

Gender-based differences among financial analysts

A case study on equity research analysts in Sweden

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Abstract:

The world of finance has traditionally been a sector showcasing an unequal gender distribution, where men have been the dominating party. Within this financial realm, Equity Research Analysts in Sweden exhibit an exceptionally uneven gender distribution. This thesis aims to describe how gender manifests in financial analysts' perceived roles and work by conducting a qualitative study. Tokenism and gender theories are our primary way of interpreting and analyzing our gathered empirical findings. Our analysis concludes that female analysts face a higher degree of visibility, perceived by the interviewees as a competitive advantage compared to their male peers. It was also found that the work environment among financial analysts is perceived as open and welcoming. However, a degree of subtle sexist behaviors still exists in the background, which is why it still could be considered gendered.

Supervisor: Johan Graaf

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1. Introduction

1.1 Background

Equality and gender issues have remained a matter of attention in our modern society for a long time. The media has covered a wide range of subtopics within this theme, including salary disparities, responsibility, and the capacity to climb the social ladder. In recent years, women have become a significant part of the business world, particularly within finance, traditionally dominated by men (Svenskt Näringsliv, 2017). However, despite progress toward gender parity in finance, the rate of change differs significantly amongst professions (SCB, 2020). While only 33% of financial analysts are women in Sweden today, the gender ratio in other economic vocations, such as controller and auditor, is more remarkable, with 58 and 59 percent of women in those jobs, respectively (SCB, 2018). From an international perspective, Sweden is one of the countries with the highest gender equality in the world (European Institute for Gender Equality, 2021), including the finance sector. Furthermore, in November 2021, a new report from Finansförbundet showed women in finance were most exposed to harassment (Finansförbundet, 2021).

Aside from the importance of gender in modern society, the finance sector is also of great interest since it has come to exert an increasing amount of influence over people's daily lives (Blomberg, 2009). The industry is known to be responsible for the distribution of wealth in society and for concentrating an increasing portion of that wealth on itself (Blomberg, 2009). The profession of financial analysts has evolved since its inception in the twentieth century, and it currently has a significant impact on the Swedish stock market's volatility (Wansleben, 2012; Fröberg, 2018). The primary responsibility of financial analysts is to assess a given industry or subsector and provide industry and business analysis, including earnings predictions, target prices, and recommendations (Imam & Spence, 2016; Spence et al., 2019). These recommendations are then provided to potential and existing clients, such as Fund managers and buy-side analysts, as well as being available to the public through a variety of databases (Groysberg & Healy, 2013; Spence et al., 2019). Furthermore, more than 2 million people own shares directly in Sweden, whereas 76 percent of the population owns shares through share funds (Euroclear, 2020; Englundh, 2021).

1.2 Problem formulation

The literature on accounting and finance tells us a lot about which mechanisms are most significant in how analysts arrive at recommendations or investment judgments (Schipper, 1991; Previts, Bricker, Robinson & Young, 1994; McEwen & Hunton, 1999; Breton & Taffler, 2001). The findings of the different studies reveal a split opinion on the role of accounting in an analyst's toolkit, as well as the importance of a company's strategy and management (Abarbanell, 1991; Breton and Taffler, 1995; Barker, 2000; Previts et al., 1994). It also highlights the market's reaction to analyst recommendations and judgments, implying that it plays a significant role in finance (Womack, 1996; Francis & Soffer, 1997; Clement & Tse, 2003; Howe, Unlu & Yan, 2009). However, most analyst research has assumed no differences amongst financial analysts, ignoring factors such as age, gender, cultural background, and others.

Even though there is much study on gender equality in business organizations (Kanter, 1977; Acker, 2012; Hammarén & Johansson, 2014), few studies on financial analysts have considered gender. These studies are primarily quantitative studies focusing on work performance, risk-taking, and decision-making (Green, Jegadeesh & Tang, 2009; Kumar, 2010; Li, 2013; Bosquet & De Goeij & Smedts, 2014). The problem with quantitative studies when studying a particular phenomenon is that the use of dummy variables may lead to the risk of missing critical information such as experiences and individual differences. In other words, gender research in the financial sector is limited, particularly on the qualitative front, with Blomberg's' article (2009) being one of the few in the field. The study delves deeper into what it is like to work as a woman in the finance sector in Sweden, where sexism and machismo pervade the culture (Blomberg, 2009).

Even though Blomberg (2009) conducted qualitative, comparative research on women and men in the financial business, no female analysts or brokers participated. As a result, little thought has been given to how both women and men experience the profession as financial analysts (Blomberg, 2009), which is the subject of research of this paper.

1.3 Purpose and research question

The paper aims to explore gender differences among financial analysts so that we may better understand the opportunities and challenges that gender diversity brings to financial organizations. To fulfill this research, a qualitative study approach in the form of interviews is used. This research purpose will be achieved by answering the following research question:

How do gender manifest in financial analysts' perceived role and work environment?

1.4 Limitations

This study will focus on equity research analysts on the sell-side, excluding all other types of analysts. Within the realm of this paper, every mention of “analysts” or “financial analysts” will be referring to our main group of focus - which is “sell-side equity research analysts.” Sell-side analysts are investment advisors in a third-party role for buy-side investors and fund managers (Graaf, 2018). The argument of solely setting focus on equity research analysts on the sell-side within our study is motivated by the fact that they, too, at least to some extent, are dependent on accounting in their daily work (Abarbanell, 1991; Breton and Taffler, 1995; Barker, 2000; Previts et al., 1994) but also because the profession holds an abnormal gender distribution (Blomberg, 2009) in relation to other roles within the world of finance.

The choice of interviewing both female and male financial analysts was made considering the lack of qualitative studies in the field where both genders have their voices heard and because of the comparative value of interviewing both sexes. The comparative value of questioning both genders may contribute towards broader insight into the world and mind of a financial analyst, combined with having some point of reference. Moreover, gender differences will be studied through the lens of social construct (Cameron 2005).

For practical reasons, we have chosen to apply a geographical limitation, where solely male and female equity research analysts working in Stockholm, Sweden, will be interviewed. This geographical limitation indicates that the applicability of the result in any international context would be limited. However, this study does not aim to generalize results but instead examine and explain the given conditions within the geographical region.

2. Theory

This section provides an overview of previous related literature and the theoretical framework. The domain theory is intended to describe the profession of financial analysts. At the same time, the theoretical framework presents research on gender and minorities that will be used to analyze our empirical material.

2.1 Literature Review

2.1.1 Role of the analyst

The role and responsibilities of a financial analyst can vary greatly depending on several factors. They are divided into two categories: sell-side analysts and buy-side analysts. In practice, sell-side analysts are investment advisors in a third-party role for buy-side investors and fund managers (Graaf, 2018). Within this parameter, their primary task is to follow and analyze publicly traded entities on the stock market within different sectors of interest (Schipper, 1991). The analysts are employed by investment banks or brokerage firms for advice on companies within their given sector, which usually is somewhere between 5-10 firms (Groysberg & Healy, 2013). This advice is then formulated into a report which later comes out as an investment recommendation with the purpose of expressing the author's public opinion about the firm where the recommendation is one of the following three; Buy, Hold, or Sell (Groysberg, Healy & Chapman, 2008). The recommendations are distributed to prospective and existing clients, such as fund managers and buy-side analysts, and are also accessible to the public through numerous databases (Spence et al., 2019; Groysberg & Healy, 2013).

Within quantitative research in the field, the analyst is seen to increase market effectiveness and decrease information asymmetry (Mayew & Venkatachalam, 2012). However, in qualitative research, Beunza & Garud argues that the analyst can be seen as a critic in terms of its role in the financial market, as they "bring a social dimension back into decision-making" (2007). Another argument supporting the analysts-as-critics approach is the fact that analysts do not take an active part in the market themselves but instead conduct evaluations for others (Fogarty & Rogers, 2005). The analyst as a critic helps market participants in their battle

against uncertainty by processing information and producing options for investors, thereby helping them interpret a firm's outlook, which legitimizes investment activities (Zuckerman, 1999). The fact that an analyst as a critic provides a more scientific and rational approach to investments could be interpreted as another argument in terms of legitimizing investment activities (Blomberg et al., 2012; Imam et al., 2008; Zuckerman, 1999). The analyst's role as a critic and third-party engagement suggests that analysts review managers on behalf of their clients (Graaf, 2018). Research within agency theory has since long studied analysts that, in part, have a monitoring role, overseeing managers, which reduces the likelihood of opportunistic behavior among these (Jensen & Meckling, 1976; Moyer et al., 1989). However, the critics' approach has its flaws as it does not explain how they add value, innovate new categories or rise to fame versus fall into oblivion (Beunza & Garud, 2007).

