THE GOOD FINANCE
'How To' Manual

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The Wisdom Council
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The GOOD FINANCE Framework

Background and Summary

As part of Women in Banking and Finance's (WIBF) Accelerating Change Together (ACT) research programme year 1 we met 79 women who work in financial services in the City of London as part of a large qualitative study.

We actively listened to the headwinds and tailwinds they had experienced over their careers. Based on the headwinds and tailwinds identified by the women that we met, 'The Good Finance Framework' was created. This framework sets down actions that an organisation can take to create a more inclusive employee culture. If adopted, all talent stands to benefit. ACT Year 2 commenced with a large qualitative study, 100 Diverse Voices: the Future of Work, which showed that the recommendations put forward by The GOOD FINANCE framework are more relevant than ever post-pandemic.

Underlying the GOOD FINANCE framework are two important movements to include women across all levels of the organisation. The first is a movement away from reliance on compliance-based mechanisms, towards real culture change. Examples of compliance-based mechanisms are audits, monitoring and quotas.

Real culture change happens when diversity is embraced as a mechanism to innovate, create and assess risk better. The GOOD FINANCE Framework views audits, monitoring and quotas as blunt instruments that were very necessary for the progress we have seen over the last decade. We expect the framework to bring culture change that augments the effectiveness of these blunt instruments. After all, if there are gender quotas in an organisation that has a good culture, there is an understanding as to why these quotas are necessary. A good culture will ensure that women who are advanced to senior positions will be fully welcomed and heard, without being forced to adapt their views and perspectives to the status quo.

Second, the framework calls on firms to evaluate their diversity, equity and inclusion (DEI) initiatives. Too much money is being spent given the glacial progress being made. If firms evaluate where their money is going in terms of return on investment, they can learn what is creating change in their own organisations. This allows them to double down on effective initiatives and sink initiatives that are ineffective.

The GOOD FINANCE framework encourages learnings to be shared across organisations. We are certain this can happen, as WIBF have brought together a series of sponsors of the framework, and the ACT programme is also supported by the Financial Conduct Authority and the Bank of England.

We believe that the financial services sector can lead on a final convergence of women in the workplace. Here, we refer to a convergence that leads to women having equal pay, equal executive board positions and equal opportunities as compared to men. There is no other sector that is coming together, in the way that the partner firms of WIBF's ACT programme are coming together, to understand how we can accelerate a final convergence. The primary

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objective of the ACT research programme is to support our partners and the wider sector in this regard.

To enable our partners and the financial services sector to apply the GOOD FINANCE framework, this manual has two main aims. The first is to provide clear instructions on how firms and their individual leaders can operationalise the GOOD FINANCE framework. The second is to provide clear instructions on how firms and their individual leaders can measure progress for each element of the GOOD FINANCE framework. This manual is therefore the GOOD FINANCE 'How To' Manual. We hope very much that firms will utilise The GOOD FINANCE 'How To' Manual to advance their own DEI agenda, and feedback to WIBF on successes and learnings.

Using the GOOD FINANCE 'How To' Manual:

This manual goes through each element of the GOOD FINANCE framework, in turn, detailing:

i. Instructions on how firms and their leaders can operationalise a particular GOOD FINANCE theme. Notably, while some themes of the GOOD FINANCE framework require firm level buy-in (for example, a re-modelling of on-ramps and off-ramps for women going on maternity leave), the majority of elements can be adopted with the effort of an individual manager. We encourage individual managers to draw on the GOOD FINANCE framework 'How To' Manual as a direct route to inclusive leadership. This enables managers to create real change for their team now, without having to wait for firm level buy-in or culture change.

ii. Instructions on how firms and their individual leaders can measure progress of each element of the GOOD FINANCE framework. We categorise our measurement tools into three distinct categories. These are:

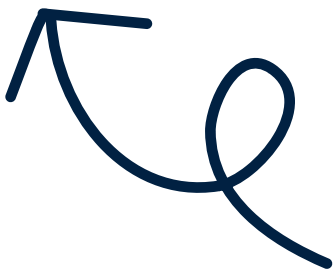
   a. Process indicators, which capture if a firm is providing employees the necessary tools and structures to operationalise the GOOD FINANCE framework.

   b. Action indicators, which capture if managers are taking the actions recommended by the GOOD FINANCE 'How To' Manual that imply an inclusive leadership approach.

   c. Inclusion indicators, which capture the level to which the firm has mobilised inclusive leadership and has an inclusive culture.

These indicators draw on a number of data types including self-reports by individual employees, human resources records, and data on support offered to employees. We are aware that for some firms operationalising the GOOD FINANCE framework in its entirety is a big undertaking. Therefore, we have designed the GOOD FINANCE 'How To' Manual in a format that allows for firms to pick one or two elements to focus on. A summary of the process, action and inclusion indicators recommended for each element of the GOOD FINANCE Framework is provided in the table below.

We also document a GOOD FINANCE scorecard. For each process, action, and inclusion indicator we provide a traffic light system. We chose traffic light labels as a simple way of indicating whether performance on a particular indicator is poor (red), fair (orange) or excellent (green). For each indicator we propose to measure for GOOD FINANCE, we attach a traffic light label that corresponds to a particular level of achievement. These levels of achievement will inform firms on whether they are green, orange or red on a particular element of the GOOD FINANCE framework. Levels of achievement are either presented as "%" or %,%. Specifically, % relates to the percentage of employees, colleagues, leaders, managers, women or men (as defined in the 'what' column) that stated or satisfy the criteria being considered. For example, 70%+ indicates that a firm needs to achieve a level of 70% or more to attain the attached traffic light label. For example, 70%- indicates that a firm achieved a level of 70% or lower. For social norms, the level of achievement always compares men to women in terms of % of men that reported 'yes' to a particular survey question. For example, 70%+, 70%+ relates to 70% or more of women employed, 70% of or more men employed. In contrast, 70%-, 70%- relates to 70% or less of women employed, 70% or less of the men employed. We expect this traffic light system, along with the guide on achievement levels, will be useful for firms and managers who choose where to invest in DEI.



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HOW TO MEASURE PROGRESS IN GOOD FINANCE

Category	What	Notes	Green	Orange	Red
G: GROUPTHINK					
Process	% of leaders you have trained to identify groupthink in their meetings?	This data should be recorded by the organisers of the training based on completions.	80%+	50%+	50% -
Action	% of leaders who self-report that they take active steps to circumvent groupthink in their meetings.	Recommended survey question: Do you take active steps to identify groupthink in your meetings. [response option yes/no]. If yes, please state the method used [response option free text].	70%+	45%+	45% -
Inclusion	% of employees who report that they have equal voice in meetings compared to other colleagues.	Recommended survey question: When you are in your team meetings would you say that you have [response options i) lower levels of voice as compared to your colleagues ii) equal voice as compared to your colleagues iii) higher levels of voice as compared to your colleagues].	80%+	50%+	50% -
Process	% of leaders you have trained to design solutions to groupthink in their meetings.	This data should be recorded by the organisers of the training based on completions.	80%+	50%+	50% -
Action	% of leaders who self-report that they take active steps to circumvent groupthink in their meetings and evaluate whether their action was effective.	Recommended survey question: Do you take active steps to circumvent groupthink in your meetings? [response option yes/no]. If yes, please state the method used [response option free text].	70%+	45%+	45% -
O: OPPORTUNITIES					
Process	% of leaders you have trained to equalise the opportunities, visibility and voice of colleagues within and outside their own team.	This data should be recorded by the organisers of the training based on completions.	70%+	40%+	40% -
Action	% of leaders who self-report that they take active steps to identify differences in opportunities within their own team.	Recommended survey question: Do you take active steps to identify differences in opportunities, visibility and voice among members in your own team. [response option yes/no]. If yes, please state the method used [response option free text].	60%+	40%+	40% -

