



# **SECURING THE FUTURE OF THE FINANCIAL INDUSTRY THROUGH IMPROVED GENDER DIVERSITY**

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## Table of Contents

<b>Acknowledgements</b> .....	<b>5</b>
<b>Abstract</b> .....	<b>6</b>
<b>Introduction</b> .....	<b>7</b>
<b>I. Theoretical Foundations</b> .....	<b>10</b>
<i>Literature Review</i> .....	10
<i>Theoretical Framework</i> .....	11
<b>II. Methodology</b> .....	<b>14</b>
<i>Research Sites</i> .....	14
<i>Content Analysis</i> .....	14
<i>Exploratory Study</i> .....	15
<i>Limitations</i> .....	16
<b>III. Content Analysis: An Overview of Gender Equality Initiatives in the British and German Finance Industry</b> .....	<b>18</b>
<i>Government- and Industry-Level</i> .....	18
<i>Company-Level</i> .....	20
<i>Discussion</i> .....	22
<b>IV. Exploratory Study of the German and British Finance Industry: An Evaluation of In-Depth Interviews with Key Internal and External Stakeholders</b> .....	<b>25</b>
<i>Attractiveness and Competitiveness of Financial Services (Employer Perspective)</i> .....	25
<i>Gender Diversity in Senior Management: Mature and Less Mature Practices</i> .....	27
<i>Findings</i> .....	27
<i>Discussion</i> .....	36
<b>Conclusion and Recommendations</b> .....	<b>44</b>
<b>References</b> .....	<b>49</b>
<b>Appendix A. Samples and Sampling Procedure (Content Analysis)</b> .....	<b>52</b>
<b>Appendix B. A Note on Elite Interviews</b> .....	<b>53</b>
<b>Appendix C. Sample and Sampling Procedure (Exploratory Study)</b> .....	<b>54</b>
<b>Appendix D. Questions on Socio-Economic Status</b> .....	<b>55</b>
<b>Appendix E. Socio-Economic Background of Interview Partners</b> .....	<b>56</b>
<b>Appendix F. Questionnaire for Internal Stakeholders (HR and Top Management)</b> .....	<b>57</b>
<b>Appendix G. Questionnaire for External Stakeholders (Executive Search Firms)</b> .....	<b>59</b>
<b>Appendix H. Questionnaire for External Stakeholders (Diversity Specialists)</b> .....	<b>61</b>
<b>Appendix I. Gender Equality Initiatives of British Banks, Asset Managers and Insurers</b> .....	<b>62</b>
<b>Appendix J. Gender Equality Initiatives of German Banks, Asset Managers and Insurers</b> .....	<b>68</b>
<b>Appendix K. Overview of Gender Equality Initiatives of the 10 Largest Banks in London</b> .....	<b>69</b>

## List of Figures

Figure 1: Representation of women in senior and executive management of financial companies in the UK and Germany.....	8
Figure 2: Academic publications on gender and finance since 1992 (total number per year displayed on top of bars).....	10
Figure 3: Publications filtered by ten largest research areas (total number of studies per research area displayed in line below research area name) .....	11
Figure 4: Analytical dimensions of the study.....	16
Figure 5: Overview of UK government-led initiatives on diversity from 2009 to 2017 (text in bold highlights those focussing on finance).....	19
Figure 6: Typology of gender equality initiatives in finance .....	21
Figure 7: Keyword analysis of annual reports divided by sub-sector (average number of words displayed).....	22
Figure 8: Gender diversity in British and German financial companies, divided by sector (numbers depict average percentages).....	23
Figure 9: In-company barriers to greater gender diversity (internal perspective).....	29
Figure 10: Gender-related obstacles in the appointment process according to responses by London- and Frankfurt-based ESFs .....	31
Figure 11: In-company gender diversity programmes (internal perspective).....	32
Figure 12: Best practices promoting greater gender diversity, London-based ESFs (external perspective) .....	34
Figure 13: Best practices promoting greater gender diversity, Frankfurt-based ESFs (external perspective) .....	35
Figure 14: Socio-economic background of interview partners.....	56
Figure 15: Educational background of interview partners .....	56

## List of Tables

Table 1: Overview of interviews with key stakeholders (internal and external) .....	15
Table 2: Overview of women's campaigns and networks in finance.....	20
Table 3: Nationality (defined by location of headquarters) of companies of interview partners.....	54
Table 4: Overview of acquisition process via cold-emailing in Germany and the UK.....	54

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## **Abstract**

Unlike any of its predecessors, the 2007 – 2009 financial crisis drew attention to the lack of diversity at the top of the finance industry. In particular, it ignited the debate on whether greater gender diversity could have impacted the course of events surrounding or even prevented the crisis. However, despite empirical evidence for a business case in (leadership) diversity as well as regulatory pressure, for example by the UK government, financial services continues to be an industry that is governed almost exclusively by an elite, male minority. The interdisciplinary approach adopted in this paper seeks to move beyond the business case logic by combining insights from financial geography and feminist theory. This paper unpacks work cultures and practices in the financial centres of London and Frankfurt. Exploring the institutional and cultural setting in which financial companies operate, we seek to answer the question of how (gender) diversity can become core to business in finance from a new perspective. The analysis is based upon a desk-based review of diversity policies of financial companies as well as data collected through 52 semi-structured interviews with external and internal stakeholders in the financial centres of Germany and the United Kingdom. It shows that support from senior management is key to greater diversity, whereas the culture of an organisation is perceived as the biggest obstacle. Culture, and thus diversity, is dependent upon context. The comparative study of London and Frankfurt reveals that understandings and practices of diversity are highly location-dependant. Despite being a heavily interconnected industry, the research shows that financial services itself are more geographically diverse than assumed. Hence, cultural as well as institutional variations are central to understanding the progress – or lack thereof – of diversity within financial companies in different geographies. This has implications for the competitiveness of financial centres and make-up of financial elites. Financial companies that strive for greater diversity and for which elite labour is a key resource need to pay particular attention to the cultural and institutional framework, within which they are embedded and operate.

## Introduction

In August 2009, the immediate aftermath of the 2007 – 2009 financial crisis, the Treasury Committee of the UK Parliament launched its first ‘Women in the City’ inquiry and facilitated two hearings that same year (a second ‘Women in finance’ inquiry followed in 2017). A report ordered by the House of Commons concluded that

“[w]hile it is impossible to know whether more female board members would have lessened the impact of the financial crisis, **the arguments for fairness, improved corporate governance, a stronger challenge function and not wasting a large proportion of talent** seem more than sufficient to conclude that **increased gender diversity is desirable.**” (House of Commons 2010: 14)

Whereas the Treasury Committee eschewed to enter into a debate about what is often referred to as the Lehman-Sisters-Hypothesis<sup>1</sup>, i.e. the question whether greater gender diversity could have impacted the course of events surrounding or even prevented the 2007 – 2009 crisis, the inquiry marked the beginning of a series of efforts undertaken by the UK government (as well as the British financial services industry) to investigate and – at least in parts – address the risk culture and the lack of diversity in finance. Exploring the institutional and cultural context, in which financial centres as well as companies are embedded, opens up a different perspective on the puzzling situation that despite the empirically verified *business case for diversity*<sup>2</sup>, finance continues to be an industry that is governed almost exclusively by an elite minority. Numbers demonstrate this underrepresentation of women robustly, as illustrated in Figure 1. In 2016, women comprised only 14% of Executive Committees in Financial Services in the UK. The lack of gender diversity is even greater in Germany, where women accounted for only 9% of Management Boards in 2017.

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<sup>1</sup> See, for example, Prügl 2012, Nelson 2013, and van Staveren 2014.

<sup>2</sup> A series of company studies, most notably by the consultancy McKinsey (see Desvaux/ Devillard-Hoellinger/ Baumgarten 2007 for one of the first of this kind and Desvaux et al 2017 for the ten-year-anniversary edition), made the case for capitalizing on gender diversity to drive company performance.

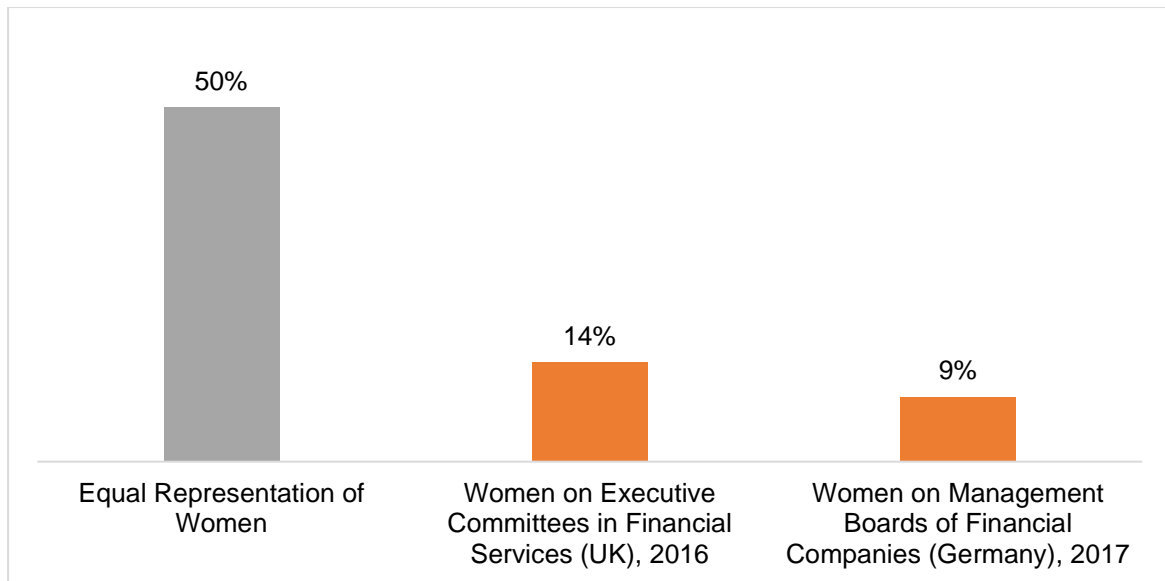


Figure 1: Representation of women in senior and executive management of financial companies in the UK and Germany<sup>3</sup>

This paper seeks to answer the question that matters most to practitioners: *How* can (gender) diversity become core to business in finance, i.e. how can more women be attracted to the industry and promoted to leadership positions within it? By interviewing key internal and external stakeholders in financial services, the findings presented here are based upon the case studies of the British and German finance industry. The research presented addresses four objectives:

1. To offer an overview of what the financial industry is currently doing to attract and promote women into senior and executive management positions.
2. To explore what can make finance an industry attractive for qualified female talents.
3. To identify conditions under which women succeed as well as fail to reach senior and executive positions in finance, paying particular attention to promotion gaps.
4. To derive recommendations for best practices on how finance can attract and promote women better into senior and executive management positions.

The theoretical framework offered by combining economic geography with gender and cultural studies enables us to account for factors that are usually neglected, in particular in studies from business management which dominate the research on this topic. Seeking to understand better what prevents women from reaching senior management demands to approach the question outside the business logic within which this usually operates. This complicates the picture, but they simultaneously allow for a more nuanced understanding of the problem. The interdisciplinary background of our study informs both the assumptions and conceptual framework underpinning our project as well as the methods we use. The choice to conduct research in different geographies was derived from the assumption that cultural as well as institutional variations are one of the keys to understanding the progress – or lack thereof – of gender diversity within financial companies. Diversity itself encompasses more than gender and, as it intersects inevitably with other dimensions, i.e. race or class/ socio-economic background, we think of gender diversity as multidimensional and being depended upon context. Thus, the emphasis on gender diversity represents the starting point of our

<sup>3</sup> Sources: HM Treasury/ Virgin Money 2016 and German Institute for Economic Research 2018.



study which we not only tease apart theoretically in the next chapter but also use as analytical lens to document the differences between the countries and cities we investigate. Our empirical findings demonstrate the complexity of diversity across the different geographies.

The research was conducted between January and October 2019, in two main stages. The first stage consisted of a desk-based review of gender equality initiatives of British and German financial companies. The second stage consisted of 52 semi-structured, in-depth interviews with four groups of internal and external stakeholders in London, United Kingdom, and in several German cities, primarily Frankfurt. These interviews were supplemented with data collected on barriers for women/ gender-related obstacles as well as gender equality initiatives/ best practices.

The report is structured as follows: Chapter 1 provides a review of literature on gender (diversity) in finance. Chapter 2 details the methodology of the study. Chapter 3 offers an overview of gender equality initiatives in Germany and the United Kingdom, including a content analysis that focuses on differences and similarities between countries as well as sectors. Chapter 4 presents the findings from an exploratory study. We conclude the report by summarising key results of our study and deriving recommendations.

## I. Theoretical Foundations

### Literature Review

The research on women’s work experience as well as gender diversity in finance is still nascent. Only a limited number of studies focus strictly on women (and not gender or masculinity) in finance. As Figure 2 shows, research on this topic first emerged in significant numbers in the early 1990s. Publications almost doubled around the crisis (from 168 in 2006 to 316 in 2010) and have grown steadily ever since, with a sharp increase in the last five years from 517 in 2014 to 1101 in 2018.

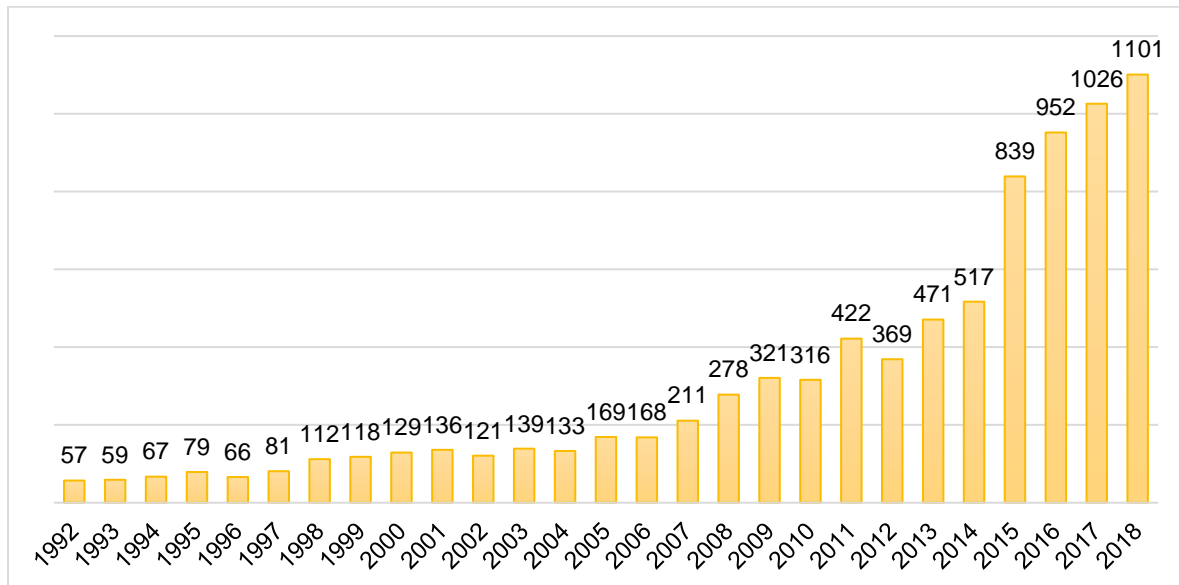


Figure 2: Academic publications on gender and finance since 1992 (total number per year displayed on top of bars)<sup>4</sup>

Scrutinizing the sources of research on this topic, Figure 3 shows that studies from business economics, social sciences and women’s studies dominate the academic literature. Business economics provides the lion’s share (4611 out of 8642 results). Many studies within this field engage with the business case for diversity. Diversity is primarily investigated for its impact on the financial performance and the reputation of a company<sup>5</sup>, but also driven by human capital considerations and a more customer-centric approach (cf. Doldor et al 2012: iii). Existing literature offers mixed results regarding the (dis)advantages of workforce diversity,

<sup>4</sup> The following data stems from a systematic search conducted on 4<sup>th</sup> March 2019 on Web of Science, using a combination of keywords (We searched for TOPIC using the following key words: (wom\*en AND financ\*) OR (wom\*n AND bank\*) OR (wom\*n AND financ\* AND cris\*s) OR (gender AND financ\*) OR (gender AND bank\*) OR (diversity AND financ\*) OR (diversity AND bank\*) OR (equality AND financ\*) OR (equality AND bank\*) OR (masculinity AND financ\*) OR (masculinity AND bank\*) OR (feminism AND financ\*) OR (feminism AND bank\*) OR (femininity AND financ\*) OR (femininity AND bank\*). Furthermore, we refined our search from the 100 most popular categories and limited it to Economics, Management, Business, Business Finance, Sociology, Women’s Studies, Social Sciences Interdisciplinary, Political Science, Law, History, Geography, Social Issues, Regional Urban Planning, Public Administration, Ethics, Industrial Relations Labor, Anthropology, Area Studies, Urban Studies, International Relations, Neurosciences, Communication.). Our sample included 8.462 results in total (30.409 results were found without any filter).

<sup>5</sup> Campbell and Mínguez-Vera refer to this distinction as the split between “ethical and economic” (2008: 439) arguments.

which can be attributed to how diversity and financial performance are measured.<sup>6</sup> Comparative in-depth studies investigating the lack of diversity in senior management across companies or industries in different countries are scarce.

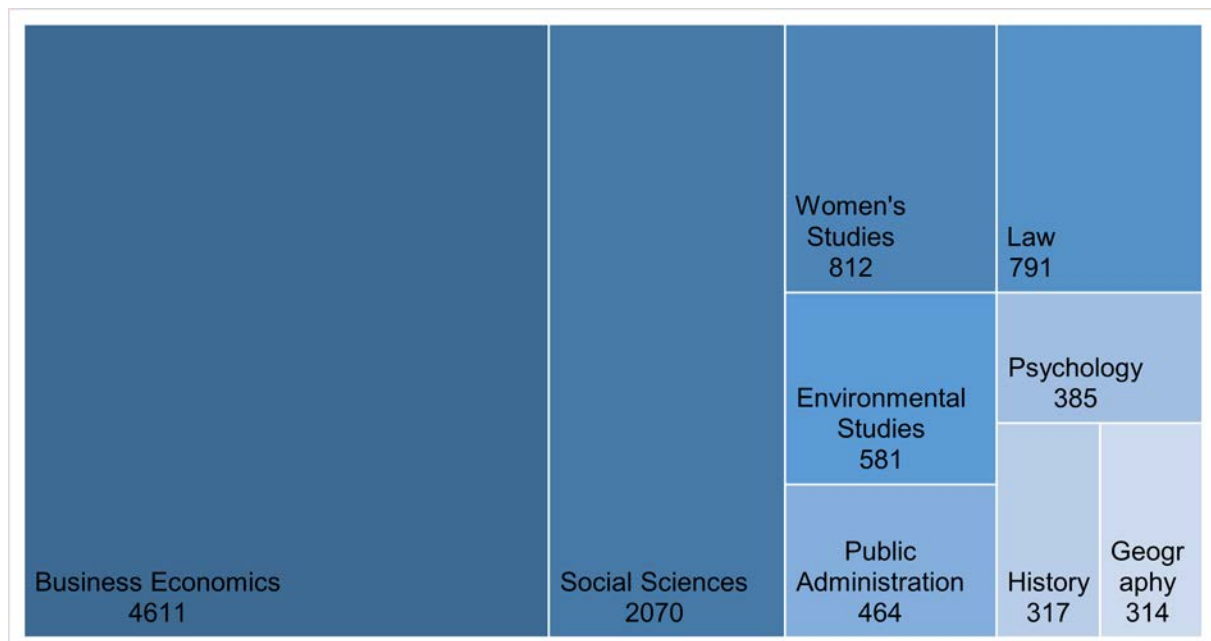


Figure 3: Publications filtered by ten largest research areas (total number of studies per research area displayed in line below research area name)

### Theoretical Framework

In order to understand why, despite empirical evidence for the business case, diversity is not core to business, and consequently how more women can be attracted to the industry and promoted to leadership positions within it, we chose a conceptual framework that goes beyond business studies and relies on economic geography in combination with gender and cultural studies. Our theoretical framework rests on the following key concepts:

- (1) **International Financial Centres.** Geographers understand international financial centres (IFCs) as “concentrations of financial organizations and their activities” (Wójcik 2018: 558) and “centres of financial expertise” (ibid: 560). Approaching London and Frankfurt through this theoretical lens allows us to build upon Sarah Hall’s finding that “different financial centres will have different cultures” (2018: 97). And in order to understand these variations better, we view “highly skilled individuals working in [these] financial centres” (ibid: 21) as *one* key to gain insight into these variations (cf. ibid: 96).
- (2) **Financial Elites.** Elites and the power they possess have been under high scrutiny in the aftermath of the financial crisis (cf. Engelen et al 2012). Elites can be characterized as “central to the reproduction of the global economy and the international financial system in particular” (Hall 2018: 95). Research on their transnational mobility between different financial centres, which insinuates a uniform culture of finance that

<sup>6</sup> In the studies we reviewed, the Shannon index as well as the Blau index were commonly used diversity indices. Financial performance was mostly measured as Tobin’s Q, ROI or ROA.

transcends geographies, is of particular interest to our project (cf. Beaverstock 2005). Gender resembles a “key factor in understanding the (re)production of elite financial subjectivities” (Hall 2018: 104), which sums up the logic that underpins our decision to choose gender as the starting point of our research without neglecting other dimensions of diversity.

