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# 2022 North American Professional Services Partner Compensation Survey

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# A message from the authors

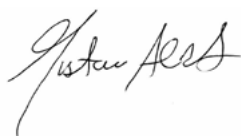
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Welcome to the *2022 North American Professional Services Partner Compensation Survey*, our first survey focused solely on professional services partners' compensation, as well as their role structures, support ratio, and expectations.

For this report, Heidrick & Struggles compiled compensation and organization data from a survey of 192 partners in the professional services industry in the United States. We hope to expand the numbers and scope of respondents in future years.

We hope you enjoy reading the report. As always, suggestions are welcome, so please feel free to contact us—or your Heidrick & Struggles representative—with questions and comments.

With warmest regards,



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## On confidentiality

The North America professional services partner compensation survey, 2022, was conducted on an anonymous basis. All data is reported anonymously and in aggregate.

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# Methodology

In an online survey, we asked participants to provide information on their role, their sales revenue targets, and their compensation for the 2021 fiscal year. All data collected was self-reported and has been aggregated.

Responses from 192 participants are included in this report.

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# Introduction

Almost all professional services firms profoundly changed their ways of working during the early months of the COVID-19 pandemic, and the aftereffects are still reverberating even though business and client demand have been, and continue to be, generally robust. Indeed, the theme that emerged from this first survey of partners at strategy, management consulting, and technology consulting

firms is one of operational stress. However, given that the industry is still readjusting, and economic volatility continues, it is not yet clear whether the stress will continue in the long term.

Many respondents report less delivery support as well as paying a premium to both attract and retain talent, particularly at the junior levels and for diverse partners. Nonetheless, analysis also shows that compensation,

particularly for women, still has a way to go before it reaches parity with male peers at most levels. In future surveys, we expect to continue to explore the shifting dynamics and compensation at these firms, particularly in the face of the economic slowdown most executives now expect across industries and regions. We will also continue to monitor the path to parity for diverse partner talent compensation.

# Firm and partner background

Forty percent of respondents work in strategy consulting, and a little under a third in each of management/advisory consulting and technology/IT consulting.

Thirty-six percent of respondents report their firms' revenue is more than \$20 billion. The highest share of those firms are technology and IT consulting firms, where more than half are in that revenue bracket.

## Company information (%)

### Firm type



Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=192

### Firm revenue



Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=192

Note: Numbers may not sum to 100%, due to rounding.

### Firm revenue, by firm type



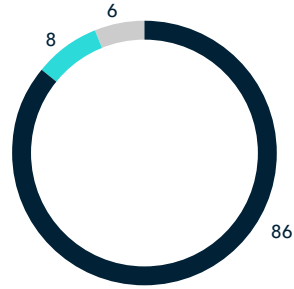
Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=192

The professional services partners who responded to this survey were mostly white men; more are based in the Northeast than any other region of the United States. This majority, overall, reflects the demographics of the industry. We hope the industry’s demographics will continue to become more diverse.