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Category	What	Notes	Green	Orange	Red
Action	% of leaders who self-report that they take active steps to identify differences in the opportunities, visibility and voice they allocate to colleagues outside of their own team.	Recommended survey question: Do you take active steps to identify differences in the opportunities, visibility and voice you allocate to colleagues outside your own team? [response option yes/no]. If yes, please state the method used [response option free text].	60%+	35%+	35% -
Inclusion	% of colleagues who report that they have equal opportunities, visibility and voice (calculate thresholds for each separately).	Recommended survey question: Thinking about the growth opportunities that you have currently, would you say that you have [response options i) lower levels of growth opportunities as compared to your colleagues ii) lower levels of growth opportunities as compared to your colleagues iii) higher levels of growth opportunities as compared to your colleagues]? Recommended survey question: Thinking about the visibility that you have currently regarding your output and achievements, would you say that you have [response options i) lower levels of visibility as compared to your colleagues ii) equal levels of visibility as compared to your colleagues iii) higher levels of visibility as compared to your colleagues]? Recommended survey question: Thinking about the voice that you have currently to speak about your outputs and achievements within and outside your own team would you say that you have [response options i) lower levels of voice as compared to your colleagues ii) equal levels of voice as compared to your colleagues iii) higher levels of voice as compared to your colleagues]?	80%+	50%+	50% -

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Category	What	Notes	Green	Orange	Red
O: ON RAMPS OFF RAMPS					
Process	% of colleagues in the firm who took maternity or parental leave and had access to an on-ramp off-ramp scheme that had at least three managers involved, including one being at least at managing director level, in addition to a designated human resources contact.	For a firm to score >0% on this indicator they must have an on-ramp and off-ramp experience that: 1. Has at least three managers involved in any one employee's on-ramping and off-ramping, with at least one manager being a managing director level. 2. Has a designated human resources contact. 3. Elicits and documents the employee's preferences as early as possible. 4. Documents the employee's preferences that the firm did and did not accommodate. 5. Incentivises the managers involved through additional bonus pay.	90% +	50%+	0% -
Action	% of colleagues in the firm who took maternity or parental leave, and also had an on-ramp and off-ramp experience designed around their stated preferences as confirmed by the employee ex-post.	Recommended survey question for the employee (to be asked after their return): Was your on-ramp off-ramp experience designed around your own personal preferences. [response option yes/no/partially]. If yes, please state the preferences you expressed that were incorporated into the on-ramp off-ramp scheme [response option free text]. If partially, please state the preferences you expressed that were incorporated into the on-ramp off-ramp scheme [response option free text]. If partially, please state the preferences you expressed that were not incorporated into the on-ramp off-ramp scheme [response option free text].	90% +	50%+	0% -
Action	% of managers whose annual remuneration awards incorporated feedback from employees in their team who have experienced on-ramps and off-ramps.	Recommended survey question for the employee (to be asked after their return): On a scale of 1 to 10 how would you rate your on-ramp off-ramp experience. (10 carries the label of excellent, 5 carries the label of fair, 1 carries the label of poor). Please provide any additional feedback you view as useful in explaining your rating [response option free text]	50% +	25%+	0% -

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Category	What	Notes	Green	Orange	Red
Action	% of managers whose annual remuneration awards incorporated data on employees retained within 5 years post-maternity or parental leave.	This should be reported by human resources.	50% +	25%+	0% -
D: DIFFERENCE					
Process	% of managers trained by the firm to lead inclusively for innovation rather than pushing for conformity.	This data should be recorded by the organisers of the training based on completions.	80%+	50% +	50% -
Action	% of colleagues whose added value was assessed in their annual review in terms of their level of innovation.	The data should be reported by human resources. We recommend that this assessment is done both by the individual and their manager and submitted without reconciliation to any awards panel for scrutiny. The panel should reward innovation at the individual level. The panel should also assess how the proportion of women innovators compares to the proportion of men. If women are disproportionately represented, this should be reported to the executive committee.	60% +	30% +	30% -
Inclusion	% of colleagues who self-report that they do not have to conform when they come to work in the firm.	Recommended survey question: Thinking about your day-to-day experience at work, would you say that you have to conform in order to be accepted by your colleagues [response options i) yes ii) no iii) sometimes]? Recommended survey question: Thinking about your day-to-day experience at work, does pressure to conform imply that you do not feel comfortable giving a perspective that could benefit the firm [response options i) yes ii) no iii) sometimes]?	80%+	50% +	50% -
F: FLEXIBILITY					
Process	% of leaders empowered to treat 'remote first' working as a Great Experiment.	The data should be reported by human resources.	100%	>70%	70% -

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Category	What	Notes	Green	Orange	Red
I: INCENTIVES					
Process	% of managers whose annual remuneration reflected their 'green' performance on the set of inclusion indicators, with attention paid to whether their performance was equal for women as compared to men (please see table on page X).	The data should be reported by human resources.	60% +	30%+	30% -
Process	% of managers whose annual remuneration reflected their team's representation of women as compared to other teams in the firm that perform similar tasks.	The data should be reported by human resources.	60% +	30%+	30% -
N: NETWORKING					
Process	% men who attend women's affinity networking sessions (e.g. employee resource groups) as compared to the total.	The women's affinity networking session lead can report the approximate participation numbers of men, in addition to the total number of attendees.	40% +	20% +	20% -
A: ADVOCACY					
Process	% of managers trained by the firm to be effective advocates.	This data should be recorded by the organisers of the training based on completions.	80%+	50%+	50% -
Process	% of employees in the firm who are part of a formal advocacy programme, either as an advocate or being advocated for.	The data should be reported by human resources.	50%+	30%+	30% -
Process	% of employees in the firm at managing director level and above who are part of a formal advocacy programme.	The data should be reported by human resources.	50%+	30%+	30% -

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Category	What	Notes	Green	Orange	Red
Inclusion	% of colleagues who state they have an effective advocate in the firm who has increased their opportunities, visibility and voice.	Recommended survey question: An effective advocate is one that raises the opportunities, visibility and voice of a colleague they are advocating for. Would you say that you have an effective advocate in the firm right now [response options i) yes ii) no].	80%+	50%+	50% -
N: NORMS					
Inclusion	Share of women as compared to men, who state they are afraid to make a mistake at work because of a certain negative reaction from their manager.	Recommended survey question: Would you say that you are afraid to make mistakes at work because of a predicted negative reaction from your manager? [response options i) yes ii) no].	90%+, 90%+	65%+, 65%+	65% , 65% -
Inclusion	Share of women as compared to men, who state they view mistakes at work as a learning opportunity.	Recommended survey question: Would you say that when you make a mistake at work you are encouraged by your manager to view it as a learning opportunity? [response options i) yes ii) no].	90%+, 90%+	65%+, 65%+	65% -, 65% -
Inclusion	Share of women as compared to men, who state their achievements are credited to their effort and competency.	Recommended survey question: Would you say that your achievements at work are seen and acknowledged by your manager as being owed to your effort and competency? [response options i) yes ii) no].	90%+, 90%+	65%+, 65%+	65% -, 65% -
Inclusion	Share of women as compared to men who state they asked for a pay rise in the last year.	Recommended survey question: Have you asked for a pay rise in the last 12 months? [response options i) yes ii) no]. If yes: Were you successful in securing a pay rise? [response options i) yes ii) no].	90%+, 90%+	65%+, 65%+	65% -, 65%

