

# WOMEN IN FINANCIAL SERVICES

Time to address the cost-benefit conflict



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# Elizabeth St-Onge Partner

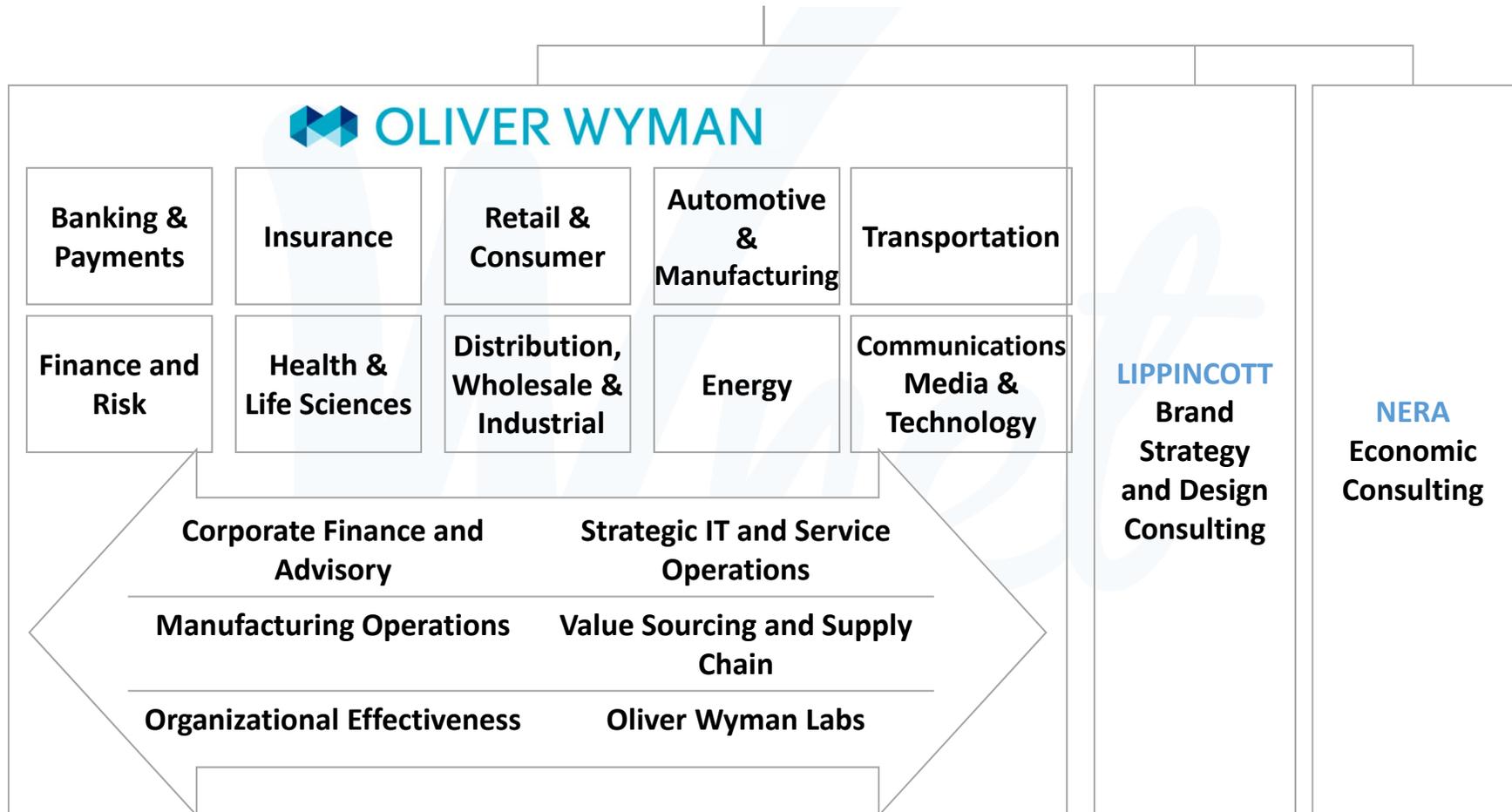
Oliver Wyman Financial Services

WOMEN IN FINANCIAL SERVICES:  
Time to address the cost-benefit  
conflict

Brief background: Oliver Wyman is a leading management consulting firm across multiple industries globally – with more than 3,700 staff in over 50 offices



