



# Working out for the best

New research shows that the ways of working deployed out of necessity during the pandemic have had an unexpected benefit: a more inclusive workplace. **Emily Fowler** takes a look at the data and what a flexible future may hold



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**W**hat if we viewed the future of work not in terms of *where* it takes place – inadvertently pitting the office against home working – but rather *how* it could allow people to reach their full potential?

This could help create a revolutionary shift in inclusivity for the financial services sector – an industry which still poses considerable barriers for women and people from ethnic minorities in advancing along the corporate ladder.

Deloitte's 2022 report, *Advancing more women leaders in financial services*, finds that globally, just 5% of CEOs in the industry

are female. And the figures are even more stark for those from minority groups and lower socioeconomic backgrounds. In the UK, 45% of senior employees in financial services are white men from a professional background, and fewer than 1% of senior employees are ethnic minority women from working-class backgrounds, according to a 2022 report from the City of London Corporation, *Breaking the class barrier*.

Why should this matter? Because companies with greater gender diversity perform better. Firms in the top quartile for gender diversity on executive teams are 25% more likely to outperform on profitability, according to *Diversity wins: how inclusion matters*, a 2020 report by McKinsey (based on data from more than 1,000 large companies in 15 countries). What's more, companies whose executive teams are more than 30% female are 48% more likely to outperform the least gender-diverse firms. And companies in the top quartile for ethnic and cultural diversity outperform those in the lowest quartile by 36% in profitability.



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### Inclusivity through flexibility

A future of flexible working could be the key to improving diversity, according to the 2023 *Women hybrid workers sentiment survey* from the International Workplace Group, a global provider of flexible workspaces. The survey of more than 1,000 female workers across all industries in the US finds that 88% of women believe hybrid work serves as an equaliser, and 66% say that it allows them to experience fewer biases in the workplace.

And workforce data from LinkedIn, which asks its 10 million worldwide users to self-identify their race and gender, shows that between January 2019 and October 2022, there was a 17% increase in the share of black candidates applying for remote jobs. “What’s really eye-opening,” the site reports, is the 24% increase in confirmed hires for black workers in remote positions.

The reasons for this increased inclusivity are twofold. First, women are likely to place a higher value on flexibility as they still carry a disproportionate share of childcare and household work. According to McKinsey’s 2023 *Women in the workplace* report, which surveyed more than 27,000 corporate employees in the US and Canada, 38% of “mothers with young children say that without workplace flexibility, they would have had to leave their company or reduce their work hours”.

Second, when it comes to greater representation of ethnic minorities, remote or flexible jobs mean that talent acquisition teams aren’t constrained by geography. Instead, recruiters can cast a wider net to find underrepresented candidates that they may not have been able to source locally. This is backed up by data from McKinsey’s report, which finds that 44% of employers perceive flexible work options as the most impactful lever for attracting talent from diverse backgrounds.

Michelle Sequeira, diversity, equity and inclusion consulting leader at professional services firm Mercer, agrees that flexibility has helped to reduce bias. “It’s allowed people to feel safer in their jobs and therefore helped them thrive,” she says, adding that it also increases employees’ productivity and satisfaction and allows them to be “more effective in their roles”.

McKinsey’s report finds those benefits apply to all employees, not just women or minorities, with 83% of respondents citing the ability to work more efficiently and productively as a primary benefit of flexible working. Workers of all genders and ethnicities also point to improved job satisfaction thanks to better work-life balance, and 60% report less fatigue and burnout as a result of hybrid or remote work.

### When flexible working doesn’t work

That’s not to say that these new ways of working are a cure-all panacea for the workplace. In a seminal study published in 2010 by the University of California, Davis, *How passive ‘face time’ affects perceptions of employees*, people who are seen in the

