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Lessons from female leaders in professional service firms

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Content: Global Editorial

Layout: Global Design

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Women enter the workforce with aspirations equal to their male co-workers, but few women actually reach the top. What do the best female leaders do to buck this trend?

In many respects, professional business services are a bright spot for women in the workforce. Women now comprise more than 40 percent of employees in services such as consulting, finance, and private equity, far more than in the past. This trend is likely to continue, since women now earn more than 50 percent of higher education degrees in the US.

But few such gains are apparent in the leadership of professional service firms. Men continue to dominate the top ranks of nearly every big firm—fewer than 1 percent of professional services firm CEOs are women and corporate America isn't doing much better—only 7.6% of top earning positions in Fortune 500 companies are held by women.¹ This gender imbalance in the executive suites is costing firms money. Companies that fail to retain and promote women to top leadership positions experience a significant drain on resources and talent. They must bring in new employees to balance the outflow of women, and they must reach deeper into the remaining ranks to fill management positions. Perhaps because of such factors, the benefits of retaining women leaders are significant. One study found that companies with the highest female representation in top management positions achieved returns on equity 35 percent higher than companies with the lowest female representation.²

One reason why women fail to reach the top management positions of professional services firms

is that they face a set of challenges not typically encountered by men. What strategies have the most successful women adopted to navigate these obstacles? To find out, we conducted in-depth interviews with 19 of the most senior women in consulting, private equity and finance and asked them this question. These women averaged more than 15 years of experience in their respective industries. Sixteen of them held the highest professional title in their firm, and five have served on their firm's executive committee. All of them offered reflections and advice on the strategies that got them to the top of the pyramid.

One fundamental conclusion is that there is no magic strategy. Each individual developed a set of strategies tailored to her career ambitions, situation and personality. Furthermore, many of the women recognized that their strategies evolved over time as new challenges arose and elements in their lives changed. Beyond those basics, our interviewees emphasized three distinct imperatives.

Cultivate authenticity while embracing your surroundings

Though women have come a long way, the traditional male-dominated office culture often persists. In this environment, successful senior-level women may need to go the extra mile to assert themselves. A managing director at a top-tier investment bank told us that she once “walked into a boardroom and the CEO asked me to go make copies of the presentation I was about to give. I was the only woman in the room, so he assumed I was the secretary. I calmly introduced myself and my role and then asked one of the junior members of the team to make the copies.” This kind of experience was a common theme in our interviews.

Many women who work in this culture feel pressure to adopt masculine characteristics in the office. More than half of our interviewees agreed with the statement, “I often take on more masculine characteristics while at work.” Sometimes this happened gradually and almost unconsciously.

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The only female partner at a New York private equity firm, for example, related that “over the years, I’ve emulated the habits of successful people at my firm. Since all of them were men, I’ve certainly picked up some stereotypically masculine habits.” Other times it was quite deliberate. A veteran of a Boston-based investment firm told us, “You have to adapt to your environment and the culture around you. You can’t expect it to adapt to you, and you can’t expect to be accepted if you constantly identify yourself as an outsider.”

Nearly every woman found it challenging to thrive in a masculine culture while still feeling authentic. An executive committee member of a Chicago-based private equity firm pointed out that it is “easy to let things slip, and then suddenly you’ve turned into someone you no longer recognize.” Here, our respondents told us, acknowledging the issue is the first step. Then you can look for a strategy that fits your personality and situation, rather than a one-size-fits-all solution.

The women found different ways to fit in while staying true to themselves. Traditionally, senior business women have worn dark colored suits, but a London-based consulting partner noted, “others in the business are always going to see you as a woman, so you might as well wear clothes that make you happy.”

Women can also use the opportunity to lead the conversation by connecting on topics that are important to them, such as family, hobbies or charity boards. A consulting partner said, “I often talk to my clients about their kids. Males generally shy away from those discussions, but I enjoy them, and it creates a personal bond with clients.”

In some instances, respondents also felt excluded from sports-related conversations and activities simply because their coworkers assumed (correctly or incorrectly) that they were not fans. The CEO of a San Francisco-based consulting firm addressed the issue by reading the paper

every morning: “If I had a client who was really into a particular team, I’d just be sure to read the sports section before each meeting.” A sales and trading partner at an investment firm used sports tickets as an opportunity to give her junior team members more client exposure: “The client is happy to be at the game, I’m happy because I’m not at the game, and the junior team member is happy to get client exposure. Everybody wins.”

Many women emphasized the value of finding a job that fits your passions: “If you don’t get a deep sense of satisfaction from your work, it’s not worth it,” said one interviewee. Others also stressed the importance of being invigorated by work. A senior partner at a financial services consulting firm noted that “the key thing for me that makes it work is that I like the job so much. I am energized by my job, so I don’t leave feeling drained.”

Be proactive in managing your career

Women commonly make the mistake of believing that merit is enough. They assume that a good job will be noticed, attributed and appreciated—and will ultimately lead to promotions. Certainly, credible accomplishments are the foundation of a good reputation. But the further a woman gets in her career, the more critical networking and relationship building become.

Our interviewees deliberately cultivated legitimacy and credibility within their firms. Many felt that they needed to do more than their male peers to prove their competence. A director at a top-tier private equity firm remarked that, in her experience, men who make quantitative mistakes during interviews are given the benefit of the doubt more often than women who make similar mistakes. The women stressed the need to continually build legitimacy and credibility with their coworkers to avoid these issues. They identified several strategies to do so:

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- Overinvest in first impressions and develop a track record of successes;
- Take credit for your work and showcase your accomplishments;
- Act with the authority of your current position and the confidence of the position for which you strive.
- Cultivating both male and female sponsors and mentors who can provide personal and professional guidance.

