

How Political Dynamics Undermine Gender Balance in Law Firm Leadership
and What Your Firm Must Do About It

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You want your law firm to be the best, and that requires the finest legal talent. Many of the most talented lawyers are women, and you hire lots of them – sometimes more than half of all your associates. But as time goes on, those women associates seem to leave the firm in a steady stream. Few are still at the firm when it comes time for partnership, and fewer still are engaged in leadership roles once they become partners. What's going on?

Your firm has tried to change this situation but the outcomes of your efforts have been disappointing. Perhaps you offer some business development training for the firm's women and your women's initiative sponsors networking programs with current and potential women clients. No doubt your firm has tried to help women associates who have children by adopting a maternity leave and part-time work policy. But despite these efforts, too few women become rainmakers and too many of them decide not to return to the firm after having babies. What more can they expect you to do?

The efforts that firms have made to date are a good start toward enabling women to stay in practice and move ahead professionally. But these efforts will not have the desired effect of promoting women's advancement into partnership, rainmaking and leadership because they address the issues on a superficial level. They do not tackle the deeper institutional obstacles that thwart women's progress. Firms that are truly committed to the retention and advancement of women will have to make more fundamental reforms. Creating a gender balanced workplace, where women and men advance side by side, will require deep-seated changes. The needed changes are not for women alone, and will ultimately benefit the firm and all of its lawyers. But until they are instituted, law firms will continue to suffer the costly and shameful loss of women lawyers before they reach their full potential.

One of the most critical areas that must be changed is the way decisions are made about leadership, clients and money. In most law firms, these critical decision-making processes are based on politics rather than merit. As a result, they perpetuate gender bias, male dominance and entrenched impediments to women's advancement. In most cases these inequitable outcomes are unintentional, but that does not excuse them. They create barriers that undermine women's confidence and ambition; prevent women from getting profitable work, business, and promotions; and keep women undervalued, under-compensated, and under-

utilized as leaders. No wonder high-performing women leave. Under these conditions, why would they stay?

Politics and the myth of the meritocracy

Most law firms consider themselves meritocracies. They believe that any lawyer with talent, ability and ambition can rise to the top. They also believe that if a lawyer does not succeed in the firm, it must be because the lawyer is inadequate or deficient in some way. So even though firms hire supremely smart, talented and ambitious women, they take comfort in believing that women who leave must not be good enough to make it. In other words, the fault lies in the women.

Law firm meritocracy is a myth. Law firms are highly political organizations, and lawyers advance in them through power and influence, not because of their legal skills or leadership abilities. To become a law firm leader requires being well-connected to influential partners, having access to powerful networks, and having champions who sponsor you, get you appointed to important positions and committees, and send you business and clients.

This highly politicized environment places women at a serious disadvantage. Processes based on objective criteria that might identify leadership potential in women and compensate them for superior skills and talents are instead based on personal and political factors and subject to bias and favoritism. This means that women, who are excluded from powerful networks and lack powerful champions, are poorly positioned to be acknowledged, selected, or rewarded. Lawyers who are “in the know” and privy to inside information through their connections to influential leaders – and who tend to be men - have an unfair advantage over those who may be equally talented and productive but less well-connected – and who tend to be women. Without established management systems that are fairly and consistently used to advance and reward the most qualified lawyers, men will continue to select people like them – which means they will mostly choose other men.

Most women buy into the myth of law firm meritocracy. They believe that the firm’s explicit rules are what count and that those rules apply equally to everyone. They believe that if they do their work, become excellent lawyers, and have good client relationships, their achievements will be noticed and their careers will progress steadily. In their early years in practice, this belief serves women well and they progress steadily. But they start to come up against unexpected barriers as they move closer to partnership and leadership. They do not know about the unwritten rules or the manipulated processes because the people involved in them are predominantly men who do not bring women along. Women do not have access to the “shadow” systems and networks where political maneuvering occurs and the real rules are made. They do not realize that many partners constantly negotiate for favors, privileges, and special treatment.

