

Significance of the gender divide in financial services



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Finsia

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This is achieved by providing members with relevant and high quality professional development and networking programs, a comprehensive suite of career support services and a range of industry-leading information resources and publications. Our research and policy initiatives ensure Finsia plays a critical role in promoting industry growth both regionally and around the world.

Availability

This research survey is available on Finsia's website www.finsia.com/genderdivide.

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Further information and comments

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EXECUTIVE SUMMARY



Since it was first conducted in 2010, this report has become a cornerstone of Finsia's Diversity Dividend initiative.

Through an online survey Finsia has measured attitudes to policy responses to bridge the gender gap in financial services, and how these have changed over time.

The survey received a record 1298 responses this year from finance professionals in Australia and New Zealand, showing that gender diversity is increasingly a part of the dialogue about the modern workplace.

This year, a new question was introduced to the survey to test how men and women view the new reporting requirements administered by the Workplace Gender Equality Agency (WGEA).

This year the coverage of the Workplace Gender Equality Act has been extended to employers that employ more than 100 personnel.

Under the Act, these organisations are required to report to the agency against six gender equality indicators which include gender composition of the workforce and equal remuneration between women and men.

Finsia can reveal that:

- > 42.9% of women; and
- > 34.7% of men

either agree or strongly agree that these reporting measures will prompt organisations to address gender inequality issues in the workplace. While 32.9% of women and 39.6% have taken a neutral stance to these measures, arguably this is evidence of a 'wait and see' approach. The first tranche of publicly reported data will be available in November 2014.

Many of the findings of previous surveys, particularly direct comments from respondents, have informed initiatives that Finsia has led including two short film series:

- > Lightbulb Moments — Australian business leaders share their lightbulb moment on gender diversity.
- > They Say ... — four female executives take on the myths about women's participation in leadership that continue to hold sway in Australia's financial services industry.

In the period since the 2012 survey Finsia has continued to support:

- > Expanded coverage of the Workplace Gender Equality Act
- > Guidelines for Gender Balance Performance and Reporting Australia
- > ASX Corporate Governance Principles and Recommendations
- > Male Champions of Change with events in Sydney and Melbourne.

It is encouraging that the industry has continued to take a keen interest in improving workplace diversity. These findings will directly inform future activities as part of Finsia's Diversity Dividend initiative.

A handwritten signature in black ink, appearing to read 'Russell Thomas F Fin'. The signature is fluid and stylized, with a large initial 'R' and 'T'.

Russell Thomas F Fin
CEO and Managing Director

INTRODUCTION

BACKGROUND

Finsia launched a biannual survey in 2010 to measure perceptions of the gender divide in financial services, and policies to improve the representation of women in the industry. Over 800 men and women contributed their views about the state of the industry through the 2010 survey.¹ In 2012, 962 people were surveyed, of whom 658 resided in Australia.² Since then, significant regulatory and policy developments have changed the way that gender diversity is measured, reported and promoted:

- > The application of the Workplace Gender Equality Act 2012 has been expanded. Organisations with more than 100 personnel are required to report to the agency on a range of gender equality indicators, including access to flexible work arrangements, equal pay between men and women, and gender composition of the workforce.
- > At the corporate governance level, publicly listed companies in Australia are now required to report about their diversity programs and gender composition at senior executive and board level on an 'if not, why not' basis.
- > Many employers have adopted a combination of the strategies surveyed in this research: unconscious bias training, mentoring, flexible work arrangements, diversity programs and targets. This survey continues to show that there are differences in perception about the extent to which these strategies are helpful.

Rules and guidance to encourage public reporting by companies of transparent and comparative information about pay equity and gender composition at senior executive and board level has long been Finsia's call to regulators. Finsia promotes this approach because facts are a powerful tool to bridge differences in understanding and perception.

RESEARCH STUDY

The survey instrument that is the basis of this study examines the following issues:

- > pay equity and transparency;
- > gender composition at senior executive and board level;
- > workplace flexibility; and
- > cultural perceptions about the role of working parents.

KEY FINDINGS

Let's wait and see

One of the most important policy changes since 2012 has been the expanded coverage of the reporting regime administered by the Workplace Gender Equality Agency (WGEA).

In this survey we ask participants whether the new measures will prompt organisations to address gender inequality.

There is a fair degree of support for the measures (M 31% agree, F 37.6% agree), with similar numbers of respondents viewing the new reporting neutrally (M 39.6%, F 32.9%). This result suggests that the industry is taking a 'wait and see approach' to reporting.

Perceptions don't always line up with the facts

In August, WGEA reported that the national gender pay gap had risen to 18.2%. In financial and insurance services, the gap had lowered modestly but was second highest of all industries – 30%.

More recently, WGEA analysis of reporting organisations shows that only 26.3% have done a gender pay gap analysis. Encouragingly, financial and insurance services has the highest rate of pay gap analysis at 51.2%.

Strikingly, 51% of men and 23.8% of women report that their organisation is transparent about its remuneration system and parity of pay between genders. The 23.8% figure for women is a 7.2% increase on 2012.

This, and the survey results on women in leadership, show that reporting and measuring disparities in pay and representation is of critical and continuing importance.

¹ Finsia's 2010 survey findings are reported in the appendix of Fox, C (2010), *Mythbusters – Seven myths about women and work* available at www.finsia.com.

