



# CATALYST'S REPORT TO WOMEN IN CAPITAL MARKETS: BENCHMARKING 2008

## Highlights

Sylvia Apostolidis  
Rhonda Ferguson



## About Catalyst

Founded in 1962, Catalyst is the leading nonprofit membership organization working globally with businesses and the professions to build inclusive workplaces and expand opportunities for women and business. With offices in the United States, Canada, and Europe, and more than 400 preeminent corporations as members, Catalyst is the trusted resource for research, information, and advice about women at work. Catalyst annually honors exemplary organizational initiatives that promote women's advancement with the Catalyst Award.

## About Women in Capital Markets

Women in Capital Markets (WCM) is a non-profit organization that promotes the entry, advancement and development of female leaders in business, fosters accountability for diversity and positive change in the industry and recognizes leaders who have contributed significantly to the advancement of women in the capital markets. Research consistently demonstrates that stronger performance is highly correlated to workplace diversity, yet the lack of role models, mentors and accessible networks remain barriers to the advancement for women in the capital markets. WCM's innovative programming offers its members diverse and creative opportunities for networking, personal and professional development, mentoring and coaching along every step of their careers. These initiatives and programs, together with this benchmarking report, represent the cornerstone of WCM's mandate to attract, retain and advance women in the capital markets. In today's challenging economic business environment, it is more important than ever to have strong diversity in the workplace and an established resource to enable women to achieve their professional potential.

## Participating Firms

The following Canadian financial services institutions sponsored and participated in this study:



RBC Royal Bank®



# INTRODUCTION

This report is the fourth in a series<sup>1</sup> commissioned by Women in Capital Markets that tracks the representation of women in the Canadian Capital Markets industry, specifically in the Investment Dealer and Retail Private Client lines of business.<sup>2</sup> Despite record profits and revenue<sup>3</sup> in the industry, there has been virtually no increase in the representation of women since Catalyst began this series in 2000. Clearly, the industry has missed an opportunity to recruit and advance more women in an optimal economic climate.

These data were collected during a period of economic growth. Data were collected as of April 30, 2008, prior to the economic downturn in the global financial industry. The number of people employed in Capital Markets in 2008 was the highest since 2000, increasing 12 percent since 2005.

Today, the global financial industry is in a crisis. Successful senior leaders must implement and leverage diverse teams to benefit the financial health of their organizations and the industry's stability.

*In both strong and weak economies, it is prudent for senior leaders to build a critical mass of women at the decision-making table and a culture where all voices are heard.*

Catalyst has shown that companies with more women board directors and corporate officers, on average, have better financial performance than companies with fewer women in these positions.<sup>4</sup>

Other research has shown that a diversity of perspectives and knowledge provides creative, innovative solutions to complex problems.<sup>5</sup> In both strong and weak economies, it is prudent for senior leaders to build a critical mass of women at the decision-making table and a culture where all voices are heard.<sup>6</sup>

Senior leaders should also examine the causes of the persistent underrepresentation of women in Capital Markets. While the overall Canadian financial services industry has made significant investments in diversity and broader talent management programs, the lack of growth in the representation of women in Capital Markets reveals that not enough is being done in this area of the industry.

1. *Women in Canadian Investment Dealers: Growing the Pipeline* (2000), *Women in Capital Markets: Benchmarking 2002*, and *Catalyst's Report to Women in Capital Markets: Benchmarking 2005*.
2. For the purposes of this report, the Investment Dealer business comprises Corporate and Investment Banking, Institutional Equities, Capital Markets (Fixed Income, Derivatives, Foreign Exchange, Money Market), and Middle Office (Finance, Human Resources, Risk Management, and Compliance). The Retail Private Client business comprises National/Regional Management, Branch Management, Investment Advisors, Sales Associates and Sales Assistants, and Trainees. For methodology and definitions, download *Catalyst's Report to Women in Capital Markets: Benchmarking 2008*.
3. Investment Industry Association of Canada, *Securities Industry Performance* (Second Quarter, 2008).
4. Catalyst, *The Bottom Line: Connecting Corporate Performance and Gender Diversity* (2004); Lois Joy, Nancy M. Carter, Harvey M. Wagner, and Sriram Narayanan, *The Bottom Line: Corporate Performance and Women's Representation on Boards* (Catalyst, 2007).
5. For an overview of research on the impact of diversity in organizations, see Katherine Y. Williams and Charles A. O'Reilly III, "Demography and Diversity in Organizations: A Review of 40 Years of Research" in Barry M. Staw and L.L. Cummings (eds.), *Research in Organizational Behavior*, vol. 20 (1998).
6. Catalyst, *2007 Catalyst Census of Women Board Directors of the FP500: Voices From the Boardroom* (2008); Rosabeth Moss Kanter, *Men and Women of the Corporation* (New York: Basic Books, 1977); Vicky W. Kramer, Alison M. Konrad, Sumru Erkut, *Critical Mass on Corporate Boards: Why Three or More Women Enhance Governance*, Report No. WCW 11 (Wellesley, MA: Wellesley Centers for Women).