**Demographics (%)**

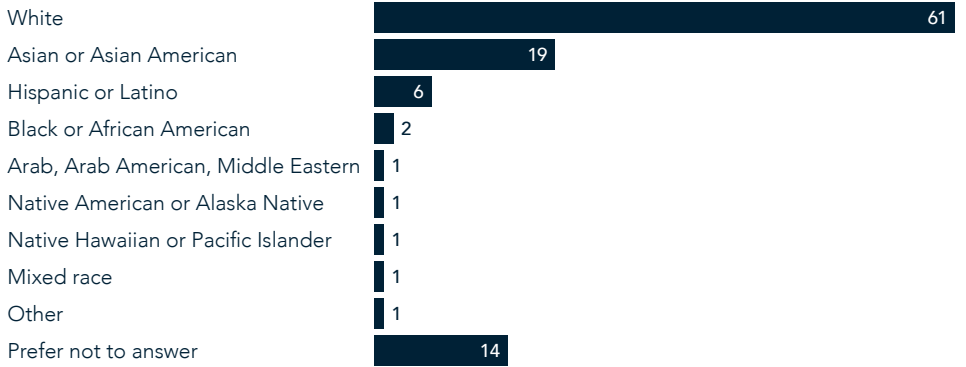
**Gender**

- Men
- Women
- Prefer not to answer



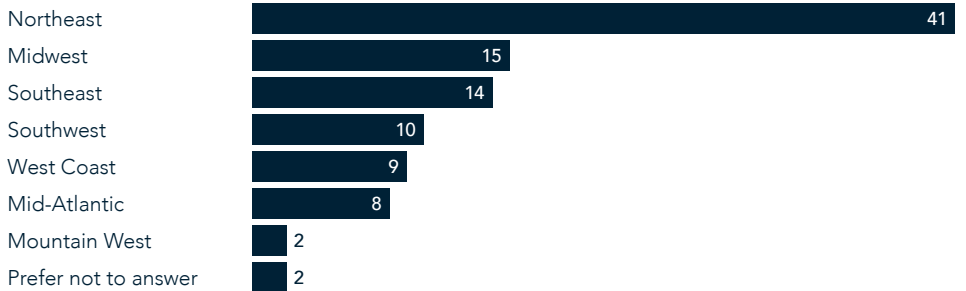
Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=178

**Ethnicity**



Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=178  
 Note: Numbers may not sum to 100%, due to rounding.

**US region**



Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=192  
 Note: Numbers may not sum to 100%, due to rounding.

Ninety-four percent were partners or partner-equivalent, and 62% hold leadership roles in some capacity, most often a practice leadership role. More than half had been in their current roles for three years or less, suggesting that

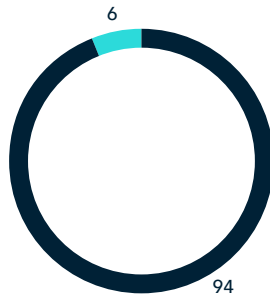
many took on new leadership roles just prior to, or during, the pandemic-driven changes in ways of working. While the professional services industry is known for rotational leadership roles, the nearly 60% of participants in new leadership

roles (those in their roles for three years or fewer) was almost certainly driven by the pandemic and the firms implementing changes to their ways of working.

### Role information (%)

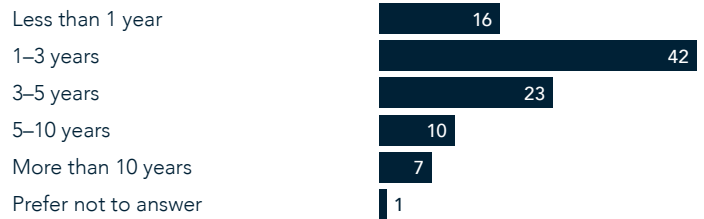
#### Current role

- Partner (or partner-equivalent)
- Pre-partner



Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=192

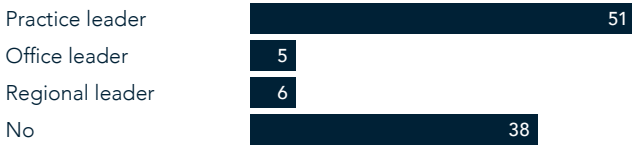
#### Time in current role



Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=191

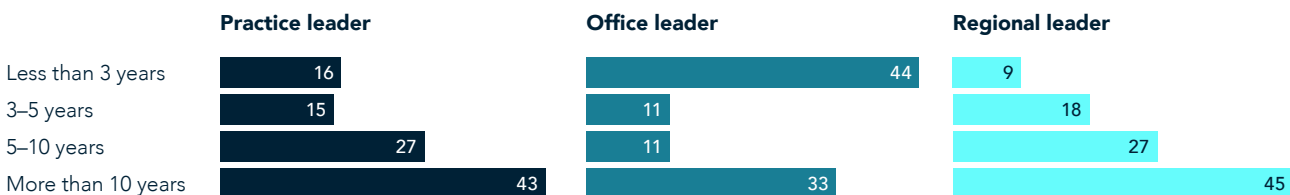
Note: Numbers may not sum to 100%, due to rounding.

#### Additional role



Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=191

### Time as a partner, by additional leadership role (%)



Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=180

Note: Numbers may not sum to 100%, due to rounding.

Overall, 39% have been partners at any firm for more than 10 years, though only 29% have been at their current firm for that long. A third have been at their current firm for three years or less, underscoring the significant shifts in many partnerships during the pandemic. That share is even higher among women who responded to the survey: 40% say they have been with their firms for three years or less, compared with 34% of men. Strategy consulting firms have the highest share of long-tenured partners, at 46%.

