

The economic potential of gender equality

Research initiative stakeholder insights

Dr Ylva Baeckstrom, Peggy Jean-Louis
and Maria Lambides



King's Business School was established in 2017. Our thinking helps organisations navigate the complexities of global challenges, valuing profit with purpose, success with sustainability through real-world research, impact and engagement. Its innovative global research programme connects with businesses, governments, policy bodies and civil society organisations to identify knowledge gaps, build alliances for joint problem-solving and share state-of-the-art research findings. Learning from these deep external networks, King's Business School research is addressing today's grand challenges associated with new technologies, globalisation, inequalities, sustainability and rapid change in product and finance markets.

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Background

The 'Economic Potential of Gender Equality' is the focus of an important new research initiative at Kings Business School. Through innovative and frontier research, our aim is to challenge the status quo and uncover insights that will influence and help deliver a positive impact to industry, policy makers and society as a whole.

Gender equality is not a concern simply for the fairness of women. It is also critical for business success and future economic growth. Allowing women to be equal to men in the labour market is estimated to add \$28 trillion to the global economy by 2025 (McKinsey Global Institute report 2015). Women are also powerful consumers who control 70–80 per cent of consumer spending globally. Still women are being held back from reaching their full potential and remain stubbornly underrepresented in leadership positions.

During the lockdown with the COVID-19 pandemic, there has been much reported on the many setbacks that this has caused on gender equality with a retraditionalisation of women. This is highlighted in the over-representation of women in the most impacted sectors which has resulted in high layoffs. Women are also more likely to take on the carer responsibility at home – for children, home schooling, the elderly and/or the sick and vulnerable.

Female job cuts in six key sectors might slash \$1 trillion from global GDP, or 1.2 per cent from global growth.

Citi GPS, *Female Growth & Job Setback*, 2020

This inequity is exacerbated by the fact that the female labour force participation over the last decade has been driven primarily by an increase in 'non-standard' employment arrangements such as part-time and freelance, independent work which has not necessarily been supported by financial policy initiatives by Governments.

This is not only a setback for women on the issue of inequality, but it also has immense economic and societal repercussions.

Even before the pandemic, gender inequality in finance encompassed a stark underrepresentation of women in senior leadership and on company and regulatory boards, as well as a smaller proportion of shareholders and loan recipients. This is despite numerous studies reaffirming the strong business case for diversity in leadership.

Gender equality is a complex, multifaceted issue that requires collaboration with industry, policy makers and regulators to facilitate effective strategies. As governments and organisations adapt to address a shifting landscape of increasing globalisation and digitalisation, and now the economic and social impacts of the pandemic, it is imperative to ensure that these new models also take the issue of gender equality into account. Just as gender equality is not solely a women's issue, the task of addressing it cannot fall entirely to the realm of academia.

Today more than ever, the world is questioning the inequalities and injustices that pervade our society and now is an excellent time to focus on diversity and gender equality as we rebuilt our economy. If we are going to create a better, fairer, kinder version of 'normal' – not to mention get the economy back on track – ensuring that gender equality is at the heart of organisations moving forward is essential.



Our approach

The vision of King's Business School is to set a new direction for business education and research with an emphasis on relevance and diversity and working with policy makers, business leaders and community organisations to address the challenges and opportunities faced in our ever-changing world.

King's Business School has taken a far more proactive and collaborative approach in tackling this critical issue of gender equality. Along with input from a range of stakeholders, we are co-creating this new research initiative that will deepen the positive economic impact in society through evidence-based research aimed at tackling gender disparities.

We have engaged with leaders from government, business, media and social enterprises to hear from them to make sure that our research has impact to address the challenges and opportunities that are most relevant to their organisations.

Co-creation framework

To do this, we are using the principles of design-led thinking with our stakeholders with the following framework. We have completed the Discovery stage and this report is to Define the scope. Over the coming months, we will be moving to the Ideation stage.