Women's exclusion from these systems and networks also deny high-potential women access to business opportunities and deprive them of strong mentors. This requires women to push harder than men to move ahead, and then subjects women to criticism and ostracism when they do it because such ambition is "unfeminine." When women realize that decisions about business generation, compensation, promotion and leadership are made through back-room deals rather than in an open, systematic process, breaking into the existing power structure becomes so challenging and unfair that most women would rather leave for more hospitable workplaces that appreciate their talents and allow them to flourish.

Undoubtedly, women need to become more politically savvy. They need to understand which rules matter, which are merely suggestions, and which are not even expressed, and learn how to make all those rules work for them. They have to learn to ask for credit, positions and favors they want and deflect any criticism that results. They need to stand up and advocate on their own behalf as forcefully as they do for their clients.

This may sound obvious and easy, but it isn't. Because of the pervasive gender bias in law firms, women face double binds that hinder their efforts to do it. A double bind is a situation where you can't win no matter what you do; you are "damned if you do, doomed if you don't." For example, in people's minds, the defining qualities of women leaders are "taking care" behaviors and the defining qualities of male leaders are "taking charge" behaviors. "Taking care" involves being friendly, sensitive and compassionate, and having strong interpersonal skills. "Taking charge" characteristics include being ambitious, assertive, competitive and action-oriented. These "taking charge" traits also happen to be the characteristics typically associated with leadership. So men are perceived as "natural" leaders but women who demonstrate the same "taking charge" behaviors are not because it contradicts people's expectations of how women should behave. Instead, those women are judged as harsh, aggressive, and uncaring.

This is especially problematic when women negotiate for better positions or more money. It is well known that women fail to negotiate for themselves as often or as effectively as they could. In part this is because women have a lesser sense of entitlement than men do to positions and rewards of leadership. While men have a tendency to boast and claim credit, women tend toward self-effacement rather than self-promotion. But it is also because women pay a heavier price than men when they ask for more. Considerable research shows that women who try to negotiate for more money are penalized when they do. One recent study of 700 women partners in US law firms found that 55% of them reported they were occasionally or frequently denied their fair share of origination credit, two-thirds were uncomfortable with appealing their compensation decisions, and 30% were subjected to intimidation, threats and bullying when they did express disagreement. In those circumstances, women's reluctance to stick their necks out is a reasonable response to a potentially harmful situation. As a result of these social risks, women do not negotiate

aggressively for better advantage or engage in the self-promoting behaviors that are critical for advancement in law firm partnerships.

Lack of objective management systems reinforces inequity for women associates and partners

Being political is not in itself a bad thing; in fact, it is necessary in a law firm where all partners are owners of the business and few people have the power to act alone. Politics is a natural and inescapable part of every firm. The problem comes when some people are clued in and tied in to the political processes while others are kept out. To be successful in a law firm, lawyers need to understand the political dynamics of the firm and be able to navigate through them. They need to understand what competing interests exist within the partnership, recognize who the power brokers are, build alliances with them, recruit potential supporters and neutralize opponents. But most women are systematically excluded from the very processes and opportunities that would teach them how to become politically adept.

The best way to ensure that women are assessed, promoted and rewarded fairly is to have systems that curb the hidden biases, preferential treatment and manipulation inherent in law firm politics. Yet few law firms have established, objective systems for allocating client opportunities, selecting leaders, or deciding compensation. While some firms set out written procedures and criteria for these functions, these rules are often and easily manipulated or ignored by partners who pursue their own interests. Deals are cut, favors are traded, and power is asserted. Because lawyers are constantly negotiating for what they see as the privileges that come with their status as partners and rainmakers, some lawyers play by a separate set of rules or feel entitled to be treated differently no matter what the rules say.

