

# *Female millennials in financial services:* Strategies for a new era of talent

*Survey of the perceptions,  
aspirations and  
characteristics of  
young women working in  
financial services.*

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# Introduction:

## Diversity as an imperative

*Diversity and inclusiveness are now competitive imperatives within an evolving financial services (FS) marketplace; investors want it, boards want it and clients demand it.*



As businesses look to broaden their talent pool and attract people with fresh ideas and experiences, nearly 60% of the FS industry leaders taking part in PwC's latest global CEO survey say their organisation now has a strategy to promote diversity.<sup>1</sup> More than three-quarters of these CEOs believe that diversity has enhanced innovation, customer satisfaction and overall business performance (see Figure 1).

Female millennials are set to play a critical part in future FS growth. At a time when 70% of FS CEOs see the limited availability of key skills as a threat to their growth prospects,<sup>2</sup> it's clearly vital to make the most of all the available talent including women. But the importance of women goes further. With many organisations still finding

it difficult to root out aspects of their culture which could lead to excessive risk-taking or regulatory breaches, attracting more women at all levels of the organisation could provide the catalyst for a real shift in attitudes and behaviour. The increased presence of women can improve the ability to build relationships and engender trust, giving businesses an edge in key growth sectors, such as wealth management. Women can also bring new perspectives to strategy and leadership: research covering more than 90,000 companies in 35 countries shows a clear link between the level of female board representation and market performance, though this is most marked where women have a strong presence across all levels of leadership.<sup>3</sup>

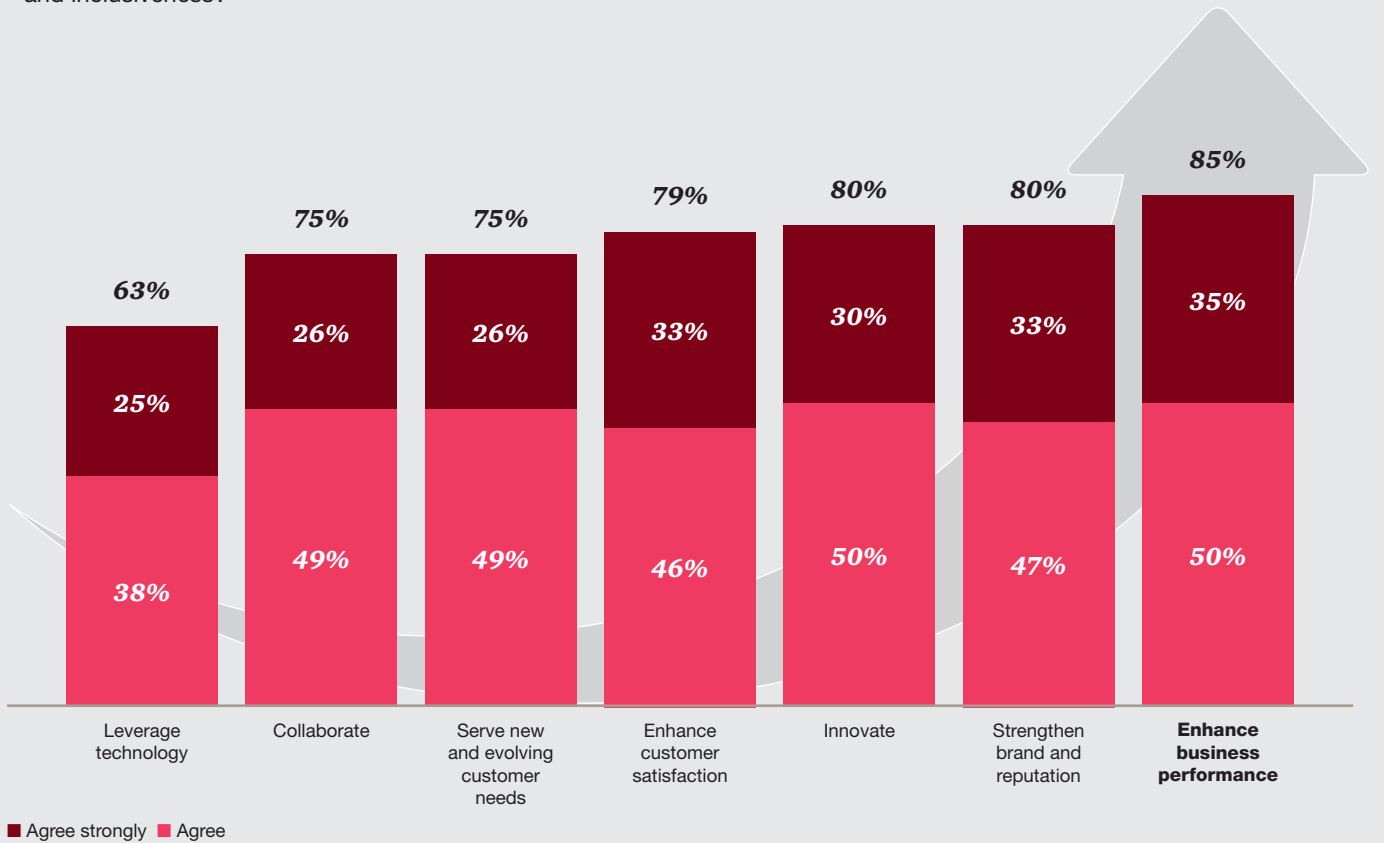
<sup>1</sup> 410 FS CEOs in 62 countries were interviewed for PwC's 18th Annual Global CEO Survey A marketplace without boundaries? Responding to disruption ([www.pwc.com/ceosurvey](http://www.pwc.com/ceosurvey))

