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SALARY SURVEY: A PERSISTENT PROBLEM

ALISON O'CONNELL | 25 November 2019

While Latin American governments have been making strides to equal the playing field between men and women in the business sector, gender discrimination remains alive and well in the in-house legal profession according to LACCA's latest research, which shows women continue to receive lower wages and face fewer career progression opportunities.

The fact that women all over the world earn less than men, make up a smaller percentage of the workforce in most industries and are promoted less often than men continues to be a persistent problem in the business sector, and this problem seems to be particularly pronounced in Latin America, with an average wage gap of just under 30% - one of the highest in the world, according to the World Economic Forum.

Local governments have not been indifferent to the statistics and most have taken steps to begin addressing the gap in their countries. Argentina, Brazil, Chile, Colombia, Mexico and Venezuela have laws requiring equal pay among men and women, while Peru recently enacted a new law prohibiting gender pay discrimination and establishing reporting requirements for companies. However, while most countries embrace

laws mandating equal pay for equal work, legislation regulating gender equality in the workplace remain underdeveloped across the region and results from LACCA's Salary Survey suggest that the gender pay gap has been slow to close in the legal profession.

The underlying issues

"Women are underrepresented at the highest levels of organisations across all industries," says Barrett Avigdor, managing director at legal recruitment company Major, Lindsey & Africa. "Much of that is due to gender bias in various forms."

Overall, females in a GC or equivalent position receive just over 28% less than their male counterparts according to our research. Although the number of women leading corporate legal departments continues to rise, the legal profession remains a comparatively male-dominated sector and disparities remain when it comes to salaries in more prominent in senior-level positions in corporate legal departments across the US and Latin America. "According to my recruitment experiences in Latin America, there remains a gender pay gap, especially for high-profile positions such as that of a general counsel," says Mariana Dardengo, principal consultant for Europe & Latin America at legal recruiter, Legalis Global. "The gender pay gap exists within both society and the business world itself. In my opinion, this fact suggests an old-fashioned market mentality that believes women are less likely to hold higher-level, high-paying jobs compared to men."

1) Average salaries for male and female GCs



While foreign investment in Latin American subsidiaries has been having a positive impact by making diversity and inclusion initiatives relevant in a way that has not been seen before, with many of the region's companies adopting HR policies that go beyond current legal standards, the problem persists across the board. "Not only are there fewer women in the top legal roles in companies in Chile and elsewhere in the region, they also earn less considering equivalent career backgrounds and job descriptions," says Felipe Lavín, executive director at legal recruiter Idealis in Chile. "We think this is due to a lack of transparency and proper benchmarks that affect all workers when negotiating their salary, but most especially women that seldom reach these negotiation tables."

For Denise Guillen, VP of legal and leader of integrity at data analytics company Nielsen, women are often not encouraged to perceive the value of developing an annual negotiation strategy without feeling penalised or judged. As a result, she believes women will settle for lower compensation agreements and starting salaries. "Women do not ask for raises - men do. Women are fearful to be seen as "aggressive", while men are expected to be "bold" to ask for such a raise," she says.

Others suggest the disparities can also be exacerbated with the legacy of inequality. "When a company hires someone new, the company usually gives a salary increase based on the candidate's previous salary and not based on the budget the company has for that position," says Josie Jardim, assistant GC at online retail giant Amazon. "So when this happens and the candidate is a woman, she comes with a lower salary and the gap continues, even though she got a raise when switching jobs."



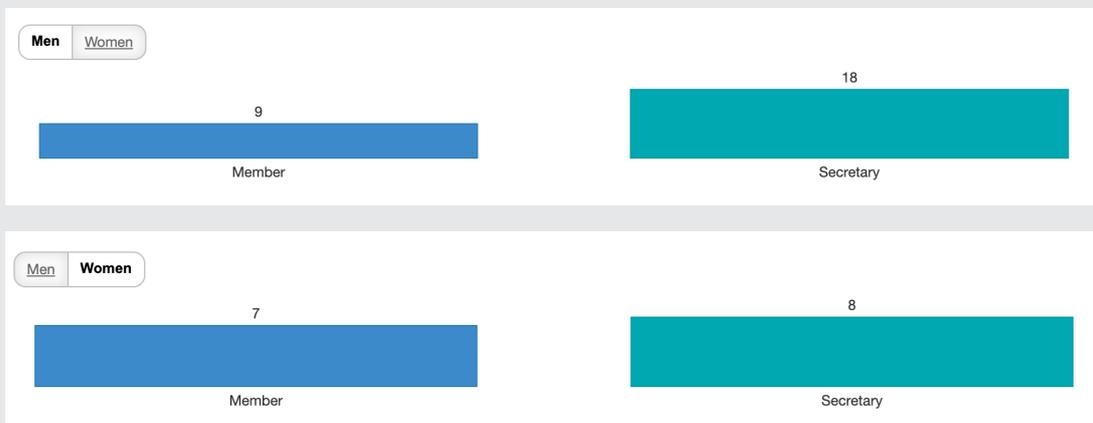
Societal factors in Latin America, including stereotypes about the work women and men "should" do, also continue to be an issue. Women are more likely than men to work part-time, or flexibly, because they still undertake most of society's unpaid caring work. "Women can sometimes leave companies in their reproductive stages to have kids, and if they decide to return to work, they are often offered less than males by the companies assuming they will work less because of maternity responsibilities," Guillen points out.

