



**Seeing is believing:  
Clearing the barriers  
to women's progress  
in financial services**





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# Introduction:

## Window of opportunity

**Even as more women are moving into senior leadership positions within financial services (FS), many still struggle to progress during the pivotal middle years of their careers. How can the barriers to rising to the top be cleared away once and for all?**

The postmortem of the global financial crisis led many in FS to question whether the industry might have been less prone to disaster if the male-dominated leadership had been more diverse. From this stemmed a series of initiatives that have already had a material impact on the makeup of FS leadership. For example, a PwC study in the US shows that banking and capital markets have the highest percentage of women on boards (26%) of any major industry.

Other developments include the more than 200 FS companies that have signed up for the UK government – sponsored Women in Finance Charter, which encourages signatories to include internal targets for

gender diversity in senior management and publicly report on progress towards these targets. For now, the **still limited** representation of women in senior management is reflected in gender pay gaps. In the UK, for example, women working full-time face a larger pay gap (31%) in financial and insurance activities than in any other sector. Research in the US reveals that insurance and finance have some of the biggest gender pay gaps. Statutory disclosures and job comparison sites are increasing the spotlight on such barriers to progress.



*Women are still overlooked and underpaid.”*

FS survey participant, Singapore

*“Men are more valued than women.”*

FS survey participant, Spain

Career advancement for women in FS presents something of a paradox; the progress at the very top isn't yet reflected in mid-tier management or executive committees, where moving up the ladder remains frustratingly difficult. More representation of women in senior roles is an important step, but it is not enough.

### *High-potential talent perspectives*

So, what's holding women back in FS, and how can this be overcome? In 2018, we surveyed 290 professional women ages 28 to 40 who are working in FS about their aspirations, how they feel about their prospects for advancement and what they see as potential obstacles to successful careers. The FS sample forms part of a survey of 3,627 professional women from across all sectors worldwide; the age range was chosen as this is the period in working lives where the gap between men's and women's progression begins to widen and the challenges of combining careers and personal priorities increase.

There are some encouraging signs. More than 80% of the women working in FS are confident about their ability to lead and to fulfill their career aspirations. And they are taking the initiative: More than 60% say they have negotiated (proactively pursued/proposed) a promotion in the past two years, compared to less than half of the participants from all industries (48%).

Yet our survey indicates that FS is behind other sectors in tackling many of the barriers that prevent women from reaching their potential. More than half (54%) of women in FS believe that an employee's diversity status (gender, ethnicity, age, etc.) can be a barrier to career progression in their organisation, compared with 45% of women in all industries. More than half (53%) are also worried about the impact that having children might have on their career, compared with 42% of women in all industries. Nearly 60% of new mothers in FS feel they've been overlooked for career-



*“The glass ceiling is definitely still an issue, as is the concept of the old boys’ club. Maternity/paternity [leave] carries a negative stigma. Child rearing will haunt my career progression.”*

FS survey participant, Canada

advancing opportunities (e.g., promotions, special projects, etc.) after returning to work, compared with less than half of the women from all industries (48%).

Addressing these concerns is essential if companies are to attract and retain talent. It will also enhance your reputation in the marketplace, particularly at a time when the issue of harassment and workplace behaviour has become such a focus. Here FS lags behind other industries in addressing women's concerns. Our survey shows that 43% of women in FS have experienced inappropriate language, insults or bullying, 36% have faced sexual innuendos or sexual harassment and 28% have been the victim of physical harassment. These responses are higher than the survey sample from all industries. Harassment and bullying are unacceptable in the workplace, and boards need to take the lead in eradicating such behaviour.

### *The way forward*

So, how can your business create a safe and supportive environment where women can reach their potential? In a previous report, “Making diversity a reality,” we looked at the importance of setting the right tone from the top – leaders leading by example – and how to tackle the biases that can hold women back. Drawing on the perspectives of the women in our latest survey, this report looks at the following:

1. The importance of transparency, dialogue and trust in convincing women they can succeed in your organisation, and helping them understand what they need to do to progress. It will show if you are committed to delivering on your promises on diversity and inclusion.
2. The need for active management support to identify future leaders and ensure they acquire the necessary experience and access to networks to enhance their development.