<sup>2</sup> 410 FS CEOs in 62 countries were interviewed for PwC's 18th Annual Global CEO Survey A marketplace without boundaries? Responding to disruption ([www.pwc.com/ceosurvey](http://www.pwc.com/ceosurvey))

<sup>3</sup> 'Women on Boards and Firm Financial Performance: A Meta-Analysis', Lehigh University, 2014 (<http://www1.lehigh.edu/news/gender-diversity-plus-corporate-boards>)

**Figure 1: Financial services businesses that have embraced diversity are reaping the dividends**

**Q:** Which of the following benefits, if any, has your organisation obtained from its strategy to promote talent diversity and inclusiveness?



Source: FS CEOs taking part in PwC's 18th Annual Global CEO Survey, who have a strategy to promote diversity and inclusiveness

So what does the generation of women entering the workforce and moving into management positions want from the organisations they work for? We've just carried out a survey of more than 8,000 female millennials (women born between 1980 and 1995) from around the world, of which nearly 600 are working in FS (banking and capital markets, insurance and asset

management).<sup>4</sup> The findings provide valuable insights into the perceptions, aspirations and characteristics of women in FS, which can help your business to define and refine strategies for recruitment, retention and career development.

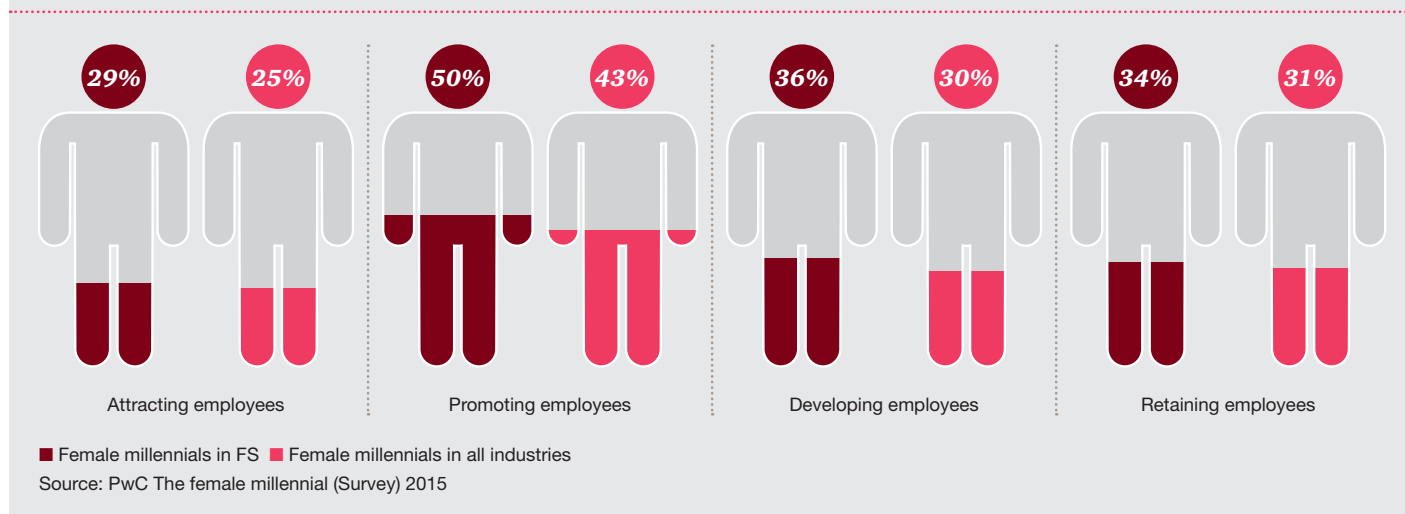
<sup>4</sup> 398 from banking and capital markets, 115 from insurance and 83 from asset management

# *Profile of female millennials in FS*

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Figure 2: Employers are biased towards men in...



