



ACCELERATING CHANGE TOGETHER

CHANGING THE NARRATIVE

NOVEMBER 2020



Foreword

Women in Banking & Finance has been championing women in financial services for 40 years.

We are delighted during our 40th anniversary year to be launching our Accelerating Change Together Research Programme, in collaboration with the London School of Economics and The Wisdom Council.

Women in Banking & Finance is a forward looking and forward thinking organisation. We are a not-for-profit, volunteer-led network, dedicated to connecting individuals and institutions across the financial services sector, nationwide, and to increasing women's visibility, participation and engagement in financial services at all levels. We aim to connect, challenge and inspire our members to engage in honest conversations and active interventions to drive the changes in attitudes, behaviours and structures in the financial services sector necessary to unlock genuine opportunities for all.

Thought leadership is an essential and critical element to driving the vision for members of Women in Banking & Finance. It is therefore with great pleasure that we have launched the Accelerating Change Together Research Programme, and are able to share these inaugural survey findings. The survey findings deliver ground breaking and cutting edge data and perspective from across the sector, reflecting the responses of women and men during the current extraordinary circumstances of a sector tackling the challenges of Covid-19.

These survey findings will form an important foundation for the Accelerating Change Together Report, which we are looking forward to publishing in 2021. The Report will deliver new insights and actionable recommendations based on the insights and research of the survey participants, and the extraordinary expertise and experience of our partners, the London School of Economics and The Wisdom Council.

I wish to extend a heartfelt thank you to our Accelerating Change Together Sponsors, without whom we would not be able to engage in this important work together; to everyone at Women in Banking & Finance who has helped to bring this important thought leadership initiative to fruition, especially our volunteer leaders Liz Hughes and Elise Badoy; and to our partners the London School of Economics and The Wisdom Council. Together we are applying a gender lens to the business of financial services and the talent that drives it, to unlock the full potential of financial services for all.

I hope that you will be inspired by the results of the survey findings, and are as inquisitive as we are to understand how we can leverage these as part of Accelerating Change Together.

Vivienne Artz

VIVIENNE ARTZ
President of WIBF



“Women in Banking & Finance is a forward looking and forward thinking organisation. We are a not-for-profit, volunteer-led network, dedicated to connecting individuals and institutions across the financial services sector, nationwide, and to increasing women's visibility, participation and engagement in financial services at all levels.”

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Executive Summary

We are delighted to present the findings of the foundational survey for the Accelerating Change Together Programme.

As the title suggests, the major conclusion is that it is time to change the narrative that surrounds men and women in the workplace.

The report, prepared by The Wisdom Council, shows that, among those completing this survey, gender is not a defining factor in ambition or the importance of work. These findings run contrary to a narrative that women are prioritising other areas of their lives or are not putting themselves forward. We evidence that the real differences lie in the opportunities these women are given.

A perspective by Dr. Grace Lordan, Founding Director of The Inclusion Initiative at the London School of Economics, underlines the importance of moving away from over focusing on the constraints that women face when formulating policies to retain women in the workplace. Rather, Dr. Lordan stresses that focus should be on policies that allow all workers to thrive, in terms of being both productive and happy at work. She emphasises that flexibility is one of these policies.

THE PROGRAMME

The WIBF Accelerating Change Together (ACT) Research Programme is a cross-industry initiative to drive policy change which will better support and retain women working in financial services. The objective of this research was firstly to assess current attitudes and policy across industry sectors, and secondly, to understand the potential drivers behind the lack of pipeline of women into senior positions – which we have, for ease, referred to as the ‘missing middle’.

The research was conducted in September/October 2020 at a time of enormous uncertainty and change as a result of the Covid-19 pandemic. We were pleased to receive such strong participation with 1,703 responses, and broad representation from across the industry. 19% of respondents were male, 14% from BAME or other non-white backgrounds, 10% had left financial services, 9% worked part-time and 35% were in senior management positions or above. Any survey which involves voluntary participation is going to have a degree of self-selection bias, and we take care when drawing conclusions to allow for this.

CHANGING THE NARRATIVE: KEY FINDINGS

Considering the differences between the men and women who participated in the survey:

- **Do women lack ambition? No**
There are no significant gender differences in career aspirations or in the importance of work as a source of life satisfaction. This is true across all women, including those with young children, older children and no children.
- **Are women ‘leaning in’ to progress their careers? Yes**
There are no significant gender differences in the extent to which women are asking for promotions, stretch assignments and pay rises. Our participants do not lack the confidence to advocate for their own career development and this finding is even stronger among younger generations.

What we do see are differences in outcomes. Women are more likely to see barriers and to feel their career is progressing less well than peers.



Two themes emerge of Opportunities and Fairness. A lack of opportunities is the key barrier, with women more likely to cite a lack of opportunities as one of the least satisfying aspects of their work.

The Wisdom Council analysis identifies three ‘clusters’ representing different profiles of women in the workplace. It illustrates how few women are able to access a positive cycle of career development. A lack of opportunities correlated with a lack of encouragement, advocates and access to advice leads, ultimately, to frustration and disengagement. This we argue is the missing middle.

Another key predictor of satisfaction and a lower intention to leave is the perceived fairness of the working environment. Fairness and equality are complicated concepts and the survey shows attitudinal differences. Men were more likely than women to define equality as ‘treatment strictly based on merit’. Holding a common idea of what equality means at an organisational or maybe even industry level will make it easier to move forward and to assess progress.

Executive Summary

COVID-19: AN OPPORTUNITY FOR CHANGE

2020 has forced all companies into changes in working practices at a pace that would have been inconceivable only twelve months ago, and it is widely documented that among workers the economic impact has fallen disproportionately on women.

The survey findings suggest a more positive impact is also emerging. Those who had left the industry (half of whom left only just over two years ago) were significantly less likely to think that their role could be performed flexibly than those who have worked through 2020, with the biggest shift in attitude being among men.

Men in this survey cited work-life balance as the least satisfying aspect of their roles. Women are still more likely to perceive that asking for flexibility will negatively impact their career, but this shift and alignment in attitudes can only be positive for both genders over time.

CHANGING THE NARRATIVE: DR. GRACE LORDAN'S PERSPECTIVE

In this survey, those who have more flexibility in where they work and how they work, also work longer hours, are more satisfied and exhibit a lower intention to leave. Dr. Lordan emphasises that this aligns well with other credible evidence that heightened flexibility for all workers leads to greater productivity and happier workers. Dr. Lordan also emphasises that an over focus on the constraints that women face when devising policies for the workplace, may paradoxically



hold them back. The narrative that women need flexibility to balance caring responsibilities, can cause an illusory correlation which also assigns lower labour market attachment. This can lead to women being seen erroneously to be less serious about their progression.