² Finsia's 2012 survey findings are reported in Finsia (2012), *Significance of the gender divide in financial services*, and Finsia (2012), *Significance of the gender divide in financial services – New Zealand results* available at www.finsia.com.

Cultural change

The value or importance of cultural change continues to be perceived in starkly different ways by male and female respondents.

For women, it is the primary issue to be addressed by the industry to encourage greater participation, consistent with the 2012 and 2010 surveys.

In responses to the open-ended questions at the end of this survey report, cultural change is often linked, or seen as a component part of, other policy measures such as workplace flexibility or access to childcare.

“The culture needs to change to allow men to take up more flexible work options — until workplace practice sees men as the norm in working flexibly too, women will always remain at a disadvantage.”

“A cultural change in caring responsibilities is required across the country to help promote gender equality.”

A reason for why cultural change is viewed to have different relative importance is revealed in the section on personal experiences (p. 13). Across the 2010, 2012 and 2014 surveys men and women are split on whether they have observed differing treatment of women in a range of workplace activities. Men predominately report that they never observe different treatment, while women often do.

There is an opportunity for ongoing dialogue in the industry to share understanding and bridge the perception gap.

Neutral stances

On a number of questions there is an indication that the perception gap is closing; however, when you look further it is revealed that men in this survey have taken increasingly neutral positions to many issues raised in 2012.

This was evident in responses on pp. 9 to 12 as to whether men agreed with a variety of statements about job roles, remuneration and promotion opportunities.

- > “Some women avoid promotion because of concerns about balancing workplace demands and caring responsibilities” — neutral 29.1% (+9), agree 43.4% (-7.4).
- > “Women are under-represented in corporate promotions from the beginning of their careers” — neutral 21% (+5.1), disagree 40.3% (+1).
- > “The pay gap in financial services is grossly exaggerated” — neutral 34.4% (+6.8), agree 25.4% (-7.8).
- > “Legislated targets to address the lack of women at executive level may encourage the view that women have advanced their careers simply because of their gender, rather than their ability” — neutral 16.2% (+7.2), strongly agree 27.9% (-7.9).
- > “Companies have taken significant steps to address structural disadvantages in the financial services industry so women now have the same opportunities as men” — neutral 32.5% (+11), agree 39% (-8.5).

YOUR ORGANISATION

Q:

Is diversity and inclusion a KPI in your role?*

A:

This question is a new inclusion in the 2014 survey. Given the growing numbers of employers that publicly report progress under various diversity metrics — leadership, programs and policies, pay parity — Finsia wanted to identify whether diversity and inclusion is a key performance indicator (KPI) for employees.

**This question replaces one from the 2010 and 2012 surveys about diversity programs and targets.*

RESPONDENTS	MALE	FEMALE
Yes	34.1%	25.4%
No	65.9%	74.6%

Q:

Are women well represented at senior levels in your organisation?

A:

Current data from WGEA for the financial and insurance services sector shows that women make up:

- > 4.6% of CEOs; and
- > 36.2% of managers.

This compares with all industries where women are:

- > 13.5% of CEOs; and
- > 35.4% of managers.

Despite this both male and female respondents are more likely to agree that women are well represented at senior levels.

One reason for this may be the relatively high proportion of respondents that work in retail and commercial banking (see appendix). Large employers in this subsector, such as CBA and Westpac, have appointed a number of women to senior roles between 2012 and 2014.

RESPONDENTS	MALE		FEMALE	
Yes	69.9%	+5.7	43.7%	+8.1
No	24.4%	-8.8	53.2%	-8.7
Unsure	5.7%	+3.1	3.1%	+0.6

Q:

Is the promotion and advancement of women into senior roles a priority in your organisation, both in principle and practice?

A:

Encouragingly, female respondents are now more likely to agree than disagree with this statement. In 2012, women were nearly evenly split on this question (yes 41.1%, no 41.8%). When the industry was surveyed in 2010, only 25% of men and 8% of women agreed with this statement.

RESPONDENTS	MALE		FEMALE	
Yes	62.9%	-1.7	46.1%	+5
No	23%	+1.2	38%	-3.8
Unsure	14.1%	+0.6	15.8%	-1.3

Q:

Is your organisation transparent about its remuneration system and parity of pay between genders?

A:

While there is some degree of ambivalence about the new WGEA reporting requirements (see p. 11) there is a significant percentage increase in the numbers of women reporting that their organisation is transparent about remuneration and parity of pay (+7.2% from 2012 to 2014).

These results show that a pronounced perception gap between men and women endures. Among male respondents, there has been a 2% increase in those responding that they are unsure about their organisation’s transparency regarding pay parity.

These findings should be read in conjunction with the WEGA data referred to in the introduction about the percentage of organisations across all industries (26.3%) and financial and insurance services (51.2%) that have done a pay gap analysis.

At August 2014, the gender pay gap was 18.2% (all industries) and 30% (financial and insurance services).³

RESPONDENTS	MALE		FEMALE	
Yes	51%	+0.8	23.8%	+7.2
No	32.3%	-2.6	64.9%	-7.6
Unsure	16.8%	+2	11.4%	+0.5

Q:

Please indicate if you are comfortable raising issues or concerns relating to gender equity in your organisation among the following groups.*

A:

Of note in this year’s survey is the increase in the numbers of female respondents indicating that they are comfortable raising gender equity issues among leaders.

This result has occurred at a time of heightened visibility for gender equity issues in Australian business, and financial services in particular.

