
Rewarding Leadership: Salary & bonuses



Chief and Director salary and bonus

Regardless of uncertainty and disruption in the market, one constant remains true: the recruitment of the most senior roles in business services functions can have a transformative effect on a firm.

Increasingly, firms are embracing leadership expertise from diverse industries to drive strategy, operational efficiency, structural reform and commercial growth. Business services professionals operating at C-suite and Director level have powerful voices at board-level and are instrumental in building new teams that have lasting impact.

As such, Totum's executive search offering for Director and Chief level roles continues to grow rapidly. To help firms recruiting for senior roles, we wanted to offer a timely reminder of how salaries and bonuses are awarded at executive level.

We hope this edition (the first edition was released in June 2021) will offer firms a useful insight into compensation practices across all types of firm, steering better decision-making on remuneration in the future.

Compared to other industries, law firms continue to offer particularly competitive salaries at senior levels. So how are remuneration packages at Director and Chief level awarded?

Salaries at Director level

Director level salaries across all professional services functions remain competitive, with average salaries ranging from £165,000-£225,000 across Finance, Operations, Business Development and Marketing, People, Risk and Technology roles. Finance Director positions take home some of the higher salaries, with Technology sitting at the lower end. However, firms are seeing huge growth in senior technology roles so we are expecting this to change. Once a function that sat under a Finance Director, technology is becoming an important function in its own right with more senior hires and commensurate salaries.

Another area on the rise is knowledge management, with a 20% increase in salaries at Director level. This reflects a trend in modernising knowledge management capabilities, as firms move from what was once a library function to one that uses technology such as artificial intelligence to create new legal services products.

Finally, we're also seeing growth in responsible business roles. Although still a relatively new function, firms are increasingly dedicating more resources towards the area, shifting away from generalist roles to those with more specific responsibilities, especially in sustainability and ESG. Consequently, Director salaries here stack up strongly against other functions, as firms hire at a senior level and embed policies before building out teams in the future.

Average Salaries ranging from:

**£165,000
to £225,000**

Salaries at Chief level

As firms continue to adapt to future of work challenges and develop new business strategies, the importance of Chief roles has grown – as have their attendant salaries. Between 2022/23 and 2023/24, median salaries for Chief BD & Marketing roles and Chief People roles have grown by 23% and 22% respectively.

"The Chief People Officer role is now paying significantly more than it used to and in some firms is now topping the Chief Finance Officer role, which we never used to see. This has happened since the pandemic, when the people function was so integral to so many decisions, with the role's importance continuing," says [Deborah Gray, Director at Totum Partners](#).

Chief Technology and Chief Operations salaries haven't grown quite so quickly, but this can be partly attributed to the varied nature of the positions, which are often tailored to the specific needs of a firm. Some COO roles take in all business services functions, working hand-in-hand with the Managing Partner, while others focus on specific functions. Similarly, the Chief Technology Officer role can sit alongside a Chief Information Officer, with a myriad of reporting lines. These different structures can impact salary ranges.

In 2023/24, nearly a third of our leadership hires were at Chief level, with 70% at Director level. From our experience, it is becoming increasingly common for firms to have a mix of Chief and Director roles, with the higher salaries and strategic input going to those at Chief level.

Median Salaries have grown:

**23% for
Chief People Officer**

Bonuses

Business services roles qualify for either a discretionary or contractual bonus in almost all firms, regardless of level. Unsurprisingly, contractual bonuses are more common the higher the level.

"Firms are giving more thought to the bonus element than they ever used to," says Gray.

"There are two reasons for this. One, people who operate at that level want to be accountable for their achievements and now expect a bonus linked to their successes. Two, so many people are now coming into the sector from outside law where they are used to very different – often very large – bonus systems. If the trend towards attracting people from outside the sector continues, firms will have to offer better bonuses," she adds.

It's worth remembering that compensation packages at this level can vary hugely if you take into account basic salaries, bonuses and shadow partner points. Consequently, it is much harder to assess bonus provision at Chief level.

Remuneration at Director and Chief level in the legal and professional services sector remains competitive and robust, with high salaries. However, the growing trend to recruit from outside the sector to fill these roles, means that bonus provision and the make-up of remuneration packages will continue to evolve.

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Salary Increases

Inflation, cost of living challenges and job market competitiveness means it is little surprise that many law firms increased pay for employees in the last round of salary reviews. Across the UK, the average percentage increase for business services salaries was 5.7%, with City firms giving the biggest average increase of 6.7%.



Average business service salaries across the UK increased by 5.7%



Average business service salaries in city firms increased by 6.7%



London salaries are 13% higher than the national average

We expect to see the continued salary growth for Chief and Director level hires in 2024/5, albeit at a slightly slower rate than previously.



For more information, please contact:

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Tim Skipper, Director

tim.skipper@totumpartners.com
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Deborah Gray, Director

deborah.gray@totumpartners.com
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