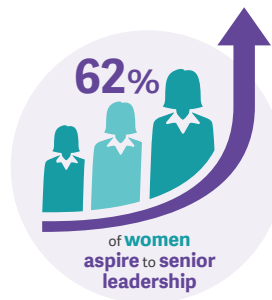
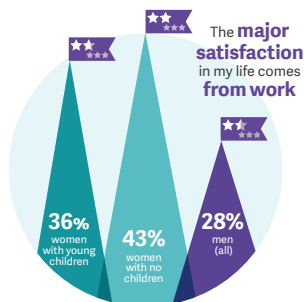
Overall, Dr. Lordan's comparisons suggest that all workers in this survey (regardless of whether they are male or female, older or younger, part-time, full-time or working abnormally high hours, working in environments with high or low shares of males) have a number of things in common when it comes to predicting the hours they put in and how satisfied they are: Positive outcomes for all groups are predicted by certain aspects of flexibility and access to stretchy work. These observations are worth exploring further, at this time

when we are re-organising work, so what is created is conducive to getting the best out of all talent.

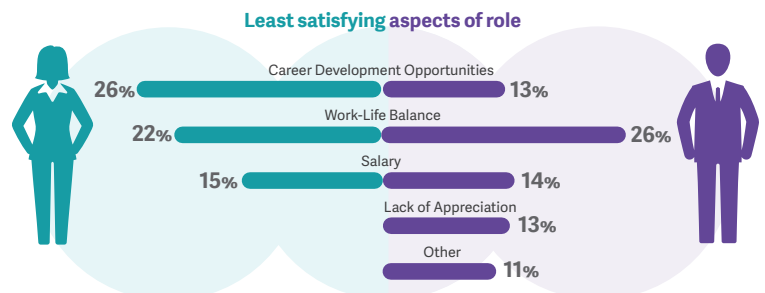
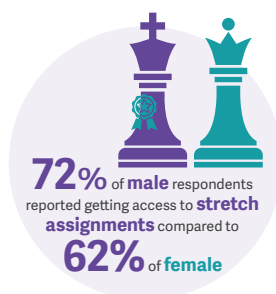
One thing that is abundantly clear, is that there is more that unites those who participated in this survey at an individual level, than divides them. At this time of work re-organisation, we should focus on actions that will allow all workers to thrive. If we do this together, we can change the narrative.

Highlights

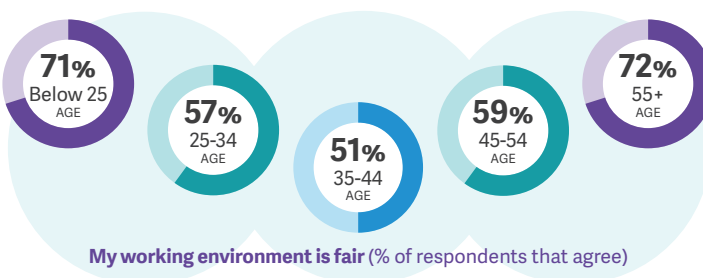
AMBITIOUS AND ASPIRATIONAL



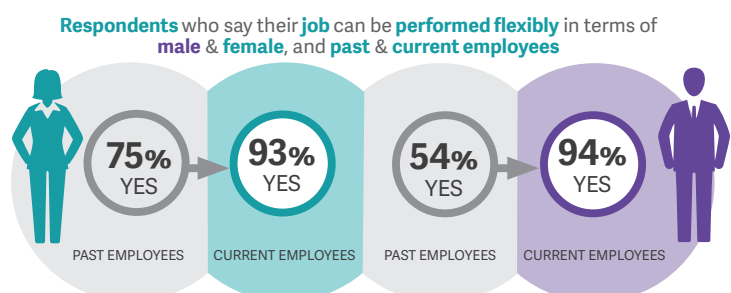
LOOKING FOR OPPORTUNITIES



EXPECTING FAIRNESS



WITH FLEXIBILITY TO BENEFIT ALL



(Please note: percentages may not add up to 100 due to rounding.)

Key Findings

This research set out to establish why women were leaving financial services and why there was a lack of pipeline of women to senior positions.

The data showed that intention to leave was not a predictor of gender, but that it was driven by the key variables of satisfaction, perception of fairness and receiving encouragement. Satisfaction in turn was driven by the opportunity for 'stretch assignments' and perception of fairness and equality. Our key findings explore those themes of Opportunity and Fairness.

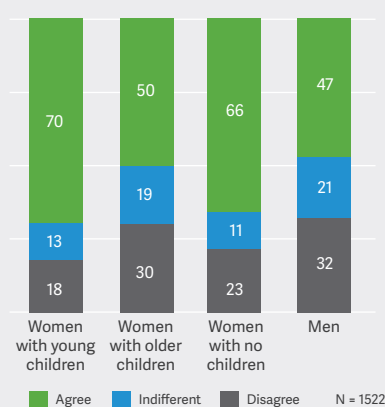
1. There is no gender gap in aspirations

Women are more ambitious than men, especially mothers of young children

There has been a long-lasting narrative about women's lower aspiration and expectations from their careers, and this is long cited as a reason for women's lack of progress². This implies that the cause of any lack of progression actually lies with women themselves, who tend to choose life or family over work and are less willing to "lean in". Our research de-bunks that myth.

Strong ambition among women

Respondents who say they aspire to become senior leaders (%)



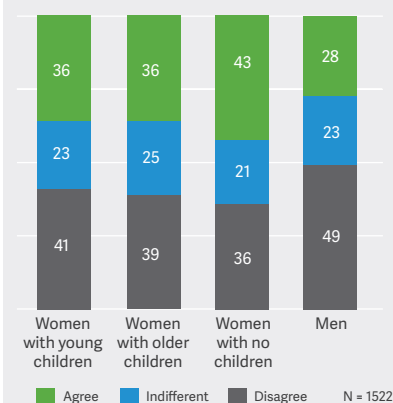
The findings offer strong and unequivocal evidence:

- Women across all sectors in financial services and related industries have higher aspirations to achieve senior leadership than men (62% of women vs. 47% of men agreed).
- Work plays a central role in their lives with a slightly higher proportion of women saying that work is a major source of satisfaction in life (39% of women vs. 28% of men agreed).
- In addition, women had a lower intention to leave (24% of women vs. 28% of men agreed).
- Perhaps surprisingly, this tendency is even more pronounced among mothers with young children. Mothers with young children (up to 5 years old) are found to be more ambitious than other women and men.

Regardless of whether this proves that the narrative about women prioritising family is just a myth, or whether things have just changed over the years, it is an encouraging message: **Women are eager to develop and pursue their careers.**

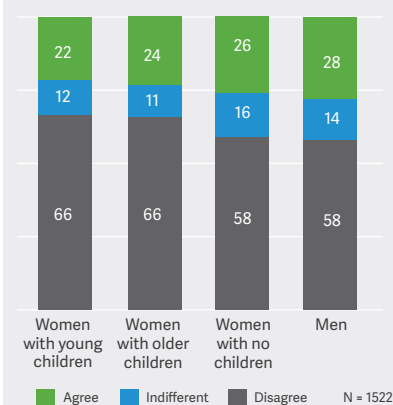
Importance of work for women

Respondents who say work is a major source of satisfaction (%)



No stronger intention to leave among women

Respondents who say they intend to leave the industry in 3 years (%)



¹ Defined as "opportunities which stretch you and allow you to grow"

² "Closing the gap: Leadership perspectives on promoting women in financial services", McKinsey & Company, <https://www.mckinsey.com/industries/financial-services/our-insights/closing-the-gap-leadership-perspectives-on-promoting-women-in-financial-services>, accessed 13 November 2020

(Please note: percentages may not add up to 100 due to rounding.)

