**The Status of Women in the Financial Professions in the UK**

**By Elizabeth Hall**

**Bio: Elizabeth Hall has ten years of experience in the field of accounting and is currently a tax department manager at Reed Tax located in Bristol, UK.**

Any decent look into the UK's financial sector will reveal that female representation is low. But how bad is it, and what can be done to improve the number of female professionals so that they can be better represented in leadership roles?

The imbalance in the financial industry is also seen in the gender pay gap. Although several reports show that businesses with diverse makeup are more profitable, successful, and happier, there is still a wide gap in diversity. Some businesses and firms have taken steps to bridge this gap, but there is still a lot of work to be done.

A lot of companies say that unbalanced pay is not the problem, but a lack of women obtaining senior roles. Many women avoid entering into the financial industry because of the apparent alpha-male culture present in the industry. The truth is a lot of firms are not making efforts to change the culture.

The financial industry needs more women. Financial services evolve year after year, but the only constant in the evolution is talent. When the growth of women in a financial firm isn't fostered, they are losing a lot of talent that can contribute to their progress and diversity.

**Some of the Issues**

Part of the male-dominant culture in the financial sector is the belief that working beyond the agreed number of hours is a necessity to be successful. The ideology is that there is no room for flexible hours if you want to be successful as a financial professional.

Due to maternal duties, it is not uncommon for women to go for opportunities that have flexible working conditions. The general perception that financial services do not offer such flexibility has deterred many qualified women from entering the industry.

Another problem is the uneven distribution of promotions and bonuses. Today, many firms tend to offer and approve promotions for male employees rather than their equally qualified female counterparts. The result is a culture that stifles the ambition of some of these women where promotions and bonuses are concerned. It also results in a far lower number of women getting executive positions. Statistics show that female representation at the executive level will not reach 30% until the year 2048.

**Status of Female Representation on Excos and Boards**

The following information is presented according to collated financial data of 200 companies and institutions across the financial professions in the UK, as compiled by New Financial.

In the financial institutions surveyed in the UK, only 14% of the executive committees are women in these firms and about 23% of the board members are women. This is a very low value and it shows efforts to improve gender balance has not yielded a lot of positive results.

Looking closer into this aspect, statistics show that firms owned by non-UK parent companies tend to do a little better on female board representation (28%). The same cannot be said for female representation in their executive committees (11%). One interesting fact about these statistics is companies that have their headquarters in London have a lower percentage (13%) of women in the executive committees than the average (14%).

We can also consider these figures in terms of private and publicly held companies. Female representation was better on public companies by almost twice the percentage for private companies (26%). On the other hand, female representation present on the executive committee of publicly traded companies is 12%, which is less than half of those on the board (26%). In privately held companies, female representation on the executive committee and the board is around the same, with percentages of 15% and 14% respectively.

**Status of Women and Their Roles in the Financial Sector**

In the UK, reports show that women tend to occupy support roles more than any other position in the financial industry. These roles include communications, HR, legal and compliance, strategy, marketing, audit, corporate affairs, policy, and treasury. A lot of these roles don't sit on the executive committees of these companies and are not frontline revenue-generating positions.

In cases where the head of the HR was on the executive committee, about 61% were women. This has the highest percentage for women on the executive committee followed by heads of communication (52%). Proportionately, even in areas where female representation is high, the positions are not usually leadership or revenue-generating roles.

**What Can Be Done**

Considering the future of the financial sector, the next crop of leaders at the helm will prove to be important. There needs to be an increased focus on providing equal opportunities. This can also contribute to giving women the confidence and ability they need to state their desires and advance in the workplace.

Also, bonuses should be assessed and determined in a formulaic manner, using concise objectives. The policies in financial firms that do not support flexible work need to be reassessed as reports show this could result in more productivity.

Education is also key in the journey to better female representation. Relevant subjects that emphasize all-inclusiveness should encourage more young girls and women to be aware of more than one career path including roles in finance and business. Education should teach them that no career or occupation is restricted to a specific gender and everyone can excel in it. Proper sensitization at a young age can go a long way in changing mindsets and encouraging positive cultures.

There are some programs already addressing these concerns. These programs aim to uplift and support the new generation of female leaders in the financial industry. They can achieve this by impacting tools while teaching new abilities and skills. More initiatives and programs like these should be supported and expanded so more people can benefit from them.

**Conclusion**

As it stands, there is still a lot of work to be done for increased female representation in the financial sector. This process should involve both genders if there is to be any noticeable improvement in diversity, equity, and leadership growth in the future.