

Options, Options, Options – Examining The Young Lawyer’s Horizon

This article explores the career options available to a young Singapore-qualified lawyer within the local and regional legal industries. It is based on demographics and statistics obtained from lawyer-candidates working with the author’s group of recruitment firms.

The growth of the Singapore and regional economies over the last 12 months has seen a sharp rise in the demand for young Singapore-qualified lawyers (those aged 35 years and less). This is characterized in particular by the following sectors:

- a. legal & compliance regulatory personnel, fueled by substantial growth by local and international banking players
- b. in-house legal counsel, fueled by an influx, and expansion, of private equity and multi-national companies
- c. local private practice, with big and small firms alike hiring aggressively in response to the growth in demand for legal services

It is noteworthy to observe that the following categories continue to attract young lawyers:

- a. Hong Kong private practice. This city remains the most attractive out-bound destination for Singapore lawyers, with many subsequently moving in-house in the same city after a few years
- b. To a much lesser extent, private practice in London, Shanghai and New York, with a rare minority later moving in-house in those cities
- c. Shanghai and Beijing in-house counsel, but primarily as a result of corporate re-location from their companies’ Singapore offices

One sector that has seen increased, but not substantial, growth is the international private practice sector, underscoring the fact that Singapore’s regulated legal system continues to favour the business growth and expansion of local law firms.

The below surveys the main sectors employing Singapore-qualified young lawyers.

Singapore

Job Type	Hiring Trend	Remuneration	Career Path
Local Private Practice	<p>Large law firms absorb the majority of newly qualified lawyers every year.</p> <p>Senior associates able to work independently and with a strong transactions record are constantly sought by medium and large firms, often with a promise of immediate junior partnership.</p>	<p>Salaries for newly qualified start at \$4,000-\$5,000 for the medium and large firms, with annual increments at around \$1,000, and 3-8 months’ annual variable bonus</p> <p>Base salaries for Junior Partners / Associate Directors usually range from 10k to 23k per mth for medium and large firms, with varying profit-sharing schemes, variable-bonus scales and firm equity schemes.</p>	<p>Small and medium sized firms offer Junior Partnership / Associate Director status by 4-5 PQE¹, with large firms at 6-8 PQE.</p> <p>Promotion to partnership may or may not however mean a role change. When it does, some may abhor marketing or business development or teaching or “hand-holding” younger associates.</p>
In House	<p>Generally divided into three categories: government linked companies (GLCs), multi-nationals, banks & financial institutions</p> <p>Where previously corporate experience was a pre-requisite, these days even litigation lawyers with 1-2 yrs PQE are welcomed as in-house counsel.</p>	<p>Salary packages vary considerably among the different types of companies and industries, making consistent comparison difficult.</p> <p>Generally speaking, one could say: multi-nationals pay a higher base with lower bonuses, while GLCs pay a lower base and higher bonuses. Still, exceptions abound.</p> <p>While salaries can be influenced by private practice salaries, the lawyer’s previous drawn salary is also a key factor.</p>	<p>Legal teams in multi-national companies and GLCs are typically staffed with 3 to 6 counsels, including the Head Legal.</p> <p>Legal & Compliance teams are staffed on average with 8 to 15 lawyers in large banks, and 1 to 4 in equity or hedge funds or other smaller financial institutions.</p> <p>Eventual promotion towards Head Legal or even Deputy</p>

		<p>For example: salaries for a 2 PQE lawyer can vary from \$4,000 to \$6,500, while that of a 7 PQE lawyer can vary from \$7,000 to \$15,000.</p> <p>Annual bonus is typically 1-3 for months for multi-nationals and 3-12 for GLCs, dependent on individual and department performance (note: the legal department is regarded as a support – hence cost – centre), the company’s overall domestic and global performance.</p>	<p>Head Legal is not a given. Attrition for senior in-house counsels (> 10 PQE) is generally very low. Lateral moves into a business operational role from the legal department are very rare.</p> <p>Most junior in-house counsels stay on average 2 to 3 years in each company before moving on to explore similar roles in other industries.</p>
International Private Practice	This category most often hire associates able to work independently with 3-8 yrs PQE from strong local practice groups.	<p>Salary packages for associates differ considerably even within each firm, often depending on whether the person is qualified or has practiced in a jurisdiction other than Singapore. In addition, annual variable bonuses are typically nil or minimal.</p> <p>While the base salary may well be higher in comparison with local private practice, overall it can well be less because of the annual variable bonus component.</p>	Most young Singapore lawyers who join usually remain as Associates, with a rare handful in Singapore being promoted to an International Partner status, qualification requiring about 12-16 years PQE.

