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Money Management

Execs spotlight South Asian underrepresentation

Scarcity persists in the top echelons of U.S. asset management industry

By PALASH GHOSH

As asset management firms seek to increase diversity and expand inclusion among their workforces, some would like to see more efforts made to address underrepresentation of South Asians in executive ranks.

While South Asians have risen to the top in several prestigious fields in the U.S. — including medicine, high tech and venture capital — some industry executives contend that South Asians remain underrepresented in the upper echelons of the asset management industry. That scarcity highlights the need for managers to include South Asians in discussions about diversity and inclusion in firms' efforts to attract new talent and perhaps bolster investment performance.

Sonny Kalsi, the Miami-based co-CEO of BentallGreenOak, a global real estate investment management adviser with \$80 billion in assets under management, said that, anecdotally, South Asians are growing their representation in the junior and mid-levels of large asset management firms, but remain underrepresented in the senior and top levels at these companies.

"I think there's a number of reasons for this," he said. "One is cultural. In my own case, my father, like many Indian parents, wanted me to become a doctor, engineer or a lawyer. Only in the past 10 or 20 years has asset management become an appealing and better-understood career goal for South Asians. The pipeline today reflects these changing views."

For South Asian women, other hurdles exist.

Jaishree Singh, the New York-based director of research at 17 Asset Management, an asset management and advisory firm, said that finance, particularly venture capital and institutional management, remains a "white man's world" and that she — as a woman of South Asian



descent — faces two kinds of discrimination, gender as well as race.

Ms. Singh also indicated that South Asian women likely face more obstacles in hiring and promotions compared to South Asian men.

"There are cultural biases against women, especially South Asian women," she said. "The prevailing attitude seems to be that females are not decision-makers and might not be as good with math and numbers as the men are. For South Asian females, who are also branded as docile, fragile and timid, the situation might be even worse."

Ms. Singh said that if South Asian women are to make meaningful progress in the financial services industry, they need to network more, be more assertive, and express more confidence in their credentials and abilities. "They also need to emphasize that they can make important decisions and lead a group of people," she added.

Prabha Carpenter, Arlington, Va.-based senior equity portfolio manager with Homestead Advisers, with about \$7 billion in assets, said women in general are underrepresented in the asset management industry especially in higher-level positions and minority women even more so.

But Ms. Carpenter is optimistic about

the future.

"Women have made progress," she said. "Asset management is performance-based as portfolio managers and analysts are evaluated on a daily basis. Gender and ethnic diversity on asset management teams enriches the investment process through cognitive diversity, and this is being recognized by leadership."

To achieve their DEI goals, asset management firms should make mentoring "a corporate priority to strengthen internal culture and external organizational perceptions," Ms. Carpenter said.

By the numbers

In the U.S., South Asians — people who claim descent from India, Pakistan, Bangladesh, Sri Lanka, Nepal and Bhutan — numbered about 5.6 million in 2019, according to the Pew Research Center, a figure that has risen from about 3.9 million in 2010.

A report from Goldman Sachs Global Investment Research issued on May 2 revealed that Asian Americans as a whole (granular data for South Asians was not available) accounted for 6% of the U.S. population and held 13% of STEM (science, technology, engineering and math) jobs. But it indicated that "within the well-paid occupations, Asian Americans re-

main under-represented in managerial and executive positions.”

Specifically, while Asian Americans account for “13% of professional positions at large employers, Asian Americans account for just 6% of senior management positions,” the Goldman report noted.

Jim Park, the San Diego-based CEO of The Association of Asian American Investment Managers, a non-profit devoted to increasing diversity in the investment management industry, estimates that about 20% of entry-level and junior jobs at asset management firms are occupied by Asian Americans. “But that figure drops to about half that at the senior level,” he said in an interview.

“In a recent survey we ran of Asian Americans in the asset management industry, about 90% of respondents claimed they face some kind of bias in their careers,” Mr. Park noted.

One reason for the apparent underrepresentation of South Asians in top roles at asset management firms may lie in lingering ethnic stereotyping, BentallGreenOak’s Mr. Kalsi said.

“The stereotype that persists about South Asians is that we are great at dealing with numbers, financial modeling, and analysis — but less recognized as having the skills to excel at people management and leadership,” Mr. Kalsi said.

