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International Women's Day, celebrated annually on 8th March, serves as a global platform to recognise the achievements of women and advocate for gender equality. On the journey to gender equality, the professional services industry has grappled with both a gender promotion gap and pay gap. Understanding why that is the case is very complex and multifaceted. In this article, I discuss some of the possible contributing factors to the promotion and pay gaps in the consulting and legal industries and provide some suggestions for how professionals and organisations collectively can help to bridge these gaps.

Promotion Gap

Statistically nearly half of entry level consultants are women.**(1)** However, there are fewer women at each level thereafter with less than a third of partner-level consultants being women.**(2)** Similarly, within the legal field, women make up half of first- and second-year law associates but only about a quarter of law firm partners and federal judges.**(3)** There are many reasons as to why women are underrepresented in leadership positions at professional services firms, well beyond the explanation that women are tending to familial demands.

In the UK, 74 percent of female employees say their workplace culture makes it more challenging for women to advance their careers than men. **(4)** In theory, promotion decisions should be based on a mix of evaluating past performance and predicting future performance.

However, women are typically promoted based on work they've done as opposed to men who are typically promoted based on what others perceive their potential to be, causing women to be held back from promotions in their early and mid-career.**(5)** This can be attributed to confirmation bias and people's preconceived notions about what makes a good leader, which include qualities typically exhibited in men such as assertiveness, ambition, and confidence.**(6)** According to one study by MIT, the differences in "potential" ratings between men and women accounted for almost half of the gender promotion gap within the organisations being studied.**(7)**

A lack of networking and connection within the firm can also be a contributing factor. A recent Harvard study found that men who report to other men are promoted faster than any other group.**(1)** Networks also play a crucial role in career advancement, influencing access to opportunities, mentorship, and visibility within the organisation.

As women are passed over for promotion, they are further left behind. And if fewer women are at the top, it becomes even more challenging to break the cycle of male-dominated leadership structures. Having fewer role models for women to look up to makes it difficult to see a path to becoming a partner at their firms.



1<https://www.mca.org.uk/press-releases/mca-launches-new-women-in-consulting-group-to-help-promote-more-females-joining-the-sector-and-greater-career-progression>

2<https://www.mca.org.uk/press-releases/mca-launches-new-women-in-consulting-group-to-help-promote-more-females-joining-the-sector-and-greater-career-progression>

3 EU: [https://www.europarl.europa.eu/RegData/etudes/STUD/2017/596804/IPOL_STU\(2017\)596804_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2017/596804/IPOL_STU(2017)596804_EN.pdf);

US: https://www.law.berkeley.edu/wp-content/uploads/2019/10/GenderParity_Recommendations-for-Law-Firms.pdf

4<https://www.murrayedwards.cam.ac.uk/sites/default/files/files/CWM%20Gender%20Bias%20REPORT%20FINAL%2020190211.pdf>

5 Vanek Smith, S. (2020). *Machiavelli for Women*. Hachette Books.

6<https://www.forbes.com/sites/lindsaykohler/2023/05/25/why-women-are-being-left-out-of-the-promotion-conversation/?sh=3b5130394fce>

7<https://mitsloan.mit.edu/ideas-made-to-matter/women-are-less-likely-men-to-be-promoted-heres-one-reason-why>

Pay Gap

In the EU and UK, female consultants in entry level positions earn 5 to 14 percent less than their male counterparts. This percentage increases significantly to 23 to 39 percent less for female consultants in management positions. **(9)**

The underrepresentation of women in leadership positions can contribute to pay disparities as leadership roles often come with higher compensation. Although people often attribute the gender pay gap to the fact that women simply don't ask for more money, the cases are nuanced and vary from person to person. If failing to ask for a higher compensation package is a driver, the organisation can step in to ensure equitable pay and bonuses across the firm based on market rates and performance instead of who makes the loudest demands.

A lack of transparency into pay structures can further perpetuate the gap, as many women may be unaware that they are being underpaid. Even if total compensation is equal between genders, if women are billing more hours or making a greater contribution to non-billable corporate initiatives, the pay disparity may be a matter of math versus paycheck.



Bridging the Gaps

The gender promotion and pay gaps are closely related with many contributing factors. So how can we help bridge these gaps?

At the individual level: **(10)**

- Define your career destination and pinpoint the gaps between your current position and your aspirations. Devise a strategic plan to tackle potential obstacles and set achievable goals.
- Silence the imposter syndrome by embracing every opportunity, regardless of your perceived qualifications.
- Actively seek feedback and embrace it wholeheartedly, using it to craft actionable plans for improvement.
- Expand your network both within and beyond your organisation to enhance your visibility and increase your chances of advancement and recognition.
- Cultivate mentors from both inside and outside your company to leverage their experiences and insights in navigating your professional journey.
- Advocate for yourself, whether it's a promotion, better compensation, or flexible arrangements. Remember, a "No" today doesn't mean a permanent rejection.



At the organisational level:

- Promote diversity and inclusion and actively work to eliminate unconscious biases in hiring, promotions, and salary decisions. Beware of AI supporting these decisions as going off historic data may embed organisational bias. **(11)**

(8) <https://www.hbs.edu/faculty/Pages/item.aspx?num=57091>

(9) <https://www.venconresearch.com/insight/gender-based-pay-in-western-europes-consulting-industry>

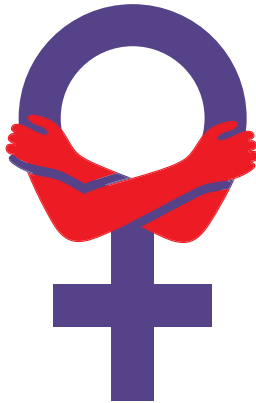
(10) Vanek Smith, S. (2020). *Machiavelli for Women*. Hachette Books.

(11) Miasato A, Silva FR (2019) Artificial intelligence as an instrument of discrimination in workforce recruitment. *Acta Univ Sapientiae: Legal Stud* 8(2):191–212.

- Define how to measure “potential” when evaluating employees.
- Establish leadership development programs specifically tailored for women focused on skill enhancement, mentorship, and providing exposure to leadership roles.
- Promote gender-neutral social activities at times that are convenient for everyone to level the opportunities for internal networking.
- Implement fair and transparent pay structures through regular pay audits, salary transparency, and equitable compensation practices.



#IWD2024



#InspireInclusion

In the professional services industry, concerted efforts are needed to dismantle barriers and adequately value women in their careers. Individually, women can take ownership over their progress by asking for what they want and seeking out opportunities. Organisationally, firms can implement diversity initiatives around promotion and salary decisions, leadership development, and mentorship programs. As we celebrate International Women's Day, let us collectively strive to create workplaces where women can achieve their full potential and value.