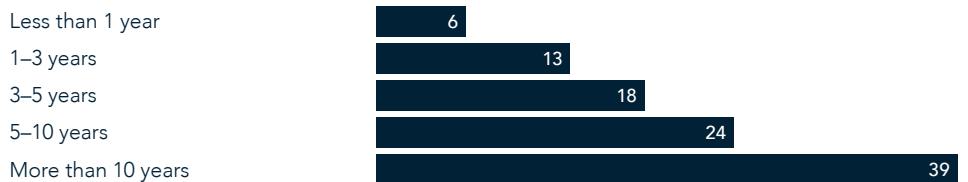
**Role information (%), continued**

**Time at current firm**



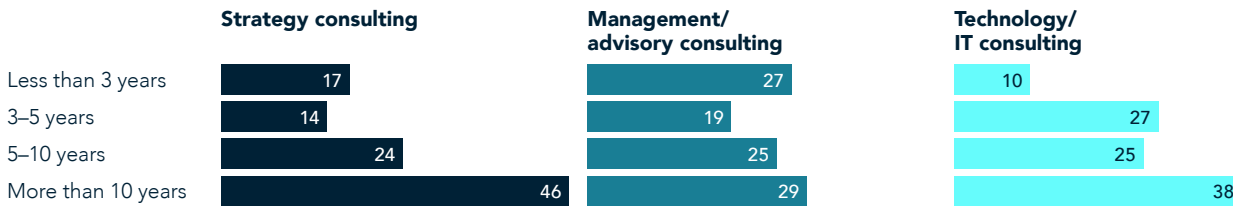
Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=192

**Time as a partner**



Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=181

**Time as a partner, by firm type (%)**



Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=181



# Firm dynamics: A sense of operational stress

Almost half of the partners surveyed said that partner turnover at their firms in the most recent fiscal year was about the same compared to their expectations at the beginning of the year—but nearly a third said it was higher. This is unsurprising, given the 33% of partners who have been at their current firm for three years or less. (See chart, “Time at current firm” on page 8.)

There was a wide range of responses when partners were asked about the changes in their delivery support ratio. A third had seen no change, but 37% said they’d had less support than in the prior year.

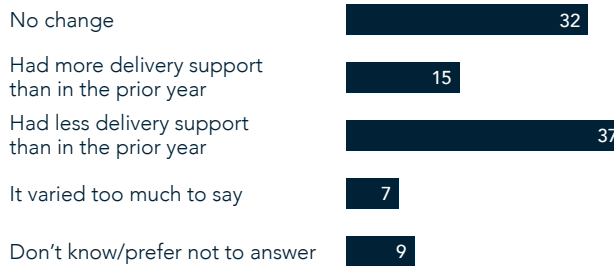
## Fiscal year changes (%)

### Actual partner turnover vs. expectation



Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=180

### Average delivery support ratio change

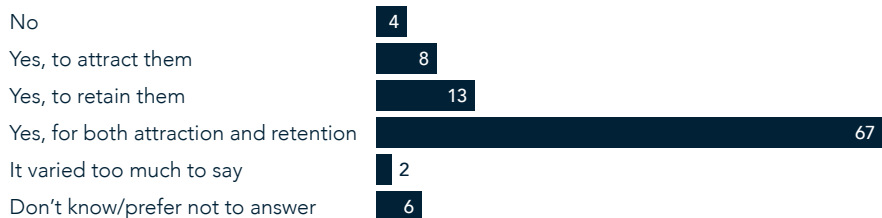


Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=180

In addition, a majority of partners reported that they needed to pay more to attract and/or retain junior consultants in fiscal year 2021 than in the prior year. This, along with the higher than expected partner turnover rate, underscores our sense of operational stress at professional services firms.

## Fiscal year changes (%), continued

### Need to pay junior consultants more



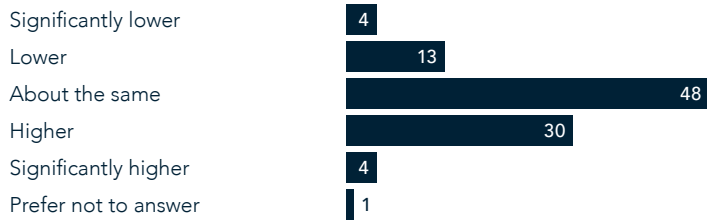
Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=180

# State of professional services partner compensation

In terms of how respondents' actual total compensation compared with their beginning-of-year expectations, about a third reported being paid more than they expected.

