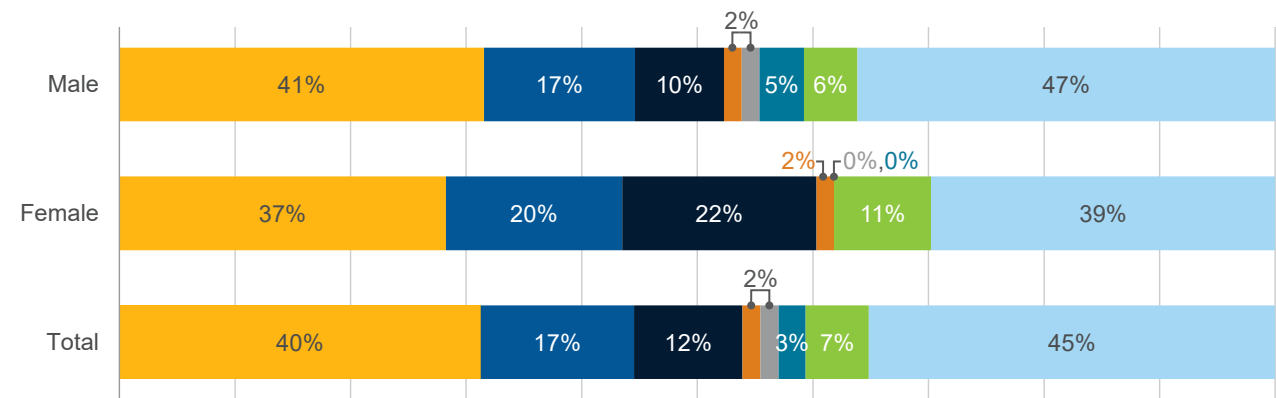
# Willingness to Trade Compensation for Other Benefits



## WILLINGNESS TO TRADE COMPENSATION BY FIRM TYPE



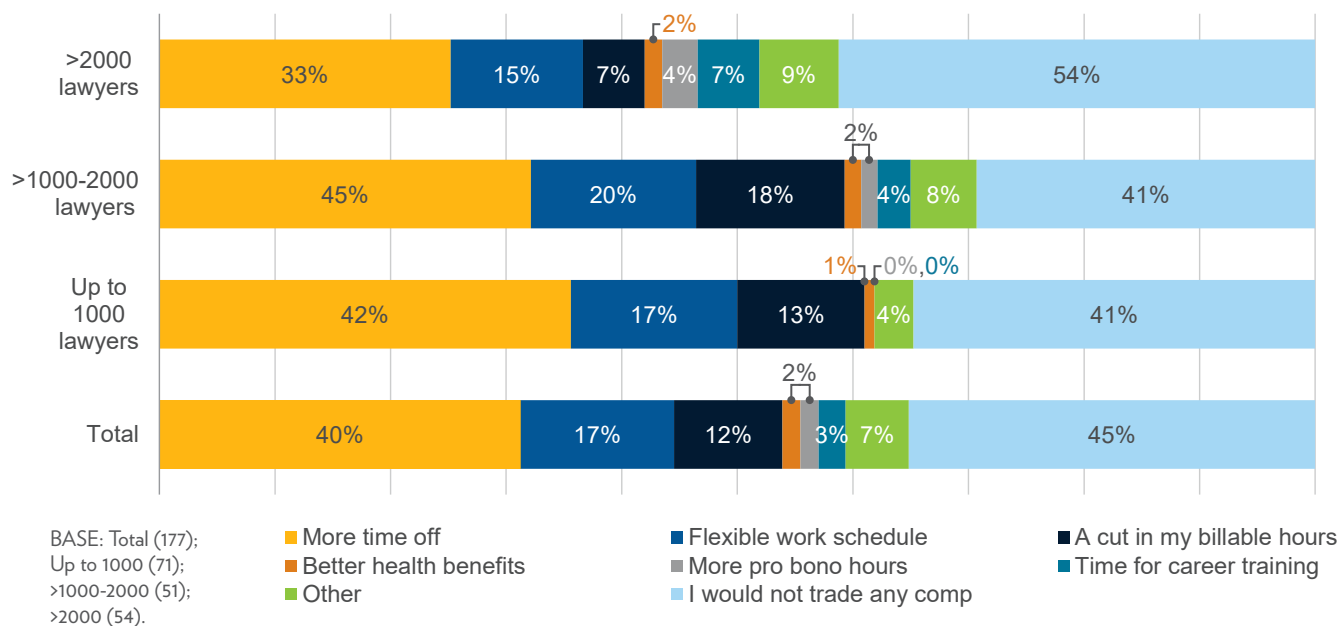
## WILLINGNESS TO TRADE COMPENSATION BY GENDER (Refer to legend above)



