



**The Influence of Mentorship and Sponsorship on
Women in the Financial Services Industry**

by

Claire Schuchard

Thesis Advisor: Cindy Schipani

Merwin H. Waterman Collegiate Professor of Business Law

A thesis proposal submitted in fulfillment of the requirements of the
Michigan Ross Senior Thesis Seminar (BA 480), April 22 2022.

Abstract

The financial services industry still lacks equal representation of women in upper-level and senior management positions. There are a variety of reasons for this, whether it be that women are promoted less than men or the culture of the industry creates barriers that discourage women from staying in finance. Traditionally, access to mentorship and sponsorship are more limited for women than men especially in male-dominated industries like the financial services industry. Mentorship and sponsorship play an important role in facilitating career advancement through personal and professional development. Mentors at places of employment can encourage firm loyalty and act as sponsors to help their mentees reach new career trajectories by advocating on their behalf. Despite these positive benefits, many firms in the financial services industry fail to devote time and resources to promoting mentorship and sponsorship. What effect can mentorship and sponsorship have on women in the financial services industry? What can firms in the financial services industry do to more effectively cultivate a supportive culture for women?

This thesis analyzed these questions through industry interviews and survey questionnaire methodologies targeted at both women and men in a variety of finance fields and roles. Both interview and survey responses were used to analyze the career benefits and accessibility of mentorship and sponsorship for women in finance. Additional insights determined the role a firm plays in establishing a culture of mentorship and sponsorship.

Contents

| | |
|-------------------------------------------------------------|-------|
| Introduction & Literature Review | pg 1 |
| Problem Statement | pg 9 |
| Theoretical Framework | pg 10 |
| Methodology | pg 11 |
| Informational Interviews | pg 11 |
| Survey Questionnaires | pg 13 |
| Findings | pg 16 |
| Hypothesis 1: Career Benefits of Mentorship and Sponsorship | pg 16 |
| Hypothesis 2: Accessibility of Mentorship and Sponsorship | pg 24 |
| Hypothesis 3: Mentorship, Sponsorship and Firm Culture | pg 31 |
| Discussion | pg 40 |
| Limitations and Further Research | pg 42 |
| Figures | pg 44 |
| Appendix | pg 48 |
| References | pg 55 |

Introduction

Mentorship and sponsorship play an important role in furthering the career development of individuals and has become a focus for many organizations. Positive mentoring relationships have been linked to improved opportunity and success in career advancement, increased institutional loyalty, higher salaries, improved productivity, greater satisfaction with profession and work-life balance and higher administrative aspirations (Quinn, 2012). Similar to mentorship, sponsorship is directly associated with increasing career development opportunities and promoting employees. Sponsors facilitate career advancement by advocating on behalf of their protégés. With possibilities for enhanced employee performance when mentorship and sponsorship are present, firms have begun to turn their attention to the topic.

Studies over the years have analyzed the correlations between gender, mentorship, and sponsorship, and the way one's identity can affect these relationships. Particularly in male-dominated industries that lack female representation in upper-level leadership positions, women struggle to a greater extent to find mentors and sponsors, especially those of their same gender (Ragins and Cotton, 1991). Intensified feelings of exclusion and isolation in male-dominated industries make providing mentorship for females an important task for firms to undertake if they seek to retain top talent (Barclay et al., 2007).

Whereas many studies have analyzed the significance of mentorship and sponsorship for women in a variety of career fields, there is little research that addresses their impact on women in the financial services industry. The area of finance is of particular interest for this study as it has been a male-dominated industry since its beginning. Despite greater equality at entry levels, the underrepresentation of women at senior levels serves to perpetuate a corporate culture that disadvantages women (Harvard Business Review, 2016). This paper will focus on the

relationship between mentorship, sponsorship, and career advancement for women in the financial services industry. It aims to understand ways firms in the financial services industry can more effectively cultivate a culture of mentorship for women.

Women in Finance

The financial services industry is an area that remains predominantly male, especially at the senior and management levels of firms. In the past, the culture of the industry has been exclusive of women and frequently discouraged them from entering the field. Over the years, diversity and women's programs have encouraged greater female representation at entry levels. Even though women make up 52% of the industry at the entry level, these numbers steeply decline when analyzing positions higher up on the corporate ladder (Krivkovich et al., 2021). The lack of representation at upper levels is amplified for women of color where representation from entry-level to C-suite falls by nearly 80% (Appendix 1). A study conducted by McKinsey focused on closing the gender and race gaps in the financial services industry found that women in finance are less likely to be promoted than men, have higher levels of home responsibility outside of work, and face frequent microaggressions in the workplace. There is a 'broken rung' between entry level and manager on the corporate ladder as only 86 women for every 100 men are promoted to manager (Appendix 2).

On top of this barrier, senior-level women with working spouses are seven and a half times more likely to hold the majority of household responsibilities compared to their male peers (Chin et al., 2017). Similarly, at work women take on more work outside of the scope of their formal responsibilities like championing DEI initiatives and providing emotional support to their

teams. Despite often having greater workloads at both home and work, women are not recognized for their additional efforts.

In the past year, more than half of the women in financial services have experienced a microaggression, such as having their judgement questioned or being interrupted (Chin et al., 2017). Microaggressions hurt employee morale, job satisfaction, motivation, and one's desire to remain at the firm. These factors serve to perpetuate the lack of women in top leadership roles in the financial services industry.

Compared with other industries, women are more likely to exit the industry or lose hope in their ability to make it to the top for many of the reasons discussed above. In an analysis of 50 financial services firms, it was found that only 20% of executive committee roles, 22% of board positions, and 12% of CEO positions were occupied by females (Harvard Business Review, 2016). A survey of women and men in the financial services industry concluded that the culture of finance still maintains unconscious biases and gender-role expectations that continuously disadvantage women (Harvard Business Review, 2016). Women are seemingly held to higher expectations than their male colleagues, thus making it more difficult to prove themselves. Without role models at the top, women lose confidence that they can succeed, lower their ambitions, or quit. The lack of mentorship opportunities and intense focus on social networking for career advancement in finance create additional barriers for women to succeed (Dzinkowski, 2018).

Women in finance struggle to gain adequate access to sponsorship, despite this being a critical factor in their career progress. Women who do obtain advice from senior leadership are more likely to receive promotions, however women overall are faced with less support than their male counterparts (Krivkovich et al., 2021). At the entry level, managers are more likely to act as

advocates on behalf of men than women (Appendix 3). This could be that male leaders find it more challenging to find common ground with their female colleagues.

Implications for Performance

Diversity in business leadership has become an important component of business success. In the financial services industry, female representation is more important than ever. Over the next decade, women are slated to control nearly two-thirds of the United States wealth and 70% of women seeking financial advice prefer having a female advisor. Seventy-one percent of those surveyed agreed that Wall Street was ‘out of touch’ with many of women’s financial needs (Cheng, 2018). Women serve a critical role in forming strong relationships with clients by providing a more well-rounded view on the female customer base (Krivkovich et al., 2021). For financial planning companies, the limited number of women in the industry poses a threat to their future ability to capture a significant half of the market.

Over the years, research has concentrated on the various performance impacts of having higher proportions of women in financial services roles. When it comes to financial performance, going from having no women in corporate leadership to a 30 percent female share is associated with a one-percentage-point increase in net margin (Peterson Institute for International Economics, 2021). Beyond just bottom-line profitability, gender gaps in leadership have been proven to impact bank stability. A study conducted by the International Monetary Fund (IMF) found that banks with a larger proportion of women on their boards had “had higher capital buffers, a lower proportion of nonperforming loans, and greater resistance to stress” (Sahay and Cihak, n.d.). Likewise, when risk is involved, women make better financial decisions and are less likely to react to markets based on emotion making them better investors (Hao, 2019). This was

demonstrated in a study out of Warwick Business School in which women investors outperformed men by 1.8%. Additionally, employee engagement is boosted when there are more women in financial boardrooms; female led teams are better at fostering bonding and connectivity between employees (Hao, 2019). Employee satisfaction and positive engagement among coworkers serves to strengthen firm culture. All the forementioned arguments emphasize the vast culture and financial performance benefits associated with greater female representation in the financial services industry.

Mentorship & Gender

A mentor is defined as “a high-ranking, influential member of your organization who has advanced experience and knowledge and who is committed to providing upward mobility and support to your career” (Ragins and Cotton, 1991). Mentorship can arise in various forms but typically involves personal and career assistance and advice related to the mutual area of interest (Ghosh and Reio, 2013). Mentor-mentee relationships can develop through both formalized mentorship pairings, in which organizations assign mentees to mentors, and informal mentorship pairings that arise naturally.

When mentorship is accessible, it can greatly enhance the trajectory of one’s professional and personal interests. However, many studies have noted that it is more difficult for women to gain mentors than men. One study concluded that women were “more likely to report that mentors were unwilling to enter relationships with them, that others would disapprove of the relationships, and that either a mentor or others in the organization would misinterpret an approach as a sexual advance” (Ragins and Cotton, 1991). The difficulty of finding a mentor is only amplified in industries that are predominantly occupied by men. Although men can often

act as allies and sponsors to women, it is also important women have access to the perspectives of other women who have forged their way in the industry before them (Block and Tietjen-Smith, 2016). However, another challenge presents itself in the female leaders who are “unwilling to offer guidance to mentees in order to maintain their elite status or avoid being perceived as the token woman pushing for the promotion of other women” (Read, Fisher, and Juran, 2019). As a result, women often must look for mentors beyond their place of employment and utilize different mentors for different stages of their life.

With mentorship remaining more inaccessible to women, for the forementioned reasons, research has analyzed the ways in which women can better pursue opportunities presented to them and make their existing mentorship relationships more effective. Through interviews with women in the commercial real estate industry, it was identified that commitment to seeking a mentor, forming mutually beneficial relationships, and motivation on behalf of the mentor were key factors in establishing a productive mentorship relationship (Read, Fisher, and Juran, 2019). Given that most formalized mentorship programs cater to junior level employees just out of school, initiating and committing to relationships with mentors early in one’s career is important. At later stages in their careers, participants noted that it became significantly more difficult to find mentors. For both the mentor and mentee to be fully devoted to the relationship, it must be a two-way street. Not only should the mentee learn from their mentors, but mentors should also benefit from their mentee. With these relationships, the mentees must take responsibility to craft the relationship while proving themselves worthy of mentorship. Despite these findings, data still suggested that organizations place too little emphasis on helping women cultivate these mentorship relationships, especially when they possess higher ranks and management positions.

Sponsorship

Sponsorship is a relatively new concept that has become increasingly important in the workplace and careers of individuals over the past few years. It is defined as “a relationship between a protégé and a person who has authority or influence they can use to help them in their career development or advancement” (Reeves, 2021). A sponsor can be a mentor, as well, but differs from a mentor in that sponsors provide faster advancement to higher career levels. The distinction between a sponsor and a mentor is highly contested, however the concepts are often intertwined. Unlike a mentor, a sponsor has a greater stake in the relationship as they are looking for top performers who can help enhance firm performance. Sponsorship relationships typically develop informally, whereas mentorship can typically be accessed in more formalized ways. Since the core purpose of sponsorship is promotion, most sponsors tend to be internal within organizations (Mobley, 2019).

Some scholars over the years have concluded that sponsorship is even more influential than mentorship when it comes to achieving career advancement. One study interviewed both protégés and sponsors in the medical field and identified the following themes (1) Mentorship is different: Sponsorship is episodic and focused on specific opportunities; (2) Effective sponsors are career-established and well-connected talent scouts; (3) Effective protégés rise to the task and remain loyal; (4) Trust, respect, and weighing risks are key to successful sponsorship relationships; and (5) Sponsorship is critical to career advancement (Ayyala et al., 2019).