3. Creating an environment that enables women to balance their personal and professional aspirations in a culture that embraces rather than simply accepts flexible working.

### *Watershed moment*

The focus on rights and equality in the workplace has never been more intense. While this is clearly a challenge, it also provides a window of opportunity to boost diversity and inclusion within your business and reap the benefits. In this report, we look at how you as a leader and an employer can make this possible.

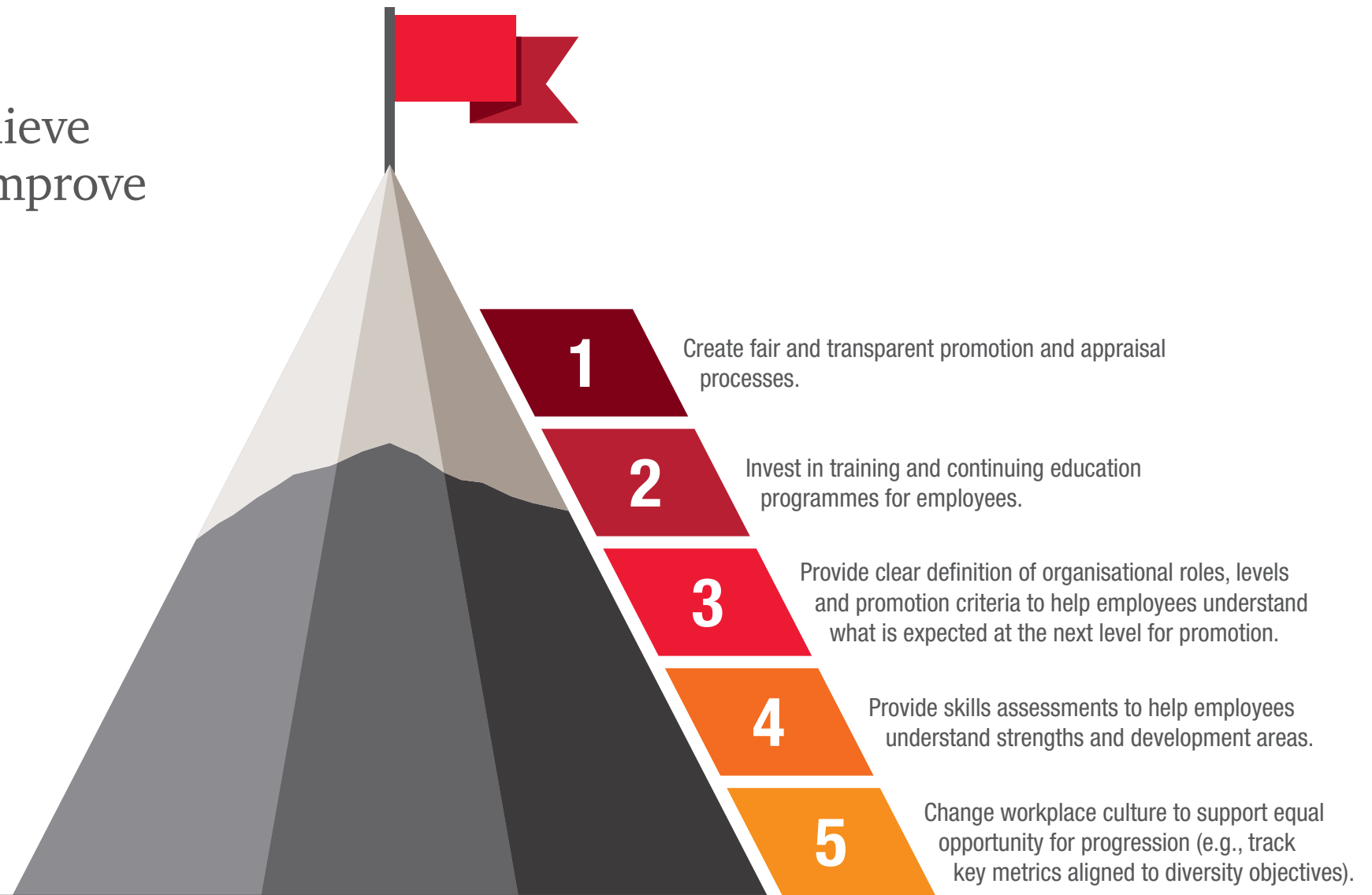


**Jon Terry**  
Global FS HR Consulting Leader

### *Why are we focusing on ages 28 to 40?*

Up until people’s late 20s, the earnings gap between men and women is relatively small. Yet by the time they reach their 40s, men have pulled ahead by a significant margin. In