## OLIVER WYMAN GROUP



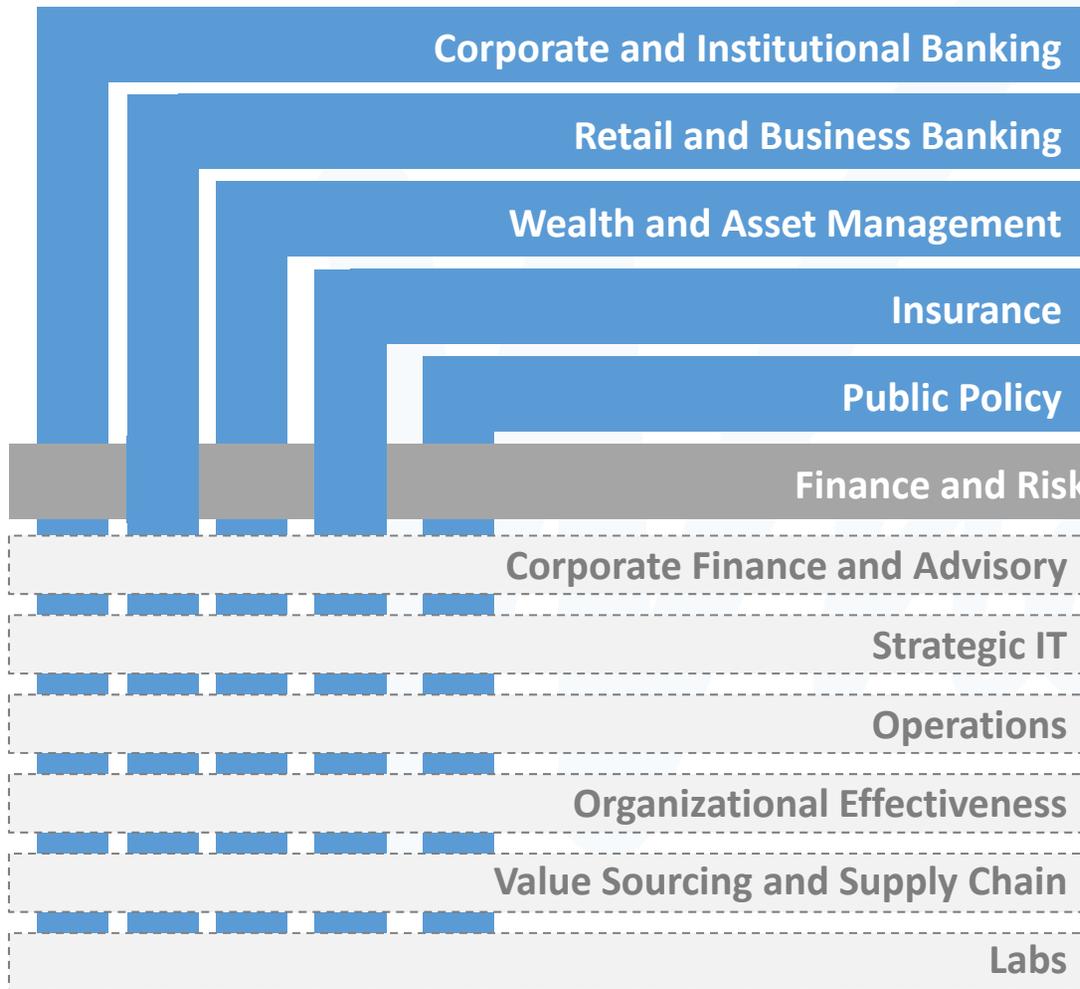
Source: Oliver Wyman



# Oliver Wyman's Financial Services practice group brings deep industry expertise and broad functional capabilities to leading financial institutions



## Industry groups



- We have over 210 Partners dedicated to the financial services industry globally
- We have an unparalleled understanding of the market structure, economics, and key trends
- 90% of our business is from repeat clients, who include
  - Over 75 of the top 100 global financial institutions
  - Regulatory and government agencies
  - Top private equity firms

OW horizontals

## The industry's failure to make meaningful progress on female inclusion is the imperative behind the 2nd edition of Women in Financial Services Report



- Despite general recognition that a diverse workforce has numerous business benefits, the Financial Services industry is failing in terms of creating an *inclusive* environment required to optimize the benefits of diversity
- We believe that structural and programmatic efforts are important to retain women – but alone they are not enough. Underlying issues related to culture, practices, biases and management must also be addressed
- For many women, it comes down to a cost-benefit decision – including for Millennials who may choose to leave the industry at a faster rate than previous generations
- Many of the challenges faced by the industry (i.e. competition, innovation, culture/conduct, trust, sustainability) can be addressed by engaging, empowering, and inspiring a diverse workforce

Source: Oliver Wyman

The conclusions and recommendations in our Report are built on interviews with more than 100 executives and thorough analysis

## Our research



ExCo and Board data of **381 companies** in **32 countries**



**>100 interviews** with female and male senior leaders of the industry in **>20 countries**



Survey of **850** financial services professionals



Collaboration with **Mercer, the 30% Club, and Women's World Banking**



Multiple **focus groups** with **Millennial women**

Source: Oliver Wyman

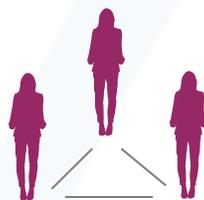
Firms across the industry have invested significantly over the past decade in programs and structural changes to be ‘more welcoming’ to women...