RESPONDENTS	MALE		FEMALE	
Among women only	11.4%	-0.8	27.4%	-2.1
Among men only	15.9%	-0.3	6%	+2.3
Among men and women	61.1%	—	46.5%	+4.7
Among peers and staff	51.9%	-3.1	51.6%	+5.6
Among leaders	42.3%	+0.8	39.1%	+9.9
None of the above	16.9%	-0.6	14.8%	-4.5

**Survey respondents were permitted to select multiple responses to this question.*

³ Workplace Gender Equality Agency, interactive tools available at www.wgea.gov.au (accessed 1 October 2014).

PARTICIPATION RATES

Q:

Please indicate which strategies you believe would be most beneficial to increase the participation rates of women in financial services (scale 1 to 5 with 1 being the least beneficial and 5 being most beneficial).

A:

Proportionally, women rated all strategies as more beneficial than their male counterparts. This finding was consistent with the 2012 and 2010 surveys.

MALE			
STRATEGY	MOST BENEFICIAL	2012 RANK	2010 RANK
Implementation of flexible work options	35.4%	1	1
Implementation of childcare strategies	29.4%	2	2
Cultural change	22%	3	3
Mentoring	13.5%	5	4
Professional development and training	11.3%	4	5
More promotion opportunities	6.4%	6	6

FEMALE			
STRATEGY	MOST BENEFICIAL	2012 RANK	2010 RANK
Cultural change	59.8%	1	1
Implementation of flexible work options	47.1%	2	2
More promotion opportunities	38.6%	3	4
Professional development and training	34.1%	4	6
Implementation of childcare strategies	31.9%	5	5
Mentoring	33.6%	6	3

As revealed above, men continue to rate 'implementation of flexible work options' the most beneficial strategy overall. Women cited 'cultural change' as the most effective strategy to move the dial on women's participation in financial services.

RESPONDENTS	RATING	MALE		FEMALE	
Implementation of flexible work options	1 (least beneficial)	5%	+1.7	2.3%	+0.7
	2	2.5%	-0.8	3.6%	-0.9
	3 (beneficial)	30.4%	+2.7	25.2%	-1
	4	26.7%	+6.5	21.8%	+1.1
	5 (most beneficial)	35.4%	-10.1	47.1%	—

2012: M 45.5% most beneficial; F 47.1% most beneficial

2010: M 43% most beneficial; F 54% most beneficial

While men and women predominately rate flexible work as a most beneficial strategy (5), there has been quite a drop among male respondents between the 2012 and 2014 surveys. The ratings from female respondents are substantially similar to those in the 2012 survey.

When Finsia surveyed the industry in 2010, 43% of male respondents rated flexibility a most beneficial strategy, compared with 54% of women.

RESPONDENTS	RATING	MALE		FEMALE	
Implementation of childcare strategies	1 (least beneficial)	6.7%	+1.5	4.1%	-0.4
	2	6.9%	-1.1	9.6%	+0.9
	3 (beneficial)	32.1%	-4.7	33.3%	-0.4
	4	25%	+3.8	21.1%	-0.7
	5 (most beneficial)	29.4%	+0.6	31.9%	+0.6

2012: M 36.8% beneficial; F 33.7% beneficial

2010: M 34% (4); F 34% most beneficial

The percentage change from the 2012 to 2014 surveys shows that men perceive a somewhat greater benefit from the implementation of childcare strategies. However, the trend from the 2010 survey to now reveals that male respondents are more likely to rate this strategy as beneficial (3), than give it a higher ranking. Among female respondents, the 2014 survey results are quite similar to those from the 2012 survey.

RESPONDENTS	RATING	MALE		FEMALE	
Mentoring	1 (least beneficial)	9.6%	-2.1	3.1%	+0.2
	2	12.3%	-3.2	7.4%	-2.4
	3 (beneficial)	41.1%	+4.5	26.5%	-3.8
	4	23.6%	-2.2	29.4%	+3
	5 (most beneficial)	13.5%	+3.2	33.6%	+3

2012: M 36.6% beneficial; F 30.6% most beneficial

2010: M 33% beneficial; F 38% most beneficial

From the 2010 to 2012 surveys there was a dip in the degree that mentoring is perceived as a beneficial strategy. In these results we see increases in the percentage of men that rate mentoring as beneficial (3) or most beneficial (5). Of female respondents there is an increase on ratings 4 and 5 (most beneficial).

RESPONDENTS	RATING	MALE		FEMALE	
More promotion opportunities	1 (least beneficial)	14.6%	-1.1	3.1%	+1.5
	2	18.5%	+0.4	3.8%	-1.2
	3 (beneficial)	39.6%	-2.8	23.7%	-1.3
	4	20.1%	+3.9	30.8%	+1.9
	5 (most beneficial)	6.4%	-1.2	38.6%	-0.9

2012: M 42.4% beneficial; F 39.5% most beneficial

2010: M 35% beneficial; F 38% (4)

Comparing the 2012 and 2014 surveys shows that male respondents rate promotion opportunities as somewhat more beneficial than before. Over the 2010 to 2014 surveys, women have rated this strategy less beneficial than before; however, their responses continue to cluster among rankings 4 and 5 (most beneficial).

