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Alts Shops Slowly Open Paths to Pros Returning to Industry

By Lydia Tomkiw March 1, 2017

Hedge funds and private equity managers have made strides to hire more diverse candidates at the beginning of their careers, but these firms are still behind the curve when it comes to hiring women and men looking to return to work after taking an extended break. However, a few firms, such as Man Group, may slowly be changing the game.

For women and men who have taken extended career breaks for childcare, eldercare, health issues, or other reasons, it can be daunting to find a path back into the industry. But reentry programs at traditional financial services firms have sought to remedy this challenge, and make it easier for people to restart their careers. Goldman Sachs, for example, established a "returnship" program back in 2008, and soon other firms followed that model.

These programs allow women and men who have taken extended career breaks to take on paid internships that usually last 12 weeks, and can often lead to full-time jobs. As part of the programs, candidates usually receive networking assistance, as well as career and skills coaching to help get reacquainted with the workplace.

"This isn't a charitable [corporate social responsibility] initiative. It's a very good and morally right thing to do, but very importantly there's a strong business case to it," says **Julianne Miles**, co-founder of **Women Returners**, a U.K.-based coaching, consulting, and network organization that has worked with companies since 2014 to set up reentry programs. The typical profile of candidates Miles sees are highly-qualified, highly-educated women and men in their mid to late 30s to 50s.

At the end of the internships, companies decide whether or not to hire participants for permanent roles. Different financial services reentry programs have hired from 50% to over 90% of their interns, says **Carol Fishman Cohen**, CEO of U.S. career reentry firm **iRelaunch**, who herself returned to Bain Capital after an 11-year career break she took to raise four children.

Alternatives firms have been slower to examine or adapt reentry programs, but Cohen has started to see interest from U.S.-based private equity firms and hedge funds over the last two years.

"I think we are early stage with private equity firms and their interest in returning professional internships. Their focus has been more on retaining those women who start careers with them and less on figuring out how to get them back if they leave," she says, noting that she has not yet seen a formal program emerge from the conversations she has had.

Scaling an internship program is one of the major challenges likely holding back alts firms, especially smaller private equity shops, says **Michelle Friedman,** the founder of **Advancing Women's Careers**, a consulting and coaching firm that helps firms build pipelines of female talent, and a special advisor to iRelaunch.

"The returnship piece is further down on the spectrum because it involves a degree of perceived risk of hiring someone back who has taken a career break," she says, noting that as a younger generation comes up there will likely to be a greater openness to conversations regarding reentry.

For now, many U.S.-based alts firms are looking at one-off arrangements and experimenting with different concepts, versus implementing a formal large-scale program, Cohen says.

In Europe, alts firms have been a step ahead of their American counterparts. Man Group launched a returner program in 2016, partnering with Women Returners, as a way to reach a talent pool unlikely to come from traditional recruitment routes and as part of their commitment to improve diversity.

"The program has enabled us to reach out to talented individuals, predominantly females, and offer a re-entry into the financial services sector following an extended break," says **Deborah Kester**, head of human resources at **Man Group** in an email. "This is not always easy to do as recruiters will often overlook candidates who have been out of the market in favor of those currently doing the job they are trying to recruit for."

The firm had two participants in its pilot program and subsequently hired one for a full-time role as a product specialist within its GLG investment management team. This year's returner program is focused on technology roles, including project management, helpdesk support, relationship management, and business analysis.

Through the treasury ministry in the U.K., dozens of financial services firms also have signed on to the Women in Finance Charter pledging to support gender diversity. Aberdeen Asset Management signed on to the charter in 2016 and is in the early stages of launching a reentry program, also partnering with Women Returners. After recently advertising its program, the firm received more than 200 applications by its deadline last week and is now in the process of matching candidates to roles.

"The caliber of the candidates is amazing," says **Diane Pinto**, global head of diversity and inclusion at Aberdeen. "When you look at those CVs and see the women who have to resort to a program like this to get back to work… [it is] quite shocking."

Aberdeen's program isn't following the internship model and is instead offering full-time, permanent positions mapping candidates to open roles. If the program goes well, Pinto says they are thinking about doing something similar in other locations, including the U.S. Many of the candidates would also be suitable for roles in the firm's alternatives business, she added.

"I think this is the kind of program all firms should be considering. We already know there's a serious lack of women in the industry, whether it's in alternatives or otherwise," Pinto says. "We start out at almost 50/50 at the entry level. Why wouldn't we be reaching out to them to come back in?"

As conversations and programs at firms in the alts sector have grown in the U.S. regarding hiring diverse workforces, supporting parental leave, and allowing greater flexibility to work remotely, reentry could be the next addition.

“There’s absolutely structurally no reason why it couldn’t work for private equity firms as much as it does for other financial services firms,” Miles argues.

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