



Past perspectives; future change

A study into the experiences of senior women in financial services

Executive Summary



Introduction

Over the last few decades, the business case for diversity and inclusion has become well established. While gender is only one aspect of diversity, it is of particular concern in financial services where the number of women in senior positions remains very low. There are numerous policies and processes in place, but, evidentially, they are not yet working well enough.

This is detrimental for businesses. In the McKinsey report *Women Matter*, published last year, it was pointed out that companies with the highest share of women on their executive committees outperform companies with no women, both in terms of return on equity and operating results.

Financial services companies need to ensure that they have access to the best talent. But a Treasury Committee report, *Women in the City*, notes that in some square mile firms, the number of women at managing director level is reported to be lower than 5%, while the proportion of female executive committee members is 1-2%.

To find out how, and why, not enough women are making it to senior levels, there is an urgent need to find the reasons for the under-representation of women within top-tier management. To this end, it is necessary to understand the experiences of women who have 'made it', and the challenges they overcame.

Aims

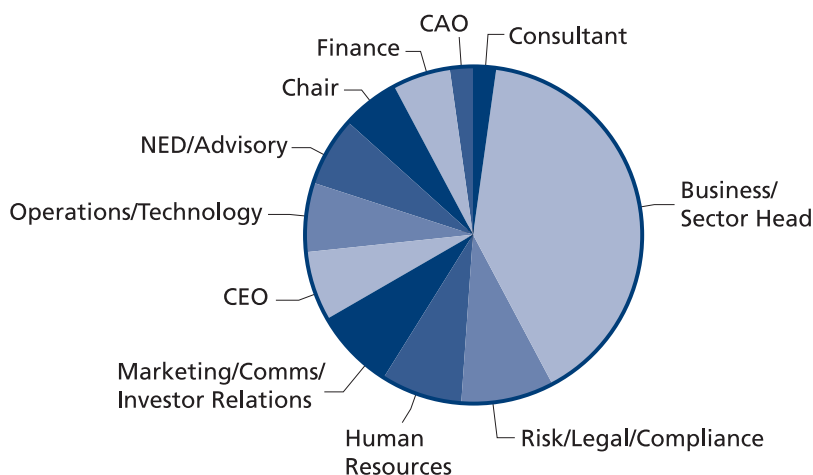
- To understand how successful women in this sector have developed their careers;
- to provide financial institutions with meaningful information and analysis that can be used to address the gender imbalance.



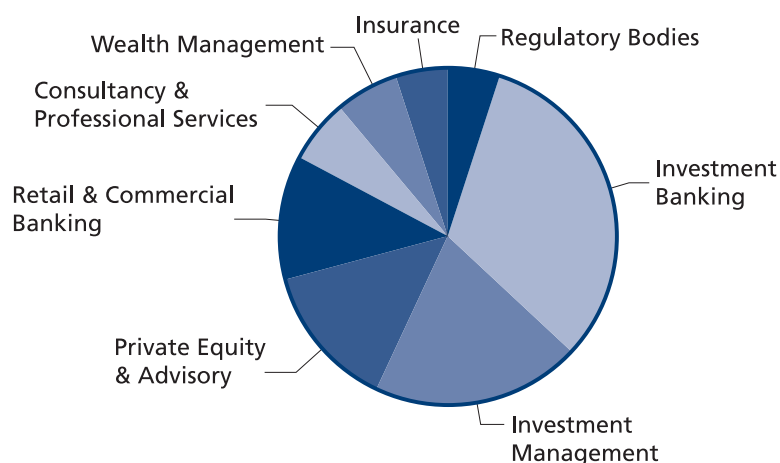
Participants

The women who took part represented 54 organisations with a combined turnover of over £500 billion. Their roles include heads of function, business and division, as well as executive committee members and non-executive directors. In-depth interviews were carried out based on a questionnaire and all responses were confidential and anonymous.

Roles Performed by Participants



Sectors Represented by Participants





Findings

The findings represent the views of the participants, obtained during the interview process, and are summarised below under four key headings.

The Financial Services Sector

“Financial services is more testosterone-driven than other sectors, making it more difficult for women. Some women understand that culture and can operate successfully within it – however most women can’t.”

- Participants were realistic about their choice of sector and the demands and level of commitment required to have a senior role and be successful;
- being a woman had clearly not prevented them from achieving a senior position but several believed it meant that they had to do it differently, be better and/or work harder to gain the same recognition;
- compensation is a key motivator for women in the sector;
- many believe the gender pay gap is related to the types of role women are in (often support and infrastructure rather than P&L responsible).

