

2024/2025

REMUNERATION REPORT



INTRODUCTION

The GRM Group has been a leading source of insights into the South African Legal Market and its remuneration trends, for 10 years.

As South Africa's number 1 ranked talent management agency, market research specialist and management consultancy focussed solely on the legal sector, we have unparalleled access to data and analysis on remuneration practices, emerging talent trends, and career conditions for legal professionals.

During 2023, and going into 2024, we have had a magnifying glass on the SA legal market, its moves, and trends and by looking at over 150 data points, we feel we have a unique view on every size of law firm, legal team, ALS and the growing Legal Tech market.

This year has been unparalleled in terms of change.

With the introduction of AGI, the continued growth of ALS's and the explosion of legal technology, the increasing pressure to reduce fees and that pressure being transferred to younger and younger lawyers, SA's legal market is changing at a rapid pace.

In this remuneration report, we explore what this means for the coming years with regard to lawyers' remuneration at firms/companies/teams of all shapes and sizes.





Message from the CEO

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YOUR SKILLS FIRST

2023 is the beginning of a revolution in the legal sector, 2024 will prove to be a watershed moment and from 2025, I believe we are looking at a very different industry. A big statement from someone who isn't a lawyer, I know.

But as someone who has worked as a supplier, an advisor, a confidant, and a strategist to Attorneys and law firms in 50+ cities, living on 4 continents, over 21 years, I am uniquely qualified to comment.

I deeply care about the legal industry, we track deals, data and analysis from all corners of the globe, and we track the changes and moves in the market.

We look at over 150 data points on each of the professionals and companies we work with, from OVS (overall value score) to CRRs (client retention rates) and use this data to best advise the people we work with.

Each year I make predictions on the coming years' remuneration and activity, and this year ('23) has seen so many changes, we have to stop for a moment, take a breath and really think about what these changes are leading to.

Rob Green

CEO of The GRM Group



THOUGHTS ON WHAT HAPPENED IN '23 AND WHAT WILL HAPPEN IN THE COMING YEARS:

Last year I predicted we would continue to see growth in the **ALSP's (alternative legal service providers)** space and that has proven true. Whilst many will debate the reason for their "birth" and continued growth, for me, it comes down to price and delivery. Clients wouldn't seek alternatives if they were comfortable with what they were being originally supplied.

Still a little bogged down by their tag of being suppliers of "cheap law" ALSP's are evolving, and growing, they offer flexibility but they are not a threat to traditional law firms because they work in a different sphere supplying a different market, we are still two to three years away from them becoming a threat to traditional law.

SME law firms are growing, but also facing tougher market conditions. We are continuing to see more splintering and one-person law firms popping up throughout the country. A lot of people that I speak to who have branched out on their own have loyal clients, don't see the benefit of continuing to work in a law firm and want the flexibility to work when they want to work - this feeds into our research that up to 70% of attorneys globally, will be working for themselves/in the gig economy by 2035.

Last year I was wrong about the **growth in Associate-level hiring**, we predicted 15-17% growth and positions but due to the downturn in the corporate market, this didn't happen.

I predicted more **M&As, tie-ups and JVs between SME law firms**, and it is happening, slowly, but it isn't quite the avalanche I thought it would be. To me, it makes sense for firms to pair-up, in such a splintered market.

We will continue to see smaller law firms adding more value-added services in order to meet the flexibility that the clients demand. Tax consulting, training, HR services and much more are being looked at by SME law firms, as the market evolves.

The **Legal Tech market** is growing across Africa and it's certainly attracting fantastic talent out of traditional law.

International law firms have had an interesting year, and at GRM we've been looking at each of them attempting to work out what their strategy is for SA and the Legal professionals that they have hired/looking to hire. Some are clearly developing themselves as a back office for their global offices, but that is short term as SA, as a BPO centre, won't last forever. Some are combining developing their footprint in SA with being an outsourced centre, and others are still in development.

We have it on good authority, from those overseas that contact us, other international law firms are looking very carefully at what law firms are doing here before committing to moving and may prefer other African countries over SA, for a market entry into the continent.

We are seeing continued growth in the Consulting model, and platforms like Umbiie.com are facilitating that - this will grow exponentially over the next decade.

And as we creep towards the 2024 election, as happens around election time, we should see a steady stream of good news and better electricity as the government looks to hang on to power.

I PREDICTED
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About Umbiie.com

Umbiie is a unique, easy-to-use skill and experience-matching platform that connects legal professionals with companies for jobs, consultants with projects and practice lawyers with new clients, from every corner of the world, across all industries.

In a world-first, Umbiie recognises the Legal Professional's importance in the process of recruitment and skill sharing and gives them a lot of choice and power throughout the process.

Umbiie embraces the "skillset revolution", by promoting a shared (anonymous) data and shared revenue solution that rewards all stakeholders in the resourcing and recruitment process.

Umbiie.com also removes any unconscious bias and discrimination from the selection process. As their personal details remain anonymous and hidden until a company or possible client, conducts a search and reaches out, the Professional is then found, purely by their *skills and experience* and the professional can decide if they wish to engage.

Allowing you to find clients, to secure talent, to design a roster of Consultants, Umbiie is free to use *until you want to share*, check it out today

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UMBiie

OVERALL REFLECTIONS AND OUTLOOK

In last year's legal remuneration report, in our outlook for the coming years in legal remuneration, we stated:

"While the last few years the legal landscape has witnessed a resurgence of opportunities within private practice firms, showcasing the sector's resilience despite the challenging economic backdrop.

As of 2023 looking out to 2024, these opportunities have largely dried up. There will always be an attractive opportunity for those with a book of business but for many, legal opportunities are unavailable.

Moreover, with many attorneys not meeting targets, they simply do not have the billable records to necessitate the roles and salaries they are after."

This was absolutely 100% correct.

Reflecting upon this year's many hundreds of face-to-face interviews we conducted, one thing that jumped out at us, that we had not really seen on such a scale before, is the number of Attorneys, at all levels of experience, in both practice and in-house - that have side hustles. Senior Attorneys' have often had other business interests or board appointments, but our field research showed that this is becoming more and more prevalent in younger legal professionals as well.

From sponsored podcasts to clothing lines to YouTube channels and much more, the fulfilling side hustle is becoming a staple of young Attorneys' lives across SA.

PRACTICE

The combination of a slowdown in the M&A and Corporate Finance markets, and the inflexibility (until now) in some billing structures, we believe will lead to salaries not increasing much at all - in law firms, we are predicting a max, of 1-3% remuneration increase on average.

Recently there was a paper released, supporting a minimum wage for CA's, whilst many have supported this, there has been little understanding for small law firms who may not be able to afford any increase.

The more pressure that is put on the law firm's bottom line, the more pressure there will be on lawyers, at all levels, to bring in work - which is the complete opposite of where the industry should be heading it should be encouraging technical brilliance. In the US, we are now seeing more and more firms incentivize Associates to get new clients, and if we are not careful, this will happen here.

Why is that a bad thing? Because if the focus is more on the sale and less on the delivery, clients will start looking for alternatives.

IN-HOUSE

We recently conducted a straw poll of General Counsels, and 70% of those surveyed said their biggest pressure, as in-house counsel, was on reducing costs associated with using external law firms.

This has always been the case and is not always because things are considered too expensive, it might simply be the regular pressures department heads get from the board to control costs.

But we did think that it was noteworthy that there was a very high percentage of GCs putting this as their biggest challenge.

Other challenges were the quality of talent available and which technology to install.

We've seen a small increase in remuneration packages this year, with more details below.

We are not expecting a huge difference in the volume of roles or changes in remuneration in the coming year across all industries - the main reason is there is never a shortage of people that will go in-house, so whilst our clients complain they can't always get the right talent, there is never a shortage of actual talent.

ALSP'S

The Alternative Legal Service Provider market is growing. Why?

Because SA is very popular as a BPO.

This will continue.

What the longevity of this is, what it means for legal professionals' careers are interesting topics, but law firms have to stop seeing them as a threat (because they are not competing in the same space) and start finding smart ways to work together.

THE REMUNERATION REPORT

Last year we said we had never before seen such variation in Law Professionals earnings. This year we've been reflecting on the size of the legal services market in South Africa and the opportunity for growth.

There are no accurate calculations or market reviews on the amount of revenue legal services in SA generate, but given our understanding of the market, built up over the past decade, we think it comes out somewhere in the region as an average of R40bn in fees/turnover per annum, of which circa R30bn is paid out in remuneration.

This makes the business of law highly important to SA, a big money-maker, a big employer and a taxpayer.

This should be protected by those in the industry, the governing bodies and the government.

Again, this year we see firms doubling down on targets, scrutinising billables, and collections. With even some of the most notable top performers in firms falling short of targets it's going to be a time of heated and tumultuous bonus and compensation strategy meetings.

