

The Presence Of Women

BY VIDHU SHEKHAR, CFA

Diversity matters because diverse groups of people bring together different perspectives to problem-solving and decision-making. Industry participants today acknowledge the importance of work structure and flexibility in attracting a diverse workforce.

The Indian economic growth in recent years fills us with extreme pride. According to the World Bank, India's GDP stands at USD 2.27 Trillion, with an annual growth rate of 7.3% as of 2018¹. However, the fact that India's female employment rate stood at a meagre 27%² in 2017 is an issue of grave concern.

Absence of women in the workforce

When compared to China, where women contribute to 40% of the GDP, women in India only contribute to 17%³. The reasons behind this gender divide impeding India's future growth are plenty. A working woman in the family is often seen as an indicator of lower income status. When the family

income grows, women are expected to stop working and stay at home. Working women do not get help with domestic chores from the men in the family, and are expected to sacrifice professional growth to take care of their family⁴.

A misconceived perception by the society, which considers only certain sectors appropriate or safe for women to work in, is not helpful either, and this is true for the finance sector. Predominantly viewed as a 'male arena', the finance industry is replete with factually incorrect societal notions such as lack of flexibility, need for aggressiveness, and similar 'nonfeminine' characteristics. This has kept a majority of bright and capable women away from joining the sector for many years.

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Encouraging gender diversity in finance

Death of women in the workforce has a significant impact. Government initiatives can help augment professional skills, but unless ways are devised to strengthen the position of women in the workforce, we will not make progress in increasing the participation of women in it. Efforts to reduce gender inequality in the workplace are important for another reason - as more women participate in the workforce, the quality of output and decisions improve. The 2016 CFA Institute study on Gender Diversity in Investment Management recognises that gender diversity leads to better performance. Diversity matters because diverse groups of people bring together different perspectives to problem-solving and decision-making. Industry participants today acknowledge the importance of work structure and flexibility in attracting a diverse workforce.

In an effort towards bridging the gap specifically in the investment management industry, the CFA Institute launched India's first 'Young Women in Investment' initiative, which aims to create awareness about, instill interest in, and enable women to view the investment management industry as a viable long-term career option. The initiative has been a remarkable success due to the support of many from the investment industry - the institutions, industry leaders, and universities. There were more internships on offer than the intended class size, and the very first university approached to host the four-week boot camp signed up immediately.

The future of finance is female

According to the 2017 World Economic Forum's Global Gender Gap Report,

female talent remains one of the most underutilised business resources, and this is vividly visible in finance. We aim to address these barriers and traditional concerns (especially in a developing country such as India), understand the current flexibility within the finance industry, and help women create the future of finance. As per estimates, if India had possessed a balanced workforce, the country would have been richer by 27%. A lot needs to be done to encourage larger participation of women in the workforce from smaller towns and cities across India to ensure a strong and sustainable future. There are smart, talented young women who lack the financial resources to even travel from their hometowns to the metros for job interviews. They have plenty of battles of their own. And therein lies the essential value of programmes such as the Young Women in Investment initiative.

Institutions need to join hands to create an enabling environment that allows women to explore their true potential. The Indian workforce must be reflective of the diversity that exists within its population. Fast-growing industry segments such as finance are a storehouse of opportunities. The true potential of the country will be unleashed only when women take their place in the economy. **D**

About the Author

Vidhu Shekhar CFA, is the country head of CFA Institute in India. He is a seasoned financial and investment professional with over thirty years of industry experience in India and abroad, and has contributed to the development of Indian financial markets through his participation in the work of various committees, including the Dr. Patil Committee on Corporate Bonds and Securitisation, and the Raghuram Rajan Committee on financial sector reforms.



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- 3 Annette Dixon, "Women In India's Economic Growth", March 16, 2018, <http://www.worldbank.org/en/news/speech/2018/03/17/women-india-economic-growth>
- 4 World Economic Forum, "The Global Gender Gap Report", 2017, http://www3.weforum.org/docs/WEF_GGGR_2017.pdf
- 5 Stephanie Scholz, "Why India Needs Women to Work", The Economist, July 5th, 2018, <https://www.economist.com/leaders/2018/07/05/why-india-needs-women-to-work?cid=story-ednew/n/bf/n/2018075n/owned/n/n/nw/n/NA/113944/n>