Key Findings

But women are less convinced that they will achieve.

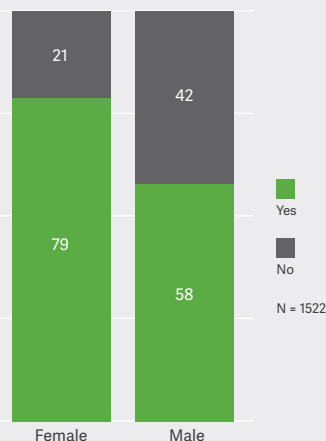
If women are equally ambitious, then the question remains why organisations find that there is not the same pipeline of women ready to be promoted into senior leadership positions. Will time simply address this? Our research would suggest no – at least not without organisational change.

A clear gender gap is found here where 53% of women were broadly confident that they would achieve their aspirations versus 70% of men.

What is important to note is that the level of confidence among women varies depending on the sectors of the industry. For example, women in wealth management seem as confident as men in being able to achieve their aspirations (67% of women vs. 65% of men agreed), compared to their female peers in retail and business banking (49% of women vs. 78% of men agreed). This variation across sectors suggests that the relative lack of confidence in women cannot be fully explained away as an inherent gender issue.

Women are more likely to see career barriers

Respondents who say they have barriers to advancing their careers (%)



The level of confidence is highly associated with perceived barriers. A much higher proportion of women than men see barriers to realising their career aspirations (79% of women vs. 58% of men). It is harder to be confident when you see barriers in front of you.



(Please note: percentages may not add up to 100 due to rounding.)

Key Findings

2. There is a gap in opportunity



Women are hungry for opportunities

Drilling down further we sought to understand what lies behind those perceived barriers, and it is a lack of opportunities which seems to be at the heart.

The lack of career development opportunities is cited as the top reason of dissatisfaction at work (26%) before work-life balance (22%) for women. This is a notable difference to men where work-life balance (26%) was the major dissatisfaction and barriers were more likely to be around culture, combined with external factors such as the economic environment. Of those who had left the industry, the lack of career development opportunities (29%) was also a strong source of dissatisfaction.

Mothers of young children also cited lack of opportunities as the most dissatisfying aspect of their job, ahead of work-life balance.

In looking at the verbatim comments supporting this answer, we also need to be mindful of the current challenges in financial services as a sector.

There are fewer opportunities arising than at a time of rapid expansion, so organisations need to work harder to ensure that opportunities are allocated in a way that is perceived as transparent and fair.

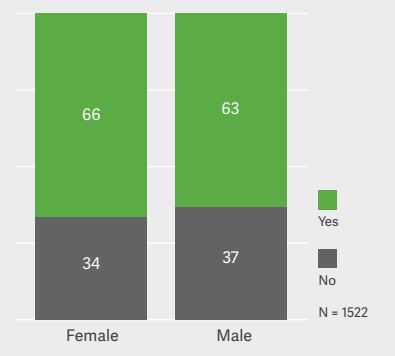
If women want opportunities, are they leaning in and asking for them?

We have seen that work is equally important to women, and our research also suggests that the lack of opportunities is not for the want of asking. Women were just as likely to ask for stretch assignments as men: a challenge to the long-held assumption that women are prioritising family and voluntarily withdrawing from the workplace. Yes, some women will do that, but those who are working are ambitious and confident to ask. Our findings equally showed no gender differences in asking for promotions or pay rises.

What our research does evidence is that women are less likely to have had opportunities which allow them to grow. Their lived experience does not match their aspirations and demands.

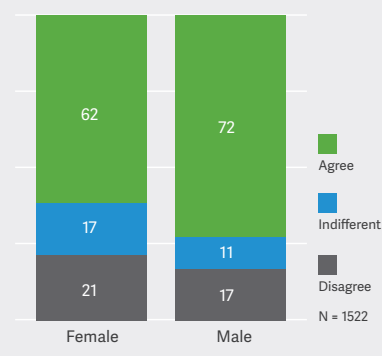
Request stretch work

Respondents who say that they have requested stretch work (%)



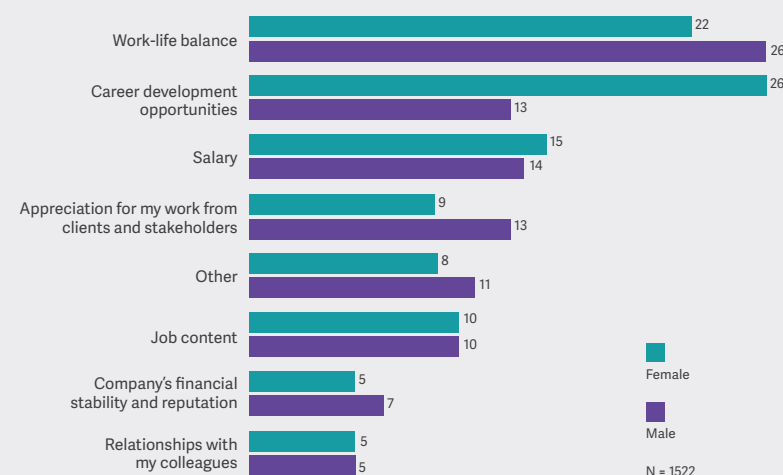
Who's getting opportunities for stretch work?

Respondents who say that they get stretch work opportunities (%)



What is the least satisfying aspect of your job?

Aspects of work respondents are least satisfied with (%)



(Please note: percentages may not add up to 100 due to rounding.)

Key Findings

Half of female respondents are ambitious yet frustrated

From our extensive statistical analysis of the survey data, including factor analysis, feature engineering, cluster analysis and prediction modelling, three clusters emerge (see Table 1).

These clusters were evident in all sectors and consistent across both genders, although the 'happy and busy' cluster was overweighted towards men. Given the relatively small sample size of the male participants, we focused our analysis on the female respondents.

Only 28% of our female survey respondents could be classified as happy and busy.

As women move through their career, we see ambition turn to frustration. Those who stick with it do achieve that career satisfaction.