This remuneration survey provides a snapshot of the market situation at a set time, allowing the user a guide from which to work. Salaries do however move at varying rates throughout the year due to staff turnover, supply of and demand for skilled and unskilled workers, social pressures, and inflation. Consequently, the analysis and benchmarking component of this report will add additional insight into the longer-term trends prevailing in the legal sector.

Significant variations in compensation continue to be prevalent, particularly among more senior professionals. In specific firms or practice areas, senior associates might find themselves earning considerably more than the managing partners of smaller entities.

Each year, we encounter a range of perspectives, with some firms contending that our figures are modest while others propose that they are overly generous. These figures are not mere statistics; they encapsulate the actual statistics gathered by our recruitment professionals and our annual salary survey run by GRM.

They mirror the actual remuneration our clients allocate to their personnel. Our statistics include both the current salaries of our candidates and what GRM effectively negotiated for them in their new professional journeys.

DATA ANALYSIS

The research team made every reasonable effort to maintain data integrity and provide accurate and useful information.

Data were analysed by employing univariate descriptive statistics, including cross-tabulations, frequencies, frequency distributions, and some averages. To provide deeper insight into the compensation trends a percentile analysis was used over and above the traditional average-only analysis.

Percentiles used include the 10th, 25th, 50th, 75th, and 90th percentiles. Please note that in salary data, the median may be lower than the mean since there is no upper limit to the rates that can be paid for a position. However, the lower limit is zero. Therefore, the distribution of salaries tends to be skewed with a few salaries at the extreme high end of the range.

How to read our salary percentiles:

Percentile salaries tell us how much a certain percentage of an overall sample in a geographic area or within a given industry or field makes. In other words, percentiles indicate the percentage of people's salaries that fall below a particular value. Percentiles are useful in understanding salary ranges in that they tell one where a salary stands relative to other salaries.

The most commonly used percentile salaries are the 10th, 25th, 50th, 75th and 90th. These are the percentiles included in this report.

- 10th Percentile = earn more than 10% of people and less than the other 90%
- 25th Percentile = earn more than 25% of people and less than the other 75%
- 50th Percentile/median = earn more than 50% and less than the other 50%
- 75th Percentile = earn more than 75% of people and less than the other 25%
- 90th Percentile = earn more than 90% of people and less than the other 10%

For example, if you earned a salary of R100,000 per month, everyone to the left earned less than you, and everyone to the right earned more than you. We might want to understand what percentile your salary was.

In this example, you earn more than 80% of the sample and less than 20% of the sample and therefore your salary would be at the 80th percentile.

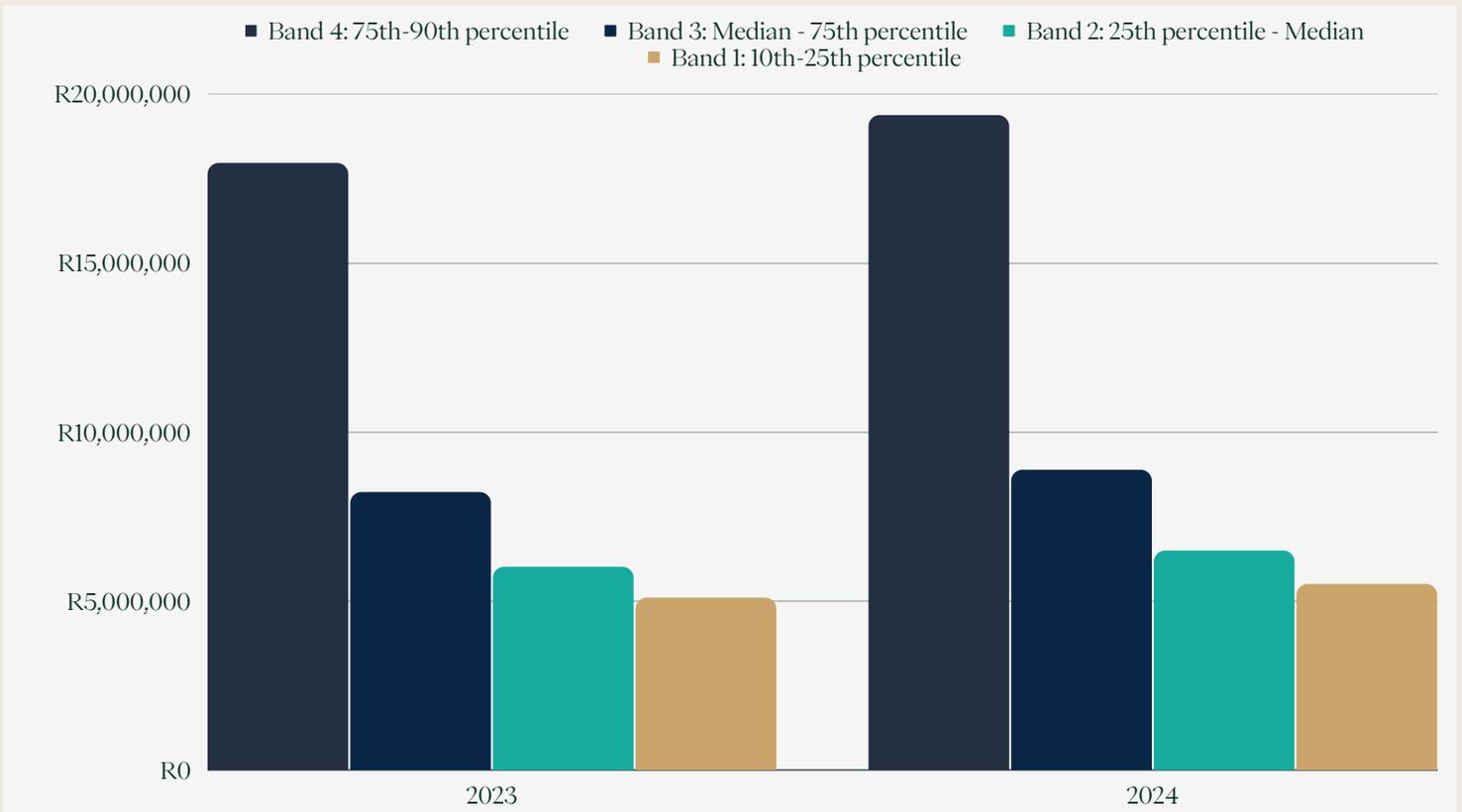
Practice



REMUNERATION FINDINGS: PRIVATE PRACTICE - EQUITY PARTNER

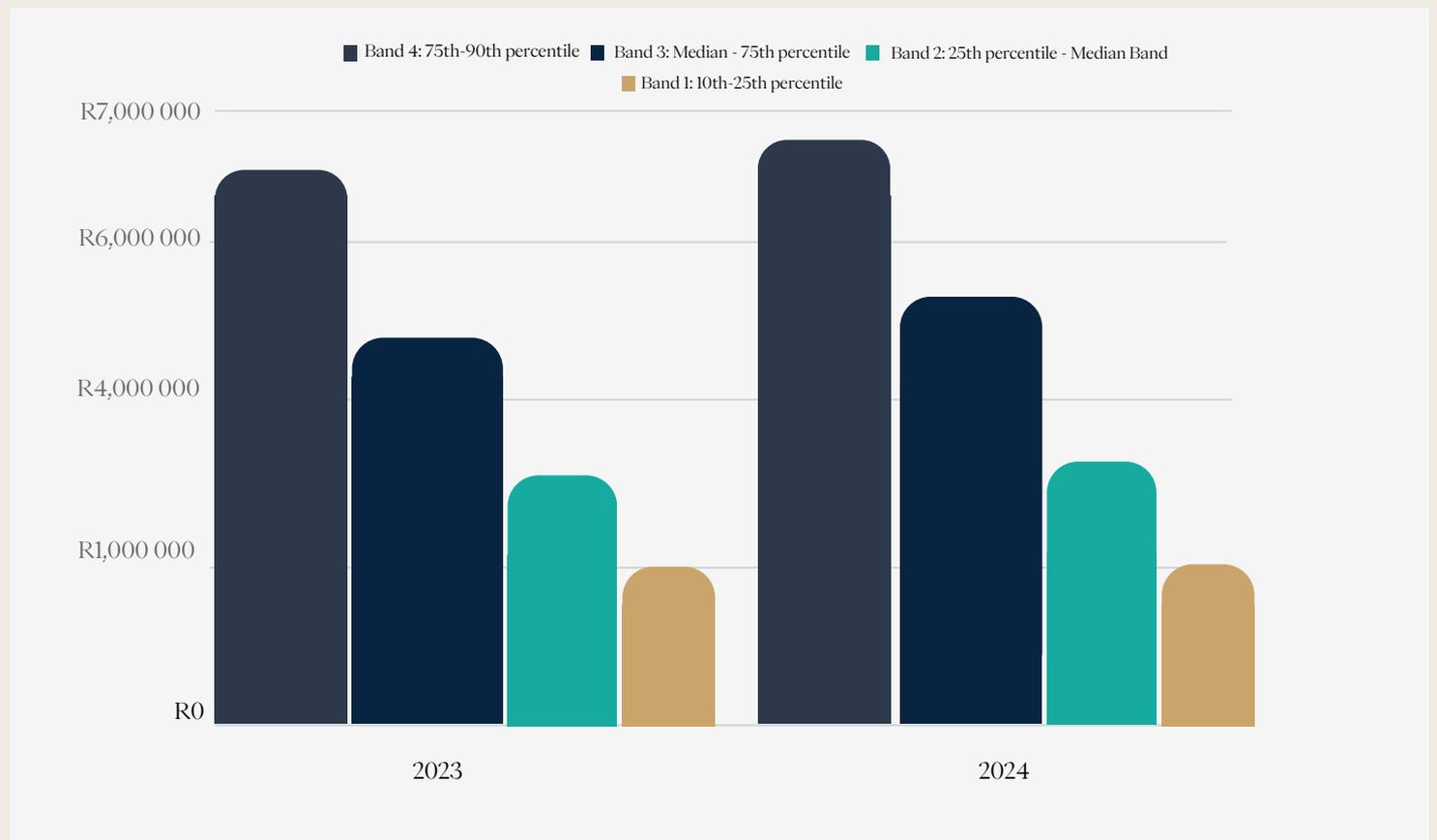
It is important to note that we interview Lawyers at all sizes of firms and take the averages.
So, at every level, there will be some outliers.