2.1.2 The analysts' methodology and tools

The process of an analyst's decision-making described by Barker begins with the analysis of public information such as strategies, the competitive landscape, financial data, and other non-financial factors (1998). Analysts then use their ability to assess diverse data and calculate quantifiable earnings forecasts. These earnings projections lead to firm valuations, which leads to a stock recommendation (Barker, 1998). This last phase is traditionally regarded as the most vital element of a financial analyst's job (Imam & Spence, 2016; Ramnath et al., 2008). However, the study has discovered that facts, underlying assumptions, and arguments are the most interesting materials from an analyst's research (Ramnath et al., 2008; Barker, 1998). In other words, financial analysts' work might be classified as a "valuation benchmark" that incorporates both quantitative and qualitative information (Graaf, 2021).

As previously mentioned, analysts are not restricted to using quantitative data in their analysis, they consistently use qualitative data to form their investment recommendations (Pinho, Madaleno & Santos, 2013). In fact, some researchers have found the qualitative side to be the dominant part, where they emphasize the importance of face-to-face meetings with managers as this is one of the highest-ranked information sources used by analysts and fund managers (Barker, 1998; Brown et al., 2015). This argument is also supported by their clients, as they prefer contextual information rather than just forecasts and valuations since this provides the analyst an opportunity to expand on the surrounding environment of the company (Imam &

Spence, 2016). Examples of qualitative data relevant for analysts can be media, corporate strategies, positioning, external risks, and expected future changes within the sector of interest (Pinho, Madaleno & Santos, 2013). These can be relevant in the analyst's analysis and should therefore be considered since they could influence the company's future earnings, cash flows, and growth (Pinho, Madaleno & Santos, 2013). Considering the analyst's line of work regarding the analysis where financial information is used to create investment recommendations, expertise in financial accounting is fundamental in order to conduct the work adequately (Horngren, 1978; Previts et al., 1994).

2.1.3 Analysts' rankings

Analysts' earnings projections provide valuable information affecting stock prices (Jackson, 2005). Because so many financial professionals rely on these projections, rankings were devised to evaluate analysts' performance; also, research has shown that high-ranking analysts produce more accurate earnings forecasts on average (Wansleben, 2012; Jackson, 2005; Groysberg & Healy, 2013). Both Financial Hearings and Prospera rank equities analysts in Sweden (Financial Hearings, 2021; Prospera, 2021). Prospera's rankings are based on conversations with institutional clients in which an overall evaluation of equity analyst performance is conducted (Prospera, 2021). Financial Hearings bases its assessment on three criteria: forecast and suggestion dependability, as well as industry knowledge (Financial Hearings, 2021).

2.1.4 Gender research on financial analysts

The current gender research on financial analysts is limited to primarily quantitative research on the topics of work performance, risk-taking, and decision-making process (Green, Jegadeesh & Tang, 2009; Kumar, 2010; Li, 2013; Bosquet, De Goeij, Smedts, 2014). According to research, women and men produce similar abnormal returns in their investment recommendations, although women produce with lower idiosyncratic risk (Li, 2013). Furthermore, research on how accurate female suggestions are compared to their male counterparts has shown inconsistent results; while some have found female recommendations to be more precise, others have found the opposite. (Kumar, 2010; Green, Jegadeesh & Tang, Y., 2009).

In terms of taking risks, research shows that female financial experts are less likely than male analysts to offer positive investing advice (Bosquet, De Goeij, Smedts, 2014). In other words, ladies are less likely than males to take risks when making a recommendation. This assertion is also in line with Li's findings, which show that female analysts underperform when upgrading recommendations and have little or no outperformance regarding downgrading recommendations (Bosquet, De Goeij, Smedts, 2014; Li, 2013). Self-confidence is one aspect that influences risk-taking in financial decisions. Women have been shown to have lower investing confidence than men, which may explain why they make more conservative decisions (Estes & Hosseini, 1998). On the other hand, other research suggests that women's conservatism is more of a stereotype than an actuality (Schubert, Brown, Gysler & Brachinger, 1999).

Jesper Blomberg's "Gendering Finance: Masculinities and Hierarchies at the Stockholm Stock Exchange" is the most recent qualitative study on gender differences among analysts (2009). The study's main finding is that discourses used in face-to-face interactions repeat gender disparities. Sexist jokes and remarks contribute to the formation of self-identity, community, and status (Blomberg, 2009). Blomberg believes that jokes like this aren't meant to alienate women but foster a sense of belonging to a social group. In fact, a traditional hierarchical division of labor between men and women maintains the gender regime (Blomberg, 2009).

2.2 Theoretical Framework

2.2.1 Gender

We must first define gender in order to investigate gender-based variations among financial experts. Cameron (2005) distinguished between sex and gender, linking the former to biological differences and the latter to a social construct based on biology. Gender is something generated outside of oneself, according to his study, and it is created in larger and more intricate social contexts and interactions (West & Zimmerman, 1987; Hirdman, 1988; Butler, 2004). As a more accurate phrase in the definition, West and Zimmerman developed the concept of "doing gender.", in which gender is the product created and repeated in everyday interactions (1987).

As a result, gender is never a static concept but rather one that is influenced and evolves over time (Butler, 2004). To reveal gender-related discrepancies, we will use the idea of gender based on the literature mentioned above.

To acquire a deeper understanding of what society now identifies as "male" or "female," Prentice and Carranza define these concepts as behaviors that men and women are supposed to display (2002). These behaviors can be applied to individuals and groups. Examples of traditionally stereotypical masculine traits are competitive, emotionally restrictive, aggressive, independent, objective, and ambitious (Franklin, 1984; Pleck, 1995). Men are also described as having an easier time making decisions and being more assertive and direct in their communication (Franklin, 1984). On the other hand, female characteristics are cautious, talkative, avoiding harsh language, quiet, tactical, and more likely to talk about emotions (Franklin, 1984). However, Hirdman claims that gender logic loses effectiveness when intelligence triumphs over biological disparities, implying that gender equality is more straightforward to achieve in a knowledge-intensive occupation than in a physically demanding one (1988). In addition, Hirdman also defines the concept of gender contracts, which can be found in all male-female relationships. These gender contracts can be found, for example, at work - what tasks belong to whom; in a relationship - who seduces whom; in language - how they should speak and what words may be used; and in gesture - what clothes may be worn and how long the hair should be. (Hirdman 1988)

2.2.2 Gendered organizations

For a long time, research about gender, work, and organization has received attention for quite some time. Acker's theory of gendered organization has been particularly influential in this regard through its concentration on how gender is deeply embedded in organizational structures (1990, 1992, 1994). According to Acker (1990), an organization is "gendered" when *"advantage and disadvantage, exploitation and control, action and emotion, and meaning and identity are patterned through and in terms of a distinction between male and female, masculine and feminine."* Working as "parts of the same reality," her theory holds that the gendering of organizations can be seen through a framework of five interacting substructures: processes, culture, interactions, identities, and subtext and organizational logic (Acker, 2012).

According to Acker (2012), *organizing processes* are gendered when inequalities are built into job design, wage determination, distribution of decision-making and supervisory power, the physical design of the workplace, and rules. This is exemplified using the US public payroll systems that frequently pay traditionally male-dominated and physically oriented occupations higher than historically female-dominated occupations in service and care (Acker, 2012). *Organizational cultures* could exacerbate this by tacitly supporting or sanctioning specific sorts of male and female behavior (Acker, 2012). Furthermore, these substructures are also produced and reproduced in both formal and informal *interactions* in the organization between colleagues and between those at distinct levels of power. Whether they involve sexism or veiled objective criticism of women's talents, these interactions stand in the way of actual gender equality. Another substructure that reinforces gender in an organization is *identity*, which is described as internal gender constructions that help to produce gendered components of individual identity. For example, a woman in a leadership role is expected to "lead like a man," but she is regarded as forceful and sarcastic when she does. A male in a comparable scenario would most likely be described as competent and assertive (Acker, 2012).

Finally, Acker (2012) defines *subtexts* as rules and texts that impact organizations' behavior, resulting in the explicit or implicit repetition of existing gender disparities. These subtexts are formed by the *logic* of how organizations are created and managed. Likewise, organizational logic is guided by gendered expectations that organizations set on their personnel. According to Acker (2012), the ideal worker is always available and works long and hard until the tasks are accomplished. Expectations of this nature may appear gender-neutral, but according to Acker (2012), this "gender-neutral, abstract worker" signifies a commitment to labor that reflects cultural expectations like those of a supplying father figure. As a result, males are more likely to fulfill this stereotype, as women have traditionally performed in the unpaid household. According to Acker (2012), these prejudices are nonetheless widespread in a way that fosters a belief in persistent and fundamental differences between men and women.

