



The BARBRI Barometer

Navigating Talent Challenges and Opportunities
for SME Law Firms in 2024 and Beyond



Contents

SECTION		
01	INTRODUCTION	3
	About the research	5
	Methodology	5

SECTION		
02	RECRUITING AND RETAINING TALENT	6
	People and priorities	7
	How can smaller law firms compete?	9
	Expanding horizons	10

SECTION		
03	EMBRACING NEW AND INNOVATIVE ROUTES TO QUALIFICATION	11
	The SQE	12
	The changing role of the paralegal	16
	Advantages of apprenticeships	19

SECTION		
04	DIVERSITY AND INCLUSION	24
	Room for improvement	26
	SQE as a catalyst	28

SECTION		
05	SME FIRMS' APPROACH TO LEARNING	30
	The power of L&D	33
	Learning for all	35

SECTION		
06	SKILLS FOR THE FUTURE	37
	People skills and commerciality	38
	Futureproofing	41

SECTION		
07	CONCLUSION	44

SECTION

01

INTRODUCTION

01

Introduction

The legal sector has seen unprecedented changes over the past decade with a rapidly shifting global economy, significant accelerations in technology, evolving client requirements and a workforce driven by changing priorities.

Law firms have faced considerable uncertainty in recent years: taking onboard flexible or remote working practices following the pandemic, and embracing the use of emerging technologies to try and provide much-needed stability and efficiency, all while dealing with wider economic challenges and the ongoing battle for talent. However, as a service-led industry, where client satisfaction is paramount, having the right people with the right skills and experience in place is fundamental to success.

With the economic outlook changing by the day, weathering the storm to ensure business profitability and longevity is no mean feat for the small and medium-sized companies (SMEs) that make up 99.9% of the UK's total business population. For SME law firms this is no different.

Despite modest growth being predicted for the legal sector during the next 12 months, according to insights from Lexis Nexis, looking to 2024 and beyond, the landscape remains challenging for small and medium-sized firms. As a service-based industry built on the strength of client relationships, a critical factor for firms' success during the year ahead will be having the right talent and the right skills in place.

While the impact of the Great Resignation eased last year according to PwC, the competition for talent remains. The challenges around recruitment, retention and development are felt even more keenly within SME law firms, with many broadening their approach and reviewing opportunities across the sector, including those presented through the introduction of the Solicitors Qualifying Exam (SQE).



About the research

Commissioned by leading global education provider BARBRI, this research report seeks to understand the challenges and opportunities for SME* law firms in the UK when it comes to recruiting, nurturing and developing talent post-pandemic. It also explores how this intersects with new routes to qualification, diversity and inclusion, learning and development plans and emerging skill sets.

Methodology

Interviewing senior legal professionals and managing partners at SME law firms across the UK and canvassing the views of paralegals, the research paints a portrait of how these firms are navigating the current challenges and opportunities when it comes to talent.

*SME law firms are those with less than 250 employees and an annual turnover under £50 million.

Survey respondents at a glance:



127

survey respondents across SME law firms



84

of these, 84 were senior decision-makers



43

were paralegals or similar roles



SECTION

02

RECRUITING & RETAINING TALENT

02

People and priorities

While the impact of the Great Resignation post-pandemic may be easing somewhat, the battle for talent remains. For 81% of firms surveyed, **recruitment** is the top challenge when it comes to talent, with **retention** an issue for a further 48%. This is creating a costly revolving-door scenario and compounding the issue for many firms.

The **cost of recruitment** itself is also perceived to be a challenge for 43% of firms, not to mention the **salary expectations** of those who are taken through to interview. Three-quarters of firms (76%) reported a mismatch between their firms' desired salary provision and the level of remuneration sought by potential employees.

For almost half of firms (48%), **managing the expectations of Gen Z** is particularly challenging. However, remuneration is just one piece of the puzzle. Obelisk's World in Motion: Why the Legal Profession Cannot Stand Still report of late 2023 cites a recent survey of young lawyers that found that nearly three-quarters agreed or strongly agreed that they wouldn't join a firm whose values didn't match their own, even if it was offering more money.

Other factors such as mental health, work-life balance and ESG issues are also a concern to this generation when choosing an employer.

In Deloitte's annual survey of Gen Z and Millennials last year (2023), 80% of Gen Z respondents said that the mental health support and policies in place are important to them when choosing an employer. Fifty per cent (50%) were also pushing their employer to drive change on environmental issues with climate change a key concern for this generation.

This highlights the need for firms to think beyond competing for the next generation of talent on remuneration alone. Accommodating the values of aspiring solicitors and what drives them will help to create a path forward which works for both parties.

The three biggest talent challenges facing SME law firms

7

Attracting and recruiting talent

82%

Retaining people

48%

Managing the expectations of Generation Z

48%

The top challenges when recruiting and competing for new talent

The salary expectations of new recruits – **76%**

The cost of recruitment – **43%**

Remote working expectations – **28%**

The location of your firm – **26%**

The range of benefits and perks offered by your firm – **15%**

Offering future career opportunities – **11%**

Articulating the firm's values/culture – **2%**

Expectations around the firm's commitment to sustainability, diversity, inclusion etc. – **2%**

How can smaller law firms compete?

The aspiration of the next generation of legal professionals is encouraging news for small and medium-sized firms, providing them with a strong opportunity to compete on a number of factors with larger, city-based firms.

Putting the spotlight on firms with fewer than 250 people, respondents cited many compelling reasons why people had decided to join them. The **close-knit and collaborative community** was a contributing factor for 42%, closely followed by the **flexibility and work-life balance** on offer (35%).

Another reason new recruits had joined a smaller firm was the chance to have **greater autonomy and responsibility** (36%), echoing the 27% attracted by the **professional growth opportunities**. Interesting food for thought for smaller firms, when it comes to how they position recruitment ads and the benefits which are emphasised.

Interestingly, the results of our research also challenged the outdated perception that smaller/regional firms are behind their city counterparts when it comes to using the latest legal tech and practices.

A number of firms reported that people had joined them 'to embrace the **technology and innovation** on offer' (38%).

Firms were also cautious of attracting those who thought they might get an easier ride in a smaller firm.

“Sometimes people can believe they’re going to get an easier life here than in a full-service larger firm because of the impression that we’re a boutique/niche firm. That’s not always the case. It’s a bit more hands-on in a boutique. Everyone can be expected to get involved a bit more. There’s often that kind of expectation to manage if they’re coming from a larger firm.”

● EMMA SELL, COO, FOX & PARTNERS

Expanding horizons

To stay one step ahead of the competition by recruiting and retaining a stellar team, firms must take the time to understand the changing workforce and their wants, needs and ambitions.

Looking to the future, this goes beyond considering candidates who have followed the traditional law degree pathway. Fortunately, with the introduction of innovative new routes to qualification as a solicitor made possible by the introduction of the Solicitors Qualifying Exam (SQE), it's now much easier for law firms to access (and develop) a much broader talent pool.

With the SQE giving non-law graduates, paralegals and apprentices the opportunity to become qualified solicitors (should they choose to do so), this opens up a more diverse, representative pipeline of talent to firms, with a variety of skills, experiences and benefits to contribute. Not to mention, potentially providing a large part of the solution to the sector's current talent shortage.



SECTION

03

EMBRACING NEW AND INNOVATIVE ROUTES TO QUALIFICATION



The SQE

In 2021, the Solicitors Regulation Authority (SRA) introduced a new route to qualification for aspiring solicitors in England and Wales. The Solicitors Qualifying Exam (SQE) was introduced to assess and deliver consistently high standards of core competencies for all qualifying lawyers. At the same time broadening access to the profession to people from all backgrounds, improving diversity in the industry and, in turn, widening the candidate pool and improving the talent gap.

Since the SQE is accessible at several entry points – from school leavers to non-law graduates – some of the first groups to benefit from the opportunity to qualify as a solicitor via the SQE are apprentices and paralegals.

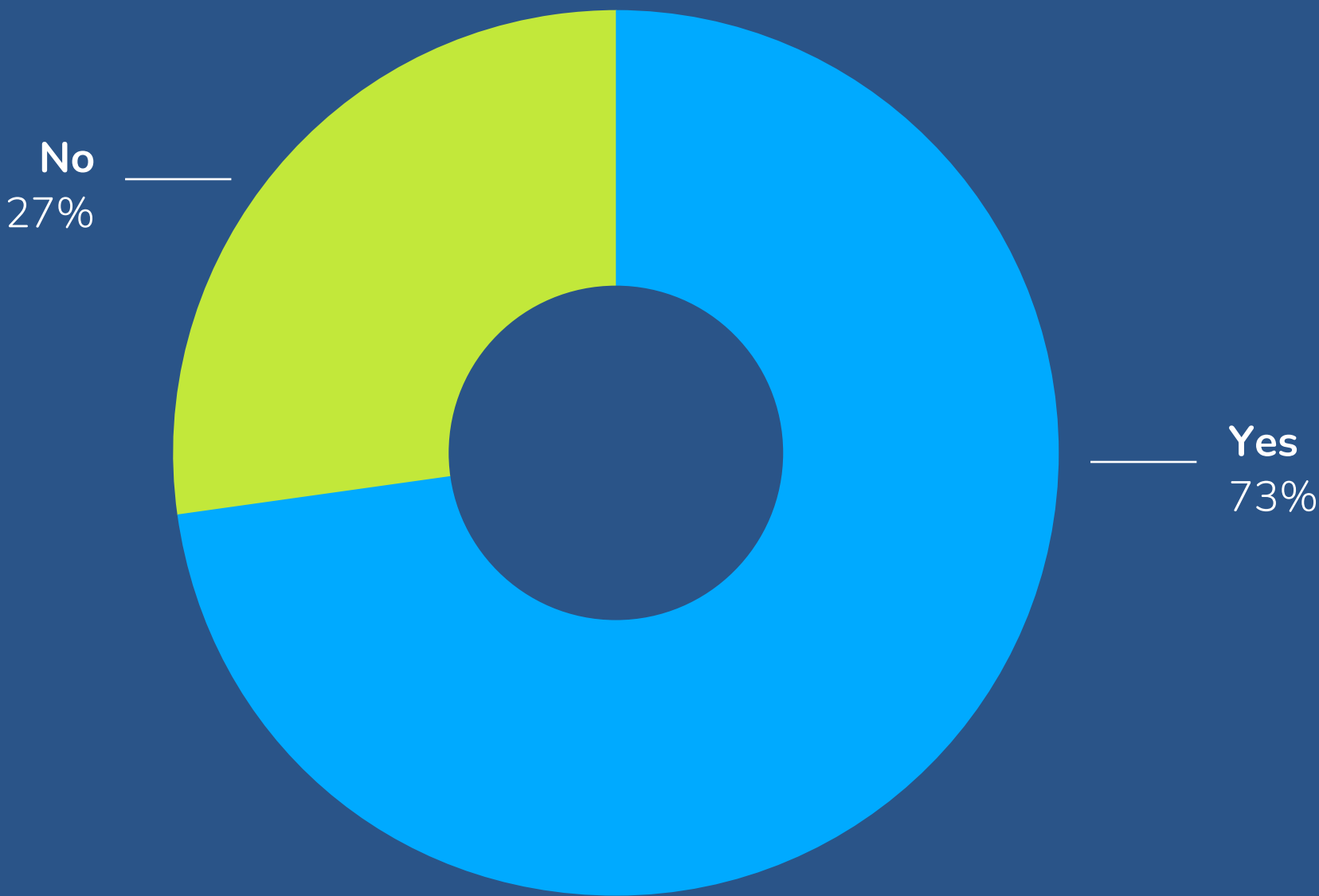
“We’ve had some people who’ve come to us in very junior roles... and I think it can be a stepping-stone to go on to become great solicitors. They’ve already got that grounding, and they’re used to doing the learning and managing the time around it.”