Equity Partner		
	2023	2024
Band 1: 10th-25th percentile	R1,193,550 - R5,099,150	R1,285,205 - R5,503,054
Band 2: 25th percentile - Median	R5,099,150 - R6,009,500	R5,503,054 - R6,490,261
Band 3: Median - 75th percentile	R6,009,500 - R8,219,160	R6,490,261 - R8,877,515
Band 4: 75th-90th percentile	R8,219,160 - R17,944,540	R8,877,515 - R19,360,364



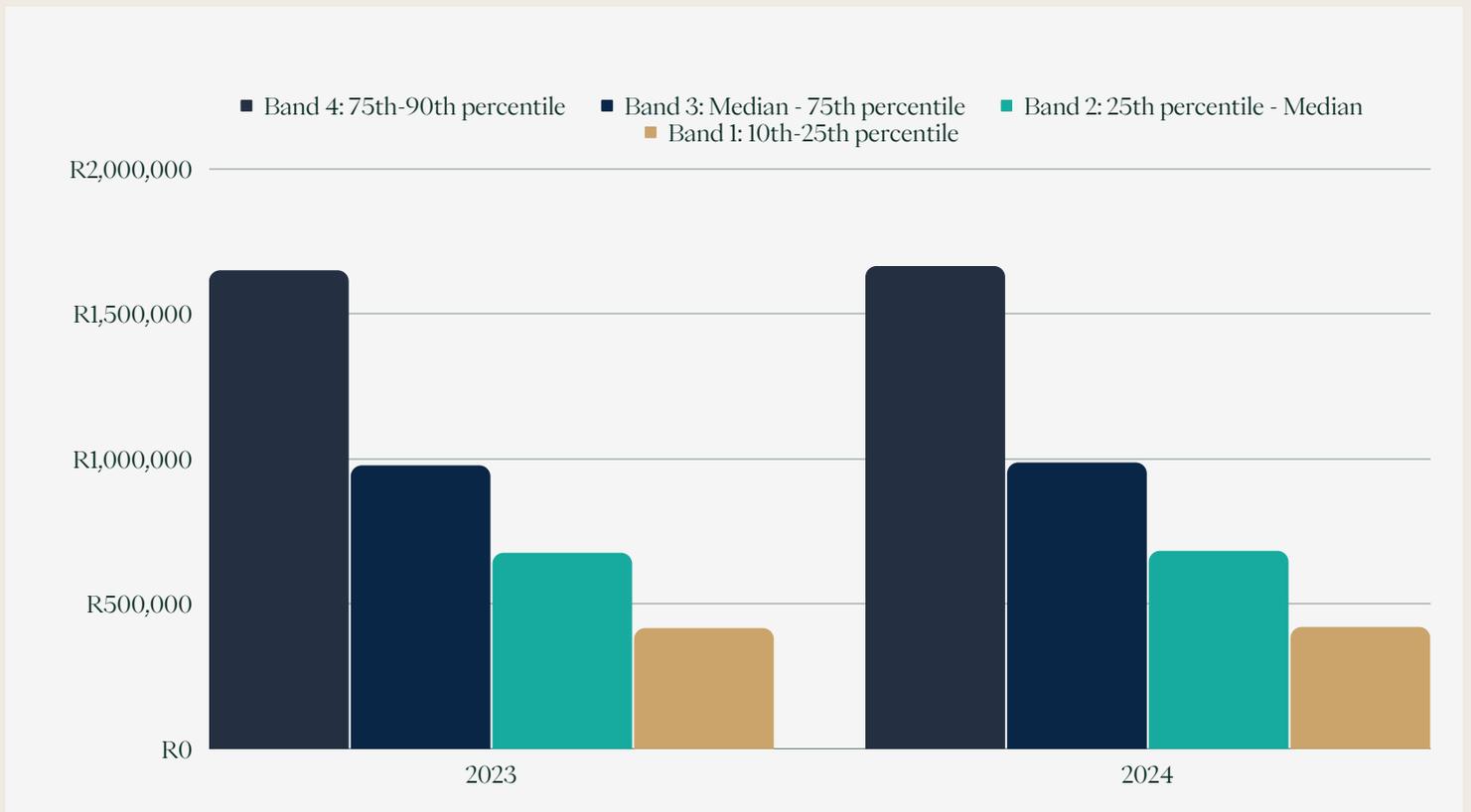
REMUNERATION FINDINGS: SALARIED PARTNER

SALARIED PARTNER		
	2023	2024
Band 1: 10th-25th percentile	R526,150 - R1,317,765	R552,042 - R1,379,426
Band 2: 25th percentile - Median	R1,317,765 - R1,724,300	R1,379,426 - R1,808,618
Band 3: Median - 75th percentile	R1,724,300 - R4,096,650	R1,808,618 - R4,301,483
Band 4: 75th-90th percentile	R4,096,650 - R6,408,040	R4,301,483 - R6,729,083