the UK, for example, gender pay gap statistics reveal a gap of 2% between women and men ages 18 to 39. It widens to around 13% for full-time workers ages 40 to 49. Surveying women ages 28 to 40 provides useful insights into what’s holding back equality and how it can be tackled during this pivotal period in their personal and professional lives.

## Top five actions women believe employers should take to improve career opportunities





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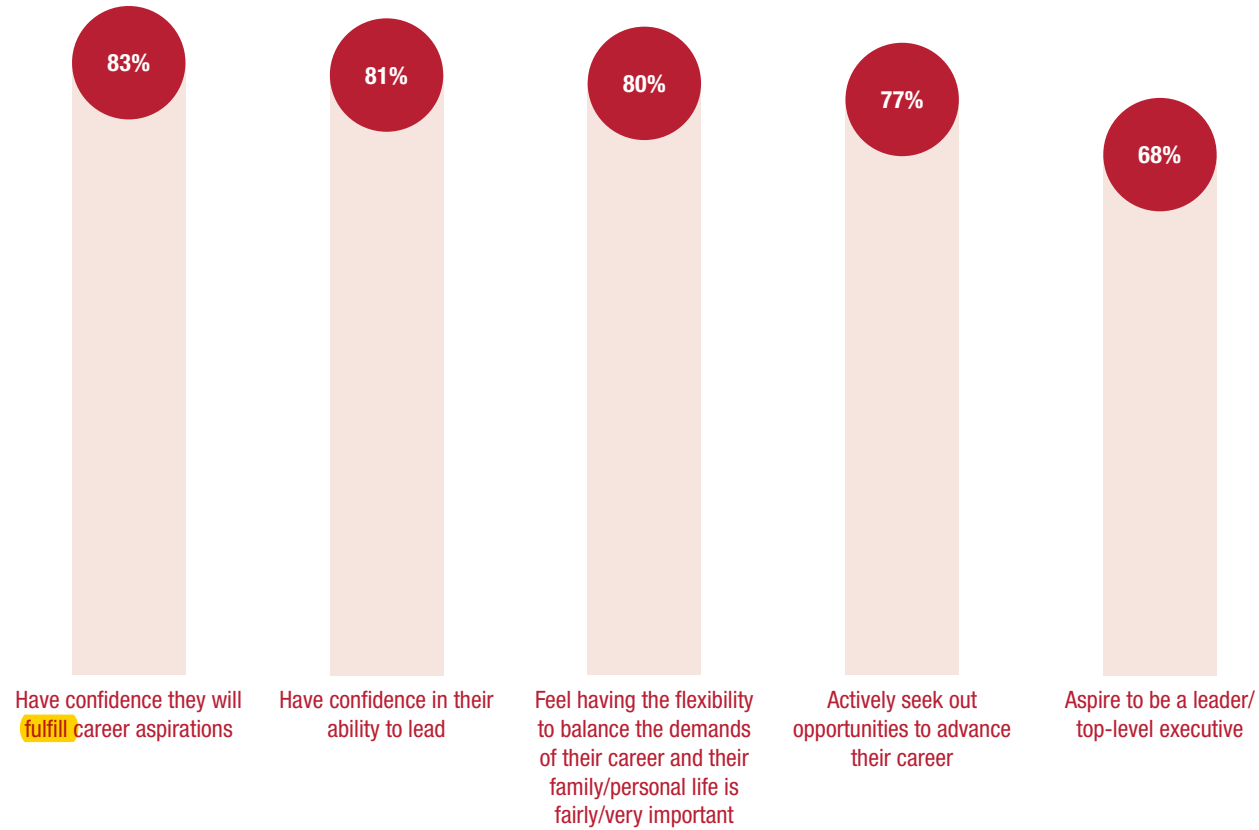
## Transparency and trust: Knowing what to expect

Women in FS are confident about their ability to lead and succeed (see Exhibit 1). Yet many question whether their aspirations can be met in their current organisation. Can your business afford the loss of talent this frustration could cause?