Characteristics of Successful Women in Financial Services

“My advice to women is to sign up for the opportunity, the skills and the remuneration that can come from working in financial services.”

- Characteristics of successful people were not considered gender specific;
- women in senior roles were considered to be highly competent. It was thought that men could achieve seniority without the same level of capability;
- participants who were most successful demonstrated resilience, self awareness and self belief;
- the importance of authenticity – doing it as themselves – and harnessing their own personal qualities.

The Impact of Children

“Women with children always have to make choices or sacrifices in their career.”

- Some women, particularly in client facing roles, have opted not to have children, in order to be successful;
- a personal support network, and particularly a supportive partner, featured highly: a significant number of participants have the lead career. Of those, a large number have partners at home;
- flexible working arrangements need to be transparent and clearly understood;
- returning from maternity leave is seen as one of the most difficult times to maintain career momentum and re-integrate fully into the business.



Professional Interactions

“As a woman within financial services, you need to accept that in order to get ahead you’ll have to work harder than your male counterparts. There are a lot of mediocre men within financial services who got where they are through contacts. It’s not the same situation for women”.

- Conventions for men and women’s behaviour at work varied and the same behaviour in men and women could be labelled and interpreted differently;
- sponsorship is essential. Most women referenced key male sponsors who had been influential in their progression. There was a general lack of senior women to act as sponsors;
- most women had informal mentors and many were mentors themselves. This was seen as helpful for women rising through the ranks.

Action Plan for Change

The following recommendations have been included for companies to consider as ‘next steps’ and to assist in overcoming the key challenges identified to achieving true gender diversity.

Accountability

- Create a specific board committee on diversity;
- make the whole board responsible and accountable for diversity and inclusion;
- ensure the board is accountable to staff, shareholders, investors, clients and suppliers in respect of key performance indicators in this area;
- make a specific board member responsible for monitoring and evaluation which could include:
 - reporting on diversity, creating a virtuous loop of target setting and reporting;
 - highlighting what has been done in the preceding period;
 - focusing on areas of improvement in the coming months;
 - disclosing percentage breakdowns of the number of women in senior positions – if not in the annual report or in publicly available documents – then certainly internally.

Diversity as a Business Imperative

- Define and promote the business case for diversity;
- link financial incentive to diversity achievements;
- diversity and inclusion should report directly to the executive committee; spearheaded by an experienced leader with the requisite competencies;
- set clear diversity and inclusion objectives across all business areas;
- make networking inclusive – it should be seen as a business tool, rather than an extracurricular activity;
- identify diversity champions from within each area of the business to work together;
- male gender diversity champions are required to ensure the topic remains a business priority and is not marginalised;
- ensure leadership styles are culturally inclusive.



Recruitment & Selection

- Ensure the board is diverse, in terms of experience and background;
- focus on the areas of least representation to improve female intake at all levels;
- analyse female graduate intake and ensure this is consistent across all areas of the business;
- use independent advisors in recruitment panels;
- include internal and external candidates in a search process;
- demand diversity reporting from search firms;
- insist search firms produce diverse longlists.

Leadership Development

- Provide more formal access to senior management for junior women;
- identify high-potential women and structure development plans which place them on committees or divisional boards;
- train hiring managers and board members to address conscious or subconscious biases in recruitment and promotion decisions.

Support & Flexibility

- Take a flexible approach to adoption/maternity/paternity leave;
- improve women's reintegration after maternity/adoption leave;
- nominate a key person, with the specific role of supporting women and reintegrating them post-maternity/adoption leave;
- provide tailored support around maternity transition;
- provide a concierge service.



Conclusions

A number of recommendations can, and should, be carried forward on the basis of this study. We need to look more closely into how women re-enter the workplace after maternity or adoption leave; how they work, on a day-to-day basis, in a traditionally masculine culture; how they raise their profile and gain valuable board experience. Even so, the mood is changing profoundly. This is, after all, a study of over 100 women who have indisputably 'made it'. Their thoughts, observations and – most of all – their presence in the top echelons of their companies will doubtless inspire the next generation of female leaders.

Lord Davies states in his report Women on Boards that “Chairmen and Chief Executives of UK companies need to take action, supported by others in the corporate world, including investors and executive search firms”. This report strongly endorses his conclusions.