### 1 They're ambitious

Female millennials in FS see opportunities for career progression as the most important attribute in an employer (60%). Lack of opportunities for career progression is also the number one reason why female millennials in FS left their last job (34% citing it among the top three reasons).

Yet, our survey also reveals concerns about female millennials in FS' prospects of rising to the top? Barely a third (35%) feel they can rise to senior levels within their current organisation, less than half the proportion of men working within FS. Among the some 8,000 women from across all sectors taking part in the survey, 49% believe they can reach the top.

### 2 They're powerful

Nearly three-quarters (72%) of female millennials in FS earn the same or more than their partner if they are in a dual-income relationship. This is higher than the overall survey (66%).

### 3 They expect to be rewarded well

At 57%, pay is just behind career progression as the most important attribute in an employer. Good benefits packages including pensions and healthcare is next on the list (36%).

### 4 They value diversity, equality and inclusiveness

More than four-fifths of female millennials in FS (87%) say that an employer's policy on diversity, equality and inclusiveness is important when choosing whether to work for them. This not only reflects their desire to work for an organisation that offers them opportunities to develop their individual careers, but also be part of a company that promotes positive values.

Yet, 61% of female millennials in FS say their employer isn't doing enough to encourage diversity (in insurance this is an even higher 64%) and 73% believe that organisations talk about diversity, but opportunities are not equal for all (80% in insurance). Half believe that promotion is biased towards men (see Figure 2). Only around 20% of male millennials in FS think that promotion is biased towards men, suggesting an unconscious bias.

## 5 They want flexibility

Thirty percent of female millennials in FS cite flexible working arrangements as an attraction and almost all see work–life balance as important. Yet, most are concerned that their working lives aren't as flexible as they would like. Indeed, many feel that working flexibly could even jeopardise their careers. Nearly half (47%) say that flexibility and work–life balance programmes exist in their organisation, but are not readily available to them in practice (within asset management this is 61%). More than half (53%) believe that taking advantage of flexibility and work–life balance programmes would have negative consequences for their careers (within asset management this is 63%).

## 6 They're seeking an international career

More than two-thirds (68%) of female millennials in FS would like to work outside their home country and 55% believe that they need to gain international experience to further their career. However, 22% believe that women are given fewer opportunities to undertake international assignments than men at their current employer which rises to 30% in insurance.

## 7 They value face-to-face feedback

Like all millennials they expect regular feedback. While digital interaction has increased opportunities for communication, female millennials prefer to receive feedback face to face. A quarter of female millennials in FS are dissatisfied with the quality and frequency of feedback, though asset management scores much better.



### Tara Cahill

Chief Risk Officer, Customer and Business Services, Westpac Group, Australia

*"As a senior leader in risk, I strongly believe in developing female talent and am the founder and sponsor of the quarterly Women in Risk Forum. I am also an active supporter and advocate of Women of Westpac, the Women in Leadership programme and the Technology Women's Forum. I enjoy being able to give back to the organisation, and support our next generation of female leaders, and feel that as a leader, with a family, working flexibly, I can do this as an authentic role model.*

*I recognise that we still have some way to go to ensure equal representation in the workplace, which is why we need to continue to focus on developing and supporting our female talent. My advice to female millennials is to be selective about the organisation and leader for whom you want to work, to learn and develop by observing role models who you respect, to build broad networks, to take accountability and manage your development and career...within your own appetite. Work for people who genuinely care about you as an individual, seize opportunities with both hands, have faith in your capabilities...and never be afraid to ask."*

### Voting with their feet

There is clearly a danger that if expectations aren't met, women will simply be put off joining, or leave. Within this highly networked generation, the poor perceptions of current staff can quickly spread and discourage potential recruits. It's therefore troubling that so many of the women in the survey don't believe that opportunities are equal and that many employers are simply paying lip service to diversity and flexibility.