Cluster	Profile	Their experience of work	Needs from the organisation
Ambitious & Frustrated	<p>Likely to be younger or mid-career, this group have high aspirations and high levels of confidence they will achieve their goals</p> <p>They are hungry for more opportunities to prove themselves</p>	<p>On average, they consider their environment fair, they are reasonably satisfied with a low intention to leave</p> <p>However, 99% of them still see barriers and only half have a role model or an advocate at work</p>	<p>Development Opportunities</p> <p>Dedicated Sponsor</p>
Disengaged & Neglected	<p>Found in all sectors, roles and ages, these individuals are nevertheless more often in the 35-44 age group.</p> <p>They retain high aspirations but have lost confidence that they can achieve their ideals and feel their career is not progressing as well as colleagues</p>	<p>They are much less likely to consider their environment fair, see a negative impact if they take more flexibility and have a much higher intention to leave.</p> <p>They are unlikely to have either an advocate or role model and have fewer places to turn for advice and encouragement</p>	<p>Dedicated Sponsor</p> <p>Fair performance evaluation</p>
Happy & Busy	<p>Tending to be older, these individuals are working long hours but are happy with their work and how their career is progressing.</p> <p>Their aspiration for senior leadership is tempered slightly, with work-life balance the main cause of dissatisfaction</p>	<p>They consider their environment fair and have the highest exposure to stretch assignments – with no greater propensity to ask.</p> <p>They benefit from role models and advocates, receive encouragement and advice.</p>	<p>Development Opportunities</p> <p>Fair performance evaluation</p>

Table 1

Key Findings

Creating a positive cycle

The positive side of this finding is the confirmation that comes from a positive career cycle: opportunities to grow – a sense of career progression – confidence in achieving aspirations. In this positive cycle we see a compounding effect where more opportunities open up to those who are already succeeding.



The problem is that fewer women seem to be successfully getting into the positive cycle.

When you have a positive career cycle working for you and experience few issues, the chances are the challenges faced by others are invisible to you. This is evidenced in our study. **Regardless of gender, those who are happy with their career progress have rated the level of equality at work higher than the rest.** Furthermore, they are more likely to think mistakes would be viewed as learning opportunities and they tend to believe they would not be penalised if they make mistakes of moderate consequences.

In thinking more broadly about how opportunities are allocated, it is worth stepping back to consider who is generally allocating opportunities. In most organisations, senior teams are not yet well balanced in terms of diversity, and as human being, we often fall victim to conscious and

unconscious biases. Many of us will have anecdotal experience of this – if you need someone to help you on a big new client, you want someone who won't let you down, someone who you believe will act, think and behave just like you.

Aspiration and ambition are not fixed characteristics in people. They are shaped and adjusted in response to daily experiences. What happens in day-to-day interactions at work can foster or erode anyone's aspiration and confidence. If people repeatedly experience the gap between their aspiration and reality, they would end up making a rational choice to lower their expectations and review their options.

The “missing middle” is in essence this group of disengaged and neglected employees, worn down through frustration and struggling to get the opportunities that will allow them to develop.



Key Findings

3. Reimagining work and optimising for all

The flexible working forced by Covid has shown the art of the possible.

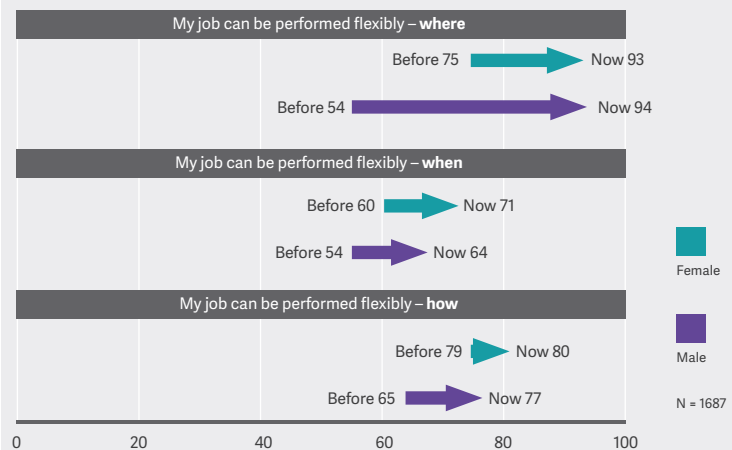
The Covid pandemic has changed many things about people's lives, and our research shows a dramatic shift in assumptions about flexible working. Past employees (left the industry a median of 2.2 years ago) could not imagine that their work could be performed flexibly, whereas current employees have much less difficulty in performing their job flexibly. This would be the effect of actual experience during the Covid lockdown, leading them to revise their assumptions.

The difference is most striking in male employees (54% of past male employees vs. 94% of current male employees on flexible working in terms of location). It is as though many of them have opened up their eyes to the possibility of flexible working.

The flexibility normalised during the Covid lockdown seems to have eased the friction between work and life – especially in terms of location – to a great degree. The past female employees cited work-life balance as the least satisfying aspect of their job (33% of past female employees).

Waking up to the possibility of flexibility

Change in the proportion between past and current employee respondents who say their jobs can be performed flexibly (%)



This is no longer a top issue among the current female employees (22% of current female employees).

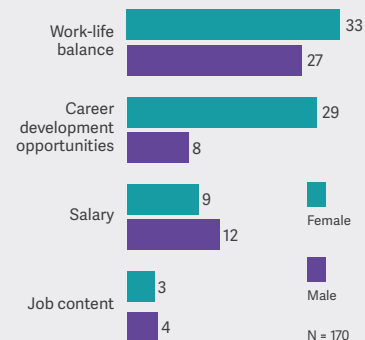
Women are still more likely to think that taking flexibility will negatively impact their career, but as it becomes the norm, then those perceptions can also change, removing one barrier.

What else can organisations reimagine; how can we re-examine the existing norms and conditions in order to optimise the work environment for all?

Past employees

– Least satisfying aspects of jobs

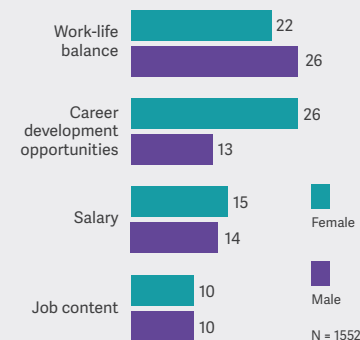
Top 4 least satisfying aspects for past employees (%)



Current employees

– Least satisfying aspects of jobs

Top 4 least satisfying aspects for current employees (%)



Key Findings

A meaningful breakthrough can benefit all

Many of the career and equality issues are expressed as a gender issue. However, on a closer look, gender is not the strongest factor dividing the line. For example, men agree with women that the support they need from their companies are training and development opportunities. Many men are also frustrated and find it hard to get into the positive career growth cycle. Men's major dissatisfaction was work-life balance. Although we have not looked at them in depth as it was not the purpose of this research, the initial evidence suggests that the themes are consistent across other diversity challenges such as ethnicity.

Fairness perception is a key predictor of intention to leave and low satisfaction, and that perception dips in mid-career. Promotion opportunities in a hierarchical sense are naturally closing as you get closer to the top of the pyramid, but that does not mean that individuals are not still eager for development opportunities and satisfying work. How a company can fairly offer those formal and informal opportunities to all, seems to us to be critical to a more satisfied and productive work force.