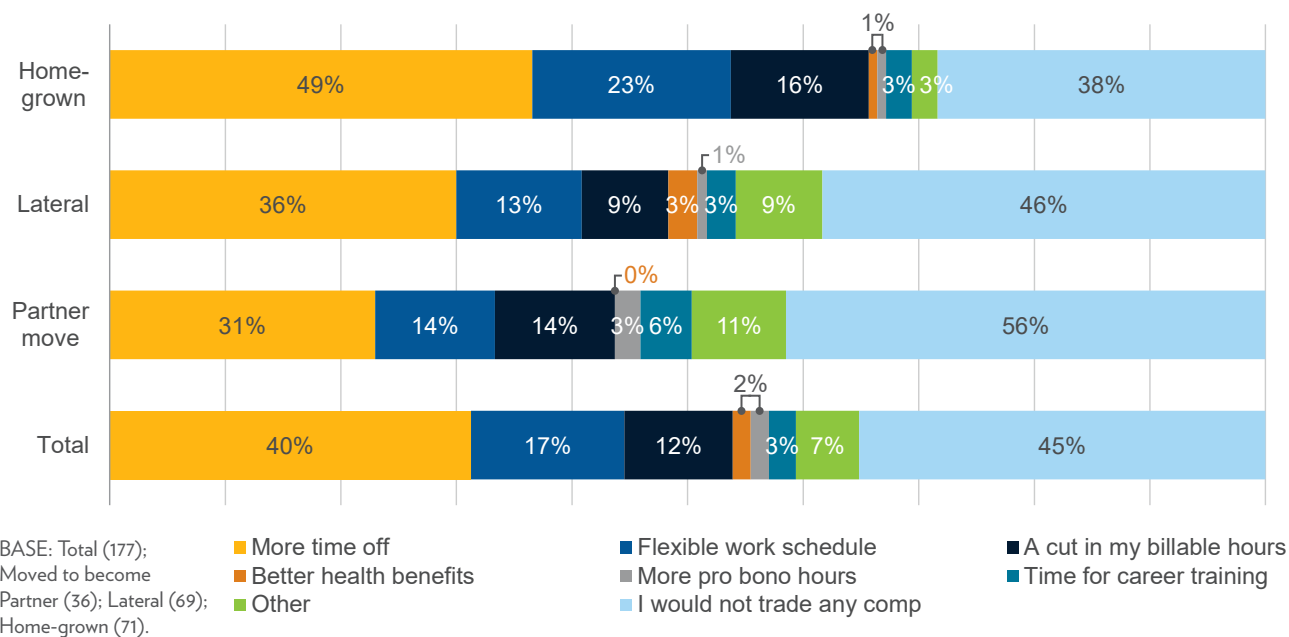
BASE: Total (177); Male (126); Female (46).



## WILLINGNESS TO TRADE COMPENSATION BY SIZE OF FIRM



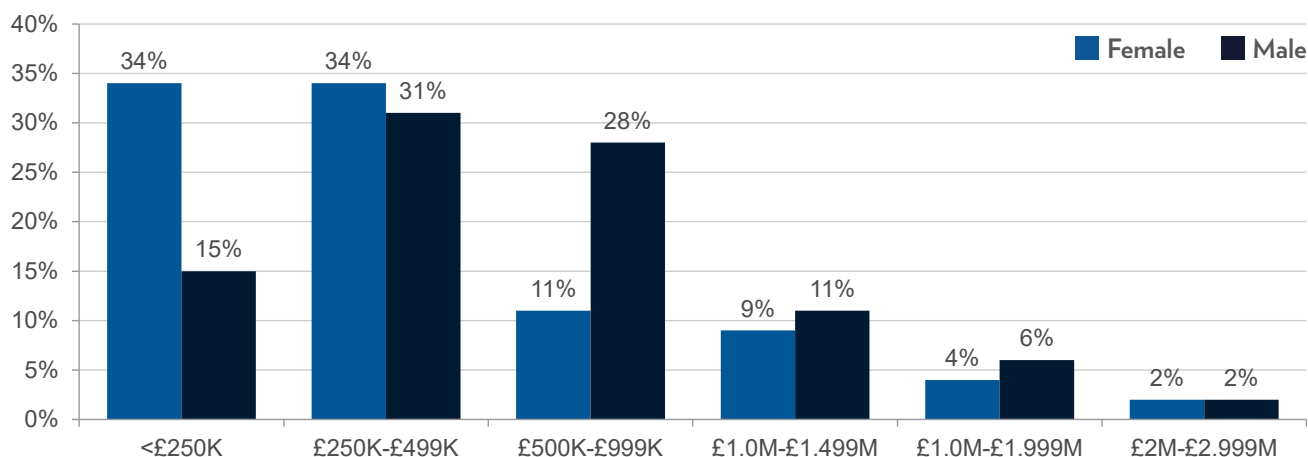
## WILLINGNESS TO TRADE COMPENSATION BY PARTNER TYPE



# Compensation and Originations by Gender

## TOTAL COMPENSATION BY GENDER

BASE: Total (180); Male (128); Female (47).



**£502,841**

Female



**AVERAGE  
COMPENSATION**

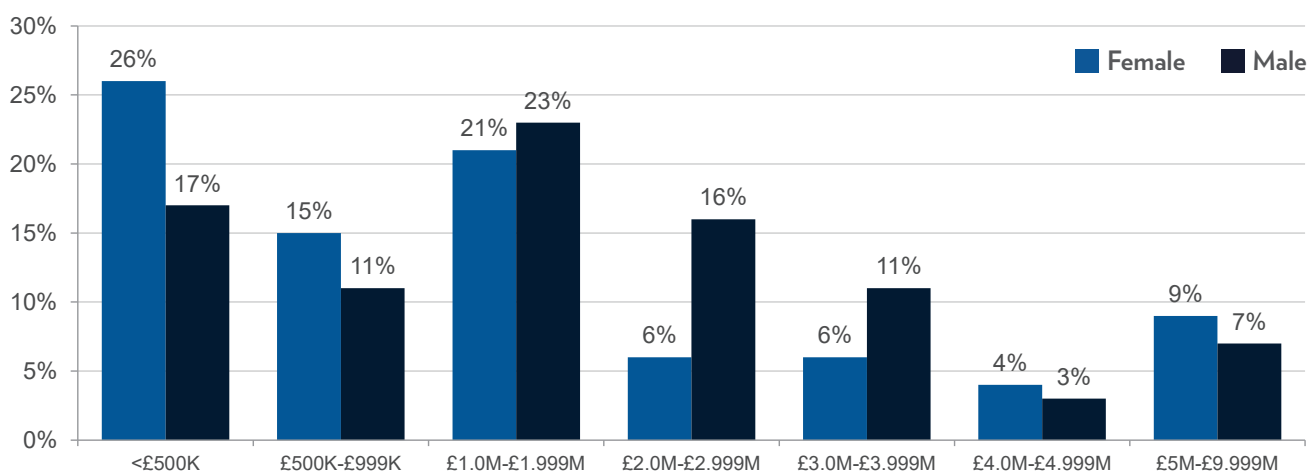


**£667,521**

Male

## TOTAL ORIGINATIONS BY GENDER

BASE: Total (179); Male (127); Female (47).