We see a clear value of this framework in our paper as the concept of gendered organizations is one of the most prominent theories in its area. Furthermore, the breakdown into processes, cultures, interactions, identities, subtexts, and logic allows for a more detailed analysis of respondents' gender perspectives

2.2.3 Minority theory and tokenism

Kanter's (1977) theory of minorities and tokens is one of the most well-known studies on how concrete structural factors affect how people intuitively perceive, judge, and act toward one another. When women were in the minority or alone (tokens) in the paper, it had ramifications for how the majority and the minority operated (Kanter, 1977). The author identifies so-called "Skewed-groups," which is a constellation of groups where the dominant group holds 85% or more of the participants. Kanter identifies three tangible consequences of a group with a clear majority, minority, or token viewpoint, i.e., three consequences of the group being skewed'. The first consequence was that in a male-dominated group, a token woman may face social isolation and invariably become an outcast member who attracts more attention. Furthermore, the woman's performance is made public and viewed as representative of the entire gender, increasing the pressure on female tokens to perform. The second effect is about contrast, in which the arrival of a token woman constitutes a threat to the group's mindset and actions. The group members will unintentionally stand up for and strengthen their mindset and behaviors due to the threat. The last consequence is assimilation, which is described as the token necessity to adapt to the majority due to the critical and categorical attention on them and exclusive group culture. Kanter (1977) also predicts that token women would be pressured to do better than men in order to be seen as competent, but their triumphs would be hidden rather than recognized as a way to fit indiscreetly.

However, the evidence contradicts Kanter's (1977) theory that tokens should only have bad experiences as a minority (Yoder 1991, McDonald, Toussaint & Schweiger 2004). The paper "Rethinking Tokenism: seeing beyond statistics" (Yoder, 1991) contends that the experience of being a token is influenced by a variety of circumstances rather than just the distribution in a group, as stated in Kanter's paper. The factors affecting the experience of a token include genders' differing statuses, professional suitability, and minority growth. Yoder (1991) suggests that women in society are submissive to men and that the degree to which a profession is stereotypically masculine would influence the implications of tokenism. As a result, Kanter's (1977) description of tokenism (greater visibility, increased pressure to perform, social isolation, imprisoned in a gender-stereotypical role) applies exclusively to occupations where women do not operate according to the norm (Yoder, 1991).

3. Methodology

The following section first presents the methodology used to collect the empirical data, followed by a more detailed description of the interviewees, the limitations of the sample, the interview context, and the interview guide. The section will conclude with a description of how the empirical data was processed and a discussion of the methodological approach's reliability.

3.1 Research design

This study employs a qualitative research approach planned as an interview case study. Given the nature of our research question, this method was considered the most appropriate one. The qualitative technique is suitable for understanding what kind of gender differences exist among financial analysts since it allows for investigating behavior and the underlying factors that influence it (Merriam, 1994; Yin, 2014). Our study is considered to have an inductive approach since our goal is to derive conclusions from the empirical data acquired instead of testing a hypothesis.

In terms of the research approach, we chose semi-structured interviews as they provide a versatile interview format. Open-ended questions allow respondents to comment deeper on their answers, resulting in more in-depth responses (Alvesson & Deetz, 2000). This is also an excellent technique to understand how the respondent experiences the social setting being researched (Dumay, 2011; Brinkmann & Kvale, 2014), which is also the goal of this study. An alternative to a semi-structured interview format would have been to have done a survey instead (Bryman & Bell, 2015). With a questionnaire, it would have been possible to see similarities and differences more clearly (Bryman & Bell, 2015). It would have been easier to discern similarities and differences in outcomes if a questionnaire had been used (Bryman & Bell, 2015). However, this strategy was deemed ineffective since it limited the opportunity to ask follow-up questions and understand analysts' experiences in a subtle manner.

3.2 Data Collection

3.2.1 Choice of interview subjects

This paper's empirical material was gathered through 12 qualitative interviews with active equity-research analysts in Stockholm, Sweden. We decided to include only analysts who are presently working in the role to make the study relevant to the current state of the profession. We used LinkedIn to find possible interviewers by searching for an Equity Research Analyst. An e-mail address was searched as a primary contact method once a potential interview subject had been identified. If no e-mail address was found, the equity analyst was contacted through LinkedIn. The paper's purpose was explained during the initial contact, and they were guaranteed that their participation would be completely anonymous. To produce a diverse sample for our study, we planned to interview women and men of various backgrounds and ages. Even if we choose our possible interviewees at random, the female analysts formed a homogeneous group since most of them are still considered juniors in their roles. However, it may be claimed that our subject group reflects the actual reality of the branch's female population.

We contacted 54 different analysts from renowned equity research firms, and 13 of them replied yes, six said no, and the rest didn't answer. We only interviewed 12 people as we did not receive any more responses from one. We sent a second request two weeks later to those who did not respond to the initial contact. A total of 49 people were contacted via email and six via LinkedIn. Only two of those contacted using LinkedIn responded, compared to 19 responses via email.

Table 1*Overview of the interviews*

Interviewees	Gender	Date	Time length	Place
Julia	F	2022-03-04	1:01:54	Online
Emma	F	2022-03-09	38:34	Online
Linda	F	2022-03-09	50:09	Physical
Saga	F	2022-03-10	53:11	Physical
Frida	F	2022-03-29	55:01	Physical
Marie	F	2022-03-29	56:32	Online
Lars	M	2022-03-30	44:02	Physical
Peter	M	2022-03-30	1:03:33	Online
Anton	M	2022-03-31	54:02	Physical
Eric	M	2022-03-31	59:57	Physical
Björn	M	2022-04-04	55:02	Online
Wille	M	2022-04-12	59:02	Online

3.2.2 Limitation on the sample

The age and experience of the respondents are two factors that may be deemed limiting and should be considered. Several respondents found it difficult to answer and attribute whether their professional experience stems from their young age, gender, or a combination of factors. On a few occasions, female respondents stated that they believed that some questions, such as how they thought their performance was equitably appraised (regardless of gender), would be better answered by more experienced colleagues. Furthermore, male analysts believed that their female colleagues would better answer some concerns, such as gender equality. However, this critique is mitigated by the fact that we attempted to obtain both genders' perspectives on such issues to have a more complete view of the situation. We might have included former equity analysts in the sample, but that would have been inaccurate because the study's goal is to describe how the profession is seen today. Another sample restriction is that the interviews

"only" represent five different workplaces. All banks having an equity-analyst department should have been represented, if possible.

3.2.2.1 Interview context

The interviews were preferably conducted at respondents' workplaces to give the writers a sense of the working atmosphere and help them connect better with the interviewees. This location was always mentioned during the dialogue about the interview time and place. However, six of the twelve equity-research analysts interviewed preferred an online interview, which was always offered as an alternative. All of the physical interviews took place at the respondents' workplaces. Physical interviews are preferred for difficult or sensitive issues to discuss (Sturges & Hanrahan, 2004), while online interviews can be used when time is a barrier. Because reciprocity in online interviews can be restricted, we tried to emphasize that the responses provided were beneficial when doing online interviews (Curasi, 2001). Furthermore, to avoid erroneous quotations, all interviews were tape-recorded. Finally, but perhaps most critically, interviewees were promised complete anonymity and told that the recording would be deleted as soon as it was transferred (Yin, 2014).

Additionally, both papers' authors were present at all of the interviews, which took place between March 9 and April 12, 2022. The interviews lasted anywhere from 38 to 64 minutes, with an average of 54 (54:15) minutes. The disparity in interview time is primarily attributable to the fact that the respondents' level of detail in their responses differed substantially but also due to the interviewees' lack of time.

3.2.3 Interview guide

Before beginning each interview, the authors described the study's goal to the participants and asked if it was okay to record the conversation. Requests for recording had already been made previously by e-mail, but we wanted to make sure they were still comfortable about recording. Audio recording is justified since it helps the authors to focus on the interviewee and be more engaged in the dialogue rather than collecting notes (Brinkmann & Kvale, 2014). It was also noted that the interview was conducted anonymously to build respect and trust for the interviewees, as the scope of the study may be considered sensitive (Brinkmann & Kvale,

2014). The interview took shape after the introduction, based on the interview guide (see appendix 1). All interviews began with a question on the respondent's academic and professional background, job responsibilities, and whether they are married or have children. These questions allowed for confidence-building before more sensitive matters were addressed (Brinkmann & Kvale, 2014).

