

# Gender Diversity

**Gender Diversity**  
within Asia Global Markets



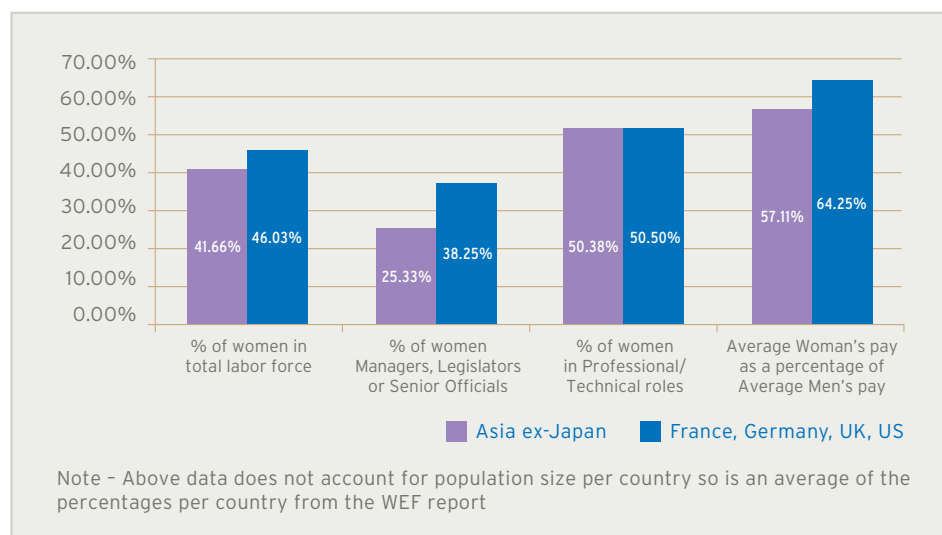
*Talk to anyone in a senior management position within sales and trading and they'll tell you they're keen to improve the diversity of their organization. Ask them why and, you get a mixed message generally falling into one of two camps. For the believers, the main driver is profitability – more diverse organizations are more productive, have less attrition, more easily attract top talent, avoid the negative publicity and costs of sex discrimination court cases and are more attractive to clients.<sup>1</sup> For the skeptics, the driver is 'the quota' – they've been told they have to fill a certain quota of senior positions with women and they want to achieve this goal.*

*Ultimately, both the believers and the skeptics are driven to the same goal and at a global management level all the banks have a senior believer working to redress the balance.*

## The Asia Picture

Asia lags behind the more developed economies in terms of the proportion of women in leadership roles. This is pervasive across all industries. The 2009 World Gender Gap Report by the World Economic Forum, shows that women in Asia occupy 25% of senior roles in the region, compared with 38% in France, Germany, the United Kingdom and the United States collectively. [FIGURE 1]

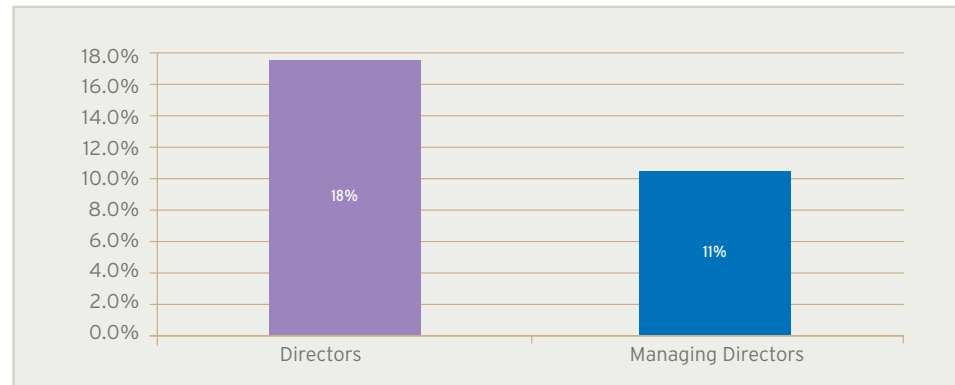
**FIGURE 1: 2009 WEF Global Gender Gap Report**  
Asia vs US/Europe's Leading Industrial Economies