Make use of the feminine advantage

Once you establish your credibility, it is important to invest in building a network. Our interviewees note that developing professional relationships often comes more naturally to men, as women tend to exclude themselves or allow others to exclude them. One senior director of a consulting firm notes that she “deliberately makes time for networking. For example, when I travel to other offices, I schedule breakfast or drinks with colleagues that I don’t interact with on a day-to-day basis in order to build relationships across the company.”

Women can also be left out of informal networking opportunities inadvertently. For example, they tend to gravitate toward other women, when what they need is a network that is representative of the management team. One former consulting firm office head recalled that “the senior directors used to take all the guys on ski and golf outings. I wasn’t invited or even told about the trip because they assumed I wasn’t interested.” Women may also minimize the importance of networking because the idea of networking for professional gain makes them uncomfortable or because they have other priorities.

Our interviewees recommended making networking a high priority and taking concrete steps to invest in building these relationships by:

- Considering networking a part of your job and plan it into your schedule;
- Participating in both formal and informal social events;

Sixteen of the nineteen women we interviewed believe that “gender has had a significant positive impact on my career,” and nearly as many believe that “being a woman positively influences my leadership style.” Overall, when asked which gender has the advantage on key leadership traits, our interviewees felt that women were advantaged in six of the 10 leadership characteristics identified (see Figure 1), including the ability to empower others and to be a listener.

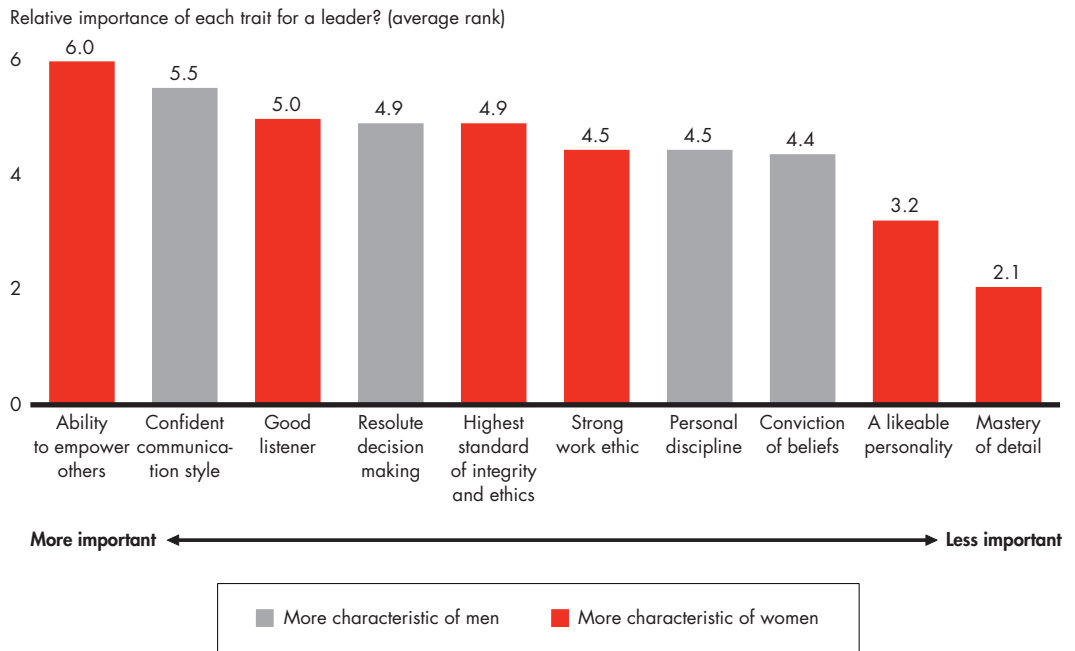
The women we spoke with also felt that some of their traditionally feminine traits are an advantage, particularly in forming relationships with clients and colleagues. Examples these women leaders cited include:

- Building relationships: “Women are generally calm and don’t possess a huge amount of ego upfront, which is helpful for building relationships with Main Street CEOs.”
- Investing in others: “Women are better at consensus building and care more about people and how they are feeling about their roles.”
- Reading people: “Women tend to be more empathetic and better listeners than their male counterparts, which makes them better at reading people.”

Of course, there is a potential contradiction here. As leaders, women need to take charge and be authoritative, assertive and decisive; but as women, they are expected to be gentle and compassionate. To manage this dynamic, our interviewees cultivated ways to demonstrate “caring” and “take charge” traits at the same time. For example, the CEO of a Boston-based consulting firm who described herself as “all business” at

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Figure 1: Women believe they are advantaged in six out of 10 leadership characteristics



work—and who felt she might be perceived as too tough—filled her office with pictures of her children. The COO of a private equity firm who felt that her petite frame and soft voice undermined her authority as a leader said that she used her sense of humor to assert herself as “one of the guys.”

Conclusion

The women we interviewed honed their strategies over the course of their careers. Other women who aspire to reach top positions can learn from their successful strategies and apply these lessons to their own careers:

- **Know what gives you energy:** It’s important to understand what you are passionate about. Getting a deep sense of satisfaction from work will energize you both in and out of the office.

- **Build your network:** Look for opportunities to create relationships across your organization. Don’t be afraid to go out on a limb to build your network.
- **Play to your strengths:** Recognize that your gender is an important element of who you are in the workplace, and use your natural strengths to your advantage.

Overall, the basic lesson of our study is this: Make it work for you. These strategies are simply a starting point. Develop a plan that fits your priorities, personality and ambitions. ↻

1 Catalyst, “Women in US Professional and Business Services,” (June 2011)
 2 Scottsdale National Gender Institute, “The Business Case for Gender Diversity”

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