● ALISON LOBB, MANAGING PARTNER, MORECROFTS



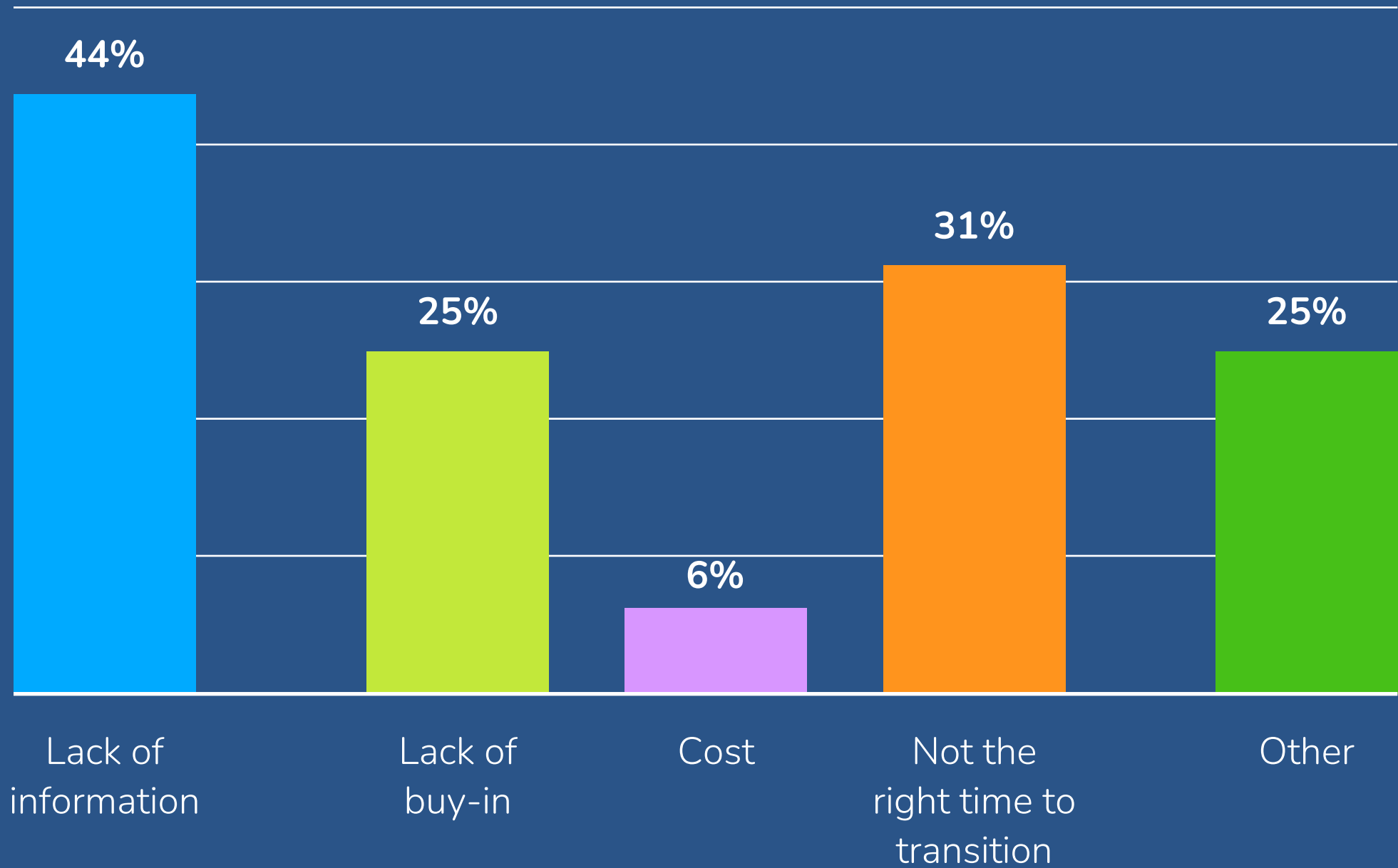
With the SQE, the journey to qualification is much more flexible, allowing the exams and associated preparation to be spread over a longer period (up to six years), giving aspiring solicitors the option to study and prepare part-time whilst balancing personal and professional commitments. Plus, it gives candidates already working in the legal sector the ability to count existing work experience towards the two-year Qualifying Work Experience (QWE) element.

Has your firm adopted the Solicitors Qualifying Exam (SQE) as its pathway to qualification?



Notwithstanding some initial industry scepticism around the robustness and quality of the new system, our research shows the SQE has been adopted by the majority of small and medium-sized law firms (**73%**). That said, just over a quarter (**27%**) of SME firms still haven't embraced the SQE as a pathway to qualification. Forty-four per cent (**44%**) of these cited a lack of information as the main reason for this, with **25%** reporting a lack of buy-in internally as a barrier.

Perceived barriers to adopting the SQE pathway



The findings reflect that there is a long transition period - officially until 2032 - with many still taking on LPC holders into their organisations. However, the reality is that the LPC window of opportunity is closing quickly with a real shift expected over the next couple of years. That said, 31% felt it **wasn't the right time** for them to make the transition.

“The key difference we see with the SQE is that those following it will have a broader base of education and can do different seats, and that gives us opportunities to find the areas that suit people without them ending up being locked into an area that isn't actually for them in the end. From a retention point of view, there's an opportunity there — if they don't know which area suits them, to try several.”

● JANE CORDNER, HEAD OF HR, BLANCHARDS BAILEY



“I applied for legal secretary positions and joined Surrey firm Howell-Jones when my daughter was nine months old. Fortunately, the partners recognised my potential and were hugely supportive. A solicitor I worked with encouraged me to pursue my career aspirations and gave me the confidence to take my first step by signing up for a part-time law degree. My daughter was only two at the time, but she inspired me to keep going even when balancing working full-time with part-time study and parenting was not easy.

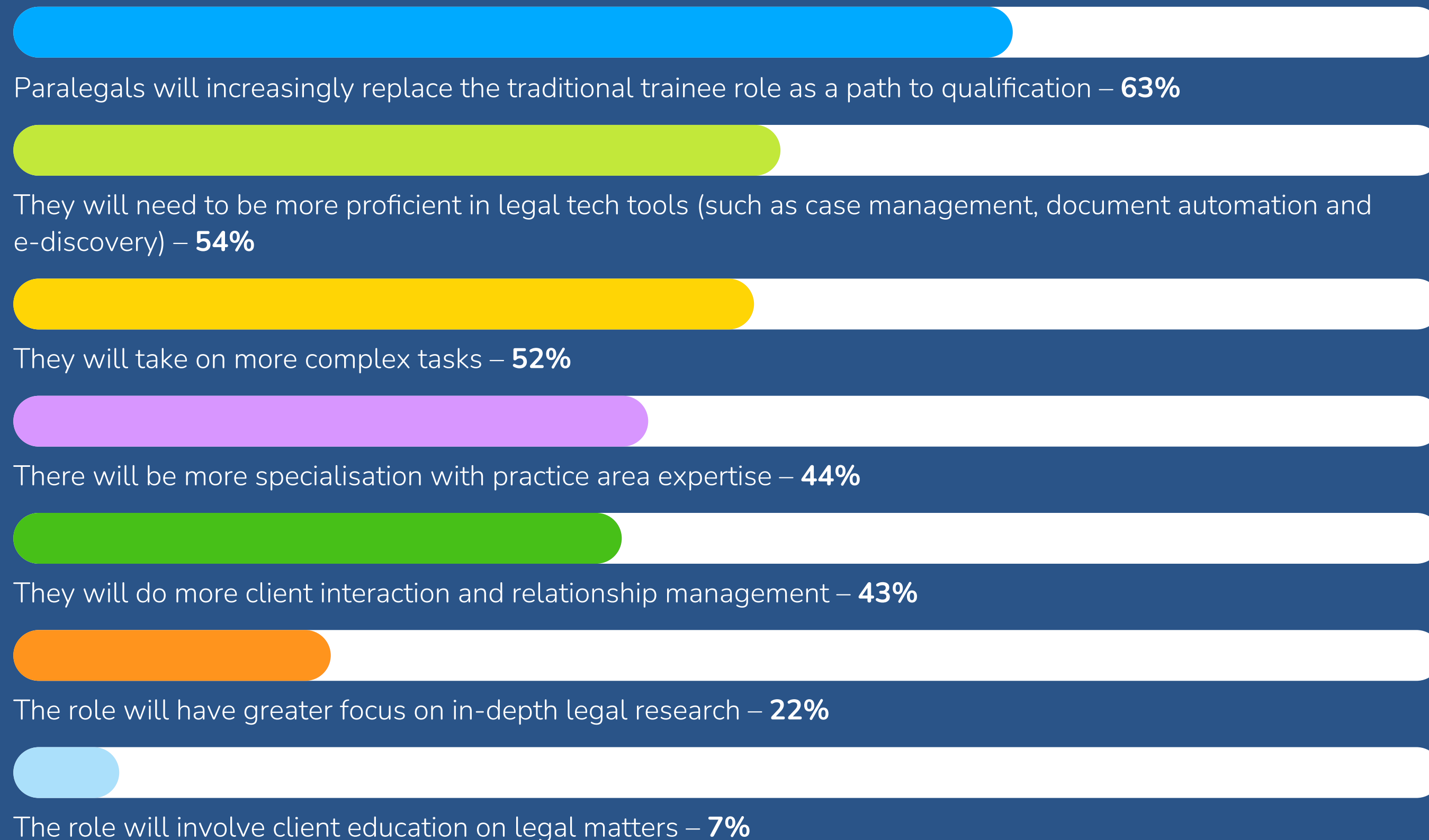
“I’ve faced prejudice at certain points over the years but thankfully I have also received a huge amount of support. I want to actively encourage and demonstrate to others that they can succeed and that the industry is changing to accommodate people of all backgrounds and circumstances.”