These issues persist for women both as associates and as partners. For associates, the quality of work assignments is the most important variable affecting their chances for advancement. But most firms do not have formal systems for assigning and monitoring work. Men usually control the majority of business and therefore, work assignments. If they are more comfortable working with other men, or if they harbor doubts about women, they give the best assignments to male associates, and women receive less challenging work, less mentoring and less support. Without a system in place to monitor associates' work experience, many women have less client contact, less visibility in the firm, and fewer opportunities to prove how good they are. In addition to denying women many of the work experiences they need in order to learn and advance, this prevents women from establishing reputations for leadership and excellence.

Similarly, performance evaluations may deprive women associates of meaningful feedback and reinforce gender bias. Fair and objective performance evaluations can be an effective way to fight bias and stereotypes that hurt women, but when standards are not explicit and not based on objective, observable, and measurable criteria, they may be applied unfairly. Yet few law firms spell out the performance standards necessary for advancement and fewer still make lawyers aware of hidden bias and the damage it

can do. Consequently, evaluation systems that appear to be objective may harbor subtle biases that result in women receiving lower scores than their on-the-job performance would justify. For instance, after the birth or adoption of children, male lawyers are presumed to be more stable, conscientious and focused on their career, while women are assumed to be less dependable, more distracted and less committed, even if they return to work immediately and full time. As a result, partners may judge women more harshly than men for the same performance. When women get lower performance ratings, they receive lower quality work assignments, less client contact, and less mentoring. The cumulative effect of small amounts of gender bias can over time create significant disadvantages for women. This translates into lower compensation and curtailed progress toward partnership.

At the partner level, women face gender-based barriers in many ways related to client development, leadership selection, and compensation. In the absence of established processes and objective criteria, men are favored at the expense of women in all of these areas.

Clients old and new: Internal referrals and new business generation

Many law firms encourage and support women's efforts to bring in new clients, but in most corporate law firms, 80% of new legal work comes from existing clients. Firms should therefore be focusing greater attention on ensuring that women are considered for internal referrals. Women partners are frequently deprived of client work and relationships that arise within the firm. Through informal networks, political maneuvering and favoritism, most of those internal referrals go to men.

Two important sources of client work materialize within a firm: when rainmakers have new business to distribute internally and when partners retire and must find lawyers to take over responsibility for their clients. In either event, partners pass along or hand off client work and relationships to other lawyers in the firm. Typically, male rainmakers assume that "since the client likes me, the best partner to handle the work or take over my client is someone like me." This kind of thinking is often subconscious; they may know women partners who would be excellent candidates but they do not automatically think of them, so women are left out of the running and men get the business. This keeps women from receiving or inheriting significant client relationships from other partners.

Women are also frequently left out of client pitches and other external business development activities. Women who have pre-existing relationships with a client or are leading experts in the field being discussed in a client presentation are often overlooked or excluded from pertinent business promotions and client activities. Sometimes this happens because of unconscious gender bias or because men are simply more comfortable being with other men. Other times, however, it is deliberate. Men who feel their advantaged status is threatened by the rising number of women partners take steps to protect their status and power by blocking access to clients and business opportunities – and keeping women from them.

This type of behavior is in no way limited to male partners. Some women partners also hoard their clients and business opportunities and keep other women out. But since less than 1% of top rainmakers in AmLaw 200 law firms are women, and almost half of those firms (46%) have no women among their top 10 rainmakers, it is safe to say that men control almost all of the business in law firms. Accordingly, it is men who ought to conscientiously include women in the business opportunities they have.

Leadership selection

Law firms have numerous leadership roles at various levels of the organization. Depending on the size and structure of the firm, those positions include law firm chairs, firmwide and office managing partners, practice group leaders, and department heads, as well as members and chairs of important committees. When it comes to selecting leaders for those positions, most law firms do little formal planning to identify and groom the people best qualified for them. Because women are not automatically perceived as leaders the way men are, nor are they as well connected in the firm power structure, this hurts women's chances to become leaders.