The interview guide was designed around gender, norms, values, social interaction, and work responsibility and questions about performance, decision-making, and risk-taking, based on research made on gender and financial analysts. These questions were posed to understand financial analysts' jobs better and whether or not there are any gender differences. Because the interview guide was semi-structured, there were moments when we adapted to the responses and chose to ask various follow-up questions, resulting in no two interviews covering the same issues exactly.

3.3 Data analysis process

The first step in processing the material was the transcription of all interviews, which was always carried out as soon as possible after the end of the interview. In the transcription, spoken language was reproduced in writing in detail, which has subsequently been the primary source of the empirical part of the paper. However, quotes reproduced in the paper have been revised on occasion to convey the interviewee's opinion in a more factual manner, which, according to Brinkmann and Kvale (2014), can also be considered more ethically correct towards the respondent.

All transcripts were reread individually afterward to comprehend better the data collected and look for conflict in the empirics to categorize themes (Eisenhardt, 1989). The empirical data was then classified into themes, together with selected quotations that were determined to be relevant to the study. In order to decrease noise and focus on the key elements required to answer the study question, data that was deemed less relevant was also deleted (Miles and Huberman, 1994). As authors, we sought to be as neutral as possible in the empirical data presentation in order to present subtle but factual and fascinating statements that were highlighted to help out. However, every interview is unique, so the respondents' experiences

may differ in some ways. As a result, there's a chance that a few statements don't represent all responses.

We categorized the interviewees with pseudonyms to be able to quote specific respondents without compromising their identities to maximize the transparency of the empirical collection and generate a more systematic analysis. Because there are few female stock analysts in Stockholm, it's easy to jeopardize respondents' anonymity by disclosing their age, workplace gender distribution, or educational background. As a result, only the respondent's gender, as well as the time and date of the interview, are provided.

3.4 Method Discussion

One of the most common criticisms of qualitative research is that it is hard to replicate a study properly. Interviews are social encounters in qualitative studies, and responses are based on an organization and its culture, which is constantly changing. As a result, replicating the same result is nearly impossible. Bitsch (2005), on the other hand, claims that transferability can be achieved through "thick descriptions" and "purposeful sampling." Thick descriptions are used to present details of methodology and content so that recipients can determine whether the findings are applicable in other contexts. We decided to put effort into this chapter to achieve a higher level of transferability to future research. Following that, we carefully selected our case organizations and interviewees based on the specific purpose of our study, as suggested by Bitsch (2005). It's also worth noting that all participants were asked nearly the same questions, except for varying follow-up questions, which helps to increase the study's reliability. Furthermore, because our research was limited to financial analysts in Stockholm, it is difficult to say how applicable these findings are on a global scale.

Concerning qualitative studies, there is an obvious risk, which also applies to this study, that the authors' beliefs interfere with the interpretations and later the presentation of the empirical findings and analysis. To reduce this risk, we first analyzed the transcribed interviews individually so that we could compare and contrast interpretations afterward. In this way, we assured that there was no room for different interpretations. Nonetheless, it has been shown that it is impossible to eliminate all the researcher's influence in a qualitative study, but we

must understand it to use it effectively (Maxwell, 2012). However, we believe that such risks have been comprehended and attempted to mitigate through an early acknowledgment of the advantages and disadvantages of qualitative studies.

To ensure the safety and anonymity of our participants, we made sure to: (1) always inform potential research participants about the purpose of our study and obtain explicit consent; and (2) not reveal our participants' age, workplace, or years of experience in the branch, guaranteeing that data is treated confidentially during data storage, analysis, and publication. Anonymity was a topic that was important to our research since it dealt with an issue that could be considered sensitive. However, interviewees were always secure of data confidentiality as it could impact the respondents' responses, such as being cautious in their responses (Bryman & Bell, 2015). In terms of data storage, each interviewee was asked for their permission to record the interview and was told that the recording would be transcribed and then deleted. Furthermore, identifiable information will be removed from quotes, and pseudonyms will be used.

4. Empirics

The following section presents our empirical findings from interviews with financial analysts. The empirical section is divided into thematic sections based on the topics discussed during the interviews. The empirical data will then be used to construct the analysis.

4.1 Background and context

Our collection of participants comes almost exclusively from four of the five highest-rated institutions for domestic equity in Sweden (Prospera, 2021). The exception is one individual who is currently working at another still large institution more prominent in another Nordic country. Out of the 12 respondents, their estimates regarding the number of females in relation to the total number of analysts in their local analyst team came up to be 13% on average, indicating a considerable misrepresentation of women among financial analysts in the top-performing Swedish institutions within the domestic equity industry.

The participants as a group are perceived to be a selection of ambitious, curious, disciplined, driven, and socially competent workaholics with a genuine interest in working within the stock market sphere. Both women and men elaborate on the importance of not only being analytical but also being great communicators in order to package and sell the data they have produced. Additionally, both genders describe that interest and curiosity, as well as being competitive and tough, are some key factors needed to become a successful analyst. Men, somewhat more than women, also highlight the importance of being creative and innovative in their work to portray and mediate an exciting story to their clients. In other words, there is not one single attribute to rule them all - both genders agree that you don't need to have stereotypical characteristics to succeed.

4.2 Role of the analyst

The tasks performed during work hours among the participants are described relatively similarly. The analysts in question follow several firms within a specific sector where they conduct their analysis based on quantitative and qualitative data. The company's quarterly reports are seen as a good starting point for further investigation regarding income statements and balance sheets in order to predict future cash flows and results. This analysis results in an investment recommendation, meaning a recommendation on whether the stock in question should be bought(buy), sold(sell), or be withheld in its current position(hold). With the mentioned in mind, the analyst's role demands an analytical framework and the social skill of communication to sell their recommendation to the customer. Julia describes the profession as dynamic and diverse by stating the following.

“An analyst should first and foremost be analytical and be driven by working with numbers. But there is a misconception regarding the whole profession. ... It's a lot more dynamic. Another part of the profession is that you should be able to sell what you produce to an investor and be quite extroverted, driven by talking with others.”

Frida describes the work as competitive *“We need to be very competitive, it's a work where you are ranked which seems a bit harsh. It's straightforward and brutal in that way.”*, which the majority of the interviewees agreed with. The profession was also described as time

demanding and dependent on the analysts' availability. On average, the working days were estimated to be around 58 hours per week, based on answers from 11 out of the 12 participants. It seemed, however, that the participants did not see this as a problem; Anton described the expectations as "... *There is nothing[more] that is expected. You are expected to be there half-past seven to half-past five. But to be able to do your work thoroughly, I have never seen anyone work less.*".

4.3 The analysts' methodology and tools

When asked about the most essential tool for an analyst, most participants responded specifically regarding information gathering. According to Lars, the best tools are "*Information from different sources such as newspapers and internet pages. ... But also contacts with corporate leaders and other people working in the field to understand better what's going on in their world.*". But there is no one tool to rule them all. 5 out of the 12 participants mentioned Excel as one of the most essential tools, including Marie, who stated, "*Excel is a hygiene factor; you cannot analyze without excel. Other than that, all types of research [are important] ...*". Looking at the mentioned question regarding tools, there does not seem to be any notable difference when it comes to preferred tools between the genders.

Looking deeper into the analysts' toolbox, when asked about how the participants use accounting in their daily work, Eric describes it as a crucial part of their ability to forecast by stating, "*In some way, all of our models are built on accounting data. If you do not understand the accounting data, you will not be able to model*". This statement portrays the importance of knowledge about accounting as an analyst, as they use it daily when looking at quarterly reports, which is one of the primary information sources of an analyst which they crucially need in order to produce an investment recommendation.

However, there seems to be a discrepancy both in skill and the perceived needed skill when it comes to accounting for an analyst. For example, two of the participants expressed somewhat of a lack of confidence in their ability to understand accounting data when it comes to skill. One of the two, Saga, said, "*It [Accounting] is not my strongest side at all. There are some posts [in the balance sheet] that I simply do not understand.*". The other of the two participants

expressing a lack of confidence regarding accounting was also a woman. This indicates that although accounting is seen to be a classic tool for an analyst, it may not be essential to the ability to perform adequately. When it comes to the perceived skill needed, most participants stated that it's not necessary to know more than accounting fundamentals. Eric describes this as *"Something we've noticed is people coming from different backgrounds, from medicine or engineering - without an economics background, and still making it in the business. ...you don't need to be an expert. ...It[accounting] is a hygiene requisite you need to reach, but with a low threshold."*

4.4 Analysts' rankings

"... It's everyone's goal to become the number one ranked [analyst], within the given sector. But it's more important for senior analysts. As a junior [analyst], I'm not expected to become ranked number one. But after five years, if you are not ranked among the top, perhaps you should be doing something else." – Saga.