● SEEMA GILL, SOLICITOR, HOWELL-JONES



The changing role of the paralegal

How do you anticipate the paralegal role will change most significantly over the next three years?



According to our research, when asked about the changing role of paralegals over the next three years, almost two-thirds (63%) of SME law firms said that **paralegals will increasingly replace the traditional trainee role** as a path to qualification. With firms embracing the opportunity to develop promising individuals already amongst their ranks and skilling them up to become qualified solicitors.

“I think there are greater opportunities to attract a broader range of people than we would have done to join us, initially as paralegals and then working their way through.”

JANE CORDNER, HEAD OF HR,
BLANCHARDS BAILEY

Recognising the possibilities, 52% of firms said their **paralegals will take on more complex tasks in the next three years**. They will also interact more with clients (43%) and **become more specialist** (44%).

In terms of study time, the SQE also aligns with the paralegals' desire for maximum flexibility when it comes to their learning. For example, 68% of **paralegals surveyed said they like to pace learning and development time across multiple days** and times to suit their schedule, with 77% preferring to do this as a self-paced course.

“Paralegal can be a bit of a catch-all phrase for that non-legally qualified person. But there are a number of paralegals who get to develop some quite technical expertise in specific areas.”

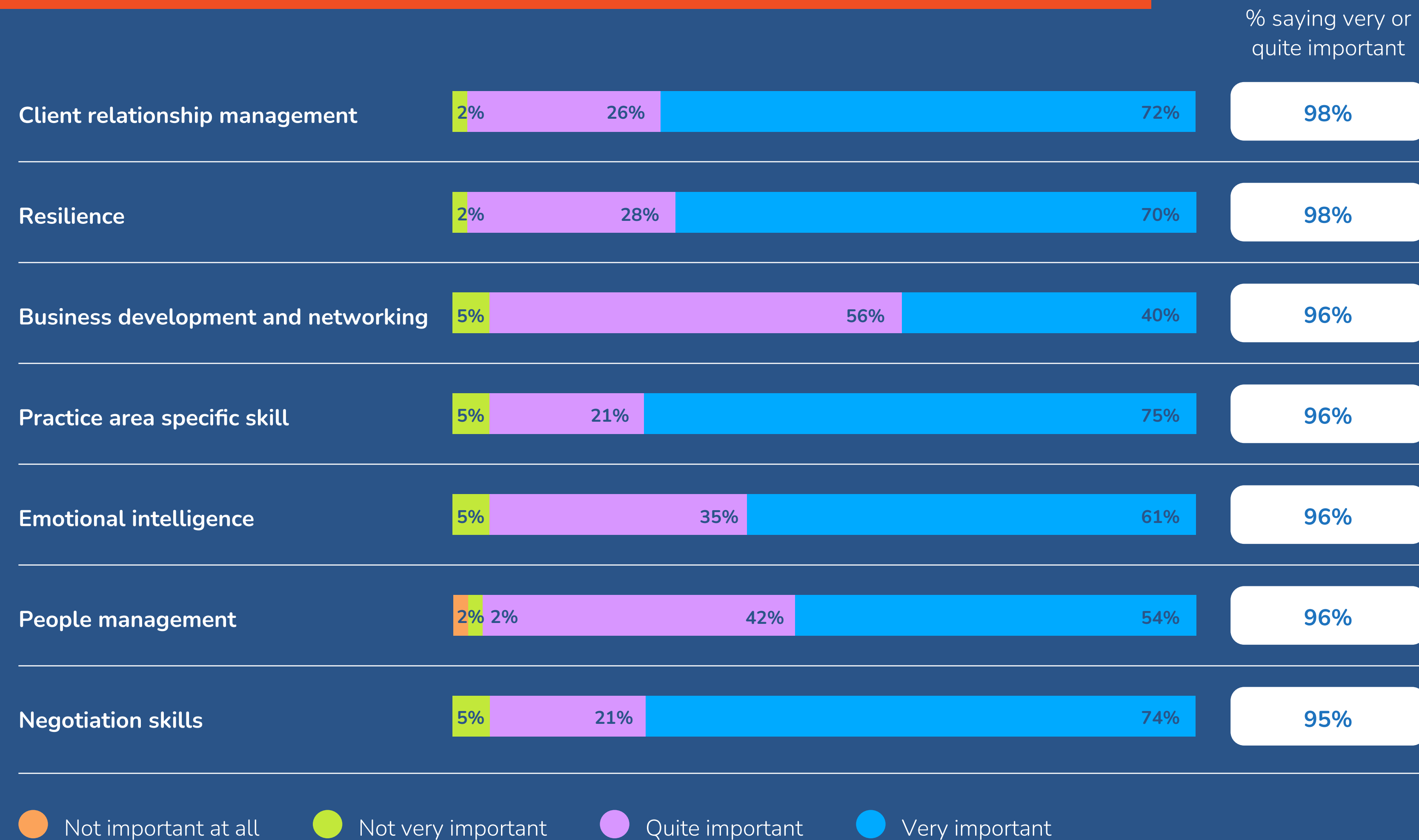
● GRAHAM SWEENEY, MANAGING PARTNER, SCHOFIELD SWEENEY

44% of firms have a formal, documented skills framework in place for paralegals

However, despite this commitment to developing paralegals to become qualified solicitors, **over half (56%) of firms don't have a training plan in place** for them. An interesting finding given how much firms are anticipating from their paralegals in the coming years.

The demand is also there from paralegals themselves to develop and expand their skill sets, which firms could find challenging without a formal development plan in place.

Paralegals' perceived importance of training for career goals



Nearly three-quarters (72%) of paralegals cited client **relationship management skills** as very important for career development, alongside **deeper commercial understanding**. A further 56% thought **business acumen** and knowledge of the **latest legal tech and tools** were also key areas to conquer.

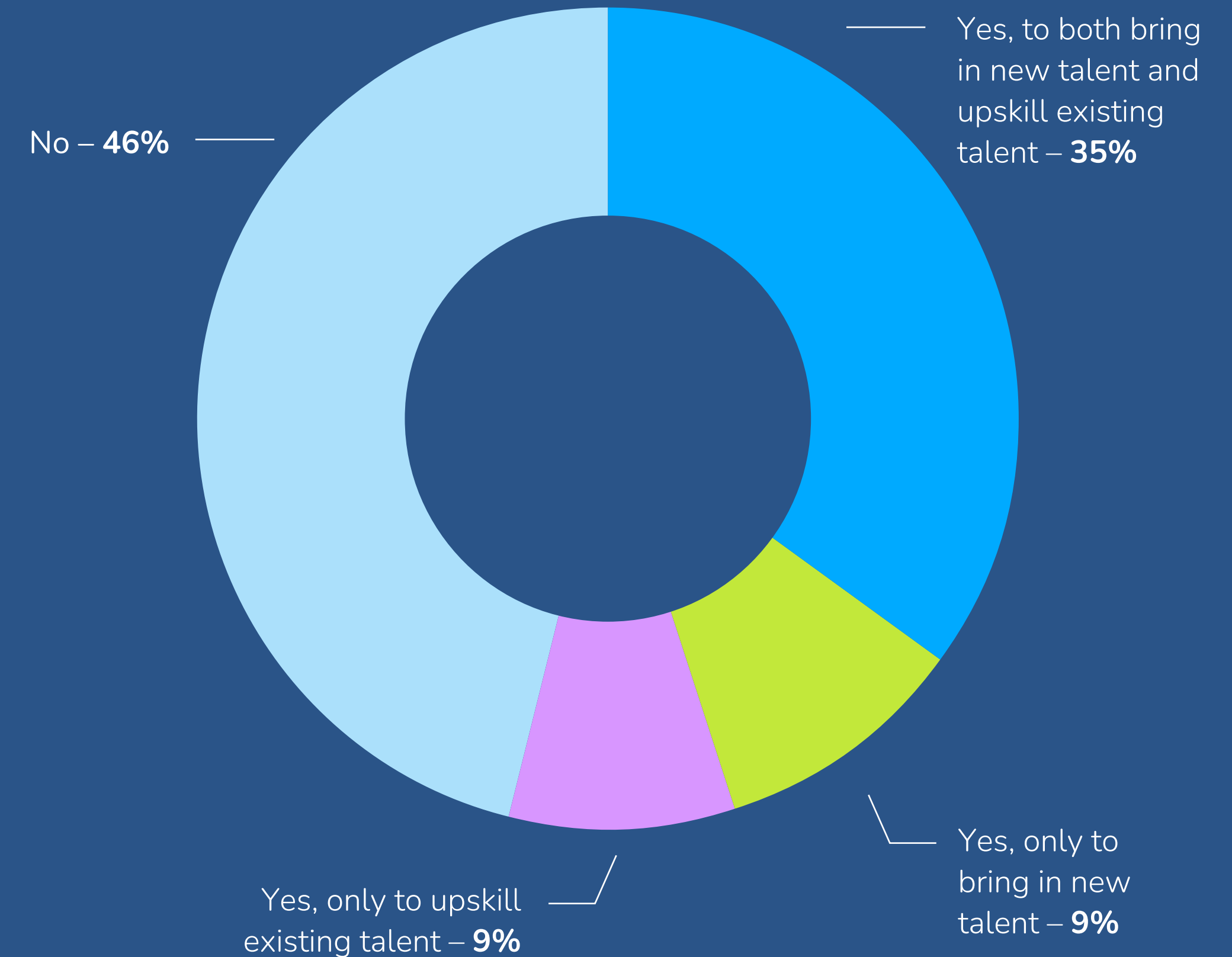
Advantages of apprenticeships

Another route to 'grow your own' for firms looking to secure their future workforce is apprenticeships, through both dedicated legal apprentices and wider business apprentices for those who go on to show an aptitude for the law and/or contribute essential commercial skills. Equally, existing employees with potential can also be upskilled using the apprenticeship route.