Formal succession planning using objective selection criteria has been shown to reduce favoritism and promote equal advancement opportunities for women. When the firm develops leadership competencies and needs, and uses them to guide the process of identifying the lawyers who are qualified to fill those needs, women who might otherwise go unnoticed are likely to be included in the list of candidates. Decision-making partners who are given specific characteristics to look for, and a directive to consider all partners in their search, necessarily take notice of a wider pool of candidates. Women who know the specific criteria for a leadership position can demonstrate their full range of talent, skills and interests, and those who are motivated to become leaders can more readily step forward to be recognized.

Unfortunately, in most law firms the process of selecting leaders is political and lacks objectivity, transparency or public scrutiny. Leadership roles go to people for reasons unrelated to whether they are qualified for the job: the biggest rainmaker demands the position; the firm wants to appease a difficult partner by appointing his protégé to the position; or the position is given to the lawyer who will offend the fewest partners. Partners lobby the appointing person or committee on behalf of themselves or their supporters, favors are traded and political debts are called in. Even elections, when they are held, are seldom contested and the voting is merely a formality. Partners select candidates by operating behind the scenes; they walk the halls, seek input from other partners, and present a slate to the partnership for election only after a consensus has been reached.

Some partners view this behind-the-scene politicking as a good thing because it avoids open bickering that might threaten firm harmony. But without objective criteria and vetting for well qualified leaders, this

process can reinforce biased assumptions about who makes a good leader. Most of the partners who are selecting candidates, especially if they are senior partners, may not know many qualified but more junior women, especially in a large firm or practice group. Their networks are predominantly male, as are their protégés. They may hold stereotypical notions about women that automatically leave women out of the pool of potential leaders or relegate women to less powerful positions. They may believe, for example, that women are better suited for “soft” assignments dealing with “people” matters rather than for the business and financial issues dealt with by the management or finance committees. Too often, assumptions like these cause decision-makers to overlook women for important leadership positions.

What’s more, this process discourages new faces from appearing in leadership because in many firms it is considered “bad form” to actively campaign for a significant leadership position or even to announce that you are interested in it. Partners tend to be suspicious of a lawyer who openly wants to be a leader. In firms where elections are contested, some women who want the job choose not to run. They are loath to put themselves in a position where they might lose and be stigmatized for their failure. They fear that losing an election will confirm the stereotype that women are not as well suited for leadership as men.

Compensation

Partner compensation systems are very complicated and they are prey to bias and political influence. What firms say deserves merit is often at odds with what actually gets rewarded. Aside from the cultural preferences and peculiarities of each firm, making decisions about partner compensation is affected by economic and political considerations, including who calls the shots. Those who decide have to weigh and balance many competing factors, not the least of which is a finite sum that has to be divided among partners competing with each other to get the biggest share they can. Few firms articulate competencies or establish procedures for quantifying and impartially measuring the qualities and behaviors that should be rewarded, i.e., those that promote the firm’s values, business objectives and strategic goals. Without clearly defined criteria, individual partners do not know what it takes to rise to a higher level of compensation, nor can the firm ensure that the considerations for each partner’s compensation are fair and impartial.

The reality is that most law firm compensation systems can be – and most are - manipulated. Partners trade, share or re-distribute points or credit to maximize their own interests, to benefit another lawyer they favor or depend on, to keep important lawyers from leaving - or to encourage them to leave. Some firms use formulas based on specified metrics, which makes them more objective. But even formula-based systems usually include some wiggle room for factors like firm citizenship or contributions to management.

Firms compensate most highly the people they want to keep and they most want to keep the lawyers whose productivity and profitability are of greatest economic benefit to the firm. Rainmaking ranks highest, even

though some partners display other forms of merit that are less apparent but may have a more long-lasting impact on productivity and profitability, such as the ability to mentor, engage and develop outstanding lawyers who become future firm leaders. Firms usually claim that they align partner compensation criteria with the firm's core values and strategic objectives. When those criteria, values and objectives are in fact aligned, a firm might reward lawyers for developing talent or for referring business internally to their partners, which increases the work and revenues for everyone. But there is frequently a wide chasm between what gets praised and what gets compensated. Some firms' actions in awarding compensation blatantly contradict their stated values and goals. They will violate their own rules to generously reward an obnoxious rainmaker who hoards clients and drives away associates because they are afraid of losing him and the revenue sources he controls.