Past Catalyst research has uncovered barriers that women face across industries: gender stereotypes, biases in talent management systems, and lack of access to networks, mentors, and role models.<sup>7</sup> Indeed, profiles of senior women in the industry, included in this report, confirm the importance of overcoming these barriers and point to actions that support women’s career advancement, including:

- Increasing opportunities through strong performance and becoming visible.
- Developing a niche skill and capitalizing on interests and strengths.
- Developing a strong network.
- Finding good leaders, mentors, and role models.
- Moving laterally to gain breadth of experience.
- Maintaining a strong support system to manage personal and work responsibilities.

We encourage financial institutions to learn from the women profiled about the needs of women in all lines of business and at all levels.

With this information, they can take steps to create inclusive workplaces. The steps should focus

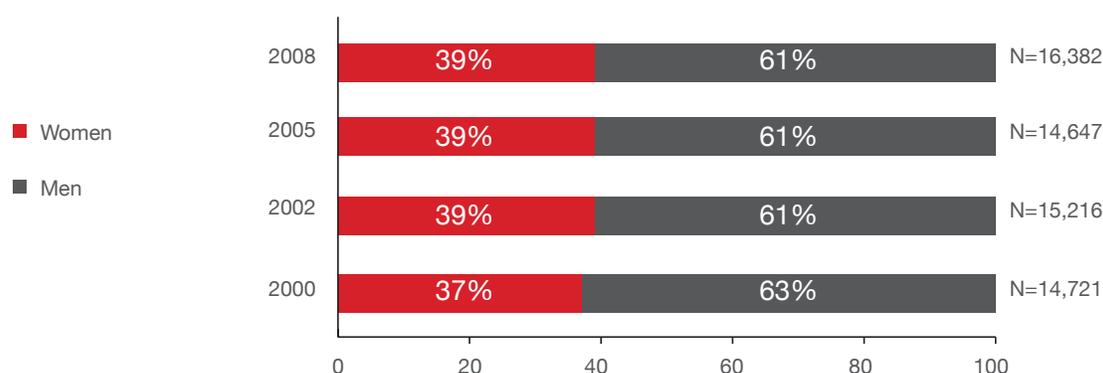
on the fundamental drivers of change: develop the business case, secure senior management commitment, implement a measurement and accountability framework, and develop a communications strategy. Other steps may include improving work-life effectiveness by making work processes more efficient, providing networking and mentoring opportunities, and implementing unbiased talent management systems.

The broader Canadian financial services industry is highly respected worldwide for its banking system.<sup>8</sup> Canadian financial institutions are leaders in the country with respect to both organizational performance and commitment to diversity.<sup>9</sup> In 2009, senior leaders in Capital Markets have the opportunity to leverage this position and lead the global industry in increasing the number of women at the most senior ranks to support new ways of thinking. Through proactive intervention and long-term commitment, Canadian financial institutions can create workplaces in which employees can fully contribute and organizations can reap the bottom-line benefits of diversity and inclusion.

## OVERALL FINDINGS

The representation of women in the Investment Dealer and Retail Private Client lines of business was virtually unchanged since 2000, despite record growth in the total population of the Capital Markets sector.

**FIGURE 1**  
Women’s Representation in Capital Markets: 2000 to 2008



7. Anika K. Warren, *Cascading Gender Biases, Compounding Effects: An Assessment of Talent Management Systems* (Catalyst, 2009); Catalyst, *Women “Take Care,” Men “Take Charge:” Stereotyping of U.S. Business Leaders Exposed* (2005); Catalyst, *Women and Men in U.S. Corporate Leadership: Same Workplace, Different Realities?* (2004).