As the statement above describes, the ambition to become a top-rated analyst can be taken to the extreme. Out of the 12 participants, 11 answered that analyst ranking among the top-ranking agencies is important - where the 12th outlier felt she did not have the experience needed to express herself. Conclusively, where you are placed on the hierarchical board of ratings significantly impacts your career as a financial analyst. Anton describes the rating impact on your career further by saying, *"It [ranking] is very important, it plays a significant role on your salary. Customers often want to talk to the one who is highest ranked within the given sector, that's the one they call."* Half of the participants highlight another important aspect of analyst rankings, marketing. Eric says rating agencies such as Prospera are important for marketing purposes, to bring in clients and indirectly revenue for the firm. Björn's statement is in line with this and follows up by saying that it's not only important for the firm's branding but also for your own as an analyst. Despite being of relatively high significance, most participants claim internal customer ratings to be of more value.

4.5 Gender distribution among financial analysts

According to our study, the gender distribution can be skewed within analyst houses. All participants said that there were, at maximum, only three women in the analysts' teams, which means that the environment is dominated by males, especially among senior analysts. There are extremely few senior female analysts, which is reflected in the selection of participants in this study as all-female participants are at the beginning of their careers. Eric even confirms this setting by saying, "... *Senior analysts reflect how gender distribution was 10-15 years ago when the industry was even more male-dominated*". In other words, women are not only a minority due to their gender but also due to their young age. However, this trend can be said to be an effort of the industry to diversify the analyst profession, which Anton described as "... *It has been a huge rejuvenation in the industry, for example, the average age in our team is around 30 or even younger. We have a couple of older foxes that still hang around, but the feeling in the team compares to starting a new class.*". On the other hand, the fact remains that women are still a minority as financial analysts.

4.5.1 Understanding the issue

The question of gender distribution among financial analysts was recognized as a discussion topic in their workplace by all participants. According to participants, their employer is keen to increase female participation in their team, but the major problem lies in the applications. Peter explained the situation as follows: "... *Say that we get 100 applications, but only 20 of those are women; if we then need to choose two men and two women, it is significantly harder to choose from a limited pool*". Nevertheless, why do fewer women apply to be financial analysts? The answer to this question is not simple, and it divided female and male participants in the study.

Male participants pointed out the hardness of working as a financial analyst and the wrong assumptions about the profession. Wille summarized why there are few female analysts "*It is a tough environment because it is filled with competition and the need to stand up [for yourself]. It is also about the profession's perception that makes it look worse than it is*". Lars had a similar view on the problem and said:

"In the beginning, you easily work many hours, and it is also difficult to plan your personal life as an analyst. For example, one may have plans to have dinner with someone, but big financial news comes out from one of the covered companies. Analysts are expected to have an opinion and write an update so that plans will be canceled. It is one of the most boring aspects of the job."

On the other hand, some female analysts also shared the same view of the challenging environment that analysts work within. For example, Saga explained such an environment as *"... As an analyst, you are ranked all the time, so one needs to be competitive and have thick skin. It is perhaps something guys are more prone to manage daily, while women are not driven in the same way."*

Another aspect that some of the male analysts lifted is the attractiveness of the workplace, which is lower when almost no women work in the team. Peter exemplified this issue when marketing the team in different universities; since the representatives are mostly only men, it signals subconsciously to future applicants that the analyst department is a 'boys club'. Björn even shared such a view and said, *"... in that situation when looking for profiles at the university level; it becomes we against them in an early stage"*. This view was also supported by some female participants who even theorized that such an environment could scare women away.

When asked whether the gender distribution issue is due to women being less interested in the stock market, male participants were more reserved in their answers. They did not discard this statement as false but instead just said it might be a possibility. However, female participants stated that women are known to be more risk-averse and less interested in the topic. Linda explained this as the following:

"My interpretation is that fewer girls talk about stocks compared to men. Between my boyfriend and his friends, the stock market is always a topic of discussion, which I have never heard a girl group talk about. Guys like to [take] risk to win money while women are more risk-averse or do not even know how to create interest around stocks."

Julia's opinion was in line with this statement, which means that women have diversified interests while men may stick to their already established cluster for a more extended period.

However, the problem may lie in the profession's misconception. For example, one may think that it is necessary to have a considerable interest in the stock market, and while this interest is less among women, it is growing. According to Frida, *"the analyst houses need to explain better what the work entails. it is not only about analyzing numbers, but it also includes a lot of social events."*

4.5.2 To be a woman among men

It is also important to mention if any differences are felt between genders in a workplace dominated by men. Most of the participants did agree that women did not receive any further attention just for being a minority. Although, male participants mentioned that it was an advantage to be a woman in the industry. Peter commented, *"I believe it is advantageous to be a female analyst, especially among clients. Clients are busy; if a male analyst calls and does not have an interesting case, they hang up."* Anton also mentions, *"...Clients may prefer female analysts as a kind of backlash due to being in a male-dominated industry."* On the other side, female analysts mentioned that the clients' side could be old-mannish; therefore, it could be challenging to manage client relations. Additionally, male respondents acknowledged this difficulty; Anton said, *"Women tend to be perceived as flirty when being friendly, which eventually could be problematic."* Most female participants also mentioned getting more attention internally; Linda said:

"Women are lifted in my workplace. I represent my team on many different occasions, such as guest magazines and events, which I think is great. At the same time, they are keen to keep us women content with the work and boost us."

Although, one female participant did not share the same uplifting feeling in her workplace. She mentioned feeling overlooked since male coworkers would lift each other and forget about their female coworkers. Furthermore, Emma pointed out that one needs to be 'careful to draw the female card.' She means that it is essential not to assume that one just got the job due to its gender but rather its competence. A vision that most female participants also shared. On the other hand, male participants did not feel that gender counted as a factor that mattered internally. Eric comments, *"I would say that the environment is meritocratic. The analyst that is good and has the best analysis gets the most attention."*

4.6 Work Environment

4.6.1 Culture and norms

As mentioned above, most participants described the workplace and the finance industry as harsh. However, a majority described the culture in the workplace as open and welcoming. For example, Björn said, *"It's very open, and if you have an idea, you can, without a problem, ask for opinions or help when you need it. It is an open climate where everyone shares if they find something interesting"*. Another recurrent theme when describing the work culture is whether it is considered boylike, which most participants agreed is not. Nonetheless, one male and one female analyst mentioned that a trim level of boylike culture occurs among financial analysts. This aspect is mainly exemplified through hard comments, and like Frida said, *"... It is not the nicest comment you hear around here; you need to have a thick skin..."*. Further, Anton explains that some boylike culture is natural since they are mainly men.

The majority of the participants' perception is that there are no strong stereotypes about how a financial analyst should be. They considered that many different personalities could successfully complete the job. However, some mentioned that misconceptions among the public exist, but those stereotypes belong to the 80s and are entirely wrong. Lars gives a clearer picture of such stereotypes:

"... One expects that a financial analyst needs to be very cocky, have back slick hair, and drive a Porsche in a pinstripe suit. Another stereotype is that one is a crazy stock nerd who [constantly] talks about the stock market."

Furthermore, another problem that was highlighted by several was that women could struggle to get a feeling of belonging with the team. Saga means that it is vital to have a good base in gender distribution when building a belonging sense in the group. *"It is not fun when you are the only woman among analysts, or even two does not make it more welcoming,"* Julia added that clusters are sometimes made between women since they draw to each other and hang out together. Although, most female analysts still described the culture as positive.

4.6.2 Status

Analyst houses do not seem to hold any role that has a higher status, but all respondents agree that the structure is flat. Instead, the participants shared the view that performance and highly ranked analysts are highly valued. The analyst's teams have no hierarchies apart from the head of analysts, but the tasks assigned are almost the same even then. Furthermore, Anton means that the finance industry is money-driven, *"Clients only care about money and will only talk to you if you are good at your job."* Clients care about rankings, which gives good-ranked analysts a certain kind of status and makes the person a 'go-to' in their respective sector. In the end, a higher ranking means that an analyst's work is facilitated, which correlates to better compensation. Lastly, no gender differences were found regarding status and hierarchies.