However, the scope of sponsorship is still relatively limited in organizations. One study found that only one in four employees identify as sponsors and of those people, only 27% advocate for their protégés promotion (Center for Talent Innovation, 2019). The same study found that 71% of sponsors claim that their protégé is of the same race or gender as them. There

is a 'mini-me' syndrome in which sponsors seek out protégés who remind them of themselves, instead of the people who are the most capable or highest performing. Given this, there are drastic implications for industries that are male dominated, because this statistic indicates that men would be less likely to sponsor women than men.

Problem Statement

The financial services industry can significantly benefit from having a greater proportion of women, especially in senior-level leadership positions. Much progress that has been made over the years is only reflected in entry-level positions. Yet, there still remains cultural barriers and a lack of sponsorship that discourages women from staying in the finance industry, further perpetuating the lack of women at the top. As a result, women entering the finance industry have limited access to powerful female role models. The situation creates a vicious cycle that continues to keep women out of senior leadership roles.

At the same time, mentorship and sponsorship have been proven to be highly effective in providing career support and guiding one's professional aspirations. Mentorship often results in greater success in career advancement, increased productivity, and increased institutional loyalty (Quinn, 2012). Despite this, it is more difficult for women in male-dominated industries to find mentors and sponsors. Organizations place too little focus on assisting women in cultivating these relationships (Read, Fisher, and Juran, 2019), regardless of the significant opportunity mentorship and sponsorship pose in boosting employee performance and retention.

This all poses the question of what role both mentorship and sponsorship can play in the careers of women in the industry, and the ways in which firms can support career advancement of their female employees. **What effect can mentorship and sponsorship have on women in the financial services industry? What can firms in the financial services industry do to more effectively cultivate a supportive culture for women?** This thesis hopes to obtain clarity on the impact of mentorship and sponsorship for women in finance and the role firms can take in this relationship.

Theoretical Framework

Current research in the area of mentorship and sponsorship have indicated that these relationships provide positive influence on the careers of women in a variety of industries. This research addresses this topic within the finance industry by building upon existing studies. The following hypotheses were developed prior to data collection.

Hypothesis 1: Both mentorship and sponsorship positively affect the careers of women in finance. Given the immense success of mentorship and sponsorship in other male dominated industries, it is likely that the finance industry will prove no different.

Hypothesis 2: Women in finance find it more difficult than men to find mentors and sponsors. This hypothesis relies on the fact that there are fewer women to mentor and sponsor other women, and that men are less likely to mentor and sponsor women.

Hypothesis 3: Firms in the financial services industry are not doing enough to effectively cultivate a culture that is supportive for women. The limited number of promotions for women relative to men combined with the existing male-dominated culture in the finance industry indicates that is unlikely that firms are successful in cultivating cultures of mentorship and sponsorship for women.

Whereas most research conducted in this field has been through either surveys or interviews, this study implements a through a mixed-method approach to gain both quantitative and qualitative data.

Methodology

This research addresses the key question on the impact of mentorship and sponsorship on women in the financial services industry through utilization of two distinct methods: industry interviews and survey questionnaires. Mixed-method approaches like this can further “augment the validity and reliability of the data and their interpretation” (Zohrabi, 2013). Given that mentorship experiences are difficult to measure, personal interviews focused on individuals’ experiences shed more light into the topic. Questionnaires distributed to women and men in the industry help to provide context on a potential link between mentorship, sponsorship, and career success. Interviews serve as a qualitative research technique, whereas surveys provide additional quantitative data. The purpose of interviewing and surveying men, in addition to women, is to provide a direct point of comparison to female responses. Through this mixed method approach, this research aims to achieve clarity into the importance of mentorship and sponsorship in the finance industry and the ways in which firms can better cultivate a culture supportive of women.

Industry Interviews

This research focused on personal interviews with both female and male professionals in the financial service industry. Preceding research reports on mentorship and gender have predominantly used this methodology to draw conclusions from individual experiences. Outreach to interviewees was conducted using personal networks and LinkedIn. Women and men across all sectors of finance with differing experience levels were interviewed. In this, this research sought to provide further insight into the way mentorship and sponsorship, or lack thereof, has influenced career decisions.

Conducting interviews with professionals at all stages of the corporate ladder was important in showcasing different generational perspectives on the importance of mentorship and sponsorship. Within the realm of financial services there remain sectors that are more male dominated than others. To develop a comprehensive view of the industry, individuals across the following areas of finance were interviewed:

- Investment Banking
- Sales & Trading
- Equity Research
- Financial Planning
- Wealth / Asset Management
- Quantitative Trading
- Corporate Finance
- Private Equity & Venture Capital

Twenty interviews that ranged from 30 minutes to 1 hour were conducted. The typical format of these interviews were 30 minutes of structured questions followed by 15 minutes of informal and personalized discussion. The length of these interviews allowed enough time to gain insight into the backgrounds and experiences of these professionals. Each interview was conducted either via phone call or Zoom video conference, and notes were taken on the discussion. Interviews were not recorded, and individuals' identities remain confidential and anonymous. The same starting questions (Appendix 4) were asked to each interviewee; however, many discussions went beyond the structured questions.

The structured questions aimed to analyze individuals' current experience with present or past mentors and sponsors. It dives into three critical elements of mentorship referenced in the literature review: impact of mentorship on 1) career progression 2) loyalty to a firm and 3) ability to perform better on the job. The next few questions ask about the respondent's views on effective mentorship and sponsorship relationships. Shared gender and place of employment with a mentor and sponsor are also critical factors asked about during interviews. The last set of structured questions surround mentorship and sponsorship initiatives at the firm level and improvements that can be made to existing programs and culture. Insights from interviews were viewed holistically to draw together trends in responses.

Survey Questionnaire

For the purposes of this study, a questionnaire was utilized provided complementary quantitative data to the industry interviews. The main target group for the questionnaire was both women and men at all levels of finance in a variety of areas, as well as those who have exited the finance industry. Although this study is focused on women, having data points on male responses provided a comparison between the male and female experiences.

Survey participants were found through direct targeting of finance professional via use of both personal networks and panel data. To broaden the number of responses outside of personal networks, panel data was used to target a broader audience with varying demographic backgrounds, sectors of finance, and years of experience. Prolific, a platform that helps researchers recruit participants for their online research, was used to distribute the survey to panel respondents, and these respondents were paid for their submission of the questionnaire.

156 responses were collected total. These responses are separate from the 20 interviews, as interviewees were not sent the survey.

Qualtrics was used as a platform to structure the questionnaire and the questionnaire was divided into 3 sections: 14 scale questions, 2 free response, and demographic questions. The respondents were not required to answer any of the questions and could choose to answer or not to answer any question. To start, the survey provided the following definitions of a mentor and a sponsor:

Mentor: Personal and professional career advisor committed to providing advice on the mutual area of interest (Ghosh and Reio, 2013)

Sponsor: Work-place advocate that has direct influence over career advancement (Reeves, 2021)

The first subset of questions allowed respondents to answer the following questions on a 5-point scale from strongly agree to strongly disagree:

1. It is easy for me to find mentor(s) at work
2. Mentorship is an important factor in helping me achieve upwards career mobility
3. I would not be in my current role without a mentor
4. Mentors at my firm make me more loyal to my firm
5. Having a mentor has helped me perform better at work
6. I have access to mentors at my place of employment
7. My firm values and promotes mentorship
8. My firm should do more to emphasize mentorship
9. It is important my mentor has the same gender as me
10. It is important that I have a mentor at my place of work

11. Sponsorship is an important factor in helping me achieve upwards career mobility
12. I would not be in my current role without a sponsor
13. It is important my sponsor has the same gender as me

Responses to these questions were analyzed alongside demographic data to draw trends in answers in relation to gender, race, ethnicity, age, industry, and number of years of industry experience. This analysis hopes to establish whether there is significant correlation between gender and differences in individuals' experience with mentorship and sponsorship in finance.

The second section contained the below two optional free-response questions that allowed participants to expand upon and explain their answers in greater detail:

1. Describe the ways in which mentorship and sponsorship have impacted your career in the financial services industry.
2. What can your firm do to better cultivate a mentorship focused culture?

The second free-response questions sought to address the second research question regarding a firm's role in facilitating mentorship and sponsorship relationships. Text data from this section was aggregated and analyzed to illustrate trends and commonality in responses. The last section garnered demographic data in the following areas: age, gender, race, ethnicity, area of finance, and number of years in the financial services industry. Understanding of respondents' demographics was necessary in order to differentiate male and female responses, a key aspect of this research.

From survey questionnaire and interviews, this research aimed to draw conclusions about the extent to which mentorship and sponsorship can influence women in finance.

Findings

Hypothesis 1: Career Benefits of Mentorship and Sponsorship

H1: Both mentorship and sponsorship positively affect the careers of women in finance

Prior to conducting research, it was predicted that mentorship and sponsorship would have a positive impact on the careers of women in finance. This hypothesis was developed based on existing literature surrounding the influence of mentorship and sponsorship on women in traditionally male dominated industries. Interviews and the survey questionnaire included questions regarding this topic in order to test the developed hypothesis. Responses from both interviews and the survey overwhelmingly supported H1: there is an existing positive relationship between mentorship/sponsorship and perceived career success for women in finance.

H1 & Interview Results

To learn about the relationship between mentorship, sponsorship, and the career of those in finance, interview questions focused on different aspects of career success and satisfaction such as career progression, loyalty to a firm, and ability to perform better on the job. All interview participants indicated that they have experienced mentorship at some point in their career, even if they did not consider themselves to have a mentor at the current moment.

Career Progression

To start, many females interviewed indicated that mentors played a pivotal role in their entry into the industry of finance in the first place. One interviewee currently in her first year in equity research claimed that:

“My greatest mentor to this day is someone working at my current firm that I happened to meet at a company recruiting event my sophomore year of college. She [mentor] helped

introduce me to other people and connect with people in the equity research division at the firm. When I was intimidated by some of the recruitment process, she made me feel comfortable. I could ask her all of my more informal questions, like what to wear and what to expect. I feel so lucky to have found someone that helped me be more prepared even before I had even started my job. She is the reason I have my job today.”

As discussed in the literature review, the financial services industry has made significant strides in achieving gender equality at entry-level positions. The interviews showed that for women at early stages in their career, mentorship has played some role in helping them obtain their current entry-level positions in the first place. Once starting the job, women at all stages of their careers indicated that mentorship aided in their career progression. Whether their mentors were an existing boss, member of their team, peer, or long-time connection outside of the firm, multiple interviewees noted that mentors helped push them in the right direction towards opportunities that would be best for them. One interviewee completing her first year in equity sales, when asked in which ways mentorship and sponsorship have influenced her career progression, responded with the following:

“My boss [current mentor and sponsor] has influenced much of my career direction. When I started this year, I was unsure if I saw myself staying in finance in the future. I was really worried about fitting into the guy culture for client entertainment, which is a big part of sales. My boss showed me how to relate to clients in my own way, and just how fun and interesting the job can be. Her encouragement and words of affirmation have played a huge role in seeing my future potential in the industry. I could see myself doing this for a long time, and I owe it to my mentor for helping me narrow it down.”

For women at earlier stages in their careers, mentorship was useful in helping them think through next career steps and opportunities for advancement in their current positions. However, the interviewees with less experience in the industry found it more difficult to identify sponsors in

their careers. One possibility is that it is too early in their career for them to have experienced situations involving sponsorship. Women at later stages of their careers found both mentorship and sponsorship to be pivotal in their advancement forward in the industry. One woman interviewed who is in her 10th year in the sales and trading division of her firm, noted that mentorship and sponsorship have been the main factors in her career progression:

“I owe everything to it – both mentorship and sponsorship. I am currently getting my MBA at night on the side and see how classrooms at meritocracies. Sports are similar too in that working the hardest often makes you the most successful. Work is not like sports or the classroom, working hard doesn’t always mean you will get what you deserve. In a work environment, there are many more political motives and often people’s perceptions of you matter more than the work you do sometimes. It is necessary to be surrounded by people that want you to win, people need to recognize and see the value you are adding. I could not have progressed as quickly as I have been able to without mentors and sponsors looking out for my career. For me, mentors and sponsors have helped me grow by taking on bigger accounts and leadership roles across the firm.”