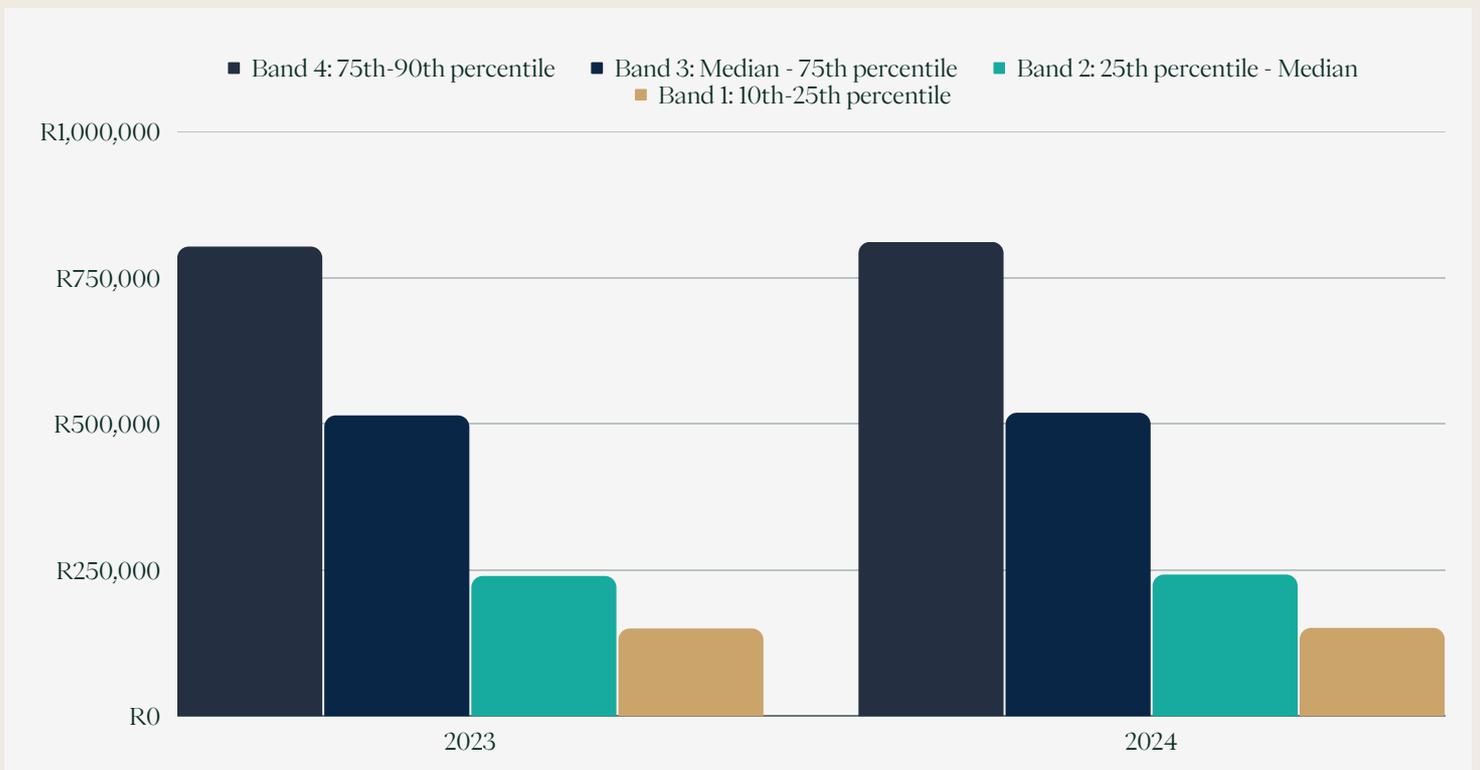
REMUNERATION FINDINGS: SENIOR ASSOCIATE

SENIOR ASSOCIATE		
	2023	2024
Band 1: 10th-25th percentile	R328,500 - R416,550	R330,731 - R420,386
Band 2: 25th percentile - Median	R416,550 - R675,865	R420,386 - R682,624
Band 3: Median - 75th percentile	R675,865 - R977,000	R682,624 - R986,868
Band 4: 75th-90th percentile	R977,000 - R1,648,950	R986,868 - R1,663,626



REMUNERATION FINDINGS: JUNIOR ASSOCIATE

JUNIOR ASSOCIATE		
	2023	2024
Band 1: 10th-25th percentile	R64,065 - R149,985	R64,655 - R151,004
Band 2: 25th percentile - Median	R149,985 - R239,700	R151,004 - R242,121
Band 3: Median - 75th percentile	R239,700 - R514,200	R242,121 - R518,776
Band 4: 75th-90th percentile	R514,200 - R802,785	R518,776 - R810,813



IN-HOUSE

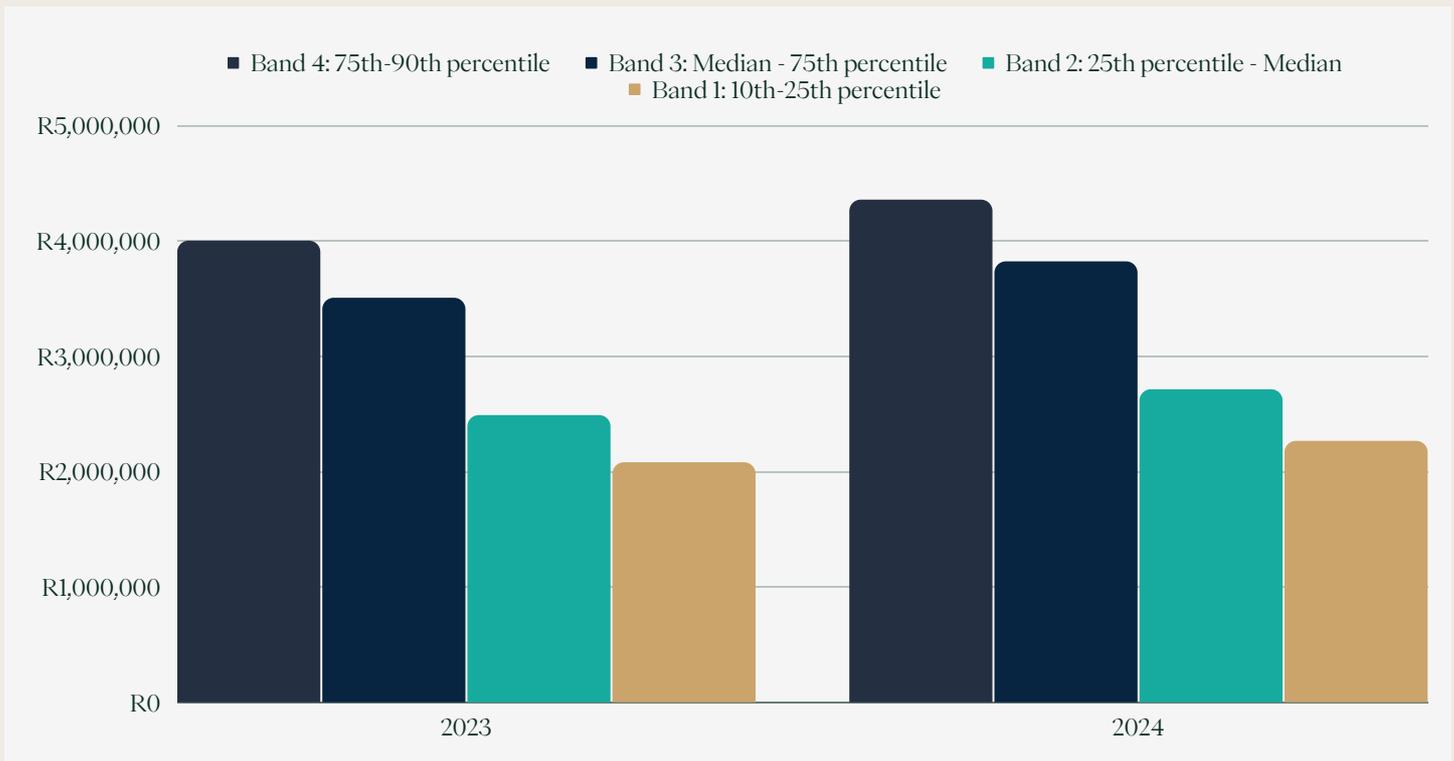


REMUNERATION FINDINGS: GENERAL COUNSEL/CHIEF LEGAL OFFICER

This remuneration report serves as a summative guide across specialisations, sectors, and locations.

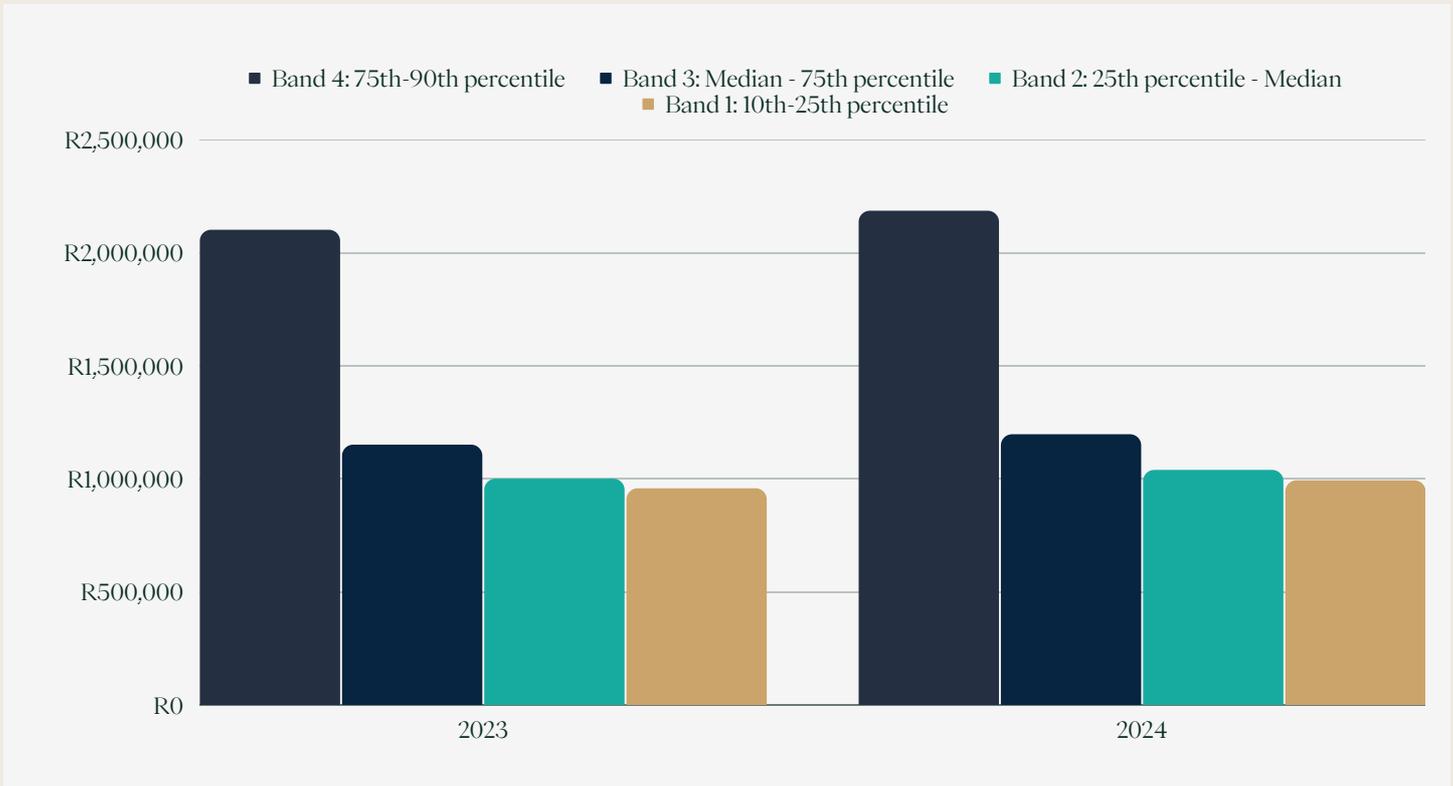
If you can't find what you're looking for please get in touch to gain deeper insights and benchmarking services.