**£1,810,976**

Female



**AVERAGE  
ORIGINATIONS**

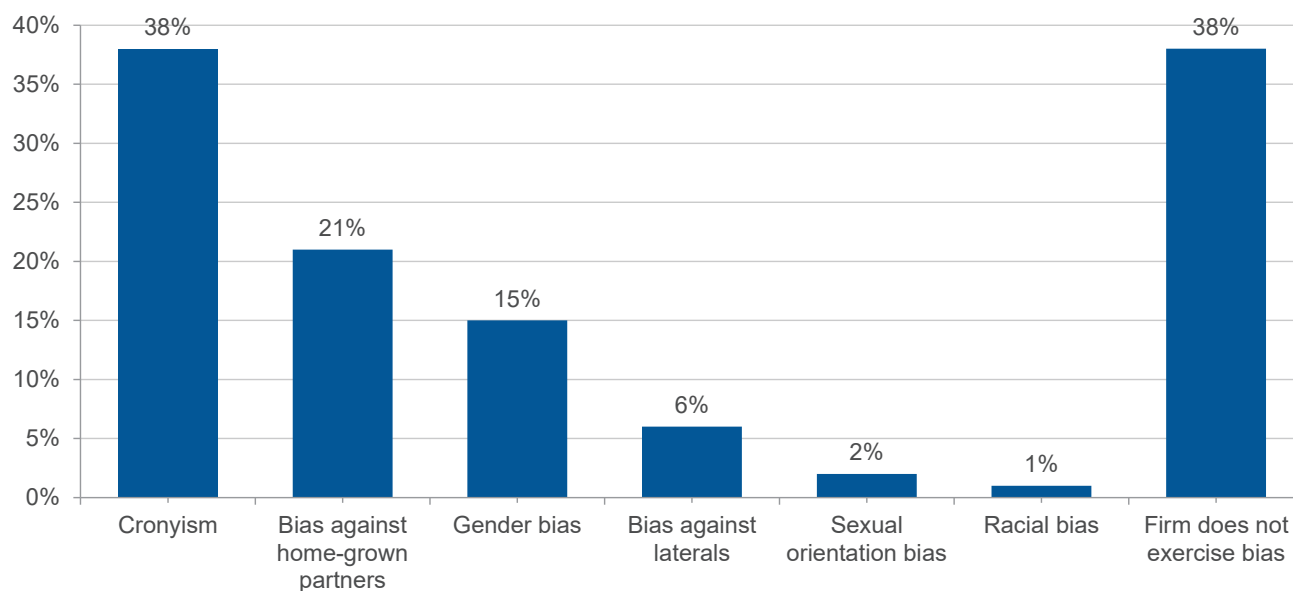


**£2,017,857**

Male

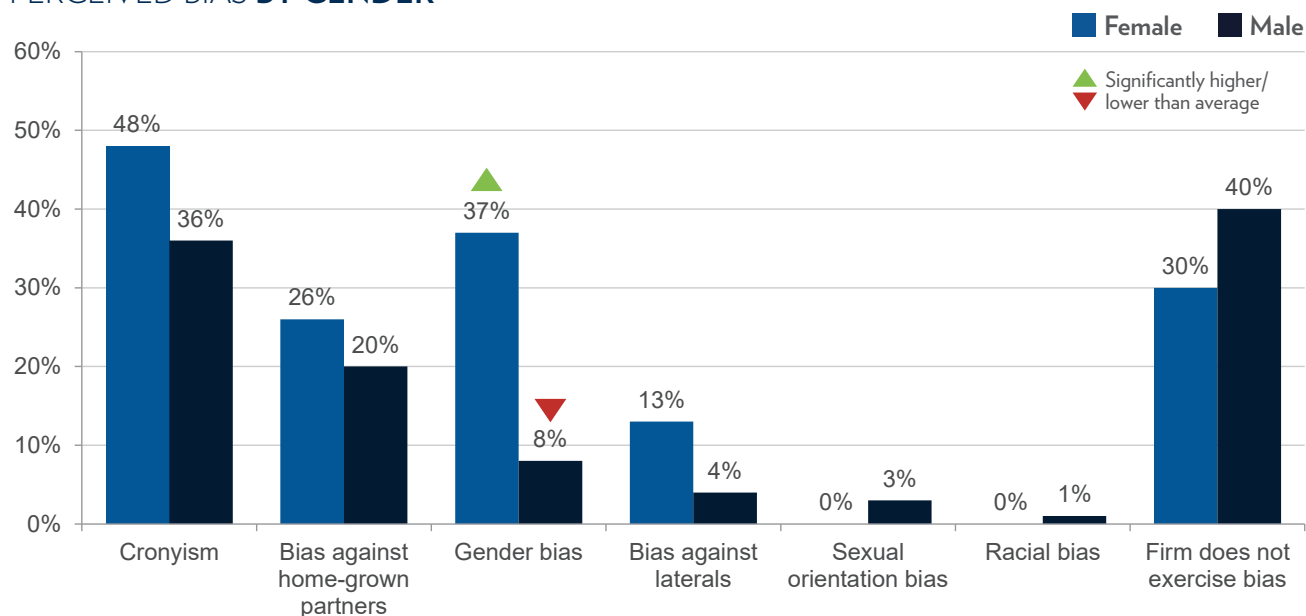
# Perceived Bias

## PERCEIVED BIAS IN COMPENSATION



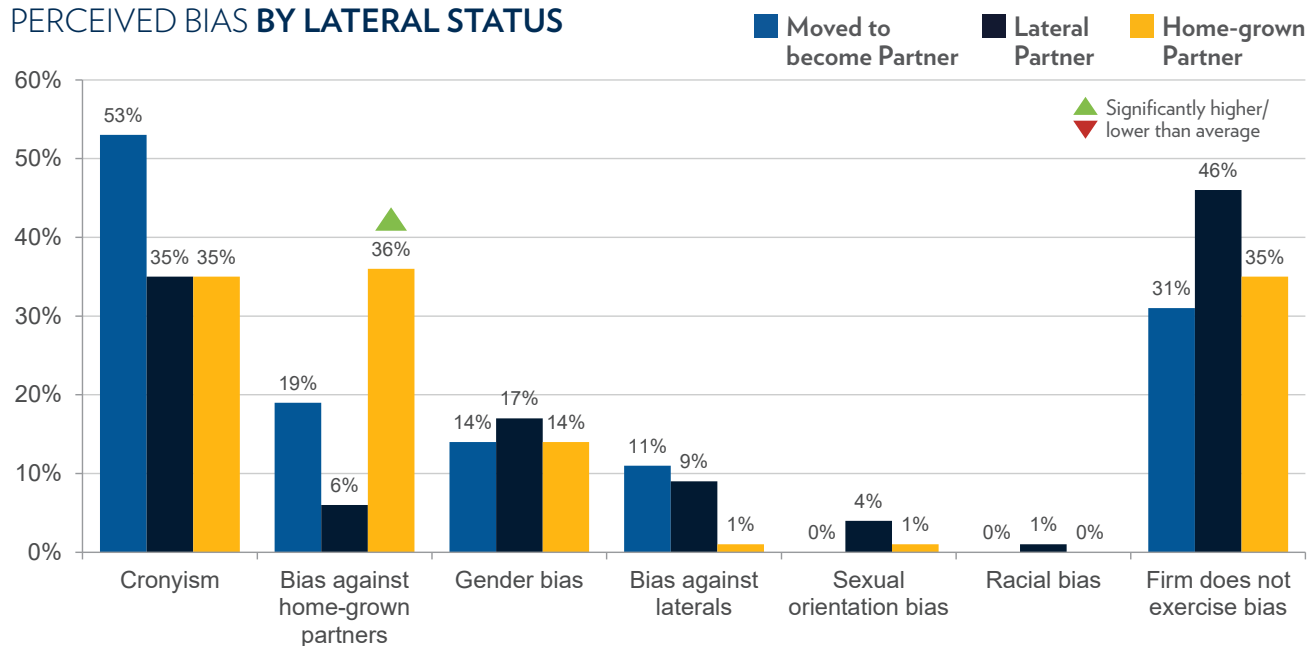
