



LUDGATE SEARCH | INSIGHTS

HARNESSING GENDER DIVERSITY IN INVESTMENT MANAGEMENT SALES THROUGH WOMEN RETURNERS & SMART WORKING STRATEGIES

GENDER DIVERSITY IN ASSET MANAGEMENT

The representation of women in asset management is persistently and alarmingly low, with the latest round of Gender Pay Gap reporting revealing that the gap for the asset management industry is substantially wider than for the country as a whole (31% vs 13%).

The lack of women in Sales was specifically cited by an overwhelming number of asset managers as one of the most significant factors contributing to their gender pay gap in the UK. Of the organisations sharing more detailed breakdowns, men consistently represented almost 90% of their Sales functions.

The Investment Association cites two key contributing factors for this: a 'motherhood penalty' and complex behavioural biases, which combine to hamper female progression to both senior and front office positions which typically command the highest levels of remuneration.

In a bid to redress this balance, asset management firms are prioritising talent and succession planning initiatives to engage, develop and attract women to the industry at each stage of seniority, and encourage women to return from maternity leave.



THE ROLE OF SMART WORKING

A number of financial services organisations have implemented SMART Working practices as part of their diversity and inclusion strategy, recognising the critical role that flexible working has to play in retention, culture and career progression for women.

SMART Working is often referred to as flexible working and the terms flexible working, dynamic and smart working are used interchangeably.

The government's definition of flexible working is: "A way of working that suits an employee's needs". In the broadest terms, smart working allows employees to do their best work, where and when it works for both them and the organisation.

With pressures from passive management, machine-driven trends and demand for niche skill sets, access to the widest possible pool of talent is vital. Whilst the industry as a whole needs to hire, mentor, sponsor and train more women in asset management; having attracted the best talent, and invested time and money into their career development, it makes sense to try and keep them.

And whereas financial incentives only tend to buy short term loyalty, real flexibility is harder to come by – and is more likely to encourage people to stay.





2019

WOMEN RETURNERS SURVEY RESULTS

Demographics

In early 2019 Ludgate Search conducted a survey sent to over 300 female Sales professionals based in the UK and continental Europe, who had returned from the industry following a career break for maternity.

Our aim was to understand women's drivers to return to asset management Sales, the challenges they faced in doing so, and the role of SMART working practices in supporting their career progression.

Responses were from a variety of different sized firms in the UK and continental Europe. The majority of women had returned within 1 year, and 40% of respondents had a child under 3, indicating the recency of their return to the workplace.

Responses seemed to show a correlation between how recently they had taken their maternity and the length of their break – respondents taking maternity leave more recently had taken shorter breaks than their peers with older children.