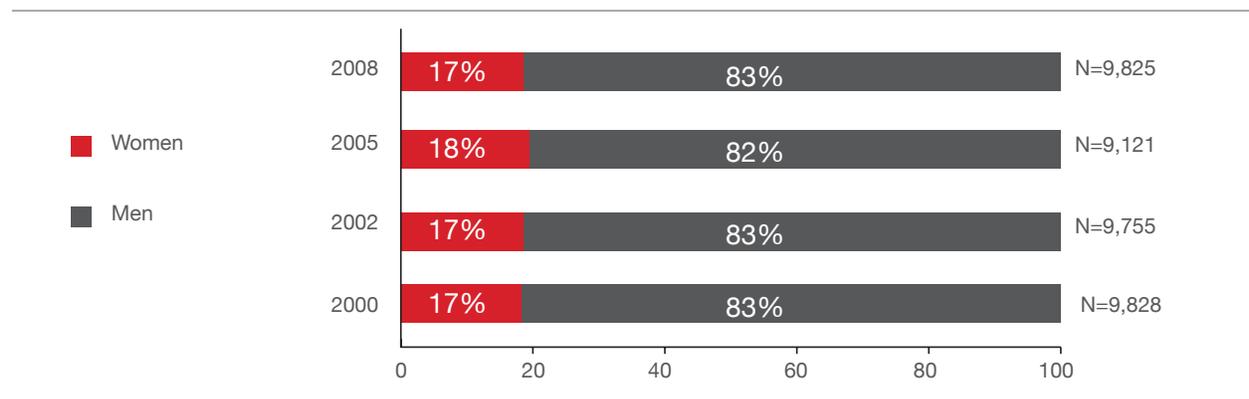
8. “Canada’s Banks: Admired Worldwide for Their Management—and Cash,” CBC News (March 3, 2009), <http://www.cbc.ca/money/story/2009/03/03/f-canada-banks.html>. “Last banks standing,” *Canadian Business Magazine* (May 18, 2009), [http://www.canadianbusiness.com/managing/strategy/article.jsp?content=20090518\\_10020\\_10020](http://www.canadianbusiness.com/managing/strategy/article.jsp?content=20090518_10020_10020).

9. “Canada’s Best Diversity Employers 2009,” *The Toronto Star* (February 20, 2009), <http://www.thestar.com/diversityemployers>; Catalyst, “Scotiabank—Unlocking Potential, Delivering Results: The Advancement of Women (AoW) Initiative” (2007), <http://www.catalyst.org/file/126/2007%20scotiabank%20award.pdf>.

# LINE POSITIONS

Line experience is usually required to advance to the highest positions. Women held only 17 percent of all line positions in Capital Markets, making no gains since 2000.<sup>10</sup>

