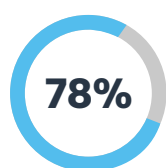


6. INCENTIVISING AND REWARDING PRO BONO

INCENTIVIZING PRO BONO

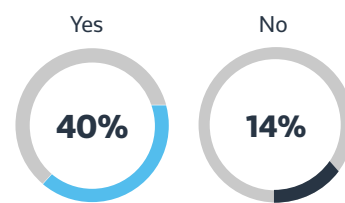
PERCENTAGE OF RESPONDING FIRMS WHO INDICATED THAT THEY FACTOR PRO BONO INTO THE FOLLOWING PROCESSES TO INCENTIVIZE PRO BONO



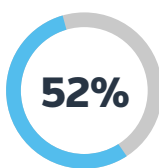
PERFORMANCE APPRAISALS



EFFECT OF INCENTIVES ON PRO BONO HOURS:



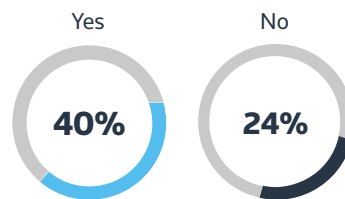
PERCENTAGE WITH 10+ HOURS



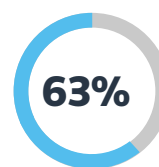
COMPENSATION



EFFECT OF INCENTIVES ON PRO BONO HOURS:



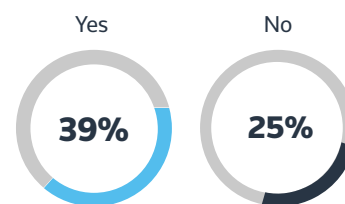
PERCENTAGE WITH 10+ HOURS



FEE-EARNING HOURS OR UTILISATION TARGET



EFFECT OF INCENTIVES ON PRO BONO HOURS:



PERCENTAGE WITH 10+ HOURS

* Q14. *Is participation in pro bono factored into the appraisal/performance review process for lawyers (non-partners)?* (Yes/No answer)

Q15. *Is participation in pro bono factored into compensation for lawyers (non-partners)?* (Yes/No answer)

Q16. *Is participation in pro bono factored into hours or utilization target for lawyers (non-partners)?* (Yes/No answer)

Many firms use incentives to encourage their lawyers to take on pro bono work. These incentives can take the form of compensation, incorporating pro bono engagement into the appraisal process to ensure that lawyers are rewarded for their efforts, or setting mandatory or aspirational targets for pro bono engagement.

APPRAISAL

By taking pro bono matters into account during the performance appraisal process, law firms can help ensure that lawyers devote the same level of diligence and enthusiasm that they do to fee-earning matters. 78 percent of responding firms factor pro bono engagement in performance appraisals, an increase from 69 percent reported in 2020.

There is a strong correlation between the average hours of pro bono work done by lawyers and whether pro bono work was factored into the appraisal process. On average, lawyers at firms that factored in appraisals performed 33.5 hours of pro bono compared to 10 hours on average in firms where it was not considered. The difference in lawyer engagement is even more pronounced, with 40 percent of lawyers at firms where it was factored in performing ten or more hours of pro bono, compared to 14 percent of lawyers working in firms who did not take pro bono into account during appraisals. More than 80 percent of Large and Medium-sized Firms (87 percent and 82 percent respectively) factored pro bono in their appraisal process while 65 percent of Small Firms had a similar arrangement.

COMPENSATION

In the 2022 Index, 52 percent of firms reported that they consider pro bono work in compensation decisions, a leap from the 46 percent reported in the last Index. Attaching a monetary reward to pro bono work can be a point for debate, but our data indicates it is a useful tool in encouraging pro bono engagement in a firm.

In some firms, all pro bono work is 'counted'. In others, only a certain number of pro bono hours are counted or

only counted after a certain number of fee earning hours have been met. Lawyers at firms that take pro bono into account when determining compensation perform an average of 33.9 hours of pro bono compared to 16.9 hours at firms that do not. The impact on lawyers undertaking ten or more hours of pro bono is just as significant, with 40 percent of lawyers working at firms where involvement in pro bono is factored into compensation performed ten or more hours of pro bono compared to 24 percent of lawyers working at firms where it was not factored in.