MOTIVATIONS TO RETURN

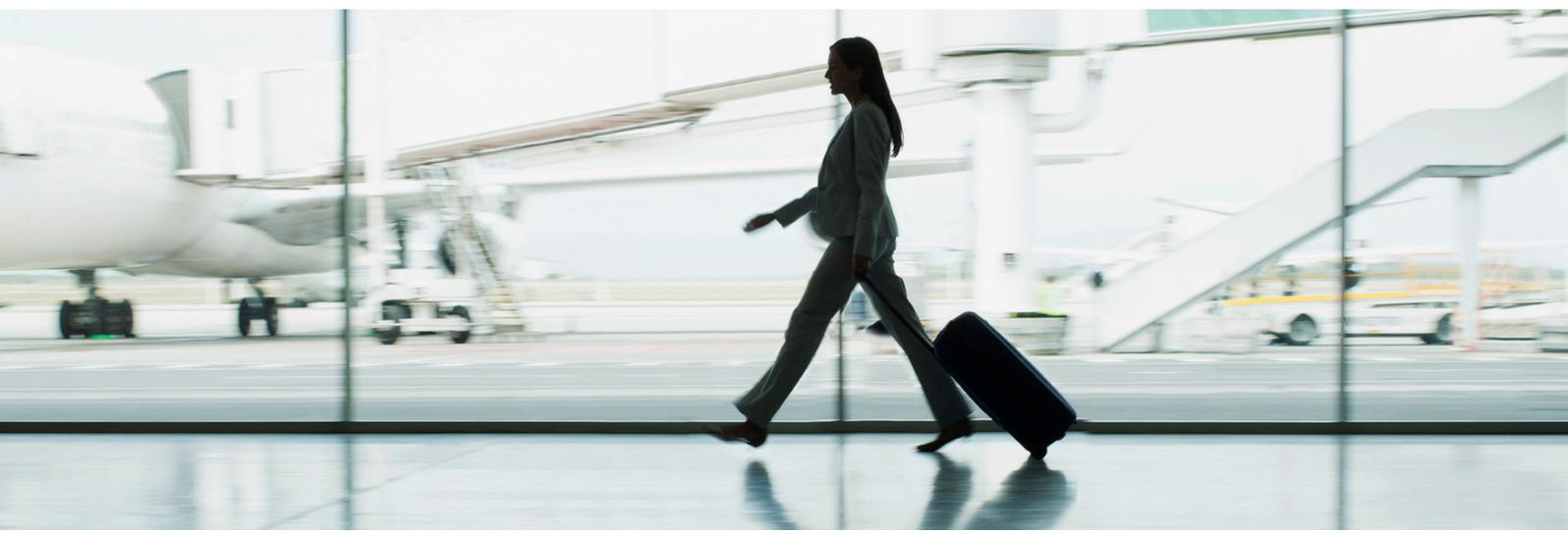
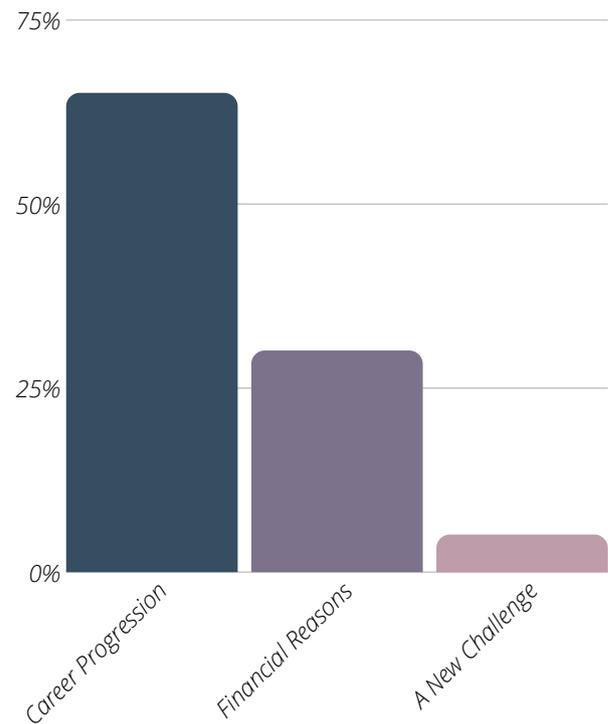
There is a common misconception that parenthood is the primary driver for the poor representation of women at senior levels. The assumption being that their commitment to their career reduces and women are leaving the workplace at the mid level in significant numbers.

But when we looked at motivations to return following maternity leave, a significant majority of respondents cited career progression as the main incentive to return. This corresponds with what we already know - women are ambitious, motivated and committed to progressing their career, regardless of parenthood.

A recent report from McKinsey that found men and women have similar intentions to stay in the workforce. Equal numbers of men and women said they would leave to focus on family, and for both genders this was remarkably low: just 2% or less.

Research from KPMG also shows that men and women have equal levels of ambition, and that women's career aspirations do not differ from men's - in fact their ambition grows as their professional experience grows.

2. What was the primary reason you returned to work?



68%

of respondents
felt they had to
prove themselves
on returning to work

There are many different types of flexible working – it can describe a place of work, or a type of contract, such as part-time working, flexitime, job sharing, or compressed hours. Our results show that flexible working doesn't necessarily mean reduced hours. There are a variety of options – it doesn't need to be a one size fits all policy. This approach is supported by research from The 30% Club that found that informal, individual agreements that allow autonomy and agility are what women feel helps them most to succeed.

