

# Analysis of London Partner Hires at LM100 firms

January to December 2020

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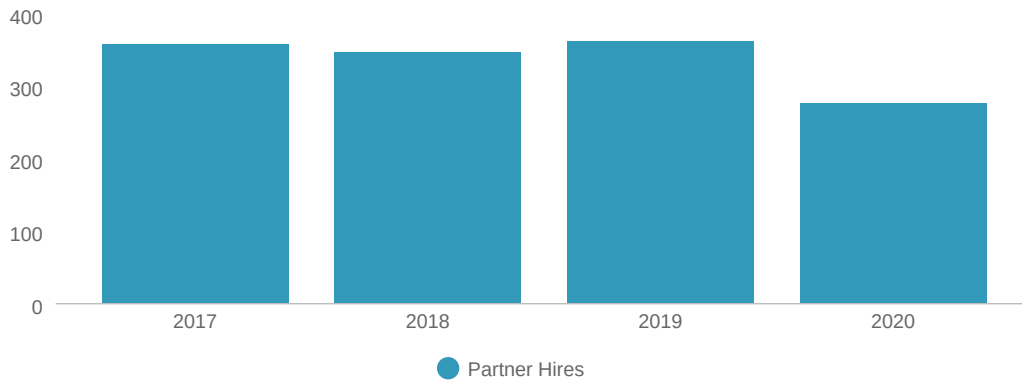
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# Analysis of London Partner Hires at LM100 firms - January to December 2020

In 2020, we identified 275 partner hires by the leading UK Intl/Global, US and UK independent firms in our LM 100 set of firms; this compares to 361 in 2019, 345 in 2018 and 357 in 2017. The drop in hires represents a 22% decrease compared to the number of hires in 2019 and a 23% decrease to the previous three-year rolling average.

As most partners that move will have long notice periods, hiring that has taken place in 2020 may not yet fully reflect the change in the partner hiring appetite of firms post pandemic; however, it still gives an indication of the direction that firms are travelling in. Below, we look at how hires in 2020 break down by practice area, type of firms hiring, previous roles that hires came from and the gender balance of these hires, and compare this to the previous three years.

Figure 1 - Number of partner hires

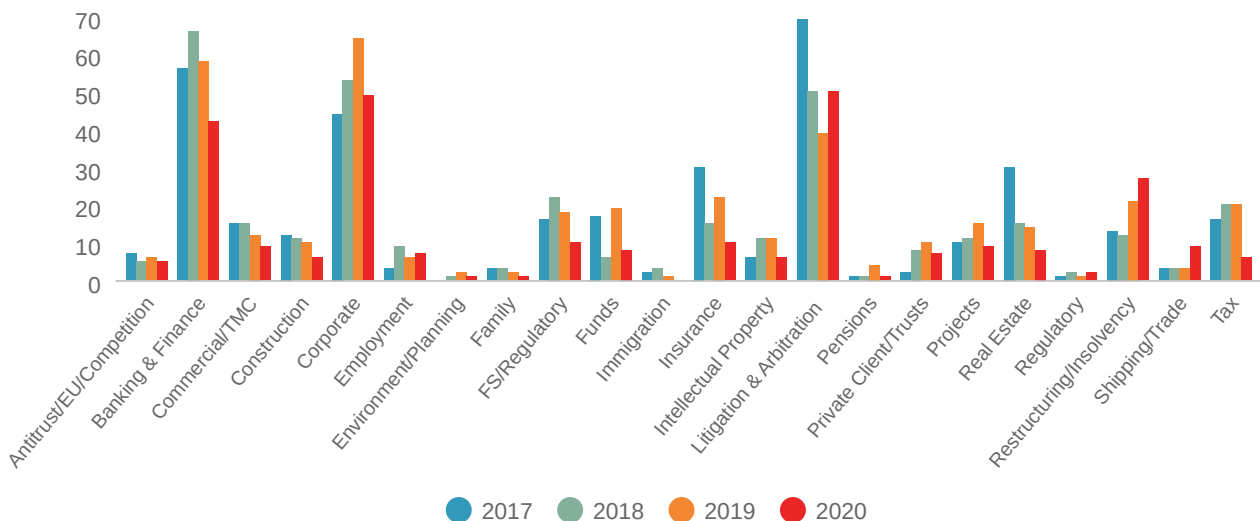


## Practice areas

In all practice areas, apart from Litigation & Arbitration, Restructuring/Insolvency, Regulatory, Employment and Shipping/Trade, there is a decline in the number of hires compared to 2019. Across many areas, the number of hires in 2020 was lower than in any of the preceding three years.