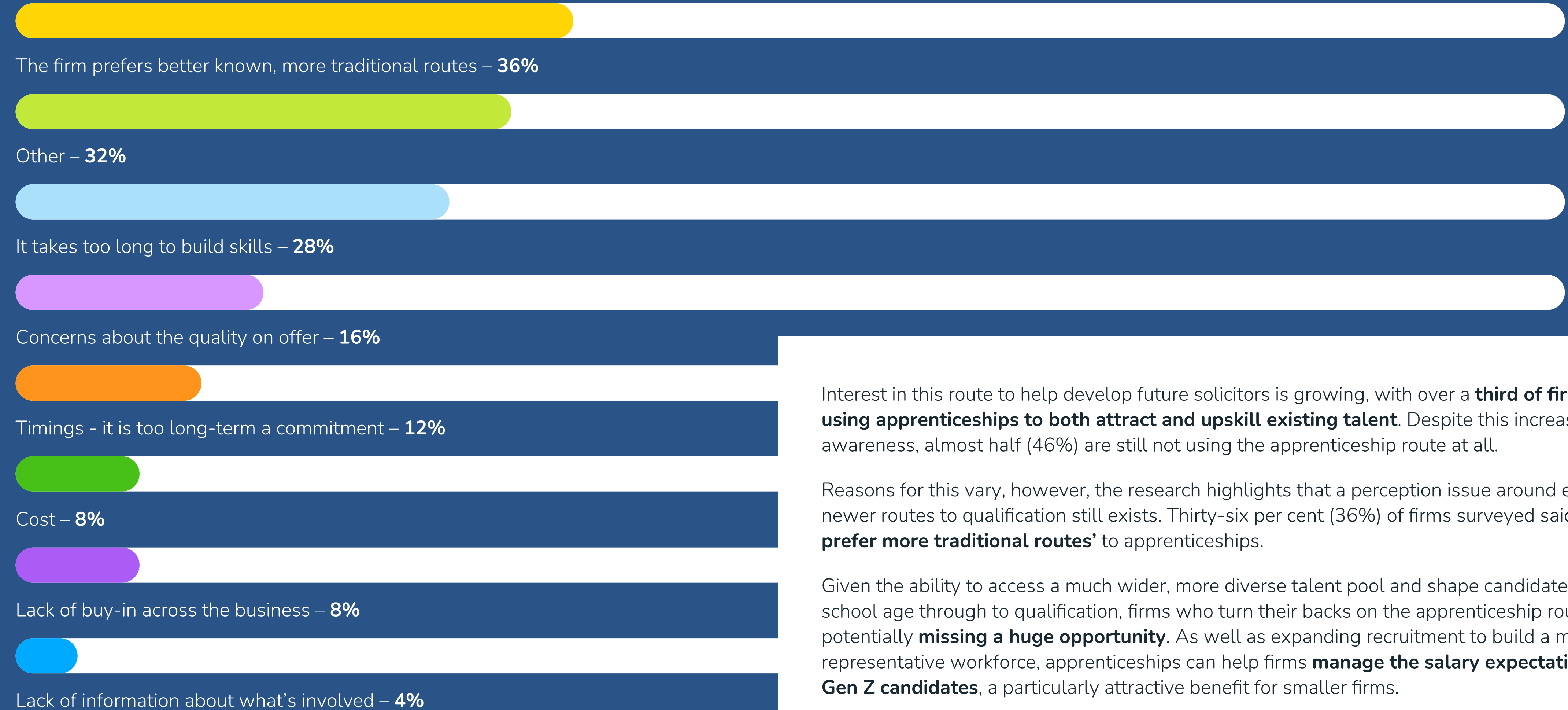
“Apprenticeships can be incredibly cost-effective for an employer utilising the government funding. In addition, it opens up a completely different pool of talent including those who didn't choose to study law at university. For apprentices, they gain the advantage of early practical experience, giving a valuable insight into a future career and allowing them to decide if it is the right fit for them.”

● ANDREW HIESLEY, HEAD OF PROPERTY, HERINGTONS SOLICITORS

Are you currently using apprenticeships to bring in new talent or upskill existing talent?



What are your reasons for not using apprenticeships?



Interest in this route to help develop future solicitors is growing, with over a **third of firms (35%) using apprenticeships to both attract and upskill existing talent**. Despite this increase in awareness, almost half (46%) are still not using the apprenticeship route at all.

Reasons for this vary, however, the research highlights that a perception issue around embracing newer routes to qualification still exists. Thirty-six per cent (36%) of firms surveyed said **'they prefer more traditional routes'** to apprenticeships.

Given the ability to access a much wider, more diverse talent pool and shape candidates from school age through to qualification, firms who turn their backs on the apprenticeship route are potentially **missing a huge opportunity**. As well as expanding recruitment to build a more representative workforce, apprenticeships can help firms **manage the salary expectations of Gen Z candidates**, a particularly attractive benefit for smaller firms.

Apprenticeships at a glance



Solicitor apprenticeships were introduced in **2015**.

- Solicitor apprenticeship options include six-year programmes for school leavers and 18- to 36-month programmes for graduates.



Since then, over **2,700 apprentices** have enrolled.



As of June 2023, there were more than **1,300 solicitor apprentices** in England.



BARBRI and Damar Training's collaboration began in **2023**.



BARBRI is currently supporting over **200 solicitor apprentices** with Damar.



The SRA reported in Feb 2023 that apprentice SQE pass rates were on average **26% higher than the overall pass rate**.

Legal apprenticeships in the UK

Solicitor Apprenticeships (Level 7)

18 or 35 months - Entry: Level 6 degree

5 to 6 years - Entry requirements: 3 A-levels and 5 GCSEs at grade C+, including English and Maths

Chartered Legal Executive Apprenticeship (Level 6)

5 years - Entry: Paralegal apprenticeship (Level 3) or CILEx Level 3 qualifications

Probate Technician Apprenticeship (Level 4)

18 months - Entry: GCSE English & Maths

Paralegal Apprenticeship (Level 3)

24 months - Entry: 3 A-levels and 5 GCSEs at grade C+, including English and Maths

Legal Administrator Apprenticeship (Level 3)

16 months - Entry: 3 A-levels and 5 GCSEs at grade C+

“It broadens the pool of talent that we’re working with. There’s a social mobility piece. There’s lots of talent out there, where the cost of university is massively off-putting. It also plays well because we’re a very diverse firm on all levels.”

● GRAHAM SWEENEY, MANAGING PARTNER, SCHOFIELD SWEENEY

Fortunately, for firms considering the apprenticeship route, there are a number of industry training providers specialising in helping law firms seize the opportunity, including [Damar Training](#), a trusted collaborator of BARBRI.

“Improving the quality of vocational routes into the Law and helping employers to attract, develop and retain great future lawyers is at the heart of what we do. Eleven years ago, we brought together the consortium that developed the first-ever legal apprenticeship. Since 2023, we’ve been working with BARBRI to continue to lead the way in this area and are supporting over 200 aspiring solicitor apprentices through this innovative route and we’re already seeing the positive impact.”

● JONATHAN BOURNE, MANAGING DIRECTOR DAMAR TRAINING



“I come from a non-traditional background and am a first-generation university student, but I’ve always had a passion for pursuing a career in law. For me personally, this just wouldn’t have been possible without a solicitor apprentice opportunity. I was able to work while I studied, and as the first in-house solicitor apprentice in the UK, I tracked my journey to qualification on Instagram to help show others the reality of the apprenticeship route and highlight the available opportunities.

This has the opportunity to transform DE&I across the industry, but it cannot be done without significant buy-in from decision-makers across the sector. That’s why I will continue to talk about the importance and benefits of apprenticeships for aspiring solicitors.”

● HOLLY MOORE, LEGAL ADVISOR,
BRAND PROTECTION, ITV



SECTION

04

DIVERSITY AND INCLUSION



Diversity and inclusion

One of the key drivers for the introduction of the SQE was to create a more representative and inclusive workforce, with the legal industry being one of the **least diverse sectors in the UK**.

In terms of socio-economic factors, many of the UK's barristers, solicitors and judges hail from private schools and the same few universities according to the 2019 Sutton Trust [Elitist Britain](#) report. Similarly, the [SRA's 2023](#) data found that 21% of lawyers attended a fee-paying school in contrast to 7.5% nationally. Furthermore, just 18% of lawyers came from a lower socio-economic background.



Room for improvement

When it comes to the wider spectrum of inclusivity including gender, ethnicity, and ability, the latest SRA statistics show some improvement. **Sixty-two (62%) of solicitors in the legal sector are female**, and an **increase in lawyers from Asian and mixed/multiple backgrounds** was recorded.

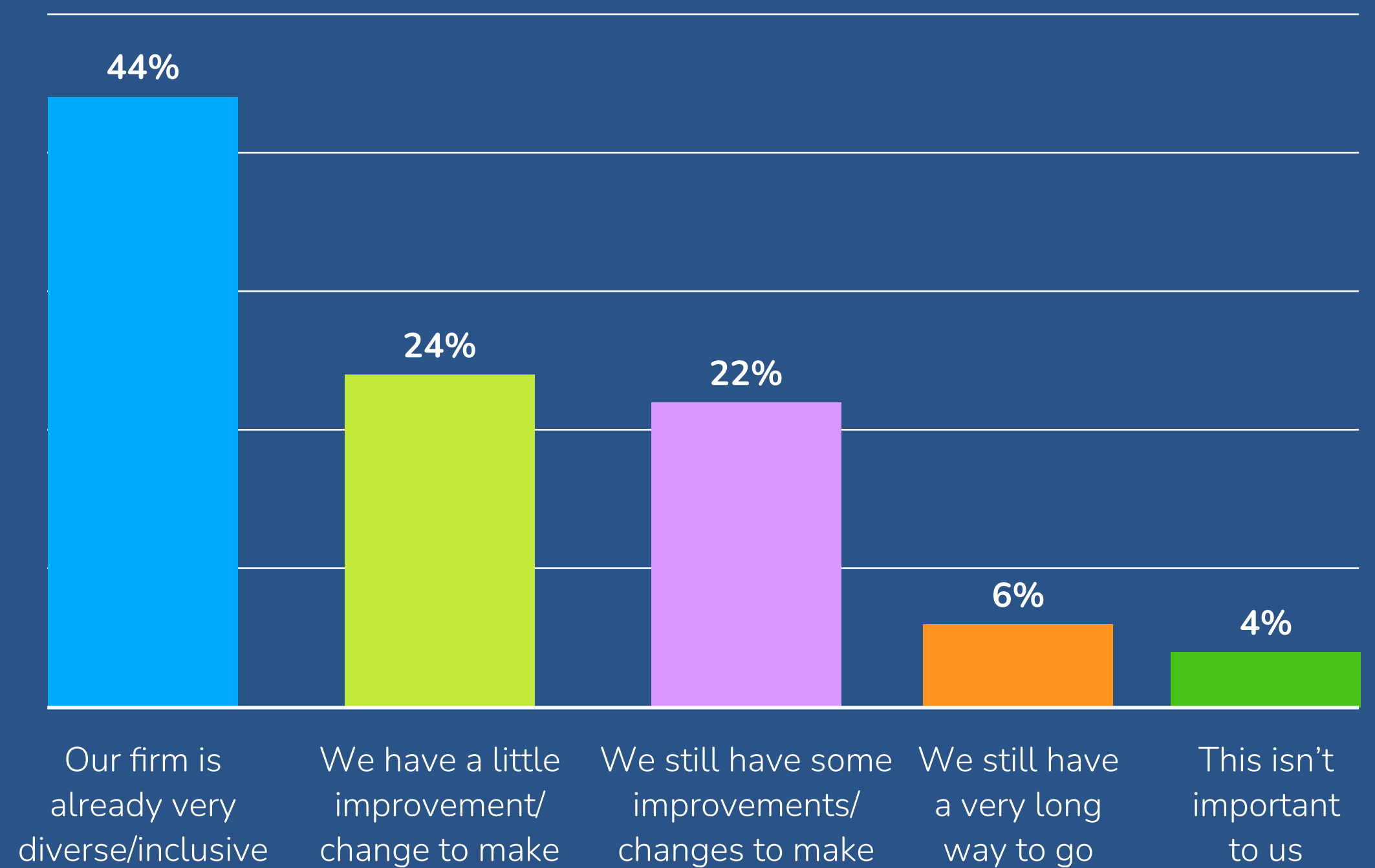
There is still room for improvement, however. **Only 32% of full-equity partners in UK firms identify as women**, while only 3% of lawyers were black, and another 3% from mixed or multiple backgrounds, while 6% and 6% considered themselves to have a disability (compared to 16% of the workforce nationally).