Exhibit 1

# Confidence and aspiration

Women in FS are determined to succeed professionally, while remaining true to their priorities



Source: PwC's Time to talk survey 2018.

More than 80% of the women working in FS are confident that they will fulfill their career aspirations. They don't all want to be CEOs; they want to get as far as they can. Eighty percent stressed the importance of having the flexibility to balance the demands of their career and their family/personal life (60% see this as very important, and 20% as fairly important).

Can these reasonable aspirations be met? Despite the fact that 85% of FS CEOs say they have programmes to promote talent diversity and inclusion, more than half of women in FS believe an employee's diversity status can be a barrier to career progression in their organisation (see Exhibit 2). This highlights a potential trust gap between what employers say and what employees believe. It also highlights the extent to which many women feel that their skills are less valued than those of men, and that they have to work much harder to get ahead. An earlier PwC survey revealed that the top reason female millennials in FS left their last employer was that there weren't enough opportunities for career progression.



*I feel that there is still a mentality that women are secretaries even in positions of higher rank. Expected to schedule the meetings, wipe the table, etc."*

FS survey participant, US

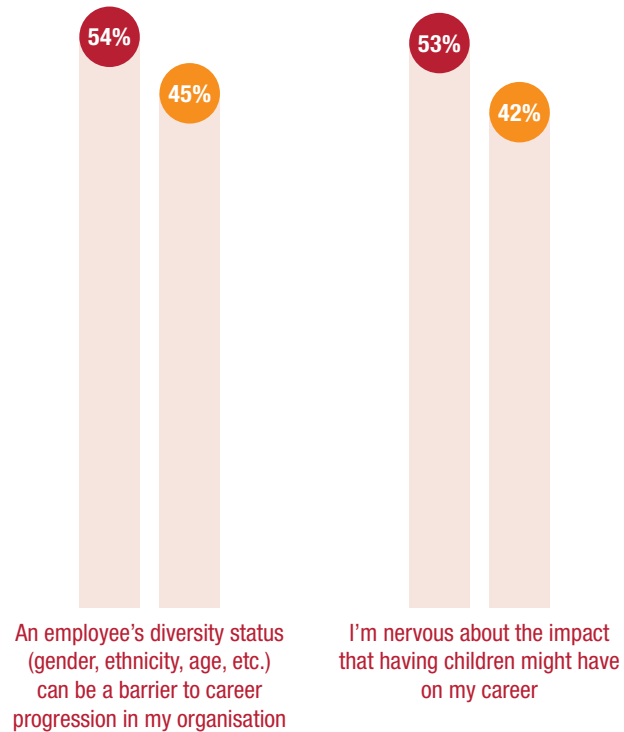
*"I think there needs to be more support and understanding for the different skill sets women can offer and more encouragement for women to take up more senior positions."*

FS survey participant, UK

## Exhibit 2

## Barriers remain

Women in FS are more worried about their prospects within their current organisations than women employees from other industries



● FS ● All industries

Source: PwC's Time to talk survey 2018.

### Opening up

Statements of intent on diversity and inclusion and a few sporadic initiatives aren't enough to convince women that a company is serious about diversity, especially when comparative information on equality is readily available and the failings of businesses that fall short are actively shared on social media.

What **comes clearly** from the survey is the vital importance of openness, dialogue and honesty in giving women confidence in their prospects. Women in FS picked creating fair and transparent promotion and appraisal processes as the most important of nine possible steps employers should take to improve career development opportunities. This should also be supported by clear definitions of organisational roles and promotion criteria to help employees understand what is expected of them to reach the next level for promotion. This was women's third most important ask from the list of priorities.

From our experience at PwC and working with clients, it's clear that there are a number of practical steps that can help to open up the selection process and ensure women have an equal chance of success. To encourage more women to apply for promotions, for example, it's important to review the job criteria for each role and the language used to communicate it through a diversity lens. Could "opportunities for travel" be off-putting for candidates with childcare commitments, for example? Could gender-neutral language such as "desire to develop" be more universally appealing than overtly masculine words such as "aggressive," which many women may take as a sign that their chances are limited?