The Singapore private-sector legal job market is characterized by what is estimated to be:

- a. Local Private Practice: Less than 20 large law firms (30 lawyers or more), 700 small law firms (5 lawyers or less) and 80 medium sized law firms (5-30 lawyers)² employing approximately 3,500 lawyers
- b. In-House:
 - a. approximately 1,300 companies and banks providing employment to an estimated 1,600 to 1,800 Singapore-qualified lawyers of all seniorities. A further estimated 500 to 800 foreign lawyers are also employed by these institutions.
 - b. The number and scale of government linked companies mean that many young lawyers, especially those venturing in-house for the first time, will find themselves employed by GLCs.
- c. International Private Practice: 71 Foreign Law Firms, 6 Joint Law Ventures, 2 Representative Law Offices and 1 Formal Law Alliances³ provide employment to less than 100 Singapore-qualified lawyers

Hong Kong

Job Type	Hiring Trend	Remuneration	Career Path
Private Practice	<p>Young Singapore-qualified lawyers bound for Hong Kong invariably end up at a medium or large sized US, UK or European law firm, usually as a “Foreign Lawyer”.</p> <p>Preference is given to those with at least 3-4 yrs PQE, but some firms have been known to go as low as a first-yearer . Hires are almost always from a large Singapore law firm and practice group. Rarely do these firms hire Singapore-qualified lawyers with more than 9 yrs PQE.</p> <p>Those with strong Mandarin ability are at an advantage, but this is by no means a pre-requisite.</p>	<p>Salaries for 1 yr PQE in medium or large firms start at HKD \$40,000 to \$65,000 with annual increments ranging from HKD \$3,000 to \$8,000.</p> <p>An International Partner in a large law firm earns approximately HKD 140,000 – 300,000 as base salary, with varying profit-sharing or equity schemes over and above that.</p> <p>Lower tax rates and CPF-equivalent contributions and higher costs of living are important considerations.</p>	<p>Most young Singapore-qualified lawyers remain as associates.</p> <p>On average, they stay in private practice between 3-5 years, although a recent trend shows this declining. They may subsequently move in-house in Hong Kong, or return to Singapore often as junior partners.</p> <p>A handful rise to International Partner status, qualification requiring about 10-16 years PQE.</p>

The Future

With the regional economies increasingly adopting a China-centric outlook, well-educated and bilingual young Singapore lawyers are well poised to take advantage of opportunities previously unheard of a generation before.

Indeed, the lure of an equally well-paying in-house counsel role, coupled with better hours, and possibly more exciting transactions within a multi-national corporate framework may seem irresistible. Equally attractive are the bright lights of bigger cities such as Hong Kong, Shanghai and London.

The shortage of young lawyers in private practice, already well-documented and discussed elsewhere, could be a trend arrested, or worsened, by the ratio of Partners (including Directors / Associate Directors) to non-Partners, now observed to be creeping towards or exceeding 1:1 in the medium and large sized firms.

Greater onus now falls on these Partners to effectively and better manage their Associates. Younger lawyers often complain that they do the “grunt” work with minimum guidance, while their supervising Partners enjoy better hours often with justifications such as

- i) an entitlement of their status
- ii) the demands of parenting
- iii) occupational precedent: “I’ve done my time. This is you serving your time now”

Young lawyers simply wish to be “good lawyers” – and this in turn is derived from their being certain that they are doing “good work”. Giving them necessary attention will convey to them a sense of recognition for the value of their work, and in turn they will derive personal satisfaction and garner the requisite confidence to take on increasing responsibilities (and do a better job).

A stronger and more equitable Partner-Associate working relationship will forge a bond – one incorporeal yet vitally important – with the law firm that will go beyond a purely cost and benefit analysis of a lawyer’s career based on remuneration and working hours. Feedback derived from my last article indicates a high degree of cynicism by Partners towards the practicality or necessity of forging such “bonds”, or giving such “necessary attention”. If this attitude does not change, more young lawyers will leave, and options for them are plentiful.

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Notes

- 1 PQE stands for “Post Qualification Experience”, and is here taken to mean the length of time between qualifying for the Singapore Bar to date.
- 2 Statistics taken from the Law Society of Singapore website: www.lawsociety.org.sg/index.shtml
- 3 Statistics taken from the Attorney-General’s Chambers website: www.agc.gov.sg/lps/directory.htm
- 4 The author practised with Rajah & Tann and Jones Day (Singapore) before moving into recruitment, establishing the Recruit Legal Group of companies where he is currently a Director. He wishes to thank Ms. Magdalene Ho and Ms. Claire Lin, respective Principals of the Recruit Legal offices in Hong Kong and Singapore, for their comments on an earlier draft of this article.