FEE-EARNING TARGETS

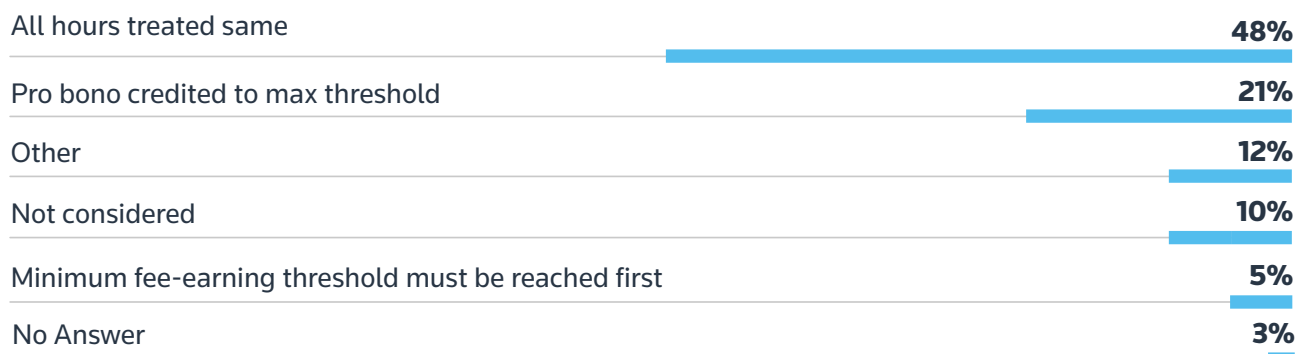
The data shows that 63 percent of responding firms have a fee earning or utilisation target in place which feeds into their performance appraisals and/or compensation. Out of those, 48 percent treat pro bono in the same way as regular fee earning work, including 46 percent of Large Firms, which is a powerful incentive for lawyers to engage, and helps to minimise concerns about being penalised for taking part in pro bono work. Only 10 percent of firms do not consider pro bono hours at all in terms of reaching a fee earning hours target, and among Small Firms, 20 percent do not factor it at all.

TARGETS

We have seen an increase in firms setting pro bono targets. A mandated requirement from a regulatory body or a formal requirement by the firm has an impact on overall hours. Some firms have signed up to voluntary industry initiatives, such as the UK Collaborative Plan, which carries with it a 25-hour requirement. Similarly, the Pro Bono Declaration of the Americas sets forth a commitment of 20 annual pro bono hours per attorney at signatory law firms. In Australia, the Australian Pro Bono Centre, a national pro bono centre of leadership for pro bono legal services, sets a voluntary and aspirational target of 35 hours for lawyers in private practice and 20 hours for in house counsel.

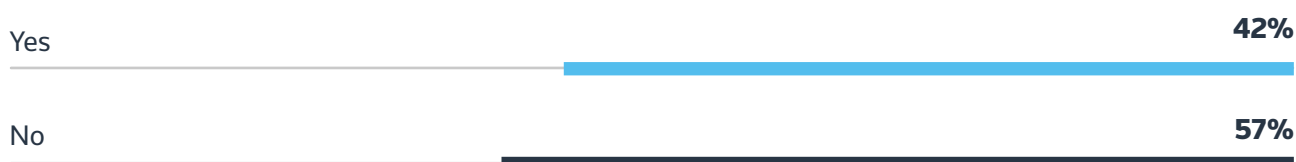
In the 2022 Index, 42 percent of responding firms reported having a pro bono target or requirement in place which either encourages or sets a requirement for lawyers to undertake a minimum amount of pro bono work. It is still

IS PRO BONO FACTORED INTO HOURS OR UTILISATION TARGET?



* Q16(b). *please indicate if pro bono is factored into hours or utilisation target?* (Single select answer- responses limited to firms that answered yes to participation being factored into hours or utilisation target).

DOES YOUR FIRM HAVE A REQUIREMENT THAT YOUR LAWYERS PERFORM A SPECIFIED AMOUNT OF PRO BONO EACH YEAR?