Despite a drop off in hiring in Banking & Finance and Corporate, during 2020, partner hires in Banking & Finance, Corporate and Litigation & Arbitration accounted for 51.5% of all hires.

Figure 2 - Practice area breakdown of partners hired - London



## Corporate

Prior to 2020, there was a steady increase in the number of hires within corporate, but this stops abruptly in September 2020. Up to this point, the number of hires in 2020 matched the number of hires made in the previous year. In the last four months of 2020, the number of corporate hires was 50% lower than the previous year, accounting for the difference between 2020 and 2019.

## Banking & Finance

There is a similar trend to corporate but not as marked. In the first eight months of the year, the number of Banking & Finance hires was 15% lower than 2019; however, in the last four months this dropped to 45%.

Prior to 2020, Litigation & Arbitration hiring was on a downward trajectory, but this trend reversed in 2020. While hiring levels are not back to those of 2017 they are the same as 2018 and, unlike banking and corporate, there was no reduction in hiring in the last four months of the year.

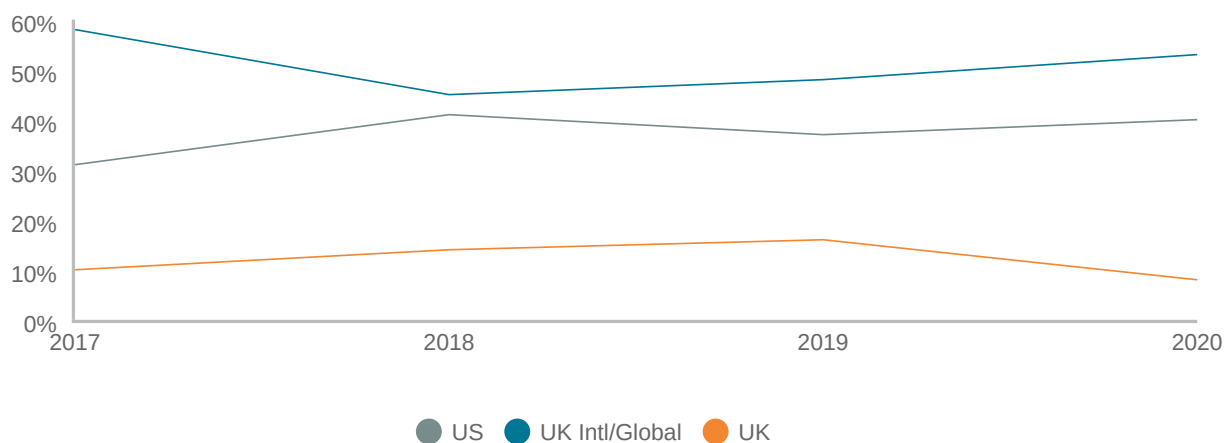
## Specialist areas

The most noticeable practice area is Restructuring/Insolvency, which showed a 28% increase on the number of hires last year and accounted for 10% of all hires, making it the most dominant specialist practice area. The increase in hires in restructuring follows a three-year trend of increased hires in this area with no drop off in the last four months of the year.

## Types of hiring firm - London

Classifying the LM 100 firms into US firms, UK International/Global and UK independents the relative activity of these different types of firms is outlined in Figure 3. In 2020, while there was a decrease in activity across all types of firms, it was the UK independents that made comparatively less hires compared to the other groups.