In addition to family and work-life flexibility structures (that benefit both male and female employees), the industry has invested in female recruitment, retention, and development programs



### Recruiting

- College campus recruiting
- Panels on campuses hosted by executive women
- Back-to-work programs
- Postings through women’s organizations



### Networking

- Formal mentoring and sponsorship programs
- Women’s networks
- Speaker series and panels
- “Lean In Circles”



### Training

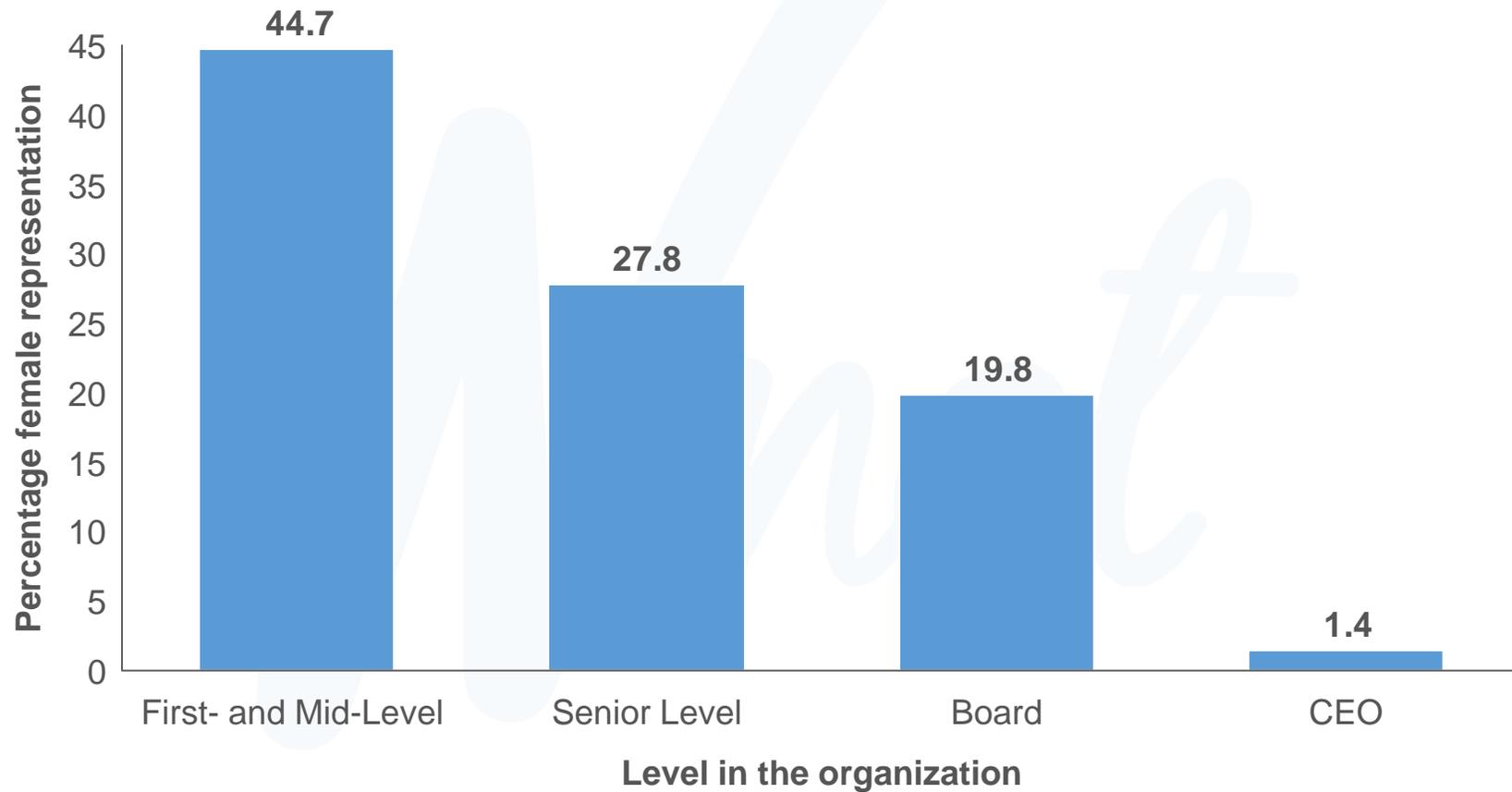
- Executive training programs
- Women’s leadership training
- Workshops for building personal brand

Source: Oliver Wyman

...but we are not seeing the progress we would expect given the levels of investment and effort