Following initial screening, many FS organisations now ensure that women are represented on all short lists. This can be augmented by unconscious bias awareness training and ensuring that the interview panel is itself diverse.

“

*Senior management continues to promote in their own likeness. This is the culture that has to change.”*

FS survey participant, Singapore

To track progress and identify departments in need of intervention, a number of FS organisations now measure the gender balance at each stage of the career ladder. If the bulk of promotions are going to men, for example, promotions will be monitored and analysed to identify where bias is impacting career advancement. Organisations can then intervene and ask why this is happening and if it is justified, and if not, they can discuss how career advancement can be made more equal. Further steps include comparing progress being made by men and women earmarked for leadership roles. Aligning progress against diversity targets with performance objectives and incentives can provide powerful impetus for righting any imbalances. And while some organisations prefer not to set targets, measurement and monitoring remain critical in pinpointing the diversity hot and cold spots within your organisation.

Public transparency is also critical. Statutory public disclosure in areas such as gender pay are bringing diversity issues out into the open. Going beyond the minimum requirements to disclose your objectives on diversity and inclusion, chart progress against them and establish what you're doing to sustain improvement will help to assure women and other groups underrepresented in senior management that you're serious about making sustainable change.

### ***Creating a safe environment***

The survey raises questions about the values and culture within some FS organisations. In the past two years, 60% of the women in FS have been talked over/ignored during a meeting. A similar proportion report that credit was given to someone else for an idea they had initially brought up in a meeting. Transparency and trust are critical to tackling discrimination.



*I have to put forward more ideas in a formal setting as I'm not heard otherwise."*

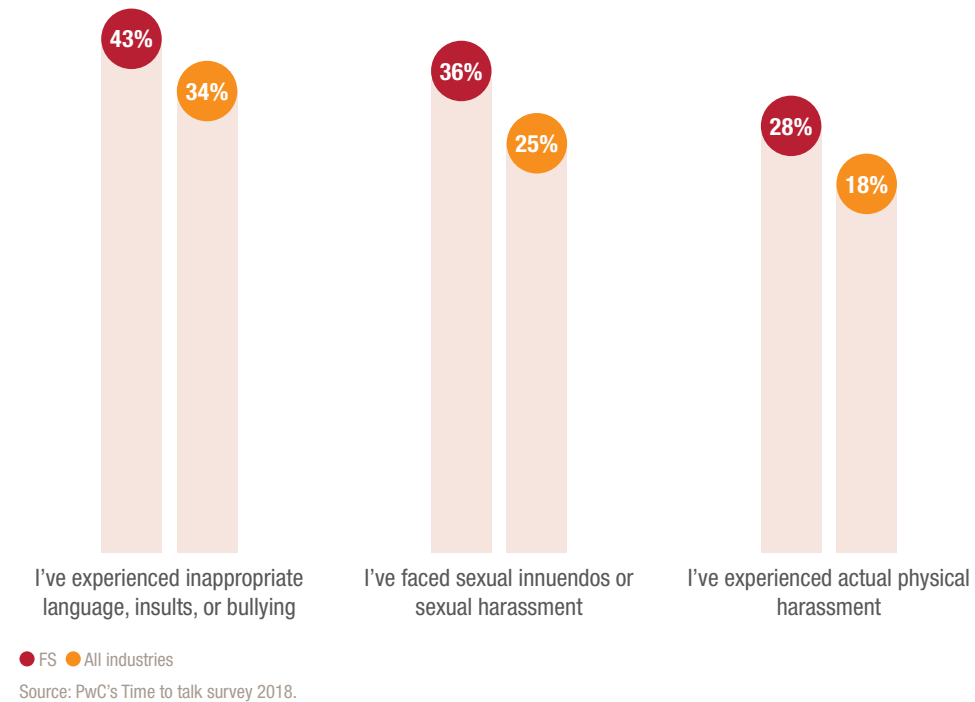
FS survey participant, UK

More troubling still are the incidences of bullying and harassment (see Exhibit 3). Companies need to ensure that behaviour of this kind results in consequences even if the perpetrator is a leader or star performer. You can't win women's trust unless this happens. This is as much about cultural change as disciplinary procedures. Clear and decisive action is therefore needed to show women that their concerns will be taken seriously, rather than being ignored or, worse still, leading them to being penalised for speaking out.