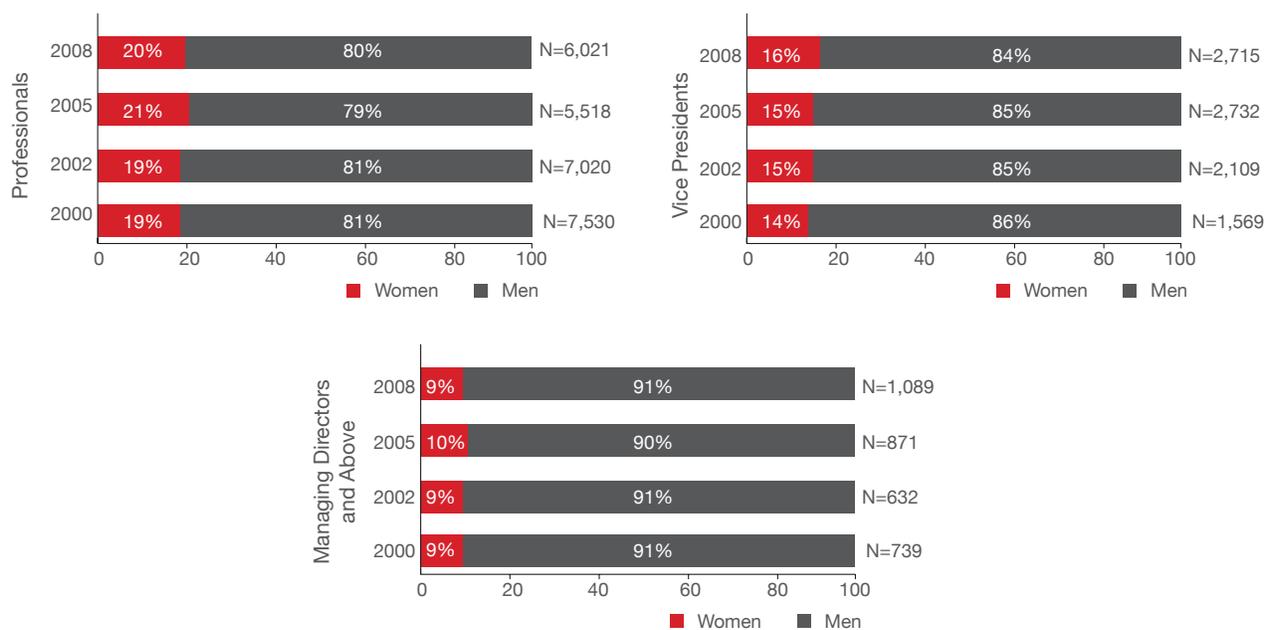
**FIGURE 2**  
Women's Representation in Line Positions: 2000 to 2008



# LEVEL

There has been little change since 2000 in women's share of line positions at each level<sup>11</sup> although slight gains are seen at the Vice President level. Indeed, the declining percentages of women at the Professional and Managing Director levels since 2005 both weakens the leadership pipeline and reduces diversity of thought.

**FIGURE 3**  
Women's Representation in Line Positions, by Level: 2000 to 2008



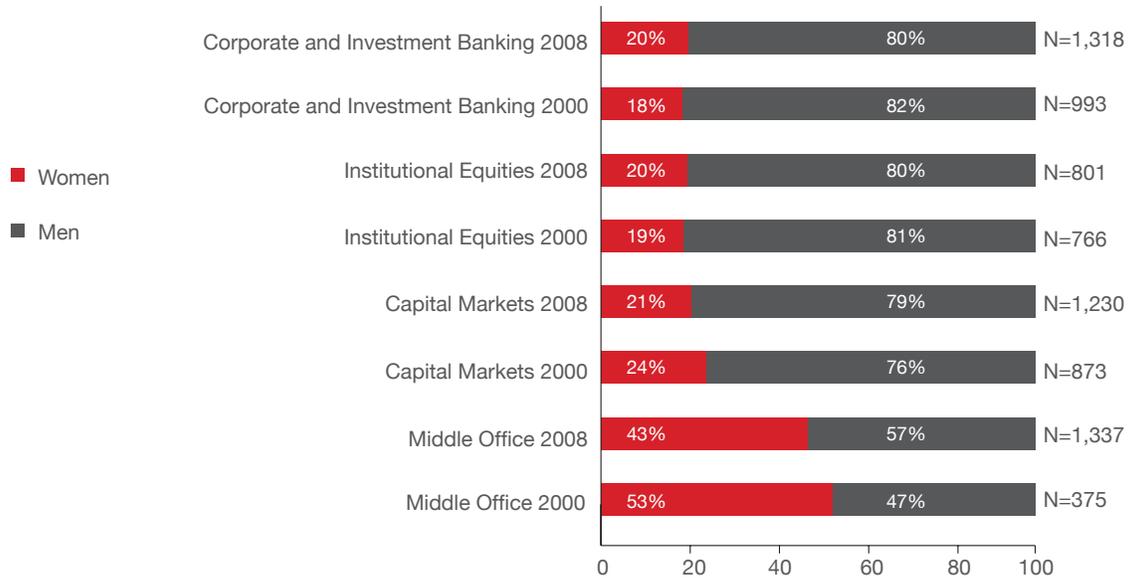
10. For the purposes of this report, line positions are those with profit-and-loss, revenue-generation, or direct client responsibility, including all positions in Corporate and Investment Banking, Institutional Equities, Capital Markets, and Retail Private Client, with the exception of Administrators. Staff positions provide functional support to the business and include Middle Office positions in the Investment Dealer business and Administrators in the Retail Private Client business.

