

Industry's reaction to the coronavirus could be good news for diversity push

By SOPHIE BAKER and ARLEEN JACOBUS

While the coronavirus pandemic has damaged businesses and the economy, it may help to bring more women into the investment industry — and help eliminate some obstacles that may have kept them from more senior and prominent roles.

As countries around the globe have locked down, with only essential workers permitted to travel to the workplace, companies have been forced to grapple with remote working and the challenges that it brings to employees' personal as well as professional lives.

"I actually believe this COVID environment has truly changed the opportunity around diversity and inclusion," said Lisa Jones, head of the Americas, president and CEO of Amundi Pioneer Asset Management USA Inc. in Boston.

Considering legacy stereotypes — "the unconscious bias that still exists in the industry" — Ms. Jones said she had continued to hear from some young mothers about "the stress and anxiety about having young children and returning to work. The stress of having to leave at 2 p.m. to pick up, or to leave for a doctor appointment; women have always been concerned about the perception of not putting their job first," she said.

But the remote-working environment has produced some reassuring results, showing that granting flexibility to women and others to work from home or work different hours does not hurt business: "Technology has worked amazingly well, and we've seen a huge increase in our productivity: people are working longer," said Ms. Jones, who herself has two grown-up daughters.

"That tolerance and acceptance of a work/home life has been completely changed in this remote-working environment," Ms. Jones said. "Because we know we can work remotely, because productivity is up, because we know we do not need dedicated bricks and mortar to be productive. I think as an industry we will be more flexible (regarding) schedules, (the need to) work from home, work remotely ... and with that our ability to attract all people of diverse backgrounds — and in particular young women who ... struggle with how to grow their career while developing a family," Ms. Jones said.

'Temporarily left behind'

However, while the current environment is showing firms that their employees can work remotely and well in ways that had not previously been appreciated, "there is also a risk that women may be temporarily left behind by the crisis," warned a statement provided by a spokeswoman for Fidelity International in London. "We know that globally women are taking on a much higher proportion of the additional domestic duties than men right now so there's also a risk that men may be seen to shine at work and women could be left behind temporarily."

The statement highlighted academia in the U.S., where men are publishing more papers than ever before, while women are publishing fewer than



Kathryn Sayko, New York-based chief inclusion and diversity officer at PGIM Inc.

previously. "At Fidelity International we are very cognizant of that and are looking at how we can recognize people who are going above and beyond in the context of their personal circumstances, rather than simply focusing on people putting in the longest hours," the statement added.

But the positive lessons learned from the situation so far are encouraging. Kathryn Sayko, New York-based chief inclusion and diversity officer at PGIM Inc., the money management business of Prudential Financial Inc., also is seeing "a real cultural benefit to our using video tools, our interacting from home — I personally have seen people become much more comfortable sharing their authentic selves more readily."

Despite employees not being physically together, they also seem to be sharing more. Ms. Jones has noted within Amundi Pioneer that, in an environment where face-to-face meetings and happenstance conversations are no longer happening, "you're deliberately being more proactive with all your employees, not just the go-to employees that sometimes managers tend to be reliant on."

Drawing on more diverse sources for ideas will also be helpful in addressing the challenging investment environment, sources said.

"One way to successfully navigate choppy waters is to avoid groupthink," said Jonathan Grabel, chief investment officer of the \$53.6 billion Los Angeles County Employees Retirement Association, Pasadena, Calif. It's harder to challenge conventions and avoid traps in a crisis when everyone has the same background and thinks the same way, he said.

The current work-at-home environment could foster diversity of thought and encourage staff members in less senior positions to step up, Mr. Grabel said.

Flexible working

Parents, or those looking after elders and pets, have managed to balance their work and home lives — with employers accepting of distractions and other responsibilities. “It has become completely accepted and 100% tolerated” that when a child is crying in the background it needs to be attended to, Amundi’s Ms. Jones said.