The dissonance between what firms say they value and what they actually reward usually has a negative impact on women. Law firms want to encourage behavior they believe will promote their financial security and success: business origination and billings. These are obvious and quantifiable activities, which makes them easy to measure and reward. However, firms do not accord the same value, respect or rewards to other activities essential to firm success, such as committee work, personnel matters, increasing diversity, and developing and retaining legal talent. It happens that these are areas firms encourage women to undertake and at which many women excel. However, these activities do not translate easily into dollars so their value is not as easily measured and in most law firms, their importance is underrated. Consequently, women who spend a lot of time in such activities take a hit financially for being good at them because their contributions are not as highly rewarded as, say, billing hours.

In any compensation system, partners must believe that the process and outcome are fair to them. But systems based on politics rather than merit often lead to disparate and unfair results. Not everyone is motivated by money, but they will be de-motivated, demoralized or angry if they believe the system treats them unfairly or they are being underpaid compared to their peers. In systems that consider factors other than purely numerical data like hours and revenues, the non-objective elements are subject to interpretation and political maneuvering, and powerful partners are able to influence decisions regarding their protégés or favorite lawyers. Take two outstanding lawyers with the same performance record and client base. The partner who champions them before the compensation committee may be the decisive factor in one receiving a bonus of \$5,000 and the other getting \$50,000.

This places women at a disadvantage because women have far fewer mentors and champions in the power structure than men do. Men belong to informal law firm networks that are populated and controlled by men, and which are the source of those mentoring relationships. They go out for lunch together, play golf or poker together, and belong to the same clubs. While some men deliberately exclude women, most of the time they simply give no thought to the absence of women or are more comfortable in these settings with

other men. Male partners fit in naturally; they are “one of the guys.” In addition to the strong bonds that form within a powerful group of men, many men are uncomfortable having to watch what they say and do when women are nearby. Moreover, men’s gender does not call their qualifications into question, as it does for women. Because men are presumed more likely than women to succeed as rainmakers and leaders, the men who are in these networks and who control the firm tend to channel career development opportunities and support to other men – thereby facilitating male success and creating self-fulfilling prophecies that validate their thinking and perpetuate male dominance. It is also through access to these networks that lawyers learn about the unwritten rules that govern compensation. Because women are not included, they are cut off from sources of learning as well as support.

Repairing the political processes that prevent women from advancing

It is unrealistic to try to eliminate politics from law firm life. Partners in law firms share many common interests, but sometimes individual or group interests diverge. When that occurs, politics is a means to reconcile differences through consultation and negotiation. It is integral to resolving tensions, overcoming resistance and enabling the firm to operate smoothly even when there is disagreement within the partnership.

Instead, firms should strive to eliminate the “hidden” political processes that allow gender bias to flourish and keep women out of the law firm power structure. This can be done by creating better decision-making processes. Processes that impact lawyers’ leadership advancement, client opportunities and compensation should be systematized, and the systems should have clear, written and objective criteria, operate transparently, and be applied consistently.

There should also be checks on those systems so that any lingering effects of gender bias are minimized. Systems should be monitored to ensure fairness in execution and to hold the firm accountable for results. The more transparency and consistency there are in a system, the better able women are to understand how the system works and what they need to do to succeed. When women know who makes the decisions and on what bases they decide, they can adjust their practice and career strategies and gauge their performance and progress. For the firm as a whole, this results in greater trust and longer-term commitment because people believe they are being treated fairly and have equal opportunities to achieve their practice and leadership potential.

Firms can take many steps that will even out the playing field by opening up decision-making processes to daylight and promoting more evenhanded treatment of women. Through objective systems, they can hold themselves accountable for the decisions that impact women’s advancement and compensation. In so doing, they will create more equitable systems that benefit everyone in the firm, including men who might not be as politically adept as their male peers.