While most people interviewed spoke about having mentors both inside and outside of the firm, they noted that regardless, mentors within their firms had their best interests in mind whether that meant pushing them to stay at the firm or towards other opportunities.

Loyalty to Firm

Not every single female interviewed indicated that a mentor at the firm increased their loyalty to the firm, most stated that mentors did play some role in their commitment to the firm. This differed from most men interviewed who did not find mentorship to increase their loyalty to their firm. Oftentimes commitment to the firm relied on the person’s existing mentor and sponsor networks:

“Having connectivity inspires me to go to work every day and ties me to the firm. It would be tough to start over at a new firm and have to develop all new relationships and re-establish credibility. Knowing people on a personal level and cultivating these relationships binds me to the firm, which makes me want to work harder for the people around me.”

In general, regardless of gender, those with more industry experience who had been at their firms a longer time showed increased devotion to their existing roles compared to those starting out their career. Likewise, they were able to develop long-term mentors and sponsors who helped them progress throughout the firm.

Performance on the Job

Ability to perform better on the job is another area that has been linked to mentorship, especially in cases where mentors work directly in the same teams as their mentees. Enhanced performance has numerous implications for internal promotion and overall career advancement. Many of the female investment bankers interviewed, in particular, found their main mentors to often be people on their deal teams who played a crucial role in teaching them how to approach tasks they have been assigned:

“Mentorship has definitely influenced my ability to perform better on the job. Having someone pointing you in the right direction makes a huge difference. In IB [investment banking] the learning curve is really steep, so having a mentor is really helpful in getting your foot in the door and figuring out things. A good mentor, which I have been fortunate to have many, teaches you how to be successful on the job. Even though I have only been working for about a year now, it is crazy to think of how far I have come in terms of my knowledge. I would not feel as confident in my work ability if it wasn't for my mentors.”

Along with learning important skills for the role from their mentors, interviewees also indicated that mentors were helpful in building their confidence and providing honest feedback on areas of improvement. Increase levels of confidence and understanding of current performance oftentimes has positive implications for ability to succeed on the job. One woman working in private equity explained the importance of feedback from her closest mentor:

“My mentor is always honest with me and gives me both positive and constructive feedback on ways that I can improve. Because I have such a close and honest relationship with my mentor, I have great trust in her [mentor] opinion. She can be direct in calling me out if there’s something I am doing wrong, but builds up my confidence when I am doing things well. This element of having a mentor has definitely helped me perform better in my role, especially when it can sometimes be difficult to receive feedback in other ways.”

Whether it is career advancement, increased loyalty to a firm, or better performance on the job, having a mentor had profoundly positive effects on the careers of the women interviewed. It must be noted that most male interviews paralleled female interviews in concluding the positive effects of mentorship. This result is expected as it is in line with the literature review’s analysis of general mentorship benefits for all. However, the implications of mentorship for women in a male-dominated industry could prove more significant in helping keep women in the field of finance and promoting them to upper-level positions. Where H1 does not rely on comparison with male responses to draw a conclusion, H2 and H3 analysis will dive deeper into a comparison between male and female interview responses.

H1 & Survey Results

Data collected from the survey questionnaire aligned with findings from industry interviews that validate H1. Upon being asked whether mentorship has been an important factor

in helping them achieve upwards career mobility, 63% of female respondents indicated they 'agree' or 'strongly agree' with the statement, compared with 70% of men. On top of this, 25% of women agreed and 15% strongly agreed that they would not be in their current role without a mentor. When asked the same questions about sponsorship, 49% of female respondents stated that it is an important factor in helping them achieve upwards career mobility yet only 19% believed a sponsor is the reason they obtained their current position. The results indicate that respondents have experienced mentorship to be more influential in their career progression than sponsorship. This is somewhat contradictory to findings in the literature review which emphasize sponsorships' ability to directly push individuals to higher career levels via advocacy. However, given that sponsorship is a relatively unfamiliar concept, these statistics regarding sponsorship may be inconclusive. Despite this, women still believe that their careers have been enhanced by both mentorship and sponsorship.

Factors previously mentioned in the interview analysis such as loyalty to a firm and ability to perform better on the job were also asked about during a portion of the survey questionnaire. 41% of women agreed and 7% strongly agreed that having a mentor makes them more loyal to their current place of employment. Likewise, 61% of women either 'agreed' or 'strongly agreed' that having a mentor helped them perform better on the job. The below graphics illustrate the breakdown in *female* responses to the questions discussed above:

Q: Mentorship is an important factor in helping me achieve upwards career mobility

*****Please Insert Figure 1 Here*****

Q: I would not be in my current role without a mentor

***** Please Insert Figure 2 Here*****

Q: Sponsorship is an important factor in helping me achieve upwards career mobility

***** Please Insert Figure 3 Here*****

Q: I would not be in my current role without a sponsor

***** Please Insert Figure 4 Here*****

Q: Mentors at my firm make me more loyal to my firm

***** Please Insert Figure 5 Here*****

Q: Having a mentor has helped me perform better at work

***** Please Insert Figure 6 Here*****

The above numerical data serves to further confirm the validity of H1 that having a mentor or sponsor provides benefits the careers of women in finance. One of the written questions in the free response question section allowed participants to further expand upon their experiences with mentorship and sponsorship. The text responses from this question complement the statistical results above by diving deeper into the specific ways in which mentorship and sponsorship either have or have not influenced their career. While most of these responses draw positive connection between these factors, there were a subset of respondents who noted that they had not experienced either mentorship or sponsorship and believed this likely limited them in their career. These responses that highlight limited access to mentorship and sponsorship will be discussed in analyzed in greater detail for H2. For the majority of responses of those who

listed they have received mentorship or sponsorship, the following bullets summarize the impacts of these relationships on their career:

- Helped in branching out meeting new people at the firm
- Assisted in preparation for the recruitment and job interview process
- Provided greater industry and institutional knowledge
- Opened the door to a new promotion via advocacy on behalf of the individual
- Provided security and comfort during workplace periods of transition
- Aided in assimilation to the firm through general training and coaching
- Promoted development of inner confidence in self and work product
- Provided career advice and insight into different job opportunities
- Gave direct and honest feedback to aid on the job performance
- Enhanced ability to move up in career faster and learn more quickly than peers

All data collected indicated the immense benefit that women in finance have received from mentors and sponsors. Thus, H1 holds true: Both mentorship and sponsorship positively affect the careers of women in finance. The proof of H1 through both qualitative and quantitative data is important because it further emphasizes why H2 (access to mentors) and H3 (firm culture towards mentorship) are relevant in the context of this study.

Findings Cont'd

Hypothesis 2: Accessibility of Mentorship and Sponsorship

H2: Women in finance find it more difficult than men to find mentors and sponsors

Traditionally, in male dominated industries, it is more challenging for women to find mentors and sponsors. Given that the financial services industry remains primarily male concentrated, H2 expected to prove through both interviews and survey data that women in finance find it more difficult to find mentors and sponsors compared to men. However, the results failed to validate H2 in its entirety, but do showcase that mentorship and sponsorship are an individual experience often shaped by one's workplace.

H2 & Interview Results

Of 20 interviews conducted, 18 interviewees indicated that they could identify an existing mentor in their life. Of these 18 interviewees, each of them found mentorship to be readily available to them. However, few respondents could identify sponsorship relationships in the lives. This could be a result of interviewing people primarily in earlier stages of their career (Appendix 5) or that sponsorship is a relatively unfamiliar concept to many. All in all, there was no evidence that women found it more challenging than men to obtain mentors and sponsors.

Formalized and Informalized Mentorship

Oftentimes, both men and women indicated that their mentors were people they worked most directly with on teams. These relationships formed on a more naturally on an 'informal' basis, although many of the interviewees noted that their firms offered formalized mentorship programs. However, these formalized programs typically only existed at the internship or entry

level, and those in upper-level roles often have to seek out mentors on their own. One female respondent who is both a mentor and mentee found that the best mentorship relationships she's had were often informal:

“As someone who has been in both the mentee and mentor position, I've seen how mentorship cannot be forced. Informal mentorship is often more important than formal mentorship. With formal mentorship you might not have anything in common. For mentorship to be effective it must be a two-way street in which both parties benefit.”

Multiple Mentors and Sponsors

Not only did interviews indicate that both men and women could oftentimes easily develop mentoring relationships in the industry, but they also highlighted that it was common for people to point to having multiple mentors at a time. When one first year female analyst in investment banking was asked about her experience with mentorship at the present time mentioned having several mentors of differing experiences:

“Yes, I would consider myself to have a mentor at the current time. At [firm] I have several different mentors. Some of them are closer in age to me, and I would consider them to be peers. But I also have been fortunate to have more senior level people as mentors. Having multiple mentors with different levels of experience has helped provide me with many perspectives, which has helped me navigate career choices.”

Although this represents one specific individual's experience, most female respondents spoke of having multiple ongoing mentorship relationships. In this case, H2 is contradicted as not only are women finding mentors in the industry, but they have access to multiple mentors.

Mentorship and Sponsorship at Place of Employment

Likewise, women's ability to obtain a set of mentors relies on their development of mentors both at their place of employment and outside of it. Interviewees were asked specifically about whether having a mentor at their firm made a difference to them. While most respondents indicated that having mentors on the job did matter to them, many also noted that having mentors outside of the firm were equally as important. One female with 10+ years of experience in the industry reflected:

“It is important to have someone [a mentor] in your place of work, as they understand the nuances of your situation better than anyone. But it is also great to have mentors outside of the firm who can provide an unbiased perspective. I have found it helpful to have a mix of both.”

Female Mentors

Although this provides optimism on greater mentor accessibility for women in the industry overall, female interviewees did indicate that it was sometimes difficult to find mentors and sponsors of their same gender. Of the four interviews conducted with women with 10+ years of experience in the industry, most indicated that it was male allies that have been the most important mentors and sponsors to them. This reflects the lack of women in senior level positions in finance to be mentors. Despite these women indicating the positive benefits of having these ‘male allies’ as both mentors and sponsors, they all noted having to sometimes look beyond their firm to find female mentorship. One female interviewee with 14 years of experience in venture capital found herself “starved for female mentorship”, especially after having children and becoming a mom – an experience her male counterparts could not fully relate to. Of the 11 females interviewed, 10 indicated that having a mentor of their same gender was ‘important’ or

‘somewhat important’ to them. One female respondent emphasized the importance of having a mentor that ‘looked like her’:

“When I started my career in finance, I was worried about experiencing the stereotypical ‘bro’ culture and being one of the only women in the room. However, I was lucky to have a female boss who served as a true role model to me. Seeing someone like her succeed, made me feel confident that I could also find success and advance in my career.”

Women interviewed did indicate that it was helpful to have female mentors to understand and relate to the personal challenges of being a woman in the industry. Even if gender was not the first thing that mattered to them in a mentor, having a female mentor allowed them to discuss topics that they could not always speak to male mentors about:

“You can have effective mentors without them being the same gender as you. However, having a female mentor, definitely allowed me to ask more female-oriented questions like what to wear in certain situations. I also feel like I could speak more candidly to female mentors about the challenges of being a woman in finance. They could definitely relate more to this, and it’s not something I would feel comfortable talking about with my male mentors.”

Male opinions on the question of same-gender mentorship diverged from female perspectives, as 7 of the 9 men interviewed indicated that having a mentor of their same gender was ‘not important’ to them. Oftentimes they did reflect on how although their mentor’s gender did not matter to them, they could see why this would be important for women in their industry:

“I think for women entering finance it matters to have mentors of their same gender. I don’t feel like it is personally as applicable for me as a guy, but I try to understand what it must be like to be the only person that sticks out in a room because they are different. My assigned buddy is a female, and I feel very comfortable with her as a mentor but could understand how it would be different if the roles were reversed.”