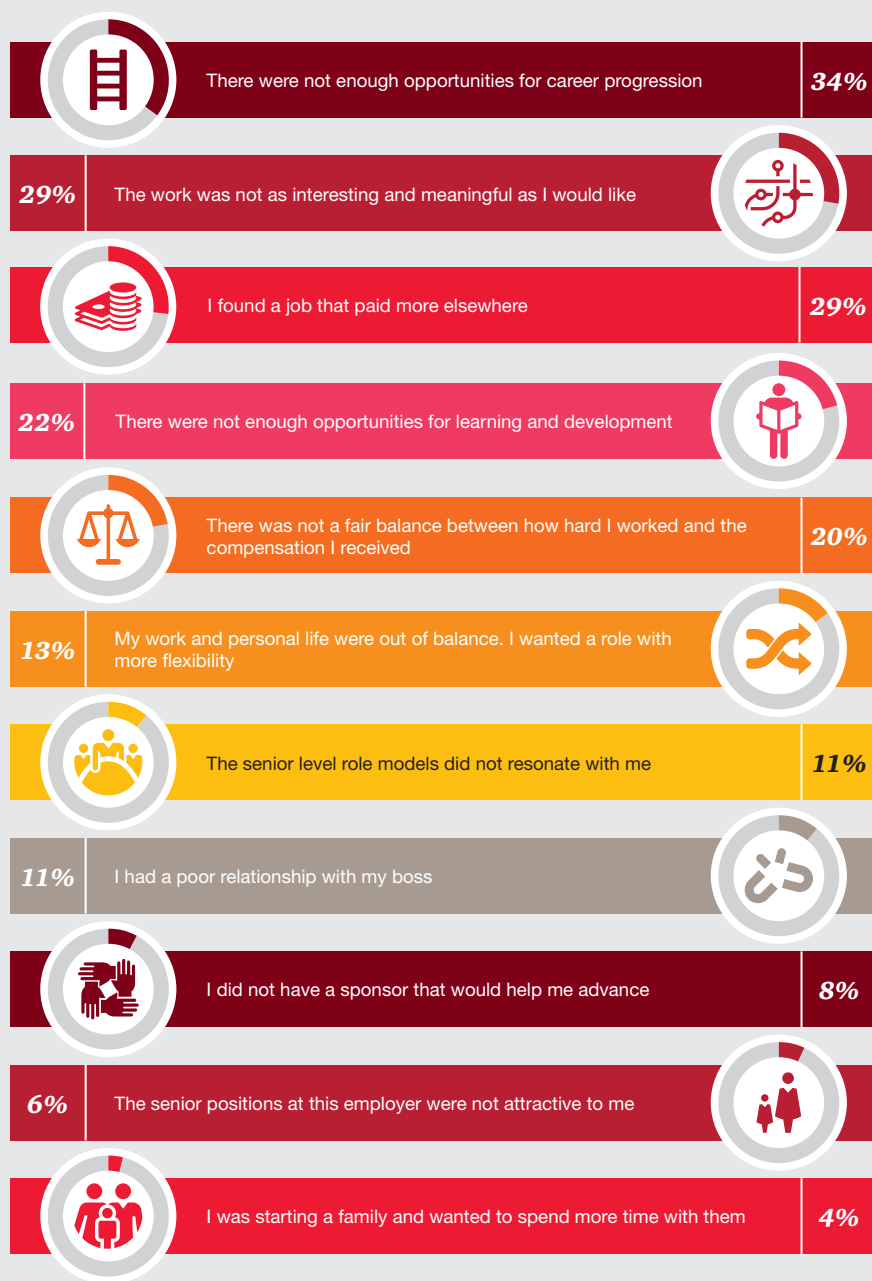
It should be noted that FS is by no means the only sector where many women are questioning whether opportunities are genuinely equal. Yet, in seeking to attract the brightest female millennials, FS has to do more to show that it offers real opportunities as it starts with what the survey identifies as image problems. Thirteen percent of all the some 8,000 women taking part in the global survey wouldn't work in insurance because of its image, and 10% wouldn't work in banking and capital markets, though



in asset management this is only 5%. However, behind these headline statistics there are significant regional variations. In particular, perceptions of banking and capital markets are more favourable in Asia (only 5% of women from the region wouldn't work in banking and capital markets compared to 13% in Western Europe and 10% in North America), reflecting both the less dramatic impact of the global financial crisis and the strong and prominent presence of women within senior leadership within the region. Conversely, 19% of Asian women wouldn't want to work in insurance, compared to 10% in Western Europe and 12% in North America.