Despite the statistics painting a picture of a sector which still has some work to do in addressing this inequality, **44% of the firms surveyed in our research described themselves as diverse**. A further 46% felt they only have 'some' or 'little' improvement to make.

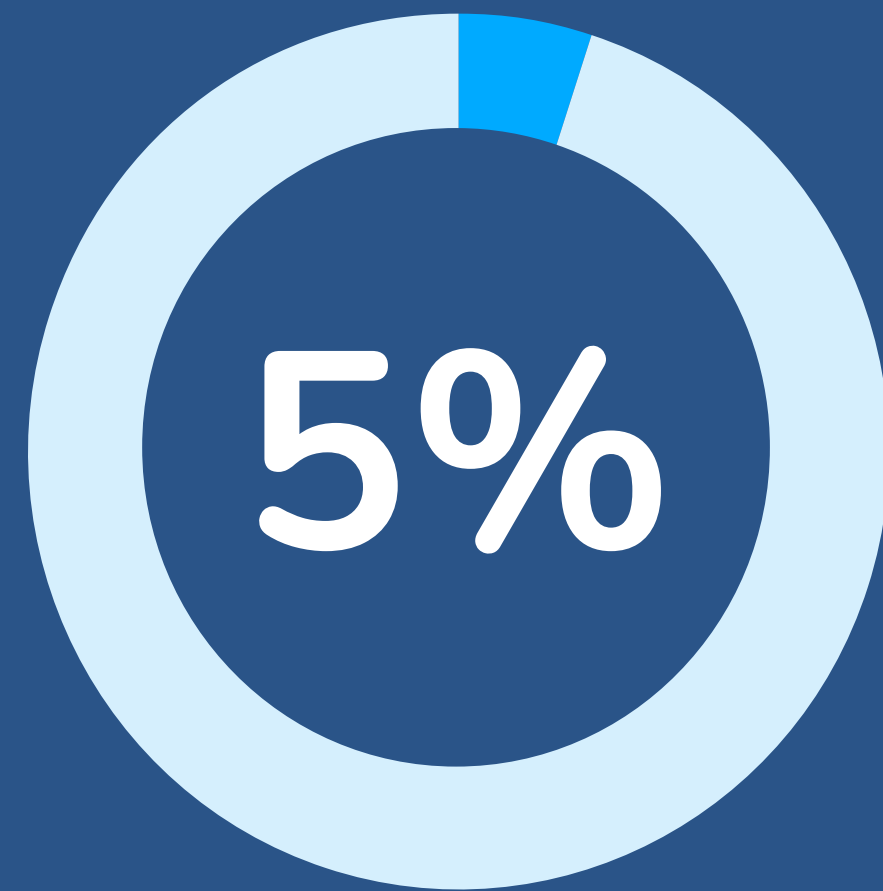
Granted, diversity and inclusivity are somewhat ambiguous terms, meaning different things to different people. Nevertheless, there's a clear gap between the reality of facts and figures and the sector's perception of where it is in terms of becoming more representative. Recognition of the need to do more does exist, however, but needs **further nurturing from industry champions and legal sector leaders** to make a step change, in terms of **attitude, understanding, and action**.

Over and above it being the right thing to do, building a more inclusive workforce can also help firms overcome their biggest challenge – recruitment – with 81% of firms surveyed citing this as their biggest challenge.

How much progress/change does your firm still need to make to achieve a diverse and inclusive workforce in line with your ambitions ?



Only 5% of firms in our research consider a supportive, inclusive workforce as a priority to promote when trying to attract new candidates. Yet, recent YouGov [research](#) found that **diversity and inclusion is a key factor** for two-thirds (66%) of people when looking for a new employer. For working-age Gen Zs (18–24-year-olds), this figure rose to 78%.



Percentage of firms in our research who consider a supportive, inclusive workforce as a priority to promote when trying to attract new candidates.

Another advantage of building an inclusive workforce for law firms is the benefits connected to diversity of thought. A [study](#) by management consultancy Deloitte found that **diverse teams were three times more likely than non-diverse teams to be high-performing** and were 17% more productive on average.

“I’m Australian and my business partners are English and we’re very different in the way we approach and try to solve problems and discuss things. It’s the same white background of course, but I do think diversity of background and perspective – the way people see the world – is fundamental. At the moment we don’t have a lot of diversity in our senior-level solicitors, but I think there’s a lot we can do to bring in that diversity for management and critical thinking. That would be really beneficial for the business.”

● COLIN SECOMBE, MANAGING DIRECTOR, LEWIS DENLEY

SQE as a catalyst

28

BARBRI Bridges

BARBRI Bridges was introduced in 2021 to help improve access to the profession for those from underrepresented groups.

Since its inception, it has pledged over £350,000 through a series of scholarships, collaborations, funding opportunities and more, with 400 individuals having benefitted from it so far.

Organisations on board include law firms, charities, corporations, universities and more.

Initial indicators show that the full impact of the new SQE is yet to be felt. SRA data from July 2023 shows that **the pass rate for the SQE1 is significantly higher for white candidates** (66%) compared with 49% for Asian candidates and 34% for black students. It is still very early days with much positive anecdotal industry feedback about a more diverse pool of talent considering the SQE, however, the **attainment gap must improve if the industry is to truly benefit from the SQE**.

Of course, significant improvement won't happen organically and needs industry leaders to join forces and drive change. Not only will this build a fairer, more inclusive legal sector, better representative of the people it serves, but it could also provide a long-term solution to the industry's talent gap.

“People who haven’t gone through certain educational routes might take the SQE exam and I think that’s great for the industry from a diversity point of view.”

● COLIN SECOMBE,
MANAGING DIRECTOR,
LEWIS DENLEY

“It’s genuinely concerning to see such a large attainment gap in the latest SRA data. We appreciate that the SQE was introduced to improve diversity and inclusion across the profession. However, if this is not properly addressed, we cannot possibly create a profession that is more representative of society today. As part of our BARBRI Bridges initiative, we are collaborating with firms, in-house teams, charities, and higher education institutions and have pledged over £350,000 so far through a series of scholarships, funding opportunities and more.

“Yet, while initial access to the SQE is important, it’s vital that the course material also accommodates all learners when these opportunities arise. This is why we’ve created a learning structure that incorporates data-driven personalised learning. We do not rest on our laurels but are constantly evolving thanks to the latest in L&D research.”

● LUCIE ALLEN, MANAGING DIRECTOR
FOR BARBRI GLOBAL



SECTION

05

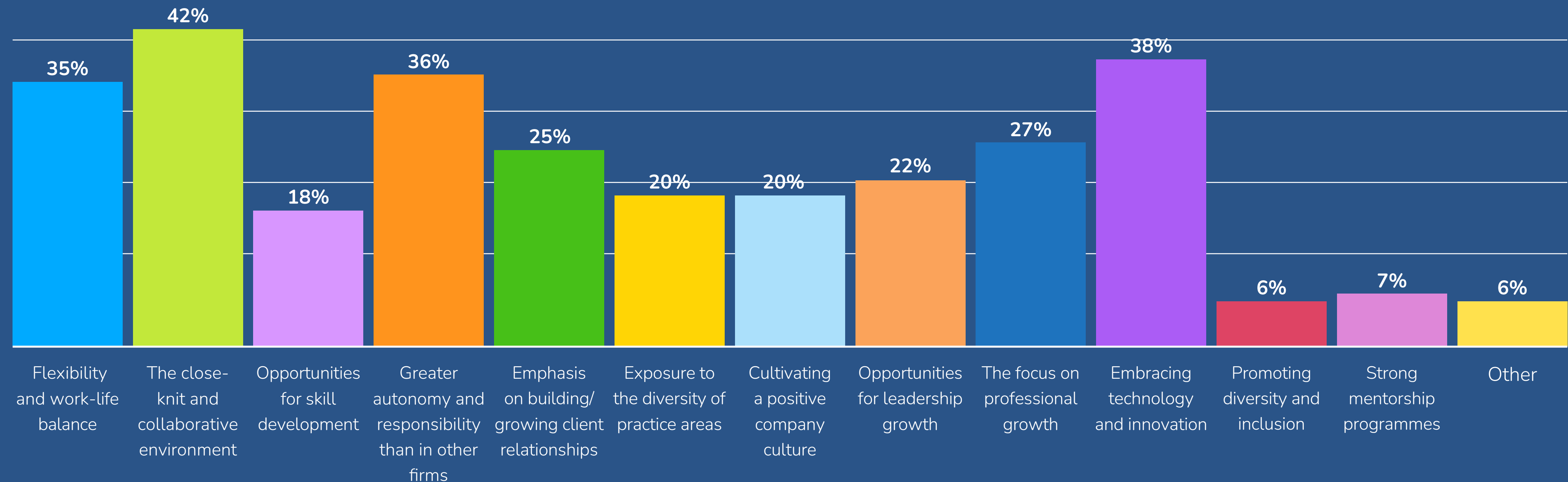
FIRMS' APPROACH TO LEARNING



Widening talent pools and embracing new routes to qualification are undoubtedly worthwhile exercises for firms in securing a healthy pipeline of talent. However, focusing on retention is equally important to avoid hard-won efforts being lost to a revolving-door scenario.