- (3) Work Cultures and Practices.** Work cultures can be defined as “taken-for-granted assumptions shaped by both firms and financial centres that define what legitimate forms of working activities, knowledge practices and interpersonal relations are in any given working context” (Hall 2018: 100). Practices, in turn, can be understood as “micro-social activities [...] carried out and performed by people living, labouring, and creating in the everyday economy” (Jones/ Murphy 2010: 376). This means on the one hand that the economy is embedded in society and thus that economic practices are always social practices. On the other hand, such a practice-centre approach<sup>7</sup> rests upon the assumption – and simultaneously concludes – “that in order to understand what and why people do what they do, we need to understand these broader relationships” (Reid/ Ellsworth-Krebs 2019:) 302, i.e. the context in which individuals operate.
- (4) External Stakeholders.** Despite the central role Executive Search Firms (ESFs)<sup>8</sup> assume in the process of selection and appointment of candidates for senior roles (cf. Faulconbridge et al 2009), research on them is scarce. Even fewer studies on (gender) diversity and executive search exist to date (cf. Doldor et al 2012 and Fernandez-Mateo/ Fernandez 2012). Monika Hamori emphasizes the formative power ESFs hold – they “constrain executive career moves, structure labor markets, and determine both short-term and longer term career outcomes” (2010: 57). Jonathan Beaverstock, James Faulconbridge and Sarah Hall stress that ESFs had to “educate corporate clients in new geographical markets into the value of employing head-hunters, rather than simply being able to respond to already existing demand” (2010: 830 – 831). ESFs thus play a central role in elite labour markets and are an important part of the puzzle that is the lack of senior women in top management in financial services.
- (5) Gendered Organisations.** Developing a “systematic theory of gender and organizations” (1990: 140), Joan Acker was among the first to demonstrate how organisations themselves are gendered (cf. *ibid*: 145 – 147), challenging the assumption that “[o]rganizational logic” (*ibid*: 147) is “gender neutral” (*ibid*). In a more recent account, Acker revises her theory by integrating the concept of intersectionality. Developing the notion of inequality regimes, which are present in all organizations (cf. 2006: 443), she defines these regimes as “interrelated practices, processes, actions and meanings that result in and maintain class, gender, and racial inequalities within particular organizations” (*ibid*). Change within organisation, Acker contends, “is difficult and change efforts often fail” (*ibid*: 445) as “[a]dvantage is hard to give up” (*ibid*).
- (6) Organisational Culture.** Studying men and women working in the City of London in the late 1980s and early 1990s, Linda McDowell’s *Capital Culture* is formative for our decision to put an emphasis on cultural variations. McDowell argues that

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<sup>7</sup> See Reid and Ellsworth-Krebs for an overview of the development of practice theory (cf. 2019: 300 – 303).

<sup>8</sup> We follow other researchers in this field and use the terms executive search firms and head-hunters interchangeably (cf. Beaverstock/ Faulconbridge/ Hall 2010).

“occupational sex stereotyping and the institutional and everyday structures of workplace interaction” (1997: 204) contribute to an inequality in the workplace in which “City women [are constructed] as different” (ibid) and “men [...] retain[] their old hegemonic dominance” (ibid). Disclosing the gender performances, which are accepted/ appropriate and not accepted/ appropriate, she shows that “the cultural construction of the banking world remains elitist and masculinist” (ibid: 207), alluding to the important intersection of class and gender in the British case.

**(7) Performance and Formation of Gender (Stereotypes).** Research from gender and cultural studies was instrumental in debunking gender as something given but instead demonstrating how it is (per)formed and based upon power structures (cf. Butler 1990). A small number of studies explored the performance and formation of gender (stereotypes) in finance. Whereas the majority of such accounts focus on masculinity (see, for example, Connell 2012), only selected works include or focus in particular on women in finance (cf. Roth 2006, Ho 2009, Fisher 2012, and Hall 2017).

**(8) (A Spatial Understanding of) Intersectionality.** Intersectionality emerged as key concept within feminist and women’s studies in the past thirty years (for a genealogy of intersectionality, see Cho/ Crenshaw/ McCall 2013). We follow Leslie McCall in her reading of intersectionality as driven by a notion “that completely reject[s] the separability of analytical and identity categories” (2006: 1771). Deploying an intersectional approach also allows us to marry together economic geography and gender as well as cultural studies for the conceptual framework of this. Already in 1998, Andrew Jones argued “theorizing gender through a spatially aware epistemology, more powerful theories of exclusion and discriminatory practices can be produced” (453). Other geographers demonstrated seconded this spatial reading of intersectionality. Linda McDowell emphasizes how “gender [...] is mutually constructed through a range of social relations including in the workplace and the home” (McDowell 2016: 2093). Adopting an intersectional approach also means to acknowledge that when we speak about gender diversity in this paper we focus on elite women and neglect a large share of invisible (in particular care) work done by other women that enables women (as well as men) to establish careers in finance (cf. McDowell 2014: 830f.). In addition, and because of the emphasis placed on the institutional and cultural context in this research project, our case studies show that understandings of gender, class and race depend upon “specific sociohistorical, cultural and economic conditions” (Knapp 2005: 259). Thus, as much as these relations permeate both societies we study, the way in which they act as markers and what they stand for differs in our case studies.

## II. Methodology

### *Research Sites*

London and Frankfurt were chosen as our research sites. They represent two international financial centres (IFCs) embedded within distinct cultural, political and financial systems. London clearly features in past comparisons as a “more important world city” (Beaverstock/ Hoyler/ Pain/ Taylor 2001: 4) than Frankfurt. Whether recent developments like Brexit will affect the relationship between both cities as well their importance as IFCs remains to be explored (cf. Cassis and Wójcik 2018). To start with, Frankfurt is simply much smaller in terms of workforce, with 75,000 people employed in financial services compared to more than 400,000 employees in London<sup>9</sup> (cf. Bischoff 2018: 22 – 24). Additionally, the German financial system can be characterized as rather decentralised with big banks (particularly investment banks) located primarily in Frankfurt, with Munich as the leading centre of insurance and asset management, and a strong presence of regional and local banks and financial institutions throughout the country (cf. Wójcik/ MacDonald-Korth 2015). Reflecting on these differences, our research was designed in such a way as to allow us to study whether and how these variations affect the object under investigation, i.e. the understandings and practices related to diversity. It makes our research challenging but worthwhile as we are able to explore which factors drive or obstruct gender diversity. These include the role of the cultural as well as institutional settings in an industry that is heavily interconnected but might be more spatially variegated, i.e. geographically diverse, than assumed.

### *Content Analysis*

We used a representative sample from Thomson Reuters as well as a sample of the ten largest banks in London for the content analysis (see [Appendix A](#) for further information on the samples and sampling procedure). We relied on textual evidence from publicly available material on diversity and inclusion<sup>10</sup> that we retrieved through an extensive keyword research online<sup>11</sup>. As our goal was to systematically review and reduce the vast data available (cf. Schreier 2013), we chose to deploy a content analysis. Adopting an inductive approach (cf. Mayring 2000), we developed categories and analysed the material by concentrating on key characteristics (cf. Coffey 2013). The scope of our analysis was to look primarily for initiatives fostering gender equality. Hence, we did not include efforts that aimed to foster diversity beyond gender, although such efforts are interrelated and can hardly be separated, or if companies vowed to hire or promote more women but did not state concrete policies or means by which to achieve these aims. In addition to in-company initiatives, we checked for external partnerships, namely the three prominent ones in the UK and Germany (*Women in Finance Charter*, *30% Club* and *Charta der Vielfalt*<sup>12</sup>). We also included flexible working policies and support offered to parents (e.g. coaching).

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<sup>9</sup> Numbers from 2015.

<sup>10</sup> Annual Reports, Gender Pay Gap and *Women in Finance Charter* Reports as well as information on Diversity & Inclusion Policies available on company websites were the main sources.

<sup>11</sup> Using the terms ‘diversity’, ‘gender pay gap reporting’ as well as ‘women in finance charter reporting’ in conjunction with the respective financial organisation.

<sup>12</sup> This *Charter of Diversity* is a voluntary agreement companies can sign. It does not target women exclusively like the *Women in Finance Charter* or the *30% Club* but in lieu of a comparative industry- or government-led campaign in Germany, we chose to include the *Charter of Diversity* in our analysis.

## Exploratory Study

The exploratory study is based on qualitative evidence collected through semi-structured interviews with members of the financial elite working in the UK (primarily London) and Germany. A brief overview of what is particular about elite interviewing is provided in [Appendix B](#). The data collection took place over a six-month period from May to October 2019. In total, we conducted 52 interviews<sup>13</sup> and spoke to four groups of stakeholders: members of the top management<sup>14</sup> and HR<sup>15</sup> (internal) as well as diversity specialists and executive search firms (external). Table 1 depicts how these are represented in our sample (overall as well as divided by country and sector). [Appendix C](#) provides further details on the sample as well as the sampling procedure.

Table 1: Overview of interviews with key stakeholders (internal and external)

Financial centre/ country	Internal (n = 30) (asset managers, banks, and insurers)		External (n = 22)	
	Top Management	Human Resources	ESFs/ Recruiters	Diversity Specialists
London (n = 22)	6	5	9	2
Germany (n = 30)	9	12	9	2

NB: Numbers refer to interviews (not individual interviewees as some interviews featured a number of e.g. members of HR) per stakeholder group. Furthermore, two interviews in Germany were conducted with a member of top management and HR in conjunction, which is why we conducted 30 (and not 32) interviews in sum.

We were adamant to reach out to a diversity of possible interview partners, which limits the representativeness of the sample as finance as an industry lacks diversity. Women seemed to be more likely to speak to us for our research: 62,5% (37,5 %) of our interview partners were female (male), although we approached an equal number of both women and men.<sup>16</sup> In a follow-up to the interviews, we send our interview partners a set of questions relating to their socio-economic status. This is detailed in [Appendix D](#). 34 respondents (60,7 % of the sample) completed and returned the survey. [Appendix E](#) presents the results of the analysis of this data.

Each interview lasted between 30 to 70 minutes. The interviews were either conducted via phone (n = 18) or took place in the offices (n = 34) of our interview partners. With the exception of three cases, all interviews were recorded and transcribed, consequently removing any person- or company-specific details. Apart from five cases (primarily members

<sup>13</sup> With a few exceptions, the majority of interviews was conducted 1:1. We are aware that interview situations in which peers or (in-line) managers were present potentially biased the responses as respondents could have felt more reluctant to share their opinion or agree with their in-line manager.

<sup>14</sup> These were either to (1) chairmen or chairwoman or members of the board responsible for either (2) Human Resources or (3) Strategy (Chief Operating Officers).

<sup>15</sup> Interview partners were either working in or as leads of the HR departments of financial companies or as equal opportunities/ diversity/ inclusion officers of the respective financial company.

<sup>16</sup> We can only speculate as to why women were more inclined to respond positively to our interview request. They might feel more confident than men to speak on the subject matter, as they – working in the industry as a woman – might have encountered discrimination throughout their career. Additionally, our interviews might provide them with a safe space in which their experiences are not challenged.

of top management), the interview partners did not receive the questionnaire in advance but were presented with it in person in the interview. As part of the interviews, the majority of our respondents<sup>17</sup> also completed a questionnaire, which was set up as a mini-survey on barriers and gender equality initiatives in banks, asset managers and insurers or, in the case of executive search firms, on gender-specific barriers and good practices in the appointment process.<sup>18</sup> See [Appendix F](#) for the questionnaire used for internal stakeholders (i.e. members of top management and HR in banks, asset managers and insurers), [Appendix G](#) the questionnaire used for executive search firms and [Appendix H](#) for the questionnaire used for diversity specialists. If time constraints forced us to ask fewer questions, we focused on the set of questions relating to the financial crisis and gender equality initiatives/ appointment processes. Interviews in the UK were conducted in English and interviews in Germany were conducted in German. German quotes were translated and the original quotes are supplied in a corresponding footnote. Interview data were analysed looking for common responses to our questions and themes as well as clusters of information related to barriers/ gender-related obstacles as well as gender equality initiatives/ best practices for greater gender diversity by comparing the different analytical dimensions of the study (see Figure 4).

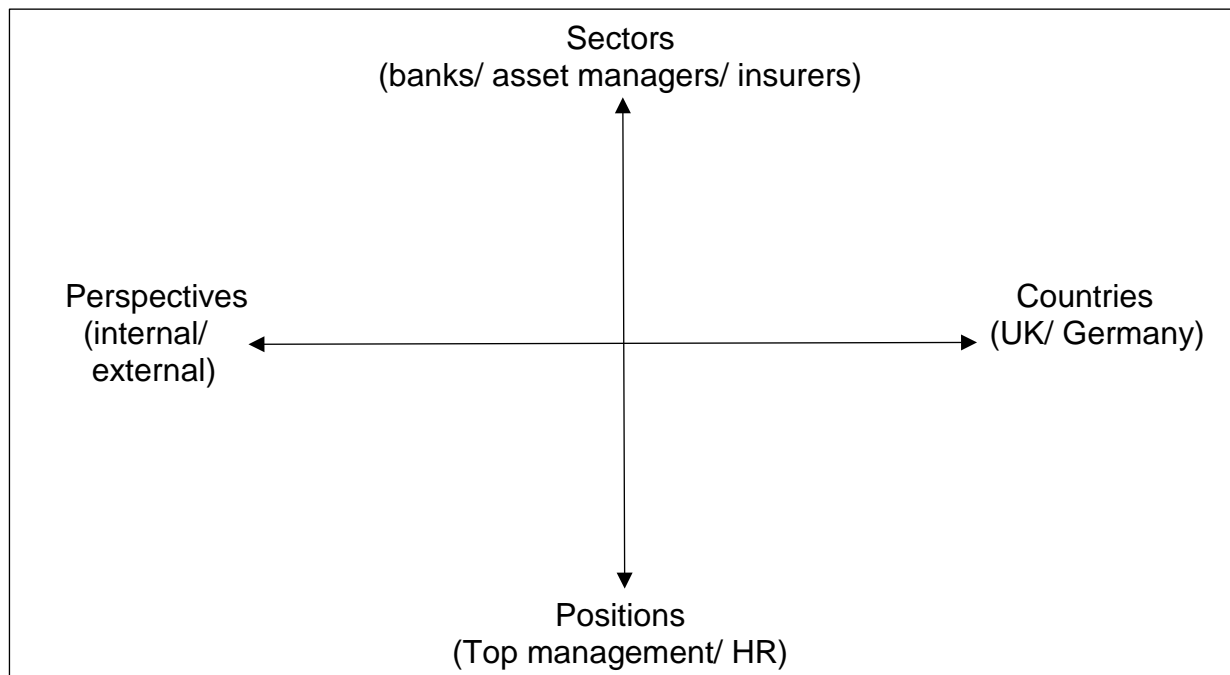


Figure 4: Analytical dimensions of the study

### Limitations

A few limitations of this study need to be addressed. First, this is not a study on the effectiveness of gender equality initiatives. Instead, we investigated the cultural and institutional framework within which financial companies operate in order to understand the

<sup>17</sup> We chose to not include the surveys on barriers and initiatives in the interviews conducted with diversity specialists and instead asked them to list the five most important (useful) barriers (initiatives). In this way, their responses could then be used as control variables.

<sup>18</sup> These mini-surveys were based upon two different sources (for ESFs: Doldor et al 2012: 10 – 12 and 68 – 70; for internal stakeholders: Women in Finance survey conducted by FN London, see <https://www.fn london.com/articles/fns-women-in-finance-survey-2017-20170721>).



lack of diversity in finance better and, on the back of these findings, learn from best practices in the industry as well as develop recommendations. Secondly, the groups of internal stakeholders in this study are limited to members of top management and HR. In particular the perspective of middle managers (as well as other employees from different parts of the business) is missing and could provide further insights into in-company dynamics our analysis cannot account for. Thirdly, we have to acknowledge the much lower response and approval rate amongst male as well as London-based interview partners. On the one hand, this impacts the comparability of the samples in London in Frankfurt. On the other hand, critics may adduce that our sample is not representative for the industry as a whole as it includes more female than male interviewees. We cannot discard this valid objection but argue that it serves the feminist impetus underlying this paper, i.e. to uncover women's voices.

### III. Content Analysis: An Overview of Gender Equality Initiatives in the British and German Finance Industry

This overview of gender equality initiatives responds to our first research objective and reviews what the finance industry is doing to improve gender diversity in senior and executive management positions. It is based upon information on such initiatives made publicly available by Germany- and UK-based companies. In addition to this firm-level perspective, we offer a summary of industry- as well as government-led initiatives in both countries as this determines the context within which businesses operate.

#### *Government- and Industry-Level*

To date, no concerted government-led effort targeting the lack of gender diversity in the financial sector in particular exists in Germany. The UK government, on the other hand, conducted two investigations on women in finance, the first one in the immediate aftermath of the crisis in 2009 and another in 2017 (cf. House of Commons 2018), and introduced a number of initiatives, for example the HM Treasury *Women in Finance Charter* in March 2016. By signing this Charter, companies commit to a set of actions, including targets for women's representation in senior leadership.<sup>19</sup> In addition, the government launched the Parliamentary Commission on Banking Standards in 2013, which led to the creation of the Banking Standards Board (BSB) two years later. Figure 5 provides an overview of major government-led initiatives on greater gender diversity. It includes those that target greater gender diversity in the overall workforce and not only finance, i.e. the Voluntary Search Code<sup>20</sup> that had been signed by 39 ESFs as of November 2017<sup>21</sup>.

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<sup>19</sup> See *HM Treasury Women in Finance Charter* (available online: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/519620/women\\_in\\_finance\\_charter.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/519620/women_in_finance_charter.pdf)).

<sup>20</sup> See *The Standard Voluntary Code of Conduct for Executive Search Firms* (available online: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/659381/VOLUNTARY\\_CODE\\_OF\\_CONDUCT\\_FOR\\_SEARCH\\_FIRMS\\_NOVEMBER\\_2017.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/659381/VOLUNTARY_CODE_OF_CONDUCT_FOR_SEARCH_FIRMS_NOVEMBER_2017.pdf)).

<sup>21</sup> See *Signatories to the Voluntary Code of Conduct November 2017* (available online: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/658227/Signatories\\_to\\_the\\_Voluntary\\_Code\\_of\\_Conduct\\_November\\_2017.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/658227/Signatories_to_the_Voluntary_Code_of_Conduct_November_2017.pdf)).