RESPONDENTS	RATING	MALE		FEMALE	
Professional development and training	1 (least beneficial)	8.4%	-0.5	2.2%	-0.5
	2	15%	+3.3	4.4%	-2.8
	3 (beneficial)	40.2%	+2.2	28.4%	+1.3
	4	25.2%	-3	31%	+0.7
	5 (most beneficial)	11.3%	-1.8	34.1%	+1.4

2012: M 38% beneficial; F 32.7% most beneficial

2010: M 37% beneficial; F 32% most beneficial

Over the three surveys male respondents have rated this strategy as 3 (beneficial) or less (2 or 1) in greater numbers, while women rate it proportionally more beneficial.

In the 2012 survey, 38% of men agreed that professional development and training is beneficial while 32.7% of women agreed that it is most beneficial.

RESPONDENTS	RATING	MALE		FEMALE	
Cultural change	1 (least beneficial)	11.3%	-6.2	1.8%	+1
	2	14%	-0.2	3.3%	+0.2
	3 (beneficial)	27.8%	-1.1	14.3%	-2
	4	24.9%	+4	20.9%	-0.6
	5 (most beneficial)	22%	+3.5	59.8%	+1.5

2012: M 28.9% beneficial; F 58.3% most beneficial

2010: M 30% beneficial; F 62% most beneficial

Women resoundingly, and consistently, cite cultural change as the most important strategy to improve the participation rates of women in financial services. Of top three issues for the industry to address to improve gender equity, one respondent to the 2012 survey wrote:

“Cultural change. Cultural change. Cultural change.”

While cultural change is rated third overall of strategies in this section by male respondents, there has been a percentage increase in its rated importance (cf: 4 and 5 ratings, above).

ROLES / JOB OPPORTUNITIES

Q:

The views below regarding job roles, level of pay and opportunities for the promotion of women in financial services have been expressed in the public domain. To what extent do you agree with the following statements?⁴

RESPONDENTS		MALE		FEMALE	
It is almost impossible for women to progress to executive level in such a male-dominated culture as financial services.	Strongly agree	1.4%	-2.1	6.9%	-3.9
	Agree	6.3%	-3.2	32.8%	+2.7
	Neutral	7.9%	+1.4	19%	-2
	Disagree	39.6%	+8.3	33.2%	-0.9
	Strongly disagree	44.9%	-4.4	8%	+4

2012: M 49.3% strongly disagree; F 34.1% disagree

2010: M 48% disagree; F 44% agree

Each of the surveys conducted by Finsia reveals a gender divide in how this statement is perceived, particularly in respect of strongly disagree rankings. What is striking about these results, however, is that women are themselves almost split on the question of whether it is impossible to progress in a male-dominated culture.

Men continue to strongly disagree with this statement, but they are relatively more likely to disagree with this statement than they did in the 2012 survey.

RESPONDENTS		MALE		FEMALE	
The expectation that female employees will at some stage leave to have children means less attention is given to their advancement.	Strongly agree	1.8%	-1.2	12.7%	-3.2
	Agree	18.2%	-0.2	40.8%	-0.1
	Neutral	16%	-2.4	22.5%	+1.3
	Disagree	37%	-0.3	20.3%	+0.7
	Strongly disagree	27.1%	+4.2	3.7%	+1.3

2012: M 37.3% disagree; F 40.9% agree

2010: M 48% disagree; F 52% agree

This statement continues to divide male and female respondents — 37% of men disagree, compared with 40.8% of women that agree. The 2012 survey revealed a similar result.

Interestingly, there is a 4.2% jump in men that strongly disagree with this statement.

RESPONDENTS		MALE		FEMALE	
Some women avoid promotion because of concerns about balancing workplace demands and caring responsibilities.	Strongly agree	6.9%	-2.6	27.8%	+0.1
	Agree	43.4%	-7.4	50.6%	+0.3
	Neutral	29.1%	+9	14.7%	+2.9
	Disagree	13.9%	+2.3	5.4%	-2.1
	Strongly disagree	6.7%	-1.3	1.5%	-1.2

2012: M 50.8% agree; F 50.3% agree

2010: M 63% agree; F 56% agree

⁴ In the 2010 survey respondents were not given the option of responding neutrally to the statements in this question. The 2012 and 2014 survey results should be read in conjunction with this development in the survey instrument's design.

This statement is perceived similarly by men and women across the 2012 and 2014 surveys. Of statements considered in this section of the survey, there is a degree of consensus that some women avoid promotions because of concerns about balancing the demands of work and caring responsibilities.

One difference among respondents over time is that men are increasingly neutral about this statement – the percentage drop in agreement from 2012 to 2014 is because male respondents view this statement more neutrally.

RESPONDENTS		MALE		FEMALE	
The focus on mentoring and networking to increase the numbers of women in senior executive roles and on boards has not worked. It entrenches the view that women need to be 'fixed'.	Strongly agree	6.9%	-4.1	12.7%	+2.2
	Agree	19.8%	+1.8	28.7%	-4.1
	Neutral	25.5%	+0.5	23.4%	-3.5
	Disagree	33.7%	+0.2	29.4%	+3.9
	Strongly disagree	14.1%	+1.6	5.8%	+1.5

2012: M 33.5% disagree; F 32.8% agree

2010: M 48% disagree; F 56% agree

As for the previous statement, there is some degree of similarity between the views of men and women about this statement – 47.8% of men and 35.2% of women either disagree or strongly disagree.