Overall, over 80% of respondents were happy with their most recent total compensation, which was an unexpected sentiment. A notable driver of this happiness is likely due to the majority of professional services firms having sold out years, with exceptional revenue growth.

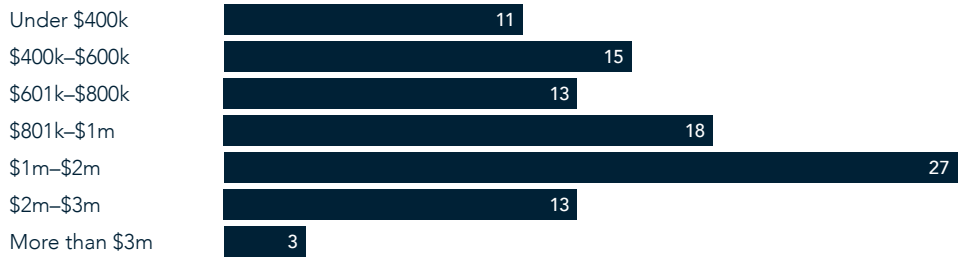
## Total compensation vs. expectation (%)



Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=179

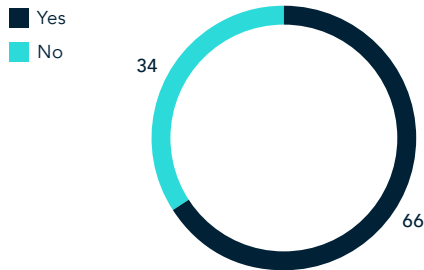
Overall, 43% of respondents reported total cash compensation of at least \$1 million. Two-thirds of respondents have an equity or non-cash element to their compensation, with most receiving 30% or less of their total cash compensation in non-cash compensation.

## Total cash compensation (%)



Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=192

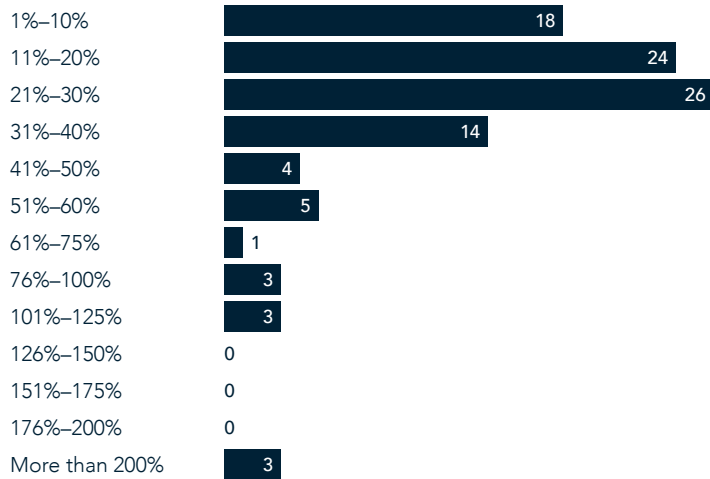
## Equity/non-cash compensation (%)



Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=192

Half of those who received non-cash compensation reported percentages between 11% and 30%, with the vast majority reporting percentages less than 41%.

**Non-cash compensation, as percentage of total cash compensation (%)**



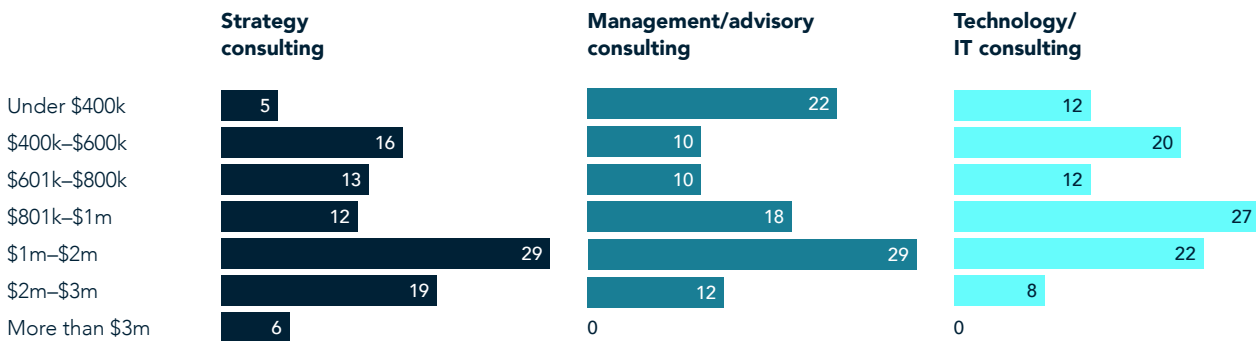
Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=119  
 Note: Numbers may not sum to 100%, due to rounding.