GC/CLO		
	2023	2024
Band 1: 10th-25th percentile	R1 800 000 - R2 079 675	R1 956 226 - R2 265 203
Band 2: 25th percentile - Median	R2 079 675 - R2 488 600	R2 265 203 - R2 712 574
Band 3: Median - 75th percentile	R2 488 600 - R3 505 010	R2 712 574 - R3 820 811
Band 4: 75th-90th percentile	R3 505 010 - R4 000 000	R3 820 811 - R4 355 600



REMUNERATION FINDINGS: DIRECTOR/HEAD OF LEGAL

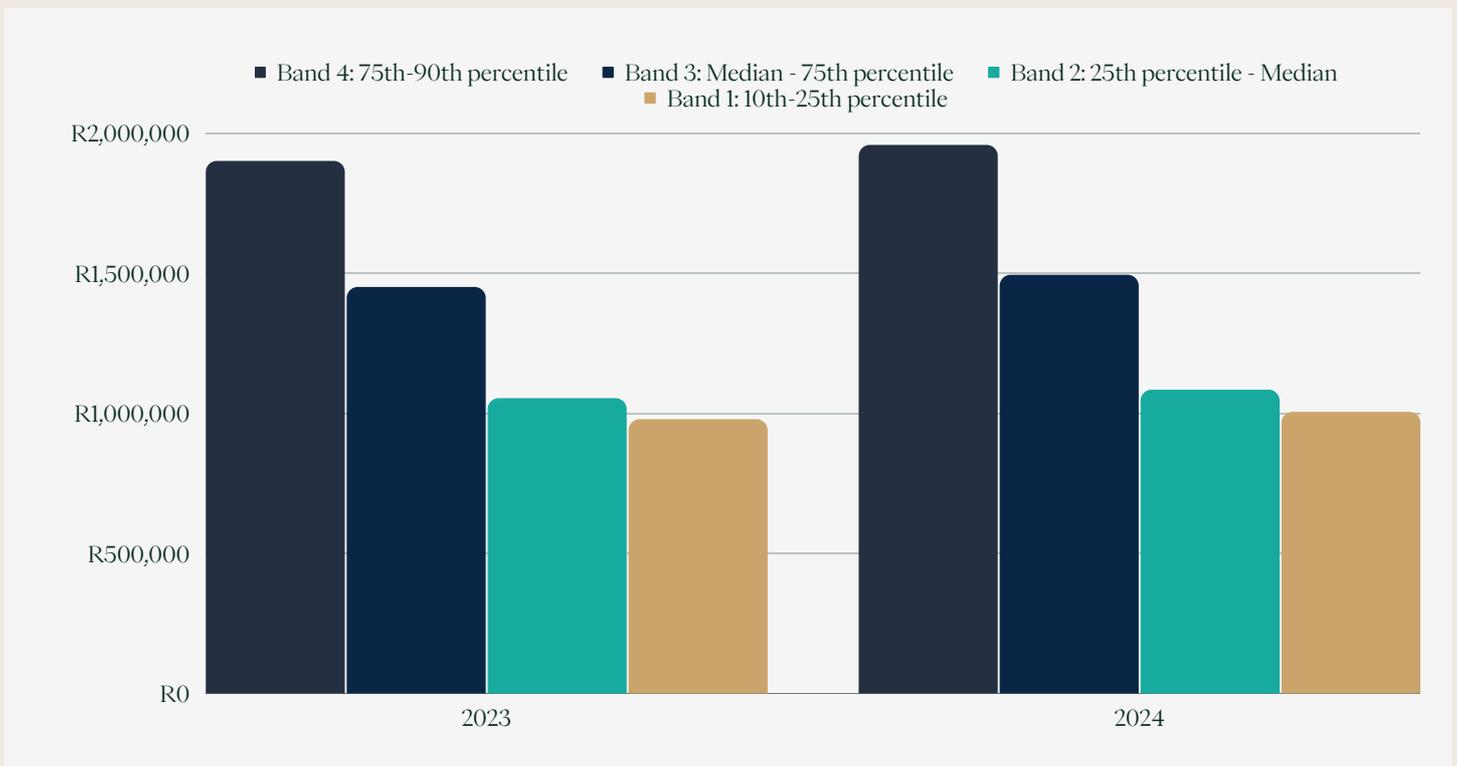
Director/Head of Legal		
	2023	2024
Band 1: 10th-25th percentile	R900 000 - R957 550	R935 289 - R992 780
Band 2: 25th percentile - Median	R957 550 - R1 000 000	R992 780 - R1 038 900
Band 3: Median - 75th percentile	R1 000 000 - R1 150 450	R1 038 900 - R1 196 468
Band 4: 75th-90th percentile	R1 150 450 - R2 100 000	R1 196 468 - R2 184 210



REMUNERATION FINDINGS: MANAGING DIRECTOR/HEAD OF LEGAL (SMALL-MEDIUM FIRM)



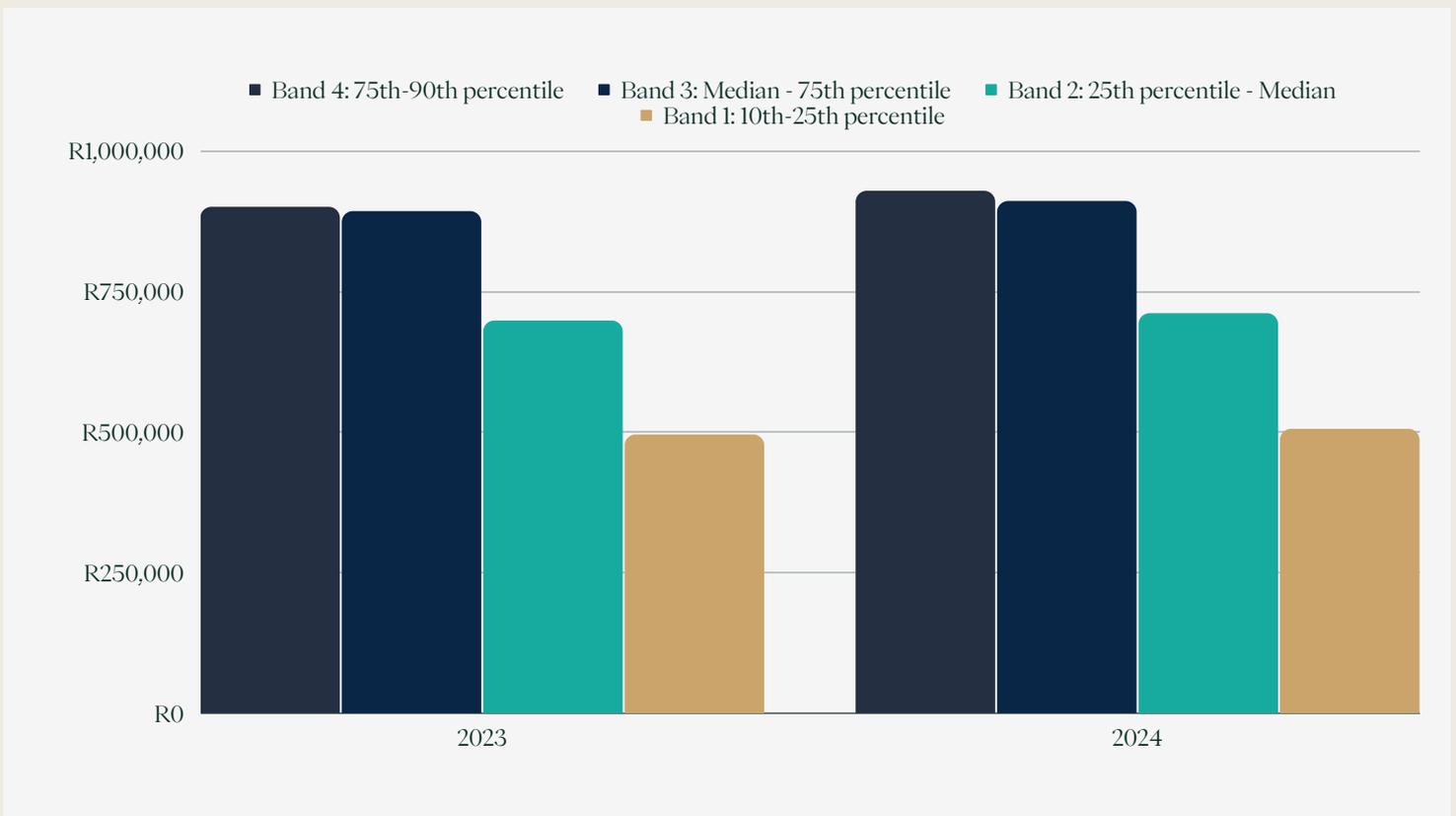
Managing Director/Head of Legal (small-medium firm)		
	2023	2024
Band 1: 10th-25th percentile	R750 000 - R978 560	R771 908 - R1 004 778
Band 2: 25th percentile - Median	R978 560 - R1 053 540	R1 004 778 - R1 083 987
Band 3: Median - 75th percentile	R1 053 540 - R1 450 380	R1 083 987 - R1 493 892
Band 4: 75th-90th percentile	R1 450 380 - R1 900 000	R1 493 892 - R1 957 190