Figure 3 - Types of firms making partner hires (% of all hires)



## US firms

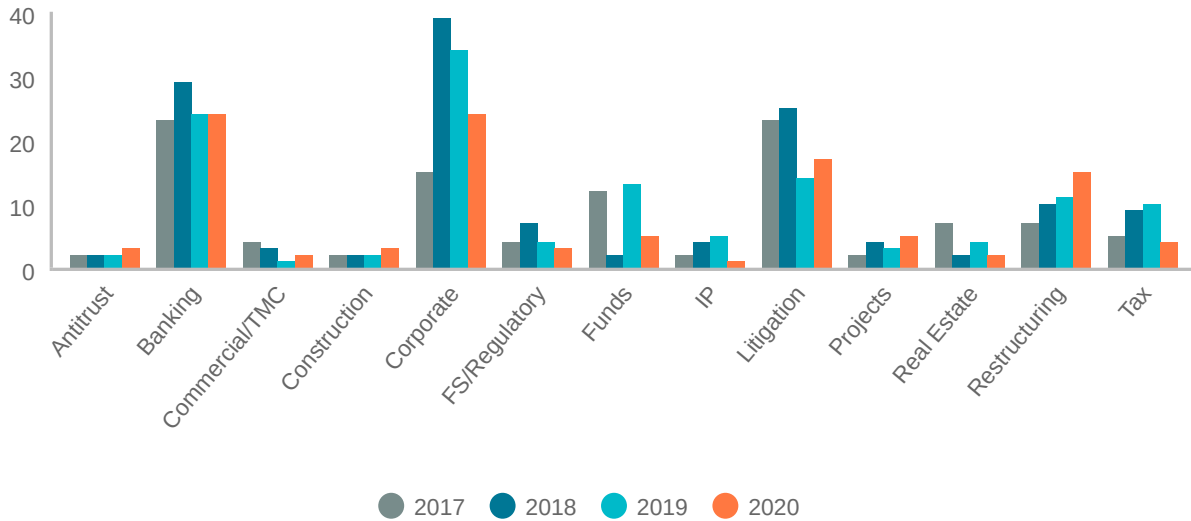
Within London, while US firms account for just over 20% of the partners within the LM 100 firms, in 2020 they made almost 40% of all partner hires.

There was no drop off in banking hires by US firms, which accounted for almost 60% of hires. There is a reduction in the number of corporate hires, however US firms still made almost 50% of hires in this practice area. The key area of restructuring/insolvency was dominated by the US firms who made 60% of the hires.

The number of hires in litigation increased compared to 2019, but US firms have not made as much headway in this area, managing to corner only 30% of the hires. All of the hires were single partner hires, apart from Greenberg Traurig hiring two partners from Mishcon de Reya and Orrick hiring a duo from PwC.

Excluding the expansion of Alston & Bird in the UK, which saw six partners move to their new office, the main US firms that made five or more hires during the year were Orrick (ten), Goodwin (nine), Latham & Watkins (Seven), Mayer Brown (six), Greenberg (five), McDermott Will & Emery (five) and Morrison & Foerster (five).