A key tool in the retention of staff is a commitment to learning and development (L&D) opportunities - with 27% of firms with fewer than 250 people acknowledging this as a key factor in why new recruits join them.

The biggest development opportunities for new talent joining SME firms



“We’ve set up a lot of learning and development programmes and really try to grow talent from within. That’s partly to attract people, but it also allows us to hopefully retain them through their careers ... We try to be clear about the opportunities we can offer in terms of progression. That isn’t always possible in the larger City firms, because there are more people to compete with and there aren’t necessarily the same paths to the higher levels that we can offer.”

● JANE CORDNER, HEAD OF HR, BLANCHARDS BAILEY

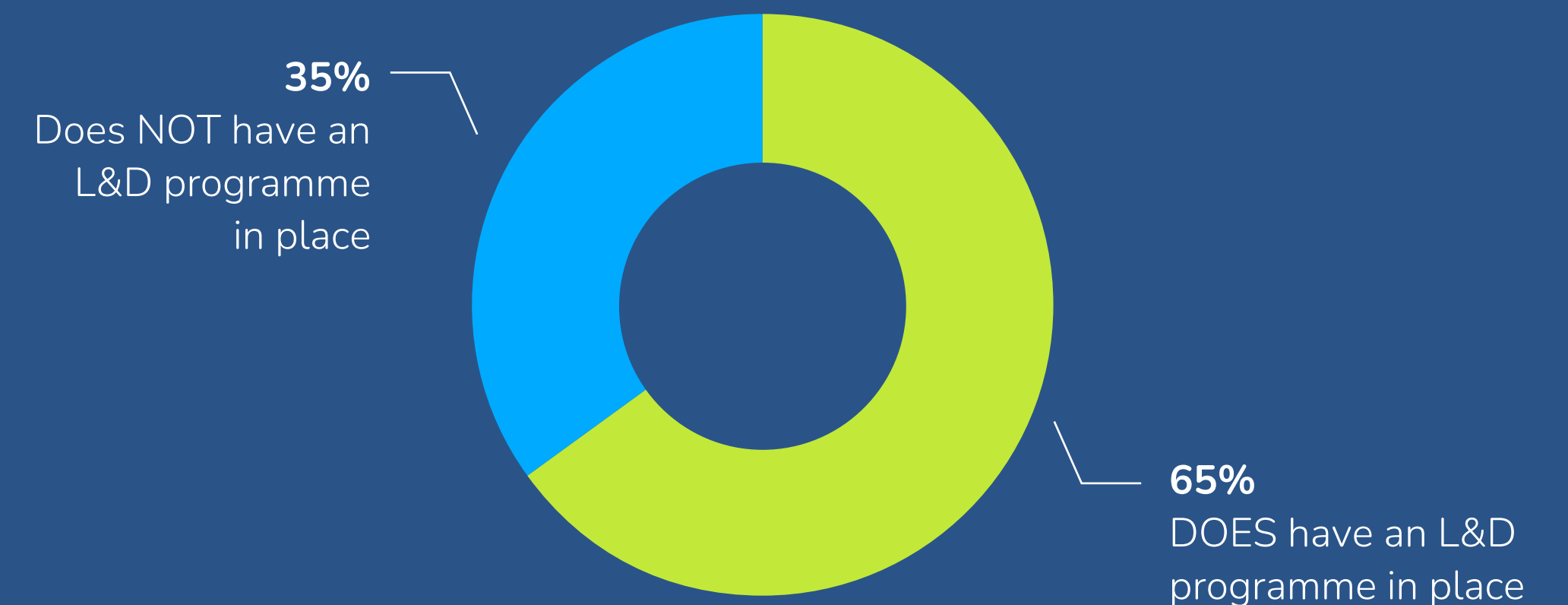
The power of L&D

The current priorities for SME Firms' learning and development programmes

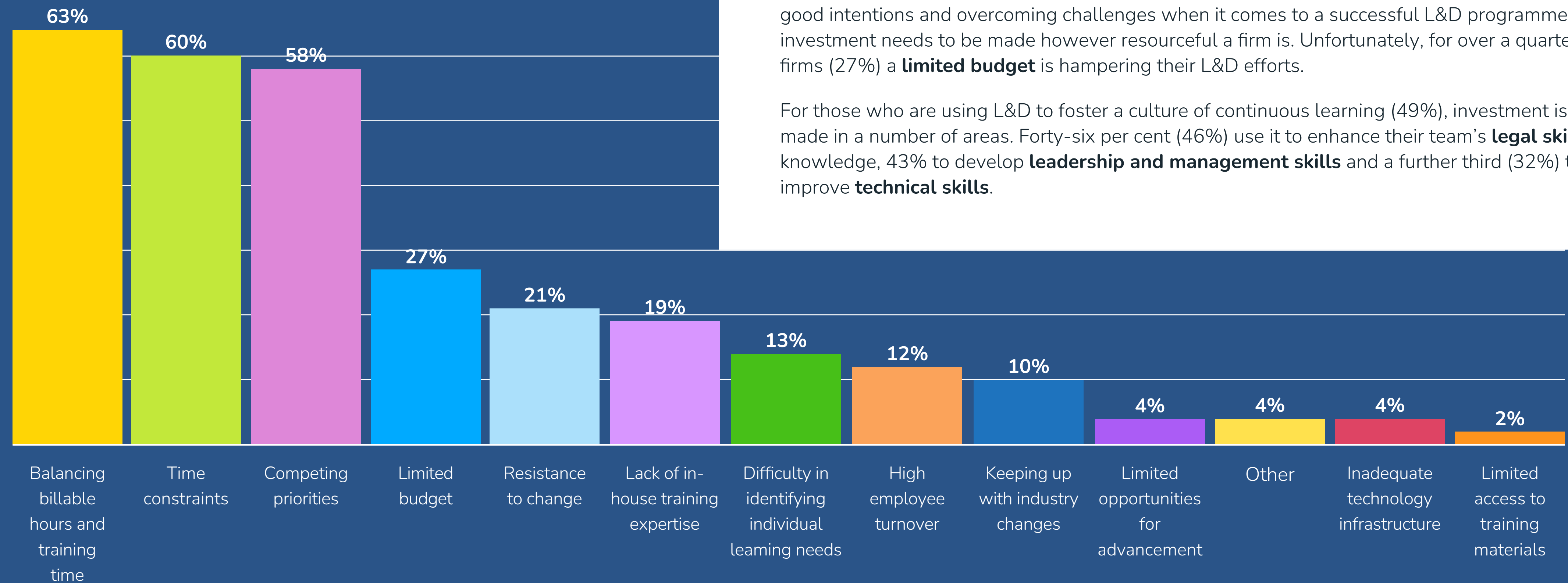


Two-thirds (65%) of firms have a formal approach to L&D in place, recognising the importance of providing people with professional development opportunities. Worryingly, this also means that a considerable third of firms do not have a plan in place for continuous learning within their organisation. However, this is not necessarily through a lack of desire. L&D competes with other business priorities due to a tough economic climate, according to over half (58%) of the firms surveyed.

Do SME law firms have formal learning and development (L&D) programmes in place for employees?



Challenges facing SME firms when implementing effective learning and development initiatives



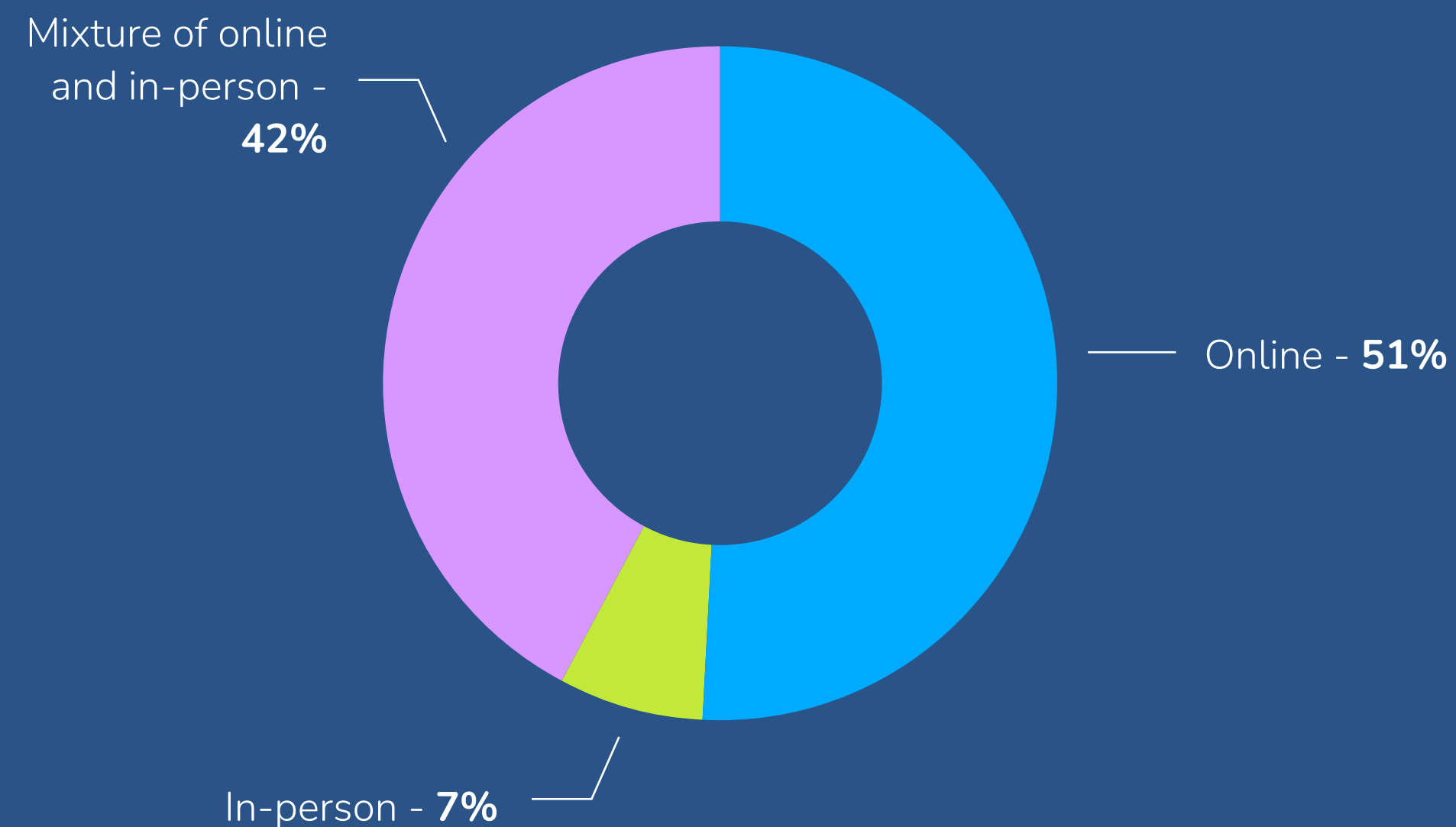
That said, even among firms that do have a structured L&D plan in place, there is some contradiction in matching key business challenges with L&D efforts. For example, 48% of firms cited **retention** as a core challenge, but only 24% see improving this as a key outcome for their L&D investment. Almost half (49%) want to prioritise a **culture of continuous learning**, but perhaps unsurprisingly, balancing training with billable hours remain a challenge (63%).

