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Celebrating Women's Month: Generation Equality - Realising Women's Rights for an Equal Future.

The role of women and pervasive gender inequity in the asset management industry.

By Botsang Ramorwa



*As a recently appointed Fund Principal in private equity at the PIC, **Ms. Botsang Ramorwa**, provides insights on the role of women and pervasive gender inequity in the asset management industry.*

Since the World Economic Forum (WEF) published its report on gender diversity and competitiveness in private equity in 2015, the inequality gap in the industry persists. At the time, the WEF found that private equity firms had fewer women in senior management roles than almost any other professional services industry: only 5% of women were at senior management level, with around 13% at junior to mid-management levels.

Although a subsequent 2022 Preqin report showed some progress with the female participation rate in global private equity at 20.50% (up from 2.61% from 2017) it remains apparent that by far, fewer women are recruited for entry-level positions in private equity than male counterparts. The widening gender gap in the industry is exacerbated by divergent career paths that widens further as individual careers advance. A

major hurdle is that the recruiting pool is mainly from investment banking, which traditionally has low female representation. The pool needs to deepen and widen.

Other obstacles for women investment professionals are well-known: an inherent bias against appointing women in technical positions, a lack of sponsorship to retain and promote women within major firms, women are less likely to receive honest feedback from their male colleagues – studies show that senior men can be uncomfortable delivering constructive criticism to young women – and the lack of a clear commitment from executive leadership to improve the gender balance.

First, to address the inequality gap the recruiting pool must be expanded beyond investment banking. Second, there has to be commitment from executive leadership to increase representation. We need to lead by example in our organisations – leaders should be sponsors. Talented women as investment professionals must get feedback on what can be done to advance their career goals and we need to challenge things we believe are unconscious gender biases.

This is extremely important: once we change representation at investor or private equity firm level we are changing the gatekeepers to capital. Numbers in research show that female funders are twice as likely to invest in female-founded start-ups and three times as likely to invest in companies that have women as CEOs. This demonstrates that empowered women empower other women. And women private equity investors are critical in unlocking more inclusive capital for other women. The biggest challenge for women fund managers is access to capital, access to networks and the lack of mentorship.