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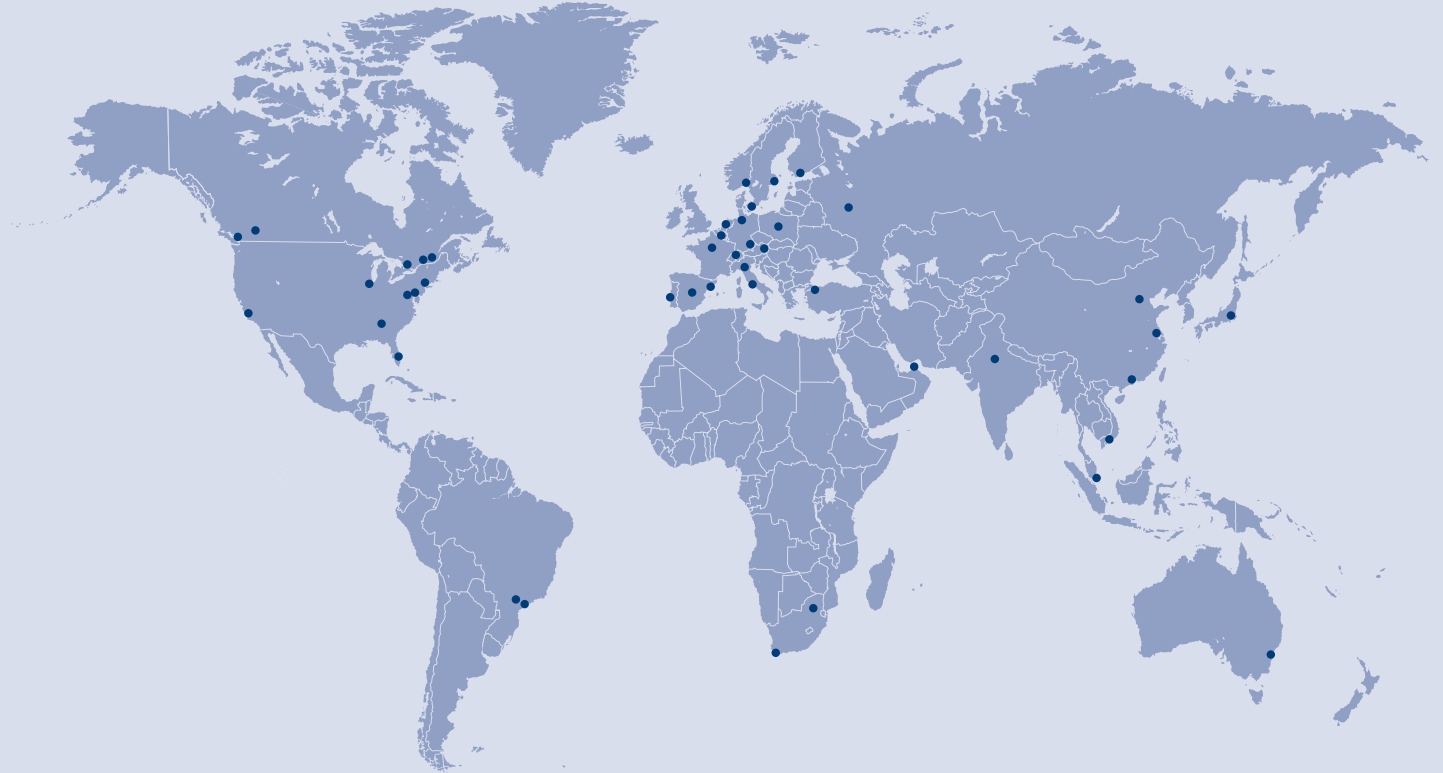
The firm has over 300 people in London, as well as offices in Scotland, Wales, the Midlands and the North. In total, we have over 150 fee earning consultants and 70 researchers serving the UK market. Internationally we have offices in more than 50 countries.

About Muika Leadership

Muika Leadership are corporate leadership experts who deliver powerful and targeted learning and development programmes. The business has conducted a number of research studies over many years focusing on the under representation of minority groups in senior management positions. The findings of their research have been used to inform organisational development strategies, training development programmes and recruitment initiatives. Muika Leadership has over two decades of specialist skills and experience in designing and delivering development programmes. The firm's knowledge of corporate leadership has been generated from training and developing almost 20,000 business women and men across a range of firms, public institutions and government organisations in the UK, Europe, Africa and North America.



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