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Category	What	Notes	Green	Orange	Red
CE: COMPETENCE-EMPATHY					
Process	% of managers trained by the firm to lead with empathy, inclusivity and authenticity.	This data should be recorded by the organisers of the training based on completions.	80%+	50%+	50% -
Action	% of colleagues whose empathy, inclusivity and authenticity were assessed as part of their promotions process.	We recommend that this assessment involves the self-reported data from team members on whether the colleague being considered leads with empathy, inclusivity and authenticity if they already are managing people (see inclusion survey question below).	50%+	40%+	40% -
Inclusion	% of colleagues who self-report that they are being led with empathy, inclusivity and authenticity by a manager.	Recommended survey question: Thinking about your day-to-day experience at work, would you say that your manager leads with high levels of empathy, inclusivity and authenticity? [response options i) yes ii) no iii) sometimes].	80%+	50%+	50% -

We are aware that some firms are confident that the approach they are taking to DEI is appropriate and complete. These firms may be interested in utilising our inclusion indicators to track the overall effectiveness of their approach. While the individual inclusion indicators were motivated as measurement tools for individual elements of the GOOD FINANCE framework, as a complete set they provide a measurement of inclusion at the firm level. We document the full set of inclusion indicators separately in the table below.

The inclusion indicators are survey-based. We recommend that they are asked weekly to a small, random selection of employees without replacement within 12 months. These questions will take 5-10 minutes to complete (maximum). The without replacement approach serves to ensure that colleagues are only asked to respond once per year, implying a much lower strain on employee time, assuming that the recommended questions replace other in-house questionnaires. Overleaf are a complete set of inclusion indicators, however if you are worried about survey fatigue and want to trim the set, we recommend specifically those indicators highlighted in bold.

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SURVEY QUESTIONS TO MEASURE INCLUSION WITHIN THE FIRM

What	Notes
% of employees who report that they have equal voice in meetings compared to other colleagues.	**Recommended survey question: When you are in your team meetings would you say that you have [response options i) lower levels of voice as compared to your colleagues ii) equal levels of voice as compared to your colleagues, or iii) higher levels of voice as compared to your colleagues?].**
% of colleagues who report that they have equal opportunities, visibility and voice (calculate thresholds for each separately).	**Recommended survey question: Thinking about the growth opportunities that you have currently, would you say that you have [response options i) lower levels of growth opportunities as compared to your colleagues ii) equal levels of growth opportunities as compared to your colleagues, or iii) higher levels of growth opportunities as compared to your colleagues?].** Recommended survey question: Thinking about the growth opportunities that you have currently, would you say that you have [response options i) lower levels of growth opportunities as compared to your colleagues ii) equal levels of growth opportunities as compared to your colleagues iii) higher levels of growth opportunities as compared to your colleagues?]. Recommended survey question: Thinking about the visibility that you have currently regarding your output and achievements, would you say that you have [response options i) lower levels of visibility as compared to your colleagues ii) equal levels of visibility as compared to your colleagues iii) higher levels of visibility as compared to your colleagues?]. Recommended survey question: Thinking about the voice that you have currently to speak about your outputs and achievements within and outside your own team would you say that you have [response options i) lower levels of voice as compared to your colleagues ii) equal levels of voice as compared to your colleagues iii) higher levels of voice as compared to your colleagues?].
% of colleagues who self-report that they do not have to conform when they come to work in the firm.	Recommended survey question: Thinking about your day-to-day experience at work, would you say that you have to conform in order to be accepted by your colleagues [response options i) yes ii) no iii) sometimes]. **Recommended survey question: Thinking about your day-to-day experience at work, does pressure to conform imply that you do not feel comfortable giving a perspective that could benefit the firm [response options i) yes ii) no iii) sometimes].**
% of colleagues who state they have an effective advocate in the firm who has increased their opportunities, visibility and voice.	**Recommended survey question: An effective advocate is one that raises the opportunities, visibility and voice of a colleague they are advocating for. Would you say that you have an effective advocate in the firm right now [response options i) yes ii) no].**

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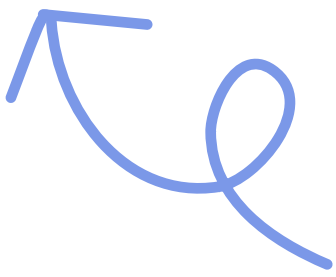
What	Notes
Ratio of colleagues, disaggregated to compare women as compared to men, who state they are afraid to make a mistake a work because of a certain negative reaction from their manager.	Recommended survey question: Would you say that you are afraid to make mistakes at work because of a predicted negative reaction from your manager? [response options i) yes ii) no].
Ratio of colleagues, disaggregated to compare women as compared to men, who state they view mistakes at work as a learning opportunity.	Recommended survey question: Would you say that when you make a mistake at work you are encouraged by your manager to view it as a learning opportunity? [response options i) yes ii) no].
Ratio of colleagues, disaggregated to compare women as compared to men, who state their achievements are credited to their effort and competency.	**Recommended survey question: Would you say that your achievements at work are seen and acknowledged by your manager as being owed to your effort and competency? [response options i) yes ii) no].**
Ratio of colleagues, disaggregated to compare women as compared to men, who state they asked for a pay rise in the last year.	Recommended survey question: Have you asked for a pay rise in the last 12 months? [response options i) yes ii) no]. If yes: Were you successful in securing a pay rise [response options i) yes ii) no].
% of colleagues who self-report that they are being led with empathy, inclusivity and authenticity by a manager.	Recommended survey question: Thinking about your day-to-day experience at work, would you say that your manager leads with high levels of empathy, inclusivity and authenticity? [response options i) yes ii) no iii) sometimes].

Analysing the standard deviation of the inclusion indicators allows a better understanding of the variation in exposure to an inclusive culture across firms. Analysing the set of inclusion indicators clustered by team, allows an easy vantage of teams that are exposed to inclusive leadership, and those where managers are falling short. Finally, disaggregating the set of inclusion indicators separately to allow for comparisons of women as compared to men within teams allows for a crucial vantage to identify early where women may be treated unequally as compared to men. Disaggregation and scrutiny along these lines gives firms a unique opportunity to intervene before women leave or lose momentum in their career journeys. Such interventions are crucial to maintain and accelerate the progress of women in the financial and professional services sector.



The GOOD FINANCE ‘How To’ Manual is Beta:

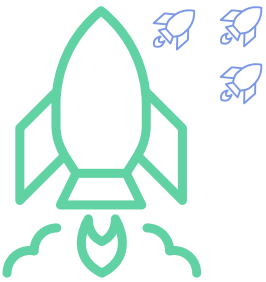
The GOOD FINANCE ‘How To’ Manual lays out steps that firms and leaders can take to both change and measure inclusion at all levels of the firm.

Given that inclusion is a latent concept that cannot be observed or readily changed, the approach we took in creating the manual was to draw on as many resources as possible.