BASE: Bias (177)

## PERCEIVED BIAS BY GENDER



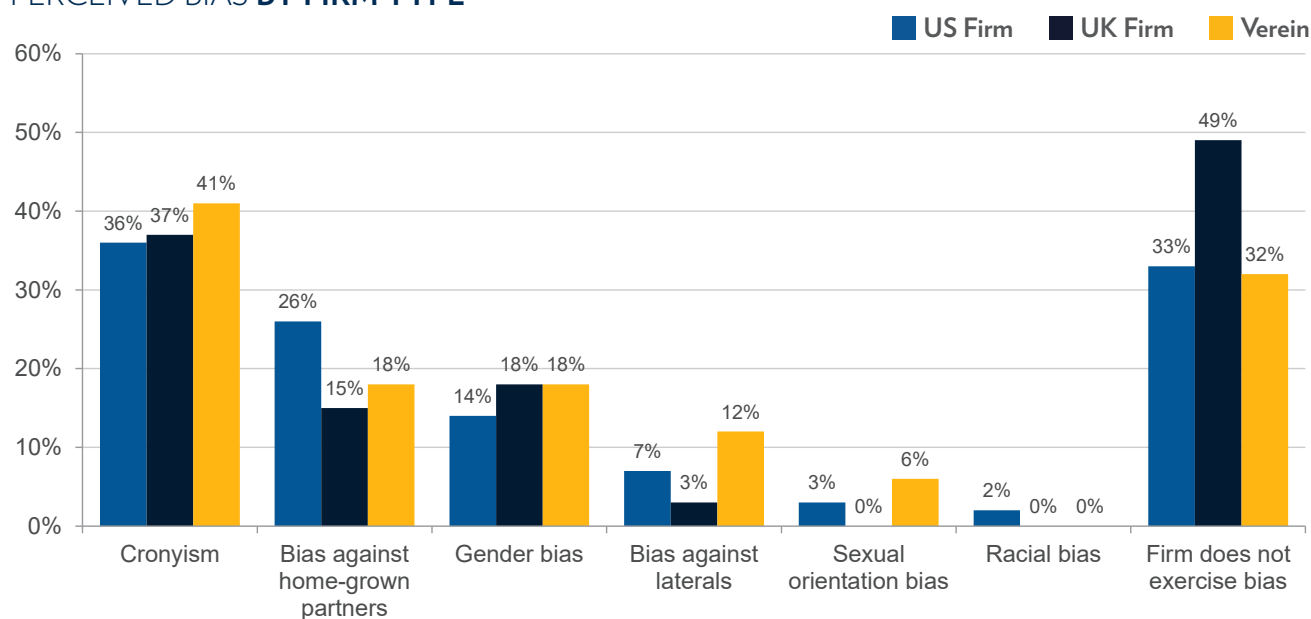
BASE: Male (128); Female (47).

## PERCEIVED BIAS BY LATERAL STATUS



BASE: Moved to become Partner (36); Lateral (69); Home-grown (72).

