

Barclays Submission – Women in Finance Inquiry

Introduction

Barclays is a transatlantic consumer and wholesale bank with global reach, offering products and services across personal, corporate and investment banking, credit cards and wealth management, with a strong presence in our two home markets of the UK and the US. With over 325 years of history and expertise in banking, Barclays operates in over 40 countries and employs approximately 85,000 people. Barclays moves, lends, invests and protects money for customers and clients worldwide.

Barclays welcomes the opportunity to input into the Women in Finance Inquiry. We recognise that despite the equal numbers of women and men in our workplace, historical and structural factors have led to inequality at the upper echelons of our organisation. To address this, we have implemented a range of initiatives, outlined in this document, to support women's accession to leadership, and to ensure that women are supported and encouraged to achieve their ambitions at Barclays.

However, we recognise there is more to be done, and we look forward to continuing to work with Government and others to achieve our ambitions in this field.

The value of women in leadership

We believe that diversity and women in leadership is good for Barclays, and we work hard to attract women to and retain women in leadership roles across the business. The value of women in senior leadership is clear – both to our culture as an organisation and to the profitability of our business.

On the latter issue in particular, research has found a strong relationship between gender diversity and organisational performance. We appreciate the work that McKinsey has led on this in particular, outlining that companies in the top quartile of their sector who have women on executive committees have on average 41% higher returns than those without women. It is clear therefore that increasing the number of women in senior leadership positions is both a moral, cultural and commercial imperative.

At Barclays we enjoy parity of employment between men and women, with 51% of our overall employee population being women. We also strive to have a good gender balance on each of our Boards and Executive Committees. Women currently make up 27% of the Barclays PLC Board, 33% of the Barclays UK Board, 40% of the Barclays International Board, and 50% of our Intermediate Holding Company in the US.

However, we recognise that the rate of women decreases at senior management levels, standing at 24% in total, and improving upon this is an area of focus for us.

Barriers faced by womens' acceleration to leadership:

Barriers to women progressing their careers in the financial services industry are multifaceted. However, they appear to predominate around unconscious bias, whereby those in senior leadership positions are too often more likely to promote and retain those who are most like themselves, rather than opting to recruit and promote based on talent and potential alone.

We also recognise that structural differences such as women taking maternity leave can impact the speed at which women progress in comparison to their male colleagues. We have taken significant steps to prevent this being the case, with our Dynamic Working programme enabling both men and women to better manage their work-life

balance. Progress has been made, and we are pleased that our maternity returners retained after 12 months has increased by 13% points since the launch of the Dynamic Working campaign in 2015.

Moreover, it is clear that while some functions within our business suffer worse levels of gender representation at senior levels than others, it is an issue felt across the bank.

We are working to address this via a range of solutions, which include robust succession planning, identifying and training our pipeline of female leaders, and have a recently created Ex-Officio position which enables high-performing future leaders to serve a rotational three-month period on Executive Committees and leadership teams across the businesses and functions. The establishment of this position has seen a number of future female leaders serve on the Group Executive Committee, which has been of great benefit to our business.

Initiatives designed to support womens' accession

Given our recognition of the value women in leadership brings, we undertake a range of initiatives to support the accession of women across the firm. These include:

1. Hiring practices:

- *Targets:* We have a target of 26% of women in senior leadership positions by 2018, and 33% female representation at board-level and amongst our Executive Committee and their Direct Reports by 2020, which we are confident we will meet. All Executive Directors are evaluated on the success of their contribution to this target on an annual basis.
- *Recruitment:* We have a target of 25%-33% gender diversity within all candidate short lists at the Director and Managing Director level. Additionally, all hiring panels at Barclays must contain a gender mix of interviewers, and we have a graduate hiring target of 50% female, from our current position of 40% (which has increased from 31% in 2014).

2. Unconscious Bias Training:

- We have rolled out Unconscious Bias Training across our global footprint, which has engaged over 8,500 senior leaders and 6,000 colleagues to date. This promotes a greater awareness of inclusive leadership, and reduces the unintended consequences of biased talent management and assessment decisions.

3. Dynamic Working Programme:

- As mentioned, Barclays Dynamic Working Programme promotes and enables flexible working arrangements to open up additional career possibilities for individuals across the business. This has been widely adopted by colleagues, with over 59% of our colleagues now working dynamically.