To create the GOOD FINANCE ‘How To’ Manual we relied on the data gathered during ACT Year 1 and 2, in addition to the decade of experience the author of this manual has in enabling firms to create inclusive leaders and inclusive work environments, as well as her knowledge of the academic literature on this topic. Considering the former, the data gathered for ACT Years 1 and 2 spans survey, focus groups, a hackathon and interview data.

We are confident that this manual will enable firms to create a more inclusive culture for their employees, in addition to enabling the measurement of their progress. However, we still view The GOOD FINANCE ‘How To’ Manual as being in its Beta phase, i.e. a work in progress. We give this manual to users asking for feedback on the aspects that they found most effective in terms of creating more inclusive team and firm level cultures, and most useful in terms of measuring progress. We also encourage firms to evaluate the changes that they make using the measurement tools that we outline. This will allow us to cross compare for the firms and leaders that enter a feedback loop with us.

GROUPTHINK



The GOOD FINANCE framework highlighted that it is the responsibility of a team leader to make sure that meeting dynamics enable inclusive discussions.

Unfortunately, groupthink often gets in the way. Groupthink is a phenomenon that occurs when colleagues reach a consensus without critical reasoning or evaluation of the consequences or alternatives. Groupthink is based on a common desire not to speak up for fear of creating a negative atmosphere. It implies that all voices are not heard, and usually, the room is dominated by one or a few dominant voices who direct the conversation or agenda.

From the women interviewed to create the GOOD FINANCE Framework we learned that women are more likely to have their voice and ideas unheard. This lack of visibility undoubtedly impacts on upstream outcomes, such as promotions and pay. A lack of inclusivity in deliberations is also bad for business in terms of missing out on innovative ideas and wasting the time of employees who are ignored in meetings.

Groupthink is highly likely to arise in teams when members of the group identify strongly as a unit, perceive themselves as superior to others, and disapprove of outsiders. Equally, groupthink is more likely when there is a dominant leader influence. Other factors that increase the prevalence of groupthink include stressful environments, or when people feel they have lower levels of knowledge as compared to others in the room. The latter is related to Parkinson's "bike shed effect", which implies that the time a group spends discussing any issue will be inverse to the consequentiality of that issue (for example, spending more time discussing the "bike shed" for a nuclear power plant than discussing the power plant itself).

In essence, groupthink implies that individuals in a team accept the decision that represents the perceived group consensus, even if they don't believe it to be reasonable or correct. Succumbing to the desire for conformity or harmony, team members feel compelled to avoid dissent and to agree with the group decision. While groupthink minimises conflict, it typically leads to unchallenged decisions. Overall, groupthink is a symptom of willing or forced conformity. It is via conformity that we lose the gains of diversity, including the gains from women, in finance. Circumventing groupthink within team meetings, is the first action of an inclusive leader who wants to nurture and retain women's talent.

But how can inclusive leaders identify if groupthink is even an issue in their meetings? Below are quick pulse-checks that can help identify instances of groupthink:

- Monitor cascading: A cascade occurs when individuals choose what to say based on other members' perspectives and the group's reactions to them, regardless of their own perspective. This can lead to poor decisions because individuals

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don't disclose everything they know. This hidden information can include excellent outlier ideas, innovative insights, or a novel perspective on risk. You can monitor cascading by paying attention to whether team members reiterate ideas mentioned by those who speak before them. If the answer is yes, there is a cascade and groupthink is an issue. Rather than exploring new and exciting ideas, the group is overly focussed on one or a few ideas that have been generated by dominant members of the group.

- Monitor who does not speak: Ideally, all group members should participate in a discussion. Take note of those who don't contribute and determine the reason for this. For example, it may be that previously their ideas were unheard or that they fear dissent. Do these individuals have particular demographic characteristics? Is the discussion being dominated by extroverted colleagues? Are women more likely to be excluded?
- Monitor who speaks too much: A group can be heavily influenced if only one or a few members take charge of the communication. Assess which members speak most and determine whether their beliefs dominate the group decisions. Pay attention to whether these members have specific demographic characteristics, and if they are talking over specific colleagues to control the discussion. Are women more likely to be talked over?
- Enlist, disagree, and proceed: Groupthink is more likely when groups are forced to reach consensus before greenlighting a course of action. Inclusive leaders should encourage all team members to disagree, and to record this information, before proceeding to greenlight. Recording allows leaders to reflect, after the decision, on whose ideas were ignored. Are there any people, such as women, in the group who disagreed with the decision? This a powerful methodology on occasions when the outcome of the decision was poor. It also allows inclusive leaders to identify who they are regularly ignoring or overlooking.
- Conduct a post-mortem: After the outcome of the decision has been revealed, conducting a team post-mortem meeting can allow for critical analysis and improve group decision-making. Along with analysing the disagree-and-proceed data, an inclusive leader can also consider whether the costs, benefits, and risk of the greenlit decision suffered from bias. For example, the planning fallacy implies that a project has had its financial costs and time commitment understated. Planning fallacy is also a pulse point for groupthink, as are overconfidence and overoptimism. In a post-mortem, an inclusive leader can assess if overconfidence and overoptimism played a part by considering the extent to which the benefits of the preferred course of action were overstated and by whom.

SO HOW CAN AN INCLUSIVE LEADER ADDRESS GROUPTHINK?

Circumventing groupthink involves more than simply ensuring all voices are heard in a team meeting. One of the biggest barriers to inclusive leadership is an assumption that every person needs to be given space to speak in every meeting. This is not the case. Having a meeting where everyone speaks just for the sake of it is a waste of valuable time. Inclusive leaders create a culture where team members always speak up when they can add value. The remainder of the time they are actively listening to one another. Inclusive leaders take active steps to mitigate groupthink in their meetings. This does not only mean focussing on bringing quiet voices into the room. Rather inclusive leaders also pay attention to quietening those that dominate the room. Below are five ways for inclusive leaders to circumvent groupthink. We encourage inclusive leaders to track their own data on whether groupthink is a problem in their team. We also encourage inclusive leaders to trial the ideas below, or ideas of their own to circumvent groupthink and monitor how their data changes. The five solutions we have chosen are low cost in terms of time, recognising that you are busy:

1. **'Tell me something I don't know' and leader speaks Least**
   It stands to reason that inclusive leaders should not give their point of view at the beginning of any discussion where they want to elicit diverse perspectives. In fact, inclusive leaders should be actively listening, in addition to paying attention to the dynamics in the room to ensure that their team is fully engaged. Inclusive leaders can help prevent groupthink by encouraging new insights from group members. They can do this actively by stating at the start of the meeting that they wish their team members to 'tell me something I don't know. In

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behavioural science this is called priming. Priming is a phenomenon whereby exposure to one stimulus influences a response to a subsequent stimulus, without additional conscious guidance or intention. Simply having the inclusive leaders state 'tell me something I don't know' at the beginning of the meeting will make team members more likely to communicate their unique information. This also helps avoid an over focus on information already known by the group, known as the common knowledge effect.

2. **Randomly use written response meetings**
   If an inclusive leader has identified a problem with people speaking up in meetings, they can give space at the beginning of some meetings (randomly chosen) for employees to provide written responses to important issues they wish to discuss. Using written responses in this way can allow people to be less influenced by other opinions and to share their unique ideas. The approach relieves social pressures to conform to what the majority appear to believe. By using the written response approach in random meetings, the inclusive leader also gains information on who is concealing unique ideas when the format is traditional face to face discussion. They can later take steps to understand just why this phenomenon is occurring.

