

# Mind the gap

Sexism in finance



In Aviva's most recent annual general meeting, group CEO Amanda Blanc, (a woman with more than 30 years of insurance industry experience) was the target of sexist remarks made by individual shareholders.

One (male) shareholder said Blanc was "not the man for the job," and another asked if she "should be wearing trousers." Other female members of the board were also subject to sexist comments, according to reports. Aviva chair, George Culmer, responded during the meeting, saying he was "flabbergasted" by the "inappropriate" remarks.

#### **"IT'S GETTING WORSE"**

Much headline space has been devoted to sexism in the financial services industry in recent years, but Blanc says in her experience the situation is actually getting worse, not better. In a [LinkedIn post](#) after the incident, she said "the more senior the role I have taken, the more overt the unacceptable behaviour." Despite this, she

was not prepared for such a blatant demonstration of sexism in such a public forum. She told the *Guardian*: "We prepare a lot of things for all the business meetings that we do, including our AGM. We did not prepare for misogynistic comments. We just didn't. In 2022, in that sort of forum, you would not have expected that."

#### **IMBALANCED LEADERSHIP**


Sexism in the finance industry is not a new problem. A [survey](#) of insurance firms carried out by Lloyd's of London in 2019 revealed 500 people (out of 6,000 respondents) had suffered or witnessed sexual abuse or harassment in the preceding 12 months. Commenting on the findings of the survey, chief executive of Lloyd's, John Neal, said the experience of women in the industry is "much less positive than it is for men."

Achieving gender equality and cultural change of any kind has to begin with leadership. According to [Deloitte](#), as of June 2021, women held less than 6% of

CEO positions within S&P 500 companies across all industries and just 4% of CEO positions within S&P 500 financial services institutions. The picture in senior leadership roles (defined by Deloitte as three levels below the C suite) is slightly better, with 23% being held by women.

This imbalance matters because, according to research carried out by the Chartered Management Institute (CMI), enthusiasm towards addressing the gender gap in senior positions varies greatly in male managers versus female managers. According to the report, male managers believe too much effort is placed on supporting greater gender balance by three to one over female managers. 47% of female managers felt too little effort is devoted to achieving gender balance. Yet two-thirds of male managers believe their organisation can successfully manage future challenges without gender-balanced leadership. Only a third of female managers agree.

“Sexist remarks directed at Amanda Blanc, CEO of Aviva, at their AGM are just highly public examples of the inequalities that exist at every level of organisations,” said Ann Francke, chief executive of CMI. “We have a long way to go still, yet CMI data is starting to pick up resistance and perhaps even early signs of backlash amongst many men...Progress is far too slow, and these concerning findings even suggest that the prospect of us regressing is ever-present. Poor recent progress on gender pay gaps reveal the uphill challenge

 **If anything, many are over-optimistic on the rate of current progress**

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## SEXISM SCANDALS

### CHAIR OF OPEN BANKING BODY RESIGNS OVER SEXISM AND RACISM ROW

Imran Gulamhuseinwala, the chair of the Open Banking Implementation Entity (OBIE) – a body set up to help kickstart this area of finance – resigned in October 2021 after an investigation into alleged sexist and racist behaviour.

A report carried out by Alison White, a non-executive director for the Office of the Secretary of State for Wales, found that the agency allowed “a culture of bullying and intimidation to prevail,” and an “overwhelming” number of people described the working environment there as “toxic.”

“The conclusions of this investigation do not make for pleasant reading,” White said. “The bare facts of the situation are that 28 people gave evidence to the investigation about a range of complaints, some of which involved potentially serious issues of bullying, harassment, discrimination and victimisation.”

The OBIE is a private body funded by the UK’s nine largest current account providers and is overseen by the CMA, the Financial Conduct Authority and Her Majesty’s Treasury.

[Read more here](#)

we still face. If anything, many are over-optimistic on the rate of current progress and the distance yet to be travelled. Yet, we know how important gender-balance is and what works to make a positive difference.”

