

Initiatives for Attracting Women into Banking and Finance in Australia



Women in Banking and Finance (WiBF) and the Australian Financial Markets Association (AFMA) are pleased to launch a set of initiatives to assist organisations in the Australian banking and finance industry to attract more female graduates into institutional and investment banking roles (“investment banking”). The diversity of roles in the industry offers a range of exciting opportunities to high achieving and motivated young professionals. The industry bodies have collaborated to identify a number of initiatives based on recent research conducted with university students. The initiatives are intended to complement existing gender diversity policies.

While individual organisations already implement a variety of graduate recruitment programs, a robust industry-level plan addressing gender diversity at the entry-level also has an important role to play.

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The Context – Why these Initiatives?

The business case for attracting and retaining a gender-balanced workplace is well understood by organisations in the industry; as demonstrated by the range of policies and practices that are implemented, from flexible workplace arrangements to mentoring and sponsorship. WiBF and AFMA have been collaborating over the past two years to promote industry-wide research to facilitate a greater understanding of issues that affect the attraction and retention of women in finance.

Graduate positions in banking and finance are extremely competitive and highly contested between students seeking an entry-level position within the industry. Even so, achieving gender-balanced graduate intakes remains a significant challenge across the industry, underscoring the need to better understand factors that drive young women to choose industries other than banking and finance for their careers.

A preliminary survey conducted by WiBF and AFMA to ascertain trends in the gender composition and profile of member organisations' graduate recruitment found that the general downward trend in graduate recruitment levels had a proportionately greater impact on female recruitment. The data also suggests that the gender disparity in graduate recruitment is, to some extent, reflective of a lesser degree of demand from female graduates.

Subsequently, Urbis¹ was commissioned to develop and undertake a qualitative study to provide insights into graduates' perceptions of the institutional and investment banking ("investment banking") industry.

¹ Urbis is an interdisciplinary consulting firm with specialist skills in social planning, economics, research, analysis and advice.

The Initiatives

These industry-level initiatives have been developed to address the key findings from our research, including:

- i. Similar factors drive young men and young women to consider a career in the investment banking industry
- ii. There is a basic lack of understanding about the industry that leads to disengagement by some students
- iii. Female students are more likely to disengage because of a perceived lack of flexibility and non-inclusive culture
- iv. The GFC has reduced the attractiveness of the industry

Develop an online information resource about the investment banking industry for students

One of the key messages received from female students who participated in the research is that there is a lack of comprehensive and factual information about the industry. This often results in students seeking information from informal networks where negative stereotypes and misinformation about the industry are more likely to gain resonance. This online information resource will provide factual information about the large variety of different roles and opportunities for professional development within the industry, as well as the industry's critical role in, and positive contributions to, the broader economy.

Connect with universities

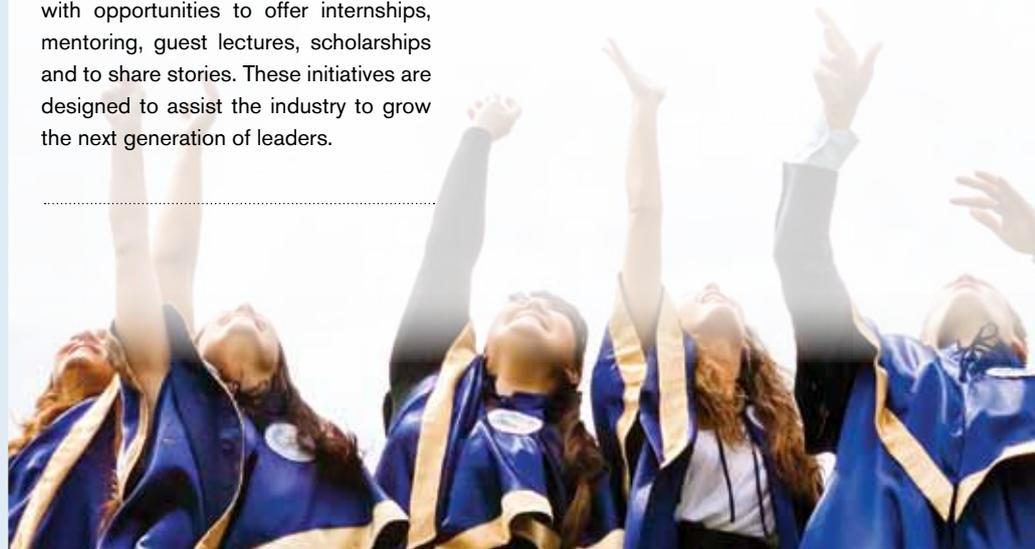
WiBF will engage with universities and business schools to understand the needs and the challenges their business and finance graduates are facing. Programs will be designed to provide an understanding of the finance industry and information about possible career paths. This will, in turn, provide organisations with opportunities to offer internships, mentoring, guest lectures, scholarships and to share stories. These initiatives are designed to assist the industry to grow the next generation of leaders.

