

# Women in Finance

A SPECIAL REPORT

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## 'Don't assume we're all warm and caring'

Elaine Moore finds some experts are trying to play down old stereotypes and change attitudes

News that FTSE 100 companies failed to meet government recommendations that women make up at least a quarter of their boards has come as little surprise to campaigners.

Despite a "huge leap" in the number of women appointed to non-executive posts this year, the latest report from Cranfield School of Management shows that the proportion of women on FTSE 100 boards has moved up only slightly, from 12.5 per cent in December 2010 to 14.2 per cent.

Although some companies, such as Burberry, have a high level of female representation at senior levels, others, such as International Power, have none. Half of all companies in the FTSE 250 have no female directors at all.

In the US, the story is much the same. Despite accounting for more than half of all jobs at financial companies, women fill a very small number of leadership positions in the corporate world, and the recession might be exacerbating this situation.

Female employees appear to be losing their jobs more easily than their male counterparts. Between 2007 and 2010 12.5 per cent of women working in the UK financial sector lost their jobs, compared to 8.8 per cent of men, according to the Economic Policy Institute.

New research has tried to address the disparity between the high level of education and early success of women, and their lack of representation further up the corporate hierarchy.

Rather than focus blame on inherently "male" cultures in the workplace, academics have attempted to look at issues that might be more

immediately addressed, such as a lack of mentoring for female candidates and lack of imagination from chairmen about the professions which prefer suitable board members.

One area that many researchers seem keen to get away from is a conversation about the merits of employing women because of the perceived benefits that their gender might bring.

Stereotypes that pigeonhole women as more caring and emotionally intelligent are barriers – clichés that paint women as inherently less aggressive and more scared of risk, says Michelle Ryan, professor of social and organisational psychology at the University of Exeter. She believes that women continue to be under-represented at the top because changes in policy are not necessarily directly followed by changes in attitudes.

"Although attitudes need not be overtly sexist or discriminatory, they can express relatively subtle expectations that we have about gender – for example, that women are warmer and more caring than men – and about leadership – for example, that an effective leader must be ambitious, competitive and cut-throat," she says.

These expectations and stereotypes that women who "act like men" might be seen as more "leader-like" do not even necessarily mean that these women will be more likely to succeed, as there is often a backlash against women who defy gender expectations.

Prof Ryan sees the benefits of hiring more women in the boardroom as a moral issue, rather than a performance-based one. "The systematic exclusion of women is simply a form of discrimination," she says. "But any change should not just be a numbers game. Addressing the numbers is simply the first step in a long road to equality."

Making assumptions about the changes that women might bring to the board are, according to research from Harvard Business School,



Teamwork: women who 'act like men' can be seen as 'leader-like' – but might also be viewed with suspicion

dreamstime

unhelpful. It found that when working on a task men and women both scored better when teamed with someone of their own gender. The inference is that people tend to want to work with, and promote, people who are like them. In order to increase the number of female executives more women are going to need to be in positions to hire them.

Worldwide Women in Banking and Finance, a not-for-profit organisation dedicated to focusing on women in banking and financial services worldwide, believes that women are more active in, and have higher levels of authority outside the Anglo-Saxon world of banking and finance, and that there is a significant pay gap between women and men at even the highest levels within banks.

It is a view backed up by a 2011 UN Women report, which found that although women have had many more opportunities in political and corporate roles in the last generation, those countries that have introduced quotas favouring women in both politics and business have seen the most progress.

In Rwanda, for example, 51 per cent of parliamentary seats are now held by women following the introduction of a set quota. Of the few countries in the world that have exceeded the 30 per cent target for female representation in parliament, virtually all have used quotas.

The UK government remains reluctant to introduce quotas for female board representation, although Lord Davies, who led a government review that reported this year, warned that Britain's boardrooms would face statutory quotas if voluntary targets did not produce results.

Despite this, just 33 companies in the FTSE 100 have set targets for raising the number of female directors.

Professor Susan Vinnicombe, director of the International Centre for Women Leaders, part of Cranfield School of Management, found some cheer in the results, however.

