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'Pregnancy is still a career killer'

Madison Marriage Author alerts



[Fund management] is still a man's world and a throwback to the 1950s'

Maternity leave is having a destructive impact on the careers of women in asset management, according to dozens of men and women in the sector who are dismayed by what they see as an acute cultural crisis.

"Pregnancy is still a career killer," says a male fund management employee who took part in FTfm's second annual Women in Asset Management survey. "Women between 25 and 40 are still offered contracts on a temporary basis."

He is one of an alarming number of fund staff who volunteered anonymous comments in response to the survey, highlighting maternity leave as one of the most damaging issues facing women.

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The survey, which polled more than 700 fund management employees globally, did not include questions specifically on maternity issues, but it triggered an outpouring of frustration from male and female professionals about the hurdles facing mothers in the sector.

Stephan Breban, a member of the advisory board at investment consultancy Dean Wetton, who has previously worked at several fund groups, says: "When I was a single dad and had to leave early to pick up my son, I was viewed as a hero. If a mother, single or otherwise, did the same, there was an audible groan around the office. Female counterparts were scorned and mocked."

His experience is shared by dozens of women who took part in the survey (see box).

A female fund management employee, who requested anonymity, says her chairman refused to pay her annual bonus when he found out she was pregnant and demoted her after she took eight months of maternity leave.

"There are of course laws and regulations against such practices, but being out of the market even for just a couple of months knocks your confidence. It still annoys me that I just accepted the decisions without challenging and defending my position," she says.

A former executive at a top-five fund company in terms of assets told FTfm that maternity leave was considered a "bad thing" at her previous employer.

The perceived stigma facing soon-to-be mothers has led many women in the industry to hide their pregnancies for as long as possible – in some cases for up to seven months, according to a US-based financial services headhunter who asked to remain anonymous.

"Women are fearful they will lose clients or not get promoted because their manager is worried they will not come back. That does not happen in other industries, which shows that [fund management] is still a man's world and a throwback to the 1950s," she says.

Fund houses are not oblivious to these issues and some have made efforts to encourage more women to remain in the workforce after they have children.

Baillie Gifford, the Edinburgh-based fund house with £105bn of assets, overhauled its maternity programme last year to encourage more female staff to remain in touch while on leave.

Six of the 22 corporate members of Citymothers, a professional network established for working parents in 2012, are fund companies, including M&G, Pictet, Schroders and Axa Investment Managers.

Although these efforts are seen as a good first step, there is scepticism about the impact of such initiatives will have without overt support from senior executives.

Isabell Moessler, co-head of sales at ETF Securities, the passive fund house, says: "[Women's networks] are a positive development but not the solution. Change needs to be part of the whole organisation, not the issue of a subgroup."

Kate Grussing, managing director of Sapphire Partners, an executive search company specialising in diversity on boards, agrees: "Managing maternity leave better is a big challenge for fund management companies. Women's networks are helpful but they are not a panacea."

Many women move out of the front line of fund management into roles that might be easier to combine with family life, such as marketing or consultant relations, according to Jane Welsh, senior investment consultant at Towers Watson, the consultancy.

"I think there is a view that you cannot run money and work part time or at home. [Fund companies need to] find ways to make it possible to work flexibly and still run money," she says.

Ms Grussing recommends that fund groups introduce maternity coaching for women and their managers and consider assigning a "buddy" to staff members before they take parental leave to help them stay in touch. Holding an explicit performance review immediately before a woman goes on maternity leave would also help, she believes.

Maternity leave weighs on women

Maternity leave is a severe problem for many women in the market, according to a number of fund professionals who took part in FT's Women in Asset Management survey. Here follows a selection of their comments: "Until beyond the age of 42, women are all viewed as potential maternity leave cases, therefore career progression is limited and promotions harder fought. [This] needs to change."

"There is always a risk of getting laid off or losing our job when we announce our pregnancy or come back from maternity leave. This is still very much a taboo subject in the industry."

"I don't think sexual harassment is the real issue in this industry. The issues surround maternity leave and the old-fashioned view that women should not be both mother and breadwinner."

"I have been a fund manager for 14 years and the last time we hired a female fund manager was probably 10 years ago. Flexible working is not considered appropriate for fund managers or front-office staff in general."

"Star-manager status and a male-dominated culture combined with rigid market hours make flexible working difficult. Given that women still undertake the larger proportion of childcare, this is an issue for us."

"Maternity and part-time working is far behind other industries and seriously needs to be addressed in order for women to progress."

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