

## DRAFT

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# Women still only make up 15% of senior management positions at financial services firms

- Only 7.8% of CEO roles held by women
- Slow progress being made in the promotion of women

Women still make up only 15% of senior management positions at financial services firms with just 7,552 of a total 50,639 senior management jobs held by women, says Fox & Partners, the employment and partnership law specialists.

Fox & Partners says that whilst good progress has been made in hiring more women to non-executive roles in financial services firms there is significant work to do in appointing women to typically better paid, senior executive positions.

Gender diversity is lowest at the CEO level of financial services businesses, of which women hold just 7.8% of CEO positions (449 of a total of 5,742). Just 8.3% of Chair roles are held by women (174 out of 2,090).

The Hampton Alexander review, which advocates for greater representation of women in senior leadership positions recently achieved its target of 33% of FTSE350 board positions being held by women, which suggests that financial services firms are lagging behind other sectors. However, the Hampton Alexander review also showed that many of the female-held positions were non-executive, with only 21% of roles on FTSE350 executive committees held by women.

Further recent research from Fox & Partners revealed that average pay for female directors at FTSE-350 financial services firms stands at £247,100 compared to £722,300 for their male counterparts.

Fox & Partners says that a starting point is for firms to sign up to the Treasury's Women in Finance charter, which commits financial services companies to support the progression of women into senior roles. 42 new companies signed up in 2020, bringing the total to over 370\*\*

It remains to be seen whether the increased move towards working more flexibly, accelerated by the pandemic, will have any impact on women progressing through the ranks in financial services firms.

Economic, social and governance (ESG) issues are increasingly high on the agenda for investors and gender diversity in leadership forms a significant part of that assessment - companies that fall short will start to feel the impact. There is also the risk of sex discrimination and equal pay claims that attach to significant pay disparity and lack of diversity in senior positions, as well as the potential reputational risk of an apparent systemic issue with gender diversity at the top.

Catriona Watt, Partner at Fox & Partners says: “Women are still underrepresented in the boardroom and the rate of progress needs to accelerate if firms really want to see real change.”

“There is no quick fix but firms need to ensure they have as part of their planning a strategy which seeks to break down barriers which have typically prevented women from progressing to the top.”

“Female leaders in financial services firms are not going to emerge fully-formed. Companies should include in their planning implementing mentoring schemes to ensure that the future generation of female leaders receive the support they need to progress from middle management.”

\*FCA Data year end September 2020. Includes banks, insurers, fund managers, hedge funds and private equity houses. Composition of data does make it easily comparable to previous years.

\*\*Women in Finance Charter Annual Review June 2020

**ENDS**

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