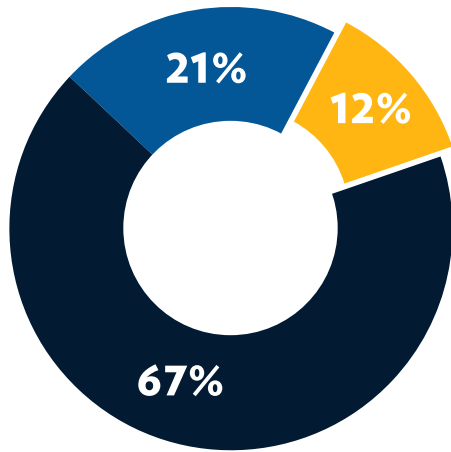
## PERCEIVED BIAS BY FIRM TYPE



BASE: US Firm (60); UK Firm (74); Verein (35).

# Gender Pay Gap

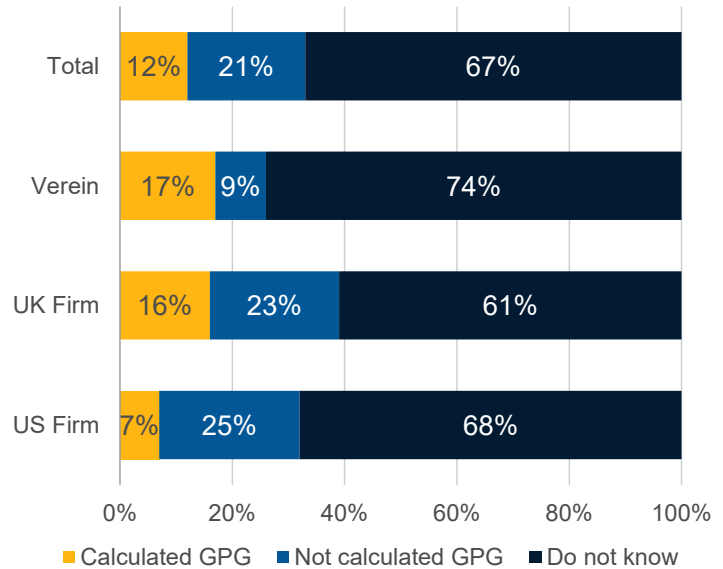
## HAS YOUR FIRM CALCULATED ITS GENDER PAY GAP?



■ Yes ■ No ■ Do not know

BASE: Gender pay gap: Overall (180); UK Firm (74); US Firm (60); Verein (35); Proportion (22).

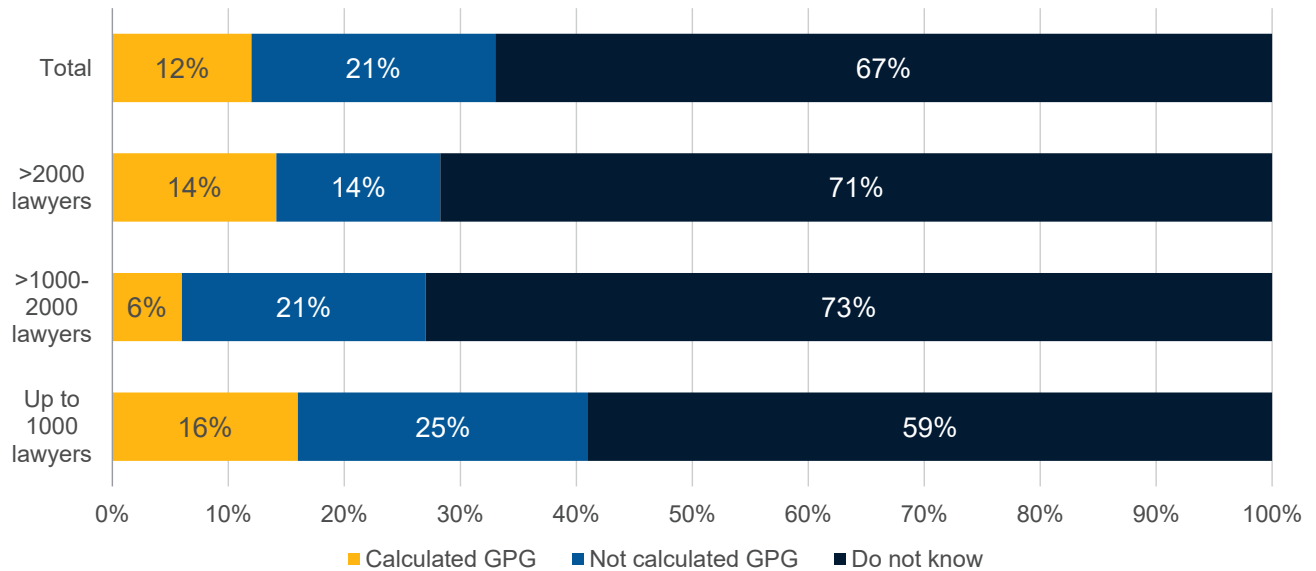
## GENDER PAY GAP CALCULATION BY TYPE OF FIRM



■ Calculated GPG ■ Not calculated GPG ■ Do not know

BASE: Total (180); Verein (35); UK Firm (74); US Firm (60).

## GENDER PAY GAP CALCULATION BY SIZE OF FIRM

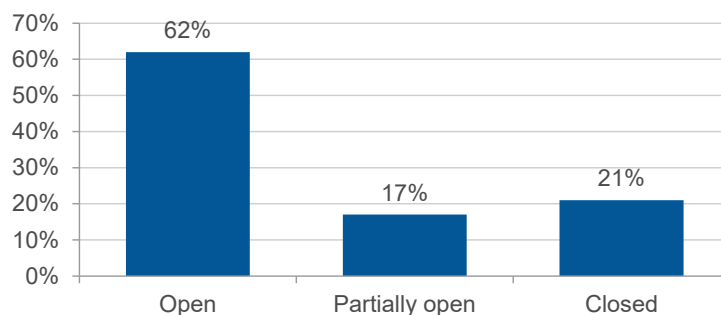


■ Calculated GPG ■ Not calculated GPG ■ Do not know

BASE: Total (180); Up to 1000 (71); >1000-2000 (52); >2000 (56).