Here are suggestions for increasing fairness and reducing politics in four key areas: business generation and internal referrals, client transition, leadership succession, and compensation.

Business generation and internal referrals

More and more, companies are selecting outside counsel through a request for proposal (RFP) process that includes interviewing candidate firms at “pitch meetings.” Many RFPs state that the diversity of a law firm’s team will be a factor the company will consider in making its choice of firm. Many corporations are also making a law firm’s progress on diversity, including gender diversity, a significant factor in deciding whether to continue working with the firm. What’s more, many of these decisions are being made by women corporate counsel. Almost 20% of Fortune 500 General Counsel are women, women comprise 40% of in-house lawyers, and women-owned companies account for 40% of all privately-held firms in the US. So the number of women making the decisions to hire outside counsel is growing. Not all of these women insist on giving their business to other women, but they may distrust a firm where there are no prominent women for them to consider.

It has become a business imperative to have women represented on teams seeking corporate clients. Increasingly, law firms are losing potential business (and in some instances, current business) because they either ignore client demands for diversity or because they do not have enough women and minority lawyers to field a diverse team. The number of minority lawyers in law firms is small, but that is not the case with women. Most firms today start out with associate classes that are half women or even more, and women constitute one-third of all law firm lawyers. The numbers are there. They could be even greater if lawyers made an effort to include women, not just in formal pitch meetings, but also in client presentations and informal business development activities.

Firms should track which lawyers are chosen to go on client pitches, who works on matters that result from those pitches, and who receives credit for the work. They should institute monitoring processes to ensure that women are at least considered whenever lawyers undertake a business development activity. Partners should be required to justify the composition of each team that does not include women. There may be a legitimate reason why a pitch team would have no women. If, for example, there are no women lawyers with expertise in relevant areas, a team should not include a woman just for show. But for RFPs and client presentations that involve more than a single lawyer, the firm should make it very clear that partners are expected to look for and consider women who could be suitable participants. One or more people in each practice group or other division of the firm should be tasked with monitoring all RFPs, pitch teams and other key client opportunities to ensure that women are included and to watch for and correct patterns of repeated exclusion of women.

A similar monitoring process should apply to partners' internal referrals of client work and opportunities to other partners. Partners should be expected to make such referrals to women as well as men, and those who fail to do so should be required to justify their decisions. Firms can also institute systems for rotating new work and opportunities among partners, and they can enlist their marketing departments to increase the visibility of women internally, so that male partners know more about the activities, expertise and accomplishments of women in the firm.

In socially oriented business development activities, and for all events for which partners seek funding or reimbursement from the firm, there is rarely an excuse for failing to invite women to the event. If a group of men wants to hold a golf tournament and women do not want to participate, the men should be able to do it so long as women are given equal funding for business development events they find more appealing. Women's initiatives frequently sponsor women-oriented client events, and considering the great disparity in business and power held by men in the firm, such programs are justified in order to help women catch up by building networks and business relationships. Nonetheless, women's initiatives can build bridges across gender by including male partners and clients in some of their programs. More importantly, the firm should promote and sponsor business development efforts that men and women, both clients and lawyers, would enjoy together.

Client transition

Given the large number of aging baby boomers in law firm partnerships, firms can expect to see a large number of retirements in the next few years. This will create many opportunities for younger partners to take over client relationships from those who retire. Without a client transition process in place, few women partners will be selected and groomed for client leadership. Instituting a formal process ensures that every partner expecting to retire has a plan in place for a smooth transition of their clients to "next generation" partners. It also ensures that all partners who are qualified to take responsibility for a client are considered for that role and prepared to assume it.