Ultimately a person's preference of having a mentor the same gender as a person depended on the person's own individual experience with mentorship. More than gender itself, men and women look for mentors that have backgrounds and interests similar to their own. In the context of H2, women interviewed did find it more difficult to find female mentorship, simply because of the limited number of women in the industry. Yet having the same gender as mentors was not always a 'make or break' factor for women, but sometimes a preference. With regards to sponsorship, respondents did not indicate a preference of having the same gender. Although interviewees struggled to identify direct sponsors, given that sponsors are traditionally more senior employees, it's likely that most sponsors of women interviewed were not female.

Inaccessible Mentorship and Sponsorship

The unique situations of the 2 individuals who could not identify having a mentor or sponsor at the present time must be noted. One of these individuals' is a male who has been CEO of his own wealth management firm and has 41 years of industry experience. He could not identify a mentor as he believes he is more of a 'pioneer' in the space and manages his practice alone. Thus, in the scope of H2 this individual's interview does not add value as a point of comparison, however it does point to further discussion on the relationship between age, years of experience, mentorship and sponsorship. The second individual's interview does highlight a potential caveat of H2 in regard to finding mentorship in a group composed entirely of senior-level males. This interviewee is in her first year in equity research, and while she has found other women across equity research at the firm, she is the only female in her own group. Especially with starting her career at the firm virtually during the height of the COVID-19 pandemic, she has struggled to find a workplace mentor:

“I think having a mentor at your place of work does matter. I wish I had more of a mentor. Although I was paired with formalized mentors during my internship, there have been no mentorship initiatives for full-time employees. My team is pretty much entirely senior men, and there are sometimes work relevant questions that I am too nervous to ask my boss. Most of our conversations are more professional and not as casual as mentorship conversations should be. I don’t really have someone at more of my level to speak to about career conversations. I think I worry about people talking and that I cannot trust a mentor.”

While this interviewee could speak to having other mentors in the past, her existing struggle to receive mentorship could be linked to her more male-dominated and senior-level group.

However, there are other factors to consider in this specific situation such as lack of time both on the job and in-person for developing these relationships and group culture that is not oriented to mentorship. Although this interview does provide interesting insights into H2, it cannot be proved that gender is the causation for lack of mentorship and sponsorship. This is, however, an example of a correlation that could be further explored in additional research.

H2 & Survey Results

Survey results also align with interview findings in invalidating H2. Although there were some people who could not identify mentors and sponsors in their careers, an overwhelming majority of both men and women have found mentorship and sponsorship to be accessible. More importantly for the scope of H2, there was no statistically significant difference between men and women’s ability to find mentorship.

In fact, 60% of women indicated that they ‘agreed’ or ‘strongly agreed’ that it was easy for them to find mentors at work, compared to 55% of men. While these numbers still highlight a

striking ~40% of both men and women that find it difficult to find a mentor at work, gender cannot be concluded as the reason for gaps in mentorship. Similarly, 62% of women ‘agreed’ or ‘strongly agreed’ that they have access to mentors at their place of employment. For this same question, 63% of men ‘agreed’ or ‘strongly agreed’, thus showing that men and women have often have equal access to mentorship. The below graphics illustrate the breakdown in *female and male* responses to the questions discussed above. Female responses are colored coded in pink and male responses are in blue:

Q: It is easy for me to find mentor(s) at work

*****Please Insert Figure 7 Here****

Q: I have access to mentors at my place of employment

*****Please Insert Figure 8 Here****

While there still were a significant proportion of respondents that lacked a mentor, the conclusions from these questions make it clear that gender is not the main reason for this. Furthermore, H2 does not hold true, as it is not necessarily more difficult for women in finance to find mentors when compared to men. Although as interviews showcased, many women did find it more difficult to find mentors of their same gender compared to men in the industry.

Findings Cont'd

Hypothesis 3: Mentorship, Sponsorship and Firm Culture

H3: Firms in the financial services industry are not doing enough to effectively cultivate a culture that is supportive for women

With findings confirming H1 and the numerous benefits of mentorship for women in the financial services industry, it poses the question of the extent to which firms must play in cultivating a culture of mentorship. Firms increasingly have a significant stake in the matter given that mentorship and sponsorship have been linked to increased loyalty to a firm (as discussed in analysis of H1). With the male-dominated culture of the industry and frequent attrition of women exiting the industry, it was predicted that the firms are not currently doing enough to promote a culture supportive of mentorship and sponsorship of women. Analysis of interview and survey results showcased mixed results to H3. This could possibly be a result of differences in culture and mentorship initiatives at every firm.

H3 & Interview Results

Formalized Mentorship Programs

For the most part, both men and women interviewed had success in obtaining mentorship relationships. Yet, the majority of these were not formal mentorship pairings and some were not even with individuals at their firm. The importance of having a mentor and sponsor at one's place of work has already been noted in the H2 analysis section. As a result, firms over the years have increased their mentorship initiatives especially for those newer to the firm or at more junior levels. To gain insight into these formalized programs, participants were asked whether their firm has any mentorship or sponsorship initiatives. Those interviewed that did participate in

formalized mentorship programs at the firm felt positively towards these initiatives, however they did not all agree that they were the most effective form of mentorship. Women interviewed at earlier stages in their career found it beneficial to be paired with a mentor instead of having to go out of their way to develop these relationships. One female working in investment banking described the details of her formalized mentorship experience:

“When I was an incoming analyst at [firm], they matched me with a 2nd year analyst through a ‘buddy’ system. I heard that behind the scenes they are very thoughtful with the process of matching buddies and do their best to pair strong second years with potentially good first years. I believe the time that the staffers and management took to create these pairings made them more effective. It personally worked out for me. Although I have not been matched with a senior-level mentor formally, there has been lots of opportunities to get to know them more informally.”

This is a somewhat standout example, as one of the biggest criticisms of formalized mentorship programs is that it often does not account for people’s backgrounds, personalities, or shared interests. In the case of this interviewee, she was on the upper-end of satisfaction with the firm’s role in creating an environment for mentorship and sponsorship. On the other hand, some of the women interviewed that did not experience formalized mentorship programs wish that their firms would adopt them. One woman shared her disappointment in her firm’s lack of formalized mentorship at the entry-level compared to the internship-level:

“I don’t think that I have a mentor which I am bummed to say. I had a lot in college that were formalized that I could ask advice about personal and professional things. During my internship I did have a formal junior and senior mentor and I really benefited from the structure of it and felt that I could go to them with any questions. But when I returned full-time, I was surprised that there was no formalized mentorship program. I actually mentioned it [mentorship program] to my resource team as a suggestion, but they told me that the division has chosen to get rid of it.”

These more structured programs make it easier for one's transition to the firm at the entry level and help newer employees develop relationships in an unfamiliar setting. On top of this, these initiatives project to employees that the firm is devoted to their employee's personal and professional growth, in turn strengthen a culture of support.

Informal Mentorship and Sponsorship

As a firm, it is more challenging to find strategies to promote informal mentorship and sponsorship relationships. Oftentimes for informal mentorship to arise, the firm needs to promote comradery and collaboration among employees. One woman spoke of the role that firm sponsored team bonding activities and social events in helping her get to know people at the firm beyond the work:

“As an investment banker, you spend a lot of long hours working with your deal teams. I have gotten very close with my teams and found team bonding activities to be helpful. It is truly a way to get to know them on a more personal level beyond the work. A few people on my team actually got Peloton's during the pandemic, and we have all really bonded over this.”

Beyond firm sponsored team social events, women have also found affinity networks to enhance their connectivity to potential mentors and sponsors at the firm. Affinity networks focused on underrepresented communities (women, black, people of color, LGBTQ+) are relatively new groups that have been developed at firms in the past decade. They serve as points of connectivity for marginalized populations that help make the workplace a more inclusive space. Most firms that have established affinity networks are larger in size, and many firms do not have these

groups at all. One female interviewee spoke to the role that affinity networks played in connecting her to a network of potential mentors and sponsors of her same background:

“At [firm], people working full-time have access to affinity networks and inclusion clubs. I am a part of the women’s alliance group at the firm. The group has helped me meet women who are very supportive of each other in general. Our new CEO is a woman and is very focused on enhancing diversity and alliance programs. Because of all of this, I don’t really feel out of place as a woman at my firm, which I don’t think many in my profession can say.”

Formalized mentorship programs, firm-sponsored informal events, and affinity networks point to rejection of both H3 and the notion that firms are not doing ‘enough’ to support the formation of mentorship and sponsorship relationships. However, it is typically larger firms have the resources to implement these initiatives listed above, and most in the financial services industry do not experience any initiatives whatsoever. Interviews were primarily conducted with women and men at established firms that can support these programs, thus H3 may be disproved more than it should be.

Mentorship and Sponsorship for Senior-Level Employees

Even so, many women interviewed were not entirely satisfied with the mentorship culture, or lack thereof, at their company. Women with more years of experience in the industry noted that most of the initiatives of their firm were targeted at junior-level employees. One woman discusses having to forge her own way to develop mentors and sponsors, as formalized mentorship did not exist for senior-level employees:

“As an Executive Director that is 10 years into my career, there aren’t really many direct mentors that I can look to, especially in my own group. One of my greatest mentors is

outside of my firm, because I am not getting matched with a formalized mentor at this stage. One of biggest sponsors sits on the executive board at [her firm], but she is someone that I reached out to initially. Both mentors and sponsors have hugely influenced me, however it took me being proactive to develop these relationships in the first place. I don't really think any firm initiative played a role in this."

Her experience is in-line with much of the literature review on mentorship that it is often harder for senior-level people to find mentors and sponsors. Given this, firms do not seem to be implementing any initiatives to help support the mentorship and sponsorship of upper-level women in the industry. Not only are firms failing to provide adequate mentorship to upper-level women, but they also are limited in understanding the changing needs of these women as many of them look to start families. One major concern of many upper-level women looking to start families is being supported through pregnancy, maternity leave, and transition back to the firm. It is difficult for these women to find mentors that can relate to these experiences and the difficulty of being a mother while working an intensive job. One woman interviewed, who recently had her first child and got back from maternity leave only a few months ago, shared the following:

"A lot of women are lost in the finance industry are lost when they start to have children. This is where you see lots of attrition. Mentors can help at creating scenarios that attract and retain women. After having a baby this past year, myself, mentorship and sponsorship are all the more important. The first 10 years of my career I didn't think about things as 'male' versus 'female' but now it is something I think about a lot. I now actively seek out female mentors who understand what I am going through."

Maternity is another component that illustrates the lack of support at the firm-level for many upper-level women in finance. There are simply not many mentors for these women that can help them navigate these significant personal life changes, and even if there were, firms do not aid in

promoting these relationships. Although beyond the scope of this research, this could have especially negative implications for keeping women in the workplace.

Overall, interviews provided insight into how firms in the financial services industry are making significant strides to develop cultures supportive of women. Yet, each individuals' experience differed drastically based on their firm's culture or their seniority in the firm. Given this, H3, whether firms are doing 'enough' to support women, is relatively subjective. Looking forward, participants do agree that their employers could be doing more to promote culture focused on mentorship and sponsorship.

H3 & Survey Results

Similar to findings from the interviews, survey results provided mixed results towards H3. When asked if their firm values and promotes mentorship, 12% of women strongly disagreed, 16% disagreed, 24% were neutral, 41% agreed, and 7% strongly agreed. While less than half of women surveyed believe that their firm cares about mentorship, 63% of men either 'agreed' or 'strongly agreed' that their firms value mentorship. This question is one of the few where there is noticeable difference in response based on gender as shown below:

Q: My firm values and promotes mentorship

******Please Insert Figure 9 Here******

While there could be many potential reasons for this gender-based discrepancy in response, it does shed light into possible confirmation of H3 that some women do not feel that their firms are doing enough to promote mentorship culture.