Exhibit 3

## Incidence of bullying and harassment

Levels of bullying and harassment within FS are higher than the average for all industries in the past two years





2

## Active management support: Creating pathways for advancement

Effective managers go beyond giving clear instructions – they use their leadership to develop, promote and support those who report to them.





*Women have to work harder to climb the corporate ladder and to stay at the top. Women will benefit from having career coaches and mentors to help them sort out their priorities.”*

FS survey participant, Singapore

Formal and informal support networks are essential for women to succeed. Although men have had access to these networks for years within FS, they are less well-developed for women. That’s why management support is so critical in identifying future leaders, giving them opportunities to develop their capabilities and providing them with access to mentors to learn from and act as advocates for their talents and potential.

The survey findings reveal a correlation between women whose managers provide career opportunities and women who have confidence in their ability to lead and rise to the most senior levels within their current organisation.

It’s encouraging that a majority of respondents are getting some support. For example, nearly two-thirds say their managers understand and support their career aspirations. For more than half (57%), this support includes helping to expand

their network of contacts and giving them stretch assignments to provide them with accelerated opportunities for development. More than two-thirds (69%) report that their managers give them exposure to senior leaders and act as advocates to help open up opportunities such as promotions.

For managers, providing the right kind of support requires both commitment and process: mobilising networks for women and sustaining the talent pipeline won’t happen by themselves.

The visibility of role models is crucial. Only about half the women in FS see role models like them at senior levels. “I left my first job at an investment bank because there were no female managing directors I could relate to,” said a participant. Mentors and sponsors also form a crucial layer in the networks of support. Mentors help talented employees navigate the path to success. Sponsors help push them to the next level. Among the ideas

emerging from the research is an accountable mentoring/sponsorship system in which the mentor/sponsor is measured and incentivised on the progress made by the mentee. Given participants’ high level of anxiety about the impact of having children on their careers, the research also highlights the importance of ensuring that advice and guidance cover the work-life questions that many women are likely to ask. They need reassurance about whether they will be taken seriously if they move to flex-time and how that could affect prospects for promotion.

3

## Agile working: Balancing personal and professional aspirations

While essential in helping parents and carers to balance their personal and professional lives, flexibility is often available in name only.







Caring, whether it is for children or relatives, can change the course of careers. And the impact is increasing as many professional women have children later in life at a time when they will have established their careers and their employers will have made a considerable investment in their development. The need to care for aging relatives is also increasing.

That's why establishing flexible working arrangements that work for both the employee and the employer are vital. And that includes ensuring that your employees won't be penalised if they rearrange their working lives around family commitments. Today flexibility isn't just about balancing professional and caring responsibilities. For the generations coming into the workforce, it is an expectation, which ties in with digitally enabled ways of working.

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*Work flexibility is important for employees and employers who wish to get the best out of their employees. Organisations need to evaluate output and not time spent in the office.”*

FS survey participant, South Africa

*“Maternity leave and child-care leave exists and is utilised, but when it is time to actually use it myself, I am anxious about whether I will be able to return to my current department. I think at least it will affect my career progression. It is necessary to improve the environment so it's possible to work without this kind of anxiety.”*