A formal client transition process begins by analyzing the client relationship and the client's current and future legal needs. Once the client's needs are determined, the retiring partner and others in firm management can identify suitable candidates to take over responsibility for the client. The criteria for succession to client leadership should be objectively stated and numerous factors should be considered, e.g., areas of legal expertise, scope of legal experience, and familiarity with the client and the client's business. The client will of course have the final say as to who their new relationship partner will be, but the transition process can identify and prepare the likely successor. This kind of formal planning process has been shown to be effective in helping women acquire significant client responsibility by reducing the degree of unconscious bias about women's performance and leadership that prevents women from being considered.

Leadership succession

Firms should have a process in place for identifying, selecting and preparing the best possible leaders.

One way to do this is through a succession planning process which sets out the firm's leadership needs, competencies and selection criteria, and uses them to find and groom the best qualified people.

Succession planning can help a firm recruit and prepare the next generation so that when a current leader retires, steps down, or leaves (especially if the withdrawal is unexpected), there is a smooth and seamless transition to new leadership. More important to the issue of gender balance, a process based on ability and readiness rather than politics will lead to more women being selected as leaders.

Formal succession plans identify current and future leadership needs, state criteria for eligibility, and assess qualified lawyers' ability to address those leadership needs. Succession planning involves:

- Describing leadership positions, roles and responsibilities,
- Articulating the core competencies necessary for leadership,
- Identifying lawyers who
 - Possess these competencies,
 - Have demonstrated some leadership attributes in their past performance, and
 - Are motivated to lead, and
- Providing the training, mentoring, coaching, and experience needed to turn them into top-notch law firm leaders.

In determining competencies and designing selection criteria, it is important to look to the future, not the past. Law firms need new types of leaders to handle the transformative changes now taking place in the legal industry. Many qualities of effective leadership will endure regardless of these changes. Leaders will always need to demonstrate integrity, build trust, communicate vision, develop talent, and focus on results. But to deal with these dramatic changes, "what got your firm here will not get you there." Law firms in the future will require leaders with skills firms have not valued highly in the past, such as efficiency, process management, collaboration, and more holistic approaches to law practice. These emerging aspects of leadership play to women's strengths.

Compensation

There is a significant disparity in compensation between women and men at every seniority level. The greatest difference is at the highest levels, where women equity partners make 88% of what their male counterparts earn. In large part this is because the political process that determines compensation favors men. Most political systems strongly tilt decision-making toward hidden and subjective factors, which

disadvantages women. The need for transparency, objectivity and consistency is especially important in deciding compensation awards.

The problem is that in most firms the rules for deciding compensation are unwritten and even if written, they are ignored or manipulated. To increase fairness and decrease bias in compensation, firms must state – and adhere to – fair and objective criteria. When other factors go into the determination, the reasoning must be explained and subject to scrutiny. The criteria should reflect articulated partnership competencies and expectations, and take into account the various types of partner contributions that help the firm achieve its business objectives and economic success. The entire process should be monitored to ensure that bias, whether conscious or unconscious, is not affecting compensation decisions. Compensation processes should also be monitored to ensure that the factors being rewarded do not reflect a “male model” of career success. For instance, many unfounded assumptions are made about the commitment and performance of women with children or who work less than full time. Those assumptions often color the way women are evaluated, resulting in lower compensation.

Because of the powerful role of the compensation committee, firms should appoint a critical mass of women to that committee and require all compensation committee members to take a course on stereotyping and bias. Even the most fair-minded individuals harbor stereotypical thoughts, and a course that raises awareness about common biases can serve as a helpful reminder to committee members. They are more likely not to be swayed by gender style differences when reading partners’ self-evaluations and compensation request memos, and to check their own assumptions as they go through the process of deciding partners’ compensation.

Conclusion

Becoming a law firm that attracts and retains women requires fundamental changes to the systems that impact women’s client and leadership opportunities and their compensation. Those systems must be based on fair and objective criteria, transparent processes and consistent application. Making these changes should be a strategic priority for any firm that hopes to retain and advance talented women. Attaining gender balance at the highest levels of the firm must be treated as a business strategy and aligned with all other strategic objectives. Firms can no longer countenance the loss of women partners and leaders when the future success of the firm depends on keeping them.