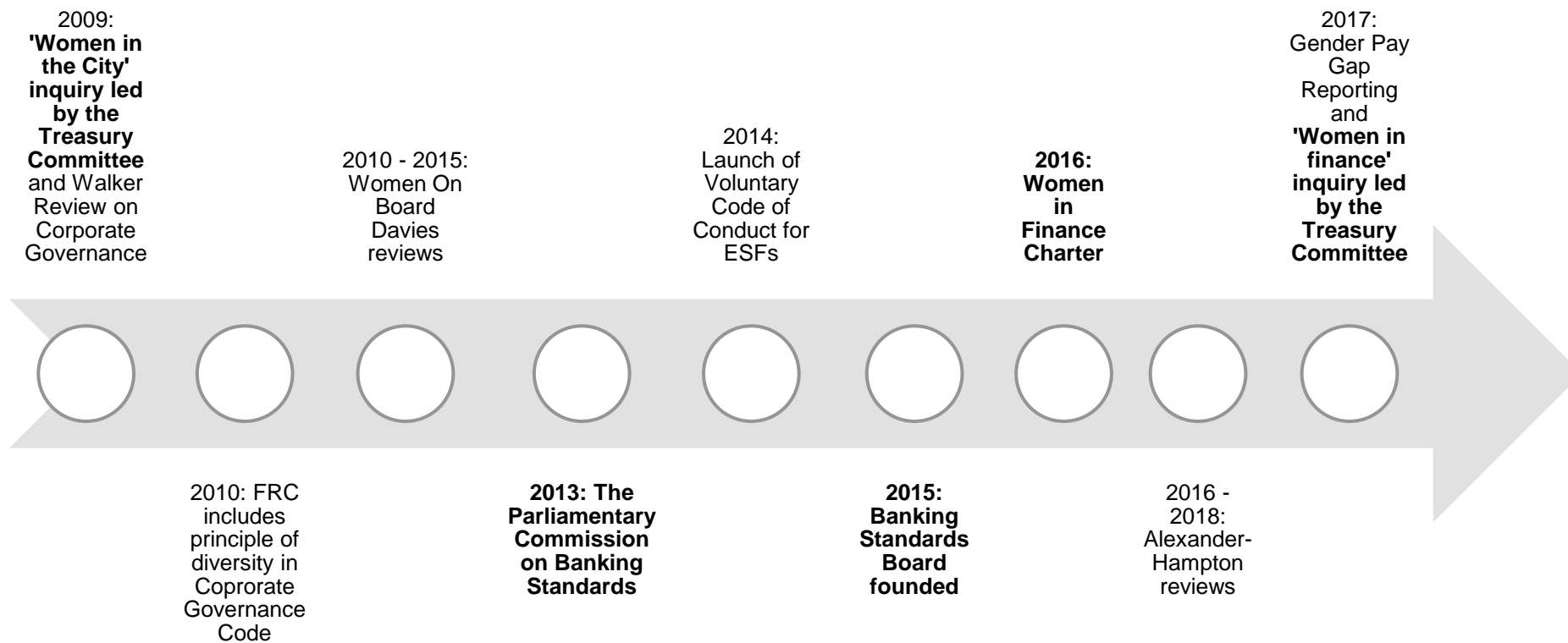


Figure 5: Overview of UK government-led initiatives on diversity from 2009 to 2017 (text in bold highlights those focussing on finance)

Another noticeable difference between both countries is the lack of industry-led initiatives in Germany, and in particular the absence of a German chapter of the *30% Club*<sup>22</sup>. Table 2 provides an overview of industry campaigns and networks, illustrating this divide between both countries.

Table 2: Overview of women's campaigns and networks in finance

		Reach
Networks founded in Germany	Fondsfrauen	European
	FinTech Ladies Europe	European
Networks founded in the UK	30 % Club	Global
	Women in Banking and Finance	Global
	Level 20	European
	London Women's Forum (formerly City Women's Club)	Local (i.e. only London)
	City Women Network	Local
	We Are The City	Local
	CityHive	Local

To summarise, the comparison shows that the government as well as the financial services industry in both countries adopt very different approaches to the problem of lack of gender diversity in finance. Whereas the UK government launched a series of inquiries and dovetailed its efforts with a series of reviews, i.e. by Lord Davies and Hampton-Alexander<sup>23</sup>, it eschews “legal requirements for boards to contain a particular proportion of women” (House of Commons 2010: 17). It can (afford to) do so, because industry-led initiatives like the *30% Club* advocate for voluntary agreements instead of quotas. In contrast, the German government passed a gender quota legislation on 24<sup>th</sup> April 2015, requiring a minimum of 30% gender diversity on boards of listed companies from 2016 on.<sup>24</sup> *The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017* in the UK has obliged employers with more than 250 employees to report their pay gaps from 6<sup>th</sup> April 2017 on<sup>25</sup>. In contrast the *Entgelttransparenzgesetz* (Transparency of Remuneration Act) in Germany places the duty to report on the employee and not the employer.

### *Company-Level*

The companies we studied deployed a variety of gender equality initiatives. These initiatives, however, share many structural characteristics and we classified into four groups as shown in Figure 6.

<sup>22</sup> The *30% Club* was established in 2010 by Helena Morrissey. The campaign advocates for 30% of women on FTSE 100 boards and recruits CEOs and chairs of businesses as supporters.

<sup>23</sup> These investigate the female board representation of the FTSE 100/ 250/ 350 and operate independently from the government but are linked to other industry-led initiative like the *30% Club*.

<sup>24</sup> As German companies have two separate boards of directors due to the two-tier system, this quota only applies to advisory and not management boards.

<sup>25</sup> These reports are published by the UK government online and a majority of financial firms publish these results on their own websites.

Initiatives exclusively for women	Employee lifecycle initiatives
<ul style="list-style-type: none"> <li>- In-company networks and events (e.g. conferences) for women</li> <li>- Mentorship &amp; sponsoring programmes</li> </ul>	Policies and practices targeting <ul style="list-style-type: none"> <li>- Attraction &amp; Recruitment</li> <li>- Retention &amp; Advancement</li> <li>- Return</li> </ul>
Company-wide initiatives aimed at creating a more inclusive work culture	
<ul style="list-style-type: none"> <li>- Training for leadership/ management or company-wide on unconscious bias and/ or diversity and inclusion (D&amp;I)</li> <li>- Family friendly policies like paid parental leave and flexible work arrangements</li> </ul>	
External partnerships	
<ul style="list-style-type: none"> <li>- Government- and industry-led initiatives (e.g. the <i>Women in Finance Charter</i> or <i>30% Club</i>)</li> </ul>	

Figure 6: Typology of gender equality initiatives in finance

As described in the previous section on Methodology, we worked with two different samples for the following content analysis. The first contains primarily British and German asset managers, banks and insurers, it stems from Thomson Reuters and is representative of the British and German finance industry ([Appendix I](#) and [Appendix J](#)). The second comprises the ten largest banks operating in London ([Appendix K](#)).

*Findings.* First, a divide between asset managers, banks and insurers emerges.<sup>26</sup> Most efforts to improve gender equality are undertaken by banks and insurers in our sample. They are also primary supporters of industry<sup>27</sup>- and government-led initiatives.<sup>28</sup> The lack of gender equality initiative within large parts of the fund industry is in line with recent findings that show a severe underrepresentation of women and lack of any kind of diversity in this industry (cf. Sargis/ Pavlenko Lutton 2016, Seddon-Daines/ Chinwala 2018 and The Investment Association 2019). However, we need to note that this finding is tied to our sample, as a recent study by KPMG on the U.S. alternative investment industry (cf. Asaro/ Rau 2019) sketches a number of initiatives firms are taking (these findings, in turn, are retrieved through a survey). A brief descriptive analysis of the keywords we used to analyse the annual reports is depicted in Figure 7 and indicates a similar divide between banks, insurers and the fund industry, in particular so-called “Collective Investments”, providing further evidence to this first finding.

<sup>26</sup> As mentioned in [Appendix A](#), TR distinguishes between “Banking”, “Investment Banking & Investment Services”, “Collective Investments” and “Insurance”. For our analysis, we referred to companies in the category “Banking” as banks, to companies in the category “Investment Banking & Investment Services” and “Collective Investments” as fund industry and to companies in the category “Insurance” as insurers.

<sup>27</sup> 10 out of 20 (50 %) banks signed up to industry-led initiatives to promote more women into senior positions (as in the case of the British *30% Club*) or diversity in the workplace (as in the case of the German Charta der Vielfalt). 11 out of the 17 (65 %) insurance companies listed support either the *30% Club* or the Charta der Vielfalt. Only around 16% (i.e. 11 out of 68) of the companies belonging to the fund industry in our sample are named as supporting either of these two initiatives.

<sup>28</sup> The *Women in Finance Charter* has been signed by the majority of banks (12 out of 16, i.e. 75 %) and insurers (11 out of 14, i.e. 79 %). Only 22% (15 out of 68) of the companies we identified as belonging to the fund industry can be found amongst the signatories.

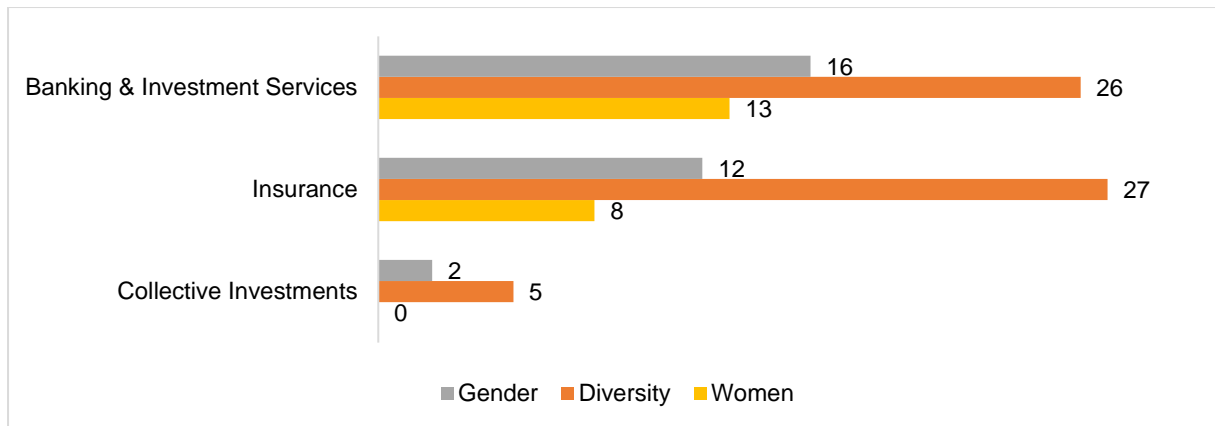


Figure 7: Keyword analysis of annual reports divided by sub-sector (average number of words displayed)<sup>29</sup>

Secondly, we compared British and German companies with the exception of the ten largest banks in London as we study these separately (see next finding). Overall, German companies offer less programs (primarily networks, mentoring, flexible working and coaching or training for either women or leadership) and target primarily women. In contrast, British companies have a wider scope, including unconscious bias trainings as well as returners’ initiatives and programs that target male employees, too.

Thirdly, and due to our focus on German and British companies, we can only briefly touch upon on the central finding that American investment banks as well as British seem to be – at least on paper – trailblazers in terms of gender diversity. We rely on a sample of the ten biggest banks, including major American and Swiss investment banks. Looking at these the question arises what (if anything) sets these efforts apart and how can the banks be characterized? [Appendix K](#) provides a detailed overview of the major gender equality initiatives which look similar at first glance. All banks have women’s networks and flexible working arrangements. A majority has external partnerships with, for example, industry initiatives like the *30 % Club*, business schools or NGOs (9 out of 10) and formalized programs targeting women with substantial work experience after a career break (8 out of 10) as well as formalized parental leave policies in place (8 out of 10). A majority also offers unconscious bias trainings (7 out of 10) and some sort of career support through training, mentoring, sponsoring or events for women. However, looking at the sheer number as well as the scope of initiatives offered, we note that the majority of American investment banks as well as British banks clearly stand out. Overall, only a small minority of these programs include or target men. Instead, they focus almost exclusively on women. This might actually be detrimental to diversity efforts, as some of our interview partners noted. We will pick up on this problem in the final section of this paper.

### Discussion

The institutional setting varies greatly between Germany and the UK. Whereas the financial sector in the UK is dominated by numerous industry- and government-led initiatives that promote voluntary agreements (in particular the *30% Club* and the *Women in Finance Charter*), Germany adopted the gender legislation quota in 2015 which aimed to increase

<sup>29</sup> The numbers used for this analysis stem from an earlier version of the TR sample we are using for this content analysis. It included 97 financial companies reporting ESG data on Gender Diversity and overlaps to large extent with the updated sample from 2019 we use for this analysis.

female representation on advisory but not on executive boards. We also noticed differences between different sectors in finance, between asset managers, banks and insurers, as well as between countries. However, we need to add that very few of the financial companies provide a comprehensive overview of their gender equality and diversity policies. This might be because they either have few policies in place or because the topic is still quite new to them, hence comprehensive policies as well as PR material on them is yet to be developed. Companies might also eschew to speak about this issue because of the negative publicity associated with the lack of (gender) diversity in their workforce. A number of banks stand out due to the considerable quantity and scope of diversity policies deployed. This might create the impression that they (should) have a diverse workforce and leadership as well as an inclusive company culture. However, numbers illustrating the lack of gender diversity within financial companies indicate otherwise (see Figures 1 and 8). Hence, another conclusion that can be drawn is that these (seemingly) few banks might be simply investing a lot in their PR strategy and act upon the regulatory pressure of the government in case of the UK. Additionally, the need to report under the Gender Pay Gap Reporting might prompt companies with more than 250 employees to promote their diversity policies in the UK, and this type of peer pressure might be simply missing in the German case.

Our main motivation for using the Thomson Reuters (TR) sample as foundation for this analysis was the fact that TR supplies ESG (environmental, social and corporate governance) data, which includes data on gender diversity. Figure 8 is based on the aggregated data of the 106 companies in our sample, depicting the average percentage of women on boards, of female executive members and of female employees.

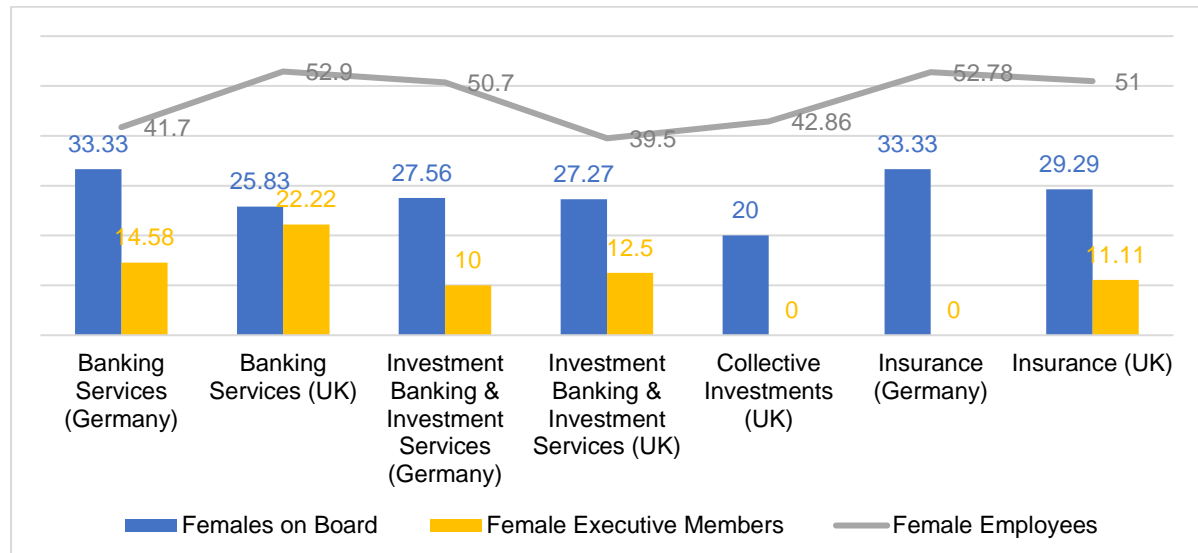


Figure 8: Gender diversity in British and German financial companies, divided by sector (numbers depict average percentages)<sup>30</sup>

The higher percentage of female board members in the Germany can be largely attributed to the gender legislation quota. The lower percentage of female executive members confirms the pattern depicted in Figure 1 in our introduction, but also demonstrates the complete lack of female executive members in some parts of the industry according to our sample.

<sup>30</sup> Source: ESG data provided by Thomson Reuters, retrieved on 15<sup>th</sup> October 2019.

Companies from both samples have an almost equal (as well as similar) percentage of female employees. The availability of such data would, intuitively, lend itself to a comparison of the different sectors in both countries (asset managers, banks and insurers) and thus of a certain kind of effectiveness of gender equality measures, i.e. the percentage of female board as well as executive members. We refrain from doing so for two reasons. First, as very few companies report such data, such an analysis would not be very representative. The sample on which Figure 1 is based comprises only 106 financial companies<sup>31</sup>. Secondly, the data supplied does not seem to be robust, for example in the case of one (big) German bank, the data on female executive members did not match the actual number of female executives (our resource was the company website). Lastly, it motivates the qualitative approach the next second part of our study adopts.

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<sup>31</sup> As a benchmark: TR lists more than 700 publicly listed financial companies in Germany and the UK before we filtered for ESG data.



#### **IV. Exploratory Study of the German and British Finance Industry: An Evaluation of In-Depth Interviews with Key Internal and External Stakeholders**

The following part of our analysis is based upon data collected through in-depth, semi-structured interviews with key stakeholders. It responds to our second and third research objectives. We explore how financial services as an industry can compete against other industries and under which conditions greater gender diversity can be achieved in particular in senior ranks. This includes excavating existing obstacles.

We remarked upon the debate on the understanding(s) of diversity in the introduction but will engage with this in further detail in this section. It became evident that the initial scope with which we entered the field – to focus on gender diversity – was perceived as limiting if not offensive to a fair amount of interview partners, particularly in London. This indicates that the debate on diversity might be more advanced (in the sense that it acknowledges the intersectionality<sup>32</sup> of gender) in the UK than in Germany, perhaps also reflecting a more diverse workforce in the British financial services sector.<sup>33</sup> It is most certainly grounded in the fact that class, and hence social mobility, is a much more prominent topic in the UK. The majority of our interview partners in Germany understood diversity simply in terms of gender. We explain the repercussions as well as the potential causes for this crucial difference between the two countries, which we attribute to the institutional and cultural variations as well as value systems, which manifest themselves in local practices as well as work cultures.

##### *Attractiveness and Competitiveness of Financial Services (Employer Perspective)*

In this section, we compare the responses from London-based interview partners to the German responses, paying particular attention to the asset management industry and drawing a link between attractiveness and competitiveness of the industry to (the lack of) diversity.

The majority of respondents in Germany observed a major loss of trust in financial institutions as well as a loss of reputation of financial professions as a consequence of the 2007 – 2009 financial crisis. Complaining about the out-dated ways of working and thinking in the industry, one member of the top management based in Frankfurt stated that

**‘If we continue the way we do in the future, we will have sunk into insignificance in 10 years.’<sup>34</sup>**

Our interview partners in Germany called for moving away from thinking in terms of status, breaking up of old structures in the industry, for financial companies becoming more agile in general, and more flexible employers in particular. London-based interview partners were mostly worried about a) the disadvantage of their industry due to being perceived as stuffy

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<sup>32</sup> We distinguish the term intersectionality from diversity. As detailed in the theoretical part of this paper, we understand intersectionality as an analytical and critical term. In contrast, diversity as a term is used in policies or in the business context in terms of harnessing the (productive) potential of differences.

<sup>33</sup> In general, we noticed a lack of studies and numbers on diversity beyond gender in finance, in particular regarding ethnicity and class/ social background.

<sup>34</sup> Original quote: “Wenn wir weiter so machen, wie wir bisher weiter machen, dann werden wir in 10 Jahren in der Bedeutungslosigkeit verschwunden sein.“

and male-dominated and b) a lack of understanding of the business model and the core function of finance. A series of suggestions on solving the first problem centred around improving the image of the industry, in particular with regards to breaking with the image of the stereotypical (male and white) banker:

‘I think [...] people have always been attracted to work in the City but have perhaps been put off because they felt [...] they **had to be a young, white man who has gone to a particular university**. It is upon companies [to show] that this is no longer the expectation nor the reality. [...]’  
(Top manager, London)

In addition, our respondents advised to improve the understanding of what the industry does in general but also in the case of asset management. This referred primarily to the business model, as the second quote by a top manager illustrates, and not so much terms of employment or working practices.

