What Women Bring

For women with an entrepreneurial drive, the financial services industry could be just the profession they’re looking for. While this type of career affords flexibility and the opportunity to make a difference, recruiters haven’t done a great job in getting that message across, reports **Diana Wiley**. Yet employing more women advisors could be the key to enhancing a company’s performance and improving their bottom line

What do women advisors bring to the table as a result of their gender?

If you want to irritate a successful female advisor, lead with that question. It is clear that women advisors don't want to be pushed into a pink ghetto any more than women investors do. They're smart, articulate and have worked very hard for the credentials, experience and solid business smarts that have won them success in this field. They want to be recognized for that … period.

This article would end right here if the issue weren't a little more nuanced than that.

It's hardly surprising that women, who for millennia have been sidelined for qualities dismissed as "feminine," should be reluctant to attribute any part of their success to strengths that can be attached to gender. Even now, these qualities are referred to as "soft skills," to which it is harder to attach a tangible value than to "hard skills." Interesting, then, that an article in *Forbes* last April made a convincing case for the premise that there are only three true interview questions: 1. Can you do the job? 2. Will you love the job? 3. Can we tolerate working with you? Only the first question deals with hard skills. This is not that surprising given that we live and work in an interconnected world where the focus is on collaboration. At work, we are expected to work in teams and build relationships with our clients.

The recognition has slowly dawned that the so-called Emotional Quotient (EQ) strongly impacts personal and corporate bottom lines. It's important to be able to quickly read another person and make minute shifts to accommodate the other's reaction in the course of a conversation. With the evolution of financial services from a transactional to an advisory model, collaboration is crucial to the successful outcome of integrated processes and comprehensive financial plans. So is getting a client to open up and give you the whole story so you can build an accurate "big picture" of his or her financial life — and being comfortable dealing with the strong emotions this process can evoke. About the only thing women have been given credit for over the centuries is precisely these abilities.

Still, successful female advisors prefer to talk about how the industry is more open to workplace diversity in general, with gender being just one of many differentiators. And younger women, who have been raised by parents and educators who told them they could achieve anything they aspired to, have a different viewpoint than the baby boomer cohort who paved the way for them. These women never experienced a world filled with barriers. If earlier stereotypes overempha-

BY THE NUMBERS

Women today form
47%
of the workforce

Women are starting businesses at
twice the rate
of men

Less than
20%
of financial advisors today are women

Worldwide female income is expected to grow to
US $18 trillion
by 2014

sized gender differences, contemporary recasts seek to obliterate them entirely. The truth obviously lies somewhere between these poles. We all connect with the world through an interface formed by our experiences and the interpretation of those experiences, and gender is a powerful lens. In a world that has learned to celebrate different points of view, *vive la différence*!

A number of studies elsewhere show that women express their values through their wealth differently than men do. Also well documented is the general dissatisfaction of women with the way they are served by the financial services industry. This suggests that the industry as a whole needs to become more sensitized to a female perspective if it is to be successful in tackling what the *Harvard Business Review* called "The World's Largest Opportunity": wealthy women. The 2009 article compared female income ($13 trillion in total yearly earnings worldwide) with the combined GDP of China and India $5.6 trillion), projecting faster growth of female income ($18 trillion versus $8.4 trillion by 2014).

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One might jump to the conclusion that a quick fix for an industry that is still about 88 per cent dominated by men would be to recruit more women advisors. Women "get" women, right? So they will intuitively know how to sell to other women and retain them as highly satisfied clients. Not necessarily.

Traits, styles and preferences exist on a continuum, and many factors will impact who is attracted to the industry, for what reasons, and how free they feel to be themselves. It also depends on what behaviours are valued in the workplace culture — that is, behaviours that are rewarded in tangible ways and not on values that may be part of the corporate marketing construct but haven't yet permeated the culture. If all that is known about how to meet the expectations of women were being translated into action, one would expect a meteoric rise in the satisfaction of female clients. According to the aforementioned studies, this is apparently not the case.

A marketing campaign may get a woman prospect in the door, but it's what happens when she's face-to-face with a financial advisor that converts (or doesn't convert) her into a client. And the industry still has not succeeded in attracting or retaining large numbers of women to this career path. The answer to both conundrums may lie in the same solution.

As numerous gurus specializing in marketing to women have demonstrated, successful strategies emphatically do not involve "going pink,'" or positing that women are uniquely suited to sell to other women. Research consistently shows that women don't care whether they are dealing with a man or a woman. What they do care about are the assumptions advisors make going into negotiations with a female prospect because they affect the range of products and services offered, as well as the attitude and communications style adopted.

Women want to be offered the same range of financial services and products as their male counterparts, and be recognized as high-performing peers who do not happen to have the same specialized knowledge as the financial advisors whose advice they are seeking. Women do not want to be automatically labelled as risk adverse; they look to their financial advisors to educate them about the nature of the risk they need to take in order to get the long-term results they need. They want the financial results framed in terms of their progress towards their life goals. And they want high levels of service and a thoughtful, comprehensive approach to a long-term financial strategy. Unfortunately, many women are reporting that, overall, this is not happening. If women clients want this approach but are not finding it, it seems logical that women who are assessing career options would also use the same lens to evaluate prospective workplaces or opportunities, and may not be finding it either.

