

Female finance leaders outperform their male peers, so why so few of them in academia and beyond?

June 23 2022, by Renee Adams and Jing Xu



Credit: AI-generated image ([disclaimer](#))

The gender diversity of thought leadership in finance is lower than in most other academic fields, [our research](#) shows. Finance ranks 132nd out of 175 fields with a representation of only 10.3% women among its thought leaders. Yet these women outperform their male peers.

How did we measure this? The impact of an academic's ideas can be quantified using academic citations—how often their work is referenced in research published by other academics. We consider thought leaders to be academics who have been [ranked](#) among the [top 2%](#) in their respective fields by citations in the [Scopus](#) database.

We found the percentage of female thought leaders in [finance](#) is lower than in economics and in the fields of science, technology, engineering and mathematics (STEM). It's surprising since finance is a younger field than economics and so might be expected to be less traditionally male-dominated. The field of academic finance was carved out of economics in the early 1940s.

Our evidence on thought leadership is consistent with other evidence that [women](#) are less represented in finance academia than in economics. This is true at every level, from incoming Ph.D. students through to full professors.

We see the under-representation of women in finance both among academics and [more broadly](#). A [2020 Deloitte report](#) noted:

"All but six of 111 CEOs at the 107 largest U.S. public financial institutions (including four with co-CEOs) are men."

Why are so few women in finance?

The fact that finance is less gender-diverse than other math-intensive fields suggests standard arguments about women's preferences with respect to STEM subjects cannot explain their low representation in finance.

Country-level culture is also unlikely to explain women's representation in finance. As our research shows, finance thought leadership is

geographically concentrated. Only 20% of finance thought leaders are located outside the U.S. or U.K.

Instead, we argue the culture of academic finance is less welcoming to women than it is to men. We provide two pieces of evidence for this argument.

First, we show that individual female thought leaders in finance have more impact than their male peers, as measured by citations per paper, their academic rank and a composite score of six citation metrics (total citations, H-index, [Hm-index](#), citations of single, first and last-authored papers). This finding is especially striking given [evidence](#) that women's research is less likely to be cited. Female thought leaders in finance also have relatively more impact than they do in economics or other STEM fields.

These results suggest the obstacles women face in finance are greater than in other fields. The individuals who overcome these barriers outperform their peers.

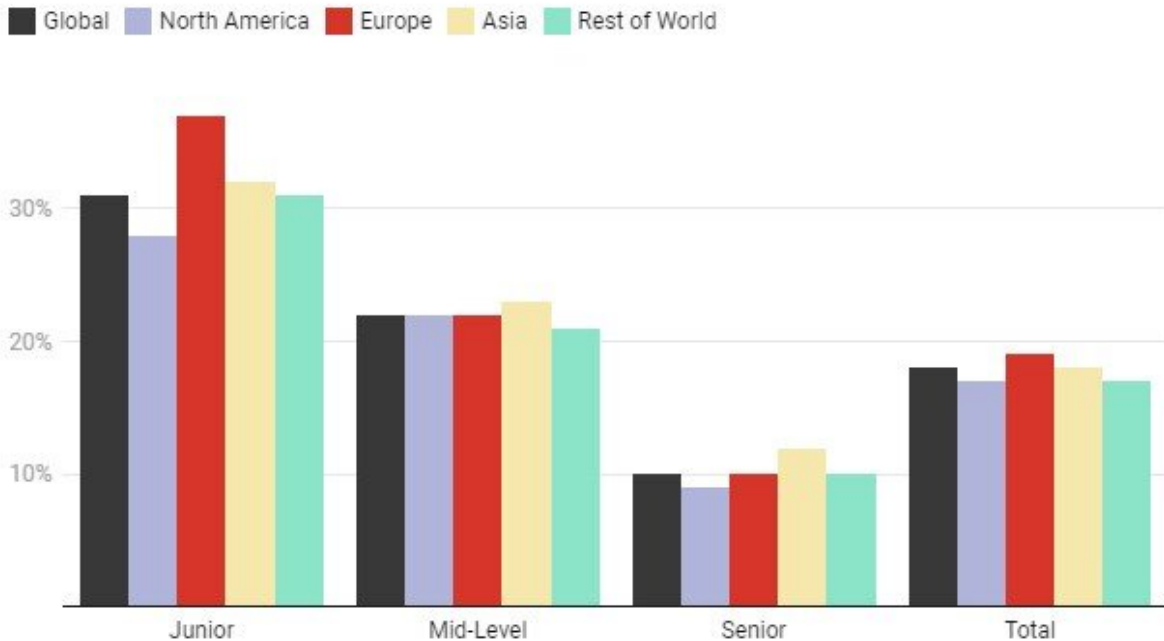
Second, we show that women's beliefs about the [level of innate talent](#) needed to succeed in finance, instead of motivation and effort, are not correlated with women's representation in finance thought leadership, but men's beliefs are. These results are consistent with the idea that men's beliefs represent a greater barrier to equality in thought leadership, role modeling and education in the "masculine" field of finance than in other fields.

'Academics know that the public perception of roles in [#economics](#) and [#finance](#) plays an instrumental role in shaping the direction of women's & girl's education & careers right from the start.' [@hannahbargawi](#), Senior Lecturer [@SOAS](#).
Read more: <https://t.co/EHhJz45LTK>

pic.twitter.com/WPyYRBQRM2

— OMFIF (@OMFIF) [April 2, 2019](#)

% female employees at private equity firms by seniority



Credit: Chart: The Conversation Source: Women in Private Equity, Preqin 2019

Lack of diversity is a handicap

The finance sector is a bedrock of the world economy. It's the [third-largest industry in Australia](#), accounting for 8% of economic output. The lack of diversity in thought leadership for such an important sector is problematic for several reasons.

[Diversity of thought and innovation are linked](#). Lack of diversity means the finance industry may be less innovative than it could be.

The finance sector may also be less welcoming to women than it should be. The [general public](#) does not always embrace finance despite its importance. Stock market participation is low in some countries and demographic groups, as is financial literacy.

Trust in finance might be higher when finance professionals are more similar to members of the general population.

What can universities do about it?

Women are also less likely to enter the field of finance after graduating. They make up only [35%](#) of MBA enrolments in Australia ([41%](#) in the U.S.). The absence of female thought leadership, [role models](#) and educators in finance may help explain women's under-representation in MBA enrolment and in the finance sector.

To overcome the inequality of finance, the culture of finance academia must change. But culture cannot change on demand.

The leadership of academic finance associations and our universities should provide opportunities for introspection, reflection and discussion of these issues. We should start by discussing why academia seems to be focused primarily on producing more science, rather than better science.

We should also acknowledge the role of [gatekeepers](#) and take steps to diminish their influence. Universities, academic associations and journals should increase the transparency of their operations. The process through which positions of power are filled, like those of university deans and journal editors, should be transparent. Opportunities for individuals to exercise their voice without repercussion

should be provided.

All these organizations must demonstrate a commitment to unbiased decision-making as a core element of good governance. Only when the rules of the game are clear can there be a hope of changing the rules to level the playing field.

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