Another aspect that affects status is networking, especially with external parties such as clients and the company's leadership. Wille even defined an analyst's work as a 'relations job,' which even Linda agreed with and said, *"a big part of my job is to build relationships, especially with clients. You want to be the one they listen to."*

4.6.3 Sexism

"Nowadays, I would not say that sexism occurs at my workplace, but I know stories about some uncomfortable situations with customers. For example, a customer may have behaved a bit annoying from the girl's perspective at dinner parties. In these circumstances, alcohol has been involved." -Julia.

The quote above explains how most financial analysts feel about sexism in the finance industry. No matter gender, a substantial majority have not experienced any form of sexism when working as a financial analyst. Senior analysts even explained how hard their employers work to improve the culture in the workplace. Eric said, *"It was a hard macho-culture when I started 7-8 years ago, while today 99% of this is gone. A possible reason for the change can be a much younger workforce which makes the group more dynamic."* This work has also been noticed by the junior female analysts, which Emma assures by saying, *"... I notice that there has been a lot of work and effort behind creating a good work culture."*

Even if all participants did answer no to the existence of sexism, male participants mentioned that heavier comments could occur between male coworkers. However, those were never directed to any female coworker. Some female participants did mention having experienced a few remarks towards them. For example, Marie was questioned once by a colleague if she knew what military service and Harvard were as if she wouldn't know because she is a woman, although she also mentioned that it could be because of her young age. Frida also said, "*... It is not a big problem, but some comments occur. It can be commented that they do not understand as problematic and do not mean ill, but it is still inappropriate to say.*". An indication that men may not see the problem in some cases was also made by male participants, who mentioned that women would better answer questions about gender and culture.

4.6.4 Equality work

How management works to create a more gender-equal workplace impacts how respondents feel about their respective workplaces. Those respondents who experience weak support from above in terms of gender equality are perceived to be slightly less satisfied in their workplaces. Even though they are delighted with their jobs, these women seem more critical of the equal work made by the industry.

During the interviews, several participants believed that their employer was an equal workplace and took these matters seriously. Lars describes how the company works with employee surveys and anonymous whistleblowing to look after any gender inequality problem in the workplace. This attitude was also supported by many of the female participants. Additionally, workplaces are keen to attract more women and have a more balanced environment, as mentioned before.

4.7 Work-life and free time

4.7.1 Flexibility

In terms of hours worked, interviewees share a common perception of the equity analyst function, viewing it as a non-flexible profession with extended hours. Wille described the work as never-ending; "*Our work never ends. You can dig for information till days end, but in the end, you have to finish. The world keeps spinning, there is always more to be done.*". However,

several mentioned one could work from home or any other place, as long as the work is done. According to many respondents, the obligation to be constantly updated and available is the most challenging component of being a financial analyst. When asked if working long days was expected, senior analysts mentioned that it is a lot to learn initially, but with experience comes a better understanding of prioritizing. Junior respondents did feel more pressure to deliver a good analysis but did not find prestige in working longer. No matter gender, respondents were clear that the expectations were on the work produced rather than the time expended in the office.

4.7.2 Family life

Out of the ten interviewees who chose to open up about their relationship status, nine are in a relationship. The two respondents who chose not to answer were women, and the one not currently in a relationship was also a woman. The general perception among female participants was based on assumptions, which they feel that parental leave is not an issue. However, it was mentioned that the norm was slightly different for male colleagues; Frida said, *"Young men with kids are more welcome than women with kids,"* while Linda also explained the hardships and difficulties of having an analyst in absence by saying:

"... As an analyst, it's rather hard to go on vacation/leave for a longer period since I am the only one who knows these companies. The clients demand an update on the companies, and if that does not happen in a year or so, we become less relevant. ... My male colleagues went on a two-month parental leave and came back for the quarterly reports for the workload not to be as heavy."

She means that women need to take longer leaves as mothers, which is more problematic when being a financial analyst. Additionally, the younger generation does feel that taking paternity leave is natural and a norm for everyone.

The interviewees that had no kids could not see how they would combine their profession with family life. However, they did recognize that it somehow worked since many senior analysts had families of their own. On the other hand, respondents with kids acknowledged that a person with such a demanding job could not take an enormous responsibility at home. Peter commented, *"...The work can be flexible, but one needs to spend many hours to deliver. It is*

difficult to be a high-ranked analyst and take much responsibility at home." A gender comparison could not be made due to all female participants not having kids.

5. Analysis

This section examines the empirical data considering the gender and minority theories discussed in the theory section. In addition, the study aims to contribute to research on how equity analysts perceive their professional roles.

5.1 Role of the analyst

The description of an analyst's primary tasks discussed by Schipper (1991) is well in line with the interviewees' responses regarding the matter. The argument presented by Fogarty & Rogers (2005) regarding the role of the analyst to be seen as a critic is in line with our findings, as the analyst respondents all perform a third-party role and conduct their evaluations for their clients. The importance of working with qualitative data presented in the domain theory section of the paper (Barker, 1998; Brown et al., 2015) should be highlighted as the participants as a group believed that a heavy focus might not necessarily lay on accounting but rather other sources of information - in line with the argument regarding the relevance of qualitative data presented by Pinho, Madaleno & Santos (2013). Some analysts put forth that accounting expertise is not necessary to perform as an analyst, a statement supported by the fact that several analysts we met did not come from an economics background. Therefore, our data do not support the argument presented by either Horngren (1978) or Previts et al. (1994), stating expertise within accounting is 'fundamental' for an analyst.

According to previous research on finance, females are said to be more risk-averse than males (Bosquet, De Goeij, Smedts, 2014), which may be linked to differences in self-confidence. When asked a question regarding the importance of self-confidence as an analyst, every man and woman responded that it is highly important. As such, there is no reason to believe that women have lower investing confidence than men, as assumed by Estes & Hosseini (1998),

but instead, it suggests that women's conservatism is more of a stereotype rather than an actuality in line with Schubert, Brown, Gysler & Brachinger (1999).

5.2 Gendered organizations

5.2.1 Processes

Financial analysts' processes tend to favor men, resulting in gender disparities (Acker, 2012). To begin with, the profession was described as demanding, rugged, and competitive, all of which are masculine characteristics (Franklin, 1984; Pleck, 1995). Building relationships with external and internal stakeholders is, on the other hand, an important aspect of being a financial analyst. In order to build relationships, analysts also need to be social and humble, which are not typical characteristics of a male (Franklin, 1984; Pleck, 1995). The financial analyst profession is mainly designed to be a male role; however, it also implies more feminine characteristics.

Wage is determined by how much interaction one has with clients and rankings. This system was described to be driven by numbers, making it difficult for inequalities to exist. However, a female participant mentioned that clients could be old-mannish, and it can be challenging to build relationships with them. A difficulty that is explained through gender contracts as they determine the rules between male-female relationships (Hirdman, 1988). Furthermore, the profession was stated to be well-paid, confirming Acker's comparison to the US payroll system. Another process where inequalities exist, according to Acker (2012), is the distribution of decision-making and supervisory power. The supervisory authority, in this case, is held by senior financial analysts, a position dominated by men. Females in the chief position were mentioned in some analyst teams, though the number may be insufficient to make a significant difference. With these processes in mind, this substructure can be assumed to be masculine (Acker, 2012).

5.2.2 Culture

Like Acker (2012), the current culture among financial analysts resulted from hard work for many years. Numerous senior analysts compared how many different behaviors and values have evolved, resulting in what is now accepted as distinct from the past. Even though the job

design favors masculine attitudes, the culture is now seen as open and welcoming. When the profession still has a small number of female analysts, a welcoming environment can help women quickly become comfortable. However, the culture has not avoided the formation of feminine clusters among analysts. Another aspect included in culture is beliefs and behaviors; financial analysts do not have a stereotype of how they should be; instead, there are many paths to success. There is no common word for how participants described themselves, indicating that a masculine and feminine image is not defined (Acker, 2012).

Acker also includes gendered behaviors as part of an organization's culture. In this case, the majority said that boy-like behavior was no longer accepted, although some did acknowledge its existence. Male respondents said some comments were natural since the team was primarily built by men, but comments were never direct to female co-workers. On the other side, we can see a degree of discomfort with such comments as female participants mentioned the necessity to have a thick skin. We can conclude that a low degree of boy-like culture is subconsciously accepted in the environment among analysts. Furthermore, it was also mentioned that employees take severe measures to have equality in the workplace. Such actions and support were correlated to how critical female analysts are to the culture.