### Percentage of women in S&P 500 finance industry By level

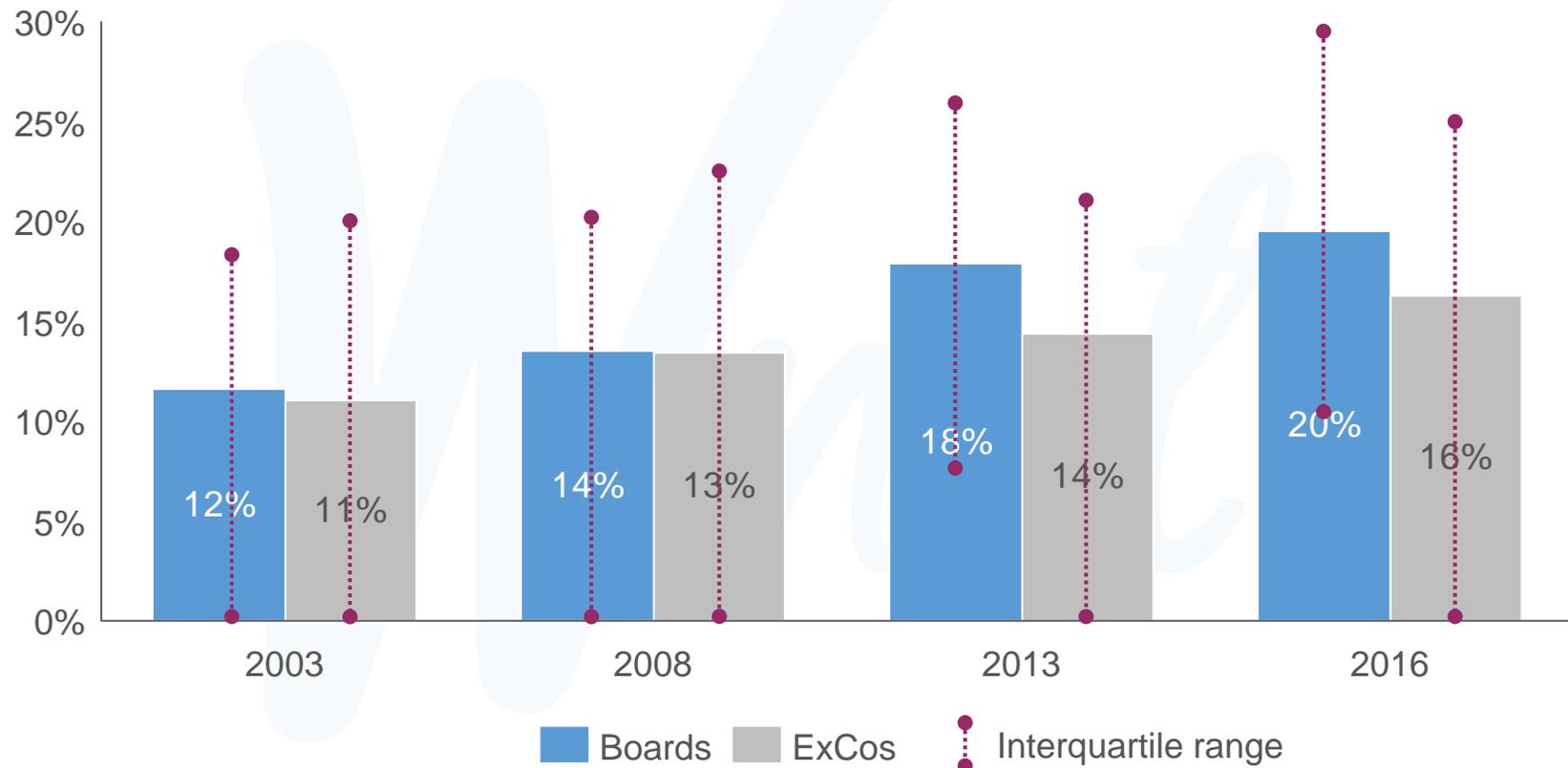


Source: Catalyst

At current rates of growth, financial services will reach 30% female ExCo representation only 30 years from now