Figure 4 - Practice area hiring by US firms



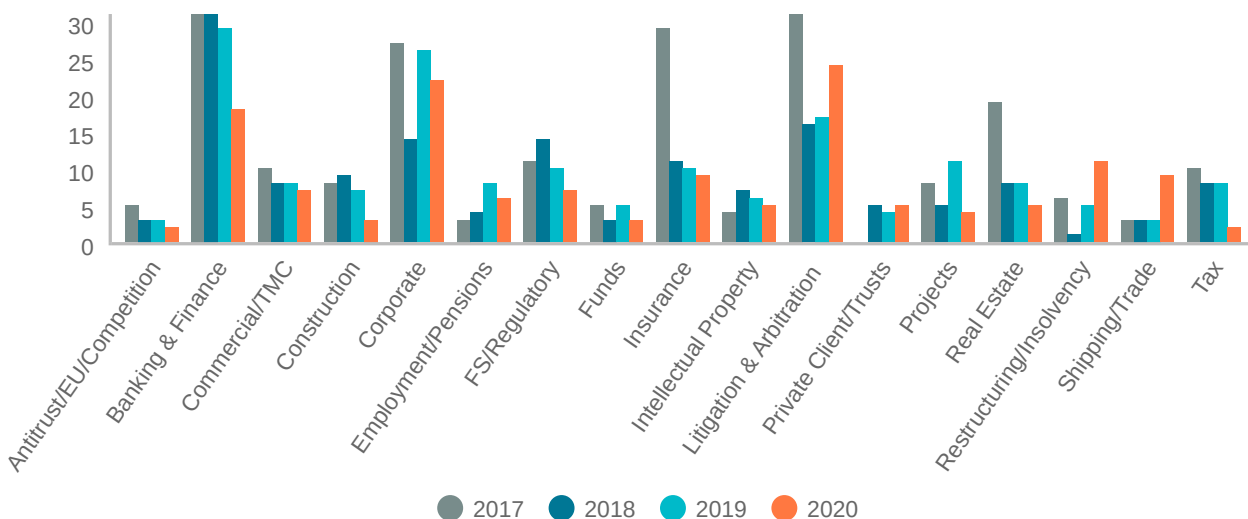
## Global/International Firms

Global/UK International firms account for c.70% of all partners in London at the LM 100 firms, but in 2020 they only accounted for 50% of hires. This mirrors the three previous years when their share of partner hires accounted for 45-60% of hires.

Across most practice areas, there is a general decline in partner hiring over the last three years. This makes it difficult to determine how much the pandemic has impacted hiring - the reduction in hires may be part of the general decline in hires by the Global/UK International firms.

Similar to US firms, there was a drop in hiring in corporate, but unlike the US firms there was also a significant reduction in banking hires. In 2020, litigation saw an increase on the number of hires compared to 2019. Restructuring/insolvency was also a very busy area - however, Global/UK International firms only made c.40% of hires, compared to US firms (60%).

Figure 5 - Practice area hiring by Global/International firms



## Types of firm hired from

Between 2017 and 2019 each year, c.80% of partners hired by US firms or UK Int/Global firms in the LM 100 came from US or UK Int/Global firms. In 2020, this dropped to 72%.

Looking at the US firms and UK Int/Global firms separately, two different pictures emerge.

US firms have increased the number of hires from other US firms, while the number of hires coming from their UK Int/Global peers is actually decreasing.

For the UK Int/Global firms, over the last four years there has been a steady decline in the amount of hiring from their UK Int/global peer firms, while the number from UK Independents/In-house has increased.

These trends may signify a couple of things. Has the US firm market matured to an extent that it no longer needs to rely so heavily on extracting partner talent from the UK Int/Global firms. Are the UK Int/Global firms more open to looking outside their peer firms to find talent. We will monitor this trend in 2021 and see if it continues.

Figure 6a - US firms - Type of firm partners hired from (% of hires)

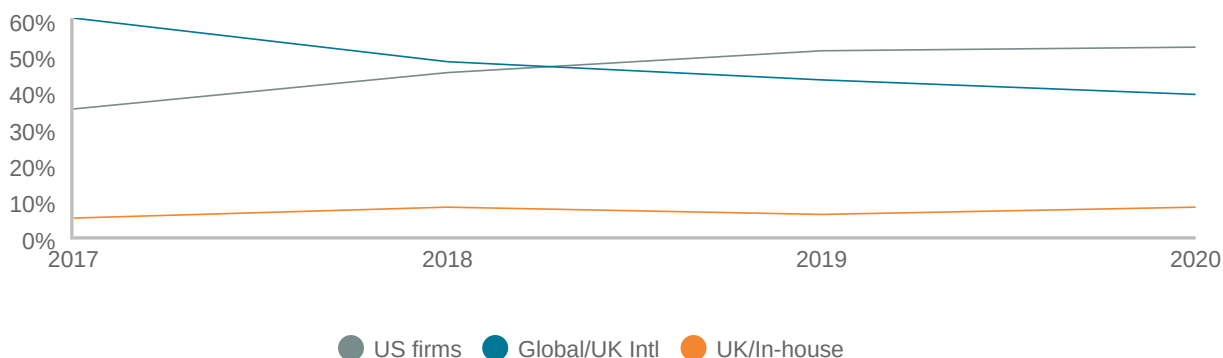
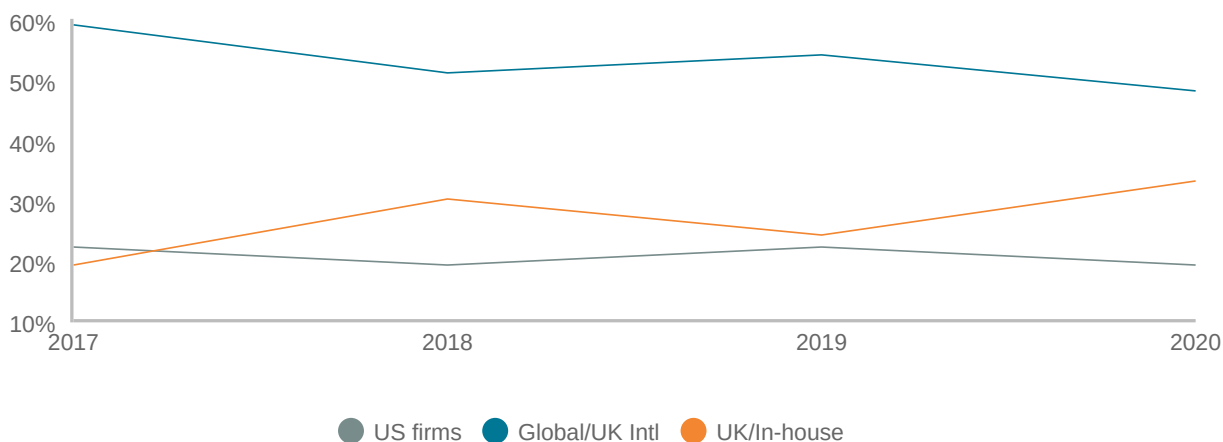