To conclude, culture is described on the surface as open and welcoming, although there is subconscious behavior that produces inequities (Acker, 2012). In line with Acker, employees believe in the existence of equality since measures are being taken, but the reality still shows a degree of accepted masculine behaviors and segregation.

5.2.3 Interactions

The significant interactions as a financial analyst are with external parts, especially with clients, as a substantial part of the job is to sell their analysts. As mentioned above, the environment among clients was considered old-mannish by female participants, while men believed that clients had a better gender distribution than themselves. Even though our participants did not directly mention it, one can assume a particular difficulty between female analysts and clients. Acker assumes that sexuality complicates working relations, reaffirming gender differences (2012). Similarly, it was recognized in our study that there are some problems in the relationship between female analysts and clients due to women being considered flirtatious

often (Hirdman, 1988). In other words, gender is created outside of the financial analyst itself and reinforced through interactions (West & Zimmerman, 1987; Butler, 2004).

Internal interactions are mostly recognized as professional and non-sexist, although it has been mentioned that there exists a low level of boys-like comments in informal interactions. As mentioned above, these comments are exclusively directed at male coworkers, but they lift masculine attitudes. Like Acker, such an attitude goes underground and is considered unproblematic. Interactions among financial analysts seem to favor men, which reinforces inequalities even when promoting the profession. A feeling of men vs. women is given in the early stages and continues with subconscious comments in the work environment.

5.2.4 Identities

A financial analyst's identity was described as analytical, creative, and curious, a combination of characteristics that do not necessarily belong to a specific gender (Acker, 2012). Additionally, many different personalities suit the role, leaving open to both gender identities. However, as mentioned above, the profession is demanding and not always as flexible, limiting the possibility of a family. Family life has traditionally been associated with being female, but one has more limited options to take extended leaves with such a job. A situation that many female participants even acknowledged. On the other side, participants do not perceive it impossible to have a family and analyst. Therefore, we can conclude that parenthood does not limit women to financial analysts as identity is not gendered.

Unlike Acker's example about female leaders who are usually negatively viewed when acting man-alike, Female analysts did not experience any negative connotations when showing those characteristics. Being competitive and clever is, in fact, a required feature of a financial analyst, no matter gender. One may argue then that the identity leans more towards men, but it balances out with other necessary characteristics for the job as people-person and humble.

5.2.5 Subtext and organizational logic

The biggest subtexts for financial analysts are the internal evaluation system and recruitment processes (Acker, 2012). The internal evaluation system is based on client-interaction logs, client ranking, and internal evaluation from the broker department. This system can be argued

to be non-gendered and based on numerical variables, although softer variables may be included in determining such rankings. For example, variables such as relation-building can play a role in evaluating a financial analyst. This variable could be affected by the defined gender contracts in society, especially as both internal and external parts were mentioned to be more macho-like environments (Hirdman, 1988). However, female respondents have not felt treated differently due to their gender, which, unlike Acker, we can conclude that this subtext is not reproducing inequalities between genders.

Most participants mentioned recruitment processes as relevant in explaining the skewed gender representation. The processes were described to be meritocratic and organized inside. However, this organization means that men dominate the recruitment team. Meeting such a team can give a boys-club impression to female prospects and discourage them from applying in the first place. Therefore, the recruitment process can be considered a reproduction of the gender inequalities among analysts. Furthermore, such a process is also concerned with finding the most qualified applicant. Therefore, the probability of this applicant being a woman significantly decreases when the female pool is limited. On the other side, this process is also impregnated by the management's wish to have a more balanced distribution among financial analysts. The subtext is mainly inclined to reproduce and benefit male roles, but changes are being made to reduce such inequalities.

Financial analysts do not have a hierarchical organization that reinforces sex segregation. Unlike Acker's assumptions, there are no roles that are seen to have higher status among analysts (2012).

5.2.6 Is the profession gendered?

The profession of financial analysts has traditionally been made by men, which is reproduced in the process's substructure. On the other side, changes have been made to facilitate a more balanced distribution in the profession. For example, we identified two substructures, identities and subtext, that can be defined as gender-neutral. In substructures such as culture and interactions, gender roles are reproduced subconsciously with internal and external parts. However, most female participants do not emphasize such reproductions, which support the continuation of inequities (Acker, 2012). Considering all factors, we see a degree of distinction

between men and women; therefore, a financial analyst can still be regarded as a gendered profession (Acker, 1990).

5.3 Minority theory and tokenism

When analyzing our data through the lens of Kanter's minority theory (1977), it becomes clear there are certainly some commonalities between the theory and our present reality. Concerning our participants' response regarding estimated females- in relation to total analysts in their local office, our average came to be approximately 13 %. This is within the range of what Kanter (1977) describes as a so-called "Skewed-group" by a margin of 2 percentage points. Now that we've established that the female financial analysts within the sphere of influence of this paper are a skewed group, according to Kanter's minority theory (1977), this should be reflected in a way that this group will be forced to experience some negative phenomenon.

In contrast to Kanter (1977), who is arguing being a token will always be a negative, another scholar, Yoder (1991), claims the experience of being a token is influenced by several factors rather than just the distribution of gender within the group. According to our findings in this paper, our data supports the argument of Yoder (1991) to the degree that female participants who acknowledged getting more focus and attention because of their gender did not necessarily associate it with something negative but instead highlighted some of the advantages for them in their role as analysts. Most women responded yes to whether a woman was given more attention or focused on the workplace. The most common answer was that they perceived the employers as particularly keen for their women to stay with them. Some other responses were that they perceived themselves to be more memorable among their customers, but also being invited to represent the firm - with the primary perceived reason of being a woman. With this in mind, it's relatively straightforward that Kanter's minority theory (1977) about tokenism is not flawlessly applicable to our empirics. Evidently, Yoder's (1991) arguments concerning the added focus and attention women get in the industry of finance is in large positive, which in the line of work of an analyst may be seen as a competitive advantage. In conclusion, our data support the argument of Kanter (1977) when it comes to the first of the mentioned tangible consequences, which is increased attention but cannot account for the fact that most of this attention had a positive effect on the female tokens in question.

If we explore the phenomenon deeper, why is it such that the additional attention on women based on our empirics is primarily positive and not negative, a good starting point is to examine the status. The status of females in relation to male financial analysts is perceived to be the same from an external investigative point of view, and we have no empirical data that would lead us to believe otherwise. However, in Yoder's (1991) paper, he is suggestive when discussing the gender's differing statuses by implying that women in society are submissive to men. With this in mind, combined with Yoder's (1991) argument regarding women's lower status being a factor negatively affecting the minority's experience, one would implicitly assume that a decrease in the divergence of the genders' status should reduce this negative experience. Based on our findings, we are of the impression that the hierarchical structures within the highest performing analyst-houses in Stockholm are limited and that the structure is, in reality, or at least perceived, flat by a majority of the respondents. There are no major distinctions between the analysts except the titles such as "Junior," "Senior," and "Lead Analyst." These different titles were based on the participants' answers perceived to be misleading as they primarily do the same type of work. There was also some indication that analyst ranking could affect the status of the analyst, but the participants highlighted this was only a factor for the senior analysts. In conclusion, one would assume that female analysts are not of lower status than their male counterparts, which, based on Yoder's (1991) argument regarding status, could determine why their experiences were positive rather than negative.

Looking further into the two other of the three tangible consequences Kanter (1977) mentions in his article, starting with the effect of contrast, we found no empirical data to suggest this is the case among the modern-day financial analysts at the top analyst-houses in Stockholm. This means for the skewed group of female financial analysts; we found no clear indications regarding contrast that would suggest that the new arrival of another token woman would constitute a threat to the group's mindset and actions. However, some of the male respondents did bring up that the culture among some of the male colleagues was somewhat open to sexist jokes - which the participating males just thought of as a funny joke between friends. At least two of these male respondents said these comments would never occur when females are involved in the conversation because of the nature of the jokes - with the risk of being offensive to the woman. The arrival of new token women could, therefore, possibly disrupt part of the

group's mindset and actions in terms of being more restrictive when making jokes, for example. Whether this disruptive effect being described by Kanter as contrast would occur in a situation where the group already has two or three female analysts, or if the group composition would have to be more towards 50/50, alternatively, an entirely male group where a token woman arrives is purely speculation.

The last and final consequence Kanter (1977) described regarding assimilation was another consequence that our data could not support. The theory relies on a partial condition of exclusive group culture, and our findings would suggest otherwise. For example, five out of six of our female respondents indicated that the culture was not only good but, in fact, very good. This means assimilation is not a necessary consequence, considering that the underlying condition of exclusive group culture does not exist.