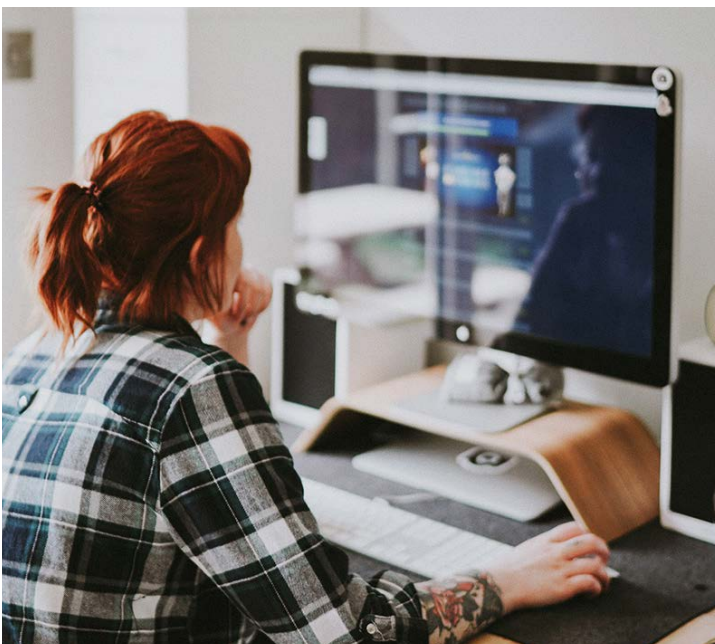
### THE COVID EFFECT

Getting more women into senior roles in finance has been on the agenda for years, but progress has been slow, and was hindered further by the COVID-19 outbreak in 2020. Women, as the default primary childcare providers in the majority of households, were disproportionately affected by the global pandemic. Juggling the roles of looking after children, home-

schooling and work commitments whilst in lockdown inevitably had an impact on performance and attendance in the workplace for many women. This will no-doubt have a further impact on the gender divide in senior roles in years to come.

However, one positive outcome from the challenges of the past two years is a change in attitudes towards flexible and remote working. Katie\*, a mother of two who worked in investment banking for four years after graduating university in 2005, has recently returned to the finance industry after a 12-year gap working in the public sector. "I work flexible hours, 8am to 5pm Monday to Thursday, and then Friday 8am to 11am, so I get to spend Friday afternoons with my daughter," she says.

\* Identity has been anonymised.



## SEXISM SCANDALS

### EX-BNP PARIBAS EXECUTIVE AWARDED £2M IN GENDER DISCRIMINATION CASE

Stacey Macken, who suffered bullying and discrimination over a period of four years whilst working at BNP Paribas, was recently awarded £2m in lost earnings and damages.

Macken was paid 25% less than a male colleague in the same role whilst at BNP and was awarded £33,000 in bonuses over a four-year period, when the same male colleague was awarded £167,000.

Macken was also subjected to bullying and what the judge condemned as "spiteful and vindictive" behaviour from male colleagues and management, including a witch's hat being left on her desk the day after she complained to her manager about her pay.

[Read more here](#)

"I work from home two days a week. My employer is flexible if there is a situation where I need to leave early or work from home an extra day due to something untoward regarding children or home life etc. It feels like a decent work-life balance."

Katie believes attitudes towards women in finance are changing too, and have changed vastly in the time she spent away from the industry. "When I worked as a financial tutor back in 2010, the ratio of men clearly out-weighed women. I often felt a number of my delegates would see me – a young woman in her mid 20's – with a distinct lack of respect as a tutor, despite knowing my teaching subject well. I would get off-topic, irrelevant questions during a training course, which felt like they were trying to catch me out. When I conferred with my male counterparts, they didn't seem to experience the same thing. Since then, in my current role now, there are more females than males in our wider department, which feels great. It definitely feels like a big shift during the time I was away from the industry."

## CONDUCT RISK – ARE YOU PROTECTING WOMEN IN THE WORKPLACE?

Aside from the ethical implications of allowing sexism to happen in the workplace, firms should also consider the potential reputational and financial consequences.