The culture that already exists within a firm will also be important in promoting more flexibility in this current environment. “We’re not only at home trying to do our jobs, but for many women that had child care, they can no longer (depend on that) so they are home-schooling, too,” said Saira Malik, head of global equities at Nuveen LLC in San Francisco. Ms. Malik has two young daughters, one of whom is studying online.

“It’s been a big conversation for us. The nice thing is it’s quite a meritocracy (at Nuveen) — you’re judged on how your investments do, and you can do that at your own pace. It does offer a lot of flexibility,” she said.

Of PGIM’s workforce, 97% is working remotely, Ms. Sayko said. “My hope is one of the silver linings to this pandemic is flexible working, and (that) working from home will no longer be stigmatized ... it’s particularly important to leveling playing fields,” she said.

Executives at the CFA Institute have also seen the current work-from-home environment boost inclusivity. The CFA Institute has been holding quarterly catch-up calls with money managers and asset owners involved in its multiyear Experimental Partners Program, a series of roundtables formed to encourage diversity across the industry, said Sarah Maynard, London-based global head, external diversity and inclusion strategies and programs. All members of the staff are becoming more visible in the pivot to working from home, she said.

Participants in the CFA’s program are having more human, more relatable lines of communications as pets and children make a screen appearance during video calls, she said. And working hours are shifting as senior managers start to recognize that most of the child care and elder care responsibility falls to women. These managers realize that employees are working late at night to cover the ground lost during the day. Essential calls now are being timed appropriately to accommodate the responsibilities people have at home, Ms. Maynard said.

The current environment is not only showing traditional managers that remote working is achievable, but also at alternatives firms — although risks remain since so much of these businesses depend on relationships and networking.

“The rapid shift to remote work offers both opportunity and risk to

diversity efforts in venture capital,” said Maryam Haque, senior vice president of industry advancement for the National Venture Capital Association, Washington.

In some cases, remote work may create a more even playing field for handling child care and other responsibilities at home, she said. The elimination of travel requirements may also mitigate obstacles that hindered some company founders seeking venture capital funding.

“However, a new set of considerations and potential biases are likely to (arise) in the new world of remote work,” Ms. Haque said.

It will be a bumpy transition to remote work because venture capital investing is mainly based on networks, relationships, in-person pitches and frequent in-person meetings, she said.

And beyond recruiting women, the move toward remote working means firms may be more open to hiring people based in different states. “I think we will see lots of positive improvements,” Ms. Jones added.

Indirect benefits

Longer term, there may be some indirect benefits to gender diversity as the money management industry evolves in the ways it works, said Shundrawn A. Thomas, president at Chicago-based Northern Trust Asset Management. But he expects the near or immediate direct impact of the coronavirus-related lockdown to be muted when it comes to diversity.

“While I believe that the (working from home) protocols that have been invoked will have lasting effects ... and undoubtedly cause society to rethink how we work, any benefits with respect to diversity are likely more indirect,” such as changes to recruitment practices. “Any shift away from traditional approaches likely benefits diversity. More use of virtual engagement can, and in some cases will, attract a wider array of prospective candidates for certain roles,” Mr. Thomas said. “Nevertheless, the most intractable impediments to the advance of diversity are rooted in long-established, often subconscious biases, which can be quite resistant to facts and change.”

And it’s important to acknowledge that women tend to take on the majority of domestic duties and are often primary caregivers, Ms. Sayko said. “There’s a new phrase being coined — the double-double shift, referencing your work as well as your domestic responsibilities, and now on top of that there’s also schooling or teaching responsibilities (and) caretaking for extended family.”

She said there are reports that women, where they may be the “lesser breadwinner,” are opting out of the workforce in this period. “This whole conversation is something we have to be really vigilant about, making sure half of our best people — women — aren’t viewed as underperforming, or worse withdrawing from the workplace. (We need to make sure women are) not suffering or disproportionately affected through this crisis,” Ms. Sayko said.