RESPONDENTS		MALE		FEMALE	
Women who do not have children or other caring responsibilities are also underutilised in the senior ranks.	Strongly agree	2.2%	+0.2	22.3%	+1
	Agree	16.1%	-4.3	39.7%	+2.2
	Neutral	26.3%	+2.4	19.1%	-3.8
	Disagree	35.6%	+4.3	15.5%	-0.7
	Strongly disagree	19.8%	-2.6	3.4%	+1.2

2012: M 31.3% disagree; F 37.5% agree

2010: M 54% disagree; F 47% agree

There is widening disagreement about the utilisation of women that do not have caring responsibilities in senior ranks, with proportionally more women than men agreeing or strongly agreeing women who do not have caring responsibilities are under-represented than was the case in the 2012 survey.

RESPONDENTS		MALE		FEMALE	
Women are under-represented in corporate promotions from the beginning of their careers.	Strongly agree	1.4%	-0.6	19.5%	-5.8
	Agree	14.7%	-3.7	44.6%	+5.5
	Neutral	21%	+5.1	18.9%	+1.4
	Disagree	40.3%	+1	14%	-1.9
	Strongly disagree	22.6%	-1.8	3%	+0.8

2012: M 39.3% disagree; F 39.1% agree

2010: M 52% disagree; F 48% disagree

While there continues to be a split between men (disagree, 40.3%) and women (agree, 44.6%) in perceptions of this statement, more men have responded neutrally in this survey with fewer women strongly agreeing.

This is one of a number of examples in this survey where men's perceptions are revealed to be more neutral over time.

RESPONDENTS		MALE		FEMALE	
The pay gap in financial services is grossly exaggerated.	Strongly agree	20.3%	-1.3	2.8%	-1
	Agree	25.4%	-7.8	12.2%	+4.1
	Neutral	34.4%	+6.8	32.5%	-1.5
	Disagree	13.8%	+0.2	32.5%	-1.5
	Strongly disagree	6.1%	+2.1	20.1%	-0.1

2012: M 33.2% agree; F 34% neutral / disagree

2010: M 45% agree; F 47% disagree

Fewer men agree or strongly agree with this statement than they did in the 2012 survey (45.7% in 2014; 54.8% in 2012). The dial of men's perceptions has moved to a position of relative neutrality.

Significantly, women are more likely to agree that the gender pay gap is grossly exaggerated, despite recent statistics reporting the widest gender pay gap in 20 years.

RESPONDENTS		MALE		FEMALE	
The Workplace Gender Equality Act 2012 now requires all employers of 100 or more staff to report annually on a range of gender equality indicators, this will prompt organisations to address gender inequality.	Strongly agree	3.7%		5.3%	
	Agree	31%		37.6%	
	Neutral	39.6%		32.9%	
	Disagree	17%		20.5%	
	Strongly disagree	8.7%		3.8%	

This was an addition to the 2014 survey to test the effectiveness of recent legislation requiring employers of 100 or more staff to report annually on a range of gender equality indicators.

The results show that the largest group of male respondents view the measures neutrally (39.6%) compared with women who agree that the new reporting requirements will help address gender inequality (37.6%).

The next largest response category for men was agreement (31%) and neutral for women (32.9%).

While there is a fair degree of support for the measures, the strong neutral ratings given by men and women suggest that the industry is taking a 'wait and see' approach to reporting.

RESPONDENTS		MALE		FEMALE	
Legislated targets to address the lack of women at executive level may encourage the view that women have advanced their careers simply because of their gender, rather than their ability.	Strongly agree	27.9%	-7.9	12.6%	-3.6
	Agree	40.9%	-2.9	42.6%	-2.5
	Neutral	16.2%	+7.2	17.1%	-2.1
	Disagree	10.5%	+1.5	22.1%	+7.2
	Strongly disagree	4.5%	+2	5.6%	+1

2012: M 43.8% agree; F 45.1% agree

2010: M 44% agree; F 39% agree

This statement summarises a primary criticism of legislated quotas; that they result in the promotion women regardless of merit.

While men and women in the main continue to agree or strongly agree with this statement (M 68.8%; F 55.2%) it is interesting that men are more inclined to view the statement neutrally and women disagree with it in this survey.

RESPONDENTS		MALE		FEMALE	
Companies have taken significant steps to address structural disadvantages in the financial services industry so women now have the same opportunities as men.	Strongly agree	14.6%	-2.4	1.9%	+1.1
	Agree	39%	-8.5	15.3%	+2.1
	Neutral	32.5%	+11	34%	+1.6
	Disagree	12.1%	+2.6	35.9%	-3
	Strongly disagree	1.8%	-2.7	12.1%	-2.5

2012: M 47.5% agree; F 38.9% disagree

2010: M 56% agree; F 51% disagree

Comparison of these results with the 2012 survey reveals that women do see some steps taken by companies to address structural disadvantage — at least, this is where a percentage increase is visible, even if the highest percentage of women (35.9%) disagree with the statement.

Men's perceptions of agreement, however, have wound back from 2012 with an 11% jump in those respondents who view the statement neutrally.

RESPONDENTS		MALE		FEMALE	
Many women have to work due to inadequate maternity leave and child care assistance.	Strongly agree	4.9%		11.6%	
	Agree	21.8%		31.6%	
	Neutral	32%		31%	
	Disagree	26.5%		21.3%	
	Strongly disagree	14.9%		4.5%	

The highest percentage of men and women responded neutral to this statement. Interestingly, women tended to respond neutral to strongly agree (74%) while men were more likely to respond neutral to strongly disagree (74%).

Given recent public debate about paid parental care leave, it has been illuminating to test this statement as part of the 2014 survey.

