

How can we foster greater gender diversity in securities finance?

Organizations in the financial sector have been intensifying their efforts to build a more balanced and inclusive industry. This ranges from awareness campaigns such as State Street's Fearless Girl and employer commitment to diversity promotion and reporting initiatives such as the UK's Women in Finance Charter, through to the launch of women's groups such as Women in Securities Finance as well as dedicated networking sessions at industry conferences. However, there is still significant work to be carried out to accelerate the pace of change and achieve full inclusivity and diversity in the financial sector. With this in mind, *Global Investor* asked senior leaders in the securities finance industry to share their views on what more can be done to encourage gender diversity.



Global tri-chairs and founders of Women in Securities Finance: **Elaina Kim Benfield**, senior counsel, Vanguard; **Arienne Collette**, executive director, Morgan Stanley; **Jill Rathgeber**, director, BNY Mellon

Diversity and inclusion are hot topics these days because 'striving to increase workplace diversity is not only a slogan – it is a good business decision'.⁽¹⁾ A 2016 Harvard Business School article on "Why Diverse

Teams Are Smarter" provides compelling data to support this business decision, including statistics on companies with 'ethnic and racial diversity in management that were 35% more likely to have financial returns above their industry mean, and those in the top quartile for gender diversity were 15% more likely to have returns above the industry mean.' The article also notes that organizations with at least one female board member yielded higher return on equity and higher net income growth than those that did not have any women on the board.

Firms should consider diversity and inclusion as a part of its overall mission to help create meaningful (qualitative) and measurable (quantitative) improvements



Monique Boucher,
senior legal counsel, Fidelity Investments

Redefine how and who you hire. Consider making changes at every layer of your recruitment process to accomplish this, including connecting earlier and in new places with female prospects, driving awareness among women of the broad career paths in financial services, and optimizing job descriptions to attract women and people who will bring diversity to the company.

Tap into the power of differences to create an empowering and inclusive environment for women. Every employee contributes to a company's success and must play a role in creating an inclusive and empowering

environment for all. For example, sending both women and men to conferences that are specific to women can provide perspective and enable open conversations that have never been had before. Plus, empowering women in the workplace is the responsibility of both genders.

Strive to build a culture where women are empowered, but are also helping to advance women everywhere. Allow women to feel empowered at every stage of their lives – from their career to varying life events, from starting a family, to taking on care of aging loved ones, to experiencing divorce or loss of a spouse. More diversity and a culture where differences are valued will benefit investors and firms alike and the customers we do business with every day. ■

“ Empowering women in the workplace is the responsibility of both genders ”

for individuals and the industry overall. Some of the challenges facing women in the securities finance industry and the financial services sector generally, include low numbers of female applicants (at all levels), a lack of community (both informal and formal networks), and most importantly – a lack of sponsorship critical for advancement. We launched Women in Securities Finance, an independent industry women's group, at the beginning of 2018 to foster connections in the securities finance industry to help address some of these challenges. Our guiding principles are to encourage and empower women in securities finance to connect professionally, collaborate and share insights. The group has made progress

on achieving these goals through hosting multiple events where discussion topics have included diversity in the work place, career development, cultivating mentor relationships, as well as offered networking opportunities. We are thrilled with the support we've received to date, and as connections are made and insights shared, we hope to expand our community to ultimately enable women to grow and develop in the securities finance industry globally. ■

(1) <https://hbr.org/2016/11/why-diverse-teams-are-smarter> [hbr.org], by David Rock and Heidi Grant

WOMEN IN
SECURITIES FINANCE



Lynn Blake, chief investment officer of global equity beta solutions, State Street Global Advisors

I have been in the investment management industry for 30 years and have been so fortunate to have experienced a rewarding and successful career at State Street Global Advisors all while raising two daughters. Key programs and initiatives encouraged at State Street provided support throughout my career progression. While my children were young, I worked remotely, often with flexible hours, and even a reduced work schedule so that I could feel actively engaged in my daughters' lives while still pursuing a demanding career. Having work/life balance is critical to a long-term, sustainable career and State Street gave me the flexibility that I needed to stay in the work force and in this demanding industry.

Additionally, a mentoring and sponsorship program is also critical to advance a career in

asset management. At State Street, we have a formal mentoring program as well as a large and active professional women's network whose mission is to create advancement opportunities for women. Throughout my career, I have had several mentoring and sponsorship relationships that were vital to my success.