‘**I think we absolutely need to tell the world why finance matters.** Finance’s contribution in terms of enabling growth, enabling, you know providing capital. [...] [W]e have to remind why this stuff matters. **It is basically about empowering the world what the world needs to do.** [...] However, [...] we don’t present ourselves as well as we could. Because people [...] walking into Canary Wharf middle-aged men in grey suits.’  
(Diversity specialist, London)

‘But nevertheless, we have to work on improving the image of the industry. We still have a problem: **many people don’t really understand what it is that we are actually doing.**’  
(Top manager, London)

Diversity can be perceived as both limiting but also enlarging the talent pool, as we explain in further detail in the concluding section of this report. For now, it needs to be acknowledged that the image of, for example, the ‘young, white man who has gone to a particular university’ sketched by one of the top managers we interviewed is connected to whether applying to roles in finance is considered appealing for people from a particular class (or socioeconomic) background. The following statement by an HR lead illustrates this link between a lack of understanding of the industry and the lack of socio-economic and gender diversity poignantly:

‘I used to interview people for the graduate program who would say **‘Yeah my dad used to read the FT at the breakfast table and he invested on my behalf from an early age [...]’** and invariably those people would be male. [...] I guess the other extreme is people who’ve just never got any sense of the City or access, so there’s a bit of the old boys’ network, **it’s kind of social-economic exclusion** and therefore just kind of complete lack of awareness of what the industry might bring.’  
(HR lead, London)

However, the previous quote, as well as the others in this section, show that it is impossible to disentangle gender diversity from other aspects of diversity. For example, critics might

adduce that the outdated-ness of the industry might also be a subject of critique by in particular young(er) people. In that sense, the conservative image of the industry is alarming and limits the talent pool not only from a gender perspective.

Whereas the above discussion of findings primarily concerned the competitiveness of the industry as a whole as well as individual sectors, it shall not be neglected that financial centres compete amongst each other. Especially in the wake of Brexit this is an aspect that we wish to at least comment on, although our research did not deliberately point towards this development. In the case of diversity, the financial centres we studied vary greatly. This is mirrored in the spatial variegation of financial practices and calls – at least in this particular case – the global nature of the financial services industry into question. It also equips London with a certain competitive advantage, as we argue in the next section of this working paper. London-based asset managers, bankers and insurers deploy a much more nuanced and complex understanding of diversity than those in Germany. This is mirrored in the practices on the ground, and reflects the much more heterogenous workforce (and population of the country) of London as well as its strong connection with New York City and the U.S. in general. Our assessment here, based on comparing experiences from London and Germany, is of course relative. It does not imply that London and the UK is anywhere near solving the challenges of diversity.

#### *Gender Diversity in Senior Management: Mature and Less Mature Practices*

##### *Findings*

‘It’s all connected to culture. [...] When you dig into what you mean by culture, that’s when you start – **it’s like an orange, you start peeling the skin back and actually you find there’s more to it.**’

(HR lead, London)

Ultimately, gender equality initiatives and best practices promise little to no success in the wrong culture. Culture drives diversity, rather than any single or sum of (gender) equality initiatives. If dominated by male values<sup>35</sup> and if it does not offer an inclusive work environment, the culture of an organisation is perceived as the biggest barrier to diversity. Top management, on the other hand, is seen as the biggest driver of greater gender diversity (and the right culture). An unexpected finding was the heterogeneity of understandings and practices of diversity in the companies we studied despite the financial industry being deeply interconnected and many financial companies operating on a global scale. These seem to mirror both working practices as well as the work force and reflect assumptions held in society, in particular about the role of women. Our research shows that global financial centres in the case of London and Frankfurt are deeply connected but simultaneously exhibit practices that are geographically diverse and shaped by the societies and (financial) systems in which they are embedded. This is not only interesting with regards to how companies within these financial centres can position themselves in the so-called ‘war for talent’, but

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<sup>35</sup> Critics might contest the idea that there is such thing as “male values”. We use this phrase to signify “inequality regimes” which Acker (2006: 443) demonstrates exist in all organisations. See, for example, Joan Acker, whose research we reviewed in Chapter 1.

sparks hope for London in the wake of Brexit and its competitiveness as a financial centre in Europe as highlighted previously.

Highlighting culture as the key to gender diversity has far-reaching implications. Corporate cultures and practices are themselves embedded within broader society and institutions, hence beliefs about gender roles shape behaviour as well as initiatives on the industry- and government-level. What is needed to achieve greater gender equality are not (only) gender equality initiatives and best practices but also cultural change. Within big financial institutions like banks this might take up to 25 years or an entire generation. This was also acknowledged by one of our interview partners:

‘[S]till, we are a long way off of a balanced business and **it’s going to take I believe a generation.**’  
(HR lead, London)

In addition, it demands – to a certain degree – systemic change. One top manager was very critical despite the rising numbers of women in finance and demanded to include women in all areas of business, alluding to so-called pink ghettos and stereotypes that translate into women being represented only in certain subjects at school as well as university, and thus in certain professions (i.e. primarily HR and marketing in the case of financial companies):

‘You need to have them [women] in the core mainstream, investment banking, commercial banking, retail banking. **If they are not leading the business and they’re doing ancillary things your percentages look great but your outcome, I think, is materially not good enough.**’  
(Top manager, London)

Interestingly, we had a few financial companies in our sample who spoke about a cultural change that occurred in their organisation in the aftermath of the financial crisis. It seemed that those organisations, as they for example shifted their strategic focus towards internationality, (gender) diversity was naturally part of that strategic agenda and hence perceived as less of a problem or disadvantage.

‘**We transformed from being a German, white, male company to being an international,** by all means from different countries and parts of the company, team and, of course, **a big part of this is about gender diversity.**’<sup>36</sup>  
(Top manager, Germany)

### *Key Barriers*

#### *Internal Perspective. Organisational Culture is Perceived as the Biggest Hurdle.*

Figure 9 depicts the aggregated results on barriers within asset managers, banks and insurance companies in Germany and the United Kingdom.

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<sup>36</sup> Original quote: “Wir sind von einer deutschen, weißen, männlichen Company eigentlich jetzt zu einer internationalen, durchaus aus unterschiedlichen Ländern, Operationen stammenden Team gekommen, und natürlich ist ein großer Schwerpunkt auch in dem Bereich Geschlechterdiversität.“

**Could you please rate the following barriers to the success of women's careers in their impact from very important to not at all important?**  
(n = 32)

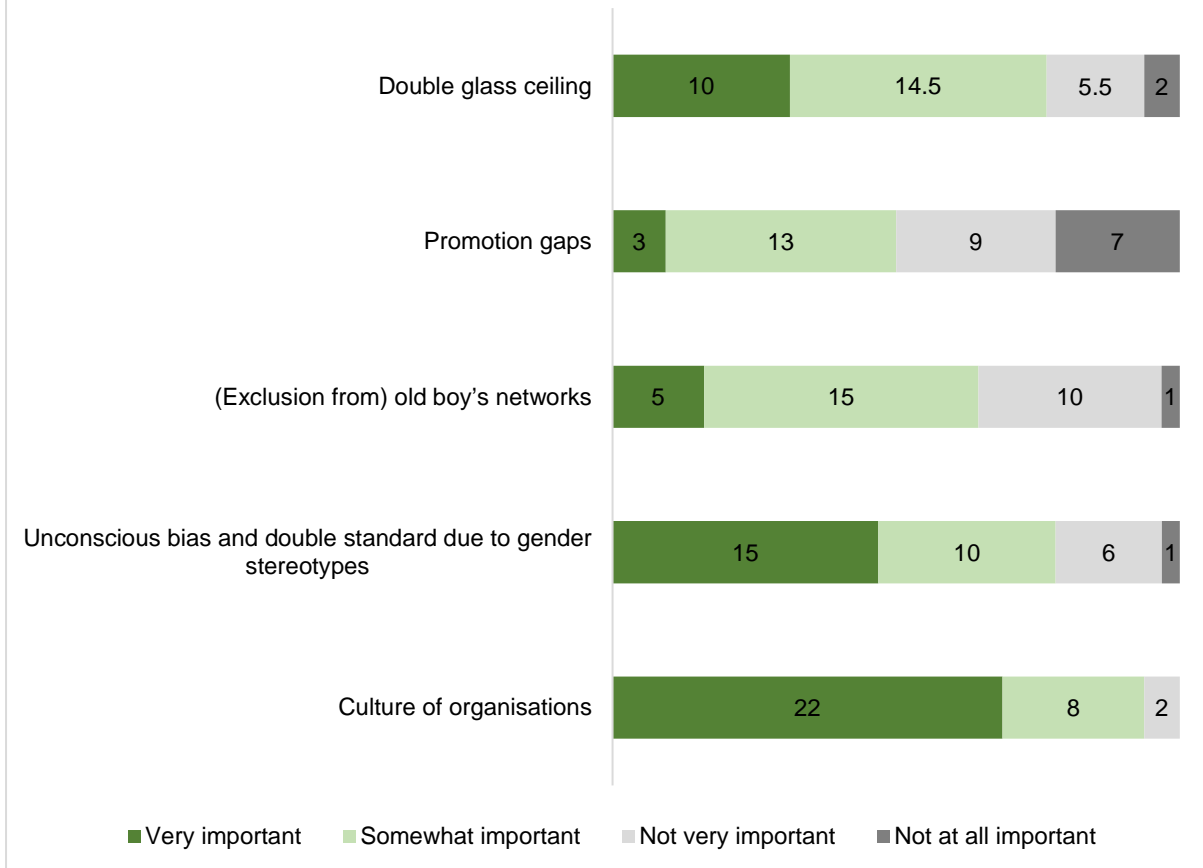


Figure 9: In-company barriers to greater gender diversity (internal perspective)<sup>37</sup>

With the exception of two respondents, all of our interview partners in either the UK or Germany considered organisational culture as the central barrier. This central finding of our study is in line with other research that investigates the success of gender equality initiatives. For example, in her analysis of a women’s network, Laura Bierema carved out organizational culture as one of the key factors impacting its success (2005: 220). The challenge, she argues, lies in “eroding structural inequality and creating atmospheres conducive to women” (ibid: 221). This is not solved by setting up a women’s network, which, she demonstrates, can actually weaken the position of women within an organisation (cf. ibid: 217 – 218). Putting the finding that culture matters more than a single equality initiative into the wider context can help to elucidate why companies despite a large number of diversity practices can still lack progress with diversity (cf. Devillard et al 2012: 13). Furthermore, it corroborates already existing “evidence suggest[ing] that broader cultural factors (cultural norms and values, political systems, gender equality trends in the labour market) have an impact not only [on] the proportion of women on Boards, but also on the measures taken to increase it”

<sup>37</sup> One respondent preferred to refrain from rating ‘(Exclusion from) old boy’s networks’.

(Doldor et al 2012: 12). In particular the British interview partners emphasized the importance of the 'right' culture:

**'I think culture is key, but you have to be very clear on the culture and the standards and what it is you're aiming for. So, what is acceptable and what is not acceptable? And you need to hold people to account. So, if you see great behaviour, it's really important that you reinforce that. If you see negative behaviour, it's very important that you call it out in the moment and you address it in an appropriate way. You need to set the tone.'**

(HR lead, London)

In contrast, fewer German interview partners mentioned culture explicitly before being asked about it as part of the interview. These were mostly companies that either placed a very strong emphasis on their international business or underwent structural changes, i.e. were merged or acquired international companies, or adjusted their company strategy:

**'This factor [culture] is the decisive one. [...] We truly believe that changes in the business can only be achieved if the culture supports them.'**<sup>38</sup>

(Top manager, Germany)

No remarkable differences emerged when comparing the results from members of HR against the responses from members of top management. However, different patterns became visible when juxtaposing German responses in opposition to British responses. Promotion gaps as well as (the exclusion from) old boy's networks were rated by the majority of German respondents as either not very or not at all important (and, in turn, as somewhat or very important by the majority of British respondents). Similarly, discrimination on the basis of unconscious bias was perceived as less of a barrier in Germany in contrast to the UK.

*External Perspective of Executive Search Firms. The Perception of the Pipeline and Lack of Qualified Female Talent is the Biggest Gender-Related Obstacle According to ESFs.*

ESFs play a crucial role in securing candidates for the senior management teams of their clients. On the basis of a previous study on the importance of gender equality in the appointment and selection process (Doldor et al 2012), we were interested in exploring how ESFs perceive this role and how gender factors into the equation according to their experience. Additionally, as the majority of these operate across geographies and sectors, we were particularly interested in uncovering whether they observed any differences between London and Germany. In line with the barriers within companies we previously presented, we asked our interview partners working at ESFs to rate a number of gender-related obstacles that act as barriers to greater gender diversity. Figure 10 depicts the aggregated results from both London- and Frankfurt-based head-hunters.

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<sup>38</sup> Original quote: „Der Faktor [Kultur] ist der entscheidende. [...] Wir glauben, dass wir, wenn wir Veränderungen auch im geschäftlichen Bereich [...] umsetzen wollen, muss das durch die Kultur getragen werden.“

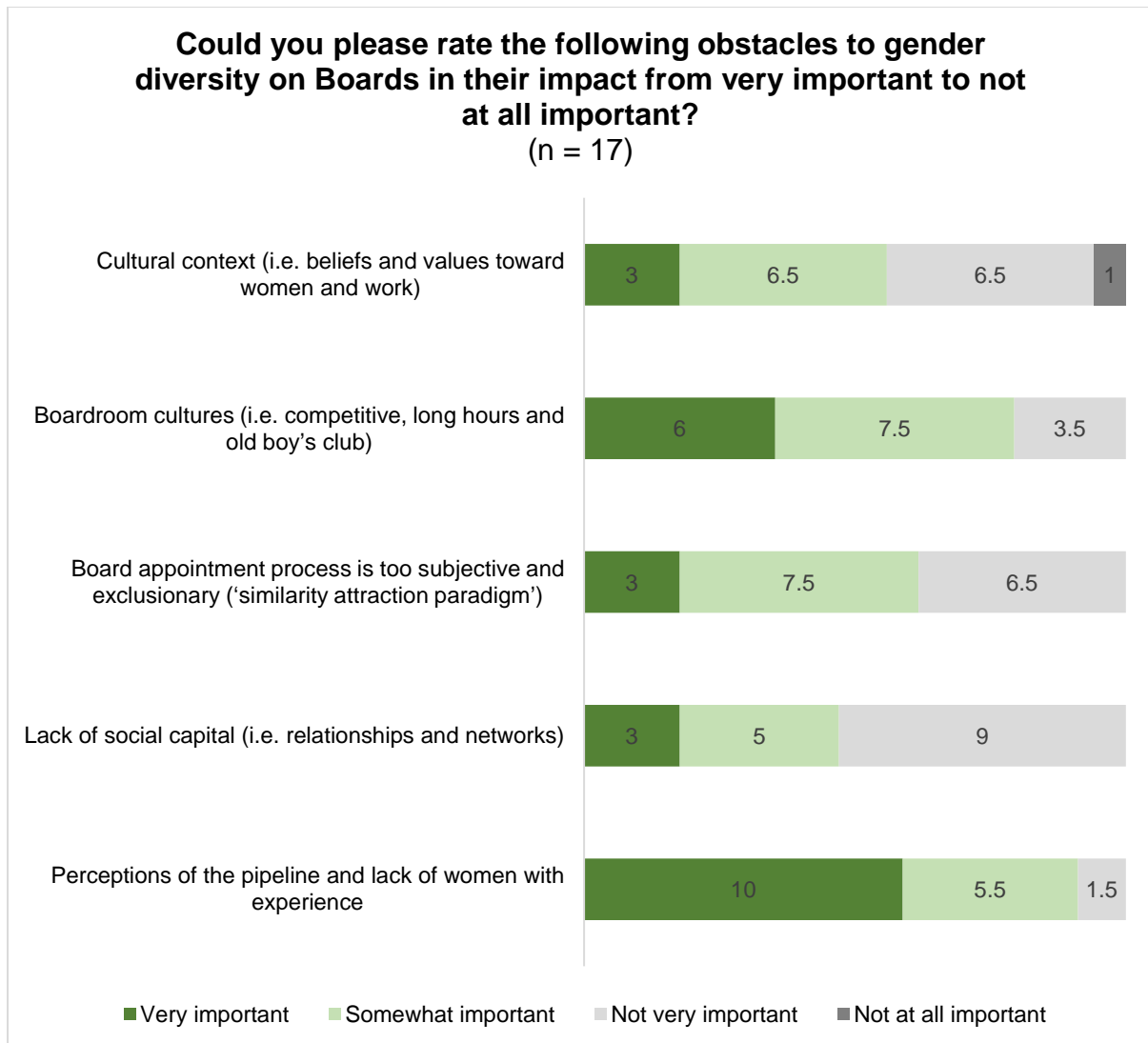


Figure 10: Gender-related obstacles in the appointment process according to responses by London- and Frankfurt-based ESFs

The perceptions of the pipeline and the lack of women with experience is by far the biggest gender-related obstacle in the appointment process, followed by boardroom cultures and the cultural context as very or somewhat important barriers. These barriers were rated similarly by respondents and little to no cultural differences or differences in perception can be found between survey data collected in London and Frankfurt. However, this is not the case for the lack of social capital: more than two thirds of respondents in Frankfurt considered this to be not very important. We can think of two reasons: First, social capital is de facto not an obstacle to women’s careers in the German context. Secondly, our study is potentially not designed in a way to capture this dimension as we interviewed head-hunters but not female candidates. Hence, candidates might experience a lack of social capital as an obstacle but head-hunters might not perceive this as a barrier.

### *Key Initiatives*

*Internal Perspective. The Support from Senior Executives is Considered Key to Greater Gender Diversity.*

Figure 11 depicts the aggregated results on gender initiatives within asset managers, banks and insurers in Germany and the United Kingdom.