Women may also accept lower salaries when they become mothers because they believe they have the moral need to exchange pay against the time they use to perform parental activities. "Women then work extremely hard in less hours with less salary," Guillen says, adding that machismo culture in Latin America only enhances the issue. "It is widely believed that men should be the person responsible for the household expenses and should earn more than women."

Many women in the in-house profession also state that they believed they were not always given the same career progression opportunities as men. "Women still need to prove themselves more. They need to work harder and they need to demonstrate that they have overcome some of these gaps. We are also less tolerant when a professional woman makes a mistake or does not succeed," says Jardim.

In addition to the fact that women have to work harder to succeed in business, research from this year's Salary Survey reveals that female GCs continue to be underrepresented at the board level, with 18% of male GCs indicating they were secretary to the board of directors, compared to only 8% of women. By the same token, just under 10% of male GCs were members of their company's board of directors compared to only 7% of female respondents.

2) Percentage of male and female board members



"In my opinion, the reasons behind the disproportionate gender ratio on boards are a subject of much debate. While many companies claim the priority of appointing the best person regardless of gender, I believe it's not necessarily happening when it comes to actual board recruitment processes," says Dardengo. With fewer women rising to the most senior positions, there are fewer women with the credentials to sit on a board of directors, according to Avigdor. "In the US, there is a concerted effort on many boards to make them more diverse, but I have not observed that trend in Latin America." Since the rate of career progression seems to be much slower for women when compared to that of men due to gender inequalities in all levels in society, only bigger structural reforms will be able to tackle the issue, Dardengo argues. "Given that gender diversity on boards is an issue rooted in the principle of equality of treatment, inequality in gender representation on boards can be combated through equality of opportunity reforms or equality of outcome reforms," she says.

For Benedito Junior, head of legal at transport solutions and construction equipment company Nors, the deeply entrenched gender bias that is persistent across the region will only be erased with more of a focus on education. "I believe that the most important step to ensure greater equality is to teach, from the earliest ages, that women are equals in all aspects and shall be respected and treated equally. From respect and equal treatment comes equal salaries, or even better, equal opportunities," he says.

What needs to be done

While local governments across Latin America certainly need to do more, many multinational companies are starting to pick up the slack and demonstrate more of a commitment to tackle the pay gap through corporate governance. Multinational companies with headquarters in countries with more developed gender gap legislation have created progressive policies locally in the region and employees are beginning to see these initiatives as an indicator of an inclusive culture that provides a level playing field in terms of opportunity.

Many subsidiaries of multinationals in Latin America have also voluntarily started implementing things like mentorship programmes, more flexible working arrangements and maternity and paternity leave policies to attract, retain and promote women in business.

Local businesses should also implement policies to try and address the problem and show a commitment from senior levels within the company, including the introduction of policies to ensure equal pay and programmes for the promotion and retention of female talent. "Among other things, make sure to have selection processes where there are the same number of male and female candidates, as well as interviewers to guarantee an expanded applicant pool that permit inclusive processes resulting in the fair selection of professionals," says Sandra Monroy, legal director for the Andean region at Uber.

The implementation of more flexible working arrangements and training sessions on implicit gender bias is also crucial, according to Nielsen's Guillen. "Companies must show they value work based on results and not on hours performed; in addition they must personally commit male staff members as promoters of diversity."

As a recruiter, Avigdor says she counsels her clients to set pay according to the skills and experience required for the job rather than what the candidate is currently earning, but for women to get to the highest level of a company structure, they need sponsors who promote them and give them opportunities. "People tend to sponsor others who are like them and, with more men in positions of power, it is natural that they tend to sponsor other men. In Latin America, this is even more acute than in the US," she points out.



Women in leadership positions in companies can offer guidance to younger females who are early stages in their career and creating a women's mentorship programmes can provide every female employee the opportunity to offer or accept guidance. "The importance of advocating for women's higher performances, mentoring and almost creating a support network help us erase damaging stereotypes," says Monroy. "I believe mentorship can play a great part in the future development of everyone because having a good role model may inspire you to become the greatest version of yourself, not only in the professional field, but also in the personal one. That's why I am strongly committed to empower the women in my legal team to take risks, to lead, to participate in external workshops and to build their own self brand. I'm always careful to keep myself available to give advice and guidance if required. Sometimes the path that leaders open for you can determine the places you get to."

Having access to the same rewards, resources and opportunities regardless of gender may be a fundamental right for women, but closing the gap also makes business sense for companies. "There are many reasons that hiring a diverse workforce is good for any company, from having a positive impact on financials to increasing potential talent pool," says Dardengo.

In fact, studies suggest greater equality can help businesses create a more positive work environment; make the best use of human resources to improve productivity and competitiveness; and provide a better public image; higher shareholder value; and a wider and more satisfied customer base. But despite the many benefits, discrimination against women is alive and well and the legal profession is no exception. "I still think that companies need to do more to embrace diversity and inclusion as a target, the same way they do with margins, growth, and other metrics that need to be met," says Amazon's Jardim. "We simply cannot continue to have a "best efforts" type of approach when it comes to diversity."