SMART WORKING IN PRACTICE

We know from McKinsey's recent report 'When Women Thrive, Business Thrive' that compared to their male peers, senior-level women are much more likely to believe that prioritising work-life balance, including participating flexible work schedules, will undermine their ability to succeed at work.

As well as occupational downgrading and being overlooked for training, lack of flexibility in work hours was one of the top challenges our respondents cited in returning to work.

Interestingly over half of those surveyed had not asked their employer for flexible working options. But of who those requested flexible working, 40% had had this granted.



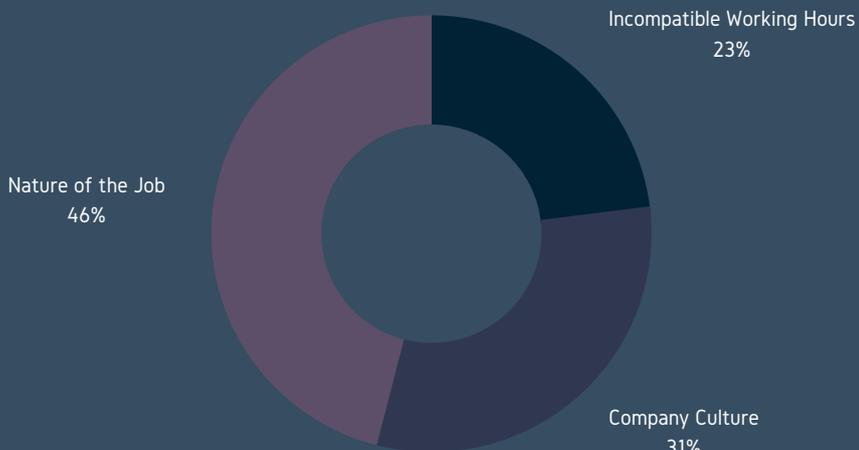
Our results show that there is a disconnect between the flexible working policies firms are implementing and a culture which prevents women from taking these up. This suggests organisations need to demystify flexible working options; communicate with clarity to remove assumptions and unconscious bias.

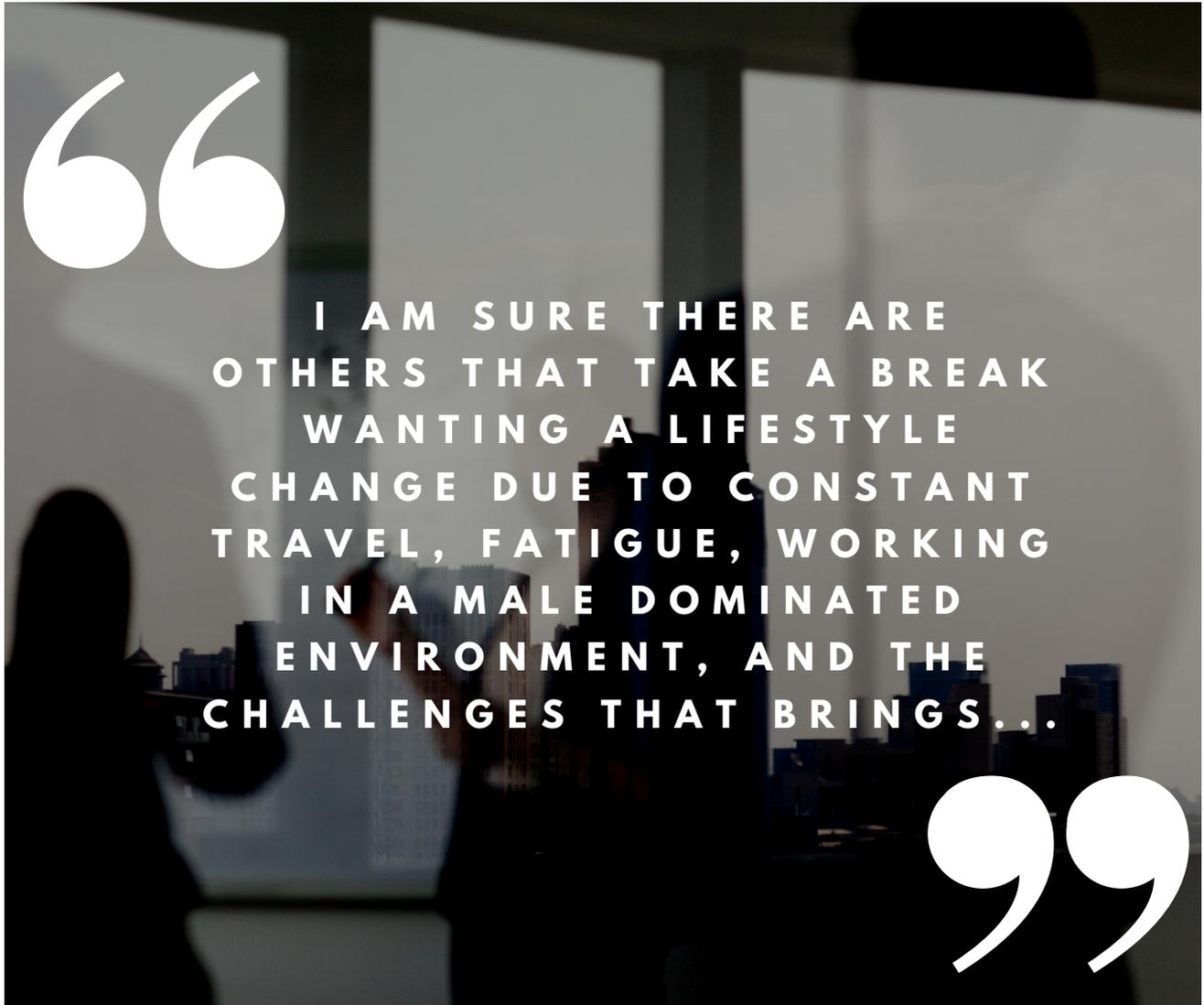
THE BIGGEST OBSTACLE TO RETURNING:

Whilst barriers to flexible working were consistently cited as one of the main issues for our sample, clearly there is a much bigger challenge to tackle, which respondents described as the 'nature of the job' and company culture.

Implementing flexible working initiatives might be a step in the right direction, but this needs to go hand in hand with a culture that enables women to take it up.

2. What are the biggest barriers to women returning to Sales roles in asset management after maternity leave?





During the course of our survey, we had many respondents who helped us by sharing the questionnaire with former colleagues and their own networks. We received countless responses from women who had taken a break from roles in asset management Sales, but not because of maternity leave.

Jayne-Anne Gadhia, the Chief Executive of Virgin Money, described the 'Alpha Male' culture of financial services as winning at all costs, rather than doing the right thing. According to the Women in Finance Charter, recurring themes which contribute to this culture are arcane recruitment practices, opaque bonus criteria, and presenteeism. All of which are key to address in ensuring better gender balance and reducing burn-out.

This isn't just a question of morale and staff retention; The business case for diversity has already been proven but research suggests there is also a negative correlation between a lack of flexitime and companies' performance. Morgan Stanley found that companies that do not offer flexible working under performed the MSCI World index between 2011 and 2016. Indeed, the gap steadily widened in that time.

Companies' fortunes are based on their ability to attract and retain the best and brightest employees. Offering more flexibility will help.

In the shorter term, it would go a long way towards addressing gender imbalances. In the longer term, it should ensure employers keep up with social change.



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Ana Maria holds a 1st class degree in International Business and speaks Italian, French, Croatian, and Slovenian.

In 2012, she joined BRUIN Financial, the sister company to Ludgate Search, to grow and lead their European Distribution team, focusing specifically on senior assignments in Asset Management, Alternatives and Wealth. In 2017 Ana Maria joined Ludgate Search where she leads senior distribution mandates across Europe including roles based in UK, Nordics, Switzerland, Italy, Benelux, France, Germany & Austria and Spain.

Ana Maria is also Chair of the SMART Working committee of The Diversity Project, a cross industry initiative championing a more inclusive culture within the Savings and Investment profession.