Employers have a responsibility to protect their staff from harassment and discrimination of any kind. From a risk-management perspective, part of this process involves good policy management. The firm's Code of Conduct is of course the most critical policy in any company and plays an essential role in affirming the firm's position on gender equality and attitudes towards discrimination and harassment in the workplace. It should embody the standards the firm holds itself to, including the ethics and compliance risks it wants to mitigate, should anyone violate those standards.

A Code of Conduct needs to be regularly assessed to ensure it meets the changing demands of not only the firm and its stakeholders, but of society in general. With every year that passes, the corporate world is expected to play a greater role in how discrimination of all kinds is not only dealt with, but is mitigated against. Companies of all kinds can now easily be held publicly accountable for their actions (or inaction) on these issues. Being clear about how they are dealt with internally via thorough and explicit policies is the first line of defence against public scrutiny.

  
**Employers have a responsibility to protect their staff**

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## SEXISM SCANDALS

### SEXIST COMMENTS MADE BY SENIOR BARCLAY'S BANKER IN 2008 MADE PUBLIC

Several unsavoury comments made by a senior executive at Barclays during the 2008 financial crisis have been made public in a high-profile court case.

Amanda Staveley, a UK business person known for brokering deals with Middle East-based investors, worked with Barclays to help save it from a public bailout in 2008.

The case – brought by Staveley in 2020 against Barclays – claimed the bank offered special terms to certain investors when raising cash, meaning Staveley's clients missed out on investment opportunities. As part of evidence for the case, telephone transcripts of calls made at the time were shown in court, and revealed top executive Stephen Jones calling Staveley "thick as shit", commenting on the size of her breasts, and questioning whether she was sleeping with the individuals she was brokering the bailout deal with.

The comments cost Jones his post as chief executive of lobbying group UK Finance and, he claims, resulted in him being rejected for three board positions.

[Read more here](#)

## REPORTING POLICIES

The Lloyd's culture survey highlighted a widespread problem with speaking up about sexism and discrimination in the insurance industry. Less than half of respondents (45%) said they would feel comfortable raising a concern and 22% said they had seen people in their organisation turn a blind eye to inappropriate behaviour they had witnessed.

This demonstrates the importance of maintaining a reporting process that is truly accessible to all and allows employees to feel confident that their complaints will be dealt with appropriately. A sound whistleblowing procedure is part of this initiative, but employees should feel able to

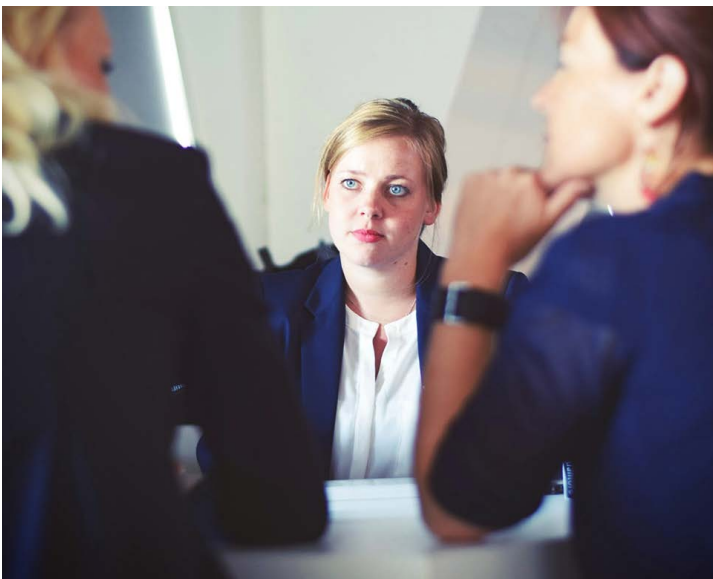


raise issues with their direct management internally before they feel the need to escalate their concerns, or go public.

### **GENDER PAY GAP TRANSPARENCY**

In the UK, employers in the private or voluntary sectors with 250 or more employees must publish their gender pay gap data every year. Finance still has one of the worst gender pay gaps of all UK industry sectors, according to [recent figures](#). The pay gap across all major financial firms is 32.1% – more than twice as wide as the UK national average, which currently stands at 14.9%. Goldman Sachs demonstrated the widest gender pay gap, with men being paid an average of 51.3% more per hour than women.