3. **Call on colleagues randomly**
   Usually in meetings we rely on individuals to self-select when they speak. This makes it highly likely that dominant and/or extrovert members of the group will dominate the conversation. Instead, when inclusive leaders randomly call on colleagues, it allows them to hear ideas from co-workers who may otherwise not self-select to speak. Calling on colleagues randomly can also allow minority voices to be heard, which can cause groups to deviate from the norm and come up with innovative solutions. Overall, calling on colleagues randomly limits one person or group from dominating the conversation. Oftentimes, when people are not speaking, they are thinking about what they want to say instead of listening to the person speaking. If employees are randomly called on, it can also make them more inclined to actively listen to the conversation.

4. **Deal with the communication illusion**
   The communication illusion happens when a person believes they have communicated their point, but the message has not been received or understood by other colleagues. Overall, groupthink requires active listening. However, the prevalence of the communication illusion in meetings suggests that inclusive leaders must hone active listening among their team members. Inclusive leaders can deal with the communication illusion by asking other colleagues to replay an idea brought to the meeting. This tactic makes sure that all team members are actively listening, and also that there are no misunderstandings.

5. **Adopt devils' advocates and Red Teams**
   Adopting the use of devil's advocates can also help inclusive leaders address groupthink within a meeting, along with the hidden profiles and the self-silencing it brings. In this context, a devils' advocate refers to someone voicing a dissenting opinion from what appears to be the majority position. By appointing a team member to be devil's advocate, the social pressures to conform to the majority may be alleviated given that the leader has explicitly asked a particular person to present a dissenting argument. However, there is a risk that the argument given could be lacklustre, particularly if the chosen devil's advocate does not believe in their statements. Additionally, if the devil's advocate does not have an incentive to convince people of their point, they may not internalise the role fully. Therefore, the assignment of a devil's advocate is a second-best solution to encouraging genuine dissenters. An even better alternative is to select a number of team members to form a red team. A red team is a group that plays the role of a competitor to a preferred solution and provides security from that perspective. The value of the red team over a devil's advocate is that the role of dissent becomes the responsibility of more than one team member. The red team is then tasked with identifying all vulnerabilities in the solution being considered.

GROUPTHINK

THE GOOD FINANCE SCORECARD: MEASURING PROGRESS IN GROUPTHINK

Below is a set of process, action and inclusion indicators that allow firms to measure the progress of their leaders with respect to circumventing groupthink. We recommend scrutinising the action and inclusion indicators at the team level so you can get clarity on the progress specific managers have made in becoming inclusive leaders. Additionally, we recommend scrutinising the action and inclusion indicators at the team level using disaggregated data to allow comparisons of women as compared to men so you can get clarity on whether women are getting equal voice and visibility in meetings. We note that the inclusion indicator is one of a set of indicators (see table on page X) that we recommend for measuring inclusion at the firm level.

Measuring progress in Groupthink:

Process: % of leaders you have trained to identify groupthink in their meetings?

Action: % of leaders who self-report that they take active steps to identify groupthink in their meetings.

Recommended survey question: Do you take active steps to identify groupthink in your meetings. [response option yes/no]. If yes, please state the method used [response option free text].

Inclusion: % of employees who report that they have equal voice in meetings compared to other colleagues.

Recommended survey question: When you are in your team meetings would you say that you have [response options i) equal voice as compared to your colleagues ii) lower levels of voice as compared to your colleagues iii) higher levels of voice as compared to your colleagues].

Process: % of leaders you have trained to design solutions to groupthink in their meetings.

Action: % of leaders who self-report that they take active steps to circumvent groupthink in their meetings

Recommended survey question: Do you take active steps to circumvent groupthink in your meetings. [response option yes/no]. If yes, please state the method used [response option free text].

OPPORTUNITIES

Opportunities at work encompass growth assignments, visibility and voice.

If women are denied or given unequal opportunities to demonstrate their skills, it will be more difficult for them to build a case for promotion or pay increases compared to men, given their added value is either unrealised or unseen. After all, a person can be a genius but if they never get a chance to be seen or heard demonstrating their genius they will never be recognised.

Women can be denied or given unequal access to opportunities because of affinity bias, familiarity bias, and/or similarity bias. It is very possible that the person giving out the opportunities is unaware that they are succumbing to these biases. That is, they are simply gravitating naturally towards a person who is 'like them'. However, this is not helpful for the women experiencing lower levels of opportunities, visibility and voice.

Recognising that a meritocratic allocation of opportunities is unlikely to arise organically, with women being particularly susceptible to being excluded in environments with high shares of men, inclusive leaders can implement specific measures to ensure that all colleagues are treated equally.

Specifically, these measures are:

1. An inclusive leader can perform a weekly audit inside their own team of who they are giving opportunities, visibility and voice to. This will make salient any anomalies and allow the inclusive leader to self-correct. That is, managers who want to become inclusive leaders will self-correct when their own data demonstrates they are not acting inclusively. We note that the only acceptable explanations outside anomalies for an unequal distribution of opportunities in a manager's data are i) specialised tasks (i.e., there are specific tasks that can only be carried out by one or few team members because they require high levels of specialised skills not easily acquired) and ii) there is an unaddressed performance management issue.
2. An inclusive leader can weekly audit outside their team who they are giving opportunities, visibility and voice to. This audit recognises that as managers go about their day to day activities there are multiple moments where they can influence the opportunities, visibility and voice of individuals external to their own team. This audit also allows managers to self-correct if they notice that they are excluding particular groups of individuals in their allocation, for example, women. They can make strategic efforts to increase the opportunities, visibility and voice of colleagues who they notice are high competency, but who have low levels of affinity with other colleagues.

OPPORTUNITIES

THE GOOD FINANCE SCORECARD: MEASURING PROGRESS IN OPPORTUNITIES

Below is a set of process, action and inclusion indicators that allow firms to measure the progress of their leaders with respect to equalising opportunities, visibility and voice both within and external to their own team. We recommend scrutinising the action and inclusion indicators at the team level so you can get clarity on the progress that specific managers have made in becoming inclusive leaders. Additionally, we recommend scrutinising the action and inclusion indicators at the team level disaggregated to allow comparisons of women as compared to men so you can get clarity on whether women are getting equal voice and visibility. We note that the inclusion indicator is one of a set of indicators (see table on page X) that we recommend for measuring inclusion at the firm level.

Measuring progress in Opportunities:

Process: % of leaders you have trained to equalise the opportunities, visibility and voice of colleagues within and outside their own team.

Action: % of leaders who self-report that they take active steps to identify differences in opportunities, visibility and voice among members of their own team.

Recommended survey question: Do you take active steps to identify differences in opportunities, visibility and voice among members in your own team? [response option yes/no]. If yes, please state the method used [response option free text].

Action: % of leaders who self-report that they take active steps to identify differences in the opportunities, visibility and voice they allocate to colleagues outside of their own team.

Recommended survey question: Do you take active steps to identify differences in the opportunities, visibility and voice you allocate to colleagues outside your own team? [response option yes/no]. If yes, please state the method used [response option free text].

Inclusion: % of colleagues who report that they have equal opportunities, visibility and voice.

Recommended survey question: Thinking about the growth opportunities that you have currently, would you say that you have [response options i) lower levels of growth opportunities as compared to your colleagues ii) equal levels of growth opportunities as compared to your colleagues iii) higher levels of growth opportunities as compared to your colleagues?].