## Female representation on Boards and ExCos

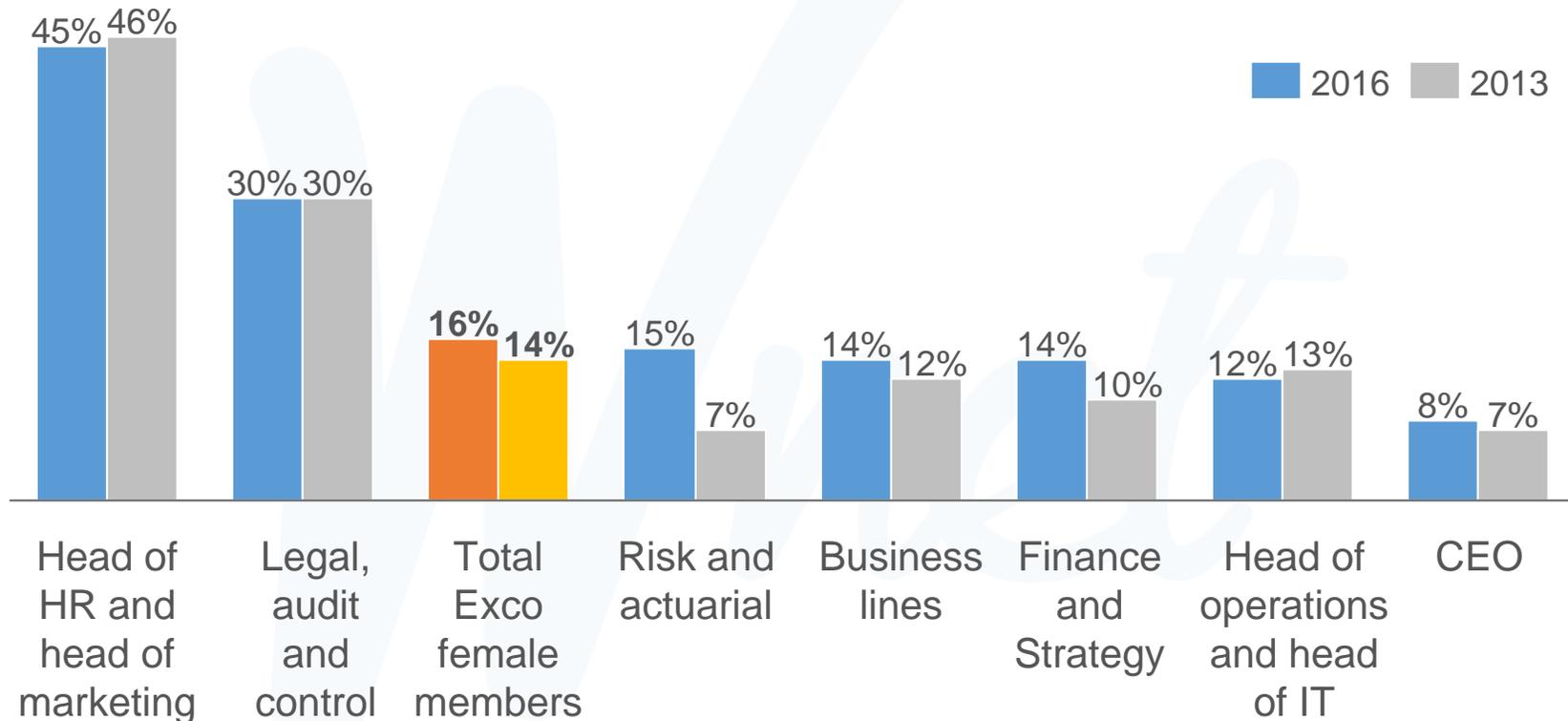
381 firms across 32 countries



Source: Oliver Wyman analysis of organization disclosures

The aggregated numbers also don't tell the full story – as they hide the fact that female representation tends to be segregated in certain functions

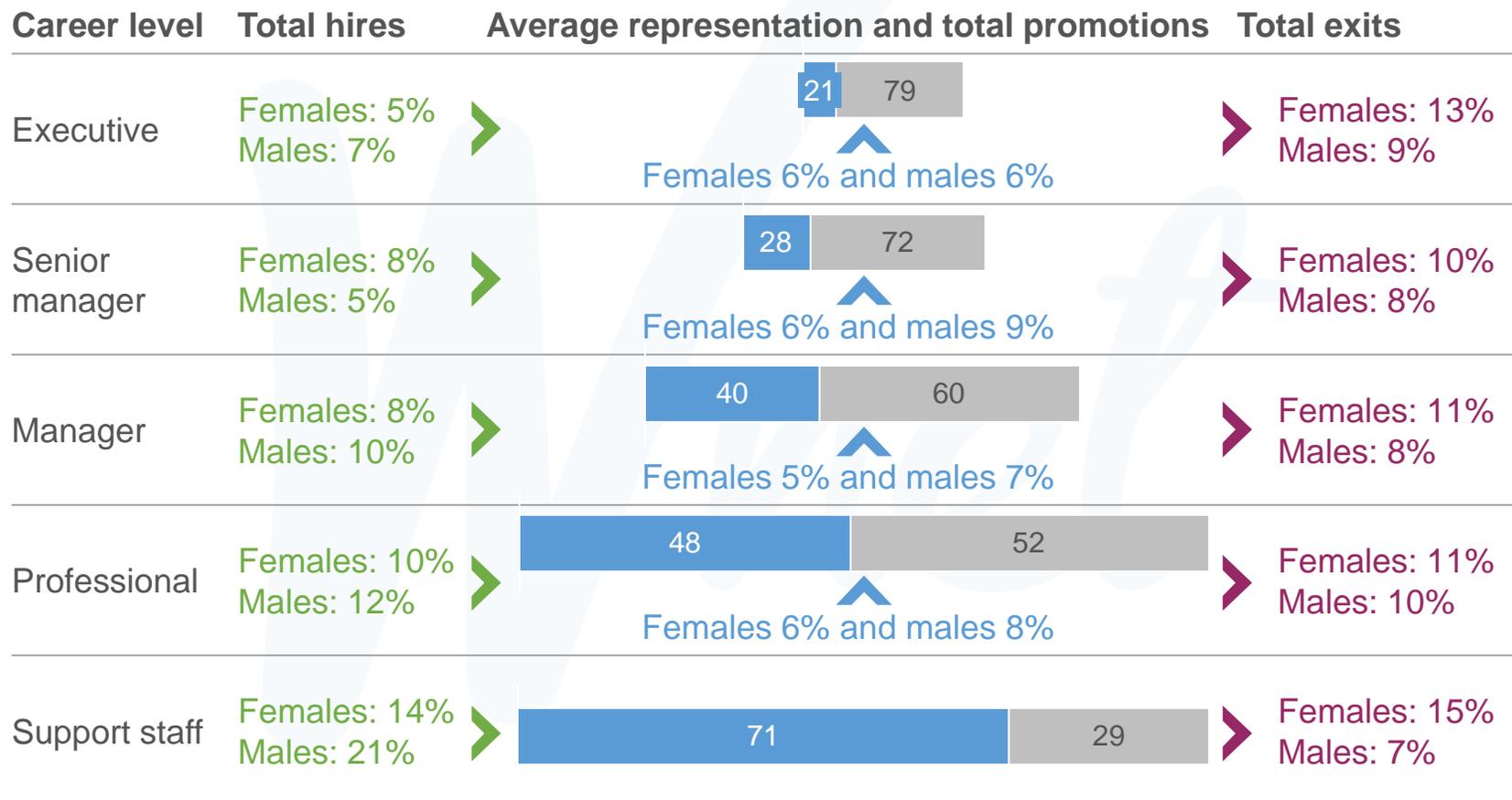
### ExCo female representation by functional area