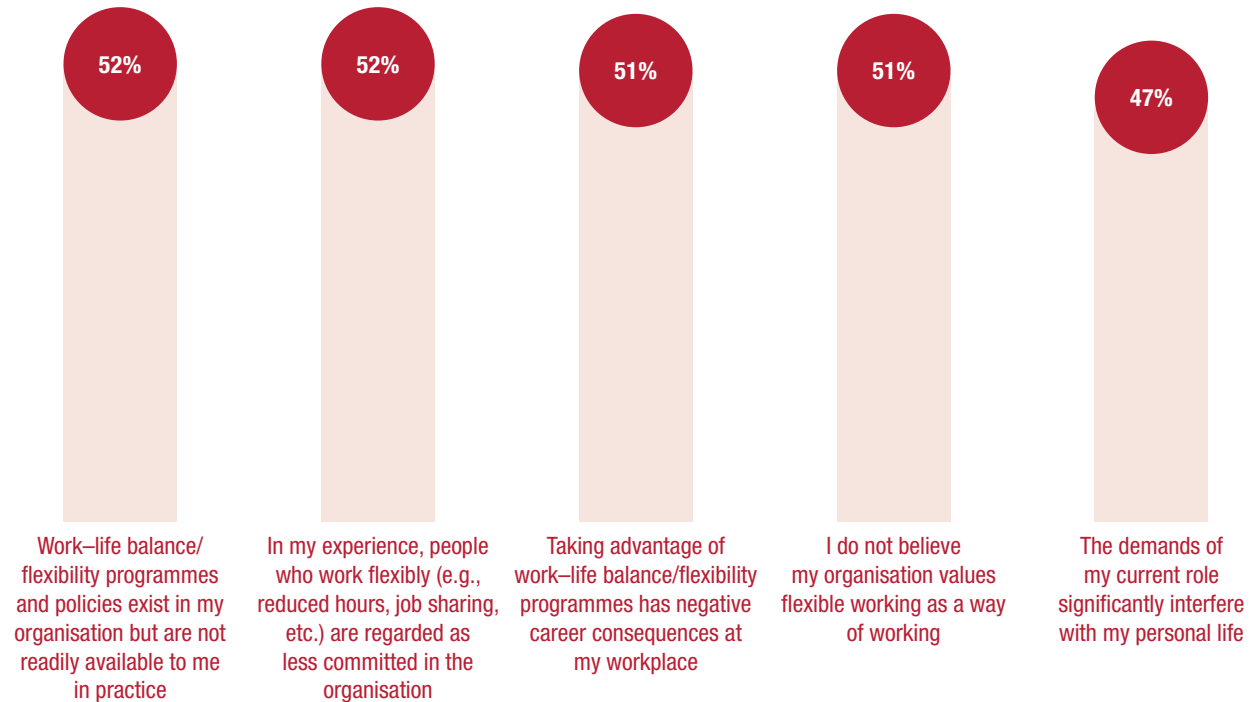
FS survey participant, Japan

However, while most women in FS report that flexible working is available, many women believe that flexibility still carries a stigma that could harm their careers (see Exhibit 4). Given the low proportion of women who make it all the way to senior management, this may be true. Not surprisingly, women remain just as fearful today about the impact of flexible working arrangement on their careers as they were when we asked a similar set of questions three years ago.

Exhibit 4

## Barriers to flexibility

Women in FS fear that opting for flexible working could harm their careers



Source: PwC's Time to talk survey 2018.

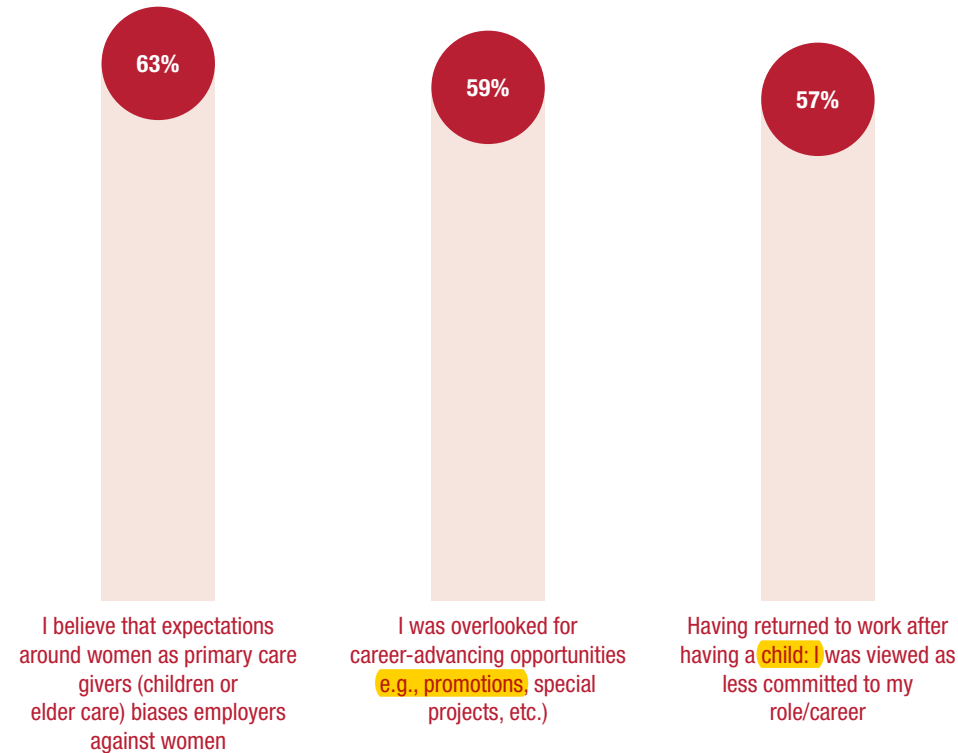
The biases can increase once women have children, creating what for many is a motherhood penalty (see Exhibit 5).