In line with this, respondents overwhelmingly agreed that their places of employment should do more to emphasize mentorship. 67% of women and 61% of men believe it is necessary for their firm to promote mentorship. This question highlights the importance of mentorship to those currently in the financial services industry. A majority of both men and women alike care about finding a mentor at their firms and believe that their firm can be doing more to promote this overall. This serves to support H3 and once again finds that firms can better serve all their employees, regardless of gender.

Q: My firm should do more to emphasize mentorship

******Please Insert Figure 10 Here******

These questions from the survey focused more on mentorship, as sponsorship cannot be formalized in the same ways that mentorship could be. Therefore, it is more difficult for firms to influence sponsorship initiatives, however they can work towards connecting more upper-level people and junior-level people to promote informal sponsorship relationships.

The data from these questions demonstrate that respondents both care about mentorship and sponsorship culture and believe their firms can do a better job of crafting it. One of the free response questions sought to understand tangible ways firms could go about enhancing mentorship and sponsorship culture. This question yielded mixed responses. Some respondents noted that they were satisfied with existing mentorship and culture at the firm. Other respondents indicated that their firm did not have existing formalized mentorship programs, so initiating one would be the first step. Other ideas were bucketed into the following segments and bulleted below:

Formal Mentorship

- Establishing a mentorship at firms without existing programs
- More thoughtful mentor/mentee matching process based on personalities and shared interests
- Mentorship pairings for employees at all levels, not just entry-level
- Scheduled check-ins for feedback to provide greater mentor/mentee communication
- Training for mentors on how to be an effective mentor
- Encouragement and outreach to employees to take on roles as mentors
- Better advertisement of existing mentorship initiatives in emails and at meetings
- Rotating mentorship program that exposes mentees to a variety of mentors
- Mentorship buddies for all employees new to the firm

Informal Mentorship

- More social events between teams to develop natural relationships
- Hosting of informal events (happy hours, team workout classes)

Resources

- Offer a budget for mentorship meetings to encourage outside of work bonding (mentor/mentee funded lunches, dinners, etc)
- Provide time for relationship building in a virtual environment
- HR devoting more time and resources to expanding these initiatives

Diversity

- More defined mentorship opportunities through underrepresented communities
- Initiation of mentorship programs within affinity networks (women, people of color, LGBTQ+, etc)

Sponsorship

- Make senior leaders more accessible to junior-level employees
- Formalized coffee chats or speaker events to connect senior and junior employees

All of these suggestions indicate there are still strides firms must take to improve culture to foster mentorship both formally and informally. However, instead of providing confirmation supporting H3, survey results shed light into the uniqueness of each individual's experience based on their place of employment. There seems to be little standardization across the industry in regard to culture and mentorship initiatives. While there are certainly companies that need significant cultural improvements to encourage mentorship and sponsorship for women, this is not true of every company. All in all, it is subjective for each person whether their firm is doing 'enough' but there is more agreement that firms can be and should be doing more to support their women.

Discussion

Data from survey questionnaires and interviews complemented each other in analyzing the 3 initial hypotheses. The results on the validity of the following hypotheses address the initial research questions surrounding the impact of mentorship and sponsorship on women in finance, and how firms can better cultivate supportive cultures for women in this traditionally male dominated industry.

Support of Hypothesis 1

Results showcases that both mentorship and sponsorship have positive effects on the careers of women in finance. The impact mentorship and sponsorship had on career came in a variety of forms – progression, loyalty to a firm, ability to perform better on the job. Many indicated that mentors and sponsors were a significant part of the reason they were in their current position.

Rejection of Hypothesis 2

Despite the financial services industry being a male-dominated industry, survey result and interviews concluded that it was not necessarily more difficult for women to find mentor and sponsors. Mentorship and sponsorship were accessible at nearly equal rates for men and women. This speaks positively to the strides the industry has made to make finance a more inclusive space. However, due to the limited number of women in upper-level mentor positions, it is true that it was challenging for women to find female mentors and sponsors in the industry. On top of this, most participants were able to find mentors and sponsors at their places of employment through formal and informal routes.

Mixed Results for Hypothesis 3

Firms can play an important role in establishing cultures of mentorship and sponsorship. Given that employers have a significant stake in employee retention and development, many financial services firms have implemented mentorship initiatives in recent years. At large well-resourced firms especially, initiatives such as formalized mentorship, informal employee social bonding, and affinity networks have facilitated great connectivity for mentorship and sponsorship. These programs typically only effect junior-level employees, and firms have yet work on promoting mentorship and sponsorship for senior-level employees. On top of this, there is much variability in a firm's proactiveness to support women, thus it is impossible to determine if they are doing 'enough'. In general, many men and women indicated that their firm should be doing more to emphasize and promote mentorship.

Looking forward, this research has numerous implications for enhancing mentorship and sponsorship for women in the financial services industry. Many respondents suggested their firms work towards making formalized mentorship programs more effective, invest additional resources in expansion of these initiatives, and create opportunities for greater connectivity between junior and senior-level employees.

Limitations and Further Research

While this research is the first to explore mentorship and sponsorship in relation to gender in the financial services industry, there are many limitations to the study. In an industry with thousands of professionals, a sample size of 156 on the survey questionnaire and 20 for the interviews is relatively small. It cannot be assumed that these responses are representative of the entire population. With the survey, there could be selection bias given that many respondents were people that sign up to take surveys and get paid online. With monetary incentive involved, people's motives and interests in the subject may be skewed which could lead to inaccurate results. Additionally, the demographic breakdown of the survey (Appendix 6) shows that the majority of respondents are at early stages of their career, and a large proportion of them work in corporate finance / banking. With an unequal demographic breakdown in area of finance, years of experience, race, etc, the survey responses are limited in representing the entire industry. Despite initially intending to interview those who have exited the financial services industry, all the interviews conducted were with people currently in the industry. As a result, it is likely there is survivorship bias present. In addition to this, those who were interviewed likely had been exposed to mentorship and sponsorship given their background (education, work experience). Thus, there positive thoughts towards mentorship and sponsorship may be more extreme than the average person in this industry.

Additionally, further analysis could be conducted on survey results to look at factors other than gender in relation to mentorship and sponsorship. While divergences in male and female experience with mentorship and sponsorship was a primary focus of this study, other elements such as area of finance, age, years of experience in the industry, and race could be looked at in further detail. There could be interesting correlations between that data and people's

reported experiences with mentorship and sponsorship. Although surveys and interviews did not dive into factors such as firm size, location, or team demographic composition, these factors did seem to play a role in mentorship and sponsorship accessibility. Further studies could dive deeper into the impact these factors have on the subject to provide a more comprehensive picture. Lastly, given that the financial services industry has underrepresentation of women at senior levels, additional research could look more closely at mentorship and sponsorship as a potential solution to these inequalities.