Recommended survey question: Thinking about the visibility that you have currently regarding your output and achievements, would you say that you have [response options i) lower levels of visibility as compared to your colleagues ii) equal levels of visibility as compared to your colleagues iii) higher levels of visibility as compared to your colleagues?].

Recommended survey question: Thinking about the voice that you have currently to speak about your outputs and achievements within and outside your own team would you say that you have [response options i) lower levels of voice as compared to your colleagues ii) equal levels of voice as compared to your colleagues iii) higher levels of voice as compared to your colleagues?].

ON-RAMPS OFF-RAMPS

The research to create the GOOD FINANCE framework revealed that in many firms women were reliant on one person – their manager – to ensure a good on-ramp off-ramp experience when they were taking time out for maternity leave.

Some women reported supportive experiences that allowed them to transition out of and into their role, without feeling insecure.

However, significant numbers of women raised issues about their manager being unsupportive and taking actions that ultimately jeopardised or de-railed their career. Others spoke about managers who gave them far lower growth opportunities when they transitioned back as compared to before they were pregnant.

One of WIBF's objectives for the ACT research programme is to address the 'missing middle', whereby women leave finance at much higher rates than men in the middle of their careers. This makes it crucial to safeguard the on-ramp and off-ramp experience. Given that many firms are now encouraging men to take many months of paternity leave, doing so stands to have benefits to both women and men. Encouraging colleagues other than women to take parental leave also benefits women of the firm, by changing the narrative that women have lower levels of labour market attachment as compared to men.

In practice an optimal on-ramp off-ramp scheme has a number of key features. Specifically, these key features imply that the on-ramp off-ramp scheme:

1. Has at least three managers involved in any one colleagues' on-ramping and off-ramping, with at least one manager being at managing director level.
2. Has a designated human resources contact who advocates from the employee's perspective where needed and demystifies the firm's policies and procedures.
3. Elicits and documents the employee's preferences as early as possible. For example, preferences can include staying in touch, bespoke support requests and structures to safeguard any upcoming promotion or bonus.
4. Documents the employee's preferences that the firms did and did not accommodate.
5. Incentivises the managers involved to care about the employee who is on-ramping and off-ramping through additional bonus pay.

ON-RAMPS OFF-RAMPS

THE GOOD FINANCE SCORECARD: MEASURING PROGRESS IN ON-RAMPS OFF-RAMPS

Below is a set of process and action indicators that allow firms to measure the progress of their leaders with respect to providing effective on-ramps and off-ramps. We recommend scrutinising the action indicators at the team level so you can get clarity on the progress specific managers have made in becoming inclusive leaders.

Measuring progress in On-Ramps Off-Ramps:

Process: % of colleagues in the firm who took parental leave and had access to an on-ramp off-ramp scheme that had at least three managers involved, including one being at least at a managing director level, in addition to a designated human resources contact. Firms should disaggregate women from this data. Firms can also go further and document the % of colleagues who take leave for other reasons (for example, sick leave, care responsibilities, sabbatical) and have taken advantage of the on-ramp off-ramp system.

Action: % of colleagues in the firm who took maternity or parental leave and also had an on-ramp and off-ramp experience designed around their stated preferences as confirmed by the employee post-leave.

Recommended survey question for the employee (to be asked after their return): Was your on-ramp off-ramp experience designed around your own personal preferences? [response option yes/no/ partially]. If yes, please state the preferences you expressed that were incorporated into the on-ramp off-ramp scheme [response option free text] If partially, please state the preferences you expressed that were incorporated into the on-ramp off-ramp scheme [response option free text]. If partially, please state the preferences you expressed that were not incorporated into the on-ramp off-ramp scheme [response option free text].

Action: % of managers whose annual remuneration awards incorporated feedback from employees in their team who have experienced on-ramps and off-ramps. (The feedback that is incorporated should consist of the question on preferences described above, in addition to the question described below).

Recommended survey question for the employee (to be asked after their return): On a scale of 1 to 10 how would you rate your on-ramp off-ramp experience? (10 carries the label of excellent, 5 carries the label of fair, 1 carries the label of poor).

Please provide any additional feedback you view as useful in explaining your rating [response option free text].

Action: % of managers whose annual remuneration awards incorporated data employees retained within 5 years post maternity or parental leave.

DIFFERENCE

The research that underpinned the GOOD FINANCE framework demonstrated that women who had accelerated career trajectories in financial and professional services perceived that they were blocked out of traditional career pathways.

Instead, they carved out innovative personal niches. The majority of women said they succeeded with this approach because they were less of a threat to other colleagues.

The majority of women with accelerated progression also said that carving out an innovative niche was not necessary for men in their organisations.

Firms that tackle Difference in The GOOD Finance Framework will do two things:

i. Incentivise employees who take a different path to generating significant sustainable income and/or innovation.

ii. Create an environment where conformity is discouraged, and difference is embraced.

DIFFERENCE:

Overall, the research from ACT year 1 implies that men are more welcome on traditional career pathways. In contrast, women are more often required to innovate to succeed. This entails more risk, and there are good reasons why in certain contexts this risk should be rewarded at a higher rate (for example, the risk has resulted in a sustainable new income stream), vis-à-vis if the comparison is a colleague who has taken a traditional pathway but has had similar successes in terms of income generation or other productivity markers. To operationalise the 'D' in the GOOD FINANCE Framework we recommend that firms assess the level of colleague innovation.

CONFORMITY:

Clearly conformity is not good for business, and embracing difference is optimal. Simply put, cultures of conformity make it very unlikely that innovative ideas are discovered which generate new sustainable income streams. In the ACT year 1 programme, it was also uncovered that women felt pressure to conform in financial and professional services. The 'G' in the GOOD FINANCE framework describes how managers can circumvent groupthink in their meetings. This is a tactic that we recommend as a major step to tackle pressures to conform within any firm. In addition, firms can train their managers more generally on how to create team environments that discourage conformity and embrace difference.

DIFFERENCE

THE GOOD FINANCE SCORECARD: MEASURING PROGRESS IN DIFFERENCE

Below is a set of process, action and inclusion indicators that allow firms to measure the progress of their leaders with respect to incentivising difference. We recommend scrutinising the action and inclusion indicators at the team level so you can get clarity on the progress specific managers have made in becoming inclusive leaders. Additionally, we recommend scrutinising the action and inclusion indicators at the team level use disaggregated data to allow comparisons of women as compared to men so you can get clarity on whether women are getting equal voice and visibility. We note that the inclusion indicator is one of a set of indicators (see table on page X) that we recommend for measuring inclusion at the firm level

Measuring progress in Difference:

Process: % of managers trained by the firm to lead inclusively for innovation rather than pushing for conformity.

Action: % of colleagues whose added value was assessed in their annual review in terms of their level of innovation. (We recommend that this assessment is done both by the individual and their manager and submitted without reconciliation to any awards panel for scrutiny. The panel should reward innovation at the individual level. The panel should also assess how the proportion of women innovators compares to the proportion of men. If women are disproportionately represented, this should be reported to the executive committee).

Inclusion: % of colleagues who self-report that they do not have to conform when they come to work in the firm.

Recommended survey question: Thinking about your day-to-day experience at work, would you say that you have to conform in order to be accepted by your colleagues [response options i) yes ii) no iii) sometimes].

Recommended survey question: Thinking about your day-to-day experience at work, does pressure to conform imply that you do not feel comfortable giving a perspective that could benefit the firm [response options i) yes ii) no iii) sometimes].