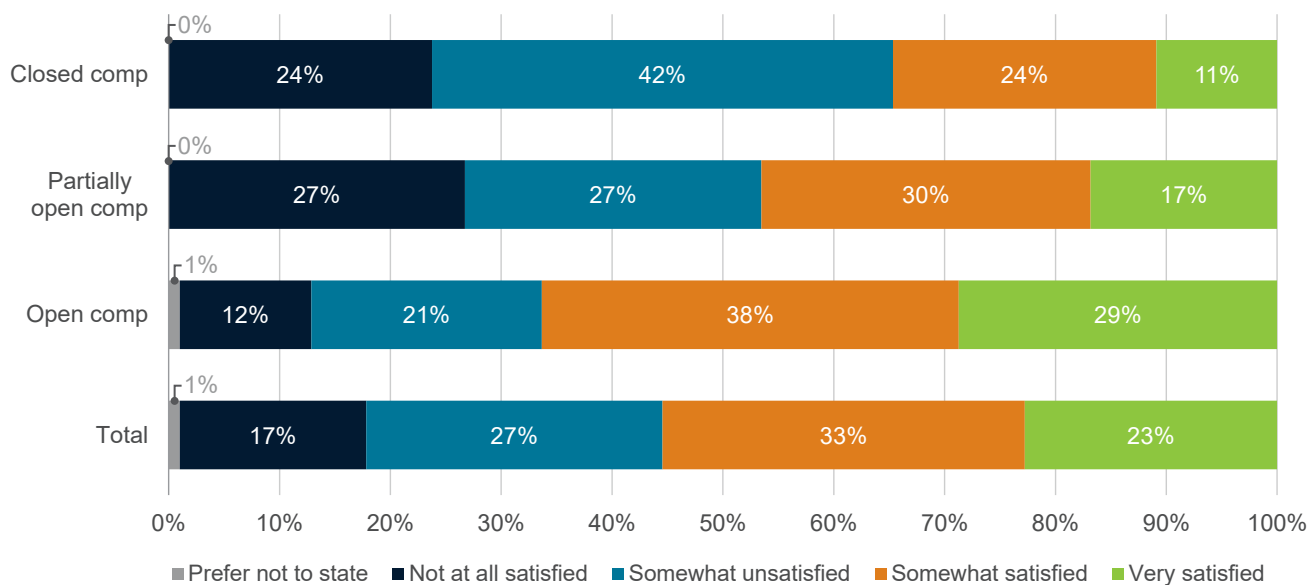
# Compensation Systems

## COMPENSATION SYSTEM — OPEN OR CLOSED



BASE: Total (180); Open (112); Partial (30); Closed (38).

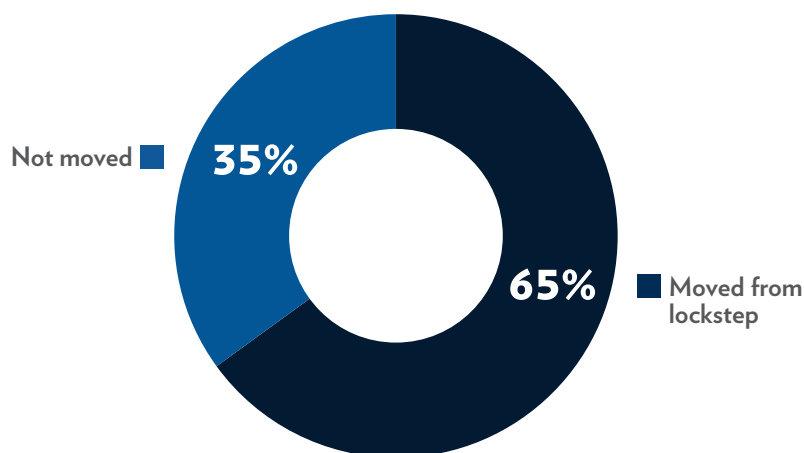
## SATISFACTION BY COMPENSATION SYSTEM



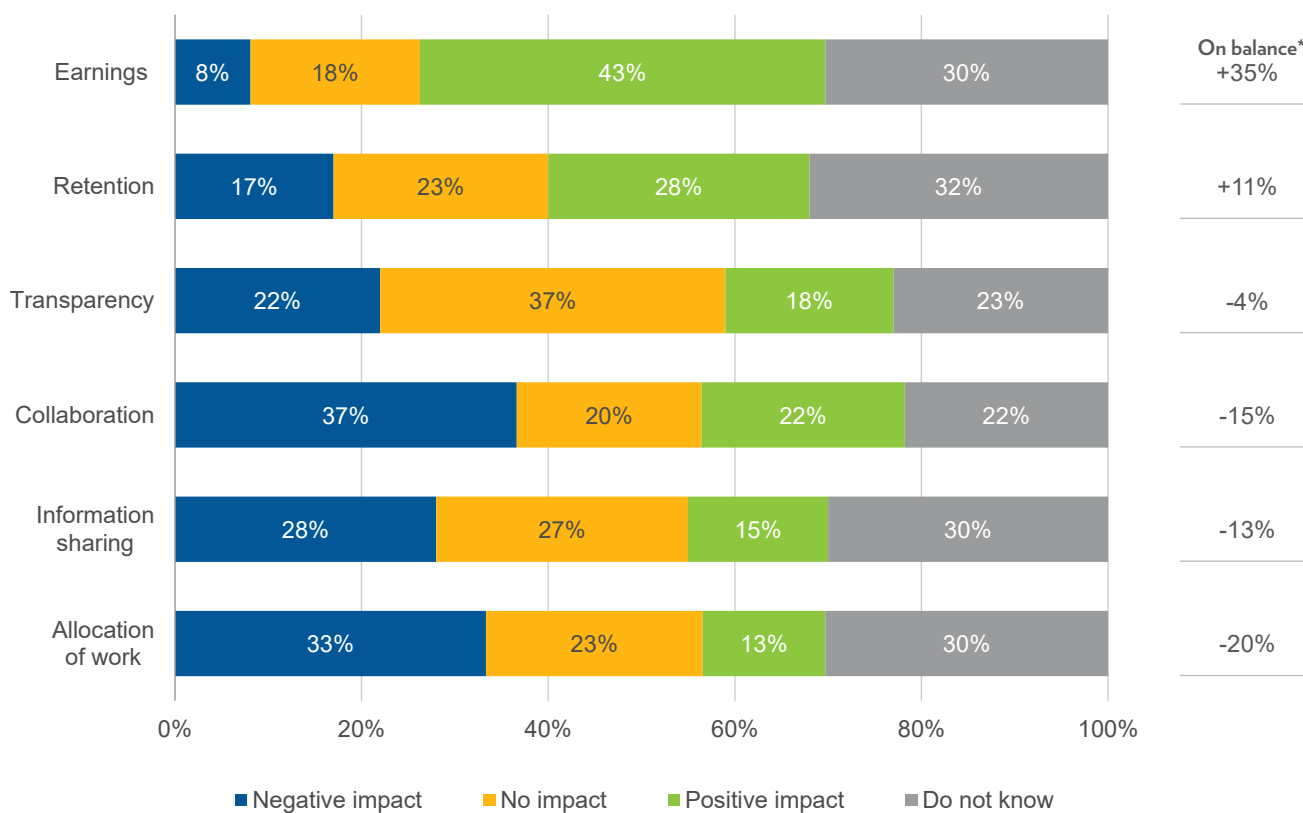
BASE: Total (180); Open (112); Partial (30); Closed (38).