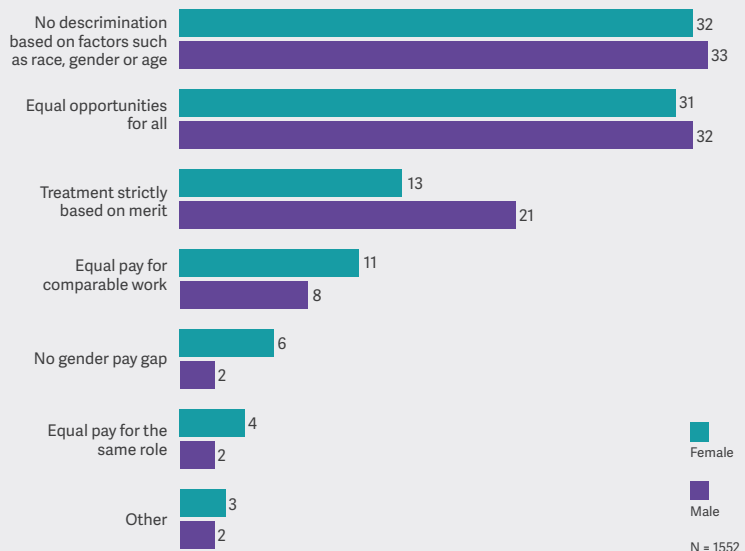
Although fairness is likely to be a universal demand, our study shows that there are differing understandings of equality, mainly depending on gender and ethnicity of individuals. Men and women were almost equally split over "no discrimination on factors such as race, gender or age" and "equal opportunities for all", but a significantly

higher proportion of men (21% of men vs. 13% of women) chose "treatment strictly based on merit" as their definition of equality.

Before getting into how to achieve equality, organisations need to drive a consensus on what equality looks like and the journey to get there. Our research suggests that interventions focused on creating more opportunities, and a real focus on transparency, will be effective in enhancing equality and will be more accepted across the organisation than interventions which focus purely on the 'outputs' of the gender pay gap or equal representation.

Different nuances in meaning of equality

Current employees – what best describes equality for you? (%)



(Please note: percentages may not add up to 100 due to rounding.)

Perspective from Dr. Grace Lordan

Based on analysis by Paris Will (London School of Economics), The Wisdom Council and the author (Dr. Grace Lordan, London School of Economics).

As I write, because of the COVID-19 pandemic, leaders of financial and professional services are re-thinking how work is organised. Meanwhile, the fourth industrial revolution continues to redefine the type of work that will be available in this industry over the next decade.

There has never been a better time to add to this conversation, actions that can be taken to change how work is organised, so that it is more inclusive of all colleagues in the financial and professional services. This is not simply because it is the socially responsible thing to do. Rather, it makes good business sense. It is also the perfect time for me to point out that men and women are not so different when it comes down to what will allow them to thrive at work. For me, thriving means being productive and happy. Overall, I argue that the final gender convergence – which implies in this perspective men and women being equally likely to stay and thrive in financial and professional services – requires an equalisation of opportunities and experiences.

It also requires that we change the narrative and move away from emphasising the constraints that women face juggling home and work, and towards creating policies that will enable all workers to thrive in financial and professional services. The narrative that women need flexibility to balance caring responsibilities, can cause an illusory correlation which also assigns lower labour market attachment. This can lead to women being seen erroneously to be less serious about their progression. It turns out aspects

of flexibility increases both hours worked and satisfaction of the women and men in this survey. This aligns well with a growing literature which implies companies that embrace heightened flexibility for all workers do have productivity gains. Without this change in narrative women who take flexible working will always have a higher likelihood of being looked upon as having lower labour market attachment.

When writing this perspective, I considered the analysis produced by The Wisdom Council, along with a series of tests of difference produced by my LSE colleague Paris Will. In addition, I independently conducted a number of regression analyses³. My approach in this perspective is to focus only on key findings, and to suggest an action that maps directly to each⁴. While bearing in mind that surveys of this kind have a selection problem, where a certain type of person is more likely to respond, the actions that I highlight emphasise actions that I have some confidence will be cost effective despite this selection bias. In a world of cost cutting, this is important so that we are moving towards a status quo, where what we do to promote inclusion at the organisational level has a positive return on investment.



“For me, thriving means being productive and happy.”

³ I conducted simple linear regressions complemented with a machine learning LASSO approach. LASSO is a shrinkage and variable selection method for linear regression models whose goal is to obtain the subset of predictors that minimizes prediction error for a quantitative response variable. The LASSO does this by imposing a constraint on the model parameters that causes regression coefficients for some variables to shrink toward zero. Variables with non-zero regression coefficients variables are most strongly associated with the outcome variable.

⁴ Please contact TII@lse.ac.uk for specific tables relating to results referenced in this perspective.

Perspective from Dr. Grace Lordan



1. AMBITION: ARE THERE INDIVIDUAL DIFFERENCES BY GENDER?

Individual differences that are proxies for ambition are not significantly different by gender across participants of this survey. This stylised fact remains intact even when disaggregating by women who have younger and older children. Overall, it is clear that the men and women who participated in the survey are more similar than they are different when it comes to ambition. I don't observe any differences in men and women in what they find the most satisfying aspect of their work, along the lines of intrinsic versus extrinsic motivation (for example, salary versus work-life balance). The women who responded to this survey are actually more likely to aspire to be senior leaders, as compared to male participants. In addition, there are no sizeable differences in asking for a pay rise, asking for stretch assignments or asking for a promotion by gender. Of course, I do have concern that selection bias is driving these null results. Nonetheless, it is interesting that on the flip side, we do not observe the outcomes of these requests. This means that there may still be differences by gender in 'who gets what'.

In this survey, women do view their compensation as lower than other peers in comparable positions, while men do not have this same fear. Women are also more likely to see obstacles to their career progression. This is highly suggestive that men may be more successful in their asks, or indeed when they are successful the reward is simply greater. This proposition is easy for firms to consider.

Action 1: Companies can ask managers to audit who asks for stretch assignments, pay increases and promotion, along with whether the ask was successful. Auditing makes salient the choices a manager is making, most likely unconsciously. This allows managers the autonomy to see for themselves if they consistently give opportunities and rewards to a certain type of person, and to self-correct.

Perspective from Dr. Grace Lordan

2. ADVISORS: WHERE NEXT?

More men are likely to say that they have at least three senior colleagues they can go to for advice, and these advisors are more likely to be their same gender. The latter is somewhat mechanical, as there are more men in financial and professional services currently in senior leadership roles. But the former raises the question as to why women have fewer trusted advisors. My hunch is that we push gender matching of advocates and advisors far too often in financial and professional services, and there are fewer senior female leaders. The end result is a major tax on these female senior leader's time, and some women end up going without advisors because time can only stretch so far.

Action 2: Companies can create an advisor matching program that focuses on where an employee wants to end up in ten years, rather than matching on gender or any other personal characteristic. This simple action of changing the narrative of who is an appropriate model will likely pay dividends.

This simple action emphasises that the best person an employee can talk to about their career progression is someone who has achieved what they want to achieve. It also encourages senior leaders to be more inclusive of colleagues who they do not match with on gender or any other personal characteristic.