Promote thought leadership and build the evidence base

The research shows that attraction and retention issues are deeply interrelated. An industry that offers flexible solutions so that the best people can be retained for the longer term is more attractive to new entrants. Based specifically on "retention-focussed" research, WiBF and AFMA plan to further inform the development of support systems and role-structures to address the retention of women in the industry.

Engage with men

Research shows that practices, policies and procedures alone are not enough to drive change; positive behaviour change will ultimately be achieved through a positive change in workplace culture. WiBF and AFMA will leverage off the important work that Sex Discrimination Commissioner, Elizabeth Broderick, has commenced through the Male Champions of Change group in garnering industry thought leadership.



Students' Perceptions of the Industry – What the Research Told Us

The study involved in-depth qualitative focus group studies with 40 academically high-achieving university students (male and female) that explored the reasons female graduates may or may not be attracted to the industry, and importantly, how these perceptions differ for other industries that compete for the same graduate pool. The research also included interviews with ten graduate recruits that had entered the industry but left within five years of joining, as well as eight HR professionals working in the industry. The smaller scale of the study enabled us to gain insights into a range of common but also individually unique perspectives that students have of the industry.

1. Similar factors drive young men and young women to consider a career in the investment banking industry

The drivers for engagement between young men and women were remarkably similar. While the drivers may not differ between genders, the emphasis placed on specific drivers was different – males were significantly more likely to focus on benefits related to reward, recognition and prestige, while young women were more likely to focus on the opportunities for intelligent creativity and learning/development. Key drivers discussed in most groups include:

- **Financial reward:** not surprisingly, the most frequently mentioned driver for engagement in the industry was the opportunity for financial reward. Young graduates recognised that the industry compensated staff well for their time and while the GFC had dented this perception to some degree, it was still the most common mentioned benefit of the sector.
- **Dynamism and excitement:** students who were open to a career in investment banking often described the industry as possessing a dynamic and exciting

work environment. The perceived level of risk associated with daily decision making was, for some, the type of buzz that they wanted from their job.

- **Creativity and social engagement:** those who were open to a career in the industry also commonly felt that the industry was creative and flexible in terms of problem solving. Young graduates felt that investment banking provided an opportunity for applied problem solving – something that was not available in other sectors or industries (e.g. academia or pure science/maths fields). The client-facing nature of some roles within the industry was seen to enhance the need for creativity – with problems not seen as simply numeric, but also social in nature.
- **The calibre of colleagues:** from an HR Manager's perspective, one of the key drivers for graduates to seek a career within the industry was the opportunity to work with individuals who were at the top of their

profession. Most HR Managers felt that high performing graduates were attracted by the opportunity to work with high performing professionals.

- **Opportunities for development:** all participants who were open to a career in the industry felt that it offered significant opportunities for career growth and progression through formalised training, career coaching and the opportunity to rotate through the business during the graduate year.
- **Responsibility:** coupled with the perceived dynamism of the environment, young graduates also indicated that the degree of responsibility that came with a role in the industry was a key driver for interest in the sector. Many felt that a graduate role in the industry came with a higher degree of responsibility than an equivalent role in other sectors, particularly law, which was seen to restrict graduates to the most basic of administration tasks.