Source: Oliver Wyman analysis of organization disclosures

And while we might be tempted to assume that in time, the numbers will organically right-size, the reality is that at every level women are entering at a slower rate and leaving at a higher rate than their male peers

### Financial Services internal labor market

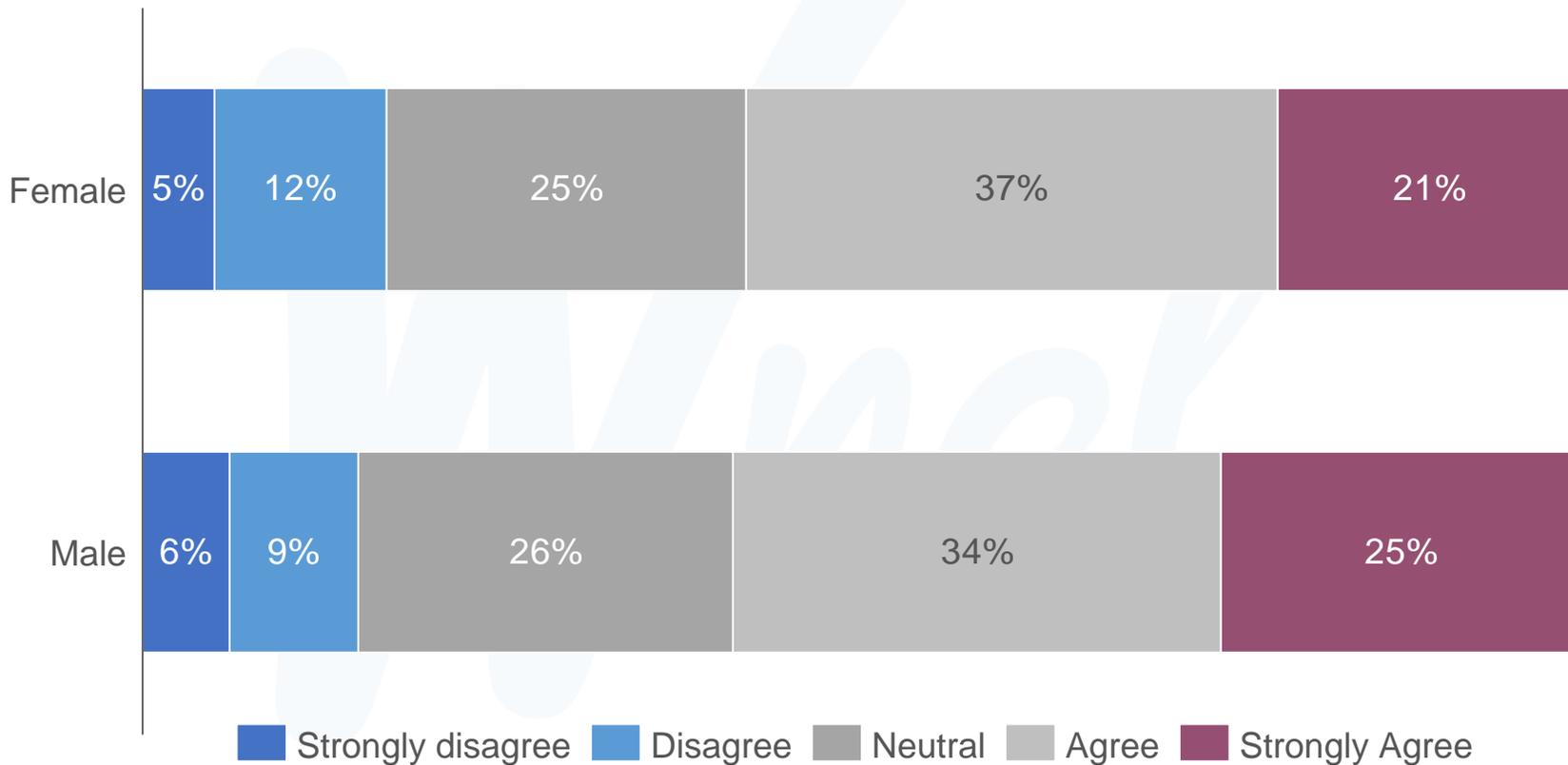


Source: When women thrive, Mercer, 2016

Female Male

Another “easy” explanation we often hear is that women are less ambitious than their male peers – but our research shows that both genders are similarly driven