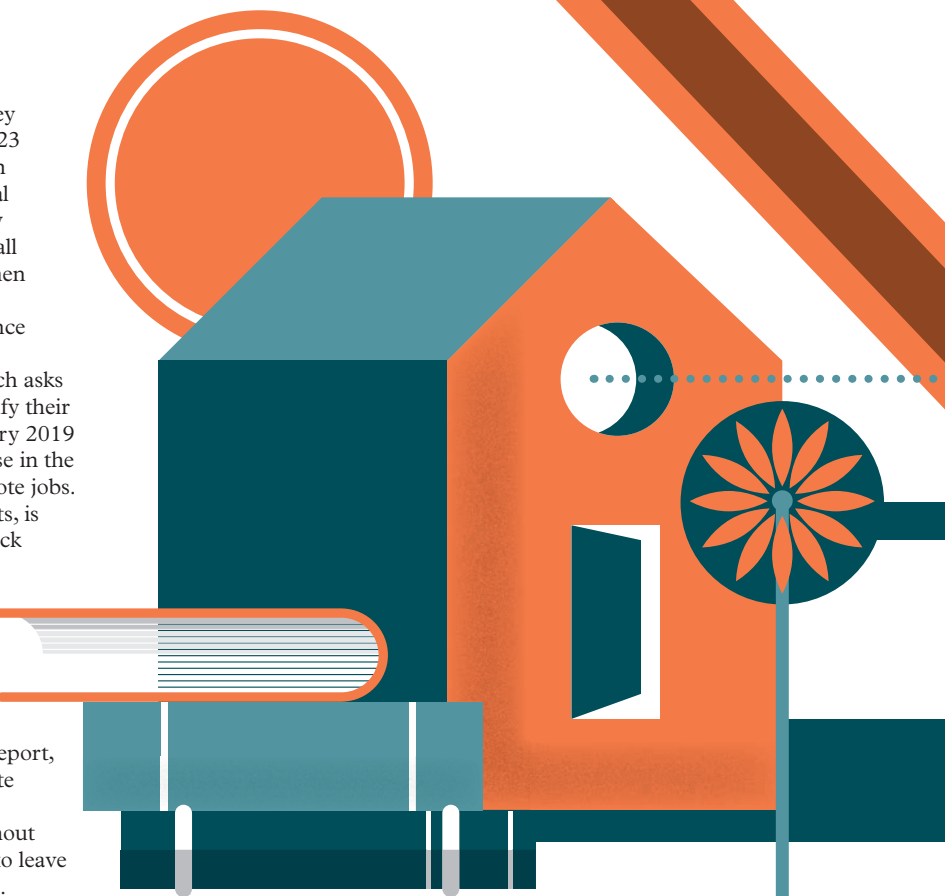
office, even when nothing is known about the quality of their work, are perceived as more reliable and dedicated – subjective characteristics that are tied to career advancement.

Another common concern, and one of the strongest arguments for more time spent in the office, is the impact of remote working on younger employees. “Mentoring and career development opportunities are often more likely to take place in person than they are to happen virtually, with opportunities for learning live on the job,” Michelle says. She adds that this can particularly impact the groups who have chosen to work remotely.