Lastly, Yoder (1991) criticizes Kanter's (1977) work by stating the adverse effects of tokenism only apply to women who work in stereotypically male professions. The question then arises whether the analyst profession is considered a stereotypically male profession or not. One could argue it is stereotypically male because of the group composition in terms of gender, pointing at the fact that there are still far more men in relation to women working as analysts. Considering the generally positive responses in terms of culture and sexism within the business combined with some other comments regarding the state of the industry “before,” were the respondents who brought it up claimed it to be worse back then in terms of both culture and sexism – there has likely been a change in the societal view of the profession. This would suggest the profession itself to no longer be considered stereotypically male.

6. Conclusion

The conclusion aims to answer the given research question, *"How do gender manifest in financial analysts' perceived role and work environment?"*

The role of an equity research analyst based on our empirics is described as competitive and demanding in terms of both time and availability. The role of an analyst may be seen as a critic, in line with the argument presented by Fogarty & Rogers (2005). Qualitative data is fondly

used regarding the work itself, and quantitative data such as accounting does not seem to require the same level of expertise as previous research (Horngren, 1978; Previts et al., 1994) suggests. The male analysts may be seen as some point of reference, whereas the female analyst is perceived to be in an advantageous position. This gender-based advantage comes from increased visibility and makes the females as tokens more memorable than their male peers among their customers.

When it comes to their work situation, our empirics are inclined towards what Acker (1990) described as a gendered organization, although some subtle differences were present. The work environment among financial analysts had been stereotypically perceived as harsh and mannish, a picture that both genders agreed was just a representation of the past. However, analysts' houses have worked to improve such an environment and increase the presence of women in the team. A work that has made female analysts have a positive understanding of their work environment but does not eliminate gender inequalities at the organizational level—an understanding connected with Acker's results about substructures undermining organizational change (2012).

Men have historically dominated the profession of financial analysts; therefore, it is natural that the processes around them are male-dominated. This goes in line with Acker's opinion about how inequality processes need to be traced back to their creation, which in this case, is traced back to men (Acker, 2012). The processes identified in the profession did not differ between gender but, most notably, were not denoted to be negative. Moreover, the culture among the analyst's team was perceived by both genders as open and welcoming.

Nonetheless, the existence of a boy-like culture was acknowledged but surprisingly by male participants. Female participants did mention the presence of gender clusters. This empirical result connects with Acker's study that employees may believe that equality exists, but males still define gendered behaviors (Acker, 2012). When it comes to interactions, our empirics were aligned to Acker's result that gross sexism has disappeared, but subtle forms still happen but go underground. Most female participants did not mention such behaviors as sexist, but their experiences did differ from male ones. The optimistic view around interactions from the female participants can be connected to Blomberg's result (2009) that boys-like behavior does not aim to diminish female coworkers. Regarding analysts' relationship with clients, females had a

somewhat different perception of the environment, which can be interpreted as a reproduction of gender contracts aligning with Hirdam's (1998) and Acker's (2012) articles.

Regarding identities, financial analysts were found not to have any predetermined way to be but instead open to many personalities. Furthermore, like Acker (2012), this profession does not follow any gendered identity, and no challenges are followed by having a feminine style. Lastly, subtext and organizational logic were shown not to be gendered, according to Acker's theory (2012), about policies, guides, and memos that can contribute to the reproduction of gendered workplaces. In this case, such documents work to prevent the existence of gender inequalities, which is reflected in our empirics.

All substructures mentioned above are part of a financial analyst's work environment. From our empirics, we can conclude that the climate is similarly viewed by both genders, although some differences exist. These differences are significant in the processes, culture, and interactions. The general perception is that the work environment is positive; however, underground gendered behaviors are present. Therefore, the work environment among analysts is still gendered.

Regarding minority theory, our empirics are confirmed to be within the realm of what Kanter (1977) describes to be a "skewed group" with a ratio of 13% females to total analysts in their local office. In contrast to Kanter (1977), however, our findings are more in line with Yoder (1991), who explains why our female respondents generally seem to have more positive experiences than negative despite being tokens. Kanter's (1977) minority theory does explain why the minority position leads to increased focus and attention but cannot account for the effect of this to be positive in any way. Our female respondents claimed this increased visibility as tokens to help them be more memorable among customers or being invited to take part as a firm representative at events, which in the line of work of an analyst may be seen as a competitive advantage. Instead of looking at just one factor determining the female minorities' experiences in line with Kanter (1977), Yoder (1991) makes an addition to this framework with status. With Yoder's (1991) assumption that women in society are submissive to men combined with his argument that women's lower status would be a factor affecting the minority's experience negatively, we implicitly assume that a smaller gap between the genders' status should reduce this negative experience. Our findings conclude that status based on the flat

structure and work similarity between the different titles among analysts should be the same between the genders, explaining the respondents' positive experiences in line with Yoders' (1991) argument regarding status.

7. Contribution & Future research

7.1 Contribution

Considering that no other research has been encountered in this paper's specific field, our essay's most significant contribution is gender-based differences in how equity research analysts perceive their role and work. Previous research on gender among financial analysts has primarily been quantitative (Green, Jegadeesh & Tang, 2009; Kumar, 2010; Li, 2013, Bosquet; De Goeij, Smedts, 2014). The few qualitative papers within this realm have not done a comparative empirical study with a base of interviewees composed of both genders (Blomberg, 2009). For that reason, this study takes its own place in the sphere of scientific research on equity research analysts, considering it contributes to a qualitative empirical study with comparisons between the genders regarding their perceived work and roles as analysts.

7.2 Future research

This study gives some promising avenues for future research. Firstly, future research could draw on our methodology and conceptual analyses of other male-dominated industries, e.g., construction, IT, corporate finance, etc., and investigate if the situation compares with financial analysts. On the same thought, one could also research if organizations are only a reflection of the current gender roles and how they can work to prevent them. One could also expand the scope of the interviews and include former financial analysts. Such a study would make it possible to make a multi-generational comparison and see how the profession and the work situation have evolved. Further, our study's comparability to an international context is somewhat limited; therefore, future research could aim to make a comparison and see if any gender differences are diminished or enhanced in other countries. Moreover, one could also research how management works with gender equality aspects and see if analysts' experiences

are congruent. Finally, another interesting topic to dig further into is the possibility of other differences among financial analysts, such as different cultural backgrounds.

8. References

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9. Appendix

Appendix 1. Interview guide

Background

- How old are you?
- How long have you worked as an equity analyst?
- How did you get into the role of equity analyst?
- Was there anything in particular that attracted you to the role?
- What is your living situation like? Do you have children?
- How would you describe yourself?
 - Private
 - Career

Equity analyst role

- What does it take to be an equity analyst?
- What is the most important task as an equity analyst?
- How many hours are you expected to work?
- What is the most challenging part of the job?
- What qualities/character traits should one have as an equity analyst? (For success)
 - Which ones should you NOT have?
- What is the outlook in the industry/companies you follow?
- What is the most important tool for your analysis?
- How do you use accounting in your daily work?

Decision-making, risk-taking, and performance

- How is your private equity portfolio allocated?
- How do you arrive at an investment recommendation?
- How much freedom do you have in your recommendations?
- How do you feel your recommendations are received?
- How do you react if your analysis differs from the rest?
- How important is it to be confident in your recommendations?

- What is the decision-making process like? (e.g., which companies to include)?
- What is your relationship with your clients, i.e., fund managers?
- Are ranking institutes important?
 - Does it influence the bonus?
- How are you evaluated internally?
 - When are you a good analyst, according to the firm?
 - What influences the bonus you receive?
 - Salary increases?
- How important is career networking for equity analysts?
- Are there any informal activities at the firm?
 - To what extent is participation expected?
- How important is good communication for an equity analyst?
- What types of roles have high status at your firm?

Genus

- How many women are on the team?
 - Why are there so few women working as equity analysts?
- Is a woman given more attention/focus in the workplace?
- Do you adapt if the fund manager (client) is a woman? If so, how?
- Is it more difficult for a woman to develop a good client relationship with male fund managers?
 - More difficult for men to develop with male/female fund managers?
- Who is heard most in meetings? (women/men)
- What is the culture of your workplace like?
 - Does sexism exist? If yes, to what extent?
- How do you view gender equality in your workplace?
- Do you feel that everyone is evaluated equally? (regardless of gender)
- Are there any stereotypes of what an equity analyst should be like?
- What is the view on family life?