PERSONAL EXPERIENCES

Q:

Thinking about your personal experience spanning your career in financial services and what you have observed of your female peers, which of the following statements can you identify with?

A:

RESPONDENTS	GENDER	YES	NO	UNSURE
Culturally, women are expected to take time out of the workforce for family and to be the main carer.	Female	82.1%	11%	6.9%
		-1.1	-0.9	+2
	Male	64.4%	27.8%	7.8%
		-1.3	-2.5	+3.8
Most women who take time out of the workforce due to caring responsibilities are forced to trade promotion for flexibility.	Female	79.1%	11.2%	9.7%
		-6	+5.3	+0.8
	Male	44.5%	40.4%	15.2%
		-1	-4	+5.1
Men are more likely to put themselves forward for promotion than women.	Female	90.1%	4.7%	4.5%
		+2.5	-2.3	-0.9
	Male	39.5%	47.2%	13.3%
		-7.5	+1.7	+5.7
Qualified women may miss out on the opportunity to work in an executive role due to a lack of confidence to put themselves forward.	Female	82.4%	8.2%	9.4%
		+2.5	-4.5	+2.1
	Male	30.3%	49.3%	20.5%
		-2	-3.2	+5.3

While men rated cultural change as relatively less important in the previous section, it is telling that the statement “culturally, women are expected to take time out of the workforce for family and to be the main carer” is the one that has the highest ‘yes’ responses from both men and women across the surveys that Finsia has conducted.

Men are less inclined to agree with each of the statements above compared to the 2012 survey, with the most pronounced decline on the statement about willingness to put one’s self forward for promotion. On this point, there is continuing division between men and women.

Gender-based disparities in cultural attitudes towards promotion are again revealed in this survey, and are more pronounced than in 2012. By a 2 to 1 measure, women agree that men are more likely to put themselves forward for promotion, and that women may miss out on senior roles due to a lack of confidence to put themselves forward.

Q:
A:

Throughout your career, have you observed or experienced differing treatment of female and male colleagues in the following areas:

While there are observable, sometimes sizeable, shifts in responses for each area surveyed, pronounced differences between men and women have been evident in each survey conducted.

With the exception of “training and development opportunities”, there is a split between male respondents that never observe or experience differing treatment and female respondents that often observe or experience differing treatment.

RESPONDENTS		MALE		FEMALE	
Promotional opportunities	Never	43.6%	-2.4	5.8%	-1
	Occasionally	26.4%	+2.7	22.2%	-1.3
	Sometimes	20.9%	+2.7	31%	+2.1
	Often	7.4%	-2.7	39.3%	+0.1
	N/A	1.8%	-0.2	1.7%	+0.1

2014: M 43.6% never; F 39.3% often

2012: M 46% never; F 39.2% often

2010: M 40% never; F 36% often

RESPONDENTS		MALE		FEMALE	
Treatment in meetings	Never	47.2%	-1.3	9.2%	+1.1
	Occasionally	25.6%	-0.2	18%	-0.4
	Sometimes	17.8%	-0.9	29.6%	+0.4
	Often	8.4%	+2.3	42.5%	-1.3
	N/A	1%	—	0.8%	+0.3

2014: M 47.2% never; F 42.5% often

2012: M 48.5% never; F 43.8% often

2010: M 42% never; F 41% often

RESPONDENTS		MALE		FEMALE	
Training and development opportunities	Never	67.9%	-1.6	23.9%	-0.2
	Occasionally	15.8%	+4.6	20%	+0.8
	Sometimes	10.6%	-3.1	31.8%	+1
	Often	4.9%	+0.3	23.2%	-1.4
	N/A	0.8%	-0.2	1.1%	-0.3

2014: M 67.9% never; F 31.8% sometimes

2012: M 69.5% never; F 30.8% sometimes

2010: M 62% never; F 34% sometimes

RESPONDENTS		MALE		FEMALE	
Pay or benefits	Never	56.8%	-0.8	9.6%	+2.8
	Occasionally	21.1%	+4.9	14.3%	+2.4
	Sometimes	12.7%	-3.5	27.3%	+1
	Often	5.7%	+0.6	45.3%	-4.8
	N/A	3.7%	-1.4	3.6%	-1.3

2014: M 56.8% never; F 45.3% often

2012: M 57.6% never; F 50.1% often

2010: M 56% never; F 44% often

RESPONDENTS		MALE		FEMALE	
Inclusion in social or other work-related activities	Never	50.1%	-0.4	10.3%	+2.2
	Occasionally	26.3%	—	17.9%	+4.4
	Sometimes	14.4%	-2.3	27.8%	+3.5
	Often	6.6%	+1	43.1%	-9.9
	N/A	2.7%	+1.7	0.9%	-0.2

2014: M 50.1% never; F 43.1% often

2012: M 50.5% never; F 53% often

2010: M 40% never; F 48% often

In the following section, respondents were invited to submit free-text responses to a series of questions about what the industry, their organisation's management and Finsia can do to improve gender equity in financial services.

The volume and quality of responses is testament to how engaged men and women are in bridging differences in understanding and perception and promoting a more inclusive, diverse industry.

A selection of responses is highlighted below to encapsulate the main themes raised by respondents.

Q:

Please indicate below the top three issues that you believe should be addressed to promote gender equality in financial services:

A:

Respondents raised a variety of workplace policies and cultural changes to promote gender equality in the industry, with support indicated for current initiatives such as Male Champions of Change.

