

Speech: Women in Finance Summit 2019: John Glen speech

It's a pleasure to speak with you this morning on a subject that is right at the top of my priorities.

Women in Finance really is central to the success of UK financial services, and our prosperity more broadly.

Not because of social pressure or reputational risk – but to help us meet the challenges and opportunities of the global economy.

In the future, we will never be able to compete with the likes of China or India when it comes to raw numbers, or sheer financial and political clout.

The single most decisive factor in our success will be the expertise found within our workforce.

And if the UK is to remain a leading centre for global finance, then we cannot afford for people with talent and skill to pass the sector by.

Nor can we afford for experienced and capable individuals to be prevented from rising to the top.

I know many of you recognise this too.

As such, I hope you'll forgive me if I don't repeat all the traditional arguments in favour of workplace diversity.

It might have been necessary 10 or 15 years ago; but this is 2019. One would hope that the benefits are plainly apparent across the industry – and certainly to this audience.

Nor do I intend to simply reel off the normal list of Government platitudes and policies as you might expect from a ministerial speaker.

You've already discussed the Treasury's Women in Finance Charter in the previous session.

And many of the 330 organisations that have already signed-up are represented today.

Instead, I want to talk about how we can translate our shared commitment into meaningful, measurable, improvement.

As City Minister, I certainly hear all the right noises about diversity and inclusion.

Corporate leaders tell me they 'get it'.

They have an action plan. They hold forums. They bring in experts.

And yet the gender pay gap in financial services remains the largest of any sector within our economy.

On average a woman earns 64 pence for every one pound earned by a man.

There is no great mystery behind this disparity. The simple fact is men are disproportionately represented in senior roles which naturally attract better salaries.

For all the noise and activity – for all the supposed commitment within the sector – there are still too few women reaching the top.

Is it because companies are choosing quick and superficial wins over long term cultural change?

Or perhaps they were only interested in window dressing in the first place?

I have certainly heard some horror stories in my time.

Reports of firms filling gender balanced shortlists but with no real intention of employing the women concerned.

Or creating new seats for women in the boardroom in roles that are peripheral or – worse – roles that set them up for failure.

These are anecdotal examples – one hopes they aren't accurate.

But somehow the very public commitment to diversity and inclusion throughout the sector isn't cutting through.

Earlier this week, I had the opportunity to visit the headquarters of Man Group.

It's one of the firms that is making progress.

They've introduced a global parental leave policy. All new parents – men and women alike – are entitled to the same full pay and the same, extended, 18-week leave allowance.

I wanted to speak to a cross section of women who work there to understand their perspective more broadly.

I was particularly taken with the comments of one classics graduate who is now co-managing a billion-euro hedge fund.

She made the point that the perception that financial services is all about complex maths and spreadsheets can put people off. It doesn't reflect many aspects and skills required for the job. Emotional intelligence also matters.

Alongside the requirement for hard quantitative analytical skills is the need to understand the complex inter-personal dynamics and culture of an organisation you might want to invest in.

This point about perception came up time-and-again during our conversations.

Take role models as an example.

We often look to CEOs and industry 'big names'. But if they are so far removed from your own experience or career path, what impact can they really have on your aspirations?

People need realistic case studies. Role models with backgrounds they recognise. Attributes they can emulate.

And I think perception also plays an important part in answering why we've not seen more progress in achieving a greater gender balance across the sector.

There's little point in having the right policies on parental leave, for example, if new mothers or fathers feel that taking their entitlement will harm their career.

Likewise, there's little point in permitting flexible working if staff feel they'll be poorly judged if they work at home.

Indeed, truly enlightened firms should be willing to publish the data to prove they practice what they preach.

And the most inclusive firms are those where managers lead by example.

Because if managers aren't taking the leave they're entitled to – or if they're burning the midnight oil in the office night after night – is it any wonder if their staff feel obliged to do the same?

It's clear that having the right policies isn't enough by itself – the culture must be there too.

Of course, some countries have gone down the route of legislation.

In Sweden new mothers and fathers are obliged to take their entitlement of parental leave, and that's been the case for several decades.

My instinct is that isn't the right solution for the UK at present.

I'd much rather tap into the spirit of competition that exists within the sector by sharing best practice to inspire – or provoke – firms to do better.

And there are plenty of companies that are making progress toward their targets.

Lloyds has a leadership development programme which has seen women being promoted at a rate 5 times greater than the average across the firm.

Nationwide reviewed their maternity leave policy and consequently designed a new returners programme to help ease mothers back into work.

And at PwC all staff, at every level, have diversity linked objectives against which their performance is assessed.

This kind of approach matters because everyone has a role to play in creating an inclusive culture.

Everyone is a leader of some sorts, even if it's just by setting an example for others to follow.

And it's important to hold people to this obligation – just as firms need to be held to account for the overall progress they make.

This leads us back to the Women in Finance Charter

The next annual review will begin over the summer.

And I will be taking a personal interest in the submissions we receive.

I don't expect to see complete transformations overnight.

But I do expect to see signs that you are making headway.

Putting in place policies and programmes which will deliver consistent progress in the years to come.

Because signing the Charter is not a 'tick in the box' – it's a solemn commitment to do what must be done to right this wrong.

So let me draw this together.

I've raised a few awkward questions today, but I make no apology for asking them – nor are they for me to answer.

Ultimately, the onus is on the sector to ask itself whether it is willing to translate warm words into the tough, tangible action which is necessary.

I'm proud to be your advocate.

Barely a day goes by when I don't speak in Parliament or in public about the contribution that financial services make to our economy, or the potential it offers for the future.

I will always try to name firms that represent the best of the sector, as I have done today.

But nor will I shy away from highlighting where the sector is falling short; and where it needs to do more.

And the hard truth is we still have a long way to go.

So the time has come for real leadership.

No more gestures.

No more warm words.

Decisive action is required.

I must now return to Whitehall to prepare for a Parliamentary debate this afternoon.

But I would encourage you to take inspiration from one another's achievements and from all you've heard today.

And to never lose sight of what we're working toward.

A financial sector where no one is forced to choose between their family and their career.

A sector where anyone can succeed on the strengths of their talents alone.

A sector that is not only more open, but more resilient, more dynamic and more successful too.