Figure 6b - UK Int/Global firms - Type of firm partners hired from (% of hires)



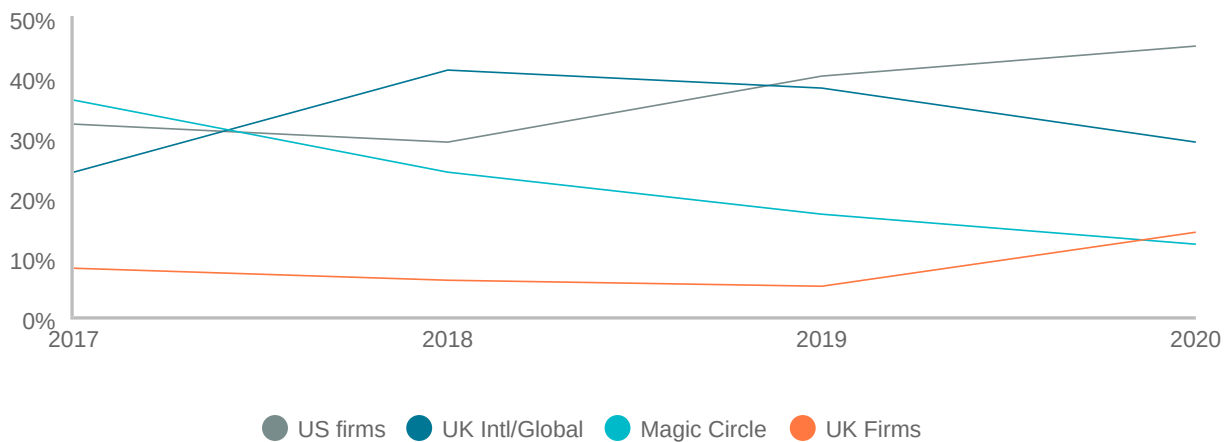
## Non partner-to-partner hires

In 2020, 18% of partner hires in London by the LM 100 firms were non partner-to-partner hires (ie, the incoming partner was previously a senior associate or counsel/director at their previous firm). This is a 4% drop compared to 2019.

In 2017, it was the lawyers from magic circle firms that were highly sought after, accounting for 36% of all such hires. However, over the last three years there appears to be a shift and in 2020 only 12% came from the magic circle.

The drop in number of senior associates at magic circle firms moving to partner roles has been compensated by an increase in the number of senior associate/counsel moving from US firms. In 2020, 22 senior associates/counsel at US firms moved to partner roles, compared to just seven at magic circle firms.

