

What are the experiences of female investment professionals working as a minority in investment management?

In 2020, as part of a Master's in Psychology, Ciara Heneghan at Sainty, Hird & Partners undertook a research project, which involved interviewing in depth a small number of women working within investment management. Her work set out to address a lack of qualitative research on gender diversity within investment management in the UK and to understand better the experiences of women as a minority in the workplace. It was hoped that her findings would further understanding of persistent gender segregation such that the integration of support systems, services and methods might be better informed and more effective.

Introduction and background

Improving gender diversity is an imperative for the UK investment management industry. It is a sector of financial services with considerable gender segregation and a well-documented lack of female representation. In 2020 women comprised less than 16% of those employed, and less than one in five Chartered Financial Analysts (CFA) were women. Research into the performance of male and female investment professionals is unable to justify these statistics. Despite the total percentage of women employed in the UK increasing, progress within investment management has stalled and, in some cases, even regressed. By trying to understand the 'lived experience' of women working, as a minority, in investment management, Ciara's aim was to contribute meaningfully to the discussions which surround gender in financial services.

Method

In January and February 2020, Ciara interviewed 5 women between the ages of 26 and 30. All were currently working within investment management and had at least 5 years of relevant industry experience. Each interview lasted c. 60 minutes and an interview framework was used, built on a series of open-ended questions, which encouraged an open dialogue with participants. Interviews were transcribed and analysed.

Findings

The study highlighted that investment management remains a highly masculine professional domain, where power-based gender relations are deeply embedded within organisational and indeed social practice. Highly competitive, performance-driven cultures favour and help to underpin the industry's traditional values, which seem based on overly masculine competition. A paucity of female figureheads only reinforces this.

Subtle gender bias in organisational policy was also noted. The lack of flexibility and transparency which surrounded maternity leave and the possibilities for non-linear and/or interrupted career paths, encouraged disengagement, frustration, and concern for women's long-term careers. In many cases, initiatives to promote gender diversity were in fact often felt to trivialise the subject and appeared ineffectual in addressing both the root cause and the systematic impact of gender segregation. These (perceived as) token initiatives often undermined their very intent, creating more hostility towards women.

The interviewees were clear that increasing the number of women working in front office roles in investment management will not, alone, promote inclusion; nor will it address fundamental issues that undermine the drive for gender diversity. Likewise (and in alignment with previous studies), it seems that workplace cultures and attitudes to gender diversity do not clearly differ between financial centres. Indeed similarities seem to allow for a more standardised approach within investment management globally.

Solutions & Suggestions

- Numerical gender parity is not enough.
- It is time to move away from simplistic gender distinctions and focus instead on inclusion.
- Any social and cultural initiatives must consider both bottom-up and top-down ideas, to create a sense of "place" for all employees.
- There must be greater transparency in hiring, promotions and means of employee retention, including proper career planning.
- Workplace policies must support and engage all employees, whatever their personal circumstances.