In STEP with women

How can the private wealth management industry best support female employees and serve female clients? A recent STEP Journal roundtable, sponsored by RBC, examined the topical question of gender equality

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FRONT ROW (L–R)
+ PATRICIA WASS TEP
  Consultant, Enable Law, and STEP Worldwide Chair
+ SARAJANE KEMPSTER (CHAIR)
  Director, Fiduciary Specialist Team, RBC Wealth Management
+ ZAHRA KANANI TEP
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BACK ROW (L–R)
+ SALPY KOYOUUMJIAN
  Partner, Boodle Hatfield
+ SONYA REES
  Associate Director, Westleton Drake
+ PIERS BARCLAY TEP
  Partner, Macfarlanes
+ CONSTANCE MCDONNELL TEP
  Barrister, Serle Court
+ JOHN BARNETT TEP
  Partner, Burges Salmon
+ LYNNE ROWLAND
  Tax Partner, Kingston Smith
+ JULIAN WASHINGTON TEP
  Head of Client Insight, RBC Wealth Management
+ CLARE MAURICE TEP
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At a time when all industries are subject to increasing scrutiny around the topic of gender bias, it is vital for private wealth professionals to confront this issue, in terms of both managing clients and ensuring women in the industry are fairly and adequately represented.

During a roundtable discussion in July, sponsored by RBC, 11 private client experts gathered in London to examine these two key areas.

Sarajane Kempster, Director of RBC Wealth Management’s Fiduciary Specialist Team, and chair of the roundtable, opened the conversation by pointing to a recent study by the Economist Intelligence Unit, commissioned by RBC Wealth Management: ‘Two of the common themes coming through this report are that women are increasingly becoming financial powerhouses, and female millennials are making money quicker than the generation of women before them. Are we seeing any evidence of more female clients and entrepreneurs coming to us?’

Sonya Rees, Associate Director at Westleton Drake, answered: ‘Our client gender split is becoming more uniform. We’ve seen a move from a 68 per cent male client base in 2011 to a 56 per cent one in 2018.’

However, in the experience of many of the roundtable participants, this shift is not, thus far, a result of the rise in younger female entrepreneurs. Rather, in many cases, it is the increase in the number of widows, divorcees and trust beneficiaries that is driving the change.

“In terms of people inheriting wealth or being beneficiaries of trusts needing advice, we have a lot of female representation,” Piers Barclay TEP, Partner at Macfarlanes, said. ‘However, I don’t think we should generalise about differences of approach between male and female clients – they all have their own needs and you have to approach them on an individual basis.’

Generationally speaking, most of the experts felt that there has been a noticeable change in the requirements of the average female client, with Kempster observing that women seem less risk-averse than their parents’ generation, as well as being far more willing to make their own decisions.

The approach to risk, rather than the gender difference, is what seems to drive many advisors to take a different approach. ‘A generation ago, we would approach male and female clients differently, according to their different experience, knowledge and familiarity with the financial world,’ Barclay explained. ‘That is much less, if at all, necessary today: they come in as absolute equals, both fully equipped and ready to discuss the issues and make their own decisions.’

There are, however, areas in which private wealth experts still see the male-female divide.

Constance McDonnell TEP, Barrister at Serle Court, pointed out that, in some areas of litigation, female clients prefer to interact with female advisors: ‘I’ve had a number of cases in the past few years where a female client has said something to me that they would have found difficult to say to a male advisor. Often it has been something traumatic, such as domestic abuse, which is directly relevant to issues in the litigation – and so we need to know about it. I certainly find with female clients that it’s more important to create an atmosphere where they feel that they are listened to.’

A CULTURAL DIVIDE?

‘There’s also the cultural issue,’ added Zahra Kanani TEP, Associate Solicitor and Private Client Knowledge Development Lawyer at Thackray Williams. ‘I do a lot of work with faith communities in the UK, and much of...’
The wealth is still concentrated in the hands of the male of the family. Although the women are now a lot more educated and financially aware, when it comes to things like wills and tax planning, they still tend to rely on the male, and they’re not aware of the options open to them.

Nonetheless, the participants cautioned on the importance of not making assumptions about a client’s needs and ‘pigeonholing’ them further still on the basis of gender roles within their culture. ‘I have female clients from the Middle East who I deal with in exactly the same way as clients from the US and, similarly, I have European clients who are as deferential to their husbands as my Middle Eastern clients,’ said Salpy Kouyoumjian, Partner at Boodle Hatfield. ‘It’s a highly personal business: I look at the individual I’m dealing with and try to understand their cultural, social and financial objectives; advisors have to understand those requirements and adapt accordingly. Even taking women as a group, there is such diversity that we should be wary of generalising.’

**DRIVING CHANGE**

Patricia Wass TEP, Consultant at Enable Law and Chair of STEP Worldwide, observed that the number of female advisors entering the industry simply does not correlate with the number of women climbing the ladder to become senior managers: ‘We need to encourage them, and help to build their careers, so they feel that there isn’t a glass ceiling: they can move upwards, and there isn’t any job a woman can’t do any more.’

