

## AFAANZ Funding Report for Grant Outcome

### Female Financial Adviser Career Paths: Australia versus New Zealand

(1) Name, Position, Contact Details for each applicant

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(2) Project Title

Female Financial Adviser Career Paths: Australia versus New Zealand

(3) Updated Project Summary (500 words) including any variations between the project undertaken and the original application

This study investigates the factors contributing to the significant disparity in the number of female advisers and the seniority of female advisers within the financial advice sector. The study uses in-depth qualitative interviews of financial advisers working in Australia and New Zealand to examine their career experiences and outline their perceptions of barriers and drivers to a financial advising career. The analysis is informed by the more extensive gender research in accountancy (e.g. Whiting, Gammie, and Herbohn, 2015; Haynes, 2017; Kornberger, Carter and Ross-Smith, 2010). Comparing financial advisers in New Zealand and Australia enables analysis of the same issue, in similar cultural environments, but quite different regulatory and legal structures. The study addresses two key research questions:

- 1. What are the barriers to female's participation in and advancement in the FAP industry in Australia and NZ?**
- 2. What are the adaptive strategies employed to overcome these barriers?**

This study's findings show that structural considerations dominate the barriers for female Financial Advising Professionals (FAPs). These are the sales-based compensation structure, the priority accorded to servicing client needs, difficulties networking, a dominant masculine management culture and the gendered nature of flexible work. We find that clients inhibit flexible work, especially when FAPs start their careers and need to network to build a client base. This impedes the careers of female FAPs with caring responsibilities because networking opportunities occur outside of work hours and often in gendered contexts (e.g. male-dominated sports). Australian work flexibility depends on management support, as the organisational structure is more hierarchical than in NZ. A gendered nature of part-time and work breaks was apparent, with part-time work and parental leave being identified as options for female (especially mothers) but not male FAPs. Some female FAPs reported an aversion to networking with male FAPs, as they viewed the male FAPs' behaviour as inappropriate or disrespectful. Some strategies used to overcome these barriers are finding the "right" manager, receiving mentoring, selective networking and working in a partnership arrangement with another FAP.

This study makes three important contributions to the literature. First, we highlight unique barriers for female FAPs and extend current literature by identifying adaptive strategies for countering them. These findings inform practitioners and researchers about the factors that affect female participation in the developing financial advice profession. Second, we document the role of male management in creating a work environment that can impede or enable female FAP career paths. Third, our findings show that a commission-based or variable remuneration structure linked to a competitive sales culture deters some female FAPs. Overall, the findings point to the gendered nature of work arrangements and identify changes the industry can instigate to encourage a fairer representation of women. Greater female participation will address future FAP shortages given the industry's aging population and support the employment of the full pool of available labour talent.

#### (4) Funds Granted

AUD 4,000

#### (5) Detailed Report on Expenditure of Funds against Budget Items, with variations explained

There is small surplus of AUD 416.39. This is attributed to:

- receiving an extra AUD 191.63 because of the weaker NZD (compared to the NZD/AUD rate in the application) when the funds were transferred from the University of Otago to RMIT.
- Savings of AUD 120 because of incidentals that were not used by the research assistant.
- Shorter interview times resulted in interview transcription costs AUD 184 less than budgeted
- Increased labour cost for the research assistant (58.5 hours) because of a pay rise awarded by RMIT University. Instead of costing AUD 2,996.37, the RA cost AUD 3,068.
- The recorder for the interviews cost NZD 84.99. The unfavourable variance of NZD 8.36 translates to AUD 7.61 using the exchange rate of NZD/AUD 0.910819 on October 9, 2018.<sup>1</sup>
- Summary of variance: AUD (191.63F + 120F + 184F - 71.63U - 7.61U = 416.39F).

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<sup>1</sup> The original budget, variance and total spending is reported at the end of this document.

(6) Outcomes, for example, working papers, presentations and publications (give full details, including abstracts)

The results of our study have been written up and presented as follows:

Richards, Daniel, Helen Roberts and Rosalind Whiting, 2019, "Female Advisers - Where Are Thou?"

