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Updated Media Release

MEN AND WOMEN IN FINANCIAL SERVICES ARE OUT OF STEP WITH EACH OTHER ON ISSUES OF GENDER INEQUALITY

- **Women are much less likely than men to agree that employers are committed to advancement of women in practice**
- **Men and women have vastly different views on pay transparency with 58% of men believing organisations are transparent, compared to 18% of women**
- **More than half of women surveyed and 29% of men surveyed experienced or know someone who experienced sexual harassment or sexism in the workplace**

FINSIA's biennial Gender Divide Survey – the sixth carried out since 2010 – has again highlighted significant differing views between men and women on issues of gender inequality. It also reveals a gap in perception versus reality of where the industry currently finds itself.

Every two years, the survey asks professionals from across various levels of our sector for their views on a range of equity indicators. We then compare these perceptions to data from the Workplace Gender Equality Agency (WGEA) to see how closely aligned perceptions are to reality.

According to WGEA data at the time of the survey, financial and insurance services remains the industry with the largest gender pay gap — 27.5% for total remuneration, and 21.2% for base salary; more than six percentage points higher than the average total remuneration pay gap for all industries, which stands at 21.3%. However, our survey (held during the same period of time) found that 77% of the male respondents were neutral, agreed or strongly agreed that the pay gap was grossly exaggerated, compared to 40% of women.

FINSIA Diversity Advisory Council Chair Linda Maniaci SF FIN said the survey highlighted the need for more concerted action, with a focus on much more sponsorship of females into leadership opportunities.

“The findings of the survey beg the question: is the frustratingly slow progress we are making in areas of gender equality in our industry down to the different lived experiences of men and women in our industry?”

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“We need to do more to ensure women are provided with the same career opportunities as men – particularly when they display the same leadership qualities as their male counterparts. We all need to work harder to challenge unconscious bias and myths regarding merit,” Ms. Maniaci said.

“It is also clearly worrying that the financial services industry lags so far behind every other industry when it comes to inequality over pay.

“What’s concerning for an industry that is as heavily focused on incentives and bonuses as financial services, is that the pay gap is worse percentage-wise when they’re taken into account,” she said.

“At least some elements of the survey are encouraging - such as our implementation of flexible working arrangements and strategies to tackle unequal pay.”

FINSIA CEO Chris Whitehead Chartered Banker F FIN said: “The strong differences between male and female perceptions may be indicative of gender bias and may be the reason why improvement in gender equality is so slow.

“The report is a wake-up call to all those in the industry to become aware of the operation of unconscious bias and put in place processes to counter it.

“There is a persistent division between men and women’s perception about the extent of the gender pay gap.

“More than 25 per cent of males strongly agree the extent of the pay gap is grossly exaggerated. Yet only 3 per cent of women strongly believe this is the case - clearly a gender divide in the perception versus reality,” Mr Whitehead said.

“Given that such different perceptions prevail, it’s not surprising “female respondents are more likely to feel comfortable raising gender equity issues only with other women.

“Another concerning aspect was sexual harassment or sexism in the workplace”, noted Mr. Whitehead. “Since our last survey in 2018 the spotlight has shone brightly on sexual harassment cases in Australia’s most powerful workplace – Parliament House.

“It is alarming to see from the results on page 41 that financial services is not immune to sexism and sexual harassment.

“More than half (51%) of the female respondents and 35% of male respondents to this survey said they have occasionally experienced, or known someone to experience, harassment and/or sexism in the workplace,” he said

“This concern is compounded by what appears to be an increase in discomfort – from both women and men – about speaking up about issues of gender inequality.

“Harassment, sexism, gender inequality and unconscious bias are all inconsistent with the professionalism advocated by FINSIA. We will be convening a panel of senior financial services leaders in October to discuss the report and its implications,” he said.

Mr. Whitehead also called for an industry roundtable to take place before the end of the year to discuss the results of the survey and take proactive steps to address the issues.

WGEA Director Mary Wooldridge said the research brings to life some of the trends in the Agency's own dataset.

"Our most recent data has identified what we refer to as an action gap: organisations may take the first steps to try to understand the gender pay gaps in their workforce, but then fail to take any action to address them," Ms Wooldridge said.

"In our most recent employer census from 2019-20, we saw a 6-percentage-point drop in the number of employers taking action to close their gender pay gaps: nearly half of employers who did a gender pay gap analysis failed to take any action to close the identified gaps.

"The FINISA results similarly illustrate this divide between knowledge and action. Businesses need to continually improve their policies and practices to ensure women and men are valued and treated as equals in the workplace."

Ms. Maniaci added: "We're not talking about just mentoring – many women already have the skills and leadership qualities required for a successful career in our sector. But what we need is active sponsorship and genuine advocacy for women, from both males and females.

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