

Private equity is a man's world... seriously

By [Dan Primack](#) February 8, 2011: 4:50 PM ET

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Are you a woman who wants to succeed in private equity? Here's some free advice: Learn about sports. And don't get pregnant. In fact, it might be best to project an active antagonism toward motherhood.

Those are the depressing findings of [a new study](#) by Catherine Turco, titled: *Cultural Foundations of Tokenism : Evidence from the Leveraged Buyout Industry*.

Turco was a Baker Scholar at Harvard Business School, and currently is a graduate student in the university's sociology department (the study was published by the *American Sociological Review*).

Her original goal was to examine occupational structure and workplace dynamics in the private equity industry, but she soon changed gears to focus specifically on the experiences of women and African-American men. Both are severe minorities in private equity, which each representing less than 10% of the total professional workforce (a lower figure than in corporate law or investment banking).

What Turco found was that while both groups face serious structural barriers at the outset (i.e., getting a foot in the door), women face far greater cultural challenges.

Before continuing, I cringed a bit at the thesis (our oppression is worse than your oppression). And Turco explicitly acknowledges the prospect for her own biases, being a white female. She notes, however, that African-American women she interviewed also felt that their gender was more relevant than their race within private equity firms. Moreover, Turco says that many African-American men openly discussed personal experiences of racism within their professional lives, thus making Turco more confident that she wasn't only getting one side of the story.

So what is it about being a women that's so problematic within private equity firms?

Turco identifies two primary factors: The first is a knowledge and love of sports. Take a look at the following two quotes from people Turco interviewed -- the first is an African-American man, the second is a woman:

"Sports was the sieve through which I could connect and bond. They had firm sports teams like baseball and basketball. . . . It was really like a locker room. It had that sort of camaraderie. At night in the office, a senior guy would come out and yell 'Stop working. Let's arm wrestle.' and people would start placing bets. . . . You'd get all these goofy competitive things going."

"There are guys at the firm who play basketball together, and I'm never invited. I know they do serious bonding and then they talk about it on Monday at work. . . . I don't play basketball so if they asked I wouldn't go. But I hate it because I'm missing an opportunity to connect."

Turco also mentioned that "women who never followed sports before entering [private equity] reported watching SportsCenter or checking ESPN.com regularly now."

There obviously is an implicit assumption here -- that men are into sports and women aren't. There obviously are exceptions to both, which is why Turco's second cultural factor is much more compelling: Motherhood (or the potential for motherhood).

Turco argues that the private equity ideal is someone who puts work above all else, and that most male private equity pros find that to be inherently incompatible with motherhood (even if the mother has multiple paid caregivers or a stay-at-home husband). This is despite the fact, she says, that private equity pros travel less and work shorter days than do their peers in the investment banking, law or consulting worlds. In other words, it's the *idea* of motherhood that offends, rather than its actual demands.

Some troubling excerpts:

One pregnant respondent described a recent incident with her boss: "He turned to me and lashed out and said, 'Are you even going to come back? I guess you won't even tell us if you're not. You're probably going to stay home and play with the baby.' He was angry. . . . He had asked me three or four times before if I was coming back to work and I always said, 'I'm definitely working.' . . . For him to ask again, to say it like he made up his mind already, I just know that now he doesn't view me as being as valuable as someone who doesn't have kids."

Several described incidents in which women were fired or involuntarily transferred to non-deal roles after announcing they were pregnant. One woman said, "I call each of my kids my 'million dollar babies' because of how much each of them has cost me."

Statements by recruiters and male LBO investors corroborate women's accounts. One recruiter admitted that up to 20 percent of LBO firms direct her not to send female applicants because "they'll get pregnant and they don't want to have to deal with it." Of the eight African American men who stated that gender was a bigger obstacle than race in LBO, six mentioned motherhood in their explanations.

Private equity firms, for the most part, are small partnerships. Often they are born of existing relationships, and it's difficult to join if you aren't already "in the club." I get it, and there isn't necessarily anything wrong with that.

But private equity has a serious problem if it cannot adequately incorporate "others" when it comes time to expand. Women obviously should not be second-class citizens within their own firms or, even worse, be excluded from the hiring process altogether. Private equity firms may have come a long way from the days in which it was literally impossible to find a female partner, but it has not come nearly far enough. The core culture must evolve, not just the payroll demographics.