• Under review at the Australian Journal of Management (A) (IF 1.150). Currently being revised following first round of reviewer comments.

- Invited presentation by Daniel Richards at Western Sydney University, May, 2019.
- AFAANZ Conference Presentation by Daniel Richards, Brisbane, July, 2019.
- Invited presentation by Daniel Richards at York University, Toronto, June, 2019

(7) Future Intentions for this Project (give full details)

Our intention is to undertake all the revisions requested by the Australian Journal of Management reviewer and submit the revised article for a second round of review with an expectation of gaining publication. In addition, we are liaising with the Financial Planning Association of Australia to feedback our findings to their members as part of their continuing professional development requirements.

(8) Summary of Outcomes and Benefits

The research project has

- generated a peer reviewed article that we are confident will be accepted for publication in the Australian Journal of Management (ABDC A-rated)
- Been presented to three different audiences to garner feedback and also to publicise this work and its important findings
- The main results of the study have been reported back to financial advisors in the financial services sector of New Zealand. The practical implications of our research show that:
  - The study identifies action points that can facilitate growth in female FAP industry participation for both Australia and NZ:
  - The industry should normalise temporary part-time work opportunities for all employees and provide a defined route for advancement from a part-time position to an advising role.
  - Adviser partnerships (already operating in NZ) enhance work-life balance and should be considered in Australia.
  - The removal of conflicted remuneration in Australia and/or an option for fixed compensation may encourage female FAP participation.
  - Providing a variety of networking opportunities will allow females to choose a suitable time and environment to participate.
  - Senior management needs to actively promote changes in culture to champion female recruitment and retention.
  - Industry leaders and fellow FAPs need to develop strategies that allow women FAP's selective networking techniques to flourish and ensure they build strong client bases.

AFAANZ Budget for AUD 4,000 awarded in August, 2018

<b>Otago University Funding</b>	Budget	Actual	Variance
Equipment			
<ul style="list-style-type: none"> <li>Recording device to save conversations from interviews</li> </ul>	\$76.63	\$84.99	\$8.36U
<b>Total University of Otago funding (NZD)</b>	<b>\$76.63</b>	<b>\$84.99</b>	<b>\$8.36U</b>
<b>Total University of Otago funding (AUD)</b>			<b>\$7.61U</b>
<b>RMIT University Funding (AUD)</b>			
Fieldwork			
<ul style="list-style-type: none"> <li>Research assistant used to collect data from conducting 5 in-depth interviews. 4 hours per interview, 20 hours @ \$51.22 (Non-PhD Sessional academic rate with 16.34% on-costs)</li> </ul>	\$1,024.40	\$1,048.89	\$24.49U
<ul style="list-style-type: none"> <li>Travel and incidental costs @ \$24 per interview</li> </ul>	\$120.00	\$000.00	\$120.00F
Coding			
<ul style="list-style-type: none"> <li>Research assistant initial coding of interviews 38.5 hours @\$51.22(Non-Phd Sessional academic rate with 16.34% on-costs)</li> </ul>	\$1,971.97	\$2,019.11	\$47.14U
Transcription of interview data			

<ul style="list-style-type: none"> <li>Professional transcription of audio recordings of 5 interviews (1 hour @ 161.40 per hour) based on Outscribe prices.</li> </ul>	<u>\$807.00</u>	<u>\$623.00</u>	<u>\$184.00F</u>
<b>Total RMIT funding</b>	<u>\$3,923.37</u>	<u>\$3,691.00</u>	<u>\$232.37F</u>
<b>Gain on NZD/AUD exchange rate</b>		\$191.63	\$191.63F
<b>RMIT funding reconciliation (AUD)</b>	<u>\$3,923.37</u>		<u>\$424.00F</u>
<b>Total AFAANZ Funding Allocation (AUD)</b>	<u>\$4,000.00</u>		<u>\$416.39F</u>