Although the total number of women on FTSE 100 boards remains low, the number of new appointments has risen significantly, from 13 per cent last year to 22.5 per cent. And rather than being made up of old board members appointed to new positions, two thirds of the women appointed had no prior board experience. Part of the reason for this shift, she says, is a broader scope for those with different professional backgrounds to be considered.

"It's quite exciting," she says. "Three of the women on FTSE 100 boards come from HR backgrounds and this has classically not been an area looked at for board positions. In order to get more women on boards we need to get out of the thinking that only those with a classic banking

and finance background qualify."

While there has yet to be a turning point in the representation of women in senior positions, the figures have crept up slowly year on year. Cranfield School of Management predicts that by 2015, 21 per cent of board members will be women.

The years many women take out of the workplace to raise children remains an issue, but Prof Vinnicombe believes it is a red herring to attribute low levels of senior representation to this. A more significant reason for women not getting top jobs is that so much of the process is still based on personal referral from the chairman, she says. Although search consultants might be employed, they will often collude with the chairman's choice, she says.

Karina Robinson, who recently launched Robinson Hambro, a search firm specialising in board appointments, says that to address this boards need to be looked at as a team.

"You don't need five goalkeepers on a football team, you need a mixture of abilities and positions," she argues. "There has been a tendency to appoint directors who have run divisions of FTSE companies when most women haven't done this. Instead, the cleverest women I know, who would add value to boards, tend to have risen in professional services firms and asset management and media."

### Networking Is golf the answer?

Throw a mix of birdies, irons and strangers together, and you have a day of networking bliss. But despite more women taking up golf, they can still feel exiled from this "old-school" form of networking, writes **Natasha Stidder**.

Estelle James, director at recruiter Robert Half International, believes, however, that women can be just as successful on the golf course as men when it comes to creating solid business relationships: "I don't play golf, I can't stand the sport. But a lot of my female colleagues and clients love it, and I have gone along, more to be a part of the network and relationship building," she says.

But she understands that some women can feel excluded: "Females have been less forward at networking than their male counterparts," she says. "Networking is a skill. And it's a skill you need to practise constantly."

Debbie Thomas, partner and head of metals and mining at Deloitte, has found networking in a male-dominated environment can be beneficial: "Men are intrigued by having a woman in their space. They're also more likely to remember you," she says.

But Lesley Stephenson, publisher of the Financial Times' Non-Executive Director's Club, believes "male locker room camaraderie" can be a barrier to networking and having a woman in the mix can throw men out of their comfort zone: "I think men feel they have to be on their 'best behaviour' around women, so don't feel as relaxed and therefore – possibly entirely unconsciously – reluctant to welcome women in."

Neil Munz-Jones, author of "The Reluctant Networker", supports this idea. He found older men tended to be more patronising and sexist towards women in networking situations. Men and women also prefer to network in different ways. In Mr Munz-Jones' experience, women tend to be more comfortable in an informal setting, such as meeting over coffee. This allows both parties to open up and discuss things as people, not just business associates.

Whether a woman has a handicap of eight or has never touched a golf club, the key is to network with those who have a shared interest. That way, networking can be pleasurable, productive and self-sustaining.

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## Professional groups seek to fight 'loneliness at the top'

### Campaigning

Emmanuelle Smith looks at how women's networks are aiming to 'inform, inspire and empower'

At the current rate, women managers will not reach pay parity with their male colleagues for almost a century – and while the gender pay gap might have narrowed for junior roles, it has widened for executives.

These findings by the Chartered Management Institute in the UK might be disheartening, but a growing number of organisations are working to redress the balance more rapidly.

"Even when women reach the top, it can be lonely up there," says Nicki Gilmour, chief executive of theglasshammer.com and Evolved Employer – groups that, respectively, work to help women in their careers, and to influence those doing the hiring.

Ms Gilmour is unequivocal about the importance of initiatives such as hers: "I saw a real need for women to know that they weren't on their own. From one team to another and one skyscraper to another, there was probably someone who was in the same situation," she says.

"I wanted to create a community where women could be informed of their career path. I wanted to give them advice, inspire them by profiling other women who had conquered the glass ceiling and show them that we're not robots. There's more than one way to the corner office." The aims of theglasshammer.com are to "inform, inspire, empower".