# Impact of Moving Away from Lockstep

PERCENTAGE OF FIRMS WHO HAVE MOVED AWAY FROM LOCKSTEP



IMPACT OF MOVING AWAY FROM LOCKSTEP



BASE: Lockstep move (173); IMPACT (60).

\*On balance = % rating positive minus % rating negative

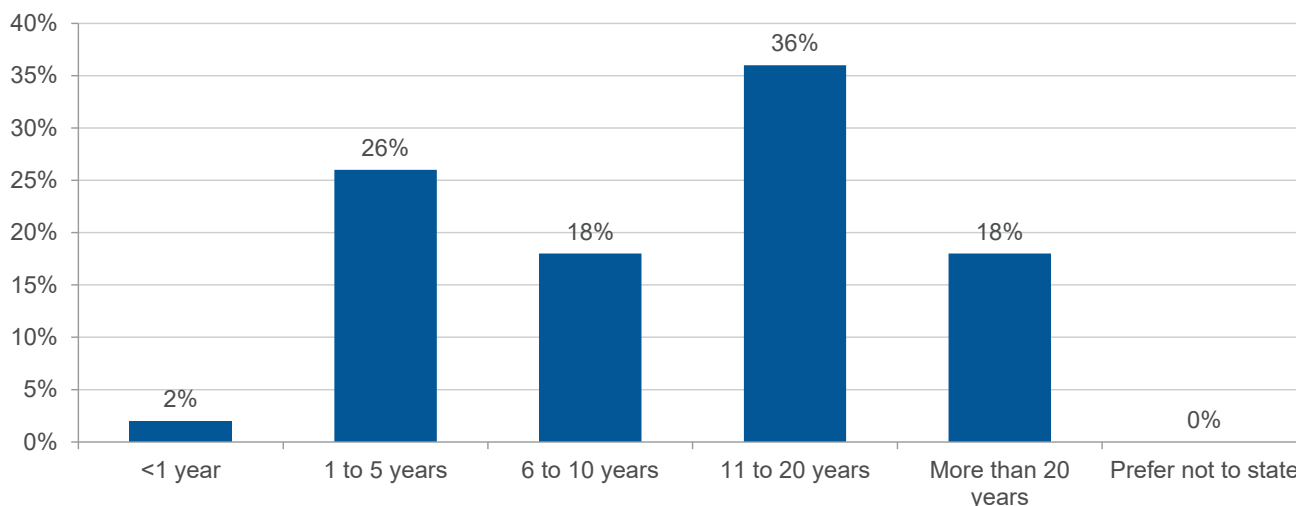
# PARTICIPANT PROFILE



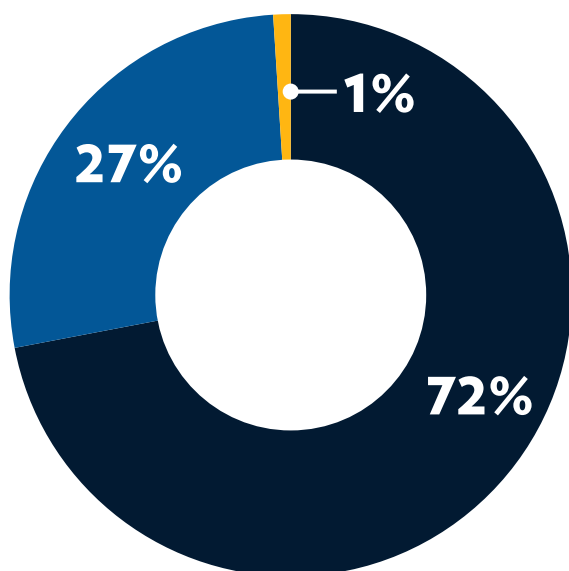


## BY PARTNERSHIP TENURE

BASE: Total (180)