REMUNERATION FINDINGS: MID-LEVEL COUNSEL/ SENIOR LEGAL OFFICER

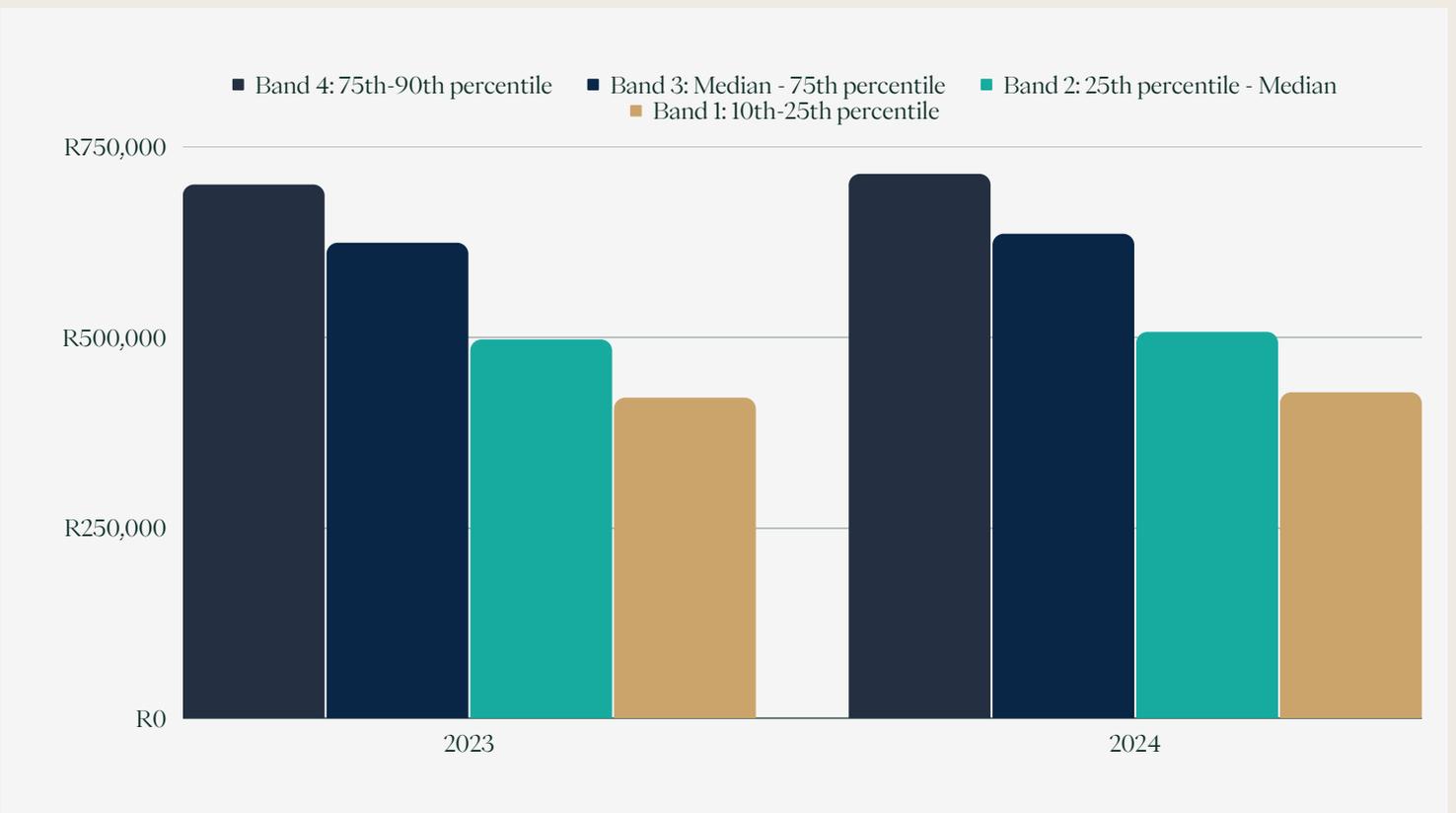


Mid-level Counsel/ Senior Legal Officer		
	2023	2024
Band 1: 10th-25th percentile	R400 000 - R495 500	R408,000 - R505,500
Band 2: 25th percentile - Median	R495 500 - R697 950	R505,000 - R711,000
Band 3: Median - 75th percentile	R697 950 - R892 370	R711,000 - R910,400
Band 4: 75th-90th percentile	R892 370 - R900 000	R910,400 - R928,500



REMUNERATION FINDINGS: JUNIOR COUNSEL/LEGAL OFFICER

Junior Counsel/Legal Officer		
	2023	2024
Band 1: 10th-25th percentile	R350 000 - R420 500	R356 724 - R427 561
Band 2: 25th percentile - Median	R420 500 - R496 790	R427 561 - R506 775
Band 3: Median - 75th percentile	R496 790 - R623 650	R506 775 - R635 437
Band 4: 75th-90th percentile	R623 650 - R700 000	R635 437 - R714 000



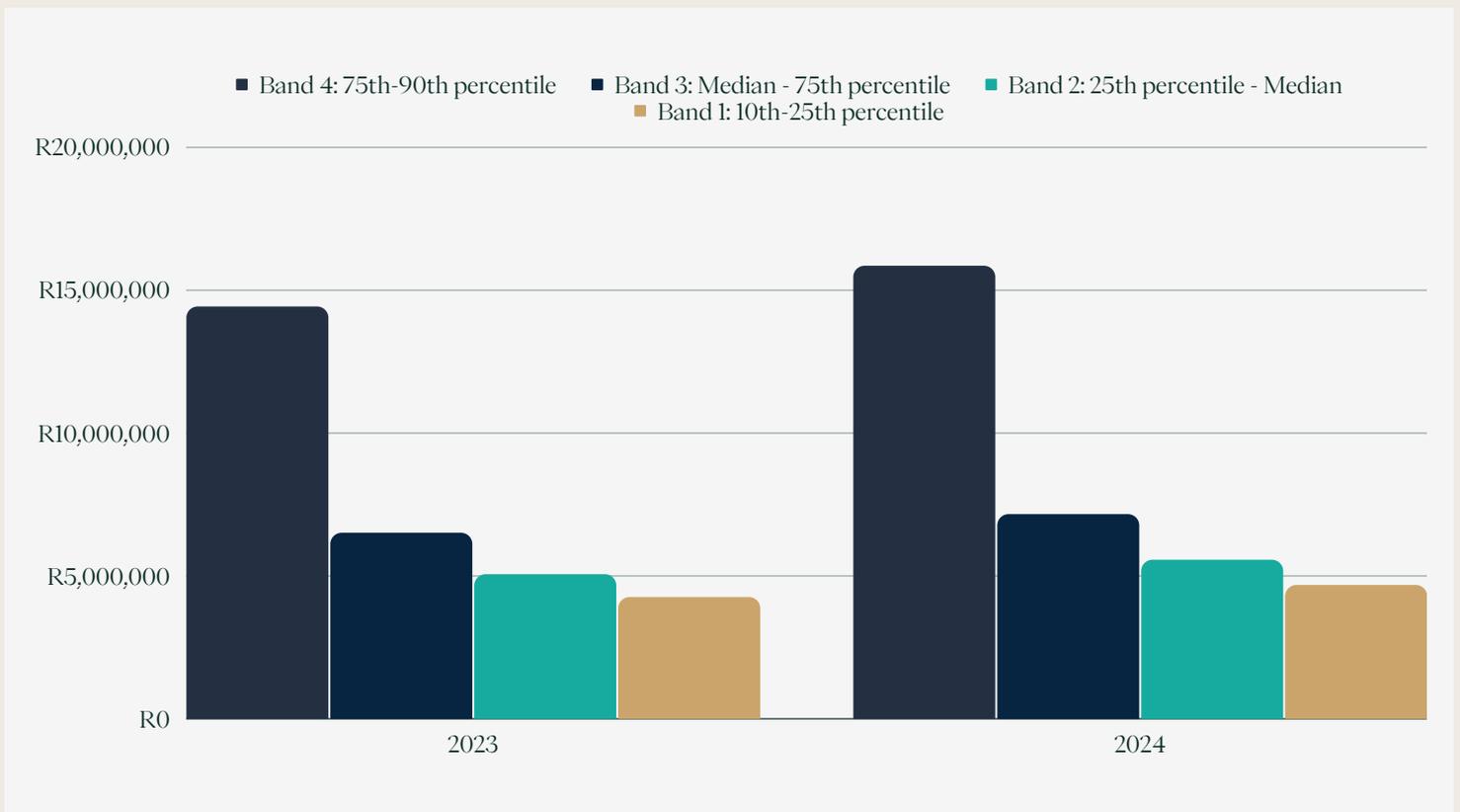
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REMUNERATION FINDINGS: EQUITY PARTNER DIRECTOR/EXECUTIVE

It is important to note that we interview Lawyers at all sizes of firms and take the averages.
So, at every level, there will be some outliers.

