

Rising Through The Ranks At Banks

HOW TO CLOSE THE LEADERSHIP GENDER GAP

By KAREN KIRCHNER, ELLEN KEITHLINE BYRNE, and DENISE D'AGOSTINO



There is undeniable evidence that a diverse leadership team and workforce leads to better business results. The Credit Suisse Gender 3000 report states, “where women account for the majority in top management, businesses show superior sales growth, high cash flow returns on investments and lower leverage.” “However, despite this clear advantage, many companies, including financial institutions, are making slow progress in addressing the gender gap in leadership.

While women make up 44% of the S&P 500 labor force, only 26% of executive and senior level managers are women and only 4.8% of CEOs.

WHAT'S GETTING IN THE WAY?

There are myriad factors at play, both individual and systemic. Women themselves can improve in areas such as quieting their inner critic, taking more risks, and unabashedly owning the true value they bring. Yet they will still face significant external barriers, such as unconscious bias, unfair promotion practices, and male-dominated corporate cultures.

For both individual women and banks, there are five steps that should be part of any effort to confront the gender gap problem.

Start at the executive level. It makes a huge difference when those at the top move beyond lip service and actively promote initiatives that help women advance.

Only 42% of companies hold senior leaders accountable for making progress toward gender parity. Yet it's hard to imagine a groundswell of change when leaders aren't formally expected to drive it.

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OF COMPANIES HOLD SENIOR LEADERS ACCOUNTABLE FOR MAKING PROGRESS TOWARD GENDER PARITY.

The Women in the Workforce 2018 report by McKinsey&Co., sponsored by LeanIn.org, recommends setting annual targets for promoting women and holding executives accountable for achieving them. If results are being tracked, managers are more likely to scrutinize their decisions and question their assumptions, leading to more women getting a seat at the table.

Women need senior level sponsors who see their potential, introduce them to key contacts and recommend them for opportunities.

Companies need to enable the key relationships that make a difference. Nine in ten women do not feel confident in asking for sponsors; and eight out of ten lack the confidence to seek mentors, according to the 2015 KPMG Women's Leadership Study. And yet, we know that these relationships are key.

Kelly Watson, KPMG Partner and Board Member, explains that "Relationships are the building blocks of anyone's life or career, and making those connections has been the single most critical thing for my career advancement."

Both women and their companies need to proactively connect high-potential women with senior leaders who can share lessons learned, help navigate politics and open doors. Networking opportunities that encourage employees to mingle, regardless of level, are also key. Our clients often ask us, "How can I build a relationship with someone I never see?"

FOSTER AN INCLUSIVE AND RESPECTFUL CULTURE

This starts with making the expectation clear that managers at banks and credit unions should demonstrate zero tolerance for biased behavior and language when they observe it at any level of the organization.

But fostering an inclusive environment requires going a step further. In the Harvard Business Review article "Women, Find Your Voice" from 2014 authors Kathryn Heath, Jill Flynn and Mary Davis Holt found that women feel unsupported and frustrated in many high-level meetings, often unable to get a word in edgewise and are frequently interrupted. Having leaders at the table who regularly solicit the views of those less vocal is important.

Former Chairman and CEO of Pepsi, Indra Nooyi has discussed how she would regularly call men out who interrupted women in meetings. This has the double benefit of adding women's voices to the conversation as well as giving men valuable feedback on unacceptable behavior.

An inclusive culture also encourages women to use the benefits designed to help them manage their lives

outside of work. One female leader at a major investment bank explained that while her company has a flextime policy, it's not considered culturally appropriate to use it. Another described the stress of balancing two kids, leading a team and keeping up the façade that she has it all together. For women to rise through the ranks, they need acknowledgement and support for the complications they face on the home and work fronts.

BUILD AWARENESS OF UNCONSCIOUS BIAS

It's critical to pay attention to whether women and men are evaluated differently. Are you categorizing strong, assertive behavior in a woman as abrasive, while that same behavior is viewed as leader-like in a man?

Training in unconscious bias helps to build awareness of the thinking patterns that lead to discrimination. This awareness results in evaluations based more on merit and less on comfort level. A senior manager may lean towards a candidate who has a similar background to his, but when he learns to question his biases, he looks for more objective data to use in a hiring decision.

Research also suggests that mandating a diverse slate of candidates helps companies make better hiring and promotion decisions. Thinking about candidates in groups helped managers compare individuals by performance, while evaluating them individually led to gender-biased decisions.

GIVE WOMEN THE FEEDBACK THEY NEED TO SUCCEED

Robyn Ely, faculty chair of the Harvard Business School Gender Initiative, explains that women get qualitative feedback that is more positive than men, but it's also more vague. According to Ely's research, men tend to get more specific, developmental feedback, which helps them correct behaviors that are getting in their way. By handling women with kid gloves, managers are slowing their development, because they don't know what to work on to improve. Training managers in the importance of giving specific, developmental feedback to both men and women is key.

Helping women develop the behaviors and skills that position them for leadership success at your bank is critical. Combining those development efforts with organizational initiatives provides the catalyst for real and lasting change, helping women to shatter that glass ceiling once and for all.



Moxie Leaders was founded by (from left to right) Denise D'Agostino, Karen Kirchner and Ellen Keithline Byrne, a team of organizational leaders, executive coaches and a PhD, who create programs specifically for women leaders — to help them rise up in today's competitive world and make their mark. For additional information visit www.moxie-leaders.com.