

CHAMPIONING DIVERSITY IN 2020 AND BEYOND...

“It is now generally accepted that Diverse teams create better workplaces, make better investment decisions and are more successful in attracting and retaining talented staff.”

As part of our 2019 ‘roundtable’ discussions at Wessex Partners, we have focused on bringing together HR professionals, senior talent acquisition managers and a diverse group of candidates from law firms, funds, banks and advisory firms, to discuss their experiences and lend their thoughts on how we continue to drive the diversity and inclusion agenda forward. This White Paper summarises our key discussion points and findings. We would like to express our particular gratitude to Carolanne Minashi, Global Head of Diversity & Inclusion at UBS, for leading the conversation at our last roundtable and for the insights she shared.

Our discussions focused first and foremost on the issue of gender diversity, as this area has been a real target for our financial services clients over the past few years and is therefore more measurable in impact so far. Also, we believe that the reflections on the approach to creating better gender diversity have taught us many lessons that can be applied more broadly to the ‘diversity issue’, where there is still work to be done.

ARE D&I POLICIES MISSING THE MARK IN TERMS OF GENDER DIVERSITY?

It was worrying to hear some fatigue around this point during our candidate group sessions and, in a large proportion of cases, the answer to the question above is YES. The overwhelming impression was that although most companies are very focused on D&I at a corporate level, there is a big difference between the firms who truly believe in the D&I agenda and are investing in their teams in a thoughtful way, and those who merely want to be ‘seen’ to make changes, but are doing so with less commitment.

A number of well-meaning ‘initiatives’ were also seen to have a ‘deficit’ mindset that assumes that women need to be retooled, to present themselves and communicate differently and to exert behaviours that are associated with success in their male counterparts. Would it not be preferable for leaders to lead by

example and become better at managing a more diverse workforce with different needs, personalities, backgrounds and social contexts and normalities?

DRIVING A SUCCESSFUL D&I POLICY

1: Effective leadership & goal setting

It is clear from our discussions that leaders in organisations set the tone for the business as a whole and that if you want to have a clear agenda around diversity, then this needs to be clearly articulated by the board and senior management.

Organisations also need to be held to account by setting goals and targets around diversity which can be tracked, monitored and analysed. As data-driven businesses, financial services firms should have a real time and quantifiable understanding of what is going on inside the organisation and the success of the firm measured on their ability to improve these metrics.

- How many women are working at every level of the business?
- How many women have been promoted in the last year?
- What percentage of women have been hired as a proportion of the hires over the last year?
- How effective is the organisation at retaining women?
- How many women return to the workplace post a career break?
How many are still there one year on?

The above metrics are difficult to argue with, and need to be translated into aspirational targets that are revisited and assessed regularly – although the dark art of aspirational targets and quotas warrants a longer conversation.

2. MORE EFFECTIVE HIRING & TIME TO HIRE

It is a known fact that male and female candidates respond differently to approaches for new roles or job ads: most women will only apply for a role if they feel they qualify for at least 80% of the requirements, whereas men will apply if they only qualify for 30 to 40% of the required attributes. In our experience, women also take



longer to engage with a headhunting process. In an environment where headhunting firms and internal talent acquisition teams tend to be mandated when there is a business-critical and time-sensitive need at a senior level, the time to hire is often limited. This typically results in a less diverse group of candidates, as the process often focusses on the 'usual suspects'.

It is also a challenge to construct a diverse shortlist when the immediate candidate population is not representative. So, what is the solution? Below are some thoughts from our group discussions:

- At the senior level, where there are only a finite number of women in the market globally, when one bank or fund hires a woman, they are only pushing the problem onto the next bank or fund that has just lost that woman. A focus on hiring and retaining a more diverse junior bench across the industry is incredibly important if we want to see a better representation of women in the senior talent pool over time. Nevertheless, the financial services industry should be introducing initiatives to target women at every level (from entry level upwards), including at school and university level to make sure that the industry attracts our top graduates through work experience, internships, apprenticeships and graduate schemes.
- 'Out of the box thinking' in terms of senior hires is required: alternative pockets of talent may be more difficult to identify but could yield some positive results. For instance, focussing the hiring process on skillsets rather than purely on individuals in a comparable seat at a direct competitor would generate a broader pool to choose from. This process will produce candidates that are less 'plug and play', but it will help to widen the talent pool and build a team with different perspectives and experiences, as well as better gender diversity. However, there must be a recognition here that these candidates will need time and the right level of support to retool or be reintroduced to the workplace. These 'pockets of talent' could be found through back-to-work schemes, identifying women that have moved sideways into other roles, speaking to individuals in relevant corporate teams etc. The mindset also needs to evolve to embrace the certainty that the talent is out there, and that it is about refining where and how we look for it. If we keep taking the same approach to hiring and growing talent within our organisations, then invariably we will get the same results.
- In our experience, the organisations that are most successful at hiring are proactive when it comes to developing their teams: they have external and internal 'talent developers' who identify and cultivate relationships with talented women outside of their business on an ongoing basis. These individuals help 'high potential' candidates to get to know their firm/their client's firm

over a period and build relationships ahead of the need to hire immediately. When it is time to hire, having an existing, warm relationship will greatly improve the chances of convincing those candidates to join. This talent scouting model can also be applied within an organisation to make the most of their own high potential/high performing women. If women are leaving an organisation to join a similar firm in a similar role, the question must be asked by the organisation as to why they are losing these women and why they didn't see the potential the other firms saw.

- 'Nudge theory', which Carolanne introduced us to, is also worth a mention. Hiring managers and recruiters (both internal and external) should be asked at the end of every hiring process whether they have considered a sufficiently diverse group of candidates and to show evidence of the steps taken. This creates awareness of what is expected and that they will be held to account.

3. SPECIFIC & RELEVANT POLICIES

- **Flexible working & work life balance** – We include this as the first bullet as many organisations instinctively revert to this point when they are thinking about their D&I policy. However, our candidates and clients noted almost universally that this wasn't typically the motivation for leaving a business – although they did say that they preferred an organisation with less emphasis on 'face time'. The most successful organisations in this area have more than just a passive policy and encourage both men and women to take advantage of flexible working without fear that this would have an impact on their careers. There needs to be a firm-wide recognition that time spent in the office doesn't result in a more productive team and colleagues need to be supportive of not having meetings late in the evening or early in the morning if they are unnecessary.
- **Parent schemes** – I know many organisations are now implementing support for working parents in terms of emergency childcare and, in some cases, care for elderly parents. These policies have been received very positively.
- **Back to work schemes/general re-entry to financial services** – some banks have enjoyed success convincing women who had left financial services to return. However, there was a sense from our discussions that organisations could be better at hiring women full-time from these schemes, especially for front office roles where there is less evidence of success. In our view, this pool of 'returners' provides a wealth of talent with some experienced and able candidates who could be valuable long-term employees.



- **Career development conversations for women** – this is about making sure that all members of a team have a forum with their managers to plan their career path and, importantly, a safe space to discuss their motivations (i.e. not just a quick chat across the desk). This is more than a generic annual appraisal or an external course, it is about managers taking the time to really manage and understand their talent.
- **Training programmes that focus on the individual** – we heard that significant sums were being allocated to training and development programmes for women which is positive. However, there was also the view that these funds must be directed to a carefully tailored career development and coaching programme which doesn't focus on the type of 'deficit' training that we have already discussed, i.e. one that is aimed at helping them adapt to an organisation that lacks diversity.
- **Mentoring and networking with other women** – developing sympathetic peer groups that may have faced some of the same obstacles and situations. These groups can be across the organisation and industry and not just within a specific team or business area. Candidates have told us that they find these social and work networks very impactful.

FINAL NOTES AND CONCLUSION

In summary, there is still a lot of work to be done to improve gender diversity in the financial services industry, especially at the senior level, but we came away from our recent discussions absolutely convinced that diversity and improving the diversity within teams is firmly on the agenda of most of our clients. With the added pressure from external stakeholders including the FCA, investors, clients and government, as well as the broader society, the issue is not going away.

To continue making progress on diversity and inclusion, any changes need to be exhibited and inhabited from the top; from the CEO and board down to management teams at every level, supported by HR and recruitment teams and partner search firms.

Thank you for reading.

Michaela