Figures

Figure 1

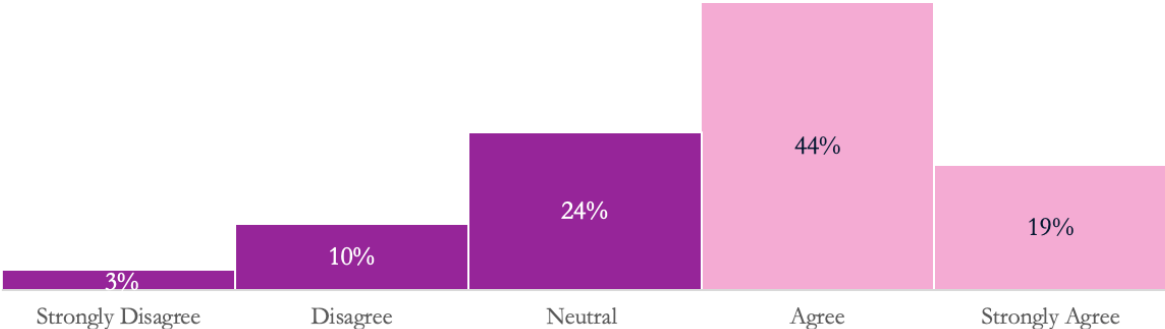


Figure 2

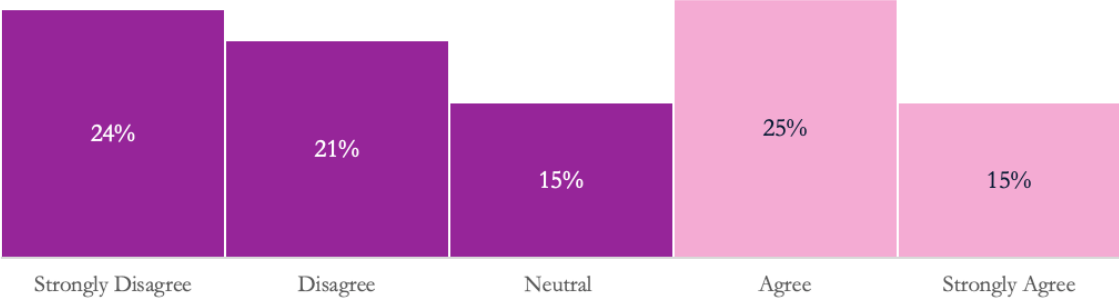


Figure 3

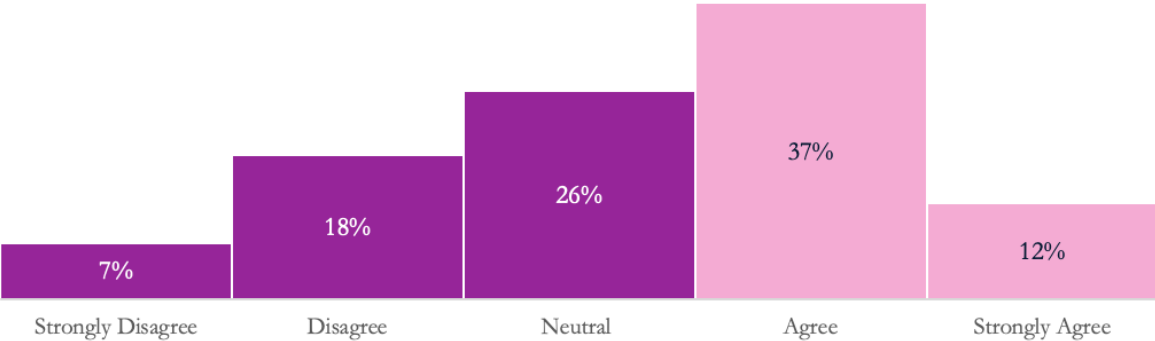


Figure 4

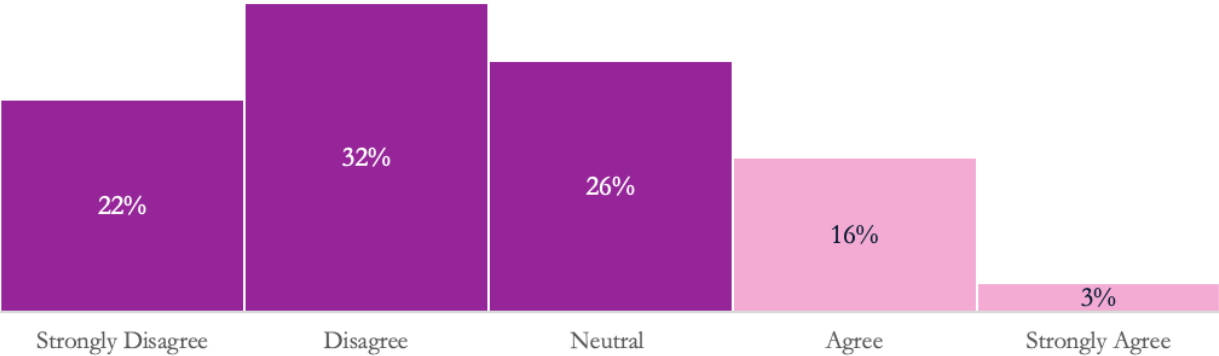


Figure 5

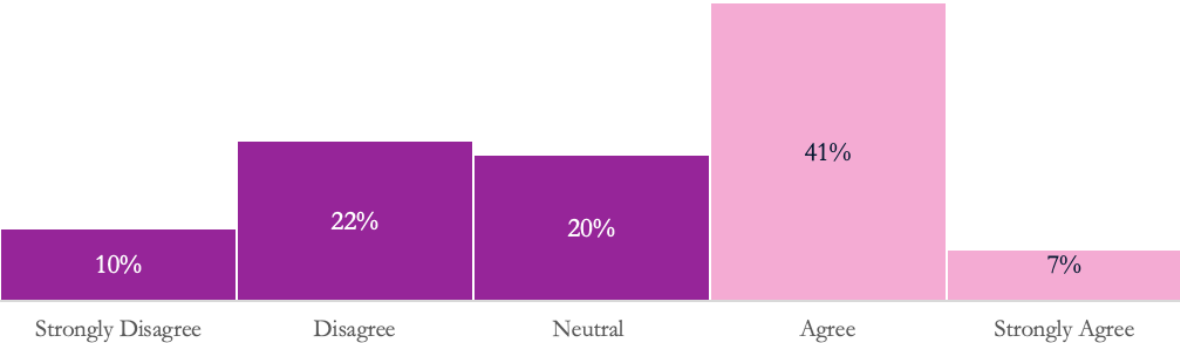


Figure 6

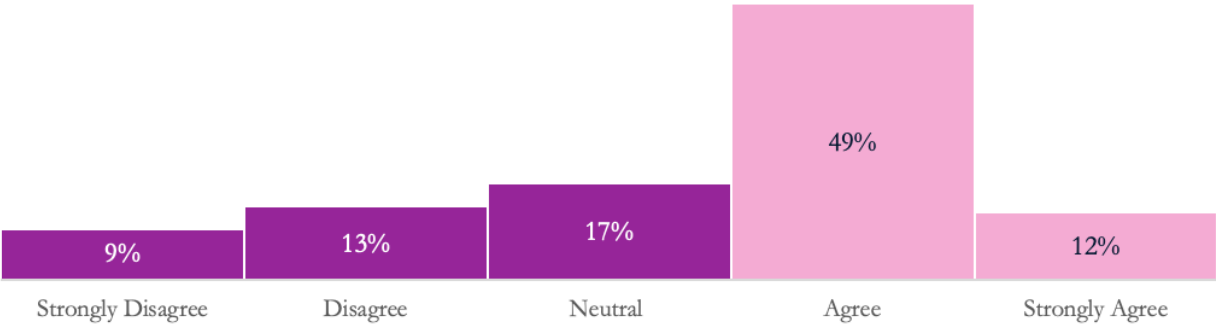


Figure 7

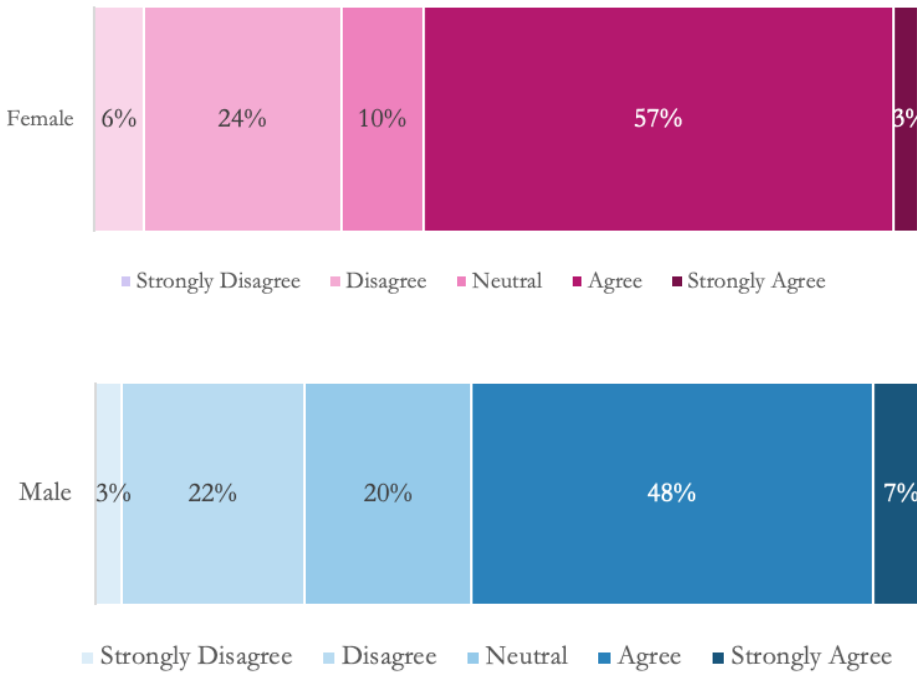


Figure 8

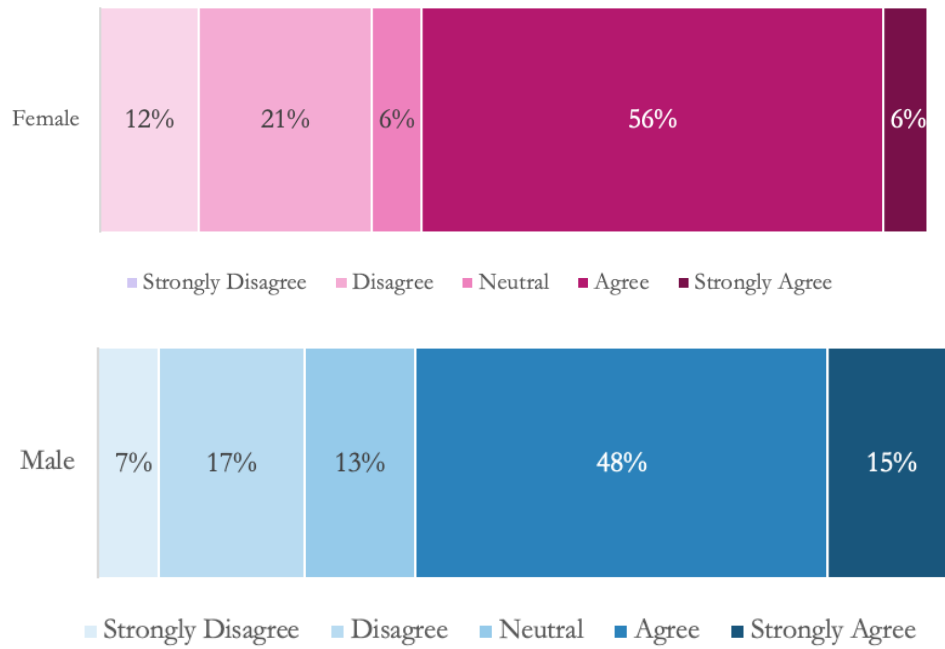


Figure 9

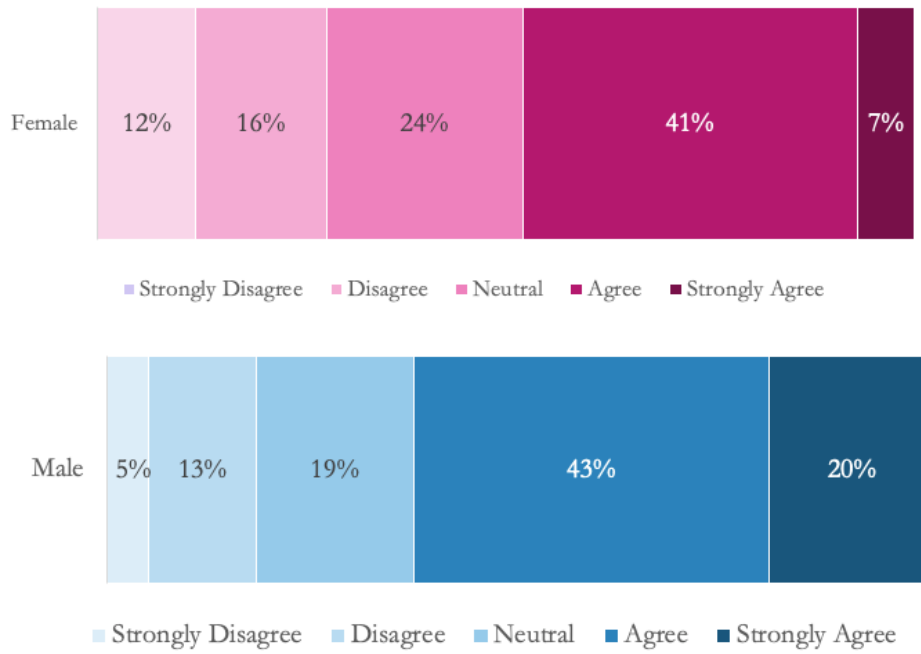
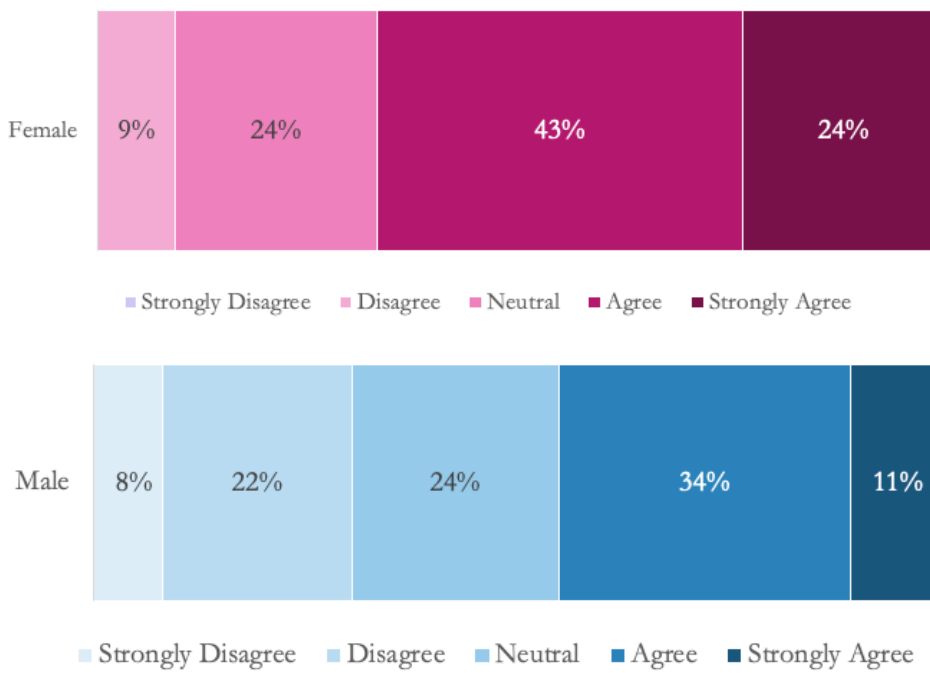


Figure 10



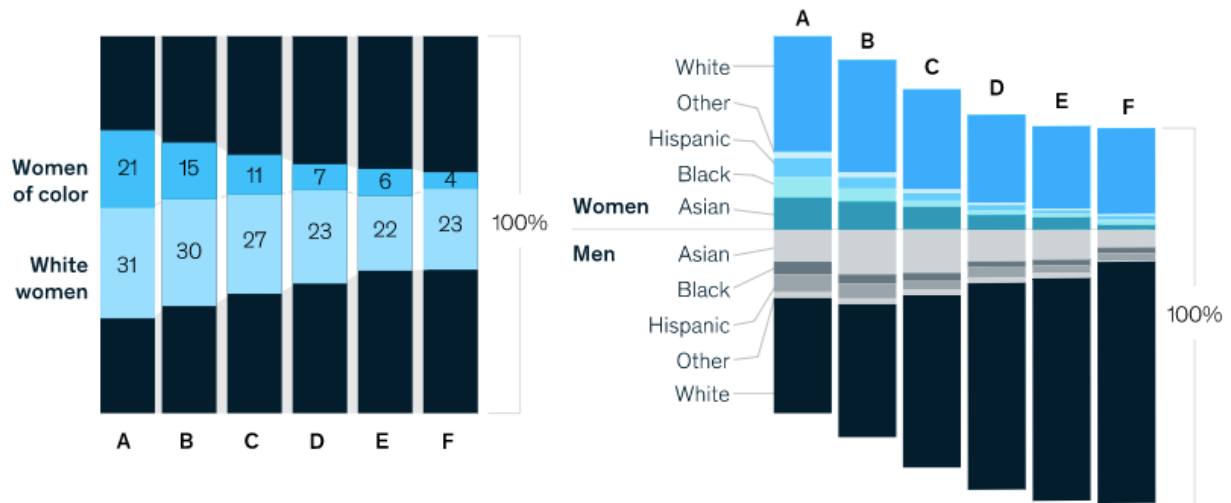
Appendix

Appendix 1: Representation of Women in Finance Beyond Entry-Level

Women, particularly women of color, continue to be underrepresented in financial-services roles above entry level.