3. UNCOVERING WHERE DIFFERENCES REMAIN

It has become clear to me from my own work, a stylised fact that also shines through clearly in this survey, is that the biggest differences between men and women in financial and professional services are not observed at the individual level. Rather, the biggest differences are observed based on whether an individual works in environments where the share of males is relatively high or low. For example, if I compare the responses from respondents in this survey who work in occupations within functions where the share of men is $\geq 60\%$ versus $< 60\%$ it is clear that there are many differences in priorities, experiences and stated levels of ambition (see Table 2).

Table 2: Differences observed by groups who work in environments with high shares of males versus low share of males

	High Share of Males	Low Share of Males
Most satisfying thing about work	Salary	Work-life balance
Aspirations to be senior	Relatively higher	Relatively lower
Advisors	Less likely to have 3 advisors	More likely to have 3 advisors
Hours	Relatively high	Relatively low
Asking for pay increase, promotion and stretch assignments	More likely to ask	Less likely to ask
Attitude to pay by hours of work	More likely to believe they should get paid more than double if they work double their colleagues' hours	More likely to believe they should get paid double if they work double their colleagues' hours
Environment	Competitive	Collaborative and fair
Flexibility	Relatively lower	Relatively higher
Mistakes	More likely to be viewed as learning opportunities	More likely to be punished

Perspective from Dr. Grace Lordan



It is also starting to become more clear, that the youngest generation of workers (≤ 30 years) like aspects of both environments demonstrated in Table 2 in their ideal job. That is, while the younger generation do not differ by gender in enjoying flexibility in their work, they also are united across genders in being more satisfied in an environment where mistakes are viewed as a learning opportunity rather than punished. In addition, while younger generations like to have advisors to support their career journey, equally they like working in an environment where they can request pay and promotional rewards. It is also worth mentioning that work environments which are collaborative within immediate teams, but competitive against external competition, are more likely in general to serve both their shareholders, customers, and themselves better. Therefore, neither culture is superior. Rather, aspects of both are appealing across gender and generations.

Given that we are in the midst of re-organising work, the time is right to understand the aspects of work that hinder productivity and bring dissatisfaction with a view to changing them in line with the new status quo. This is important, as for more than a decade now it has been understood that women leave roles more often than men, with higher shares of males in the middle of their careers. In general, these women tended to 'opt elsewhere' rather than 'opting out' implying a brain drain away from specific roles in financial and professional services.

Action 3: Companies can identify what are the appealing aspects of environments with a high and low share of men, with a view to questioning their value in a particular setting and re-organising work post-pandemic.

Perspective from Dr. Grace Lordan

4. PRODUCTIVE AND SATISFIED WORKERS

Here I take the perspective of the firm, and assume firms want a workforce who are satisfied at work, in addition to being productive. I also assume firms want to retain talent. To this end, given the data available to me, I focus on three variables: overall job satisfaction, hours worked, and intention to leave as outcomes. Clearly, all three measures are imperfect proxies of what I wish to capture. However, all three proxies have a sufficient signal to noise ratio to allow me to provide a perspective in the spirit I wish to do here. Going forward, over the next three years, I would like to work with partners to build better measures of these important concepts, particularly productivity.

In general, all workers in this survey (regardless of whether they are male or female, older or younger, part-time, full-time or working abnormally high hours, working in environments with high or low shares of males) have two things in common in the sense that it predicts working longer hours, being more satisfied and being less likely to leave. These are:

- i) Workers in the survey that have more flexibility over where they work, and/or how they do their work also work longer hours and are less likely to plan on leaving their current role. Some groups are also more satisfied under these conditions.
- ii) Workers in the survey who engage in activities that stretch them and allow growth in their role, work longer hours and are also more satisfied. Some groups are also less likely to plan to leave their current role.

In addition:

- iii) Women and younger workers enjoy working in collaborative environments, and are less likely to plan to leave. For men, the effect is

either zero or weakly in the same direction. It is important that this is emphasised as indifference by men, rather than a gender difference in preference (a misinterpretation that is often made).

Action 4: Recognising that change is not always a zero-sum game, companies can emphasise change that creates benefits for all workers.

5. RE-THINKING FLEXIBILITY AND DEFINING PRODUCTIVITY

My own work outside this survey convinces me that both men and women thrive within more flexible working conditions, and the evidence of this comes through in this survey when workers are given more flexibility in terms of where and how they do their work. However, because women face more constraints than men, a lack of flexibility is more likely to cause women to leave, resulting in the missing middle. The data in the survey emphasises that while past employees who have left the industry found it hard to imagine their job being done flexibly, current employees do not have the same worries. This is likely owed to the COVID-19 lockdown, where professional workers were forced to work from home at a short notice and re-imagine how they carried out their tasks and delivered objectives.

The time is right for firms to rethink what flexibility means, being honest about what they can and cannot offer in terms of maintaining operations. This seems all the more important as the survey data also shows that younger workers are more satisfied and less likely to leave when offered flexibility around how and where they work.

It is clear that there is a lot to work out. Some jobs have tasks that are harder to complete with full flexibility, and for operations of firms to work,

Perspective from Dr. Grace Lordan

it is necessary that core tasks are carried out reliably. Still, there are many gains to re-considering flexibility with an additional focus on defining output. Changing the narrative and emphasising that enhanced flexibility may actually increase output, and working towards a status quo that realises these gains will benefit all workers, including women.

Action 5: Firms can take an experimental approach to defining a more flexible new world of work, allowing functions to join the conversation of what can work for them, and evaluating any changes in terms of changes to output.

6. STRETCHY WORK

It is perhaps no surprise that employees work longer hours, are more satisfied and are less likely to want to leave their firm if they find their work 'stretchy' (i.e. work that allows growth in role). This raises questions that are worth exploring. First, we know very little about individual, or indeed gender differences, in the perception of what constitutes stretchy work. To the extent it is showing up in this survey as such an important determinant of hours worked and satisfaction for both men and women, understanding how its definition differs at the employee level can unlock a key for managers in terms of intrinsically motivating their entire team. Second, it is useful to also consider how much stretchy work an employee needs alongside more routine tasks to maintain motivation.

Action 6: Firms can take an experimental approach to better understand how the role of stretchy work differs across employees, and its role in harnessing intrinsic motivation of employees.

7. MISTAKES

It is interesting to reflect on how employee mistakes are perceived in financial and professional services. There are marked gender differences in how participants of this survey report their experiences. Men are more likely to feel comfortable saying aloud that they have made a mistake and believe their company would view mistakes as learning opportunities. In contrast, women are much more likely to say they will be penalised for making mistake.

This finding raises additional questions as it is highly novel. First, we need to know more about whether there are gender differences in how a mistake is defined. Second, we need to learn whether colleagues actually judge women and men differently if they make a mistake in the workplace. Third, we need to learn more about whether any gender differences found contribute to outcomes that we ultimately care about, for example, differences in opportunities, pay or promotion. Such differences imply differential treatment, which ultimately may help explain why women leave relatively more often than men in the middle of their careers.

Action 7: Firms can explore mistakes in the workplace, with the view to understanding better whether differential treatment of men and women occurs, and whether over time it contributes to the missing middle.