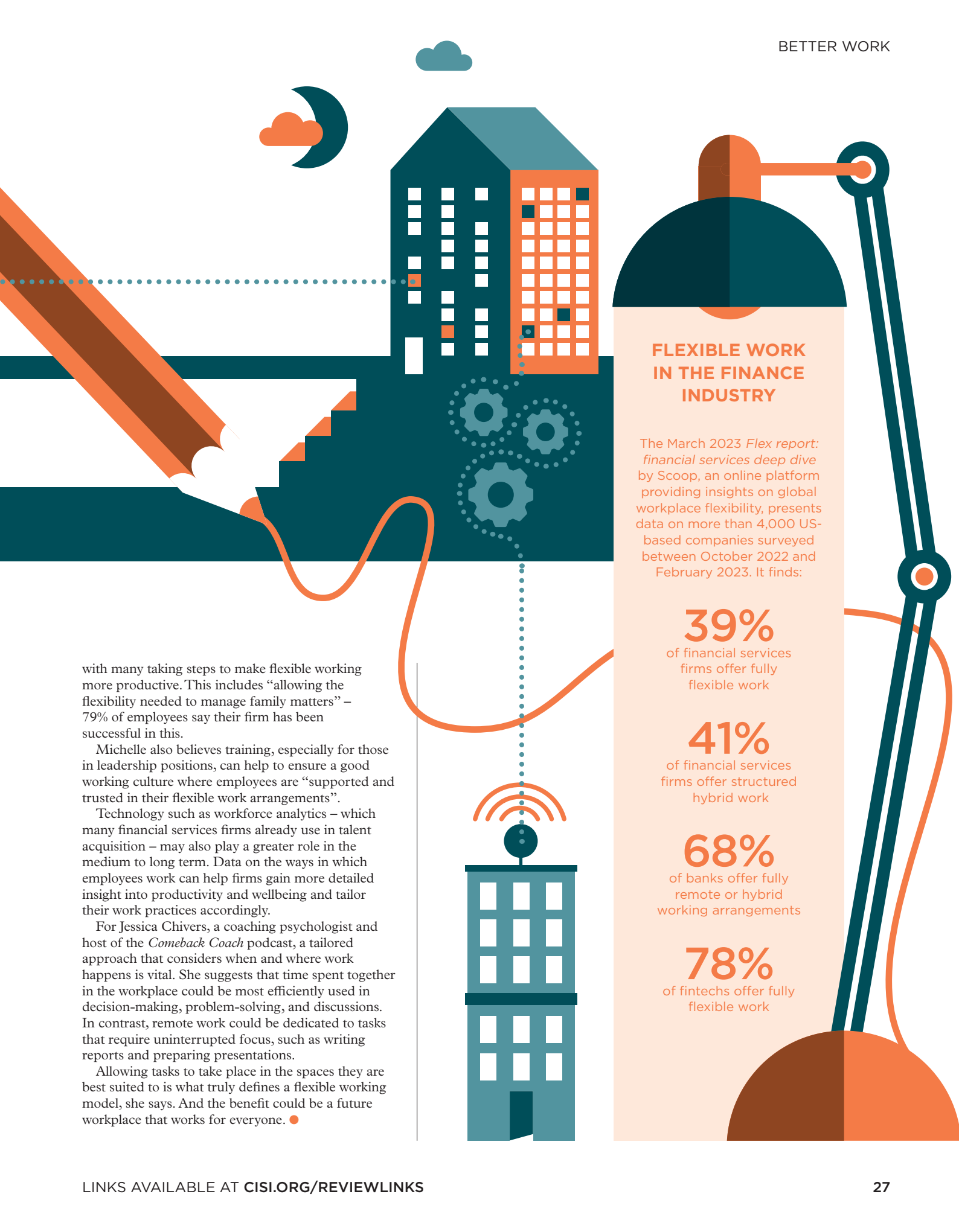
To combat this and retain the boost in inclusivity that flexible working can bring about, she recommends that organisations should implement virtual mentoring schemes to allow all to benefit. Furthermore, she adds that “having governance checks that track and analyse promotions, learning opportunities and potential pay disparities related to flexible work arrangements would be particularly impactful”.

### The flexible future

According to PwC’s 2021 *Remote Work Survey* – conducted during the pandemic, nine months after employees began working remotely, in November and December 2020 – 83% of financial services employers find the shift to remote working to be successful,



**88% of women believe hybrid work serves as an equaliser**



### FLEXIBLE WORK IN THE FINANCE INDUSTRY

The March 2023 *Flex* report: *financial services deep dive* by Scoop, an online platform providing insights on global workplace flexibility, presents data on more than 4,000 US-based companies surveyed between October 2022 and February 2023. It finds:

**39%**

of financial services firms offer fully flexible work

**41%**

of financial services firms offer structured hybrid work

**68%**

of banks offer fully remote or hybrid working arrangements

**78%**

of fintechs offer fully flexible work

with many taking steps to make flexible working more productive. This includes “allowing the flexibility needed to manage family matters” – 79% of employees say their firm has been successful in this.

Michelle also believes training, especially for those in leadership positions, can help to ensure a good working culture where employees are “supported and trusted in their flexible work arrangements”.

Technology such as workforce analytics – which many financial services firms already use in talent acquisition – may also play a greater role in the medium to long term. Data on the ways in which employees work can help firms gain more detailed insight into productivity and wellbeing and tailor their work practices accordingly.

For Jessica Chivers, a coaching psychologist and host of the *Comeback Coach* podcast, a tailored approach that considers when and where work happens is vital. She suggests that time spent together in the workplace could be most efficiently used in decision-making, problem-solving, and discussions. In contrast, remote work could be dedicated to tasks that require uninterrupted focus, such as writing reports and preparing presentations.

Allowing tasks to take place in the spaces they are best suited to is what truly defines a flexible working model, she says. And the benefit could be a future workplace that works for everyone. ●