



Building an Inclusive Culture for the Future

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Purpose

This paper sets out to provide a list of recommendations that organizations should consider incorporating into their future of work plans to address the increasing amount of gender disparity in the corporate workforce. With nearly 1/3 of women having left the financial services industry in 2020 and 25% currently considering leaving the workforce or to downsize their careers¹, Women in Derivatives (WIND) believes this is a timely opportunity to reset work environment norms to drive a more inclusive culture where all employees can equally thrive. The risk of organizations failing to do this is the loss of talent that has been cultivated and developed, or worse yet, the poor performance of such talent due to higher than usual burn out rates. Companies also cannot afford to lose strong representation of women in their organizations. Research has shown that the profitability and share performance of companies can be nearly 50% higher when women are well represented in executive committees, and that companies in the top 25% for gender diversity are 27% more likely to outperform their national industry average in terms of profitability².

Do we have your attention?

Background

The impact of women in the workforce is an active conversation happening at WIND with our board and our members. Many of us have read McKinsey's Women in the Workplace report, as well as other similar publications from organizations such as Deloitte, Oliver & Wyman, GSAM, and Russell Reynolds, and we note the staggering statistics that shows a massive exodus of women from the workflow due to the Covid-19 pandemic across many industries. Another disturbing trend is the increased level of responsibility women are facing in their work from home environments compared to their male counterparts. Though both have cited increased responsibilities at home, on average *"women—and mothers in particular—are taking on an even heavier load. Mothers are more than three times as likely as fathers to be responsible for most of the housework and caregiving. In fact, they're 1.5 times more likely than fathers to be spending an extra three or more hours a day on housework and childcare—equivalent to 20 hours a week, or half a full-time job"*.³

¹ Jessica Hamlin, "The Pandemic Caused a Major setback for Women in Financial Services", May 6, 2021

² Sundiatu Dixon-Fyle, Kevin Dolan, Vivian Hunt, and Sara Prince, "Diversity wins: How inclusion matters," May 19, 2020.

³ Women in the Workplace 2020, McKinsey report, https://www-report.s3.amazonaws.com/Women_in_the_Workplace_2020.pdf



Some of the key reasons cited for the massive exodus of women during the pandemic include:

- **Remote work environment that still lacks flexibility.** People are working longer hours. Time that would have otherwise been used for commuting into an office has become work time.
- **Childcare/Eldercare.** With many schools and daycares still closed, a disproportionate amount of additional burden has fallen on women to juggle their own work responsibilities
- and tending to their children's needs during traditional work hours. Similar reasons are cited for those who care for elderly relatives.
- **Lack of progression/promotion.** A fully remote environment has further isolated women while career progression has become less transparent and more uncertain.

In some cases, one or more of these situations are forcing women to make the difficult choice to abruptly quit during their peak growth years (rising stars). Senior women are more likely to have achieved financial stability that provides the "luxury" of being able to retire early and many more are opting to do so more under the current conditions. This hurts our industry as losing women at the most senior levels means we lose advocates who have attained important and influential roles. Firms should embrace policies that make it more attractive for women at all levels to remain in the workforce.

Amid the negative headlines, there is reason to be hopeful, because the pandemic has also debunked many longstanding myths about remote work and flexibility. This is an opportunity for the industry to significantly transform workplace culture.

Women in Derivatives recommends the following changes to the traditional workday culture as we move toward a new normal:

1. **Hybrid work environment.** As return to office begins, there may be a hybrid environment for some time in which people are working in both traditional and non-traditional office environments. To support both models for a successful workday, companies should commit to ensuring a consistent meeting experience regardless of physical location. This promotes a culture without side discussions that put those not in the room at a distinct disadvantage. Managers should also be encouraged to lead by example and ensure they utilize the flexibility afforded to their teams.
2. **Compensation and Performance Evaluation.** Tie manager performance reviews and compensation to the adoption of these measures. **Redefine flexibility in non-traditional ways.** Evaluate employees on their performance and not the hours online, early mornings, late evenings. **Do not limit or withhold promotion opportunities due to flexibility provided.** Promote for performance.
3. **Expand the talent pool and build in D&I considerations to every senior job placement.** Attract diverse female talent by recruiting for roles in non-traditional locations. Create recruiting requirements such as a specific percentage of candidates who must meet specific gender and/or underrepresented groups. Leverage platforms that senior women leverage when seeking out roles, like WIND Connect, to recruit externally.



4. **Establish company-wide 'audio-only meeting policies during early morning and evening hours and/or Fridays (Citi).** 'Zoom-fatigue' is now a new addition to our vocabulary. Setting policies that reduce the number of video-on meetings allows greater flexibility that benefits both women and men. It allows for mobility and flexibility while still participating on a call. Set policies that promote blocking calendar times for meeting-free zones. Some firms have opted to block certain days for no internal meetings. Encourage flexibility on time of day and leverage as a means to discourage 'on demand' availability.
5. **Asynchronous communication.** Companies should leverage a blend of synchronous and asynchronous communication practices to maximize ideation and engagement based upon individual schedule needs and style preferences. This would enable a higher level of participation rather than require people to commit to a defined timeframe. Gitlab, a fully remote company, provides some great examples <https://about.gitlab.com/company/culture/all-remote/asynchronous/>

What positive outcomes were observed that favor female leadership?

Importance of empathic leadership, empowering teams – Generally a trait that is highly valued of female leaderships. The pandemic crisis coupled with remote work favored leaders who could be empathic and understood how to empower teams remotely without the need to exert physical supervision and control

Conclusion

The above recommendations are a result of discussions amongst the WIND board and a survey of the WIND membership concluded in June 2021 with over 200 respondents. In this survey, over 1/3rd of respondents stated they are likely or very likely to resign if return to office policies are not favorable, while another 1/3rd provided a neutral rating. The most desirable policy is fewer than five (5) days in the office with remainder remote. Some survey verbatims pointed out that this is not synonymous with manager discretion.

This paper reflects the voice of WIND and its members, and we hope it provides a blue print for how to create and build a culture of inclusion for all employees. We look forward to continuing the dialogue as we learn more about the new ways of inclusive working in the days, weeks and months ahead.