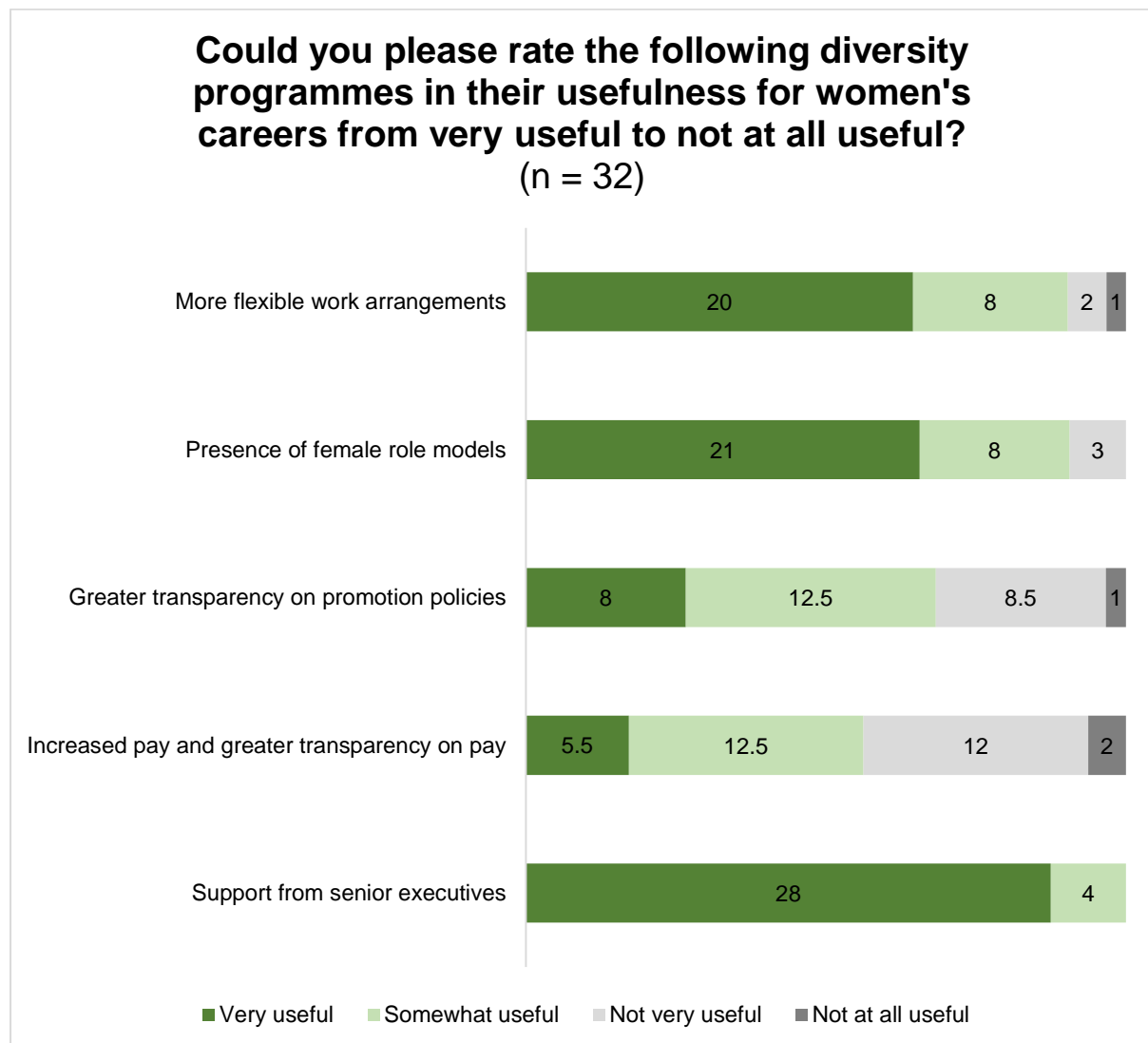


Figure 11: In-company gender diversity programmes (internal perspective)<sup>39</sup>

The key driver, which was rated as either very or somewhat useful by all of our interview partners, was the support from senior executives or top management. How did top managers view their own role? All of our interview partners, which belonged to this stakeholder group, were aware of the (key) role they play as the following statement by a London-based top manager illustrates:

‘I feel that **I have a role to play** in making sure that [...] diversity [...] [is secured] - just having senior people involved in those programs is important; it gives it a credibility and a profile that’s often [what] they need.’

<sup>39</sup> Two respondents preferred to refrain from rating ‘Greater transparency on promotion policies’ and one respondent preferred to refrain from rating ‘More flexible work arrangements’.



In turn, one top manager from Frankfurt acknowledged that the lack of support from senior management turns this void into a barrier:

**‘And to put it quite bluntly, I am often noticing that a number of people in top management (executive and the level below) hold ideas on this topic [of diversity] that basically lack any urgency to engage with this issue.’<sup>40</sup>**

Of the HR members we interviewed, all seconded the importance of a supportive senior management:

**‘I mean to be honest to me the senior executive piece is the biggest one.** Because if it’s seen to be the right thing to do from the top down and you know they sort of lead by example then you know you can put all sorts of other programs in place but actually, **if you don’t have that it’s never actually going to change the culture of the organisation.** And ultimately if the culture is right, then all of this stuff with a bit of help should start to take care of itself, **but you’ve got to set the tone from the top.’**  
(HR lead, London)

These statements also illustrate how (the support from) senior management or leadership and the (right) culture are closely intertwined. Again, taking a closer look at the data and differentiating between countries as well as the two internal stakeholder groups revealed a couple of differences. Increased pay and greater transparency on pay was more important to British than to German interview partners, which might be due to the increased awareness regarding this issue caused by the Gender Pay Gap Reporting. In line with the less favourable response regarding the importance of promotion gaps in Germany, greater transparency on promotion policies was rated almost exclusively as very or somewhat useful by our British respondents, which was not the case in Germany. A further divide emerged when comparing the responses from HR and top management. Increased pay and greater transparency pay were considered as either not very or not at all useful by top managers, whereas the majority of members of HR perceived of these efforts to be somewhat or very useful.

*External Perspective of Executive Search Firms. London-based ESFs View Themselves as Stronger Advocates for Greater Diversity Than Frankfurt-based ESFs.*

In line with the in-company initiatives presented in the previous paragraph, we asked our interview partners working at ESFs to rate a number of good practices that can catalyse greater gender diversity. Figure 12 shows responses from London-based ESFs and Figure 13 from Frankfurt-based ESFs, demonstrating the decisive differences between Germany and the United Kingdom.

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<sup>40</sup> Original quote: “Und ganz brutal gesagt, ich stelle wirklich häufig fest, dass es immer noch genügend Menschen in Führungspositionen gibt (Vorstand und 1. Ebene), die darüber [über Diversität] ein Gedankengut haben, wo die Notwendigkeit sich damit zu beschäftigen gar nicht da ist.“

**Could you please rate the following good practices from very useful to not at all useful?**

(British responses only, n = 8)



Figure 12: Best practices promoting greater gender diversity, London-based ESFs (external perspective)

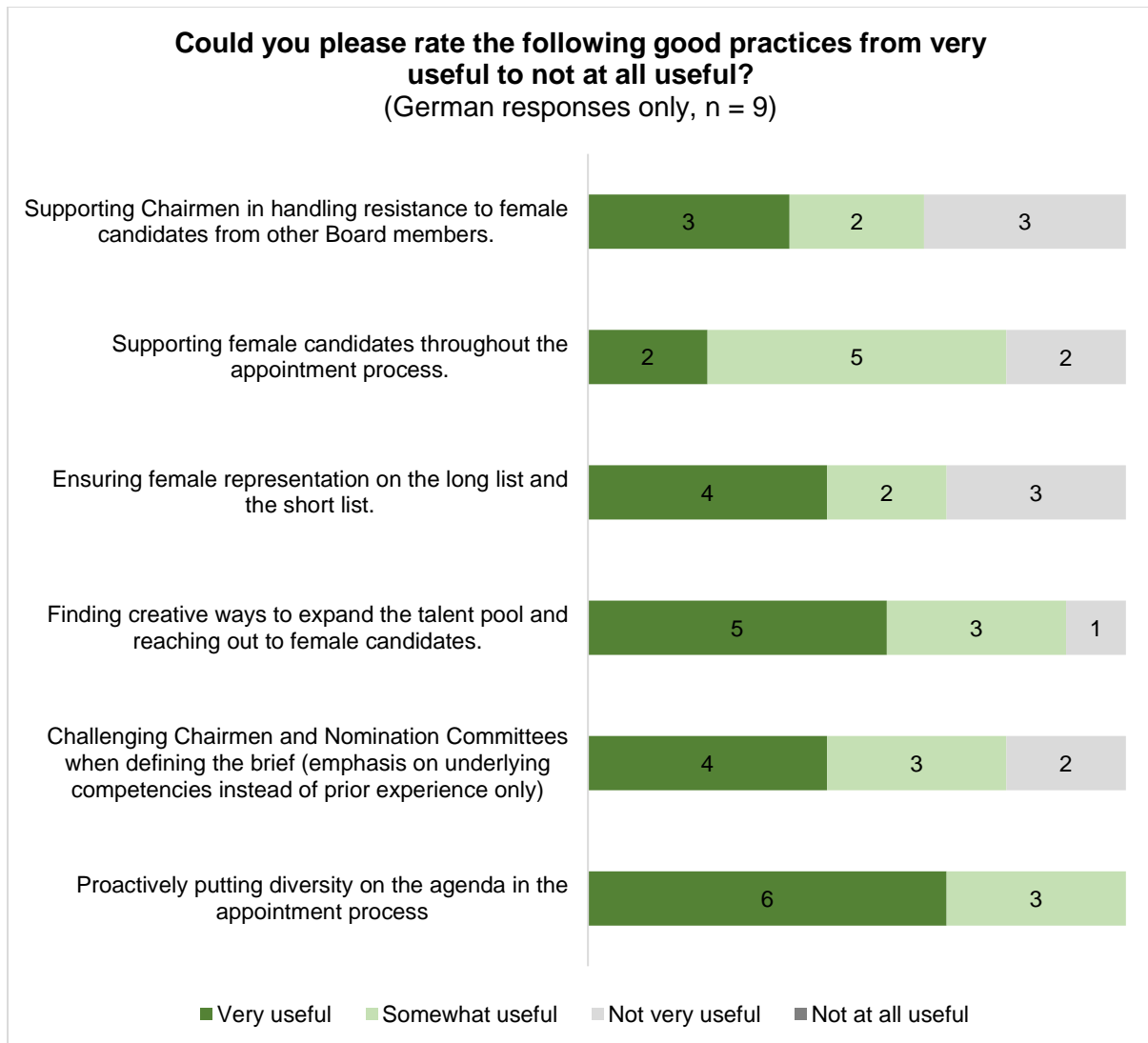


Figure 13: Best practices promoting greater gender diversity, Frankfurt-based ESFs (external perspective)<sup>41</sup>

All of the good practices were rated as either somewhat or very useful in London. In contrast, Frankfurt-based head-hunters were less positive in their assessment of the usefulness of the same practices. We can think of a number of reasons for this variation. On the basis of the interviews we conducted, we can conclude that the role of ESFs in the UK differs fundamentally from ESFs in Germany. Asked about the importance of ESFs in the process of securing greater diversity among senior management, London-based head-hunters called it their ‘moral obligation’ to push for this diversity and considered their role as ‘significant’. In contrast, the majority of Frankfurt-based head-hunters was less vocal in this matter. But as ESFs serve their clients and do operate locally<sup>42</sup>, this variation of executive search practices might only mirror different attitudes towards gender diversity in London and Frankfurt.

<sup>41</sup> N=7 for the last practice as one interview partner said they were not in a position to judge the effectiveness of that practice since they had no experience with it.

<sup>42</sup> Boyle et al refer to this as the “global recruitment capability” (1996: 500) of ESFs. As the industry went through a period of globalization, they learned that an “understanding of the peculiarities of the labor market and the industry in the country in question” (Faulconbridge/ Beaverstock/ Hall 2014: 3) is essential to the successful recruitment process. Hence, “the overwhelming majority of international searches will continue to be operationalized from the world city in which the client’s headquarters are based” (Boyle et al 1996: 505).

Additionally, this different assessment of good practices could also be due to a lack of (positive) experience with or reluctance to deploy such practices in Germany in general or because these practices are a better fit for the British context as our role model study was based upon data collected in London. Furthermore, head-hunters based in London might simply have adopted a certain language and mind-set on gender diversity that makes them reluctant to admit that certain practices are not very or not at all useful.

*External Perspective of Diversity Specialists. Middle Management Can Be Both Barrier and Key.*

We did not present the diversity specialists we interviewed with a finite list of barriers but instead asked them what they considered to be obstacles to greater gender diversity within organisations. They drew particular attention to the role of middle managers:

‘They [the middle management] are the group on which you must focus most. They [...] are the ones who need the most support in having the courage to change and having support around them in terms of how to lead a team of ... **you know if you are a middle-aged man** [...] you probably would’ve never had to work with a young Muslim woman ... **you probably never had to deal with people who are very, very different from you.**’

(Diversity specialist 1, London)

‘Most things, if you drive cultural change, has to come from the top of the organisation. **Where it gets stuck is in the middle** [...] and we talk about this layer quite a lot, **it’s probably the root of most evils.**’

(Diversity specialist 2, London)

The middle management was also regarded an important barrier – as well as central lever – by internal stakeholders:

‘Because I think often **it’s not the senior executives, it’s in the middle** where issues lie.’

(HR lead, London)

### *Discussion*

Adducing that (corporate) culture is key to understanding the lack of diversity as well as the central lever to increase diversity raises (at least) three questions.<sup>43</sup> First of all, what is culture and how can it be measured? Secondly what are the cultural differences related to diversity in the cases of the financial centres we studied? Thirdly, in which way do these cultural differences manifest itself, i.e. how do financial practices variegate spatially? All of these questions can only be answered if the institutional framework, i.e. government-led initiatives and the role of the regulator as well as industry-led initiatives, is considered. As we conducted

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<sup>43</sup> Another – if not the – important question concerns how culture can be changed. We have touched upon this in the findings, i.e. with regard to the duration as well as the levers, but have to acknowledge that it is beyond the objective of our project to investigate in detail how cultural change happens.

our study in a post-crisis environment, we also briefly need to account for changes that occurred since the crisis.

*Impact of the 2007 – 2009 Financial Crisis.* In order to account for how the crisis impacted the companies (and hence their institutional setting) we studied, our semi-structured interviews included a question asking about developments in the past ten years.<sup>44</sup> Regulation was mentioned by all interview partners in the UK and emphasized more strongly in comparison to the German responses we collected, which leads us to draw the conclusion that regulatory pressure is felt more strongly in London:

**‘There’s a bit of peer group pressure [...] companies not wanting to be found to be the only person [company] who has no woman on the board.** Some of the transparency [...] is coming with equality [reference to Gender Pay Gap Reporting] [...] but also the expectation of the workforce.’  
(Top manager, London)

The power of the regulator was underlined by a London-based head-hunter:

**‘[T]hey [the regulator] push who and what is on the agenda.’**

This not only shows how much institutions like the regulator matter, but surfaces an interesting finding concerning diversity as we spoke to people working in different parts of the industry. As banks were at the heart of the immediate post-crisis regulation (not least because of them being in the spotlight of public attention), they were also perceived as more progressive than asset managers and insurers in terms of (gender) diversity and cultural change, which includes diversity. Numbers confirm this (cf. HM Treasury/ Virgin Money 2016: 32). Asset managers, as one of the HR leads we interviewed in London stated ‘came to the party a little bit later.’ This assessment was supported by various stakeholders:

‘[After the crisis] **the regulator was pretty occupied with banks.** But what we can see now that this focus is slowly shifting, we have to assume that **we will be next** [on their agenda].’  
(Top manager, London)

Additionally, head-hunters viewed the regulator as key player, who also, at an earlier stage, hampered diversity due to tight regulations. Overall, the impact of the crisis was felt differently in both countries and financial centres. This is not only mirrored in the British government and financial industry pushing (much more) strongly for cultural change and greater diversity, but also different understandings of diversity as we will argue.

*Influence of Industry- and Government-Led Initiatives.* In addition to these post-crisis developments, our content analysis in the previous chapter of this paper revealed a number of decisive differences regarding both the financial industry and efforts undertaken by the

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<sup>44</sup> We are aware that it is difficult if not impossible to generalize a) the developments after the crisis and b) the industry as a whole. This was constantly raised as an objection by our interview partners. We usually would ask them to share their personal experience. Hence, they represent personal(ised) accounts of experts working in different – but rarely all – parts of the industry.

government/ regulator in the two cases we studied. Hence, our interviews presented the chance to reflect on the (perceived) importance and effectiveness of government- and industry-led initiatives. Asking our respondents which initiative they considered most impactful, we were also interested to uncover why voluntary agreements like the *Women in Finance Charter* were chosen (and to some degree led to a greater percentage of women on boards) in the United Kingdom and how, in contrast, the German financial services sector viewed the gender legislation quota. The quota came into effect on 1<sup>st</sup> January 2016 and affects only supervisory, not executive boards.

Overall, London-based interview partners were supportive of the *Women in Finance Charter* and the Davies as well as the Alexander-Hampton reviews, adducing that this dovetailing of industry- and government-led efforts was the key to their success. The Gender Pay Gap Reporting was rather disputed.

‘The **Women in Finance Charter** - I think it has been helpful. I’d probably say it’s been the one that **shifted the dial the most** in terms of signing up to the Charter, publicly disclosing your data and the progress that you are making. [...] I actually think the one that’s not helpful is the **Gender Pay Gap Report** because it’s a very blunt instrument and you are not comparing like for like.’  
(HR lead, London)

‘I think they are all good in their own ways. [...] I think the **Pay Gap Reporting is good** [...] [and] companies and should be embarrassed. So, there’s nothing like a bit of embarrassment prompting action. [...] **I think anything that just raises the profile, gets people to do things, even just starts the conversation, has to be a good thing.**’  
(Top manager, London)

This latter point on the importance of raising awareness and discussion (as well as education) was stressed by a number of interview partners. It seems that the *Women in Finance Charter* and the Gender Pay Gap Reporting – irrespectively of their effectiveness, which can hardly be measured since they have only been introduced in 2016 and 2017 respectively – ignited a debate on diversity, emphasizing the discursive and performative element of ‘naming and shaming’, as a London-based head-hunter called it. For some interview partners, these initiatives were thus ‘vehicles’, whereas others viewed them as ‘game changer[s]’. The existence of industry initiatives as such – in particular in contrast to the lack thereof in Germany – can possibly be attributed to the awareness of the fact that achieving more diversity requires a concerted effort that exceeds what individual companies can achieve on their own. One London-based HR lead argued along these lines:

‘[W]e do a lot of work outside the firm as well getting involved in industry groups and things like that. **Because we recognise that alone we can do certain stuff within our four walls but actually to change the landscape this is a much bigger issue than something that is unique to [this company].** [...] So actually, if we’re all serious about this **the way that we’re going to see change is by coming together and doing something as an industry.**’

Talking about industry- and government-led initiatives in Germany resulted in the acknowledgement of the lack of such projects, and a debate dominated by one government initiative: the gender legislation quota. The recently passed *Transparency on Remuneration Act* was unanimously considered impractical and useless for the goal of achieving greater pay as well as transparency on pay as the quote below illustrates.

'[It was] **requested, desired, and not implemented.**'<sup>45</sup>  
(Top manager, Germany)

Opinions regarding the gender legislation quota were more nuanced. Whereas one Frankfurt-based head-hunter levelled critique on the basis of it targeting the wrong body (i.e. the supervisory board and not executive committees), the majority – with exceptions – of the top managers we interviewed expressed a rather favourable view.

'**Quotas required by law do not make sense in my opinion**, this is also what my female managers are telling me here [in this company].'<sup>46</sup>  
(Top manager 1, Frankfurt)

'**I was an adamant opponent** to the gender legislation quota. But **I now have come to realise how much mental resistance needs to be broken**, and quotas might be able to help with this.'<sup>47</sup>  
(Top manager 2, Frankfurt)

'I believe that in particular the gender legislation quota and the debate surrounding the female quota has been very helpful. **Companies don't like it that they're being told what to do**, but because of the debate and the pressure that it creates it is very helpful. **I consider this to be the most effective action.**'<sup>48</sup>  
(Top manager 3, Germany)

Voluntary agreements like *Charta der Vielfalt* were viewed critically because of a lack of targets, hence making progress (or lack thereof) immeasurable. A Frankfurt-based HR member called it a mere exercise of attaching one's signature to it and receiving the opportunity to take photo. A top manager of an insurance company referred to it as 'lip service'.

Industry-led initiatives in the British financial sector were considered more impactful. Helena Morrissey, a British financier, and her campaign, the *30% Club*, was mentioned numerous times and considered a game changer by one interview partner in particular:

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<sup>45</sup> Original quote: "Gewünscht, gewollt und nicht umgesetzt."

<sup>46</sup> Original quote: "[G]esetzlich vorgegeben Quote halte ich für nicht sinnvoll, das sagen mir auch alle weiblichen Führungskräfte hier [in dieser Firma]."

<sup>47</sup> Original quote: "Ich bin absoluter Quotengegner eigentlich gewesen. Ich merke aber jetzt, dass so viel geistige Widerstände noch zu brechen sind, dass Quoten dabei helfen etwas zu verändern."

<sup>48</sup> Original quote: "Das mag man zwar nicht in den Unternehmen, dass da etwas vorgeschrieben wird, aber allein schon die Diskussion darüber und der Druck, der dadurch aufgebaut wird, ist sehr hilfreich. Ich halte das für die effektivste Maßnahme."

**‘When Helena set up the 30% Club, there was not a [single] government-led initiative.** The government wasn’t really doing much at all around gender [...]. **[She] has pushed the government to do more.** [...] I definitely do think the one that put it on the government’s radar was the 30% Club.’  
(Diversity specialist, London)

Whereas financial services as a sector still lack diversity, the comparison between Germany and the UK shows significant differences. In order to understand these better, we will now return to the questions on culture: what is it, in which way does it manifest itself in the cases we studied and how are financial practices mirroring these different understandings of diversity/ diverse culture?