Q17. *Does your firm have a requirement that your lawyers perform a specified amount of pro bono each year?* (Yes/No answer)

relatively uncommon for firms to impose a mandatory target for pro bono (only 7 percent of those with a target for pro bono indicated the target was mandatory). Whether mandatory or not, firms with targets see an average of 44.2 hours of pro bono per lawyer compared to an average of 23 hours in firms that do not.

At firms with targets, 48 percent of lawyers did ten or more hours of pro bono compared to 32 percent in firms where there was none. 51 percent of Large Firms, 49 percent of Medium-sized Firms and 32 percent of Small Firms indicated that their firms had targets. Large Firms seemed to benefit the most from these targets as fee earners from these firms recorded an average of 45 pro bono hours. Fee earners from Small and Medium-sized Firms with targets performed an average of 31.6 hours and 26.8 hours of pro bono respectively.

Most firms with a target have an aspirational target (35 percent), aimed at encouraging lawyers to achieve a minimum level of pro bono engagement, while only 7 percent reported their target being mandatory. Lawyers at firms with a mandatory target performed an average of 69.7 hours of pro bono compared to an average of 41.8 hours performed by lawyers working at firms whose target was aspirational. 85 percent of lawyers working at firms with a mandatory target performed ten or more hours of pro bono, which was double the percentage of their colleagues whose firm's target was mandatory (44 percent).

In March 2020, COVID-19 was declared a global pandemic and it has had, and continues to have, significant implications for the legal and pro bono sectors. In some cases, people working at law firms were furloughed or