Source: World Economic Forum 2009 Global Gender Gap Report

Within the sales and trading divisions of the major banks in Asia, this situation is exaggerated; women hold, on average, 11% of Managing Director positions and 18% of Director level positions according to research we conducted with 6 of the region's leading banks. [FIGURE 2]

**FIGURE 2: Percentage of Women in Senior Global Markets Positions**



Source: Heidrick & Struggles surveyed six of the world's leading Investment Banks to ascertain, on average, what percentage of senior positions are filled by women

So why is this?

All the banks we spoke with recognize the value that women bring to the bottom line and most are actively trying to attract more women to the ranks.

### Heidrick & Struggles Asia Pacific Research

Heidrick & Struggles Asia Pacific recently conducted a survey to assess the gender diversity situation in the region by speaking candidly with 22 senior female executives working in Equity, Fixed Income, Foreign Exchange and Interest Rates Sales, Trading and Structuring positions. All the women we spoke with were asked the same set of questions and spoke on condition of anonymity.

### The Pitfalls

A common theme among the women we spoke with is that they are either excluded or self exclude themselves from the informal social activities preferred by male colleagues. Most women prefer to spend their time with family and friends outside of work than watch 'the game' or catch up over a beer.

This is a similar story in other industries with a pronounced gender imbalance. The effects of this are two-fold:

- ▶ In a work hard, play hard culture, it can feel awkward if you want to work hard, play elsewhere.
- ▶ By excluding themselves from the majority of social events, women are missing the opportunity that men have from networking with colleagues which provides informal feedback and direction on how they can be more effective at work.

## The Positives

The women we spoke with thrive in competitive environments. Yes, they want to see more women in senior roles but they don't want to change the culture of competition to achieve this. The key to success is attracting more women who fit in rather than changing the culture to attract more women.

All across Asia, from Hong Kong and India to Singapore and Indonesia, women leaders told us that they have been successful in their careers despite the fact that sales and trading can be a "Boy's Club".

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Many commented that they have always been comfortable in predominantly male environments and, when asked whether they'd made any significant changes to their style or working practices, 76% of the women surveyed said they hadn't made any changes that they wouldn't have made in a more diverse environment. (i.e. 76% of women surveyed said that they are naturally able and inclined to succeed in a competitive, male dominated environment)

The remaining 24% said that they had to speak up/stand up for themselves more than they would have done if there were more women in the business. However, none thought they had made any significant changes to their working style/practices and some commented that they had reverted to their natural style once they felt they were established in their organization.

## So What's The Point?

All of the women we spoke with want to see more female colleagues in senior positions. In general, they feel that from a personal perspective, more senior female colleagues would provide a better support network within the organization and make it easier to socialize with peers. Having more women in senior roles would also provide junior women with much-needed role models or mentors

and our respondents feel that this will encourage them to remain committed to their global markets career, improve retention and break the cycle of attrition.

Finally, all agreed that the ultimate aim of having more senior women is that it will lead to a more balanced and harmonious working environment which will aid employee retention, improve performance and profitability.

## Engagement And Retention

The women leaders that Heidrick & Struggles spoke with suggested some initiatives they felt could help women in Global Markets.

### Early Mentoring

High potential female Vice Presidents should be selected for mentor programs in order to benefit from informal advice and feedback early on. Men can make good mentors as they can advise on how to survive and succeed in a predominantly male environment.

### Greater visibility for women role models

It is important for senior women to be visible and accessible, in order to motivate junior women.

### More rounded promotion criteria

One third (32%) of the women surveyed proposed looking into promotion criteria to establish whether more weight should be given to behaviors, management ability and corporate citizenship as this may help recognize potential future leaders who may be otherwise overlooked.

### Flexible work schedules

About half (55%) the women surveyed volunteered that they knew of qualified women who have not been able to find a suitable position in sales and trading that allowed them to work less than five days a week – a key criteria for them to return to work.