In a rather counterintuitive corollary, advisors who have taken steps to make their practices more responsive to the needs and expectations of women have found that their male clients are also more satisfied. The conclusion would seem to be that what is better for women is also better for everyone. Perhaps the effect that women are having on the system is to humanize it. This is congruent with what marketers know attracts women: showing people in advertisements rather than just the product itself, and conveying a feeling of warmth and inclusiveness as opposed to status-seeking and being in control.

Women have always tended to be drawn to the "helping professions" — medicine, teaching, social services — rather than building bridges, for example (last year, only 17.7 per cent of Canadian engineering undergraduates were women.) With the holistic approaches that have become more prevalent over the last few years, financial services is migrating away from a "numbers-based business" towards what might also be characterized as a helping profession. Perhaps framing it this way would help to attract more women to the profession. For example, a 2010 issue of the *Journal of Financial Services Professionals* reported that 1,575 individuals entering the financial services field as producers were asked to choose from seven drivers of their decision to make this career choice. Thirty-eight per cent of female respondents (as opposed to 30 per cent of males) chose "the opportunity to help people/make a difference." For women, this was a significantly stronger driver than "unlimited/high income potential," chosen by 23 per cent of female respondents and 27 per cent of males. It's self-evident that people whose primary motivation is based on a passion to help people will take different approaches to building a business than someone who is most attracted to the prospects for making unlimited income.

Out of necessity, the first wave of women in the corporate world adapted, or tried to adapt, to a male model. They wore suits and modelled themselves on male management styles and values as they tried to figure out male power structures and how to advance through the hierarchy. As a group, women tend to relate as peers, which translates into collaborative and supportive behaviours, as opposed to the more competitive and aggressive behaviours associated with male environments. Of course it's not that black or white, with individuals spreading out along a continuum of behaviours. It's quite likely that the very competitive, high adrenaline environment of the brokerage model that was dominant at the time attracted women who thrived in that setting. As the model shifted towards an asset management approach that was less transactional and required building a longer-term relationship with clients, the more traditional female strengths and values became more relevant. Now, of course, the advisory business is built on a relationship model.

This is not to say women don't compete, or even enjoy it. But they feel better about it when everyone involved wins in some way. And now that they form 47 per cent of the workforce in Canada, they are forcing a rethink of the traditional model and an adaptation to women's management and working styles. This shift has had positive, measurable effects, as various studies on the performance of firms having more women in senior roles illustrate. As outsiders with no attachment to the way things had always been done, they had a fresh viewpoint, informed by looking at life through a powerfully differentiated lens. More women at the top probably also coincides with greater diversity in general throughout the firm, so an increased sensitivity and openness in the culture to other perspectives and values may also help explain the enhanced performance. As has often happened in the past, women have led the way in these sorts of social struggles for independence and equitable treatment.

The fact that women have been starting businesses at twice the rate of men over the past two decades suggests that a lot of women haven't been finding the flexibility they need in the traditional workforce. Interestingly, successful women advisors say that flexibility is a strong selling point for their profession and express gratitude for the flexibility their practices allow them to juggle the needs of a young family or ailing parent. Although they were not able to take prolonged maternity leaves, particularly if the birth of their children coincided with the early intense years of building a book, they were able to redress the work/personal life balance once they had their business firmly established. They say that this is something that is not generally understood about their profession, and that recruiters might consider how to get that message out to women with an entrepreneurial bent.

Ironically, the move towards encouraging advisors to be more relationship-oriented while offering more holistic services coincides with reports of the general decline of empathy in our society. In a study reported by *Scientific American*, almost 75 per cent of students today rate themselves as less empathic than the average student 30 years ago. It suggests a number of things, including an increased isolation fostered by technology (less "face time" with others) and less reading of literature (which increases empathy by allowing one to enter the mindset of another person and have access to an intimate knowledge of his or her motivations, fears and aspirations). One might add the abrasive nature of communications models in the popular media to the list of dehumanizing influences.

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This might be one more reason to value the wisdom and input of women who are in the second half of their careers. Women are generally credited with being naturally empathetic. One could argue that empathy increases with age as it is formed in the crucible of adversity and few people can live five or six decades without facing difficult circumstances. When attempting to offer a comprehensive financial solution for a client, the more accurately a situation is understood, the better the chance of arriving at an optimal result. Money issues are often tied to strong emotions, including shame and embarrassment, and it would be difficult for a client to divulge all the necessary details to an advisor who did not exude empathy. We all fear judgment by others, and our gratitude for being understood is probably in direct proportion to the degree of our deviation from a perceived ideal.

Women advisors report that they love the financial advisory business — for its rigour and energy, for the opportunities to help others in ways that align with their own values, and for how it allows them to juggle their personal lives with a highly satisfying professional life. The business has changed, and these women hope that the industry can find a way to let smart entrepreneurial women know that it's changed in ways that might strongly appeal to them.

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