A higher share of partners at strategy consulting firms than others reported receiving total cash compensation of at least \$1 million. Over 50% of respondents from strategy consulting firms reported a cash compensation

of at least \$1 million. Comparatively, only 41% of management consulting firms and only 30% of technology consulting firms reported over \$1 million. Sixty percent of management consulting firm respondents reported

cash compensation below \$1 million, and over 71% of technology consulting firm respondents reported cash compensation below \$1 million.

**Cash compensation, by firm type (%)**

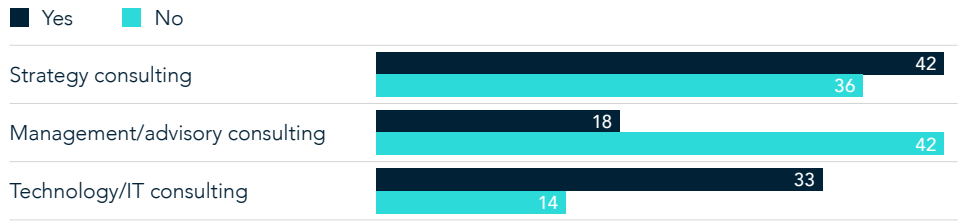


Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=192  
 Note: Numbers may not sum to 100%, due to rounding.

Of those who receive non-cash compensation, 42% come from strategy consulting. A higher share of partners at strategy consulting firms than others also reported receiving non-cash compensation; this form of compensation also rose with tenure (as did reported compensation overall).

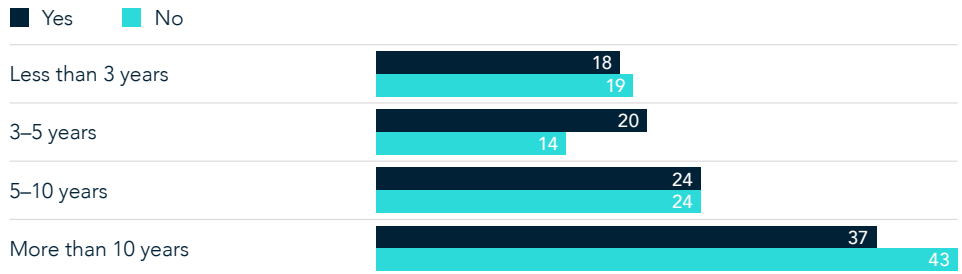
Of those who receive non-cash compensation, 37% have been a partner for more than 10 years.

**Non-cash compensation, as percentage of total cash compensation, by firm type (%)**



Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=192

**Non-cash compensation, as percentage of total cash compensation, by time as a partner (%)**



Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=181  
 Note: Numbers may not sum to 100%, due to rounding.

Although sales targets varied somewhat by type of firm, generally partners had high targets, as would be expected for the most senior group of people at their firms. And in general, the

partners with higher targets also reported higher compensation.

As expected due to the nature of their projects, nearly 70% of technology consulting respondents reported sales

targets of over \$10 million. However, more than 40% of strategy consulting respondents also reported sales targets of over \$10 million, which seemed higher than expected.

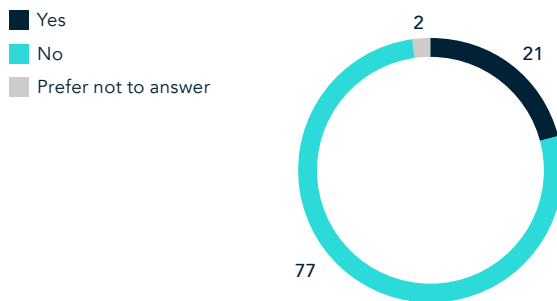
**Sales target, by firm type (%)**



Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=191  
 Note: Numbers do not sum to 100% because some respondents did not provide sales target information.