11. Detailed definitions of the positions analyzed can be viewed in the Methodology section of the full report.

# AREA

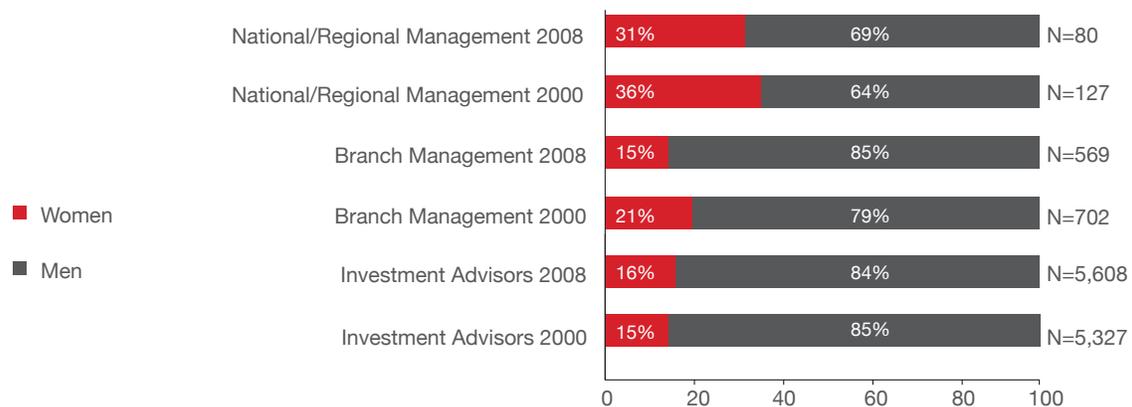
**INVESTMENT DEALER:** Despite increases in the number of line positions in the Investment Dealer business, women’s overall share of line positions was stagnant at 20 percent, making no gains since 2000. In Capital Markets, women lost ground in every area of the business, particularly at the professional level, substantially decreasing their overall share of positions.<sup>12</sup> In the staff positions of the Middle Office, women’s share of positions dropped to 43 percent, the lowest level since 2000.

**FIGURE 4**  
Women’s Representation in Investment Dealer Positions, by Area: 2000 to 2008



**RETAIL PRIVATE CLIENT:** In the Retail Private Client business, women’s share of line positions was 16 percent, as it was in 2000. Compared to 2000, women’s share of National/Regional Management and Branch Management positions was down, and it was stagnant for Investment Advisor positions.

**FIGURE 5**  
Women’s Representation in Retail Private Client Positions, by Area: 2000 to 2008



12. Capital Markets comprises Fixed Income, Derivatives, Foreign Exchange, and Money Markets. Detailed representation levels from 2000 to 2008 can be found in Figure 8 of the Appendix.

## **PROFILES OF SENIOR WOMEN**

Profiles of senior women in Capital Markets are enclosed here. These women are role models, and their voices send a clear message that, while there are challenges to success, the personal and professional rewards of working in this dynamic industry are significant.

## Expanding opportunities for women and business

### CATALYST

#### TORONTO

8 King Street East, Suite 505

Toronto, Ontario M5C 1B5

tel (416) 815-7600

fax (416) 815-7601

#### NEW YORK

120 Wall Street, 5th Floor

New York, NY 10005

tel (212) 514-7600

fax (212) 514-8470

#### SUNNYVALE

165 Gibraltar Court

Sunnyvale, CA 94089

tel (408) 400-0287

fax (408) 744-9084

#### ZUG

c/o KPMG AG

Landis+Gyr-Strasse 1

6300 Zug, Switzerland

tel +41-(0)44-208-3152

fax +41-(0)44-208-3500

#### WOMEN IN CAPITAL MARKETS

250 Consumers Road #301

Toronto, Ontario M2J 4V6

tel (416) 502-3614

fax (416) 495-8723

email: [info@wcm.ca](mailto:info@wcm.ca)

[www.wcm.ca](http://www.wcm.ca)

#### [www.catalyst.org](http://www.catalyst.org)

Unauthorized reproduction of this  
publication or any part thereof is  
prohibited by law.

Catalyst Publication Code D89

ISBN # 0-89584-293-9

© 2009 Catalyst Inc.