Many studies suggest a key driver behind the gender pay gap is what has become known as the “[motherhood penalty](#).” Joeli



## **SEXISM SCANDALS**

### **AVIVA GROUP CEO SUBJECTED TO SEXIST COMMENTS DURING AGM**

Shareholders at Aviva Group’s annual general meeting in May 2022 made sexist comments aimed at CEO, Amanda Blanc.

The individuals responsible for the remarks have been named as John Farmer – who said Blanc was “not the man for the job” – Michael Mason-Mahon, who questioned if Blanc “should be wearing trousers,” and a third, Ted O’Toole, who made a sarcastic comment about female board members’ “housekeeping” duties.

Since the story hit, there have been calls for the individuals in question to receive a lifetime ban from all future AGMs. Charles Henderson, chairman of the UK Shareholders’ Association, said: “It would make them think twice, especially if they want to vote at the AGM.”

[Read more here](#)

Brearley, founder of the [Pregnant Then Screwed](#) campaign and author of *The Motherhood Penalty: How to stop motherhood being the kiss of death for your career*, was sacked from her job while four months pregnant. Two days after telling her employer she was expecting a baby, she missed a phone call from her company one morning while brushing her teeth. She later picked up a voicemail from her female CEO saying her services were no longer required.

Shortly after losing her job, Brearley was told she had a high-risk pregnancy and to avoid all stress, so she never pursued the issue further. But the anger she felt from this experience led her to write a book and launch a global campaign to help combat the motherhood penalty, and provide advice to those experiencing maternity discrimination.

“Some studies have shown the motherhood penalty makes up 80% of the gender pay gap,” says Brearley. “And it

really is about all of these barriers that women headbutt when they try to have children and a career. There really isn't a huge gender pay gap for women in their 20s and below, and you start to see the gender pay gap widening from the age of about 30 to 33. It really takes a jump and increases from there. Just because we dared to have a baby."

The solution, argues Brearley, is to provide a working environment that doesn't make it physically impossible for women to thrive and raise a family. "Childcare is an open goal that employers don't seem to be filling at the moment. We've got this massive skills gap, you've got all these brilliant women that desperately want to work. If you find a solution to the childcare issues they're facing, you will see your recruitment go through the roof. [Patagonia](#) in the US created on-site

childcare for their employees, and increased retention rates of parents. They say it pays for itself...Advertise your jobs as flexible and be very specific about what you mean by flexibility. Say, 'You can work three days a week, do a job share' and you will see an increase in the number of women applying for your job...Zurich Insurance did this. Third thing you should do: pay maternity leave properly and encourage dads to take paternity leave."

Brearley also advises setting up a women's group within the company to allow women to discuss their needs. Creating a group "with a direct line of communication to the top," will help address the culture of fear around speaking up about gender discrimination issues and provide solutions that are tailored to and driven by the exact people who need them.

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## RESOURCES

CMI research:

<https://www.managers.org.uk/about-cmi/media-centre/press-office/press-releases/cmi-research-reveals-chasm-between-male-and-female-managers-views-on-need-for-more-gender-balanced-leadership-and-opportunities%ef%bf%bc/>

Women in the Finance Industry, Deloitte:

<https://www2.deloitte.com/us/en/insights/industry/financial-services/women-in-the-finance-industry.html>

Lloyd's of London culture survey:

<https://www.lloyds.com/about-lloyds/media-centre/press-releases/lloyds-launches-insurance-industrys-largest-ever-culture-survey>

Interview with Joeli Brearley founder of Pregnant Then Screwed:

<https://www.weforum.org/agenda/2022/05/reduce-motherhood-penalty-gender-pay-gap/>

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Risk Universe by RiskBusiness provides in-depth analysis, reviews and research on areas of interest within the broader governance, risk, audit and compliance landscape, designed to provide proactive, 360° intelligence for informed decision making across the enterprise.

## About RiskBusiness

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