"Empowering" is also central to Women in Finance, a South African network created "in response to a lack of financial literacy and access to finance of individuals and business owners", according to its website.

"Eleven years ago when you spoke to women about operating in financial services, they would redirect you to their husband or brother, and say 'don't talk to me'," says Coleen Larsen, who founded WIF.

The group, she says, seeks to provide women with the tools to succeed in the industry. "As long as you're skilled," says Ms Larsen, "that's where the power is. Our intention was to give [women] more skills and training and development so that they would ask the right questions in order to rise to the top. You can lobby as much as you like but if you don't have women to step into those positions, nothing is going to change."

However, Ms Gilmour argues that lobbying is important in order to

influence decision-makers to instil "systemic changes" within companies. After all, there are undeniably talented, skilled, "empowered" women around who still struggle to rise to the top or be remunerated properly when they get there.

That is why Evolved Employer, the other face of theglassceiling.com, works with chief executives to effect change from the inside, "from the top down", according to Ms Gilmour.

But women-only professional groups have their detractors. Luke Johnson of Risk Capital Partners and the writer of *Start it up – Why running your own business is easier than you think*, has "limited enthusiasm" for them: "Really talented individuals would get ahead on their own anyway," he argues. And FT management writer Lucy Kellaway once opened a column with the line: "I have been to quite a few women's networking

events and can tell you that they are both dull and tense."

She went on to decry the "we're-in-this-together atmosphere that is made less supportive both by being compulsory and by the competition that lurks not far beneath the surface".

Although they are divisive, many women do find support in such groups, however, which goes some way to explaining their prevalence.

"The fact that there are multiple

[women's networks] in the City is proof that many women are craving more support in the financial industry, looking for guidance on career development, on how to juggle family, career and still have a life," says Laura Clerici, a senior product manager at a large retail bank. Although women "are not technically a minority, they certainly are in the banking and financial services sector, and the glass ceiling still exists", she argues.

Ms Clerici is a member of Women in Business and Finance (WIBF), a group she joined in search of help to improve her presentation skills, but through which she has found far wider support: "WIBF has helped me meet many other women [in the sector] in a variety of roles – in retail, corporate and investment banking functions including trading, project management, IT, finance and legal."

"The most important benefit to me has been the opportunity to build a strong network with inspiring and career-driven women, who have been able to give me guidance and informal mentoring in my career and my personal life," she says. "Organisations such as WIBF can also help 'lobby' to drive social change."

And Ms Clerici adds: "We still have a lot to learn from our male counterparts on being bolder when negotiating salary increases and promotions."

### Presentation The importance of 'image'

Female professionals know there are unwritten rules regarding their image at work, but few understand the extent to which it might shape their careers, writes **Natasha Stidder**.

Snejzana Maclean, an image consultant, believes image is integral to a person's "brand". Originally the owner of a fashion boutique, she now runs Flow Image, a London style consultancy business, with a core of clients working in finance and law.

"The corporate world has become very presentation-orientated, so all of us are performers," says Ms Maclean. "We have to be ready in an instant to perform in presentations, so you want to be sure that what you wear

represents you well."

There is a psychology to image, and what a person wears sends subconscious signals to those around them, says Ms Maclean. She gives the example of one client, who found her petite, youthful looks meant she was not regarded as mature enough in comparison to her peers, and was continually overlooked for promotion.

"We had to work on that detail, so that when she's in the corporate world her image represents her capabilities and age," explains Ms Maclean.

Emma Codd, partner in forensic and dispute services at Deloitte, believes natural gender differences are significant where confidence and job

success are concerned: "You tend to see a difference in how men put themselves forward for an opportunity," she explains. "It is only through probing that you see female candidates are just as capable."

Some also point out that more attention is likely to be paid to a woman's "personal brand" than a man's. Estelle James, director at recruiter Robert Half, says that when Carol Bartz, former chief executive of Yahoo, was being unceremoniously ousted, parts of the media focused on her having had breast cancer and how she was crowned homecoming queen. Ms James says such reporting would be less likely in the case of a man.



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