A consistent theme was the responsibility of employees and management at all levels for improving workplace diversity:

“Support for women returning from maternity leave through either flexible working hours, working from home opportunities and inclusion in meetings and social functions. Networking occurs outside work hours which can make it difficult for caregivers to build careers and relationships.”

“Cultural change will be the largest, most effective way to promote gender equity in financial services ... I believe that the Male Champions of Change is a good start — support from the top makes the biggest difference to pushing any initiative!”

“Cultural change ... gender equality is a concern for everyone and has adverse impacts in all sorts of ways — and therefore all staff have a role to play to change the situation.”

Flexible work arrangements were cited by many respondents, but with increasing emphasis on both men and women being involved in caring roles:

“The culture needs to change to allow men to take up more flexible work options — until workplace practice sees men as the norm in working flexibly too, women will always remain at a disadvantage.”

“Encouraging men to take flexible approaches to their work life also because gender equality will only improve if men take on a more balanced role in encouraging their partners to chase their goals.”

“A cultural change in caring responsibilities is required across the country to help promote gender equality.”

“Allowing men to easily access flexible working arrangements and have a culture that sees this as normal will mean women won’t feel the need to always work part time or more flexibly and therefore potentially forego opportunities.”

Encouraging women to put themselves forward for promotion was signalled ...

“Encouragement of women to put themselves forward for promotion. Increased awareness of the issues around gender. Build a ‘it starts with me’ attitude so individuals can make a difference.”

However, the role of management was also noted to ensure that managers see the extent of the pay and promotion gap:

“Generally women are poor self promoters and at best will only promote past success. Generally men are better self promoters and will in effect promote their potential success. Managers that are not close to actual achievements of their staff may not be promoting the right people unless they are reminded of this fact.”

“Transparency and pay and promotional opportunities — some managers don’t seem to realise that there is a pay gap, or that they are only considering males for good work, until they see the data in black and white.”

Q:

What else could be done by your organisation's management to improve gender equity in your workplace?

A:

There was positive sentiment for organisations that are implementing effective strategies and demonstrating real commitment to change. Senior leadership in these organisations was highlighted:

"My organisation is the best I've ever worked for! It's a very good employer of choice, diversity and equity – and we're only about 50 people. So perhaps smaller is better!"

"Honestly, we're doing quite well. Our CEO and management team is totally on board."

"I think we have reached a position in which gender is not an issue. My successor as CEO is to be a female. Our board members and directors are almost exactly in balance. This has come about by valuing the individual's talent."

Concern, however, was raised about what was happening at middle management levels:

"I can see progress at the top of the organisation but start to look at the middle ranks as I observe in my own workplace two lots of management teams that I report to and they are all male."

"More work on unconscious bias at levels lower in the management ranks of the organisation and reinforcing this on an ongoing basis."

"It is hard to understand why there are so many capable women at the mid to senior management level and this does not translate to better representation at the executive level."

Still, the behaviour of senior leaders is critical to set the tone throughout the organisation:

"As a male I have seen comments made even in board meetings that make me cringe that people can still make such gender-based comments. Cultural reinforcement initiatives at ALL levels of the organisation still need to occur ... Senior people making inappropriate assumptions/gender-based comments gives more junior staff a complicit OK to also have/say such views."

Promoting women in leadership is important, but role type is critical:

“Get women more involved in the issues ... they’re the ones who know what they need most. This is best done by getting women into top executive positions ... in all streams of the business, not just human resources.”

“Actively encouraging women to apply for different roles — particularly in technology, which is a male dominated area.”

The diversity discussion should be broader than gender:

“The best thing that our organisation can do is be successful. That means meeting the clients’ needs. That requires diversity. Not just gender.”

Q:
A:

What else can be done by Finsia to promote gender equity in the financial services industry?

When we surveyed the industry in 2012, respondents suggested that Finsia work on initiatives to emphasise the role that men and women play to encourage gender diversity in the industry.

“Encouraging more men to push this forward. I think on a greater community level, seeing men who voluntarily advocate for this great cause could really empower the cause and its message.”

“Continue to promote women in the workforce that are role models for all, not just role models for women.”

Comments such as these have been a catalyst for recent Finsia initiatives, including two series of short films:

- > Lightbulb Moments — Australian business leaders share their lightbulb moment on gender diversity and why it matters to them.
- > They Say ... — four female executives take on the myths that continue to hold sway in Australia’s financial services industry and stymie true gender diversity.

Many of the responses to this year's survey have provided food for thought, and will inform future initiatives:

"Research the workplace of the future as the old model has been very rigid with set hours and a set place of work which has restricted women with caring responsibilities so is there a future workplace model which could be more beneficial for company profits, productivity, plus benefit all types of workers — no matter what age, gender, race, disability etc."

"The question is why are so many young talented women turning away or opting out of financial services so early in their careers — particularly as this means they walk away from earning significant salaries as they become more senior — it is very sad."

"Just by discussing it awareness is raised. And I'm grateful it's finally being talked about — I have been in this industry 20 years and have seen amazing, smart and talented women leave the finance industry during that time because they could not get a fair go."

"Continue to educate employers and management on how to develop inclusive strategies for women and to identify and guide talented women employees through their organisations so that they obtain the right experience for consideration at executive level."

"Work to promote the role of men as care givers — that it is not purely a female thing and that men are also acknowledged (and not discriminated against) for taking an active role in the raising of their children."