Figure 7 - London: Firm origin of senior associate to partner hires



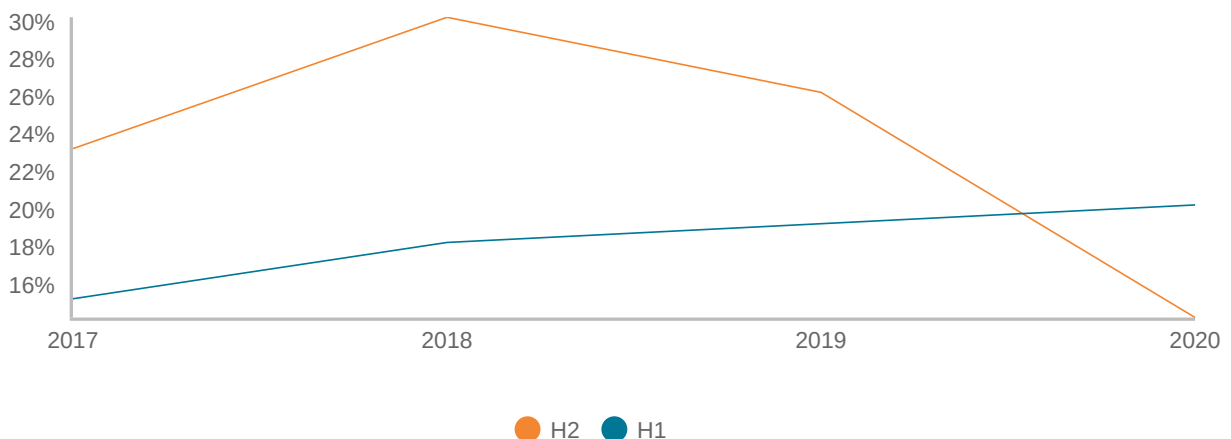
## Insights to the effect of the pandemic

Assuming those in non-partner roles are on three-month notice periods, rather than 6-12 month periods that many partners will be required to serve, looking at the pattern of these hires over the year can give us an indication of how the pandemic may have impacted hiring.

Since 2017, there have been proportionally more non partner-to-partner hires in the second half of the year compared to the first half. As most senior associates will be on three-month notice periods, hires made in the second half of 2020 can be assumed to have been agreed post lockdown, while those made in the first six months were pre-pandemic.

In Figure 8, unlike any of the previous years there was a drop off in hiring in H2 rather than an increase. If 2020 had been like any other year we might expect non-partner to partner hires to represent c.28% of hires; however, they only represent 14%. This suggests that hiring post-lockdown dropped by around 50%. If this holds for partner-to-partner hiring as well, in the first half of 2021 there will be far fewer hires than in 2020.

Figure 8 - Non partner-to-partner hires as a % of all hires



## Diversity

At the beginning of 2020, 24% of all London-based partners at the LM 100 firms were women. Over the course of 2020, 27% of partner hires were women. In Figures 9a and 9b, we see a small positive trend in the percentage of women partner hires between 2017-2020.

In the last four years, there has been a higher proportion of women in non-partner to partner hires compared to partner-to-partner hires. However, 2020 saw a drop off compared to 2019.

In the first half of 2020, 36% of non-partner to partner hires were women; however, in the second half this dropped to 25%. This suggests the drop off occurred amongst the post-pandemic non-partner to partner hires.

While we see many firms taking proactive steps to increase the gender diversity of their partnerships, has the pandemic hampered some of these efforts. We will explore this issue in our forthcoming *Gender Diversity Index Benchmarking 2021 report*.