Despite powerful initiatives like these at State Street and many other financial organizations, women's participation and advancement in financial services have moved at a glacial pace. Recruitment efforts and promotion pipelines are often dominated by men; women continue to average less than 20% on corporate boards. For this reason, we decided to push with a purpose beyond our internal programs by placing Fearless Girl on Wall Street to call attention to gender inequality in corporate America – with a very specific call to action for boards to increase women on their boards and to enhance gender diversity across their organizations. Our Fearless Girl campaign is about empowering women today and in the future to strive for leadership positions – and she has definitely gotten well-deserved attention! ■



Marney McCabe, senior vice president - global securities lending, investor services, Brown Brothers Harriman

Mentorship and sponsorship are keys to increasing gender diversity in our industry. It doesn't matter whether they are done formally through established programs, or

informally through relationship building and networking. But to be successful, connections need to be made with an awareness of unconscious bias and an intention to set it aside. Studies have proven that we all carry biases based on past experiences, presumptions, and stereotypes, and some are so ingrained in our culture and society that they go unnoticed. But they mean we are attracted to and make decisions that favour people who remind us of ourselves, often at the detriment of creating a more diverse and inclusive environment.



Nancy Allen, global product owner, DataLend

I strongly believe forward thinking, innovative and profitable organizations are taking the right steps to advance and support women; I'm fortunate enough to be part of the EquiLend team, one which recognizes that diversity, a core tenet of our culture, drives success.

However, many individuals and organizations continue to battle unconscious gender bias, which is a challenge to overcome. Leaders in the securities finance industry can help to mitigate unconscious bias by making a concerted effort to identify and recognize female talent. We need to promote talented women to key management positions and shine a spotlight on successful women leaders. Strong female role models will attract and inspire younger women to the industry by illustrating a path to success. Meanwhile, young men will become accustomed to seeing women in senior positions, thereby changing the existing bias.

For our part, women need to put in the work to manage our careers and ensure we are well positioned to assume senior management roles. Simply working hard and being a strong performer will only take you so far. Maintaining a strong network of peers and finding a senior sponsor is equally critical to success. A network helps you better solve problems, identify new opportunities and better understand the future direction of the industry. A senior sponsor is positioned to advocate for you and guide you through your time in an organization and the broader industry.

I also encourage all women to be open to new opportunities – new roles, new departments, even new countries. Never stop growing, learning and diversifying your skill set. Soon after graduating from university, I jumped at the opportunity to move to London for a six-month rotation (which ended up turning into 16 years!). That experience helped to shape my career and afforded me the opportunity to work with many different cultures and to build a global network. While I spent almost all of my career in securities finance, I continuously challenged myself by moving from a product role, to sales and relationship management, to trading and finally to technology. Be a leader, and step into leadership roles when you can. ■

These filters or preferences will strongly influence the adoption of a mentor/mentee connection, causing us to choose and support someone who looks and thinks like us. Firms and the industry can reduce unconscious bias by creating awareness – adding formal training to educate on the types of bias that occur, their impact, and how combating them can strengthen workplace culture. However, individuals also have a responsibility to deliberately look for where it's happening and help reduce it. We need to create a more favourable environment where men

are mentoring more women and women are mentoring more men. These sorts of cross-gender relationships will create a more informed workplace and increase awareness of the assumptions and generalizations we make. Mentorship and sponsorship are key to employee engagement, succession planning, leadership development, and are proven to benefit both employees and their organizations. With an appreciation for unconscious bias they can also help the industry achieve gender, and other types of, diversity. ■



Lori Paris, head of client management for securities lending in North America, Northern Trust

Lori Paris was recently promoted to head of client management for securities lending in North America, leading a team responsible for regional client servicing and sales.

As part of her personal development journey, Lori took advantage of programming offered by Northern Trust's Women in Leadership Business Resource Council (BRC), one of eleven groups sponsored by Northern Trust's Global Diversity and Inclusion group. The Women in Leadership BRC's mission is to engage and empower women in the workplace by building leadership competencies through educational programs, mentoring opportunities and opportunities for impactful connections.

My work on Northern Trust's Women in Leadership Business Resource Council (BRC) provided an opportunity to be engaged, grow my network, gain senior management visibility and hone leadership skills.

My goal was to demonstrate that I can do the work, add value and show how my interests are aligned with the corporation. I've led BRC committees that host 40+ events per year, serving 1,500+ employees – this additional commitment has built a solid network across the organization and industry, taught leadership, delegation,

efficient and effective communication and the value of having a broad network that can assist with making any event a success.

I have seen first-hand the value of networking with and mentoring successful professionals. This has broadened my perspective on our clients' businesses and Northern Trust's solutions while learning about different leadership, sales and client servicing approaches. It's about truly understanding where my client or prospective client is coming from. By understanding their needs in the context of their place in the market, I can consult with them to design a customized solution. When I talk with colleagues and peers in the industry about career development, I encourage them to look at each interaction as an opportunity to grow in a way that will help them excel in their current role and help position them well to identify and achieve future career goals.

Over the past year, I have taken the opportunity to be involved in Women in Securities Finance, a fairly new industry group focused on collaborating, sharing insights, and connecting current and emerging leaders across securities finance. I was fortunate to be recommended by my manager, Sandra Linn, head of securities lending, NA, to become involved. As a result, I have met a group of professionals who understand that the whole is greater than the sum of the individuals, and to advance the industry, everyone's voice needs to be heard. ■

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