

Sexism and the City?

Dina Medland investigates the real extent of gender discrimination and disadvantage in the City and talks to a number of women involved in addressing it

One of the reasons everyone loves to hate the City is because people who work there often make huge amounts of money. The rising tide of litigation alleging gender discrimination has spiced up the business pages of the national press, set the pulses of readers racing at perceived injustices as well as the amounts involved – and lined the pockets of consultants and lawyers.

In reality there are a wide variety of reasons for the swell of such cases, and not all of them are always immediately apparent. What is obvious is that they hit at the heart of financial institutions, their reputation, and therefore need to be addressed urgently.

Employment lawyers and strategy consultants doing litigation PR offer short-term solutions to immediate events. But in the longer term the issues surrounding allegations of gender discrimination are inevitably linked to the ethos of the workplace, and changing that ethos to ensure equal opportunity and inclusiveness for both sexes takes time.

The larger financial institutions have had diversity programmes in place for some years, and have been working to try and nurture organizational change. But in the UK it is not only the City that is accused of inequality in the workplace. In its recent report 'Sex and power: who runs Britain? 2005' the Equal Opportunities Commission (EOC) points an accusing finger across all sectors.

"Sexism in the City is damaging competitiveness," says Julie Mellor, chair of the EOC. "With women's educational achievements the same as men's, the 43 per cent gap between men's and women's pay in the financial sector suggests women are in jobs below their potential. In addition, recent tribunal decisions have highlighted that pay systems in the City are too often opaque and shrouded in secrecy, especially regarding the payment of bonuses, which can lead to discrimination."

As far as pay disparity is concerned, the financial services sector mirrors the experience of the legal sector. There the gender balance has shifted so that 52 per cent of solicitors now qualifying are

women, but it takes them eight years longer to make partner, according to Sue Stapley, a solicitor and strategic consultant with Quiller Consultants.

"Financial services and law are exactly the same in that at some point women opt out because of parenting issues, and lose out as a result. Parenting is still seen as something you have to hide," she says.

A growing number of women have been willing to brave the UK courts in their fight for equal treatment. In a judgement earlier this year Arianna McGregor-Mezzotero, a banker at BNP Paribas, received around £500,000 in compensation after a tribunal upheld her claim for sex discrimination following an 80 per cent cut in her bonus while she was pregnant.

In January 2005 Beth Baird, a former banker at Dresdner Kleinwort Wasserstein, launched a £500,000 claim against the bank for sacking her whilst on maternity leave, allegedly because she wanted a large family.

In the most publicized case of all, Stephanie Villalba, a former banker who sued Merrill Lynch for a record £7.5 million, lost her case claiming sexual discrimination and unequal pay late last year, but won a claim of unfair dismissal. The case is ongoing as Villalba has said she intends to appeal the decision.

Lawyers suggest that anyone thinking of going down this route needs to be very careful. "You get a sense that people who are considering filing claims don't genuinely believe that the employer will pay the claim but do believe they will pay them to go away. They should not assume that at all," says a partner at a leading law firm.

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If someone is successful in proving gender discrimination a tribunal will award injury-to-feelings payouts (on top of financial loss compensation) from three recommended bands, which range from £500 to £25,000 at the top end, says Lisa Mayhew, a partner in employment law at Lovells, who successfully represented Merrill Lynch in the Villalba case. She says: "We are finding that the amounts are potentially so high that both employees and employers are more prepared to fight – which is why we are getting to see more claims making the news."

Employers are not only willing to fight for their reputations in the courts and in

the media; they are trying more discreetly to do something to prevent the cases from arising in the first place.

Sue Stapley is now regularly asked to protect the reputation of organizations by doing what she calls a "bear-trap audit" of an organization's culture so that management becomes aware of the issues before the journalists start snooping around.

Ms Stapley says: "The financial institutions often have a macho culture which everyone knows about but the women don't want to bring the issue before the MD. In one recent case a change of CEO meant that corporate hospitality switched its focus from art

and culture to rugby games. The women did not want to attend, but they did not want to complain either." In another case dinners at Spearment Rhino were cited as very popular "because the clients like them". The CEO in this instance had not realized such deal celebrations were still taking place, with the women on the team making their excuses early.

"Part of my role is to have the tough conversation and let them know what the workforce is saying. Women now feel that these issues are so sensitive, that if they bring them up they will prejudice their careers," says Ms Stapley.

The largest financial institutions such as Citigroup have well-developed diversity programmes intended to encourage inclusiveness and the development of women. Lynne Fisher, managing director, diversity for Citigroup says having such a programme is "critical in raising awareness among managers about the day-to-day running of the business."

At Lehman Brothers, which last year

won the Opportunity Now City Focus Group award for diversity and inclusion, Fleur Bothwick has been European director of diversity in a full-time capacity since the summer of 2003. She says: "Quite often these [gender discrimination] cases get to court because of the way they are initially handled. Diversity provides a platform for better two-way communication."

Ms Bothwick says that Lehman Brothers' diversity awareness programme uses vignettes, actors and a facilitator to act out different scenarios, which may include what to do if a client's demands are at variance with the firm's standards.

Dr Sarah Rutherford, a specialist in diversity and organizational behaviour, says: "One of the key barriers to progress in this area in the City is that it is a short-term place and this is a long-term issue."

To make it even more complicated, women in senior positions in the financial services sector do not always

thank the institutions for this special focus. "Women are genuinely concerned that all they want to create is a meritocracy to compete on a level playing field with their male colleagues," says Lynne Fisher at Citigroup.

At Hoodless Brennan, the stockbrokers, compliance administration manager Tina Wishart first started working in the City 15 years ago. "Initially there were no women at all, except for the PAs. But I've never taken it to heart. I just try to focus on the job. I don't think I've ever got a job or not by virtue of being a woman, and the same goes for promotion."

Former stockbroker Heather McGregor, who runs search firm Taylor Bennett says: "There are a lot of women in the City who are very successful and work in a variety of different areas. They have all managed to become successful without reaching for a lawyer. It is not a good use of time or money and one wonders what on earth Stephanie Villalba was thinking." ■