Perspective from Dr. Grace Lordan

8. WHAT IS EQUALITY?

I have regular conversations with colleagues in financial and professional services about their perception on what equality should mean at their own firm. I have these conversations as I firmly believe in order to move forward, companies need to have a definition of equality that is also clearly linked to measurable outcomes. This allows investments in inclusion to be evaluated against a stated goal.

It may surprise you that the men and women who completed this survey have different definitions of what equality in the workplace implies. Women are more likely to state equal pay for the same role and no gender pay gap, with men being more likely to define equality as a meritocracy. It is noteworthy that older employees are also more likely to advocate for a meritocracy as compared to younger workers. The definition of equality also varies if we consider younger workers (<=30 years) versus older workers (>30 years), with older workers being more likely to choose a definition that relates to meritocracy or the gender pay gap as compared to younger colleagues.

Action 8: Firms can come together and move forward a conversation that defines equality within financial and professional services firms, with linked outcomes that signal clearly when progress is being made.

9. THE STORIES WE TELL

Narratives around gender in the workplace need to be re-written to capture the world as it is in 2020. At the time of writing, I can say for sure, based on this survey and other evidence, there are no shortage of women in financial and professional services who are ambitious and want senior leadership roles. I can also say for sure there are no shortage of men who long for more flexibility in how and where they work, and a more collaborative environment in financial and professional services. Having a narrative that illustrates that women and men aren't really that different in their pursuit of life goals on average, but up to this point haven't had equal opportunities, is important. This change of narrative may help us move towards the final gender convergence where opportunities are equalised for all employees, regardless of gender.

Action 9: Firms can change the narrative by emphasising the equalising of opportunities for all employees regardless of whether they are male or female.

10. NEXT STEPS

This survey undertaken by The Wisdom Council on behalf of Women in Banking & Finance has provided invaluable insights as to what we could be looking at over the next three and half years, to better understand the missing middle in financial and professional services. To ensure that what we work on has impact that goes beyond the library stacks, it is important that firms work with us, so we can ensure what we cultivate is both useful and relevant.

Action 10: Firms can join the conversation to ensure that the next stages of this project have the greatest chance of being successful.

Methodology

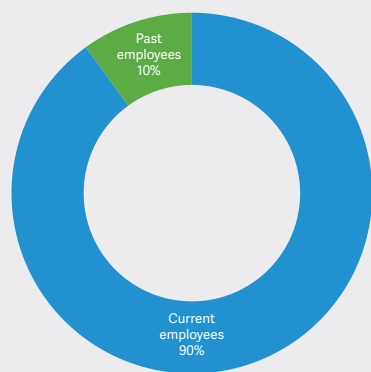
How the research was conducted.

The analysis presented in this report is based on responses to an online survey. 1,703 men and women were surveyed between 11th September and 14th October 2020. All respondents were either currently, or had previously been, employed in the UK financial services (or related) industry. The survey was shared across financial services.

The analysis focused on those currently employed in the UK financial services (or related) industry, with past employees used as a reference group.

KEY DEMOGRAPHICS

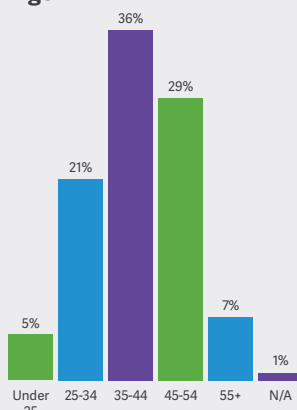
Split of past and present employees



N = 1703

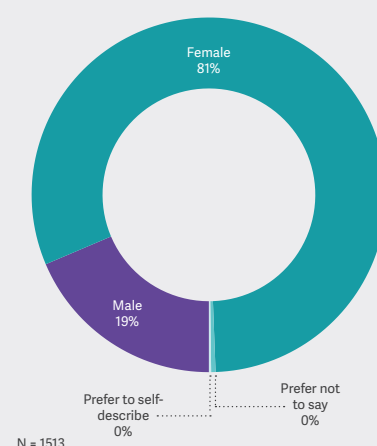
Demographics of respondents currently employed in the UK financial services (or related) industry

Age



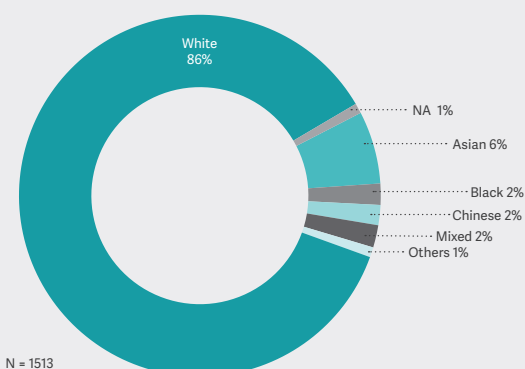
N = 1513

Gender



N = 1513

Ethnicity



N = 1513

(Please note: percentages may not add up to 100 due to rounding.)

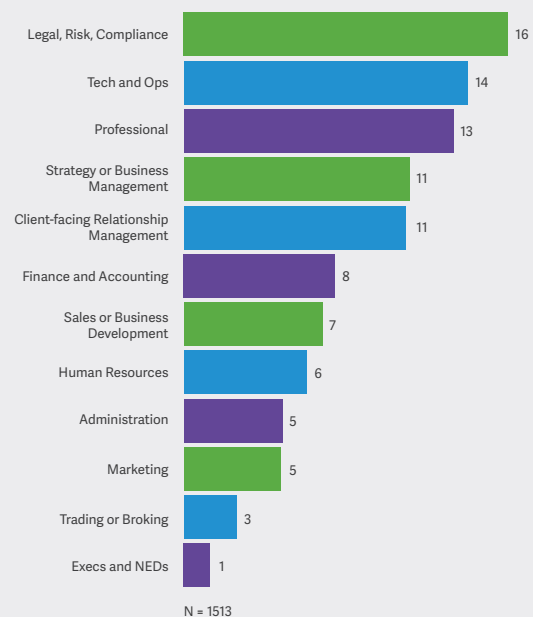
Methodology

Demographics of respondents currently employed in the UK financial services (or related) industry

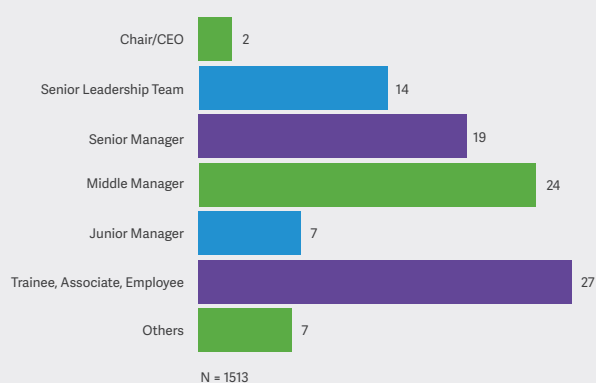
Sector (%)