Figure 9a - Representation of women in partner-to-partner hires

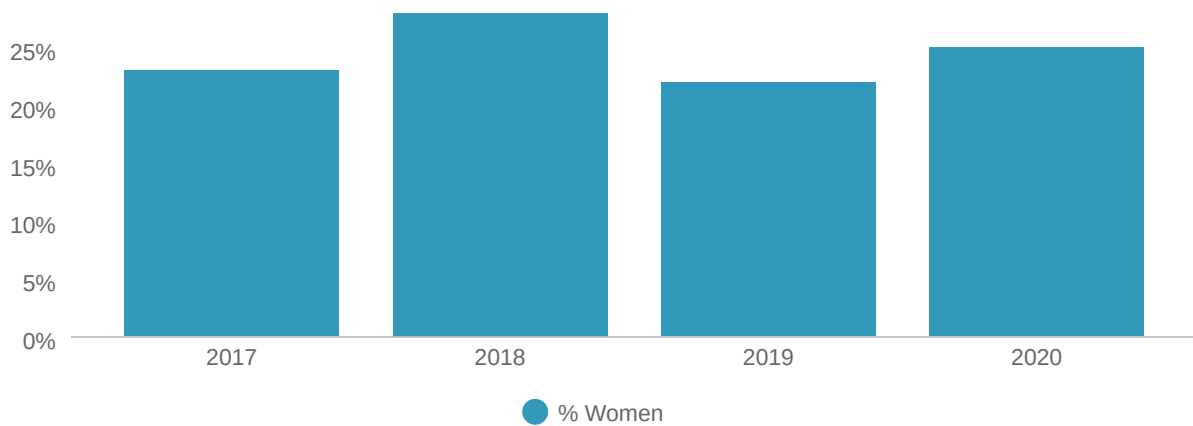
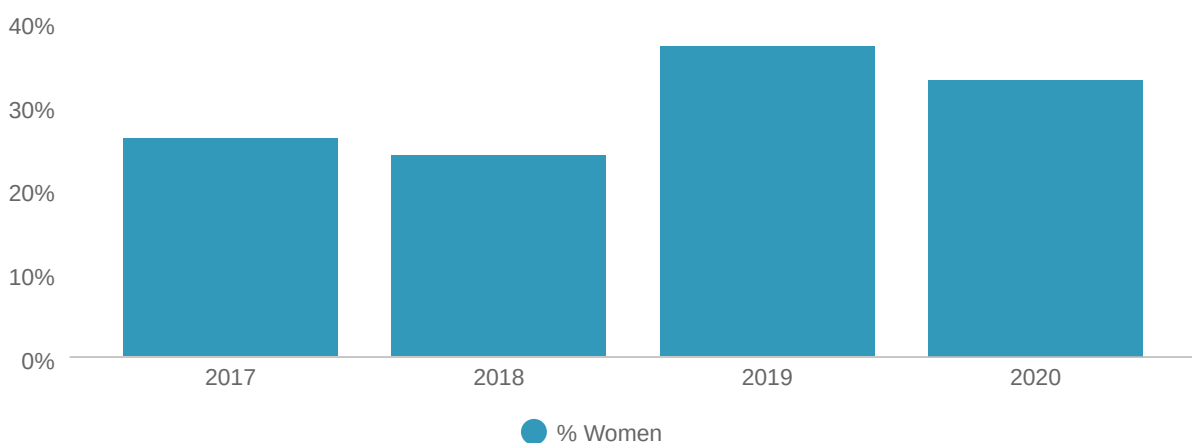


Figure 9b - Representation of women in senior associate to partner hires



## Gender Diversity Index Benchmarking 2021 report

This report will explore how diversity has changed at the top 100 firms over 2020 and how the gender balance of firms' partnerships differ at the beginning of 2021 compared to 2020 and 2018. If you would like to receive a copy of the Gender Diversity Index Benchmarking 2021 report, please email [ed.obrien@legal-monitor.com](mailto:ed.obrien@legal-monitor.com).

## Summary

While 2020 saw an enormous drop in economic activity, partner hires at some of the biggest firms in London did not drop off significantly. This may to some extent be due to the long lag time between offer and a partner starting at their new firm - many of the partner hires in 2020 had been agreed prior to the pandemic.

2020 showed that US firms are continuing to hire comparatively more partners than their UK counterparts - litigation and restructuring had the highest demand. Indeed, increasing numbers of US senior associates/counsel are looking for partnership roles outside of their firms - while progress is being made in the gender diversity of these hires, there is still more work needed.

In 2021, the real impact of the pandemic on partner hiring should become clearer. Non-partner to partner hiring suggests this may be down by c.50%, so we will monitor progress in the next six months. We will be keeping our clients updated on what is happening in London, as well as the European, Asian and US markets, in our monthly update reports. If you would like further information about these reports, please contact [ed.obrien@legal-monitor.com](mailto:ed.obrien@legal-monitor.com).

## Methodology/underlying data

The underlying data for this analysis has been taken from the Legal Monitor monthly partner hires reports, which are produced for our Legal Intelligence subscribers. In this report we have followed the same methodology as used in our monthly partner-hiring reports.

\*The LM100 firms covered in this and our monthly reports consists of leading US, UK Intl/Global and some of the larger UK independent firms. A full list is available from the Legal Intelligence platform. Access to all of the 2020 underlying data is provided to Legal Intelligence subscribers and can be accessed via the platform.

If you would like discuss any further analysis focusing on specific firms, please contact [ed.obrien@legal-monitor.com](mailto:ed.obrien@legal-monitor.com).

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