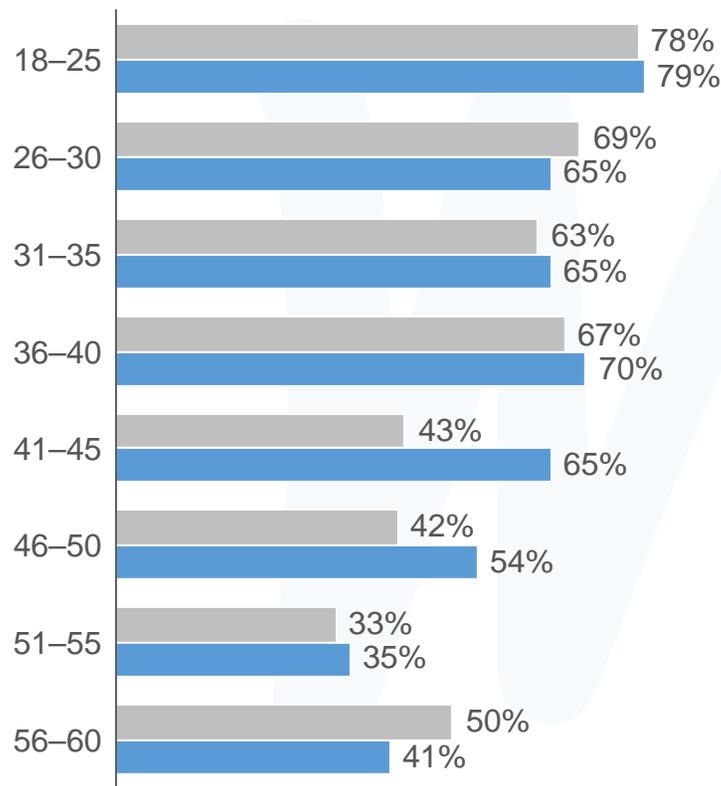
**Overall survey response to question:**  
***“I want to reach a senior position in my organization”***



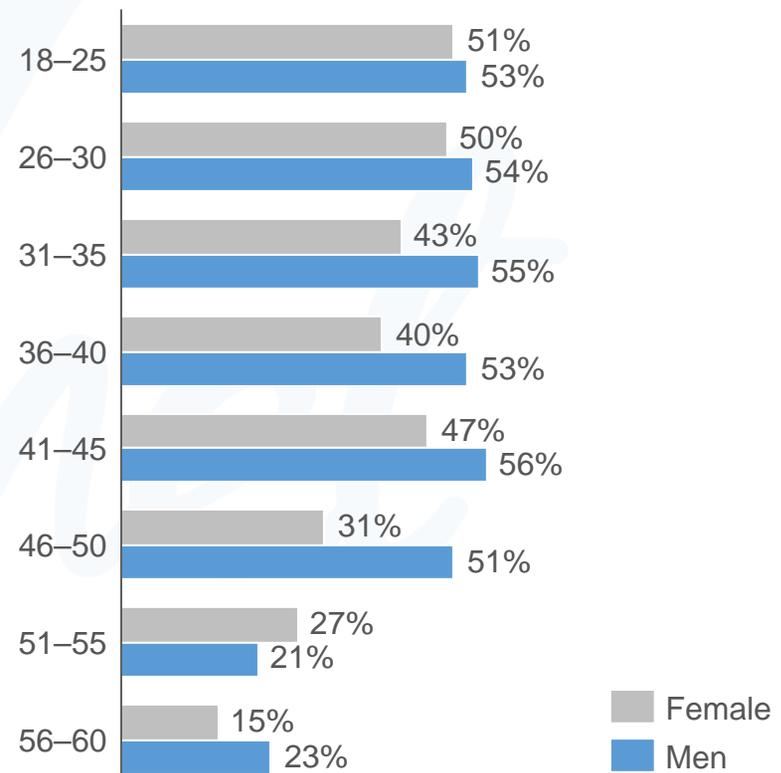
Source: Oliver Wyman survey

A deeper look at the numbers showed us a ‘mid-career’ conflict that women face – they start as ambitious, but their numbers drop far more than men’s

***“I want to reach a senior position in my organization”***



***“I am willing to make sacrifices in my private life to reach senior position in my organization”***



Source: Oliver Wyman Survey

## So what is happening?



### Myth busted

Women are overall as ambitious as men, but face a mid-career conflict



### Voting with their feet

In financial services, women are 'voting with their feet' – they are leaving with 20–30% higher probability than their peers in other industries

*“I came into my career in financial services with aspirations to make it to the top. But now, five years into it, I am planning my escape.”*

*“When I came into this bank, I believed that someday I would be the one leading it”*

*“After a few years, you reach a point where you realize you don’t want to put up with this nonsense anymore... The opportunity cost of doing the job just gets too big, so you leave.”*

Source: Oliver Wyman focus groups with Millennial women in US financial institutions

Only by questioning beyond the ‘superficial,’ do we find that many issues still remain for women in the industry – leading to a rational cost-benefit decision

## What has changed

Visible and tangible organizational structures, programs, and processes



## What has not changed

Invisible assumptions, values, perceptions, and biases

*“It’s hard to put up with the uneven treatment – and if you have no role models of women who have made it, and people at the top don’t believe you are fully dedicated, why would you keep trying? Why not follow another path that would be less difficult and just as fulfilling?”*

*“All of our senior leaders are older, white, males – they are the ones who set the culture that we experience every day, despite any programmatic efforts by the bank.”*

Source: Oliver Wyman focus groups with Millennial women in US financial institutions

Women report 4 main issues affecting their career choices – 3 of the 4 involve elements of, or are directly related to, invisible cultural drivers

Key issues reported by women in their cost-benefit analysis:



Insufficiently flexible working options and **stigma for using them**



Insufficient support for family responsibilities, for both women and for men



Shortcomings with regard to **predictable, transparent, and equitable** promotion processes and equal pay

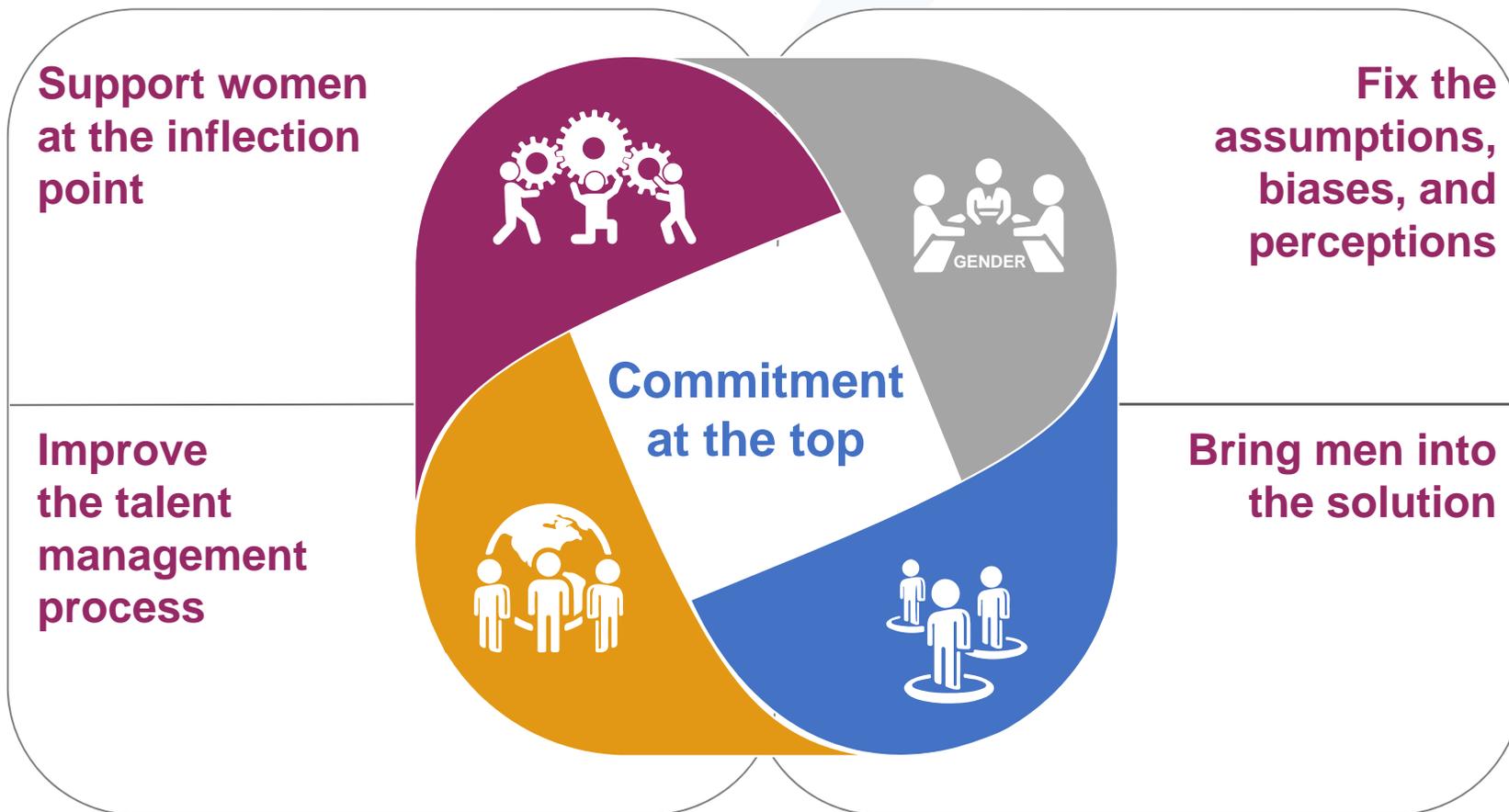


Persistent sources of low inclusion in culture affecting women such as **'invisible' unconscious biases and traditional assumptions**



Source: Oliver Wyman

We believe these issues can only be addressed with concerted (and integrated) efforts along four key dimensions



Source: Oliver Wyman

There are a few immediate next steps institutions can take to understand root causes and start to address the more complex underlying issues

1. Understand your own female workforce story:
  - What are hiring, retention, promotion, and attrition numbers telling you? At each level, are women joining and/or leaving at equivalent rates to men? Are there inflection points you need to be aware of? Are there female ‘concentrations’? Have you performed a pay and progression gap analysis? What are the women themselves telling you about their experience?
2. Assess what efforts are focused on the visible/structural elements vs. on the invisible beliefs/perceptions/behavioral elements. Understand and evaluate culture
3. Take a more deliberate view of how women (especially high performing ones) are managed, trained, evaluated, promoted, *treated*...Have a strategy
4. Encourage men to take advantage of structural/programmatic offerings
5. Set ambition levels and goals – and hold leaders accountable

Source: Oliver Wyman



**Wnet**

empowering women  
in payments