Other barriers to firms getting L&D programmes off the ground included a **lack of in-house training expertise** (19%) and for one in five, **resistance to change** (21%). Of course, as well as good intentions and overcoming challenges when it comes to a successful L&D programme, some investment needs to be made however resourceful a firm is. Unfortunately, for over a quarter of firms (27%) a **limited budget** is hampering their L&D efforts.

For those who are using L&D to foster a culture of continuous learning (49%), investment is being made in a number of areas. Forty-six per cent (46%) use it to enhance their team's **legal skills** knowledge, 43% to develop **leadership and management skills** and a further third (32%) to help improve **technical skills**.

Learning for all

Paralegals: Do you have a strong preference for training being delivered online or in-person?



Of course, whatever level of commitment a firm makes, to successfully build an L&D-based culture, all learner needs must be accommodated. The good news is that firms are maximising their investment by recognising this, with a mix of formats being used, according to the research.

Of those surveyed, 87% are using online platforms to deliver training, with 83% supplementing this with face-to-face in-person workshops and seminars. For 91%, on-the-job training is still of high importance, with a further 68% enhancing this with external courses and qualifications where necessary.

Firms making the most of a hybrid approach resonated with the preferences of paralegals. Just over half (51%) of those surveyed preferred online learning, whereas 42% liked a mix of both online and face-to-face, reminding firms that there's no 'one-size fits all' solution to accommodating all learning styles.



“L&D is something we get asked about quite a lot in interviews, by junior associates mostly. They specifically ask what the learning and development programme is, and what training they’ll receive. And it seems to be something that the younger generation is certainly very focused on, with an eye on specific career progression. They want a form of formal programme, so they can see what they need to do to be where they want to be.”

● EMMA SELL, COO, FOX

SECTION

06

SKILLS FOR THE FUTURE

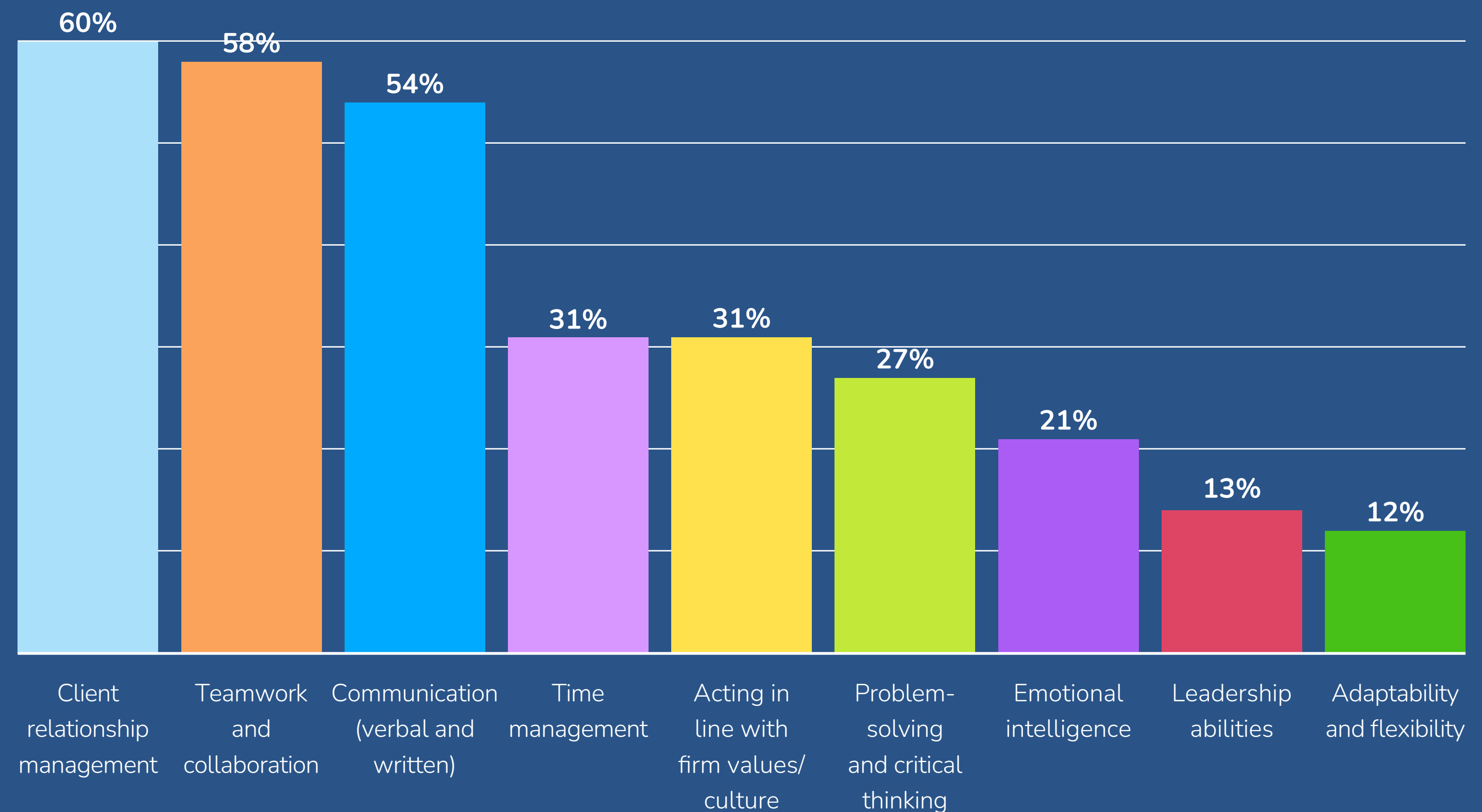
People skills and commerciality

Making sure **employee knowledge** and **legal skills** are **up to date** is **crucial for firms** to remain competitive. Forty per cent (40%) recognised this, citing it as one of the factors that contributed the most to the success of their firms' teams.

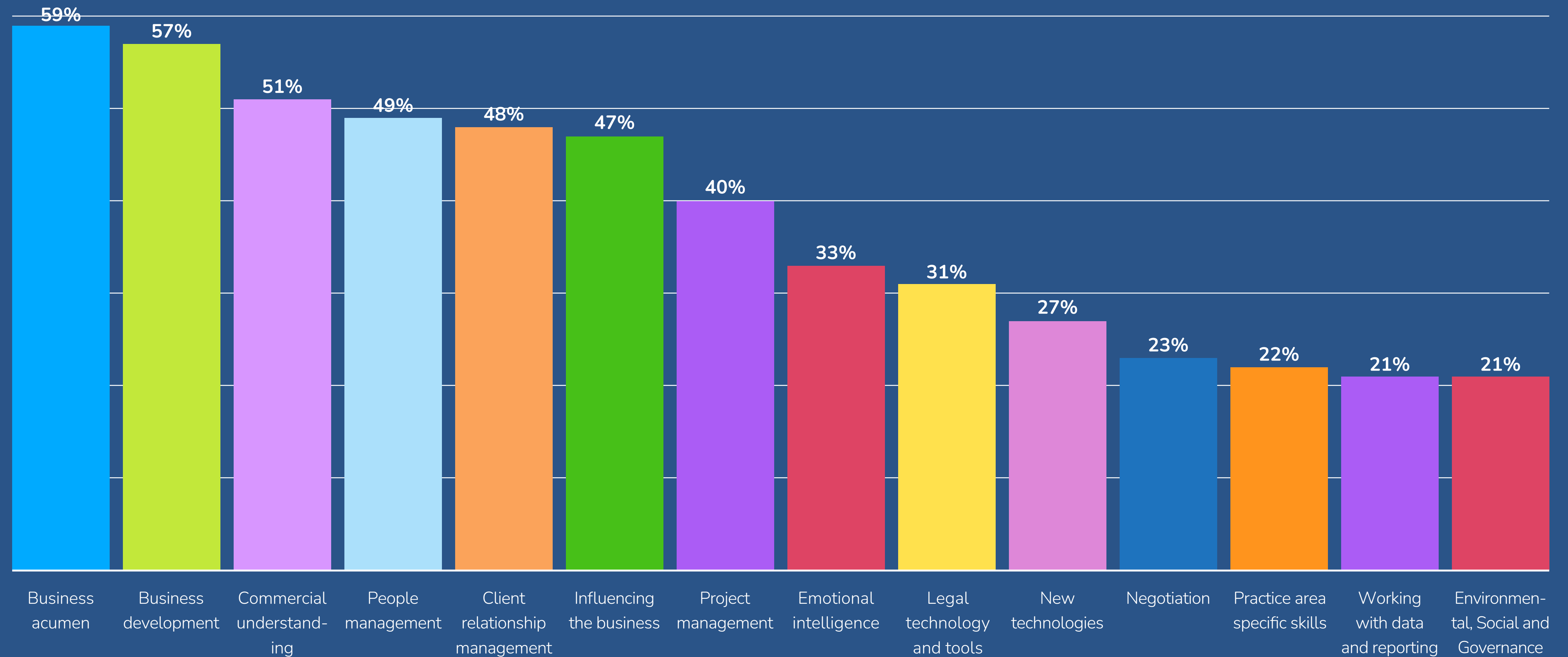
In recent years, the spotlight has also fallen on the importance of softer skills and their value in building strong working relationships with clients and across teams.

Sixty per cent (60%) of firms surveyed said **client relationship management know-how** and **good communications skills** (54%) were two of the biggest factors adding value to their client service, quality and reputation. People who were **good team players** (58%) and **acted in line with the firms' values** (31%) were also highly prized, along with good **time-management skills** (31%).

Top 'soft' skill areas that add most value to SME firms



What are the skills gaps in SME firms (across all roles)?



When it comes to commercial understanding of the wider business environment in which firms operate, respondents felt there was room for improvement. In fact, 59% of firms said **business and financial acumen** was their biggest skills gap, closely followed by **business development** (57%) and **commercial understanding** (51%).

Of course, no matter the skills, for a team to work to its full potential, people need to be motivated, productive and in good mental health. The research found that only 16% of SME firms felt **burnout** was a challenge within their business and that the teams' **work/life balance** was an issue for one in five (22%).