Dr Ylva Baeckstrom

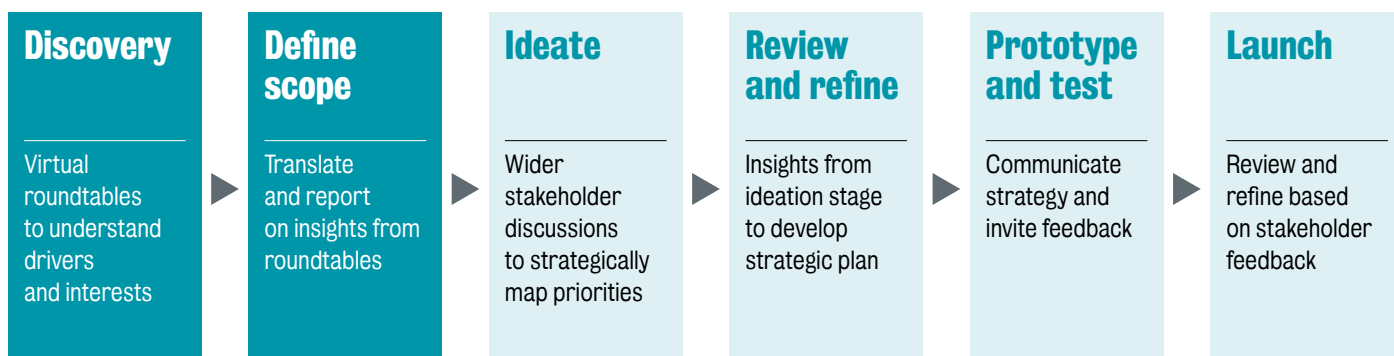
Leading the charge

Dr Ylva Baeckstrom is taking the lead in this research initiative. She is a Lecturer in Finance at King's Business School and a leading expert on gender bias in finance and business. Before academia, Dr Baeckstrom spent over 15 years in senior banking roles in the UK, was the CEO of a fintech start-up, as well as 15 years practising as a psychotherapist. With a doctorate in finance and, a Masters in Psychotherapy, Dr Baeckstrom combines the two worlds of finance and psychology to tackle the question of gender inequality in finance and business.

Her research interests focus specifically on gender differences and bias in finance, business and entrepreneurship. Her recent research is on the interplay between financial advisors and investment clients and the complexity of ensuring that women receive the right financial advice to fund a comfortable retirement.

Her other research considers gendered language and culture in business, gender and entrepreneurship as well as gender differences in performance. She is currently authoring a book on the topic and delivered a TEDx – 'Run like the real woman you are' – in March 2020. Dr Baeckstrom is passionate about reframing the gender debate to focus on diversity as an opportunity with wide ranging benefits rather than a problem that needs addressing.

Our co-creation framework follows a design thinking approach



Discovery insights

Diversity of participants

During the Discovery phase, our aim for the roundtable events was to hear from a diverse and inclusive team of influential leaders from business, social enterprise, trade associations, media as well as policy makers.

Social enterprise
(eg NFP, NGO)



Media



Financial services
(eg banks, consultants)



Policy makers
(eg local government, professional associations)



In total, eighteen participants attended the three virtual roundtable events. Participants included:

Liz Dimmock
CEO, Moving Ahead

Cath Dovey
Chair, Philanthropy Impact and ROSA

Dr Shola Mos-Shobanimi,
Lawyer, Founder of Women in Leadership

Precious Sithole
CEO, Social Practice

Penny Wilson
CEO, Getting on Board

Allyson Zimmermann
Executive Director, Catalyst

Elisa Battaglia Trovato
Deputy Editor, Professional Wealth Management

Gillian Kingston
Research Director, MC Saatchi

Mike Diorio
Ex Managing Director, Credit Suisse

Martin Gronemann
Partner – Financial Sector, ReD Associates

James Penny
Head of the UK International Private Bank, Barclays Bank

Louise Hartley
Managing Director, Citi Private Bank

Vivienne Omaset, Managing Director, Citi Research – Global Management

Malik S Sarwar
CEO, K2 Leaders, NY

Jo Smith
Product Director, Invesco

Matt Connell
Director of Policy & Public Affairs, Chartered Insurance Institute

Urban Funered
CEO, Swedish Securities Dealers Association

Sophie Hulm
Head of Skills Innovation and Growth, City of London Corporation

Key strategic priorities

Participants shared the key strategic priorities for their organisation and despite the different type and size of organisations, the following priorities were consistent:

Building future workplaces that are family friendly and support flexibility for people regardless of their gender.