It's clear that offering some form of flexible working isn't enough to ensure that women progress in their careers. It's important to tackle the stigma and narrowing of opportunities that are often associated with it. A key part of this is challenging the assumption that 'flexibility' simply means reduced hours by seeking to promote 'agile' ways of working, which may be part-time or full-time, and are flexible in where and when work is carried out.

Exhibit 5

## The motherhood penalty

Despite steps to retain working mothers and initiatives to encourage them back after a possible career break, many women in FS still fear that becoming a mother could harm their career



Source: PwC's Time to talk survey 2018.



*"I left my previous employer as I could see they were not committed to supporting working mothers. My current employer has provided a supportive, flexible work environment and I feel equal to my peers, both male and female, who work full time."*

FS survey participant, UK

It's also important to challenge the assumption that flexible working is solely an option for mothers; staff at all levels of an organisation can and should be part of a broader shift towards more agile working arrangements. Promoting senior role models, men and women, who work flexibly can provide a useful way of confronting stereotypes.

Ultimately, flexible working should be genuinely flexible, rather than so rigid that it doesn't reflect personal circumstances and aspirations. Dialogue is therefore critical in finding out what best suits individual employees.

### ***Making working family-friendly***

DBS, a leading financial services group in Asia, is committed to providing an inclusive work environment in which every employee can develop professionally and personally. Instituting family-friendly policies, including flexible time, part-time, work-from-home and sabbatical leave arrangements, is part of how DBS meets the needs of its diverse workforce. DBS has also established a return-to-work programme to support the reentry of parents into the workforce. DBS was named Asia's best employer 2016–17. The goal is to position DBS as an employer of choice for women in the region. The strategy is working; currently 60% of DBS's workforce, 40% of its senior management and 30% of its Group Management Committee are female.



# Conclusion:

## Don't miss the opportunity

Both the findings of our survey and the data highlighting the slow pace of change in FS underline the need for companies to reorient policies, culture and attitudes.

Transparency and trust are crucial in turning diversity from words into reality – seeing is believing. This includes a fair and transparent appraisal and promotion process that assures women that they have an equal opportunity to be recognised, rewarded and moved up in your organisation. This **also** includes winning women's trust that you, as an employer, will protect them against discrimination and harassment, and take decisive action if it **occurs.**

The intensifying spotlight on pay and prospects for women should make addressing these issues an urgent priority. Talented professionals will vote with their feet and leave if they are relegated to the bottom of the agenda.

We believe that there are four key questions your organisation should consider as you look to clear away the barriers to progression for women in FS:

1. Are you doing enough to ensure that women believe they can succeed within your organisation? How do you know?

2. Do women feel safe in reporting discrimination and harassment? How do you know?
3. Are you monitoring the gender balance of selection for promotion and key assignments to help identify and tackle potential biases?
4. To what extent are you promoting flexibility as a positive choice and ensuring that your people feel that it won't bar advancement?

Developing clear answers to these questions will put your business on the road to creating a better, more inclusive environment. The action you take will help women to thrive within your organisation and give you a powerful edge in a tight FS labour market.

# PwC network contacts