OVERALL PRO BONO TARGETS



SMALL FIRMS



MEDIUM-SIZED FIRMS

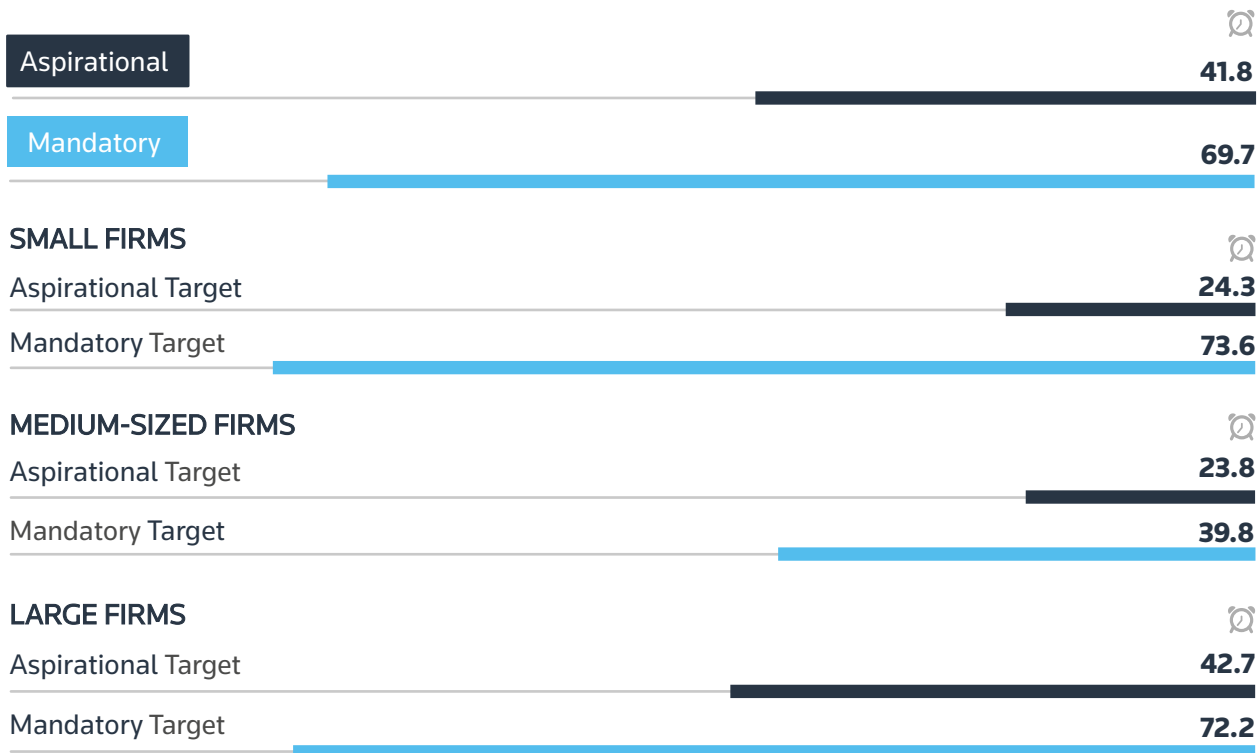


LARGE FIRMS

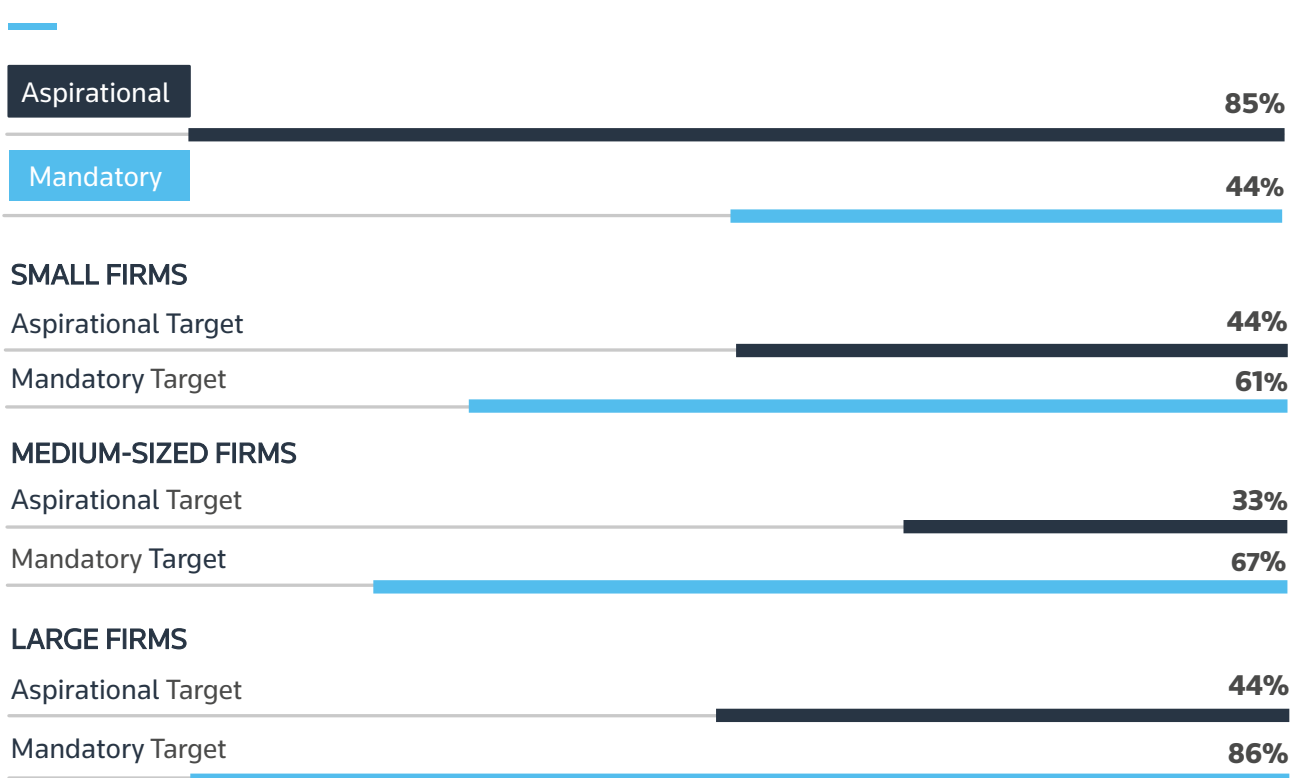


PRO BONO TARGETS AND THE AVERAGE NUMBER OF PRO BONO HOURS

AVERAGE PRO BONO HOURS RECORDED PER LAWYER



PERCENTAGE OF LAWYERS THAT RECORDED 10+ PRO BONO HOURS



* Q17(b). Is the requirement mandatory or aspirational? (Responses limited to firms that answered yes to having a requirement that lawyers perform a specified amount of pro bono)