*What is Culture?* An interesting development in the debate on culture in financial services has been *The Parliamentary Commission on Banking Standards* in the UK, which culminated in the establishment of the Banking Standards Board (BSB) in 2015. The underlying rationale was that despite regulatory pressure, the underlying culture of major financial institutions has not changed in the aftermath of the crisis. In their work, the BSB focuses on trust(worthiness):

“The focus of our work is on trustworthiness: not on whether trust is given, but on whether it is deserved. And while trust can take a long time to earn, trustworthiness is in the hands of firms themselves. A firm cannot decide to be trusted: but it can decide to aim to be worthy of trust.” (Banking Standards Boards 2018: 3)

It connects the question of culture to trust:

“When we talk about culture in this context, we mean the way that things get done within an organisation; the assumptions, values and expectations that shape the way in which people behave in a group (and which may be very different to how they behave in other groups, or on their own). [...] Understanding and managing the culture of the firm it leads is therefore a core responsibility of any board.” (Banking Standards Boards 2017: 6)

In their employee surveys, the BSB investigates nine criteria that qualify trust (cf. *ibid*: 9), using them as the basis of their assessments. In addition, they also conduct interviews, focus group discussions and deploy board questionnaires (cf. *ibid*: 12). Pertinent to our research are their findings on diversity. In their most recent annual review the BSB identified a “firm’s culture [...] itself [as] a barrier to gender equality” (12). Whereas we did not adopt such a systematic approach to measuring culture, one of the most common responses we received when asking our interview partners to describe financial services as a work environment was that the work culture is perceived as conservative.

*Diverse Cultures/ Cultures of Diversity.* Diversity was understood very differently in the two financial centres and systems we studied. These understandings were closely tied to the cultural context of the respective society, including the institutional setting we detailed in the previous section. In the UK, the key phrase was ‘diversity of thought’. The conversation on diversity encompassed much more than just gender and was, not least because of the



importance of class in the British society, inevitably tied to socio-economic background. An understanding which aligns partly with the feminist concept of *intersectionality* emerged:

‘So, I think you can focus on the women bit but it’s not just if you get a bunch of Anglo-Saxon women and Anglo-Saxon men together that’s **nothing like as good as getting a properly diverse team in every dimension.**’

(Top manager 1, London)

‘The more that we can move from just having for example senior female role models to having **other role models demonstrating a degree of diversity** the more people will comfortable coming to work for an organisation.’

(Top manager 2, London)

Additionally, a number of interview partners acknowledged the importance of context and linked diversity to an inclusive work environment that supports such diversity among employees.

‘But essentially, what we’re trying to do here is **create an environment that is inclusive for all.**’

(HR lead, London)

In Germany, diversity was primarily understood as gender diversity and in the context of inclusion, which relates to the integration of disabled people<sup>49</sup>.

‘[...] [T]he topic diversity is anchored in our company culture. Our current **focus is on the advancement and promotion of women.**’<sup>50</sup>

(Top manager, Frankfurt)

Race is very much a taboo topic as people use the term *culture* rather than *ethnicity* or *race*. One top manager, who had international work experience, offered the following judgement on how German financial companies compare to international ones:

‘You can see a **clear difference between international companies and German companies.** And you have to add to that, diversity to me encapsulates the chance to introduce ideas that are different into a company, but it also means to accept gender, to accept homosexuality, to accept religions, to accept different cultures – **and companies that are German at their core struggle** with this.’<sup>51</sup>

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<sup>49</sup> Inclusion (“Inklusion”) is in Germany primarily understood in relation to disability. See, for example, the “Aktionsplan der Commerzbank”, a report on diversity & inclusion, by the German bank *Commerzbank* from June 2018 (available online: [https://www.commerzbank.de/media/karriere/diversity\\_neu/Aktionsplan\\_Inklusion\\_Commerzbank\\_Barrierefrei\\_20180604.pdf](https://www.commerzbank.de/media/karriere/diversity_neu/Aktionsplan_Inklusion_Commerzbank_Barrierefrei_20180604.pdf)).

<sup>50</sup> Original quote: “[D]as Thema Vielfalt ist auch unserer Unternehmenskultur damit verankert. Der aktuelle Fokus liegt bei uns insbesondere auf der Frauenförderung.“

<sup>51</sup> Original quote: “Also man kann einen deutlichen Unterschied zwischen internationalen Unternehmen und deutschen Unternehmen ziehen. Muss man jetzt dazu sagen, “diversity” ist für mich häufig auch die Möglichkeit andersdenkende Impulse in Unternehmen zu bringen. heißt aber auch die Akzeptanz der Geschlechter, die Akzeptanz auch von Gleichgeschlechtlichkeit, Akzeptanz von Religionen, das

(Top manager, Frankfurt)

Adding the external perspective of executive search firms proved to be particularly insightful in the German case. Diversity was perceived as a 'burden' and created 'tensions', as two Frankfurt-based head-hunters put it. Furthermore, another obstacle to greater diversity (and highlighting what is at the core of culture in finance) were the German language requirements for board positions as one head-hunter pointed out. Both the culture of fintech companies and in private equity was perceived by two other Frankfurt-based head-hunters similar to the old, white, male culture currently dominating senior management.

A distinct feature of the interviews with our German respondents was – and that might lend itself to the narrow focus on gender diversity – an individualised understanding of gender equality. This means problems that exist due to gender inequality, i.e. the lack of availability of child care, are not perceived as a systemic or structural problem but as a matter of individual failure or success, i.e. the responsibility of women. Thus, “the question of social justice is recast in personal, individualized terms” (Rottenberg 2014: 422). There is a great amount of theory on this particular phenomenon, the (puzzling) acceptance of gender inequality, which is often referred to as post-feminism (cf. McRobbie 2008). Additionally, children were perceived as barrier to women’s careers – and women’s careers only – which is, of course, an empirically proven fact and referred to as “child penalty” (Kleven/ Landais/ Sjøgaard 2017), with women viewed primarily as mothers. This is not to say that children were not adduced as an impediment to women’s careers in the UK. However, the causes of – and solutions to – this problem were viewed as embedded within organisation and society, whereas they were very much attributed to the individual in the German case. To a large extent this difference can be grounded in gender stereotypes. Two interview partners remarked on this without being prompted, referring to both the importance of religion (an in particular Catholicism) and remnants of ideas of femininity during the National Socialist dictatorship.

*Spatial Variiegation of Financial Practices.* Culture as well as institutions shape financial practices which variegate spatially. Different understandings of diversity are mirrored in the work practices of the respective financial centres. Whereas diversity is primarily understood in terms of gender in Germany, the British understanding lends itself strongly in relation to class and socioeconomic background (one interview partner extended this comparison the US, highlighting the importance of racial diversity). Hence, it can be said that any industry (in our case finance) mirrors the surrounding society in which it is embedded (a caveat could be added as we primarily interviewed elitist corporations/ financial elites in general). As one interview partner in Germany remarked:

**‘Companies are nothing but a mirror of the norms of a society of a country.’<sup>52</sup>**  
(Top manager, Germany)

This view was shared by an HR lead from London:

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Thema Umgang mit anderen Kulturen. Und da tun sich natürlich Unternehmen, die rein deutsch sind, deutlich schwerer.“

<sup>52</sup> Original quote: “Unternehmen sind nichts anderes als [ein] Spiegel der gesellschaftlichen Werte eines Landes.“

'I think you need to be **clear about the role that you play in society** and the social impact.'

A decisive difference was the emphasis on sexual identity as part of diversity in Germany, which was something London-based interview partners were hesitant to address as they considered this matter to be something private (again, this is culture). The fact that the British understanding of diversity seemed to be more nuanced than the German one shall not conceal the overall lack of diversity in the industry, in particular beyond gender. Rather, it might be due to the fact that the close relationship to New York City and other leading financial centres prompts employers in London to compete (and look for talent) globally, promoting a more extended but also uniform understanding of diversity. This could, at least in parts, elucidate also the almost exact same wording amongst the majority of interview partners, i.e. "diversity of thought". This is in line with what a top manager based in Germany remarked:

'Once you enter **different markets**, you're immediately asked: **What does diversity mean to you?**'<sup>53</sup>

This is not to say that some German financial companies do not operate globally. Rather, it seems that they adopt decisively different strategies and practices if they do so. And whereas Frankfurt is perceived as European, London is viewed as global and Anglo-American.

'Most of the global companies are here. Asset management is a global industry. [...] And regarding the global network, **you're much more connected in London than in Germany**, particular back then [referring to a decade ago]. This gap became a lot smaller. [...] In addition to that you have to also account for the attractiveness of London as a financial centre overall, not only in relation to asset management.'

(Top manager, London)

Germany also exhibits, as we have illustrated, a lack of industry initiatives and a widely disputed gender legislation quota. Explaining the masculinity of the German financial sector, one of our interview partners related to it as historically grown. This is in line with an opinion expressed by another top manager:

'**I believe that the German financial sector is [...] still dominated by a number of institutions that can be considered very German.** Whose origin is here, which are indebted to this kind of thinking, and it can [...] be very much attributed to the education in Germany [...] and how much the generation, that currently dominates senior management, is shaped by [this education]. [...]

**And Germany has a lot of catching up to do. And this catching up will not happen quickly.** Why? Because too little has changed in the heads of those who are currently

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<sup>53</sup> Original quote: "[W]enn man in unterschiedliche Märkte eintritt, kriegt man sofort die Frage gestellt: Was bedeutet Diversität für Euch?"

on these boards. [...] And the more these financial institutions are rooted in Germany, the more difficult it will be.’<sup>54</sup>  
(Top manager, Frankfurt)

This view was seconded by another interview partner, who assessed that the work culture in finance in Germany is not only very masculine, but hierarchical, which they put in stark contrast to the more diverse teams and different culture of debate outside of Germany. Asked about different company cultures in relation to gender, one of our female interview partners from Germany, who was a member of the top management of a European financial company, stated she would never again work for a German company. One of our London-based head-hunters provided further evidence on this fact, as they had experience working in Frankfurt and Munich, saying they had to challenge their German clients much more strongly in comparison to the British firms they usually worked with.

The geographical diversity of financial practices and understanding of diversity needs to be contextualized within arguments that explain the dominance of London as an IFC on the grounds of the “disproportionate amount of financial knowledge product [that] occurs in the city” (Faulconbridge 2004: 240). The awareness as well as efforts undertaken by companies, the industry and the government act as pull factor for elite labourers in London, which is – in contrast to Frankfurt – more “globally sourced” (ibid: 240). It demonstrates that London-based companies seem to be more capable (or willing) to respond to the demands of this elite labour force, contributing to the fact that “London remains a magnet for skilled workers” (ibid: 241) in a way that Frankfurt is incapable of. It also reflects the close connection of London to New York (Wójcik, 2013). This link is not only a cultural but also institutional one, as the presence of (and lack thereof) women’s as well as diversity networks in the U.S. and the UK shows (see Table 4).

## Conclusion and Recommendations

**‘Everybody here knows that diverse teams outperform those that do not have diversity.** [...] There’s lots and lots of research that demonstrates diverse teams outperform. So, the intellectual argument is a given - we don’t have to convince anybody here for our business to perform at its best we need to have as diverse a team of people here as we possibly can. So, we all get that. [...]

**Having said that [...] there’s no silver bullet because if there was someone would’ve found it by now.** And so, we’re all just trying really hard to do different things, see what works, see what doesn’t work, and make steps along the way. But this is a long game. **It’s not something that is going to be fixed overnight.**’

(HR lead, London)

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<sup>54</sup> Original quote: “Ich glaube der deutsche Finanzsektor [...] ist immer noch geprägt auch von einer Vielzahl von Instituten, die als sehr deutsch bezeichnet werden können. Die [...] ihren Ursprung [hier] haben, die auch hier in dieser Denkweise verhaftet sind, und [...] es liegt ganz viel auch an der [...] Erziehung in Deutschland [...] und wie sehr die Generationen, die heute noch in den Führungsspitzen ist, davon [dieser Erziehung] geprägt ist. [...] [D]a hat Deutschland da noch ein ganz, ganz hohen Nachholbedarf. Und den Nachholbedarf wird es kurzfristig auch nicht schließen können. Warum? Weil sie in den Köpfen der jetzt amtierenden Vorstände noch zu wenig verändert haben. [...] Und je mehr Institutsgruppen in rein Deutschland verwachsen sind, desto schwieriger wird’s.“

This research set out to explore mature and less mature practices for improving gender diversity in senior management in finance. Situated at the intersection of feminist studies and economic geography, our study of the British and German financial industry was based on an argument of the spatial variegation of the institutional and the cultural context. Comparing both countries, and in particular the working culture and practices in their respective financial centres, we carved out differences and similarities to explain progress – or the lack thereof – in terms of gender diversity across both geographies.

We found that organisational culture is the biggest barrier to women's success. In turn, the support from top management was regarded the most important factor driving greater diversity (and the right culture). Whereas these findings were stable across the two IFCs we studied, we observed two very distinct cultures of diversity in Frankfurt and London. In terms of work culture, London is perceived as Anglo-American and Frankfurt as European. This has implications for the understanding of and practices of diversity: First, a more international character of London as a financial centre seems to be conducive to a more nuanced and complex understanding of diversity in comparison to Frankfurt. Despite Brexit, this cultural asset could equip London with a comparative advantage as London-based companies are able to attract (more) diverse talents due to a more inclusive work environment. Secondly, it also shows that companies within financial centres adapt to and are a product of the institutions and cultures within which they are embedded. As the British case demonstrates, regulation as well as major industry-led initiatives can put pressure on companies and supplement or even boost government-led efforts. In contrast, an environment that lacks concerted industry- and governmental-efforts to change the culture of finance (including diversity) in a post-crisis era also lacks diversity (both in terms of workforce and culture), not least because of a lack of awareness, as illustrated by the example of Germany. Thirdly, it means that solutions to the problem – the lack of diversity – not only transcends the realm of the individual company but requires thinking beyond the business case, as the initial statement by a London-based HR-lead shows.

In the remaining section, we wish to highlight three problems financial organisations working towards a more diverse workforce and inclusive culture face. These encompass (1) internal resistance, (2) outdated ways of working and leading, and (3) the complexity of diversity. We follow up with a series of recommendations on how to address these.

#### Problem 1: *Internal resistance.*

Almost all of our interview partners mentioned internal resistance, in particular by men, towards gender diversity initiatives:

'And **there's a flip side** to this. There was a time when we went through a whole [lot of] negative comments around '**we've only hired this person because she is female**'. And so that in itself is a **quite difficult thing to overcome**.'  
(HR lead, London)

One of our external interview partners, a London-based head-hunter, even observed a 'diversity fatigue'. Thus, our first set of recommendations rests on the finding that gender equality policies should not only concern women:

- Recommendation 1a: *Include male co-workers in gender equality initiatives.* Working towards greater diversity within organisations should not solely be the responsibility of those who experience exclusion. We recommend companies to set up initiatives that include men and that aim at fixing the gender ratio across the entire organisation. A small number of financial companies very recently a) introduced initiatives that include men and b) problematised the formation of the so-called 'pink-ghettos' within financial companies (i.e. female-dominated parts of the business, like HR and marketing).
- Recommendation 1b: *Call out wrong perceptions to counter internal backlash.* Despite a fear of internal backlash as a result of gender equality and diversity programmes, finance is not a diverse industry – in particular at the top. Instead, it continues to be a male-dominated industry and it is the responsibility of financial organisations to acknowledge this.

*Problem 2: Outdated (and gendered) ways of working, leading and recruiting.*

Another problem that was repeatedly brought up in the interviews concerned working practices, in particular flexible working. The pressure of presenteeism was a challenge to these new working practices:

'So flexible working is great but you find you'll get **pockets of resistance**, you get passive resistance [...] 'Okay I'll let you do this but I resent this and I won't speak to you until you're back in the office', so ways that it can be undermined.'  
(HR lead, London)

The attractiveness of leadership positions was also questioned by a few interview partners. One member of a German financial institution reported an internal survey conducted on workers' satisfaction, surfacing the dissatisfaction of men in leadership roles.

In addition, the lack of an equal amount of female and male recruits in asset management is another problem that is of particular importance to this branch of the finance industry.

- Recommendation 2a: *Embed flexible working policies instead of singling them out.* Flexible working policies are doomed to fail if the work environment is dominated by presenteeism, long hours, and a lack of flexibility. Thus, companies need to drive greater cultural change on the organisational level. One of our interview partners also spoke of a toolkit that is necessary to successfully implement flexible working.
- Recommendation 2b: *Revise leadership roles and responsibilities.* Rethinking what roles leaders have to assume (in particular for their team) and what are the right qualities of a great leader might open up another avenue of thinking about leadership roles themselves. This, in turn, might qualify other – potentially more diverse –

candidates for these positions. A London-based top manager defined leadership as follows:

‘[L]eadership - it’s actually about somebody who’s a **good listener**, a really **good coach**, somebody who can **get the most out of the team** no matter how flawed they are and all teams are flawed.’

- Recommendation 2c: *Create roles for female talents*. In addition to rethinking the qualities of successful leaders, rethinking their areas of responsibility instead of looking for talents to fill a role with a particular set of responsibilities might also serve the purpose of greater diversity in management or part of the business that lack such diversity. A London-based HR lead detailed how such a process can look like:

‘The other thing we started to do from a talent perspective [...] is getting talented females in and shaping roles around them. So it is a bit of the art of the possible [...] **we weren’t looking for someone to run a particular fund but we build a fund proposition which is very successful over time based on the unique capabilities that they brought** in order to just kind of force to increase the number of women we had in fund management roles.’

- Recommendation 2d: *Change recruitment requirements*. In order to enlarge the talent pool, a couple of interview partners who struggled with recruiting an equal number of females and males at the bottom advocated for amending their entry requirements. For example, instead of looking for graduates from STEM programmes only, they relaxed their eligibility criteria as long as candidates could demonstrate numeracy.

Problem 3: *The complexity of (achieving) diversity*. On the one hand, some of our interview partners held the view that a focus on diversity and thus adopting an inclusive lens widens the talent pool. Others, however, perceived it as a limitation in the sense that they *had* to focus on female talents only. They feared a trade-off between performance and diversity:

‘You should still be making sure that you’re hiring the right person for the job and that you are **not lowering the bar**.’  
(HR lead, London)

This tension between merit and diversity is difficult if not impossible to resolve. The following recommendations however help to reduce such complexity within an organisational context.

- Recommendation 3a: *Simple messaging*. Diversity is complex and encompasses a lot more than gender, narrowing it down to this dimension however can enable the (cap)ability to act. In that sense, gender can be almost seen as a door opener. One London-based top manager advocated for this strongly throughout the interview:

‘I think **the bigger and the more complex the organisation** in any regard **the simpler your messaging’s** [going to] be. [...] Because when you’re focussing on gender you get a bit of everything else for free.’  
(Top manager, London)

- Recommendation 3b: *Set clear targets*. This was seen as key by different members within financial companies, as setting such targets allows to actually measure them. In conjunction, interview partners thus advocated for regular and detailed reporting as well as benchmarking (in particular externally against other companies). Of particular importance was also the personal accountability of these targets (i.e. embedding them in performance reviews or setting KPIs around them) in order to make them most effective.

Complexity, however, is not an excuse for the lack of diversity. Numbers continue to demonstrate that the need for action is urgent. Post-crisis developments, in particular interrogating the normative foundation of financial governance (cf. Schubert/ Young 2011), provide a unique chance to address the dearth of diversity, not least because we showed that this links to more than just gender and, most importantly, culture. As much as the business case logic is privileged in the world of finance, the lack of diversity might be evidence to the fact that this is simply not enough. Gender diversity is (also) driven by the conviction that it is the necessary and right thing to do. How can this shift be achieved? An HR lead from London highlighted the crucial importance of educating and raising awareness within companies:

‘I think **the other really important thing here is continual education and discussion**. [...] [I]t is around talking and educating that you start to see the shift. And that’s been our experience here that just raising awareness is part of the journey. So, [...] a couple of years ago we talked about unconscious bias and it was fascinating, because lots of people think they do not have unconscious bias. But it’s only when you talk to them about what they might be and how they might show up then, I think... it was quite an enlightening conversation.’