4. Barclays Women on Boards programme:

- This programme assists senior women who aspire to a Non-Executive Director role as part of their development to achieve that goal.

5. External commitments and pledges:

- *UN HeForShe Campaign:* As a founding member of the UN's HeForShe Campaign, we have committed to increase representation of women in senior leadership by a percentage point a year, embed gender equality in the culture processes and policies of Barclays, and reach 2.5 million women around the world with financial inclusion programmes. Our Group Chief Executive Officer is a UN Impact Champion for the Campaign and each year we report to the UN on our progress against these commitments.
- *Hampton Alexander Review:* Barclays adheres to the Recommendations within the Hampton-Alexander Review, which set clear targets for women in leadership positions across the business.
- *Women in Leadership Index:* Our innovative Women in Leadership Index lists publicly traded US companies with gender-diverse leadership (defined as companies with a female CEO or at least 25%

female members on their board). In an industry first, Exchange Traded Notes track the return of the index so investors can support the movement towards gender equality. This currently trades above the S&P 500 average of 25%, at 28%.

- *HM Treasury's Women in Finance Charter*: Barclays are a proud signatory to the HMT Women in Finance Charter, and are pleased to confirm that we were already adhering to many of the recommendations prior to becoming signatories. Joe McGrath, Global Head of Banking is the firm's lead point-person for gender at Barclays, helping to spearhead our efforts in this area. We also have internal targets for gender diversity in senior management as stated, a clear link between the pay of Executive Directors against these internal targets, and an annual report which publishes our progress against these.
- *The Equality and Human Rights Commission (EHRC) Working Forward Initiative*: Barclays is a proud supporter of the EHRC's Working Forward Initiative, which champions best practice in the workplace for pregnant women and new parents.

6. Campaigns and events: Barclays is a keen supporter of International Women's Day, an annual global marker of the movement towards greater gender equality where we engage colleagues, customers and clients.
7. Networks: We also continue to sponsor and grow Win, the gender network, which has over 5,000 colleague members globally. This network hosts numerous events throughout the year to enable women to connect and flourish, and promotes a positive workplace for all colleagues to enjoy.
8. The Gender Taskforce: In recognition of the need for Barclays to move at pace on improving gender parity across senior leadership – we now have a Gender Taskforce made up of senior colleagues from across the firm, dedicated to making progress against a range of issues.

In recognition of the work above, Barclays was one of 52 global organisations included in the Bloomberg Financial Services Gender-Equality Index, reflecting best-in-class statistics and policies. We were also recently named on The Times Top 50 Employers for Women for the seventh consecutive year.

The gender pay gap

Barclays welcomes the new legislation which requires employers with 250 or more employees to publish and report specific figures about their gender pay gap. We recognise that transparency is critical to addressing the issue of gender pay disparity, and believe this far-reaching regulation is designed to address a long-standing issue in the right way.

In 2018 we will publish our gender pay statistics in line with this legislation. Upon release of this data, we will continue to work hard to close this gap over the short and long term.

The role of Government and financial regulators

As demonstrated by this Inquiry, the role of Government and the financial regulators to progress this agenda is vital and varied. In order to support the important movement toward greater gender parity in the financial services sector, we encourage the Government and financial regulators to explore the following:

1. Concerted encouragement of ambitious targets: The Women in Finance Charter has led the way in encouraging clear targets for improved gender parity across senior leadership. As progress against these becomes clear, there is scope for more ambitious targets to be encouraged.
2. The facilitation of industry dialogue and progress: The Government has a track-record of convening industry partners to accelerate progress against key challenges, for example as the Home Office is currently doing on the issue of Modern Slavery. There is potential for similar sponsorship of progress in this field.

3. The highlighting of best practice: It is clear that some companies are making greater headway than others across a range of indicators. We welcome the Government's promotion of those who go above and beyond what is required by legislation to promote greater gender equality in the round.
4. Clear follow-up on gender pay publications: 2018 will be a significant year for highlighting the extent of the gender pay gap across the financial services industry. We welcome the Government's response to these publications, and clear follow-up to ensure robust action is being taken to close the gap going forward.