Despite operational stress, and firms paying more to retain junior consultants, more than three-quarters of partners report not receiving an off-cycle cash compensation increase. However, a third of female respondents said they had received such an increase, compared with only 19% of males.

**Off-cycle cash compensation increase (%)**



Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=192

More generally, nearly half, 49%, of respondents said their firms had paid a premium to attract or retain diverse consultants at any level. Notably, though, only 40% of female respondents said this, while a third said their firms had not paid more.

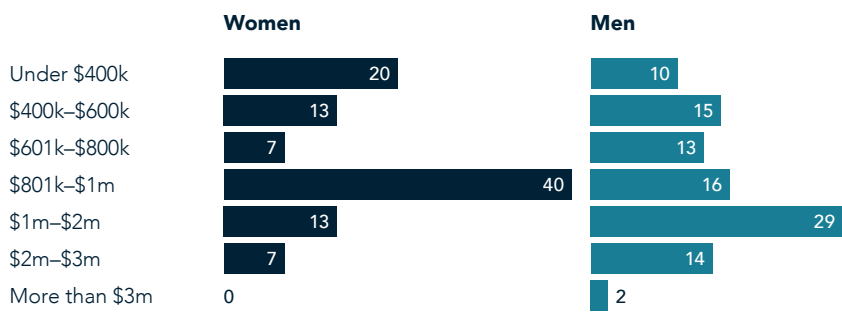
**Paid a premium to attract and/or retain diverse consultants**



Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=180  
 Note: Numbers may not sum to 100%, due to rounding.

And indeed, responses about their own compensation reflect notable disparities by gender as well as race or ethnicity. By gender, more than double the share of men than women reported \$1 million or more in total cash compensation; the men also more often reported higher personal sales targets. A higher share of men reported receiving non-cash compensation, but among the women who did, they more often reported receiving a higher percentage in this format. This aligns with our experience that many kinds of professional services firms are willing to pay some kind of premium to both attract and retain diverse talent.