Creating greater (gender) diversity goes beyond the scope of individual companies. It encompasses the industry, the regulator and society as whole. Our study has shown that the driving forces of diversity within companies depend very much upon forces outside of them. Looking for the causes as well as solutions to the lack of diversity demands that companies look both inside and outside their own four walls for a long-lasting impact. This includes challenging the formation of (gender) stereotypes, which happens early on in schools and continues to determine educational as well as career trajectories, as well as their perception and representation in the media – to name a few of the examples our interview partners pointed out.



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## Appendix A. Samples and Sampling Procedure (Content Analysis)

We use two different samples in the content analysis. **Sample 1** is based on a list of financial companies retrieved from Thomson Reuters (TR). TR provides ESG (environmental, social and corporate governance) scores that include women's percentage in the labour force and on company boards. We searched the TR database for public companies that have their headquarters either in Germany or United Kingdom, that TR classified as 'Financials' and which reported ESG data on *Gender Diversity* (n = 143). Within *Financials*, TR furthermore distinguishes between the following categories: Investment Banking & Investment Services (n = 27), Banking Services (n = 20), Insurance (n = 17), Collective Investments (n = 42), Real Estate Operations (n = 17) and Residential & Commercial REITs (n = 20). In order to limit ourselves as much as possible to what we define as the core of finance, we decided to remove financial companies that belong to the category *Real Estate Operations* and *Residential & Commercial REITs*. This also responds to the three types of financial companies we chose to include in our interview sample: asset managers, banks and insurers. Our final sample, which provides the basis for the first part of the following analysis, consists of 106 companies. In this list, publicly listed companies in the UK represent the majority (n = 97), which mirrors the importance London has as a financial centre in comparison to Frankfurt. We chose to start with this list as the ESG data also allows us – without conducting interviews yet – to explore patterns regarding the female representation of women at numerous levels of the company in these different sectors, and potentially in relation to our findings on gender equality initiatives (although this could in no way amount to a measure of their effectiveness). **Sample 2** consists of the ten largest banks in London. For this, we relied on a list provided by Financial News London.<sup>55</sup> This focus on banks was driven by one of our central findings: that equality initiatives amongst banks represent the lion's share of such efforts in the industry in comparison to the attempts (or rather lack thereof) of other subsectors, in particular asset managers. Scrutinising this smaller sample allows us to take a closer look at the equality initiatives themselves as well as the characteristics of the banks (including nationality and type of bank) that deploy them.

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<sup>55</sup> Source: <https://www.fn london.com/articles/banks-accused-of-undermining-diversity-efforts-20170626>

## *Appendix B. A Note on Elite Interviews*

The challenges of elite interviews (in particular in financial services) have been documented in detail by a number of scholars. Linda McDowell stresses dependencies like “luck and chance, connections and networks, and the particular circumstances at the time” (1998: 2135), which are critical to this kind of data collection. As much as we tried to control for these factors by our choice to approach interview partners via cold-emailing, we nevertheless acknowledge that “personal attributes” (ibid: 2136) like class, gender and race as well as – in our case – the affiliation with an elite university affected our positionality in the field. Gordon Clark highlights another key feature of elite interviewing:

Just as I am interested in close dialogue as a means of world-making, so too are respondents committed to constructing worlds through their dialogue with researchers. (1998: 82)

As all of our respondents were (very) well educated, belonged to either the middle or the upper class and experts themselves, they were not only answering but also challenging the questions we posed, not least because of their status as experts and leaders (the latter applies in particular to top managers). Calling into question conventional assumptions on hierarchy in interviews (ibid: 80), this affected both how we collected data and what kind of data. What emerged was thus a rather “reciprocal relationship” (ibid), in which interview partners not only challenged some of the core assumptions of our research (i.e. the focus on gender diversity) but were also interested in an exchange of information (i.e. our academic insight into gender (in)equality in finance). This raises another series of concerns relating to the (self-)representation of the researcher, in particular how much of one’s own opinion and research shall reveal as a researcher in the interview (cf. McDowell 1998: 2137). Unless asked by our interview partners, we chose to not present any results of our research so far and refrained from addressing any disagreements we had with our interview partners as this is common research practice (cf. ibid: 2143).

Paying particular attention to the post-crisis landscape in which we conducted our research, Erica Schoenberger underlines the usefulness of elite interviews as appropriate means to study corporate decisions in “periods of economic and social change” (1991: 180). Additionally, she elaborates on the feature of ambiguity as inherent to in particular open-ended interviews, and emphasizes their epistemological richness: “If ambiguity is the lesson, however, then it should not be cleared up, but evaluated in its own right” (ibid: 185). We will adhere to this conclusion in the last session of this paper as we chose to develop our recommendations on the back of such ambiguities.

## Appendix C. Sample and Sampling Procedure (Exploratory Study)

We interviewed four groups of stakeholders, which can be divided into internal and external.

*Internal Stakeholders.* We approached our interview partners primarily via cold-emailing and following a top-down approach. Choosing a country first, we identified the largest employers in asset management, banking and insurance. As our aim was to account for cultural differences, we primarily targeted German financial institutions in Germany and British financial institutions in the United Kingdom. Table 3 depicts the breakdown of the institutions (divided by domestic capital market and sector) which our interview partners work for.

Table 3: Nationality (defined by location of headquarters) of companies of interview partners

	German	British	Other
Asset managers	3	4	1
Banks	6	4	1
Insurers	3	2	2

NB: Numbers refer to the institution of the interviewee as in some cases we spoke to different people from the same company. This data refers only to internal interview partners.

*External Stakeholders.* We also approached diversity specialists and executive search firms. We approached heads of women's networks and organisations or businesses whose aim is to increase diversity within the sector. In addition, we reached out to executive search firms based in either London or Frankfurt – either to the founders/ CEOs or consultants responsible for financial services. We conducted 18 interviews with 19 people working in recruitment and executive search for clients in financial services in London (n = 9) and Frankfurt (n = 9). Our sample included 17 different executive search firms (ESFs) and 1 recruitment agency.

In total, 52 interviews took place, which amounts to 28,54 % of the whole sample of people we contacted. We emailed our potential interview partners inviting them to participate in our study. We retrieved their names and email addresses from the websites of financial companies (or ESFs), annual or CSR reports, other PR material on (gender) diversity. Our initial email featured a short invitation to participate in our research. Following a positive reply, we send through more information on the research project, including an information sheet with further details.

As Table 4 shows, the response rate and numbers of interviews in relation to interview requests vary greatly between both countries. In addition to cold-emailing, we used snow-balling and our personal networks in one case as we wanted to minimise the bias associated with this method.

Table 4: Overview of acquisition process via cold-emailing in Germany and the UK

	Cold-emailing (Germany)	Cold-emailing (UK)
Interview requests	N = 79	N = 108
Response rate*	N = 48 (60,76 %)	N = 37 (34,26 %)
<b>Interviews</b>	<b>N = 29 (36,71 %)</b>	<b>N = 22 (20,37 %)</b>

\* Response to request includes all people who responded to our emails, even if they only showed interest but did not agree upon an interview in the end. Rejection rate includes negative responses, i.e. people who rejected to be interviewed.

*Appendix D. Questions on Socio-Economic Status*

1. How old are you?
2. What is the highest level of education you have completed?
3. Which Ethnic group do you belong to?
4. Which citizenship(s) do you hold?
5. How would you describe your economic class?

### Appendix E. Socio-Economic Background of Interview Partners

The average age of our interview partners was 49,18 years. 73,53% described their ethnicity as White British or White Caucasian.<sup>56</sup> Figures 14 and 15 depict the responses regarding class background and highest level of education. The majority of our interviewees identify as belonging to the middle class and completed a postgraduate degree (master's or a PhD).

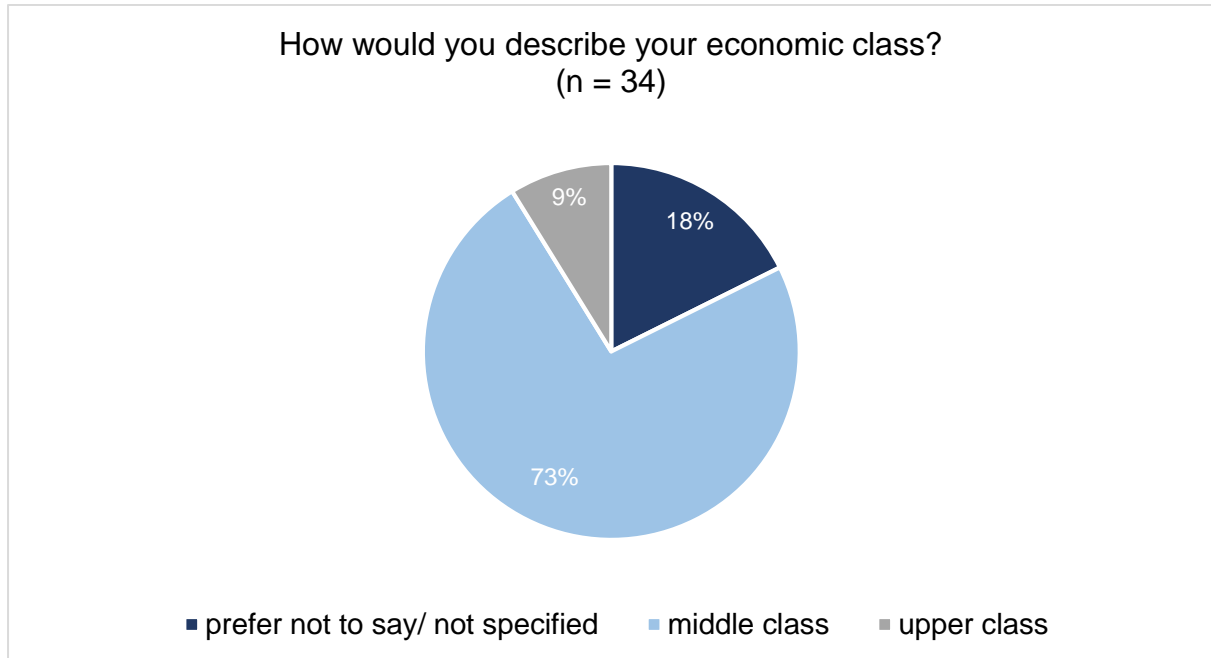


Figure 14: Socio-economic background of interview partners

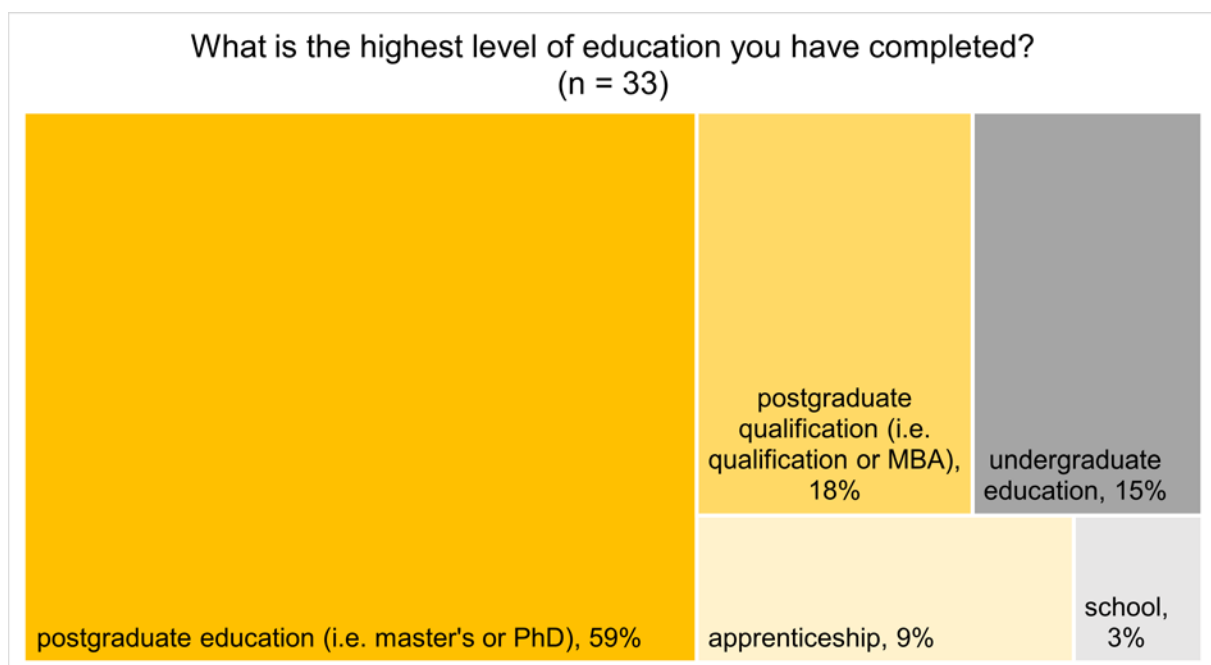


Figure 15: Educational background of interview partners

<sup>56</sup> This does not imply that 28% of our sample were not White British or White Caucasian. They either preferred not to say or did not state an Ethnic group but a nationality.



*Appendix F. Questionnaire for Internal Stakeholders (HR and Top Management)*

Part A Financial Crisis

1. How has the industry changed since the financial crisis?
2. How has your company changed since the financial crisis?
3. What effect has had the financial crisis on (gender) diversity in finance?
4. What effect has had the financial crisis on (gender) diversity in your company?
5. Would more diverse leadership prevent a next crisis?

Part B Diversity Policies

6. What do you mean when you speak about diversity?
7. Why is diversity in finance important?
8. Why is diversity important to your company?
9. If you had to choose from the following options, how would you rate gender diversity on your agenda
  - a. Among top 3 items on the strategic agenda
  - b. Among top 10 items on the strategic agenda
  - c. On the strategic agenda, but not in top 10
10. Which role do you ascribe to yourself in securing more diversity within your company? (*only top management*)
11. Why do you think there are so many (white) men represented in senior positions in finance, i.e. what makes it easier for them to succeed?
12. Could you please rate the following barriers to the success of women’s careers in their impact from very important to not at all important?

	Very important	Somewhat important	Not very important	Not at all important
Culture of organisations (dominated by male values)				
Unconscious bias and double standards due to gender stereotypes				
(Exclusion from) old boy’s networks				
Promotion gaps				
Double glass ceiling (low level of women in the middle management)				

13. Could you please rate the following diversity programmes in their usefulness for women’s careers from very useful to not at all useful?

	Very useful	Somewhat useful	Not very useful	Not at all useful
Support from senior executives				
Increased pay and greater transparency on pay				
Greater transparency on promotion policies				
Presence of female role models				
More flexible work arrangements				

14. What is your opinion of and experience with government- as well as industry-led initiatives?

15. How do you think financial services can stay competitive and attractive for financial talent, especially in comparison to tech companies like Google or Facebook?

Part C Work Culture

16. How would you describe the work culture in financial services in Britain/ Germany?

17. How do you describe the role of the culture of the domestic capital market of a financial company in terms of the work culture?

18. A major point of criticism in the aftermath of the recent crisis has been the lack of trust in financial institutions and the necessity of cultural change. Can you, and if yes how, link this debate to the cultural change towards more diversity?

*Appendix G. Questionnaire for External Stakeholders (Executive Search Firms)*

Part A Financial Crisis and Diversity

1. How do you think the industry has changed since the financial crisis?
2. What effect has had the financial crisis on (gender) diversity in finance?
3. Why is gender diversity in finance important?
4. What do you mean when you speak about diversity?
5. Would more diverse (female) leadership prevent a next crisis?

Part B Appointment Practices and Diversity

6. In terms of securing more diversity within senior management, how would you describe the role executive search firms play in the appointment process?
7. Could you please rate the following obstacles to gender diversity on Boards in their impact from very important to not at all important?

	Very important	Somewhat important	Not very important	Not at all important
Perceptions of the pipeline and lack of women with experience				
Lack of social capital (i.e. relationships and networks)				
Board appointment process is too subjective and exclusionary ('similarity attraction paradigm')				
Boardroom cultures (i.e. competitive, long hours and old boy's club)				
Cultural context (i.e. beliefs and values toward women and work)				

8. Could you please rate the following good practices from very useful to not at all useful?

Very useful	Somewhat useful	Not very useful	Not at all useful

Proactively putting diversity on the agenda in the appointment process

Challenging Chairmen and Nomination Committees when defining the brief (emphasis on underlying competencies instead of prior experience only)

Finding creative ways to expand the talent pool and reaching out to female candidates.

Ensuring female representation on the long list and the short list

Supporting female candidates throughout the appointment process.

Supporting Chairmen in handling resistance to female candidates from other Board members.


9. What is your opinion of and experience with government- as well as industry-initiatives like the Voluntary Search Code or the *30% Club*?

Part C Board Culture(s)

10. How would you describe the work culture in finance in the UK?
11. Do you have experience from working with companies outside the UK, e.g. in other markets? If yes, how would you describe their work culture in finance?
12. Can you share some of the feedback you received from women you have helped to go on boards regarding board culture as well as board dynamics since the financial crisis?
13. Referring again to this feedback but also your experience, are you aware of differences in board cultures between financial companies (i.e. nationalities or sub-sectors)?
14. Do you have any thoughts on the onboarding procedure of new (female) board members? Do you advise your clients on how to make board cultures more gender-inclusive and to take on developmental roles?
15. Building upon that last question – do you think in order to achieve more gender equality in finance, ESFs need to redefine their traditional mandate and be more willing to take on roles that are likely to catalyse change in the sector?

## *Appendix H. Questionnaire for External Stakeholders (Diversity Specialists)*

### Part A Financial Crisis

1. How do you think the industry has changed since the financial crisis?
2. What effect has had the financial crisis on (gender) diversity in finance?
3. Does this impact vary between companies, sectors or countries?
4. Would more diverse (female) leadership prevent a next crisis?

### Part B Diversity Policies

5. What do you mean when you speak about diversity?
6. Why is gender diversity in finance important?
7. Why do you think there are so many (white) men represented in senior positions in finance, i.e. what makes it easier for them to succeed?
8. Why do you think there are so few women and minorities represented in senior positions in finance?
9. How do you rate the acceptance or reputation and usefulness of in-company initiatives to attract more women or to increase female representation at board level?
10. In general, diversity policies tend to focus on tangible, formal levers to influence culture. What more can be done to leverage informal, less tangible levers, such as beliefs, and group norms?
11. What is your opinion of and experience with government- and industry initiatives? Is there one that you consider particularly impactful?

### Part C Work Culture

12. How would you describe the work culture in financial services in Britain/ Germany?
13. A major point of criticism in the aftermath of the recent crisis has been the lack of trust in financial institutions and the necessity of cultural change. Can you, and if yes how, link this debate to the cultural change towards more diversity?

Appendix I. Gender Equality Initiatives of British Banks, Asset Managers and Insurers<sup>57</sup>

Company	Sector	Initiatives	30 % Club <sup>58</sup>	Women in Finance Charter <sup>59</sup>
Amigo Holdings PLC	Banking Services	No formal policies ( <a href="#">source</a> )	No	No
Bank of Georgia Group PLC	Banking Services	No formal policies ( <a href="#">source</a> )	No	No
Barclays PLC	Banking Services	See <a href="#">Appendix K</a>	Yes	Yes
Close Brothers Group PLC	Banking Services	Surveys, mentoring schemes, leadership programmes, training session for line managers, flexible working, paid parental leave ( <a href="#">source</a> )	Yes	Yes
CYBG PLC	Banking Services	Sponsorship programme ( <a href="#">source</a> )	No	Yes
HSBC Holdings PLC	Banking Services	See <a href="#">Appendix K</a>	Yes	Yes
International Personal Finance PLC	Banking Services	No formal policies ( <a href="#">source</a> )	No	Yes
Law Debenture Corporation PLC	Banking Services	No formal policies ( <a href="#">source</a> )	No	No
Lloyds Banking Group PLC	Banking Services	In-company network ( <a href="#">source</a> ) as well as Returners programme, training for line managers (including unconscious bias) and Women in Leadership programme ( <a href="#">source</a> )	Yes	Yes
Metro Bank PLC	Banking Services	In-company women's network ( <a href="#">source</a> )	No	Yes
OneSavings Bank PLC	Banking Services	In-company women's network and unconscious bias training ( <a href="#">source</a> )	No	Yes
Paragon Banking Group PLC	Banking Services	Female career support and leadership training, mentoring, unconscious bias training, survey ( <a href="#">source</a> )	No	Yes
Provident Financial PLC	Banking Services	Leadership development programme ( <a href="#">source</a> )	No	Yes
Royal Bank of Scotland Group PLC	Banking Services	In-company network ( <a href="#">source</a> ), Female Development Programmes ( <a href="#">source</a> ), "male-only development programme" in HR ( <a href="#">source</a> ) and return-to-work programme for female employee ( <a href="#">source</a> )	Yes	Yes

<sup>57</sup> This research was conducted between March and May 2019. Sources are provided via hyperlinks.

