

# GENDER BIAS IN THE INVESTMENT PROFESSION IN ASIA PACIFIC

## EXECUTIVE SUMMARY

Women in the investment management industry in Asia Pacific still face gender discrimination in the workplace according to the latest survey by CFA Institute, the global association of investment management professionals, called "Gender Bias in the Investment Profession in Asia Pacific".

Highlights of the survey discovered some 66% of female respondents say they still feel uncomfortable to speak up about gender discrimination in their workplace. Respondents in Korea (66%) were the most reluctant to discuss gender inequality, followed by Hong Kong SAR (44%), Singapore (43%), and mainland China (41%). Additionally, 70% of respondents of both genders believe women still face pressure to "dress and look the part" in the industry.

By and large, women are largely under-represented in the investment profession around the world. However, according to the latest statistics from Asia Pacific, the region is not only the fastest growing region in terms of CFA® Program candidates, it also has more female candidates than any other region - 45% of candidates in Asia Pacific are women versus 40% globally. This bodes well for a brighter future for gender diversity in the region within the investment management industry.

## About the Survey

In November 2019, CFA Institute conducted a regional survey of 3,000 investment professionals in six markets in Asia Pacific – Australia, Mainland China, Hong Kong SAR, India, South Korea, and Singapore - to gather their views on gender equality and latent gender bias in the APAC investment services industry.

The questions were divided into two categories, those focused on respondents' own experiences dealing with gender equality issues in the workplace, and the others focused on their impressions of overall gender diversity issues within the industry at large. Respondents included junior- through senior-level investment professionals with a ratio of 40% male and 60% female.



## Obstacles to Achieving Gender Equality



The latest survey pinpoints three main barriers to gender diversity:

**A. Women are not assertive in advocating for diversity.**

According to the research, only 18% of women in the investment industry are active about advocating for gender diversity. This is highest in the mainland China (22%) and India (20%), and lowest in Korea (12%).

**B. Respondents believe there are fewer female role models in the industry.** The response to this was fairly standard across the six markets researched, with between 17% and 19% agreeing with this statement.

**C. Finally, respondents felt there is insufficient training on gender diversity in the region – between 13% and 17% of respondents believe this.**

Asked why fewer women hold senior positions, respondents across the region said women in general are less assertive than men advocating for career opportunities. Some 26% said women often sacrifice careers due to social pressure to take the lead in managing family life, while 20% believe the longer hours and higher stress of senior roles interferes with family duties.

The still-small number of senior women role models also slows progress, according to 18% of those surveyed. The fewer number of leaders at the top means fewer advocates in decision-making roles to open the door for others.

## A Sea Change Is Underway – 76% Believe Diversity Delivers Better Business Outcomes



Despite the unpromising current picture, 76% of APAC respondents to this survey believe workplace diversity improves collaboration to deliver better business outcomes. In addition, 38% of respondents said gender-balance in the workplace not only improves team performance, but also sends a strong message to employees, customers, investors, and the public.

CFA Institute also has found that 95% of those surveyed said their workplaces advocate for gender diversity and half of survey respondents (51%) said they are optimistic gender equality can be achieved in the next 10 years. Investment professionals in India (72%) and China (60%) are the most optimistic of achieving gender equality in 10 years, while a minority, but still sizable group, in Singapore (44%) and South Korea (37%) also see equality as a realistic goal in a decade.

## Diversity – A Powerful Differentiator for Top Talent



The belief that workplace diversity offers real business benefits is a sentiment gaining traction in many Asian markets today. For example, 48% of respondents believe women in leadership positions have better soft skills than men. That position was widely accepted in China (63%), Hong Kong SAR (55%), and Singapore (50%).

The survey pinpoints that progress towards eliminating discrimination and achieving gender equality is vitally important for the future of the investment industry. Diversity in the workplace enables the industry to tap into a much larger talent pool and gives voice to a wider range of views and insights. A more inclusive work environment facilitates better team performance, allows for more effective decision making and delivers better business outcomes.

It is often said the most enduring principle of sound investment management is diversification, yet it is remarkably absent from team construction across all spectrums of the investment professions. CFA Institute has been working towards creating an environment where investors' interests come first, markets function at their best, and the well-being of professionals is safeguarded.

## Next Steps to Eliminate Gender Inequality



Going forward, CFA Institute recommends the following action to take for the investment industry:

1. Individual companies **should change performance and salary evaluation systems** to be merit and data driven.
2. **Address gender imbalance** at the hiring stage; grow the funnel of female talent reaching senior leadership positions through specific mentorship, learning, and development commitments by senior male leaders; and set a specific timeframe to analyze and address gender pay gaps.
3. When making promotion decisions, **consider a person's ability to hire, develop, and lead** a diverse team, and conduct a gender pay gap analysis.