"Move beyond gender discrimination metrics as a large slab of the gender discrimination seen in the work place is really about 'carer' discrimination."

"More research, more advocacy, more women [at your] public events."

"Continue to stimulate the debate."

APPENDIX

METHODOLOGY

Between 25 July and 10 August 2014, Finsia surveyed 1298 individuals working in the financial services industry. All survey interviews were conducted online. Of the 1298 survey respondents, 101 indicated that their primary place of work was in New Zealand. The survey findings from New Zealand-based respondents are reported in *Significance of the gender divide in financial services – New Zealand results*, forthcoming. The remaining respondents comprised 1136 Australian-based industry practitioners and a further 60 international contributors.

The survey instrument is based substantially on one launched in February 2010 and completed by 817 Finsia members. Some questions in the 2012 and 2014 surveys were altered to take account of legislative and policy changes since the original survey was conducted. Notations throughout this report indicate alterations to the original survey.

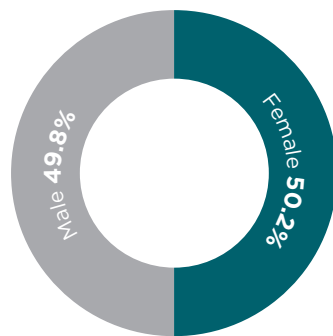
ABOUT THE RESPONDENTS

Q:

Please specify your gender

A:

The survey included 1298 participants who were evenly split between male and female respondents (M 49%, F 51%). For Australian-only data, the gender balance was 50.2% female and 49.8% male.



Comparison

2012 survey included 961 participants that comprised 36.3% male, 63.7% female.

2010 survey included 817 participants that comprised 64% male, 36% female.

Q:

Please specify the subsector of financial services that is most related to your current role.

A:

Retail banking continues to be the largest sector represented by proportion of respondents – this was also the case in the 2012 survey (M 29.7%, F 24%) and the 2010 survey (M 26%, F 23%).

Women were more highly represented in the funds management/superannuation sector, both retail (M 4.7%, F 8.3%) and wholesale (M 9.9%, F 12.7%), financial advice (M 8.7%, F 9.2%) and service providers (M 7.4%, F 9.8%) than men in this year's survey.

RESPONDENTS	MALE	FEMALE
Accounting	9.9%	8.7%
Banking – retail/commercial	21.6%	17%
Capital/money markets – wholesale	3.7%	1.8%
Corporate finance/Investment banking	8.6%	8%
Financial advice	8.7%	9.2%
Funds management/superannuation – retail	4.7%	8.3%
Funds management/superannuation – wholesale	9.9%	12.7%
Regulators/government	4.2%	4.2%
Service providers (eg. law/IT/accounting/HR)	7.4%	9.8%
Stockbroking/analysts	4%	2.2%
Other	17.3%	18.2%

Q:

Where is your primary place of work located?

A:

RESPONDENTS	MALE	FEMALE
NSW	36.8%	42.7%
VIC	23.2%	26.7%
QLD	11.6%	11.3%
SA	6.5%	6.7%
WA	10.1%	6%
ACT	1.3%	1.8%
NT	0%	0.7%
TAS	1.5%	1.2%
Other	7.1%	3%

Q:

Please select your age category.

A:

RESPONDENTS	MALE	FEMALE
18-29	5.9%	9.8%
30-39	15.8%	27.3%
40-49	29.5%	35.5%
50-59	30%	22.8%
60-69	15.6%	4.3%
70+	3.2%	0.2%

Q:

How long have you been in your present role?

A:

The response to this question mirrors the 2012 and the 2010 surveys, with employees serving in their present role more than five years being proportionally the largest group of respondents – whether male or female.

RESPONDENTS	MALE	FEMALE
More than 5 years	52.7%	38.8%
Between 3 and 5 years	15.9%	20.5%
Between 1 and 3 years	21.1%	25.7%
Less than one year	10.2%	15%

Q:

In total, what is the present size of the workforce of the organisation in which you are directly employed?

A:

The highest proportion of males (43%) and females (42%) work for organisations of less than 500. This indicates that the reach of the survey is not only limited to the major financial institutions, but small and large firms right across the sector.

By comparison, the highest proportion of females in the 2012 survey worked in organisations with more than 10,000 employees. In the 2010 survey, the highest concentration of respondents, male and female, worked for organisations employing 500 people or fewer (M 50%, F 45%).

RESPONDENTS	MALE	FEMALE
10,000 plus	32.1%	26.5%
5000-9999	6.5%	7.2%
1000-4999	10.4%	11.5%
500-1000	8.1%	10.8%
Less than 500	43%	44%

Q:
A:

Please indicate the level of your position.

The majority of respondents hold middle management or senior executive positions (M 66.4%, F 57.3%), similar to the 2012 survey (M 62.4%, F 75%) and the 2010 survey (M 56%, F 60%).

Female respondents were more highly represented in junior staff and administration roles (M 4.5%, F 10%), and under-represented relative to male respondents in executive management (M 24.2%, F 19%) and board appointments (M 11.9%, F 4.3%).

RESPONDENTS	MALE	FEMALE
Board director	11.9%	4.3%
Executive management	24.2%	19%
Middle management	30.4%	34%
Senior executive/specialist	27.4%	30%
Junior staff and administration	4.5%	10%
Graduate position	1.7%	2.7%

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