Mr. Kalsi cautioned that while he himself has experienced some bias in his career, he thinks such attitudes are dissipating toward South Asians.

Impact of culture

Some internal cultural issues may also be at play.

“Generally speaking, Asian Americans have not availed themselves of things like internships, networking, fellowships and mentoring programs,” Mr. Park said. “Perhaps they felt that being the best student with the highest scores in school were enough or weren’t encouraged to go after those opportunities. But now I think more younger Asian Americans see the value of these initiatives as a way to ultimately reach the top.”

Shoaib Khan, Trenton, N.J.-based director and chief investment officer at New Jersey Division of Investment, takes a somewhat contrarian view on the emergence of South Asians in the asset management industry.

Mr. Khan, who was born in Mumbai and grew up in the U.K., said from what he has seen, South Asians are “reasonably well-represented” in the upper echelons of the asset management industry, not only in the U.S., but also in Canada, Europe and Asia.

“They may not all be CEOs or CIOs but they are in senior positions making decisions and having an impact,” he said.

As CIO, Mr. Khan oversees the investments of the \$85.8 billion New Jersey Pension Fund. He formerly served as a senior portfolio manager at the Florida State Board of Administration and also held senior positions at Swiss private bank Union Bancaire Privee and J.P. Morgan Chase & Co.

Mr. Khan noted that while “pockets of discrimination” against South Asians may still exist in U.S. corporations, he adds that some other factors may have played a role in previously luring South Asian students toward careers outside of finance and asset management.

“South Asians are indeed prominent in the fields of medicine, technology, and I would also add other sciences and engineering, too,” he said. “The primary reason for higher representation in these professions goes to some of the core values of the South Asian culture. It’s not uncommon to see South Asian parents steer their children toward these professions to the extent they can.”

Mr. Khan also suggests that South Asians arrived somewhat late into the asset management industry due to history. “Because South Asian countries are still economically developing, there has been less demand for asset and wealth management products and services in those developing countries,” he said. “Therefore, there has historically been less career opportunities within these professions in these countries. This leads me to believe that the generation of South Asians that migrated to the U.S. may not have (initially) seen these professions to be highly attractive from a career opportunity perspective.”

Mr. Park cautions, however, that minorities in this country should not see career advancement as a

“zero-sum game.”

“There is a tendency for some people to think that if Asian Americans advance, that means that Blacks and Hispanics are losing out,” he said. “We need to change that perception and encourage the asset management industry to diversify as a whole.”

‘Some disadvantages persist’

While top financial firms are seeking to attract more minorities into their workforce and executive ranks, Mr. Kalsi points out that there is likely less focus on South Asians compared with Black and Hispanic talent, whose underrepresentation at all levels of the industry requires urgent attention.

“While some disadvantages persist for South Asian professionals, their pathways to entering our industry are considerably less obstructed than for other minority groups whose experiences with inequity and lack of inclusion across all industries and society points to a bigger problem that requires resolution,” he said.

Mr. Kalsi is hopeful that more South Asians will ascend to the top jobs across the U.S. money management industry in the coming years.

“Look at the incoming analysts at places like BlackRock and Goldman Sachs — many, many South Asians,” he said. “It will be interesting to see how many of these highly talented young people become CEOs within the next 10 to 20 years. But I think things are moving in the right direction.”

Ajit Singh, chief investment officer of the \$5.1 billion Houston Firefighters’ Relief and Retirement Fund, struck a more optimistic tone. “I do not think (South Asians) ever faced discrimination (in the asset management industry),” he said by email. “I have never felt any kind of discrimination of any kind. In fact, people have gone out of the way to accommodate me. If one has abilities, they can be whatever they want to be.”

Mr. Singh also noted that while many firms are seeking to increase diversity, he does not know if they’re specifically seeking to hire more South Asians.

“My sincere hope is that they pay more attention to fiduciary responsibilities than (to doing a) ‘checking the box’ exercise,” he added. ■



LEADERS: Shoaib Khan said there are South Asians ‘in senior positions making decisions and having an impact.’



DISCRIMINATION: Jaishree Singh said that South Asian women likely face more obstacles in hiring and promotions compared to South Asian men.