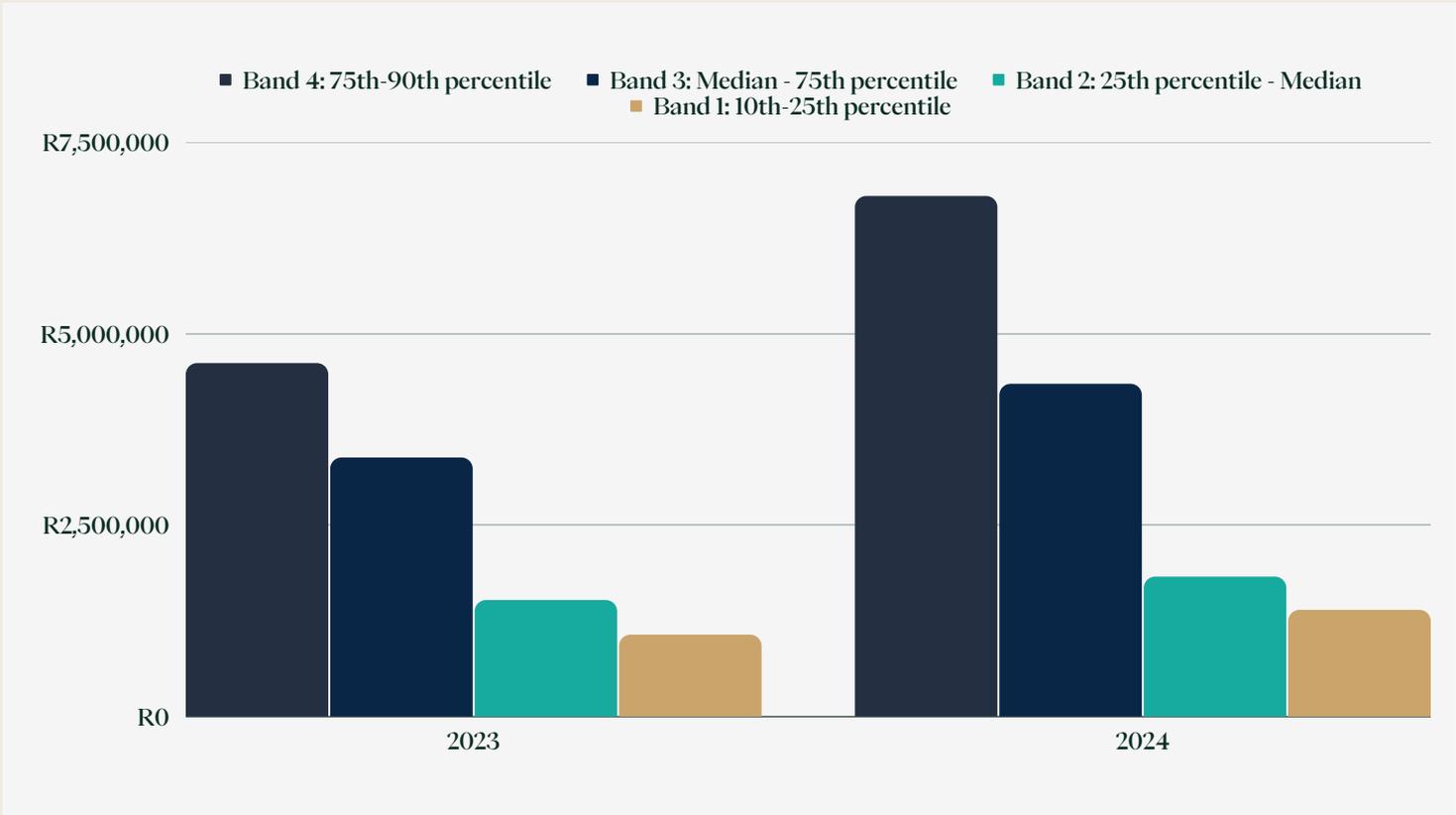
Director/Executive		
	2023	2024
Band 1: 10th-25th percentile	R1 039 980 - R4 258 800	R1 140 642 - R4 681 316
Band 2: 25th percentile - Median	R4 258 800 - R5 056 512	R4 681 316 - R5 562 164
Band 3: Median - 75th percentile	R5 056 512 - R6 503 850	R5 562 164 - R7 154 885
Band 4: 75th-90th percentile	R6 503 850 - R14 405 780	R7 154 885 - R15 830 512



REMUNERATION FINDINGS: PARTNER/SENIOR MANAGER/CLIENT CONSULTANT



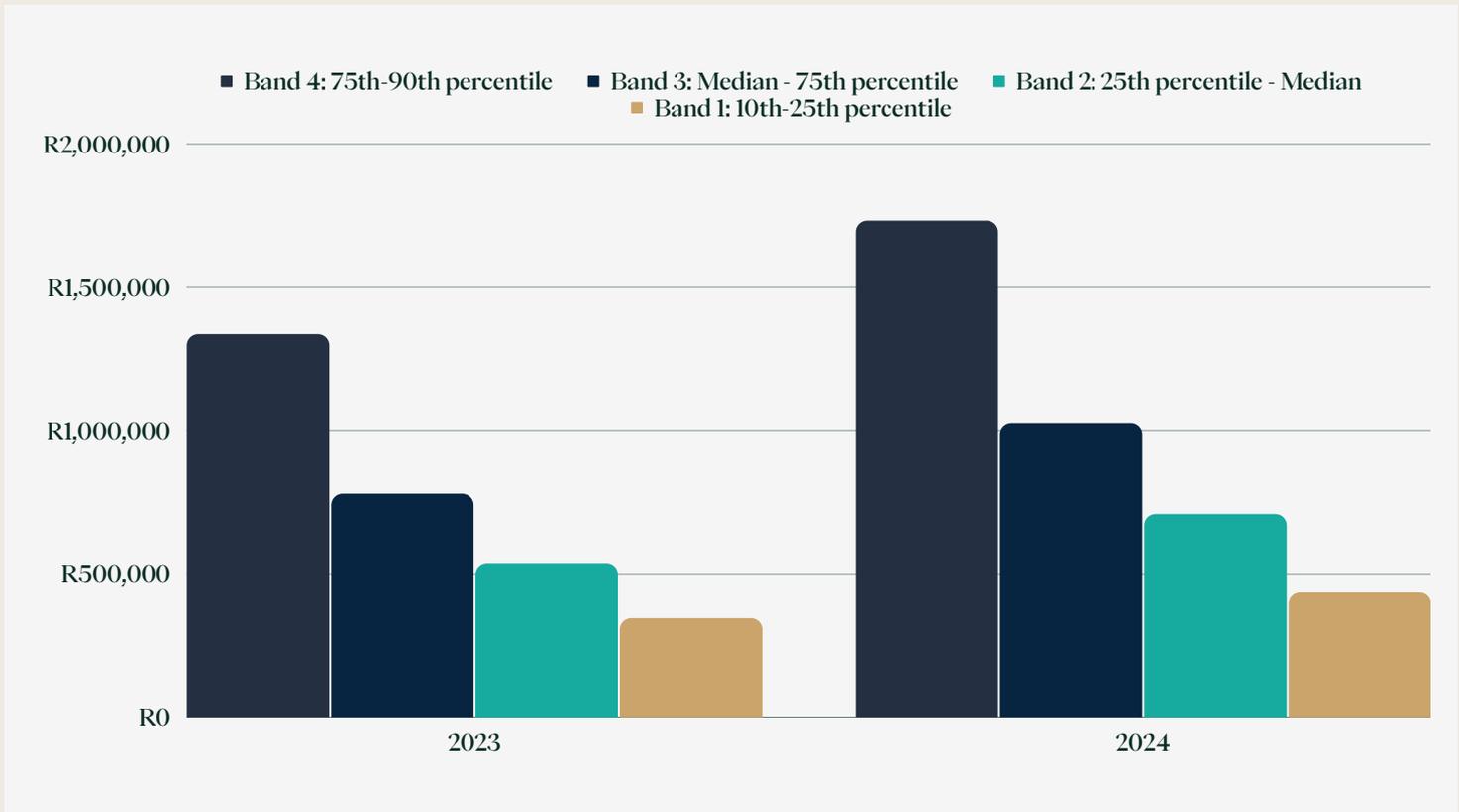
Partner/Senior manager/Client consultant		
	2023	2024
Band 1: 10th-25th percentile	R441 145 - R1 068 000	R557 303 - R1 392 604
Band 2: 25th percentile - Median	R1 068 000 - R1 519 385	R1 392 604 - R1 825 861
Band 3: Median - 75th percentile	R1 519 385 - R3 379 200	R1 825 861 - R4 342 449
Band 4: 75th-90th percentile	R3 379 200 - R4 610 750	R4 342 449 - R6 793 163