FLEXIBILITY

In the ACT year 1 programme we presented evidence that women wanted more flexibility.

We also presented evidence that highlighted that heightened flexibility was correlated with marginally improved productivity.

Additionally, we reported that heightened flexibility disproportionately benefited women, but both men and women benefited. We extended this work in the ACT year 2 programme, and by listening to the 100 diverse voices we discovered that the preferred mode of working in financial and professional services is 'remote first'. This is not to say that workers in the sector wish to never come to the office. Rather those we interviewed wish to purposefully come to the office to satisfy operations and to collaborate with colleagues only. They also want to avoid being in the office when they need to do deep solo work or attend virtual meetings.

So how much additional autonomy should workers be given so that they have heightened flexibility? The starting point is deciding what is optimal with respect to satisfying operations and bringing the team together for collaborative work. We also recommended adding in some time to build team identity through social interactions. In this regard, there is no one size fits all. This implies an experimental approach is optimal, where a team varies the amount of at-home versus on-site working and evaluates what works for them and those that they serve. An experimental approach ensures that the mode of work picked isn't driven by the ego or hunch of the team leader, or senior leaders of the firm. It also aligns with an approach that couples the organisation of work with productivity, while de-coupling it from traditional presenteeism. Overall, firms should treat remote first working as a Great Experiment, empowering their leaders to evaluate different combinations of at home versus on-site working to maximise autonomy and productivity at the team level.

For remote first working to be successful, there needs to be high levels of trust between team members and their leaders. This includes team members feeling very comfortable asking for help when they need it, in addition to admitting their mistakes. Otherwise, they are left alone to complete the tasks they are assigned.

THE GOOD FINANCE SCORECARD: MEASURING PROGRESS IN FLEXIBILITY

Below is a process indicator that allows firms to measure the progress of their leaders with respect to flexibility.

Measuring progress in Flexibility:

Process: % of leaders empowered to treat remote first working as a Great Experiment.

INCENTIVES

WIBF launched the ACT four-year research programme to better understand better the 'missing middle' of women in financial and professional services.

In addition, WIBF wanted to enable the attraction, retention and acceleration of women in the sector.

Year 1 of the programme uncovered a frustration that progress was too slow. The glacial pace of change is also backed up in the gender pay gap data and by the slow progress in the number of women on executive boards.

In this manual, we propose a set of inclusion indicators to measure inclusion within firms (see table on page X). We propose that firms can utilise the information contained in these indicators to incentivise managers towards inclusive leadership, with a particular emphasis on women. This can be achieved if firms analyse this set of indicators at the team level separately by women and men. Managers who perform in the green zone (see table on page X) should be given financial rewards, provided their performance in the green zone is achieved equally for women and men. Managers should also be financially rewarded for having representation of women in their team that is higher than other teams in the firm who perform similar tasks. We believe that giving managers of all levels monetary incentives attached to treating women equally in their teams will accelerate the progress of women.

THE GOOD FINANCE SCORECARD: MEASURING PROGRESS IN INCENTIVES

Below are two process indicators that allow firms to measure the progress of their managers with respect to incentivising difference. We recommend scrutinising these indicators at the team level so firms can get clarity on the progress specific managers have made in becoming inclusive leaders. Additionally, we recommend scrutinising these action indicators at the team level using disaggregated data to allow comparisons of women as compared to men so firms can get clarity on whether women are getting equal voice and visibility. We note that the set of inclusion indicators referenced are detailed on page X that we recommend for measuring inclusion at the firm level.

Measuring progress in Incentives:

Process: % of managers whose annual remuneration reflected their 'green' performance on the set of inclusion indicators, with attention paid to whether their performance was equal for women as compared to me (please see table on page X).

Process: % of managers whose annual remuneration reflected their team's representation of women as compared to other teams in the firm that perform similar tasks.

NETWORKING

In our research for ACT Year 1 the women we interviewed regularly raised the point that the power in the financial and professional services sector still lie largely with white men, who did not attend women's affinity networking sessions (except when giving keynote presentations).

This meant that the progress of affinity groups was often too slow to benefit individuals navigating career decisions today, as they were not changing the minds of enough people with power.

Firms can alter the status quo of having an under-representation of senior men at women's affinity networking sessions by:

i. Having prominent leaders and messaging that strongly encourages men colleagues to participate in women's affinity networking sessions and events, and delineating attendance specifically as something that the firm values in terms of citizenship.

ii. Having the lead of a women's affinity networking session lead report the approximate attendance numbers, as well as the share of men in attendance to monitor progress of buy-in to the messaging described in (i).

THE GOOD FINANCE SCORECARD: MEASURING PROGRESS IN NETWORKING

Below is a process indicator that allows firms to measure their progress in networking.

Measuring progress in Networking:

Process: % men who participate in women's affinity networking sessions.

ADVOCATES

In ACT year 1, one finding from the quantitative survey really stood out: significantly more men said they have at least three senior colleagues who are their advocates.

This was backed up by the qualitative study which demonstrated a perception among the women interviewed that advocates were the key to accelerated success in the sector.

Notably, while some women described men advocates who allowed them to achieve high levels of success, others credited a lack of advocation by men in the sector as the primary reason that their career plateaued or de-railed.

A potential driver of these findings is a too great propensity in the financial and professional services sector to gender match advocates. We suggest that firms create an advisor matching programme that focuses on where an employee wants to end up in ten years, rather than matching on gender or any other personal characteristic. Firms should prioritise enlisting a large proportion of managing director and above colleagues to act as advocates as a strong signal as to the effectiveness of the programme. It should be made clear that the role of an effective advocate is to increase the opportunities, visibility and voice of the colleague they are advocating for. Therefore, we also encourage firms to upskill their colleagues with suitable training so they become effective advocates. Overall, to operationalise effective advocacy, firms can:

i. Train managers on how to equalise opportunities, visibility and voice for individuals who are highly competent outside their own team who they wish to advocate for. This will enable managers to be effective informal advocates, and will also give them the skills that they can use when advocating for colleagues in the formal advocacy programme.

ADVOCATES

THE GOOD FINANCE SCORECARD: MEASURING PROGRESS IN ADVOCACY

Below is a set of process, action and inclusion indicators that allow firms to measure the progress of their leaders with respect to advocacy. We recommend scrutinising the inclusion indicators at the team level so you can get clarity on the progress specific managers have made in becoming inclusive leaders. Additionally, we recommend scrutinising the action and inclusion indicators at the team level using disaggregated data to allow comparisons of women as compared to men so that you can get clarity on whether women are getting equal voice and visibility. We note that the inclusion indicator is one of a set of indicators (see table on page X) that we recommend for measuring inclusion at the firm level.

Measuring progress in Advocacy:

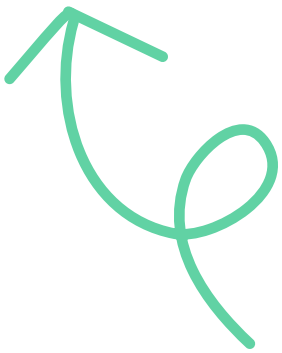
Process: % of managers trained by the firm to be effective advocates.

Process: % of employees in the firm who are part of a formal advocacy programme, either as an advocate or being advocated for.

Process: % of employees in the firm at managing director level and above who are part of a formal advocacy programme.

Inclusion: % of colleagues who state that they have an effective advocate in the firm who has increased their opportunities, visibility and voice.