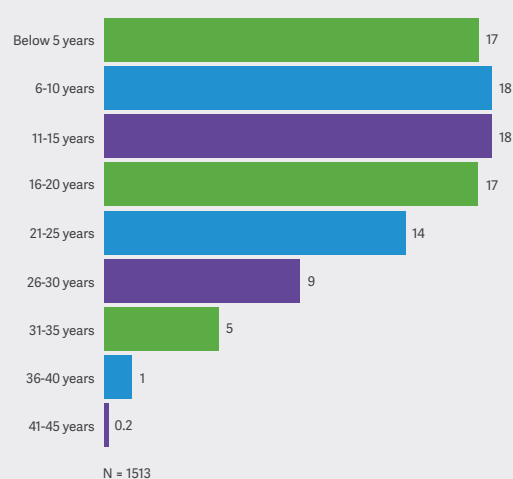
Function (%)



Seniority (%)



Experience (%)

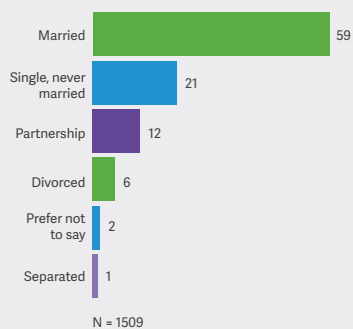


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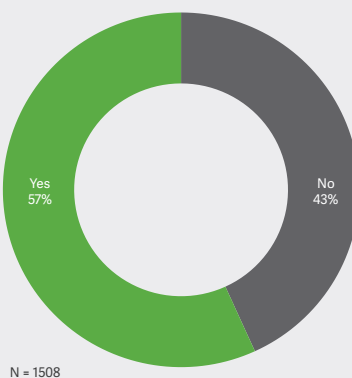
Methodology

Demographics of respondents currently employed in the UK financial services (or related) industry

Marital Status (%)

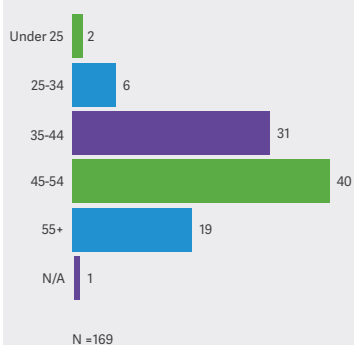


Children (Yes/No) (%)

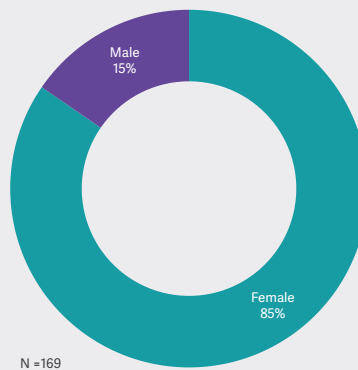


Demographics of respondents previously employed in the UK financial services (or related) industry

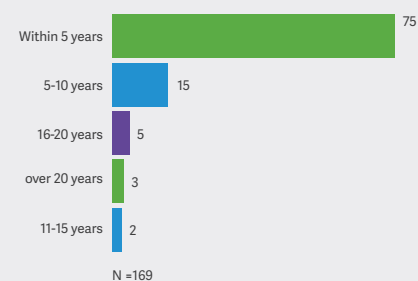
Age (%)



Gender (%)



No. of years ago they left the industry (%)



(Please note: percentages may not add up to 100 due to rounding.)

Contacts

Women in Banking & Finance

Women in Banking & Finance is a forward looking and forward thinking organisation. We are a not-for-profit, volunteer-led network, dedicated to connecting individuals and institutions across the financial services sector, nationwide, and to increasing women's visibility, participation and engagement in financial services at all levels. The ACT Research Programme is the UK's first cross-sector research programme designed to bring a gender lens to the UK financial services industry.

www.wibf.org.uk

The Wisdom Council

The Wisdom Council are specialists in consumer insight and engagement, focusing on the financial services sector. We specialise in long-term savings and investments, working across the value chain to bring the consumer voice into the development and implementation of strategy, product governance and client experience. The team comprises a unique combination of industry specialists, qualitative researchers, behavioural experts, innovation and data analysts. Female founded and led, we are passionate about improving financial outcomes for all, and believe that improving diversity within the financial services industry can play a large part in achieving that.

www.thewisdomcouncil.com

email: contactus@thewisdomcouncil.com

Dr. Grace Lordan, London School of Economics

Dr. Grace Lordan is the Founding Director of **The Inclusion Initiative**, Director of the MSc in Behavioural Science and an Associate Professor in Behavioural Science at the London School of Economics and Political Science. Dr. Lordan is an expert advisor to the UK government sitting on their skills and productivity board. Her academic writings have been published in top international journals in economics and the broader social sciences, and she is the author of Think Big. Dr. Lordan regularly advises and provides lectures to large investment banks, private equity firms, hedge funds and technology companies. Her work on inclusion spans Europe, Asia and North America.

<https://www.lse.ac.uk/PBS/Research/tii>

<https://www.lse.ac.uk/PBS/People/Dr-Grace-Lordan>

email: TII@lse.ac.uk

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WIBF CONTACT DETAILS

Liz Hughes

Director of Thought Leadership
liz.hughes@wibf.org.uk

Elise Badoy

Head of Research
elise.badoy@wibf.org.uk

Susan Monahan

Media Relations
susan.monahan@wibf.org.uk

Julia Smith

Director of Marketing & Partnerships
julia.smith@wibf.org.uk

In their own words

This section highlights some comments from the questions 'What have been the biggest barriers to progressing your career?'

“It seems that many leaders who obtain those levels are usually on track for them and recognised as being so fairly early on, I'm not sure I'm 'in the pipeline.'”

“It takes much more effort than it should to be considered for opportunities.”

“I don't entirely feel that I fit into the profile of senior leadership both internally and externally given my gender and ethnic background. Family life also has increased in importance and it feels like personal sacrifices have to constantly be made.”

“Ridiculously expensive childcare, schools and after school care, combined with the fact that unpaid house and childcare work is still predominantly women's responsibility, plus lack of flexible work options and the company's culture of viewing flexible working as a “special need”. If I had as much free time as a man, I would look outside for growth opportunities, but this a luxury I cannot afford.”

“Culture in financial services – I don't find current leaders inspiring and often the behaviours of those at the top are misaligned with my own motivating factors. As a result I often feel conflicted in my work and can be seen as a voice of dissent when I am actually challenging for positive reasons, very much aligned with stated corporate values (which are conveniently overlooked by leadership).”

“Opportunity to gain knowledge and/or external qualifications whilst working in order to have the experience to progress within the organization.”

“Opportunities when teams are getting smaller.”

“Lack of opportunities more senior than I am in my location.”

“Not being given enough opportunities without having to really fight.”

“Lack of opportunity for advancement, gaining the experience to advance, lack of one leads to the other.”

“Not being given the opportunity/encouragement to be confident to be myself at work.”

“There seems to be a push for all high visibility opportunities to be given to individuals of different genders and ethnicities to myself.”

“A shrinking employment opportunity set due to a) regulations constricting industry profitability, b) technology-enabled deflation e.g. fee pressure and shift to passive, and c) consolidation of employers as a result of points A and B.”