While these statistics are encouraging, it's important to ensure employee views are also canvassed to avoid missing any warning signs. In a 2023 [survey](#) of legal professionals, 62% had suffered from burnout or stress and a further 42% said they had a lack of work/life balance.

“Clients assume we can do law. The biggest challenge is making them realise we understand their business and that we are interested in it and understand how it works. One thing we introduced at the beginning of this year is a management programme for assistant solicitors. It's very much around wider management skills - ‘non-legal’ skills. For example, there's financial management not just around time recording, WIP and billing but much more broadly, plus business development, marketing and people management.”

● GRAHAM SWEENEY, MANAGING PARTNER, SCHOFIELD SWEENEY

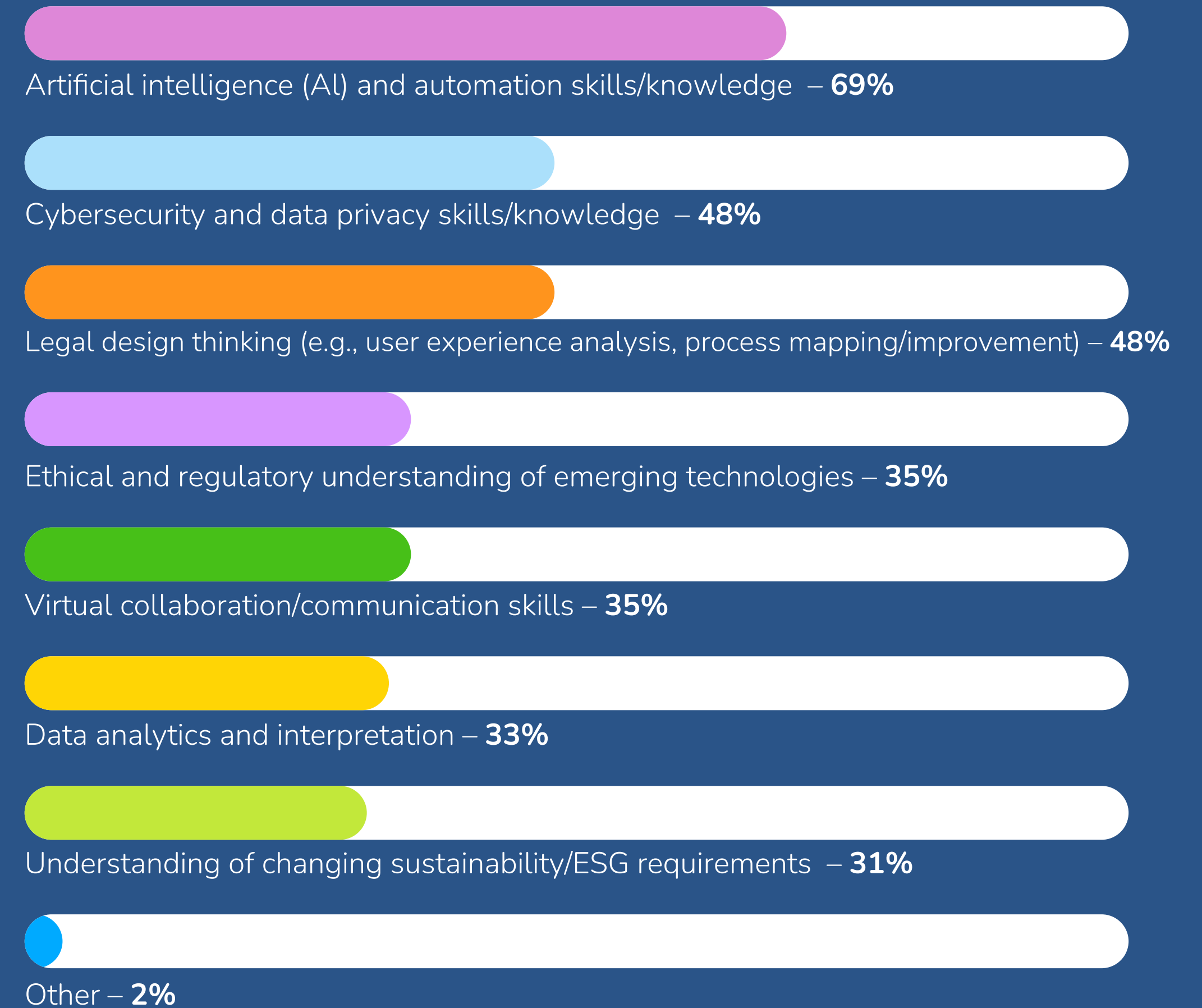
Futureproofing

The legal sector has changed rapidly in the past five years alone, with new technologies, client priorities and global challenges all at play. This creates the need for firms to continuously keep on top of the changing skills their teams need and align them with their commercial strategy.

“We’re trying to get more structure across the year, where we look at the top level - what the business needs are - what the visions are for the next 12 months, two years, and then roll that down to the staff. We’ll say: ‘This is where we’re trying to get to as a business. You’re within department X. How can we and you structure your learning and development to support this?’”

● COLIN SECOMBE, MANAGING DIRECTOR, LEWIS DENLEY

What are the emerging/more specialised skillset areas that'll be essential for SME firms' future success?



Looking to the future, it's no surprise that tech-driven capabilities featured high on the list of skills firms thought 'essential for future success'. **AI and automation knowledge** was the most sought-after skillset for 69% of respondents, reflecting wider industry trends here. **Data analytics and interpretation skills** were also high on the list for 33% of firms with **cyber security and data privacy knowledge** of particular interest to almost half (48%).

Knowing how to apply these emerging tech skills was naturally deemed a priority too. Forty-eight (48%) of firms want people with strong **legal design capabilities** when it comes to user experience and the ability to map processes.

Anticipating the potential tech has in the sectors' future, firms also placed importance on having team members who understand the **ethics and regulatory requirements** surrounding emerging technologies on board (35%).

“Technology should be able to replace a bit more of the manual work and paper handling, and so on. Everything from data to customer service and feedback – will all make them better lawyers, better at their jobs in the future, with deeper understanding.”

● COLIN SECOMBE, MANAGING DIRECTOR, LEWIS DENLEY

The research highlights myriad compelling reasons why investment in L&D programmes benefits firms – from recruitment and retention to retaining a competitive edge. However, the key to achieving the most successful outcomes from this investment is through making a long-term commitment to L&D. A comprehensive programme that can deliver on both the firms' immediate and ongoing needs will build a culture of continuous learning that provides benefits in the long run.



Law School 2.0

In 2023, Law School 2.0, in partnership with BARBRI and iManage, launched a free Legal Service Innovation course.

The course was born out of a desire to support the legal profession with broader skills development, and has been designed to equip legal professionals with the tools and skills needed to revolutionise the industry. From problem identification to innovative solution creation and adoption, this course empowers legal professionals to take charge of legal innovation projects, regardless of their role.

Find out more about the course 

SECTION

07

CONCLUSION



Conclusion

‘Growing your own’ and building a workforce fit for the future will go some way to address the biggest challenge for 81% of the SME firms surveyed, which remains to be recruitment. The research highlights a clear need to build skilled teams, concurrent with the latest tech developments and emerging client requirements.

While it might seem like an impossible task with firms facing steep challenges without the time, budget or buy-in to address them all, the research shows that recruitment, retention, diversity and L&D are inextricably linked. As some of the contradictory results demonstrate, no one of these areas can be tackled in a silo, with each impacting the other.

This is set against concurrently managing the expectations of the team - particularly Gen Z - as the future of the firm. Forward-thinking organisations may now wish to lean further into changing workforce wants and needs to stay one step ahead. The introduction of the SQE provides firms with a strong catalyst for this. Promisingly, the research shows that three-quarters of the SMEs

surveyed have adopted the new SQE route and are exploring the potential of more innovative routes to qualification.

However, there are certainly further benefits to be gained by the sector here, especially concerning solicitor apprenticeships. Despite being able to cost-effectively grow talent from the ground up, 46% of SME firms are not yet using the scheme at all. Yet, it can make a real impact on talent attraction and retention challenges. As it makes business sense owing to the funding available and by shaping loyal and engaged employees, we anticipate these statistics may change in the next 12 months and beyond. Particularly with the support of apprenticeship and legal education providers who can create practical solutions for firms.

While the SQE evidences sector-wide evolution in practice and is designed to tackle some of the key issues highlighted in this report, it is still in its early phases. It may not be able to influence some of these key challenges overnight - particularly those surrounding talent and DE&I - but it can have a positive influence which will compound over time.

However, this will only be the case if firms and wider organisations in the sector truly embrace its benefits.

As client needs and the talent market shift amid ongoing economic uncertainty, one certainty remains: the sector will continue to evolve. Firms that react, adapt and embrace new opportunities will retain a competitive edge and remain at the forefront of the future legal landscape and also the battle for talent.

Key takeaways

- 1** Recognise and optimise the interconnected nature of recruitment, retention, diversity, and learning in talent management.
- 2** Leverage the SQE strategically, explore innovative routes, and consider apprenticeships for cost-effective talent growth.
- 3** Actively engage in sector evolution and embrace cognitive diversity for a competitive edge and business growth amidst uncertainties.
- 4** View talent management as a cycle, emphasising a lasting approach for sustained benefits.
- 5** Embrace tech advancements for enhanced productivity and commercial success.

“When it comes to attracting, keeping and nurturing talent to build inclusive, motivated teams – these areas shouldn’t be considered in isolation. They are all part of the cycle of workforce planning, from school leaver to partner. Firms can’t do everything at once, but it’s better to review, plan and set realistic goals than stand still and do nothing. There are no quick fixes but firms who take a long-term approach will reap the benefits.”

● LUCIE ALLEN, MANAGING DIRECTOR, BARBRI GLOBAL



About BARBRI

BARBRI is a global legal educator specialising in innovative technology to help graduates and professionals succeed in achieving their legal qualifications as well as providing professional skills and development courses.

BARBRI's prepares candidates for the Solicitors Qualifying Exam (SQE) to qualify as a solicitor in England and Wales, and the US Bar exams, for those wishing to qualify as an attorney in New York or California. Their unique prep courses leverage innovative technology to provide students with a structured and supportive learning environment. The courses are flexible and adaptable, so students are equipped with everything they need to succeed in the SQE1 and SQE2 exams, making them the ideal choice for a wide range of students including law graduates, non-law graduates, foreign-qualified lawyers, and legal professionals.

BARBRI has maintained the trust of legal students for over 50 years, helping more than 1.45 million candidates succeed in legal exams across the globe.

To learn more about the legal education solutions available, please follow the links below:

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