Ensure women's full and effective participation at work and equal opportunities for leadership.

Addressing intersectionality (eg gender, ethnicity, disability) to all policies and strategies.

Acknowledging unconscious bias and stereotypes in the workplace (eg assertiveness in men vs women).

Engaging men as gender diversity champions.

Alignment of gender equality across all levels of organisations.

Setting gender and wider diversity targets with gender reporting part of regular business reviews.

Addressing the gender pay gap.

Supporting women leaders with mentorship opportunities and suitable female role models.

Cultural change – driving change beyond the workplace and at a systemic level.

Appropriate hiring processes for entry level hires to develop gender pipeline.

Priorities that were specifically focused on the financial services sector included:

Improving the attraction and retention rates of women in the sector.

Engineering products and services suitable for women.

Reviewing and monitoring of the promotion process.

Financial education and training to begin at an early stage at school.



Benefits to stakeholders and society

There was consensus amongst participants that diversity of thought is seen as central to any successful organisation and is fundamental to creating a balanced society.

From an organisational perspective, diverse teams have been proven to be more motivated, productive and innovative with the following key benefits:

- Diverse views and skills (rational/emotional) represented in leadership roles result in more measured risks and better decision making.
- Effective gender diversity policies and supportive workplaces reduce employee turnover, enhance productivity and provide the opportunity to attract untapped talent.
- A gender balanced organisation reflects the customer base in the products and services leading to increased customer satisfaction.

If Lehman Brothers had been a bit more Lehman Sisters and Brothers, we would not have had the degree of tragedy that we had.

Christine Lagarde, President, European Central Bank

Overall, the benefits to economic growth of bringing female labour force to the same participation rate as males is compelling when you consider that improving female participation in the workplace across the OECD would boost OECD GDP by \$6 trillion (PWC Women in Work Index 2020).

The wider societal benefits of gender equality were consistent and clear that it was socially just and fair with safer and healthier communities, lower rates of violence and higher social cohesion and wellbeing. Empowering women would breed inclusion in education attainment, employment, financial independence and health having a positive impact on societal change.

Another important societal benefit is that ultimately better gender representation on charity boards would more effectively charitable services and in the UK alone 90 per cent of households use charitable services.

Research focus

The research focus for participants was as diverse as they were however the current environment brought together some aligned focus on the following themes:

Measuring the impact and economic value of flexible and remote working

- Understanding the impact of recent political, social, and economic shifts on women in the workplace and whether it will provide impetus for change and banish the stigma regarding flexible and remote working.

Changing attitudes and behaviour

- Value of alignment and adoption of gender equality policies throughout an organisation especially management vs employee perceptions of the values.
- The impact of language and communication on gender equality.
- Discrimination and harassment in the financial services sector.
- Men as 'ambassadors' to champion empowerment of women.
- Unconscious bias and stereotypes and its impact in the organisational culture especially where successful women are seen as outliers and aggressive.

The world as we have created it is a process of our thinking. It cannot be changed without changing our thinking.

Albert Einstein

Inclusive and diverse culture and skills

- Measurement of the impact of intersectionality in organisational culture.
- How diverse skills sets add value to organisations.
- Intersectionality and cultural change and how it can impact on social mobility.

Impact of best practice policies

- Developing a roadmap for organisations to have an impact.
- Mapping of best practice and successful initiatives in organisations and governments achieving gender equality.
- Outcomes and impact of current living examples in case studies
- What key initiatives are having an impact and how is it measured?
- What role should quotas play in an organisation and are there better ways to measure gender equality.
- Is there a link between diversity and productivity and being globally competitive?
- Modelling the compound impact of Brexit and COVID-19 on diversity within Financial and Professional services.