Recommended survey question: An effective advocate is one that raises the opportunities, visibility and voice of a colleague they are advocating for. Would you say that you have an effective advocate in the firm right now [response options i) yes ii) no].



NORMS

In the ACT year 1 programme it was highlighted that women (as compared to men) faced different social norms in the workplace.

There are three major norms that we believe firms should tackle to level the playing field between men and women. These are:

i. The tendency for women to have their achievements more often attributed to luck, as compared to men who are more likely to receive attributions of competency. This social norm of differential attributions of luck versus competency is certainly a root cause behind the evidence that women require higher levels of output to get the same rewards as compared to men.

ii. The tendency for women to have their mistakes punished more regularly as compared to men (particularly for women working in environments with a high proportion of men). In comparison men are more likely to view mistakes as learning opportunities.

iii. The tendency for women to only 'ask' for higher pay and promotions at higher levels of achievement as compared to men, and to face a greater backlash when they do ask.

Changing social norms is difficult. We recommend that firms invest in creating inclusive leaders who are high on both competency and empathy to circumvent attributions and reactions that emulate the differential social norms described in i) through iii) above (see page X). In addition, firms can track data that capture the differences described in i) through iii) as a direct route to measure whether the changes they are making to promote a positive culture and enable inclusive leadership are working.

NORMS

THE GOOD FINANCE SCORECARD: MEASURING PROGRESS IN NORMS

Below is a set of inclusion indicators that allow firms to measure the progress of their leaders with respect to circumventing three common norms that women and men experience differently. We recommend scrutinising these inclusion indicators at the team level so you can get clarity on the progress that specific managers have made in becoming inclusive leaders. Additionally, we recommend scrutinising the inclusion indicators at the team level disaggregated to allow comparisons of women as compared to men so that you can get clarity on whether women are getting equal voice and visibility. For monitoring differences in social norms this disaggregation is crucial. We note that these inclusion indicators are part of a set of indicators (see table on page X) that we recommend for measuring inclusion at the firm level.

Measuring progress in Norms:

Process: % of colleagues, disaggregated to compare women as compared to men, who state they are afraid to make a mistake a work because of a certain negative reaction from their manager.

Recommended survey question: Would you say that you are afraid to make mistakes at work because of a predicted negative reaction from your manager? [response options i) yes ii) no].

Inclusion: % of colleagues, disaggregated to compare women as compared to men, who state they view mistakes at work as a learning opportunity.

Recommended survey question: Would you say that when you make a mistake at work you are encouraged by your manager to view it as a learning opportunity? [response options i) yes ii) no].

Inclusion: % of colleagues, disaggregated to compare women as compared to men, who state their achievements are credited to their effort and competency.

Recommended survey question: Would you say that your achievements at work are seen and acknowledged by your manager as being owed to your effort and competency? [response options i) yes ii) no].

Inclusion: % of colleagues, disaggregated to compare women as compared to men, who state that they asked for a pay rise in the last year.

Recommended survey question: Have you asked for a pay rise in the last 12 months? [response options i) yes ii) no]. If yes: Were you successful in securing a pay rise [response options i) yes ii) no].

COMPETENCE-EMPATHY

The GOOD FINANCE framework centred around the need for managers to truly understand the value of including women in decisions that shape the future of the financial and professional services sector.

These managers are high on both competence and empathy. Our research as part of the ACT research programme has emphasised that there is too often a trade-off of empathy for competence.

The financial and professional services sector needs managers that are highly competent. Equally, a leadership style that is authentic, empathetic and inclusive is required to bring the next generation of talent along the pipeline.

The GOOD FINANCE framework's conclusions dovetailed with predictions from research on the future of work, where leaders will need heart as well as brains if they are to give their employer a competitive edge. Therefore, in the same way that the financial and professional services sector incentivises managers who exhibit a high level of competency, the GOOD FINANCE framework advocates for an investment in managers who are high in empathy. These managers are both highly competent at executing their own tasks, in addition to enabling their team members to deliver their work to the highest level of quality. Overall, this requires:

i. Promoting individuals into leadership roles who demonstrate authentic, empathetic, and inclusive leadership traits.

ii. Investing in upskilling highly competent colleagues to become leaders that demonstrate authentic, empathetic and inclusive leadership traits.

We note that for real culture change to happen a firm needs a sufficient number of authentic, empathetic and inclusive leaders to reach a tipping point. Tipping is a powerful mechanism for change in gender representation within organisations, particularly when an occupation changes from being predominantly led by highly competent managers to being led by highly competent empathetic leaders. Estimates of tipping points in professional roles range from 25–45%.

COMPETENCY-EMPATHY

THE GOOD FINANCE SCORECARD: MEASURING PROGRESS IN COMPETENCY-EMPATHY

Below is a set of process, action and inclusion indicators that allow firms to measure their progress in enabling leadership through competence and empathy. We recommend scrutinising the action and inclusion indicators at the team level so firms can get clarity on the progress specific managers have made in becoming inclusive leaders. Additionally, we recommend scrutinising the action and inclusion indicators at the team level disaggregated to allow comparisons of women as compared to men so you can get clarity on whether women are getting equal voice and visibility. We note that the inclusion indicator is one of a set of indicators (see table on page X) that we recommend for measuring inclusion at the firm level.

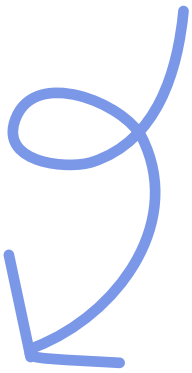
Measuring progress in Competency-Empathy:

Process: % of managers trained by the firm to lead with empathy, inclusivity and authenticity.

Action: % of colleagues whose empathy, inclusivity and authenticity were assessed as part of their promotions process (we recommend that this assessment involves the self-reported data from team members on whether the colleague being considered leads with empathy, inclusivity and authenticity if they already are managing people (see inclusion recommended survey question below).

Inclusion: % of colleagues who self-report that they are being led with empathy, inclusivity and authenticity by a manager

Recommended survey question: Thinking about your day-to-day experience at work, would you say that your manager leads with high levels of empathy, inclusivity and authenticity? [response options i) yes ii) no iii) sometimes].



CONCLUSION

The GOOD FINANCE framework is unique. It brings themes identified by a diverse set of interviewees and roundtable participants into a framework that, if implemented in its entirety, would create a better working environment for all employees.

There is nothing in the framework that wouldn't benefit all workers, including women. The GOOD FINANCE framework identifies 10 themes, recognising that there is no silver bullet to create inclusive organisations which retain talented women.

In this publication we have focussed on enabling firms to operationalise the GOOD FINANCE framework, by giving specific guidance on the steps firms can take to operationalise each theme, in addition to giving specific guidance on how progress can be measured. We hope very much that The GOOD FINANCE 'How To' Manual is used in this spirit, with the ultimate result being a more inclusive financial and professional services sector.

ABOUT GRACE LORDAN:

Dr Grace Lordan is the lead researcher on the ACT research programme. She is the Founding Director of The Inclusion Initiative and an Associate Professor at the London School of Economics and Political Science. Grace's research focuses on inclusive leadership, women's progress in the workplace, the future of work, productivity through diversity and individual success. Her academic writings have been published in top international journals and she has written for the Financial Times, Fortune, MIT Sloan Management Review and Harvard Business Review. Grace is a regular speaker and advisor to blue chip finance and technology firms. Think Big, Take Small Steps and Build the Future you Want, is her first book.

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