<sup>58</sup> Website of 30% Club has been checked for supporters on 18<sup>th</sup> October 2019 (see [website](#)).

<sup>59</sup> Latest list of signatories used from 18<sup>th</sup> July 2019 (available [online](#)).

Standard Chartered PLC	Banking Services	Inclusive Leadership Programme, childcare and support of mothers, flexible work policies, in-company network ( <a href="#">source</a> )	Yes	Yes
TBC Bank Group PLC	Banking Services	No formal policies ( <a href="#">source</a> )	No	No
3i Group PLC	Investment Banking & Investment Services	Parental leave policies and flexible working subject to approval ( <a href="#">source</a> )	No	No
Alfa Financial Software Holdings PLC	Investment Banking & Investment Services	Events organised by the Alfa Inclusion Community ( <a href="#">source</a> ), external cooperation ( <a href="#">source</a> )	No	No
Allied Minds PLC	Investment Banking & Investment Services	No formal policies ( <a href="#">source</a> )	No	No
Ashmore Group PLC	Investment Banking & Investment Services	No formal policies ( <a href="#">source</a> )	No	No
Baillie Gifford Japan Trust PLC	Investment Banking & Investment Services	Parental leave and flexible working policies ( <a href="#">source</a> )	Yes <sup>60</sup>	No
Brewin Dolphin Holdings PLC	Investment Banking & Investment Services	Women at Brewin initiative, D&I workshops and D&I training for managers ( <a href="#">source</a> )	Yes	Yes
CMC Markets PLC	Investment Banking & Investment Services	Unconscious bias training ( <a href="#">source</a> )	No	No
Hargreaves Lansdown PLC	Investment Banking & Investment Services	Flexible working policies ( <a href="#">source</a> ) and unconscious bias training for senior leaders ( <a href="#">source</a> )	Yes	Yes
IG Group Holdings PLC	Investment Banking & Investment Services	In-company women's network ( <a href="#">source</a> )	No	No
Impax Asset Management Group PLC	Investment Banking & Investment Services	Working group "Diversity Matters" formed but no formal policies ( <a href="#">source</a> )		
IntegraFin Holdings plc	Investment Banking & Investment Services	Flexible working policies ( <a href="#">source</a> )	No	No
Intermediate Capital Group PLC	Investment Banking &	Company-wide training on Unconscious Bias, Inclusive Management Behaviours	No	Yes

<sup>60</sup> Not listed as supporter on the *30% Club* website, but mentioned in their Gender Pay Gap report from 2017 ([source](#)).

	Investment Services	and Professional Conduct ( <a href="#">source</a> )		
Investec PLC	Investment Banking & Investment Services	Paid parental leave policies and diversity awareness programme for senior leaders ( <a href="#">source</a> )	Yes	Yes
IP Group PLC	Investment Banking & Investment Services	Unconscious bias training and career development planning ( <a href="#">source</a> )	Yes	No
Janus Henderson Group PLC	Investment Banking & Investment Services	In-company women's network ( <a href="#">source</a> )	No	Yes
Jupiter Fund Management PLC	Investment Banking & Investment Services	Women's Leadership Group, in-company networks and parental coaching ( <a href="#">source</a> )	No	Yes
Legal & General Group PLC	Investment Banking & Investment Services	In-company networks ( <a href="#">source</a> ) and networking events and 50&50 as well as by 2020 initiative ( <a href="#">source</a> )	Yes	Yes
London Stock Exchange Group PLC	Investment Banking & Investment Services	In-company network, mentoring, unconscious bias training, parental leave and flexible working policies ( <a href="#">source</a> )	Yes	Yes
Pantheon International PLC	Investment Banking & Investment Services	No formal policies but Level 20 mentioned ( <a href="#">source</a> )	No	Yes
Quilter PLC	Investment Banking & Investment Services	Returners Programme ( <a href="#">source</a> ), leadership and unconscious bias training as well as diverse shortlist policy ( <a href="#">source</a> ), founding member of Diversity Project ( <a href="#">source</a> )	Yes	Yes
Rathbone Brothers PLC	Investment Banking & Investment Services	Training programmes on D&I as well as unconscious bias and paternity policies ( <a href="#">source</a> )	No	Yes
Schroders PLC	Investment Banking & Investment Services	50/50 gender split at assessment centres, parental leave and flexible work policies, sponsorship, diversity training ( <a href="#">source</a> )	No	Yes
St. James's Place PLC	Investment Banking & Investment Services	Development support and flexible working policies ( <a href="#">source</a> )	Yes	Yes
Standard Life Aberdeen PLC	Investment Banking & Investment Services	Senior female and mid-career development, mid-career returns, flexible working and parental coaching, in-company women's network ( <a href="#">source</a> )	Yes	Yes



TP ICAP PLC	Investment Banking & Investment Services	In-company women's network ( <a href="#">source</a> )	Yes	Yes
Aberforth Smaller Companies Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Alliance Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
AVI Global Trust PLC (formerly British Empire Trust)	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Bankers Investment Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Blackrock Smaller Companies Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Bmo Global Smaller Companies PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Caledonia Investments PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
City of London Investment Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Edinburgh Dragon Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Edinburgh Investment Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Electra Private Equity PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
F&C Investment Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Fidelity China Special Situations PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Fidelity European Values PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Fidelity Special Values PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Finsbury Growth & Income Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Greencoat UK Wind PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Herald Investment Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
HgCapital Trust PLC	Collective Investments	No formal policies but Senior Partner is Level 20 Advisory Council member ( <a href="#">source</a> )	No	No
HICL Infrastructure PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
JPMorgan American Investment Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
JPMorgan Emerging Markets Investment Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
JPMorgan Indian Investment Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
JPMorgan Japanese Investment Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No

Jupiter European Opportunities Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Mercantile Investment Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Monks Investment Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Murray International Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
NB Global Floating Rate Income Fund Ltd	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Perpetual Income and Growth Investment Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Personal Assets Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Polar Capital Technology Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Pollen Street Secured Lending PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
RIT Capital Partners PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Schroder Asiapacific Fund PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Scottish Investment Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Scottish Mortgage Investment Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Temple Bar Investment Trust PLC (Investment Management)	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Templeton Emerging Markets Investment Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
TR Property Investment Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Witan Investment Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Worldwide Healthcare Trust PLC	Collective Investments	No formal policies ( <a href="#">source</a> )	No	No
Admiral Group PLC	Insurance	No formal policies ( <a href="#">source</a> )	Yes	Yes
Aon PLC	Insurance	Sponsorship programme, in-company women's network, return to work support, flexible working policies, Females of the Future programme ( <a href="#">source</a> )	Yes	Yes
Aviva PLC	Insurance	Women in Leadership programme, return to work programme, parental and flexible working policies ( <a href="#">source</a> )	Yes	Yes
Beazley PLC	Insurance	Management training, unconscious bias sessions, Woman at Work programme and mentoring ( <a href="#">source</a> )	Yes	Yes

Direct Line Insurance Group PLC	Insurance	Flexible working, mentoring, development programmes for women ( <a href="#">source</a> ) and in-company network ( <a href="#">source</a> )	No	Yes
Hastings Group Holdings PLC	Insurance	Mentoring scheme, D&I training, unconscious bias training and training for female leaders ( <a href="#">source</a> )	Yes	Yes
Just Group PLC	Insurance	Unconscious bias training, external workshops and mentoring for female employees ( <a href="#">source</a> )	No	Yes
Lancashire Holdings Ltd	Insurance	No formal policies ( <a href="#">source</a> )	No	No
Phoenix Group Holdings	Insurance	In-company network, flexible working policies and mentoring programme ( <a href="#">source</a> )	No	Yes
Prudential PLC	Insurance	Unconscious bias leader workshop, mentoring scheme, maternity coaching and parental leave policy ( <a href="#">source</a> )	No	Yes
RSA Insurance Group PLC	Insurance	In-company women's network, mentoring and unconscious bias training ( <a href="#">source</a> )	Yes	Yes
Sabre Insurance Group PLC	Insurance	No formal policies ( <a href="#">source</a> )	No	No
Saga PLC	Insurance	Flexible working and targeted development programmes ( <a href="#">source</a> )	Yes	Yes
Willis Towers Watson PLC	Insurance	In-company network ( <a href="#">source</a> )	Yes	No

Appendix J. Gender Equality Initiatives of German Banks, Asset Managers and Insurers<sup>61</sup>

Company	Sector	Initiatives	Charta der Vielfalt
Aareal Bank AG	Banking Services	Training for women ( <a href="#">source</a> )	Yes
Commerzbank AG	Banking Services	Child care, cross-mentoring, women's network, flexible work arrangements for parents, workshops for leadership ( <a href="#">source</a> )	Yes
Deutsche Bank AG	Banking Services	See <a href="#">Appendix K</a>	Yes
Deutsche Boerse AG	Banking Services	Mentoring, in-company network and coaching for women ( <a href="#">source</a> )	Yes
Grenke AG	Investment Banking & Investment Services	No formal policies ( <a href="#">source</a> )	Yes
MLP SE	Investment Banking & Investment Services	No formal policies ( <a href="#">source</a> )	Yes
Allianz SE	Insurance	In-company network, mentoring, Returners@Allianz programme ( <a href="#">source</a> ) as well as sponsoring, career workshops and flexible working policies ( <a href="#">source</a> )	Yes
Hannover Rueck SE	Insurance	Mentoring programme ( <a href="#">source</a> ) and training of leadership ( <a href="#">source</a> )	Yes
Muenchener Rueckversicherungs Gesellschaft AG	Insurance	Mentoring programmes, coaching, diversity days, women's networks, and personalised part-time and parental leave models ( <a href="#">source</a> )	Yes

<sup>61</sup> This research was conducted between March and May 2019. Sources are provided via hyperlinks.

Appendix K. Overview of Gender Equality Initiatives of the 10 Largest Banks in London<sup>62</sup>

Company	Programme	Features	Source
<b>Bank of America Merrill Lynch</b>	Women's networks	Three in-company women's networks	<a href="#">Gender Pay Gap Report</a>
	Global Women's Conference	Yearly conference for top female leaders	<a href="#">Women in Finance Charter Progress Report</a>
	Female Futures and Females in Finance	Recruitment (targeting women from schools and universities)	<a href="#">Women in Finance Charter Progress Report</a>
	Pathways to Progression	EMEA-wide programme targeting VP level women for further promotion	<a href="#">Women in Finance Charter Progress Report</a>
	Shared parental leave	Leave policy	<a href="#">Gender Pay Gap Report</a>
	New parents workshops and coaching	For employers with children	<a href="#">Gender Pay Gap Report</a>
	Returning Talent	Return to work initiative for individuals with a career break	<a href="#">Website</a>
	Manager Excellence sessions	Training of in-line managers	<a href="#">Women in Finance Charter Progress Report</a>
	Flexible working	Yes	<a href="#">Gender Pay Gap Report</a>
	External partnerships	Yes	<a href="#">Gender Pay Gap Report</a>
<b>Barclays</b>	Win Gender Network	In-company women's network	<a href="#">Website</a>
	Women in Leadership Conference	Global conference	<a href="#">Website</a>
	Women Managing Directors Forum	Event for senior female leaders in the bank	<a href="#">2018 annual report</a>
	Sponsorship	For female directors and colleagues	<a href="#">Website</a>
	VP Accelerator and ex-officio leadership roles	Career development programmes for VPs and female leaders	<a href="#">Website</a>
	Shared parental leave	Leave policy	<a href="#">Gender Pay Gap report</a>
	Encore Returnships	Programme for female returners to the workforce	<a href="#">2018 annual report</a>
	Unconscious bias training	Part of the leadership development	<a href="#">2018 annual report</a>
	Male Allies workstreams	Launched in 2017 in Singapore and expanded to London	<a href="#">Website</a>
	Flexible working	Yes	<a href="#">Website</a>
External partnerships	Yes	<a href="#">Website</a>	
<b>Citigroup</b>	Citi Women	In-company women's network	<a href="#">Women in Finance Charter Report</a>
	Leadership Development Programme	Development programme for female VPs and Directors	<a href="#">Women in Finance Charter Report</a>
	Shared parental leave	Leave policy	<a href="#">Gender Pay Gap Report</a>
	Parental workshops	For employers with children	<a href="#">Gender Pay Gap Report</a>
	Unconscious Bias Workshops	For all employees	<a href="#">Women in Finance Charter Report</a>
	"Comply or Explain" policy	Diverse and inclusive recruitment behaviour	<a href="#">Women in Finance Charter Report</a>
	Flexible working	Yes	<a href="#">Gender Pay Gap Report</a>
	External partnerships	Yes	<a href="#">Women in Finance Charter Report</a>
<b>Credit Suisse</b>	Women's Network	In-company women's network	<a href="#">Gender Pay Gap Report</a>
	Family leave policies	Leave policy	<a href="#">Gender Pay Gap Report</a>
	Real Returns	Paid, 12-week internships for senior professionals (offered in the U.S., the UK, India and Switzerland)	<a href="#">Website</a>

<sup>62</sup> This research was conducted between March and May 2019. Sources are provided via hyperlinks.

	Unconscious bias awareness training	For all employees	<a href="#">Gender Pay Gap Report</a>
	Flexible working	Yes	<a href="#">Gender Pay Gap Report</a>
	External partnerships	Yes	<a href="#">Gender Pay Gap Report</a>
<b>Deutsche Bank</b>	Women's networks	Numerous in-company women's networks (also organising conferences)	<a href="#">Website</a>
	Accomplished Top Leaders Advanced Strategy (ATLAS)	Global sponsorship programme aiming to advance more women into senior positions	<a href="#">Gender Pay Gap Report</a>
	Women Global Leaders module	For female participants of the talent acceleration programmes	<a href="#">Gender Pay Gap Report</a>
	Parental Transition Coaching	Coaching for parents taking off more than 12 weeks	<a href="#">Gender Pay Gap Report</a>
	Maternity/ parental leave	Leave policies	<a href="#">Gender Pay Gap Report</a>
	Flexible working	Yes	<a href="#">HR Report 2018</a>
	External partnerships	Yes	<a href="#">HR Report 2018</a>
<b>Goldman Sachs</b>	Goldman Sachs Women's Network	In-company women's network	<a href="#">Goldman Sachs website</a>
	New trading floor scheme	2019 female graduate recruits receive the chance to work as a trader for a year to achieve 50 % women on trading floor	<a href="#">FN London (trial for 2019)</a> <a href="#">FN London (50% workforce)</a>
	MBA Fellowship	Award for Summer Associates, targeting Black, Hispanic/ Latino, Native American or women associates	<a href="#">Goldman Sachs website</a>
	Women's Career Strategies Initiative	Retention programme for women	<a href="#">Goldman Sachs website</a>
	Returnship Program	Paid, 8-week long return to work program for talented professionals after an extended absence (offered in the Americas and India)	<a href="#">Goldman Sachs website</a>
	Unconscious bias training	For Vice Presidents and above	<a href="#">Goldman Sachs website</a>
	Flexible working	Yes	<a href="#">Goldman Sachs website</a>
	External partnerships	Yes	<a href="#">Goldman Sachs website</a>
<b>HSBC</b>	Balance	In-company women's network	<a href="#">HSBC website</a>
	Mentoring Me	Mentorship scheme	<a href="#">HSBC website</a>
	Accelerating Female Leaders	Programme aiming to increase female promotion rates	<a href="#">ESG update</a>
	Shared parental leave	Leave policy	<a href="#">Gender Pay Gap Report</a>
	Parental leave coaching	For parents and their managers	<a href="#">Gender Pay Gap Report</a>
	New parent return guarantee	Return guarantee for UK bank leave returners	<a href="#">HSBC website</a>
	Hiring Essentials	Course for hiring managers	<a href="#">Gender Pay Gap Report</a>
	Inclusive Leadership Programme	Unconscious bias training for senior leaders	<a href="#">HSBC website</a>
	Flexible working	Yes	<a href="#">HSBC website</a>
	External partnership	Yes	<a href="#">Gender Pay Gap Report</a>
<b>JPMorgan Chase &amp; Co.</b>	Women's Interactive Network (WIN)	In-company women's network	<a href="#">JP Morgan Chase website</a>
	30-5-1	Mentoring scheme	<a href="#">Women on the Move brochure</a>
	Reciprocal Mentoring pilot programme	Female Executive Director is paired with senior leader	<a href="#">Gender Pay Gap report</a>

	Winning Women	Introductory program for female undergraduate and MBA candidates	<a href="#">JP Morgan Chase website (undergrad)</a> <a href="#">JP Morgan Chase website (MBA)</a>	
	Leadership Acceleration Program	Supports women in the Corporate & Investment Bank	<a href="#">Women on the Move brochure</a>	
	Technology Emerging Leaders	Six-month program for female technologists at JP Morgan Chase	<a href="#">Women on the Move brochure</a>	
	Support sessions for mothers	For women returning from maternity leave	<a href="#">Gender Pay Gap report</a>	
	Maternity Mentors	Initiative supporting working mothers through mentors	<a href="#">Women on the Move brochure</a>	
	ReEntry Program	14-week training for former Vice Presidents	<a href="#">JP Morgan Chase website</a>	
	Unconscious bias or inclusion training	For managers and leaders	<a href="#">Gender Pay Gap report</a>	
	Men as Allies	Concept launched by WIN	<a href="#">JP Morgan Chase website</a>	
	Flexible working	Yes	<a href="#">Gender Pay Gap report</a>	
	External partnership	Yes	<a href="#">Gender Pay Gap report</a>	
<b>Morgan Stanley</b>	Women's Business Alliance	In-company women's network	<a href="#">Morgan Stanley website</a>	
	ISG Connects	Global mentoring initiative for a six-month duration	<a href="#">Gender Pay Gap Report</a>	
	Paths to Success	Recruitment of female students	<a href="#">Gender Pay Gap Report</a>	
	MBA Fellowship	Scholarship for female, Black, Hispanic, Native American and LGBTQ MBA students	<a href="#">Morgan Stanley website</a>	
	Project Catalyst, Project Impact and Platinum	Leadership and career development programmes for level below Vice President, Vice Presidents and Executive Directors	<a href="#">Gender Pay Gap Report</a>	
	Shared parental leave	Leave policy	<a href="#">Gender Pay Gap Report</a>	
	Maternity coaching	Support for women before, during and after return from maternity leave	<a href="#">Gender Pay Gap Report</a>	
	Return To Work	12-week paid internship after a career break	<a href="#">Website</a>	
	Managerial training	To support mothers, remove unconscious bias and culture of inclusion	<a href="#">Gender Pay Gap Report</a>	
		Flexible working	Yes	<a href="#">Gender Pay Gap Report</a>
	External partnership	Yes	<a href="#">Gender Pay Gap Report</a>	
<b>UBS</b>	All Bar None	Employee network for women	<a href="#">UBS website</a>	
	Education programmes	Building inclusive selection practices and leadership skills	<a href="#">Gender Pay Gap report</a>	
	Parental Coaching	Support for employees with children	<a href="#">Gender Pay Gap report</a>	
	Shared parental leave	Leave policy	<a href="#">Gender Pay Gap report</a>	
	Career Comeback	Supporting professional returning to corporate jobs (featuring on-the-job experience, classroom learning and mentoring)	<a href="#">UBS website</a>	
		Flexible working	Yes	<a href="#">Website</a>