Gender and opportunity gaps

- Understanding the gender gap that limits women's access to opportunities and services, including access to finance.
- Understanding the occupational barriers faced by women including the early career gender gap.
- How to attract and retain women in the financial services sector.
- Taking a risk and growing a woman's career on potential.
- Why there are more women working in the charity sector but not represented on charity boards.
- What are the barriers to achieving gender equality and how can we address these?

Appealing to a diverse customer base

- Measuring the value of a better understanding of women in the market.
- Engineering products and services that are suitable to both women and men.
- Include women in the design of products and services.

Addressing the Challenges Faced by Financial Exclusion

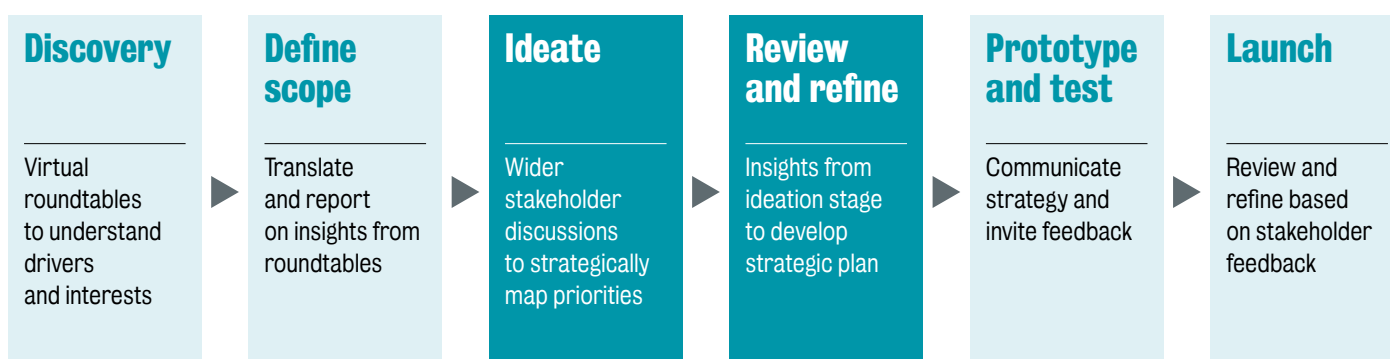
- Value of investments to secure the financial future for all genders and excluded customer groups
- Understanding the barriers to achieving a fair retirement income for all
- Gender and diversity bias in acquiring access to the financial system

Thinking ahead

We asked the participants for their big audacious goals and blue-sky thinking. Following is a summary of the themes that came out of this discussion:

- How to turn the research findings on gender inequalities into actionable targeted policies within the workplace?
- Develop a toolkit for young women that empowers them to succeed in whatever way they wish to.
- How do outcomes from gender initiatives add value to marginalised groups?
- How to stop the Finance Industry pipeline leakage of talented women.
- Develop a better system for all diversity with a focus on intersectionality.
- Looking at the impact of COVID-19 on inequalities beyond the workplace to society as a whole using trackable data to understand how it is impacting different groups.

Next steps in the co-creation process



Engagement

To help us better understand the different ways external stakeholders want to engage with us, we asked all participants to respond to a poll. The most preferred methods were topical, industry friendly research reports delivered regularly at 94 per cent and executive education at 86 per cent. This feedback will help us develop programs and engagement initiatives that align best with external requirements whilst we still continue to deliver the traditional offerings of PhD students, internships, seminars and bespoke research.

Next steps

Over the coming months, we will enter the Ideation phase where we engage with a wider stakeholder group, sharing with them the insights from the roundtable discussions. This will help us to strategically map out the priorities for the research initiative, from which we will develop the strategic roadmap.

This will be focused on the impact and outcomes of the proposed research agenda. At this time, we will also consider the different engagement models, resourcing and how we communicate our message most effectively to the wider community.

Thank you for your valuable contributions to date.

We look forward to your continued journey with us and will share regular updates on our progress.

For further information

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We undertake ground-breaking research that improves the way people do business. And we engage with organisations around the world to create real value for society.

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