In addition, some of the existing initiatives at the banks were praised; global women leadership training programs that help empower high potential women and create international relationships (e.g. Citi has an established program). Managing Director annual reviews that include an element of gender diversity

(hiring/pay/promotion/retention) provide an impetus to make diversity a part of the bank's culture and mindset (e.g. an element of Goldman Sach's MD pay is linked to diversity). Development sessions on Diversity and Leadership that can help raise awareness of the issues and foster an inclusive culture within the organization (e.g. Deutsche Bank runs these sessions for all its leaders).

## Adding The "S" Factor To Mentoring

Many firms have come to recognize that mentoring is an essential way to retain and develop staff as well as to build a pipeline of talent for the future. Both mentors and protégés benefit from the mutual professional and leadership skills development and shared enhanced insight that comes from the establishment of successful mentoring relationships hence it's no surprise that this is a powerful leadership development tool.

However, many organizations have yet to realize the importance of strengthening mentorship with sponsorship. It was suggested that mentors who step forward and use their influence with senior executives to become advocates for their 'mentees' are also their 'sponsors'. A recent study states that "high-potential women are over-mentored and under-sponsored relative to their male peers and that they are not advancing in their organizations.

Furthermore, without sponsorship, women not only are less likely than men to be appointed to top roles but may also be more reluctant to go for them."<sup>2</sup>

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## A First Step

From our research, it is evident that leading women in sales and trading have been successful because it is the right environment for them, not because they managed to adapt to the environment. Theoretically then, the solution is simple – hire more women at entry level who have the natural inclination to thrive in competitive environments, provide mentoring and sponsorship throughout their careers and offer flexible work arrangements during the time that they decide to start their own family.

Unfortunately, in reality, there is no simple solution. This is predominantly because the pool of candidates considered at entry level are graduates from mathematics and engineering related university programs which are largely male

dominated subjects; as an example, only 22% of 2009 UK graduates in mathematics and engineering related subjects were women. The picture is similar worldwide. If only one in four of the graduate target pool is female, to make any significant changes to the gender mix at entry level, the banks would need to widen the target pool of candidates and look outside of the traditional mathematics and engineering related subjects. Although not inconceivable, this approach has its own set of challenges as highly developed mathematics skills are a pre-requisite for success in the sales and trading environment.

The issue of gender diversity is clearly a complex one and diversity initiatives take a long time to produce results – at least five years before there is any significant impact. For an industry that is still recovering from the Global Financial Crisis in the full glare of the world’s media, five years is a long time to wait for results from a change initiative that has only been theoretically proven to improve profitability.

Although this may sound dampening, even small positive changes made today will yield results in years to come. It is important for industry leaders to recognize the advantages of a diverse workforce, understand the unique environment of the sales and trading world in Asia Pacific and ensure suitable steps are taken to continue attracting and retaining the best available female talent to the industry.

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## ENDNOTES

- 1: The theory that a diverse organization is more profitable is supported by research by professors at the business schools of Columbia University and the University of Maryland. Using data on 1,500 US companies from 1992 to 2006, Professors Cristian L. Deszo and David Gaddis Ross demonstrated the “strong positive association between return on assets, and return on equity on the one hand and the [female top-management] participation rate on the other.”
- 2: Extracted from a study in Harvard Business Review

## ABOUT THE AUTHORS

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## About Heidrick & Struggles International, Inc.

Heidrick & Struggles International, Inc., (Nasdaq:HSII) is the leadership advisory firm providing senior-level executive search and leadership consulting services, including succession planning, executive assessment, talent retention management, executive development, transition consulting for newly appointed executives, and M&A human capital integration consulting. For almost 60 years, we have focused on quality service and built strong leadership teams through our relationships with clients and individuals worldwide. Today, Heidrick & Struggles leadership experts operate from principal business centers in North America, Latin America, Europe and Asia Pacific. For more information about Heidrick & Struggles, please visit [www.heidrick.com](http://www.heidrick.com).

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