Financial-services representation by corporate role, by gender and race at the start of 2021, % of employees

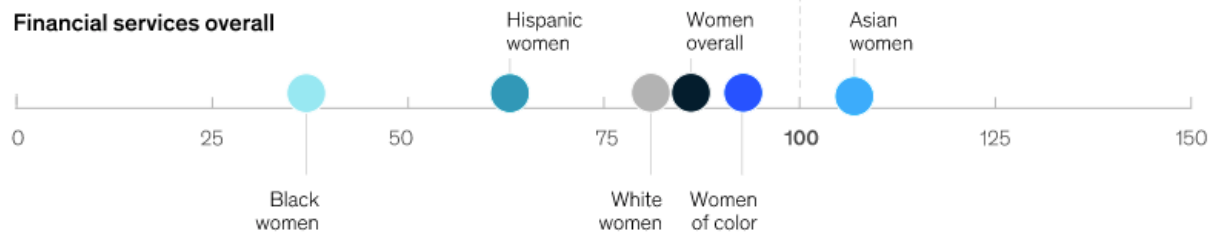
A = Entry level B = Manager C = Senior manager D = Vice president E = Senior vice president F = C-suite



Source: McKinsey & Company, *Women in the Workplace 2021*

Appendix 2: Women in Finance Less Likely to be Promoted

Number of women promoted to manager for every 100 men promoted, 2020

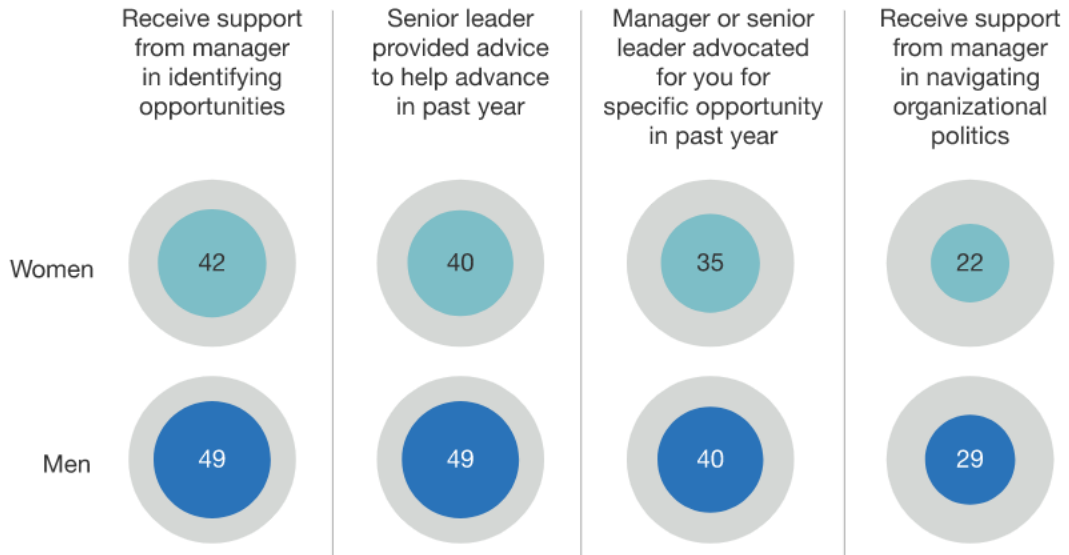


Source: Analysis of 71 financial-services employers that participated in *Women in the Workplace 2021*, LeanIn.Org and McKinsey, 2021

Source: McKinsey & Company, *Women in the Workplace 2021*

Appendix 3: Women Less Likely to be Sponsored by Managers

Support received from managers and senior leaders by entry-level employees, % agreeing



Source: McKinsey & Company, *Women in the Workplace 2017*

Appendix 4: Interview Questions

1. What is your current title and role?
 - a. Provided me with more background on your career in financial services?
2. Do you consider yourself to have a mentor at the present time? A sponsor?
 - a. Describe who your mentor/sponsor is and your relationship with them.
3. How has having a mentor affected you? A sponsor?
 - a. In what ways has mentorship influenced your career progression? Sponsorship?
 - b. In what ways has mentorship influenced your loyalty to a firm? Sponsorship?
 - c. In what ways has mentorship influenced your ability to be perform better on the job? Sponsorship?
4. What do you think makes a mentorship relationship effective? Sponsorship relationship?
 - a. Does having the same gender as your mentor matter to you?
 - b. Does having a mentor at your place of work matter to you?
5. Does your firm have any mentorship or sponsorship initiatives?
 - a. If yes
 - i. Have you received a mentor or been a mentor (or sponsor)? What has this experience been like?
 - ii. Do you feel that it is effective? What changes could be made to improve the program?
 - b. If no
 - i. Do you wish that such initiatives existed?
 - ii. How would you go about structuring a mentorship program? How can sponsorship be better integrated into firm culture?

Appendix 5: Interviewee Background Breakdown

| Interview | Gender | Industry | Yr. Experience |
|---------------|--------|----------------------|----------------|
| Interview #1 | Female | Investment Banking | 1 |
| Interview #2 | Male | Investment Banking | 1 |
| Interview #3 | Female | Equity Research | 1 |
| Interview #4 | Female | Investment Banking | 8 |
| Interview #5 | Female | Other - Equity Sales | 1 |
| Interview #6 | Female | Sales & Trading | 10 |
| Interview #7 | Male | Wealth Management | 41 |
| Interview #8 | Female | Private Equity | 5 |
| Interview #9 | Male | Private Equity | 6 |
| Interview #10 | Female | Venture Capital | 14 |
| Interview #11 | Male | Investment Banking | 4 |
| Interview #12 | Male | Corporate Finance | 1 |
| Interview #13 | Male | Sales & Trading | 8 |
| Interview #14 | Male | Venture Capital | 2 |
| Interview #15 | Female | Corporate Finance | 16 |
| Interview #16 | Male | Quantitative Finance | 2 |
| Interview #17 | Female | Equity Research | 12 |
| Interview #18 | Male | Investment Banking | 2 |
| Interview #19 | Female | Investment Banking | 2 |
| Interview #20 | Female | Wealth Management | 7 |

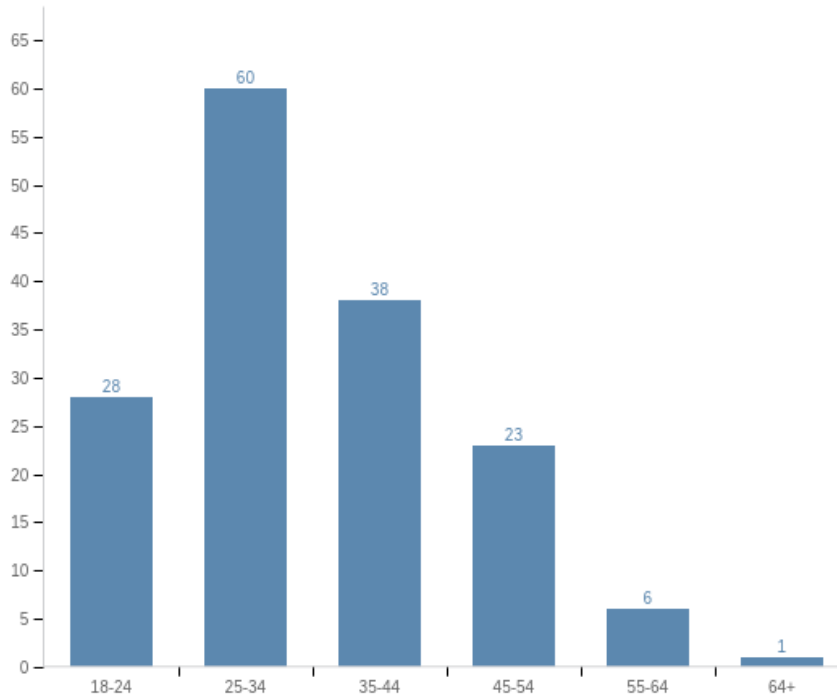
| Gender | | |
|--------|----|-------|
| Male | 9 | 45.0% |
| Female | 11 | 55.0% |

| Years Experience | |
|------------------|-----|
| Average | 7.2 |
| Female Average | 7.0 |
| Male Average | 7.4 |
| Median | 4.5 |

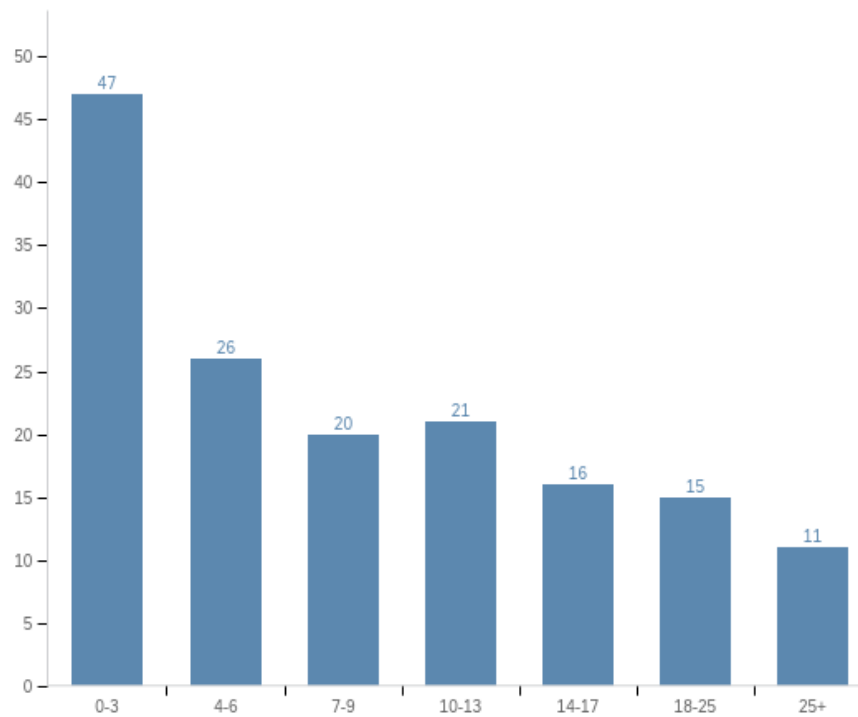
| Industry | | |
|----------------------|---|-------|
| Investment Banking | 6 | 30.0% |
| Investing (PEVC) | 4 | 20.0% |
| Equity Research | 2 | 10.0% |
| Wealth Management | 2 | 10.0% |
| Sales & Trading | 2 | 10.0% |
| Corporate Finance | 2 | 10.0% |
| Quantitative Finance | 1 | 5.0% |
| Other | 1 | 5.0% |