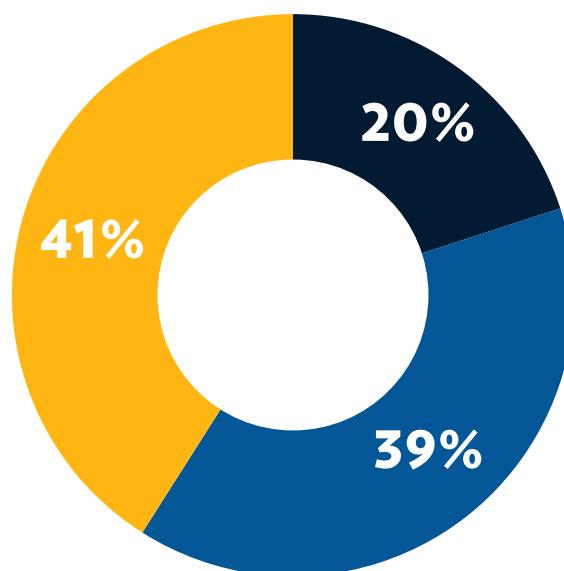


## BY PARTNERSHIP STATUS



- Equity Partner
- Non-equity Partner
- Not a partner during 2016

## BY LATERAL STATUS



- Moved to current firm to become a Partner
- Moved to current firm laterally as a Partner
- Are home-grown partners



**180**

participants took part in the survey



**3%**

response rate

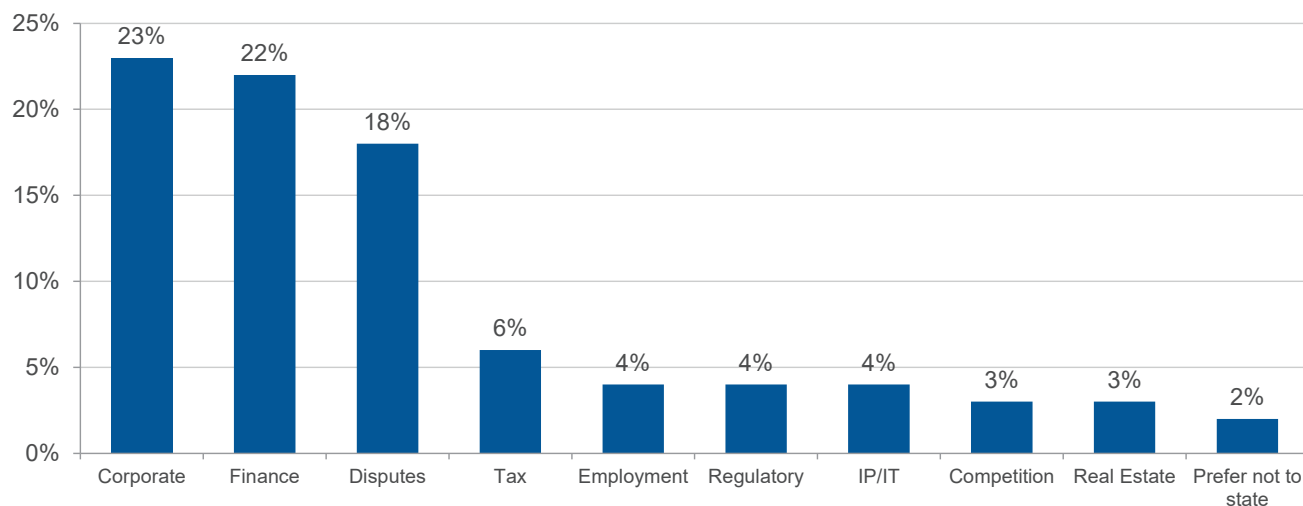


**67**

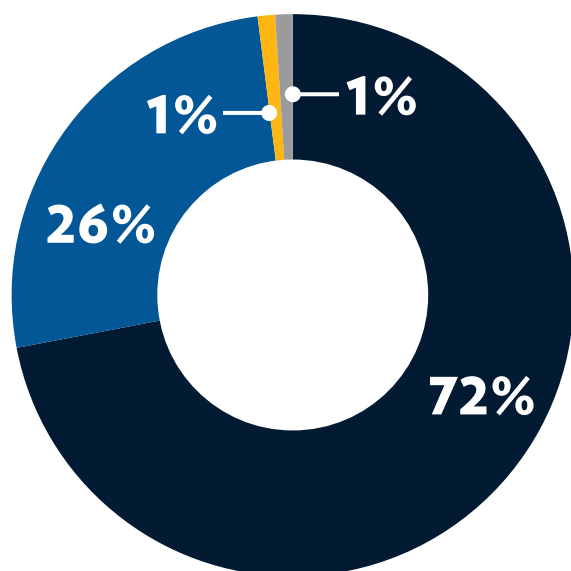
firms participated

## BY PRACTICE AREA

BASE: Total (176-180)

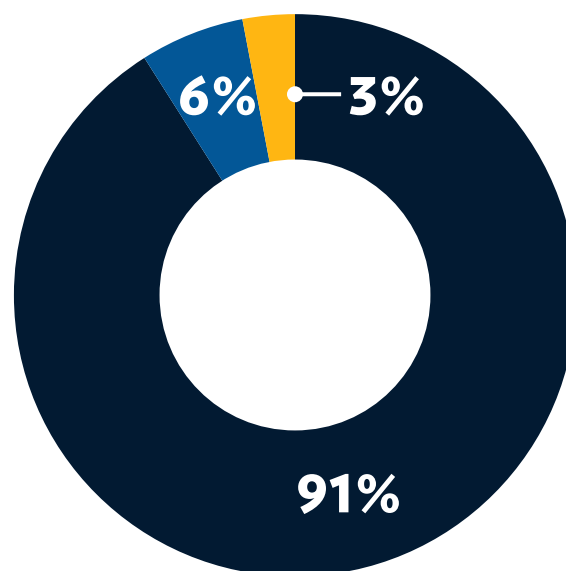


## BY GENDER



Male  
Female  
Prefer not to state  
Non-binary/third gender

## BY SELF-IDENTIFIED ORIENTATION



Heterosexual  
LGBT  
Prefer not to state

## BY ETHNICITY



**90%**  
White

**5%**  
Other ethnic group

**4%**  
Asian/Asian British

**4%**  
Mixed/Multiple ethnic group

**0%**  
Black/African/Caribbean

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