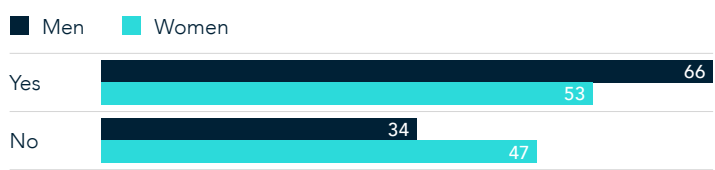
**Cash compensation, by gender (%)**



Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=178

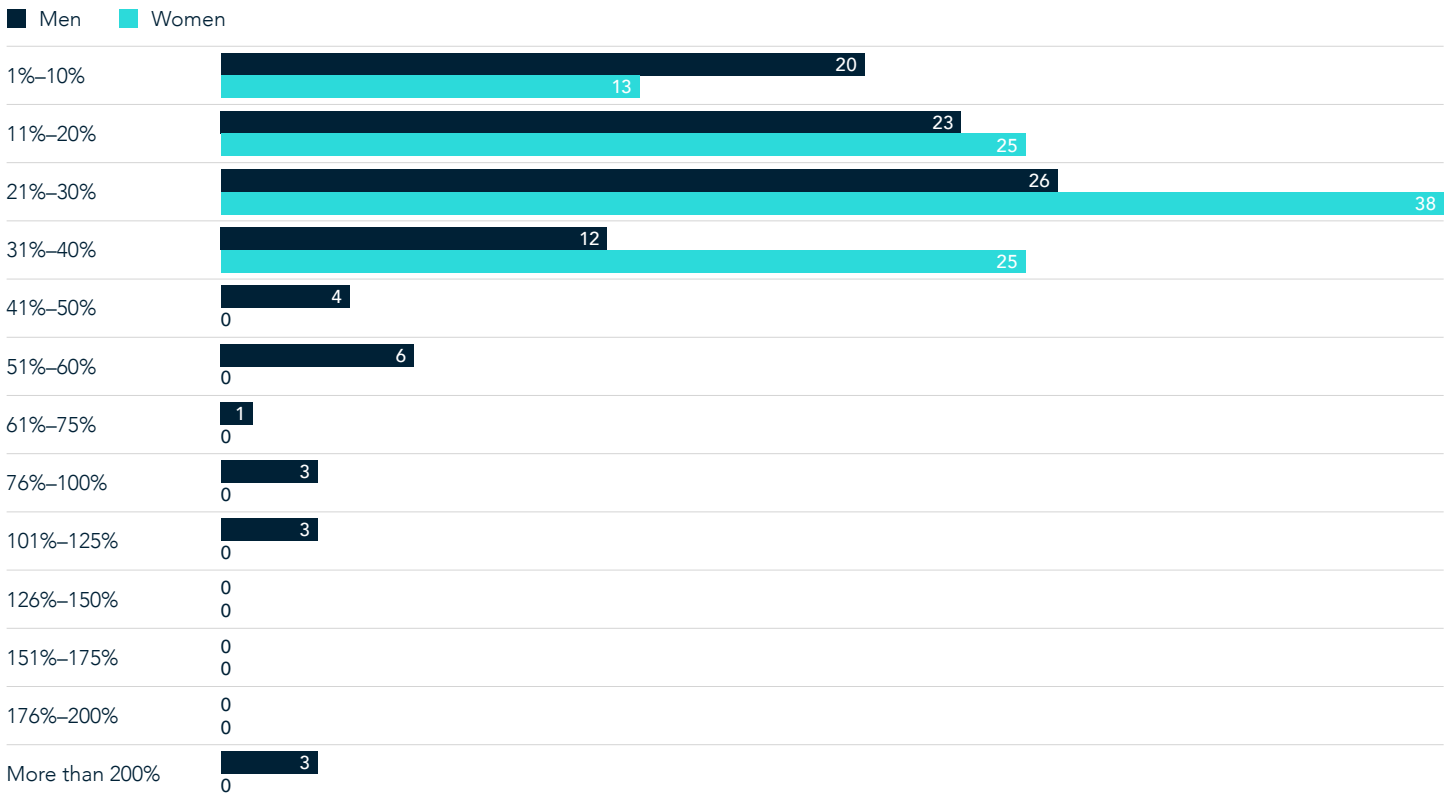
By gender, men more often reported receiving equity or non-cash compensation, and generally reported a higher share of non-cash compensation as a percentage of their total cash compensation.

**Equity/non-cash compensation (%)**



Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=178

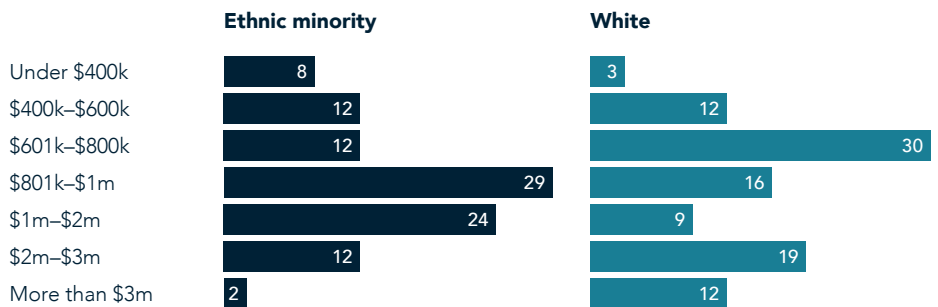
### Non-cash compensation, as percentage of total cash compensation (%)



Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=118  
 Note: Numbers may not sum to 100%, due to rounding.

Forty percent of white respondents reported \$1 million or more in total cash compensation, compared with 38% of respondents who identified as a racial or ethnic minority.

### Cash compensation, by ethnicity (%)



Source: Heidrick & Struggles North America professional services partner compensation survey, 2022, n=178

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# Technology & Services Practice

**Heidrick & Struggles' global Technology & Services Practice solves senior executive leadership issues that will not only grow and evolve an organization but also enable business transformation over a longer period of time.**

Technology companies today are experiencing tremendous challenges and fundamental change. Our clients are part of the evolving business landscape and turn to our experts to help them face many important issues, including globalization, emerging and converging technologies, identifying new sources of revenue, and talent management and retention.

## Leaders of Heidrick & Struggles' Technology & Services Practice

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