It would appear that insurance has particular issues to overcome. Female millennials in FS believe that insurers are doing less to promote equality and more feel that promotion is biased towards men in insurance than other FS sectors. The fact that women within banking and capital markets are significantly less confident about their ability to rise to the top of their organisations than other sectors suggests that the industry not only needs to do more to open up opportunities, but also promote positive role models (as many banks in Asia have been able to do). Asset management has more positive senior role models (73% versus 67% for FS as a whole) and participants are more positive about the coaching they receive. While women in asset management are less likely to say that their working life interferes with their personal life, more believe that working flexibly could have negative consequences for their careers than other FS sectors.

**Figure 3: Reasons why female millennials in FS left their last employer**



Source: Female millennials in FS taking part in the PwC The female millennial (Survey) 2015

## ***Competing for talent:*** Making your business more attractive to female millennials

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*Women make up only around 10% of the FS business leaders taking part in PwC's latest global CEO survey. Yet, by 2040, Strategy& anticipates that women would make up a third of all new CEO appointments across commerce as a whole.<sup>5</sup> How can your business create the relevance and appeal to FS millennials needed to make this happen?*

### **1 Make a clear business case**

Articulate why equality and inclusiveness are critical competitive priorities and ensure management at all levels of the organisation promote them. Key questions include: 'How will you engage female millennials in shaping your diversity strategy?' and 'How are you adjusting your talent strategies to consider their needs?'

### **2 Reputation matters**

The brightest and best candidates will actively seek out organisations that have a strong reputation for diversity and inclusiveness. Given the image issues FS faces and the underlying need to restore trust in the sector, being seen to promote diversity and inclusiveness should be at the core of the employer brand. Setting and tracking clear targets can help to identify priorities for intervention and demonstrate your organisation is genuinely committed to promoting equality and inclusiveness. It's important to reinforce this with the identification and promotion of role models. Key questions include: 'How are you communicating the positive aspects of your employer brand?' and 'Do they stand up in reality?'

### **3 Rethink progression and succession**

It's important to create structures that enable women to thrive, including a universal definition of leadership, rethink of talent assessment and re-evaluation of the leadership development infrastructure.

Determining objective measures of competency, performance and potential are crucial in overcoming conscious and unconscious biases. In our experience, this is most successful when it looks at what people do and how they do it, rather than just performance against financial goals.

Comparing promotion rates between men and women can help to identify biases. Analysis of appraisal scores can also provide a useful indicator of unconscious bias. For example, academic studies have found that men routinely underscore women for their vision capabilities, but other women don't. This stems from differing notions of what constitutes vision and how it's formulated.<sup>6</sup> You can't root out such biases entirely, but you can make people aware of them and develop goals and measures to

<sup>5</sup> The 2013 Chief Executive Study (<http://www.strategyand.pwc.com/global/home/what-we-think/chief-executive-study>)

<sup>6</sup> Women and the vision thing, Harvard Business Review, January 2009



neutralise them. In this case, this would involve emphasising the objective of ‘developing winning strategies’ over the more subjective notion of ‘vision’.

It’s also important to challenge the ingrained stereotypes that can hold women back in areas ranging from ‘women are unsuited to the pace and aggressiveness of dealing rooms’ to ‘people need to be present in the office to perform’ or ‘they can’t work family-friendly hours and still be effective managers’.

In a marketplace facing unprecedented change, these evaluations can provide a valuable catalyst for determining what behaviours and capabilities are needed across the workforce and how to promote them. This includes dealings with clients and colleagues, the relevance of performance measures and who is picked out for mentoring and leadership.

#### **4 Flexibility matters**

Make flexibility a real part of women/all staff’s working lives rather than just passive policy. This includes identifying why women think taking advantage of flexibility policies could harm their careers and seeking to address this.

#### **5 Mobility matters**

Build international assignments into a forward-looking and organisation-wide strategic workforce plan. Key questions include: ‘What are you doing to make your international assignment programme inclusive to women?’ and ‘How will this manifest itself in the selection of international assignees?’

#### **6 Feedback matters**

Successful employers will be able to blend digital interaction with a culture of frequent and forward-looking face-to-face career feedback.

### **Jyoti Chopra**

Managing Director, Global Head of Diversity and Inclusion, BNY Mellon

*“At BNY Mellon, we recognise the financial and competitive benefits of encouraging more women to assume leadership positions and are developing the systematic structures, governance and monitoring that will enable women to fulfil their full potential within our organisation. We have great role models at our company who show what is truly possible. We’re proactively challenging stereotypes and seeking to identify and root out the obstacles and unconscious biases that could hold women back.”*





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## Contacts

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