Appendix 6: Survey Demographic Breakdown

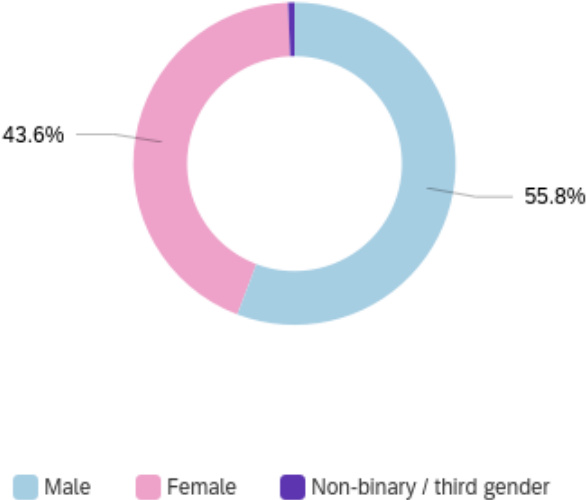
Age



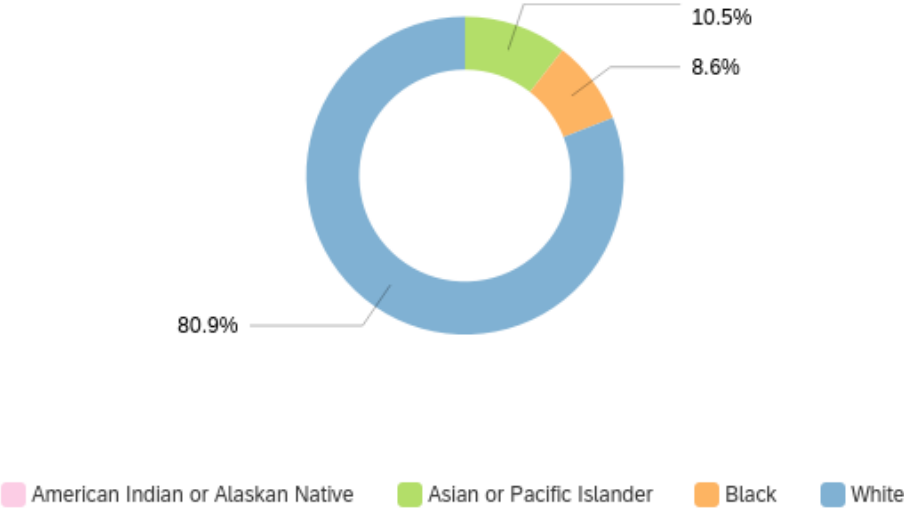
Years in the Financial Services Industry



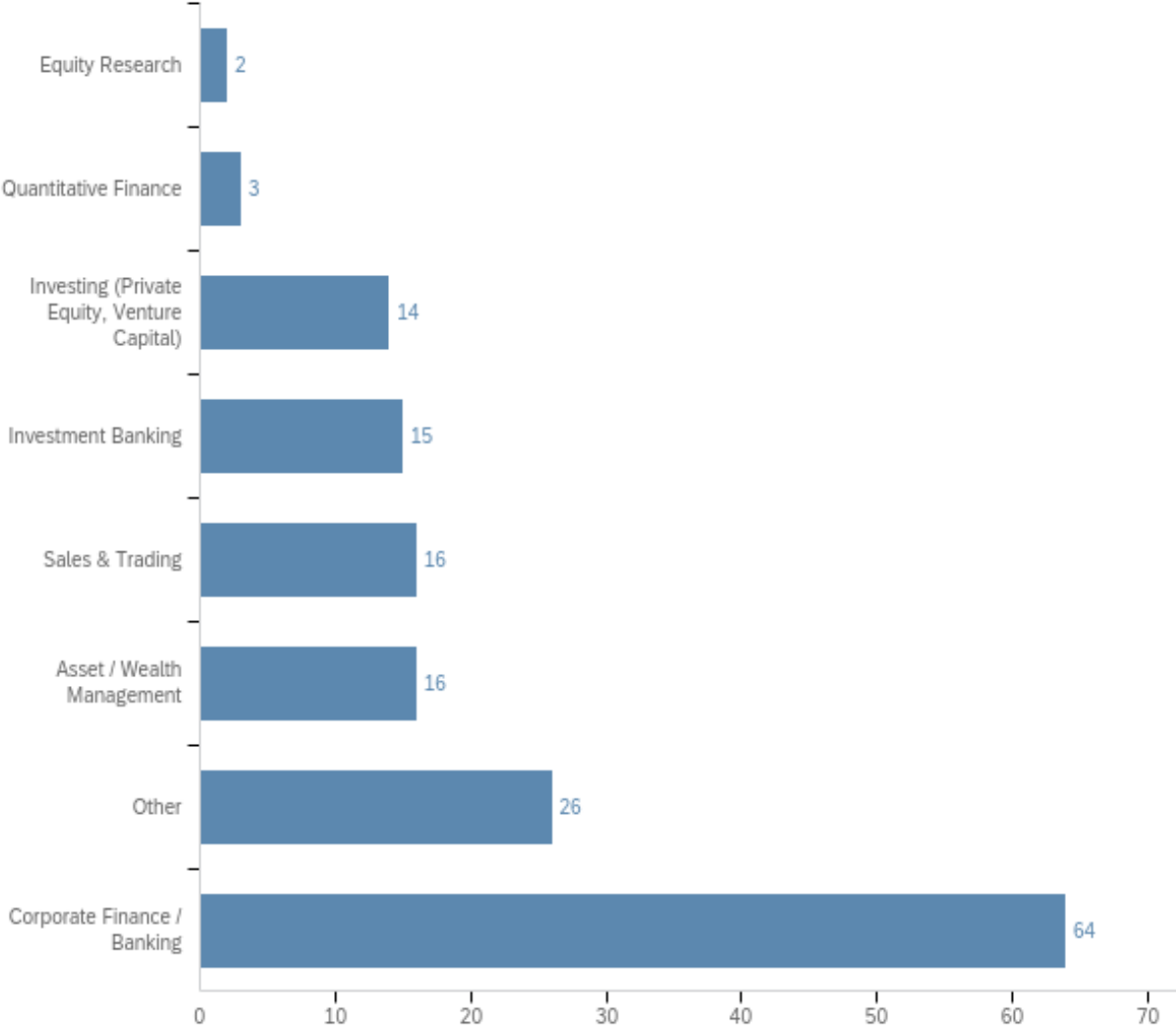
Gender



Race



Area of Finance



References

- Ayyala, M. S., Skarupski, K., Bodurtha, J. N., González-Fernández, M., Ishii, L. E., Fivush, B., & Levine, R. B. (2019). Mentorship is not enough: Exploring Sponsorship and Its Role in Career Advancement in Academic Medicine. *Academic Medicine*, 94(1), 94-100. doi:10.1097/acm.0000000000002398
- Barclay, L.A., Mellor, S., Bulger, C.A. and Kath, L.A. (2007), “Perceived steward success and leadership efficacy: the role of gender similarity”, *Journal of Collective Negotiations*, Vol. 31 No. 2, pp. 141-153
- Block, B. A., & Tietjen-Smith, T. (2016). The case for women mentoring women. *Quest*, 68(3), 306–315. <https://doi.org/10.1080/00336297.2016.1190285>
- Center for Talent Innovation. (2019, January 08). Senior leaders are misunderstanding the role of sponsorship--and missing out on its rewards, according to new research by the Center for Talent Innovation. Retrieved December 17, 2021, from <https://www.prnewswire.com/news-releases/senior-leaders-are-misunderstanding-the-role-of-sponsorshipand-missing-out-on-its-rewards-according-to-new-research-by-the-center-for-talent-innovation-300774196.html>
- Cheng, M. (2018, December 4). Why Women Must Mentor Other Women In Finance. Retrieved November 18, 2021, from <https://www.fa-mag.com/news/why-women-must-mentor-other-women-in-finance-42197.html?print>.
- Chin, S., Krivkovich, A., & Nadeau, M.-C. (2020, January 17). Closing the gap: Leadership perspectives on promoting women in Financial Services. McKinsey & Company. Retrieved November 18, 2021, from <https://www.mckinsey.com/industries/financial->

services/our-insights/closing-the-gap-leadership-perspectives-on-promoting-women-in-financial-services.

Dzinkowski, R. (2018, September). Women in Financial Leadership. Retrieved from

<https://proxy.lib.umich.edu/login?url=https://www.proquest.com/scholarly-journals/women-financial-leadership/docview/2103546419/se-2?accountid=14667>.

Ellingrud, K., Krivkovich, A., Nadeau, M.-C., & Zucker, J. (2021, October 26). Closing the gender and race gaps in North American Financial Services. McKinsey & Company. Retrieved November 18, 2021, from <https://www.mckinsey.com/industries/financial-services/our-insights/closing-the-gender-and-race-gaps-in-north-american-financial-services>.

Ghosh, R. and Reio, T.G. (2013), "Career benefits associated with mentoring for mentors: a metaanalysis", *Journal of Vocational Behavior*, Vol. 83 No. 1, pp. 106-116

Hao, S. (2019, September 12). This is why female representation in finance is so important. Thrive Global. Retrieved November 18, 2021, from <https://thriveglobal.com/stories/this-is-why-female-representation-in-finance-is-so-important/>.

Harvard Business Review. (2016, November 17). Why women aren't making it to the top of financial services firms. Harvard Business Review. Retrieved November 18, 2021, from <https://hbr.org/2016/10/why-women-arent-making-it-to-the-top-of-financial-services-firms>.

Ho, T. (2014). *Mentorship Gives Women a Pull to the Top in Finance*. Institutional Investor U.S. and International Editions; New York.

- Kelley, K. (2003). Good practice in the conduct and Reporting of Survey Research. *International Journal for Quality in Health Care*, 15(3), 261–266.
<https://doi.org/10.1093/intqhc/mzg031>
- Mobley, K. (2019, September 17). Understanding the impact of mentorship versus sponsorship. Retrieved December 17, 2021, from
<https://www.forbes.com/sites/forbescommunicationscouncil/2019/09/17/understanding-the-impact-of-mentorship-versus-sponsorship/?sh=2d70669f40ad>
- Peterson Institute for International Economics. (2021, April 20). Study: Firms with more women in the C-suite are more profitable. PIIE. Retrieved November 18, 2021, from
<https://www.piie.com/commentary/op-eds/study-firms-more-women-c-suite-are-more-profitable>.
- Quinn, J. (2012). Mentoring: Progressing women’s careers in higher education. Equality ChallengeUnit. Retrieved from <http://www.ecu.ac.uk/wp-content/uploads/external/mentoring-progressing-womens-careers-in-higher-education.pdf>
- Ragins, B. R., & Cotton, J. L. (1991). Easier said than done: Gender differences in perceived barriers to gaining a mentor. *Academy of Management Journal*, 34(4), 939–951.
<https://doi.org/10.5465/256398>
- Read, D. C., Fisher, P. J., & Juran, L. (2019). How do women maximize the value of mentorship? insights from mentees, mentors, and industry professionals. *Leadership & Organization Development Journal*, 41(2), 165–175. <https://doi.org/10.1108/loj-02-2019-0094>

- Reeves, M. (2021, July 5). Mentorship vs sponsorship: why both are important. Retrieved December 17, 2021, from <https://www.togetherplatform.com/blog/mentorship-sponsorship-differences>
- Sahay, R., & Cihak, M. (n.d.). Women in finance: A case for closing gaps. IMF. Retrieved November 18, 2021, from <https://www.imf.org/en/Publications/Staff-Discussion-Notes/Issues/2018/09/17/women-in-finance-a-case-for-closing-gaps-45136>.
- Scandura, T. A., & Ragins, B. R. (1993). The effects of sex and gender role orientation on mentorship in male-dominated occupations. *Journal of Vocational Behavior*, 43(3), 251–265. <https://doi.org/10.1006/jvbe.1993.1046>
- Warwick Business School. (2018, June 28). Are women better investors than men? Warwick Business School. Retrieved November 18, 2021, from <https://www.wbs.ac.uk/news/are-women-better-investors-than-men/>.
- Zohrabi, M. (2013). Mixed method research: Instruments, validity, reliability and reporting findings. *Theory and Practice in Language Studies*, 3(2). doi:10.4304/tpls.3.2.254-262