REMUNERATION FINDINGS: SENIOR ASSOCIATE



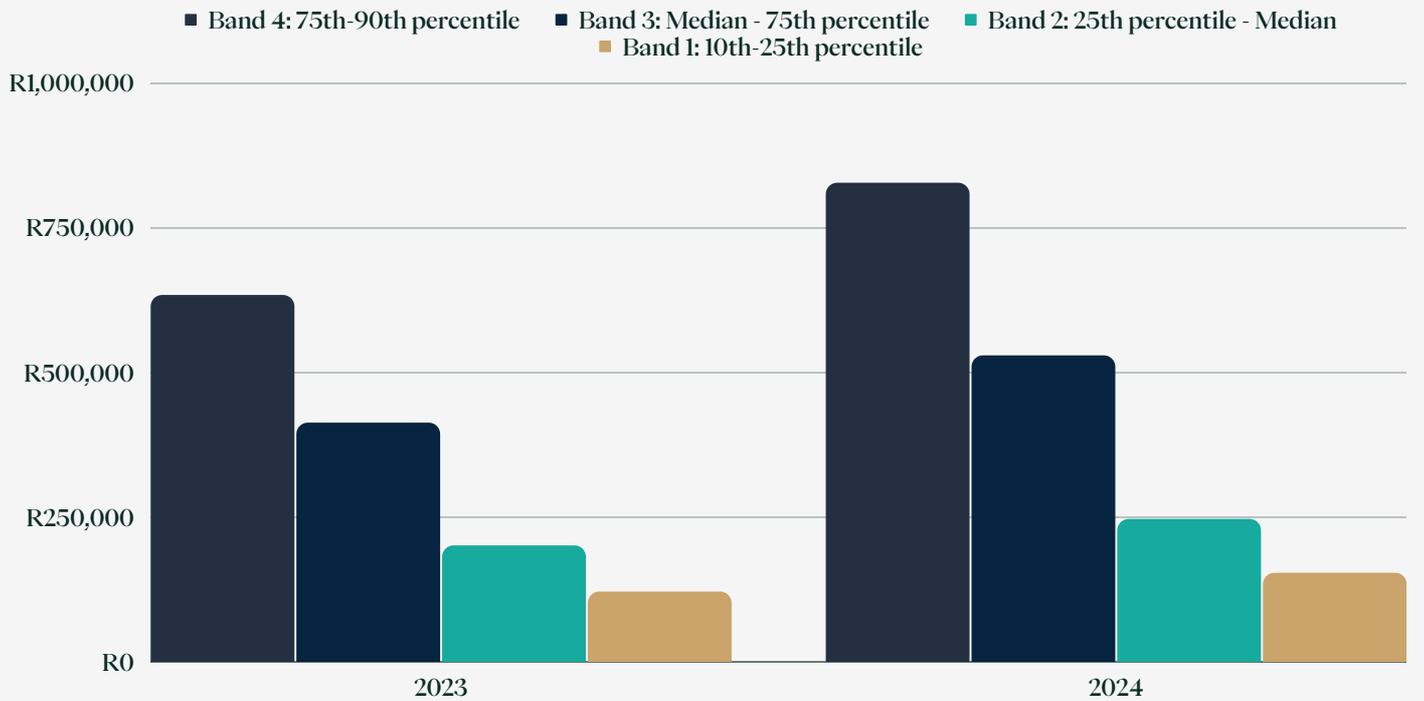
Senior Associate		
	2023	2024
Band 1: 10th-25th percentile	R268 930 - R346 865	R344 665 - R436 041
Band 2: 25th percentile - Median	R346 865 - R534 600	R436 041 - R708 915
Band 3: Median - 75th percentile	R534 600 - R779 240	R708 915 - R1 025 850
Band 4: 75th-90th percentile	R779 240 - R1 336 600	R1 025 850 - R1 731 562



REMUNERATION FINDINGS: JUNIOR ASSOCIATE

Junior Associate

	2023	2024
Band 1: 10th-25th percentile	R52 210 - R121 560	R65 936 - R154 003
Band 2: 25th percentile - Median	R121 560 - R201 190	R154 003 - R246 915
Band 3: Median - 75th percentile	R201 190 - R412 885	R246 915 - R529 060
Band 4: 75th-90th percentile	R412 885 - R633 060	R529 060 - R826 869



CLOSING REMARKS

We are predicting massive changes in the legal talent market in the coming years.

Those that are fed up with traditional law, may leave the law and be drawn overseas, into ALSPs, maybe legal tech if they continue to grow, as there won't be a massive increase in in-house positions available.

It's a desire to change that has led to many leaving law firms and setting up on their own - which now sees SA have 15000+ registered law firms, although only circa 5000 of them are actively working.

For context, the whole of the UK (the 6th largest economy in the world) only has 10,000 registered law firms.

Our prediction regarding the proposed minimum wage for CAs is that it could well lead to a small decrease in the number of CA positions available. We hope we are wrong, but when you take into consideration that there are only 1000 CA positions available each year, and a large portion of them are in SME law firms, which may not be able to afford to raise their costs, it may backfire on what is obviously a well-intentioned proposal.

We have previously thought there would be growth in the distributed law firm model, but this looks increasingly slower than we thought.

AGI and legal tech will reshape the organizational chart of the law firm and the in-house team.

As the fantastic Jordan Furlong recently wrote on his Substack (<https://jordanfurlong.substack.com/>) there is a "rapidly growing mountain of evidence that Generative AI is, or shortly will be, capable of performing many written, analytical and creative tasks now carried out by legal professionals".

He went on to say "Lawyers spend many hours every day performing myriad billable tasks for clients. When Generative AI is applied to these tasks, however, the amount of time and effort required to complete them decreases — first slightly, then significantly. This process is just beginning, and I haven't met anyone who thinks it will stop or reverse. Generative AI will not eat all the hours. There will still be traditional hourly work for lawyers, quite a lot at the start — some work will not be amenable to Gen AI involvement, although other types will be better suited to more familiar technologies like automation. There will also be some lawyer work involved in prompting the AI, assessing its output, fixing its errors, and turning drafts into documents and eventually into client deliverables."

There is no reason or evidence currently to suggest that Jordan is wrong.

What this may lead to is fewer and fewer job opportunities at the junior level.

Jordan also wrote something that is shared by us here at GRM and we believe will play out here in SA.

“Many law firms are prioritizing the acquisition of senior partners with strong client relationships over the drafting and development of junior lawyers. Law firms are cranking up their lateral partner engines while entry-level lawyer hiring is down across all firms. It now takes twice as long for homegrown associates to become partners as it does lateral hires”.

“As Generative AI becomes more capable and more widely used in law firms in the years ahead, it will reduce the number of hours lawyers spend performing many tasks. This will make lawyers more “productive,” in the traditional sense of the term. But that enhanced productivity will hurt law firms’ profitability because it clashes with their time-based pricing, compensation, and valuation systems. Lawyers, especially juniors, will have fewer hours to bill and more hours to fill. Theoretically, you could push more legal work down from partners to associates — but partners like doing that work, they’ve never been better at it, and most importantly, they still get measured and rewarded in part according to their billables, so they’re going to hold on to that work tightly.

If your law firm is fixated on the short term, generating maximum profit right now for senior partners with little concern for the state of the firm in ten years — and there are more firms in that category than we’d like to think — none of this is a big concern. Keep on poaching laterals, keep a few associates and non-equity partners around to handle the partners’ overflow, and drive that car at top speed until the fuel runs out”.

We believe these are just one or two of the handful of changes the law market will see.

Work with GRM to keep yourself ahead of the curve.



GRM

About The GRM Group



Leveraging two decades of on-the-ground experience throughout Africa, Asia and Latin America, no partner has more understanding of the needs of growing law firms, legal teams and across legal careers at all stages of their lifecycle.

The GRM Group guides you on your journey. Every career and business are uniquely different and, as such, each solution is individually tailored to suit you.

From career advice to business consulting, from field market research to HR solutions. From talent acquisition project completion to technology solutions that bring Web 3.0 into your talent arsenal, GRM listens and pivots to make sure your business or career, hits the set objectives.

Giving you individual access to true experts in their craft, our exceptional, multi-award-winning service can give you the confidence you've chosen the right partner.

Contact Rob Green, CEO of The GRM Group at rob@thegrmgroupp.com