**A FLEXIBLE FUTURE**

The participants debated why this progression might not be occurring, and whether it is due to a lack of opportunities, or simply businesses not accommodating enough structures and practices.

While every employee now has the right to request flexible working, there is no legal obligation on employers to grant it. There is still very much a practice of it being used by mothers so that they can balance career and family, while men in the workplace still tend to take only the minimum statutory paternity leave. Whether this difference is due to personal choice, extended paternity leave being a relatively new concept or traditional social expectations, the fact remains that the scales are unbalanced.

There was some difference in views around the table regarding the benefits of flexible working. John Barnett TEP, Partner at Burges Salmon, highlighted recent research from Cambridge Judge Business School showing that the most direct correlation between a team’s dynamic and its effectiveness is the amount of face-to-face time that it has.

Both Lynne Rowland, Tax Partner at Kingston Smith, and Clare Maurice TEP, Partner at Maurice Turnor Gardner, agreed, suggesting that supporting flexible working might go too far and break down team communication. ‘It’s sometimes difficult to perform and have those technical discussions if you’re working remotely – it’s easier to do it in a team,’ Rowland pointed out. ‘It’s the way the industry is going: we’re bringing in a more agile way of working. Some see it as the only way to keep the talent we have trained, by being more flexible and more family-friendly.’

Maurice expanded on this, saying: ‘It’s hard from both the business and family point of view. It’s hard to manage and nurture those partners working part-time or flexibly. And while the baby part of childcare is for a relatively short time, it’s when the children get older that they really need you to be present.’

Other participants, however, argued that the concept of agile working can be a boon for a business, encouraging greater staff loyalty, while also allowing women to maintain their career trajectory. Kempster commented: ‘The flexibility a business affords its staff can create an
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– Sarajane Kempster

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Further, pointed out Rees, with evolving technology, flexibility doesn’t necessarily have to equate to an empty seat: ‘Technology such as Skype allows teams working more agilely to maintain interaction and effective communication. It’s about how you facilitate the home working in your teams.’

HAVING IT ALL
In an industry described as ‘increasingly 24/7’, is it even possible for today’s female professionals to ‘have it all’?

‘What is having it all?’ McDonnell questioned. ‘If “all” is having a fulfilling job, with a decent income, having a family and having time to enjoy yourself at weekends, then, if you make the right choices and insist on the right structure, you can.’

Barclay pointed out, however, that there is a bigger societal issue at play: ‘I think the industry has actually taken enormous strides to create a level playing field for everyone. But society still expects women to have the principal child-rearing role, and such presumptions are dragging the issues at hand backwards.’

The participants agreed that there is also a parity issue for men here and, until there is a greater acceptance in both business and society of men working more flexibly and taking more parental leave, there will be no equality for both sexes.

‘At Burges Salmon, we now have a number of men who have broken the mould and taken that career break, or worked part time,’ Barnett commented. ‘And now it’s an equal pain whenever anyone wants to take time off! But, when it becomes an equal pain, that’s when it becomes viewed as a business challenge rather than a gender issue.’

‘It’s so much more empowering if we work towards breaking that societal perception: that it doesn’t matter if you’re a man or a woman, it is accepted that you take your fair share of maternity or paternity leave,’ agreed Kouyoumjian.

POSITIVE REINFORCEMENT
The group also discussed the importance of having role models asserting their needs of both flexibility and career progression to the younger generation in the workplace, and their thoughts on women’s groups in the industry. McDonnell noted that these groups, such as the Association of Women Barristers, can be instrumental in bringing issues to the forefront and pioneering key research into women’s challenges in certain areas.

Barclay pointed out that it is nonetheless vital for men to be involved in these groups and the discussions if they – and the industry at large – are to gain a proper understanding of the issues at hand.

Wass added: ‘Women don’t want to be singled out as “different”, we want to be treated in the same way, and, if you start creating “women only” groups, a patronising attitude can start to emerge. We want to be treated as people, with our own expertise and skills among our whole peer group.’

A similar regard was expressed towards the issue of gender pay reporting – it can be a blunt tool comparing very different job roles, and, as a consequence of publishing figures, companies are becoming more concerned with having ‘quotas’ of women in senior roles, rather than nurturing female talent.

‘The danger with quotas and awards is that they feed the cycle, creating concerns among both genders that someone has got something because they’re a woman,’ warned Kouyoumjian. ‘The pressure now is to constantly prove our point, that we have women in roles: we could end up doing more harm than good down the line. Gender should simply no longer be an issue.’

Times have changed. The days when women used to be seen as financially dependent caregivers are gone, and entrepreneurial women are increasingly emerging as serious wealth creators in their own right. This creates both an opportunity and a challenge for the private wealth industry – the opportunity to win new clients and the challenge of making sure our businesses fully reflect the changing world in which we operate.

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