2. Women are more likely to disengage because of a perceived lack of flexibility and non-inclusive culture

Ultimately, many young women dismissed a career in the industry because of perceived deficiencies in flexibility and adaptability necessary to support workers' responsibilities outside of work. These perceptions appear to be driven by observations that the industry is male-dominated and the lack of access to senior female role models actively demonstrating how a career in the industry can be fulfilling, challenging and adaptable.

In some respects, a lack of understanding about the diversity of a career and the

role that young women can play is a marketing and communications issue – the strengths and diversity of the industry needs to be promoted and communicated in a way that resonates with young women. Several HR Managers indicated that this was an area where the industry had underperformed in recent years in comparison to other sectors.

While information and communication is important, messaging needs to be supported by word-of-mouth "stories" about positive experiences. Industry

participants should ensure they have the cultural, policy and procedural settings in place that will promote this messaging. This could not only improve the careers of young women engaged within the industry, but their own positive experiences can serve to feed a virtuous circle of positive noise which in turn promotes the industry. This promotion will increase the proportion of graduates considering investment banking as a "destination career".



Students' Perceptions of the Industry – What the Research Told Us *cont'*

3. A basic lack of understanding about the industry also leads to disengagement

While some young women were able to identify drivers or barriers to engagement, the perceived complexity of the industry meant that many female students were uncertain about what a career in an institutional/investment bank may entail. Many students indicated that they did not have a comprehensive understanding of specific roles within the industry, as well as how the industry fits within the broader economy. The net result of this uncertainty was that young women often sought out informal information about the sector, with word-of-mouth being an extremely important source. Negative

workplace experiences drove negative perceptions of the industry, often reinforcing current stereotypes and reducing the appeal of a career in investment banking for young women.

A reliance on informal sources of information and the perceived complexity of the industry resulted in students having difficulty objectively weighing up the pros and cons of a career, beyond basic trade-offs associated with higher salaries or prestige. There was little recognition of the diversity that a career in the industry could offer and limited

understanding about the ability of the industry to cater for shifting priorities associated with caring requirements. This "unbalanced trade-off" and emphasis on monetary compensation caused participants to focus on the perceived inability of the investment banking industry to cater for the needs of young women. Most matched higher salaries and more prestige as compensation for longer working hours and increased pressure. However, both financial reward and prestige were seen to be incongruous with maintaining a social life and starting a family.

4. The GFC has reduced the attractiveness of the industry

In addition to the perceived complexity of the industry, many young women directly associated the investment banking sector with the GFC. The impact of negative press was still being felt and negative coverage appeared to be filling the vacuum created by a lack of clarity or information about the industry and the career path that women could expect. HR Managers also identified the GFC as a key contributor to reduced engagement in the sector, with managers feeling that structural changes

as a result of the downturn had resulted in the industry being seen as less stable, less secure and less lucrative than it had been in the past (and in comparison to competitor industries).

The association of the GFC with the industry affects graduates in several ways by:

- Increasing concerns about the stability of careers and encouraging comparisons against other industries perceived to be more "stable" (such as law or accounting).

- Generating fear among "trusted advisors", with parents and friends potentially discouraging individuals from pursuing a career in investment banking.
- Tarnishing the ethical reputation of the industry, resulting in some graduates no longer considering investment banking as a viable career.

About Us

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Women in Banking and Finance (WiBF) is a non-profit organisation which provides a forum for professional women in financial services and related industries. Its objective is to provide a supportive environment for career and personal development and the opportunity to network with like-minded professionals such that women may realise their full potential.

The **Australian Financial Markets Association (AFMA)** is the leading industry association promoting efficiency, integrity and professionalism in Australia's financial markets and provides leadership in advancing the interests of all market participants. AFMA represents over 130 members, including Australian and international banks, leading brokers, securities companies, state government treasury corporations, fund managers, traders in electricity and other specialised markets and industry service providers.

Both industry associations have identified workplace diversity, particularly gender diversity, as an imperative. The associations are working together, through a joint research committee, to develop practical initiatives based on sound research.

Our Supporters

We would like to acknowledge the following organisations for their extra financial support for this research project:

