

## Traditional legal recruitment methods in tight market challenged

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legal recruitment

law firms

Insource

Traditional legal recruitment methods using external agencies with costly placement fees and advertising mean firms are leaking thousands of dollars in unnecessary spend, according to the owner of recruitment technology company Insource.

Jenn Little says firms are so focused on their billable hours that they are entirely unaware of the leak that is happening in terms of recruitment spend.

She says one mid-sized firm recently spent \$65,000 in recruitment agency fees for a single lawyer hire.

"That's a brand new car; I can get a brand new Mini for that. That's the reality of it. You almost wonder what is the point of being so fixed on billables when they're leaking these dollars at the other end."

Little developed Insource as a technology tool aimed at giving law firms direct control of their legal recruitment in-house, reducing the cost of hiring. It involves a fundamental change in viewing the possible pool of talent and proactively approaching lawyers rather than advertising and hoping.

"The talent that is being served up by recruitment agencies is looking for a new role or would consider a move. This talent is often unsatisfied, not being invested in or promoted by their firm - generally there is a reason for this - and firms are not typically producing counteroffers upon resignation," Little says.

"Is this the talent that firms want to hire? This is the talent firms are hiring when applying traditional recruitment methods."

She says in the current economic climate a very small pool of lawyers is actively looking for work.

"Firms we talk to say they struggle to recruit quality lawyers and fill specialist roles via traditional recruitment methods. In fact, the quality of talent that is actively looking for work is so low that we are hearing from specialist search recruiters that they are now backfilling roles they placed 12 months ago that didn't work out because it was not a good fit."

### **Access to all lawyers**

Little says the Insource platform contains the complete pool of lawyers holding a New Zealand or Australian practising certificate as well as all registered New Zealand legal executives. She says law firms and in-house legal teams can use Insource to quickly generate a list of all lawyers or legal executives that match their selected criteria for a live role or future role and build a relationship directly with their future talent well in advance of needing to hire.

"Firms with an Insource subscription have access to hundreds to thousands of connections that are known to their firm or their existing workforce. This is very powerful as it is always better to hire someone you know something about than someone you know nothing about."

She says firm owners must adopt more current recruitment methods embracing tech tools like Insource.

"Building a high-performing firm with talent that aligns to its growth strategy is not just an HR function - it's a leadership imperative. Partners and directors are in the best position to identify the calibre of professionals needed to drive the firm forward. HR supports this mission, but it cannot replace the strategic foresight and accountability of leadership. Insource equips partners and directors with the intelligence to act decisively - identifying top talent before competitors do."

She says the real question may be: Are partners and directors fully awake at the wheel, actively steering the firm's future - or are they leaving HR to navigate alone?

"To build a firm that wins the talent race, partners and directors must be in the wheelhouse early, with HR opening the door to strategic collaboration from the start.

"There are so many hiring needs out there at the moment and there is a global shortage of lawyers. In the last 12 months alone we've seen 70 of our best lawyers here in New Zealand walk offshore and be hired by Australian law firms.

"And we've got recruitment agencies from Australia who are actively hiring people in New Zealand or putting them into New Zealand to recruit lawyers to Australia. Firms need to wake up."

### **Market visibility**



Little says firms which do not have tech such as Insource lack visibility of the market. She says an Australian legal headhunter specialist told her recently that it takes her three years to move a quality lawyer.

"What that means is that if firms are hiring reactively on demand, they are not getting quality talent. They are getting talent that has nowhere to go that is actively looking for their next job. And that is not the talent that is being retained by law firms, that is being promoted.

"Many firms which use traditional recruitment methods are not getting the right talent for their business needs and their culture. They're having to select from the very small pool of talent that is actively looking for a new role.

"We know that quality lawyers are not responding to Seek adverts and LinkedIn. Those are the people who are willing to move to the right role but they need to be approached proactively. They are being looked after, retained and promoted, so they will not be attracted by the traditional means of recruitment."

### **Recruitment concerns remain**

The ALPMA New Zealand 2025 Legal Industry HR Issues and Salary Survey noted that while 71 per cent of the responding firms reported successful recruitment, 59 per cent remained concerned about difficulties in securing skilled staff in 2025. Over one third - 38 per cent - of firms reported recruitment was harder than last year, with sustained pressure on talent acquisition strategies.

A very high 95 per cent of responding firms said retention and talent management was the primary HR challenge, with ongoing competition for skilled legal professionals particularly among 97 per cent of medium-sized firms.

The survey also found that 63 per cent of firms were willing to offer salary increases up to 10 per cent above existing internal packages to secure new talent, but significant pay rises remained uncommon and only 9 per cent of firms were prepared to offer increases up to 20 per cent.

The 2025 survey results present the responses of 151 legal offices across NZ, and provide data for 4271 employees across 60 positions in the industry. Seventy-six per cent of the firms who participated in 2024 also took part in 2025.