



Sexism in the City: MPs launch inquiry into sexism and misogyny in the City



Through an inquiry into sexism in the City the Treasury Committee is calling for evidence on the barriers faced by women in financial services.

With the first phase of the [Consumer Duty](#) coming into force on 31 July 2023, firms are focusing on good customer outcomes and preparing to understand and evidence whether those outcomes are being met. The [speech](#) leaves no doubt about the importance of culture when considering how firms will meet the requirements of the [Consumer Duty](#).

Evidence can be submitted to the [Sexism in the City Inquiry](#) until Friday 1 September 2023.

The importance of workplace culture

We have seen numerous headlines in recent months where behaviour in the workplace has fallen below an acceptable standard. Each and every instance leads back to the question of workplace culture. Harriet Baldwin MP, Chair of the Inquiry, highlights the significance of workplace culture as set out in the government's [news article](#): "Has the culture in this highly paid sector shifted at all in the last five years? This is a subject of marked importance to our Committee and we look forward to beginning work on this important topic." For more information on the importance of workplace culture please see our [Legal Update - Workplace culture: What does good look like?](#)

The purpose of the inquiry

With a focus on supportive workplace cultures, the Committee's goal is to determine whether women feel more supported in the financial services industry than they did five years ago when the previous Committee carried out an inquiry ([previous inquiry](#)). The Committee will be considering how harassment and misogyny can be addressed and the role the government and regulators can play in modelling behaviour. The previous inquiry raised concerns in relation to underrepresentation of women in senior positions (firms typically follow the pyramid model with the number of women diminishing in line with seniority), unconscious bias, working mother stigmas, gender pay gaps, alpha-male cultures and presentism. The key question to be addressed in 2023 is: Has progress been made since 2018? The latest spate of headlines would suggest not.

The call for evidence

The Treasury is [calling for evidence](#) on the following topics in relation to women in finance:

- The progress in removing the barriers to women entering and progressing their careers across the financial services industry, including progress to financial services firms' Boards, including executive roles;
- The impact of the Treasury's Women in Finance Charter and any other government and Regulator initiatives;
- The progress on implementing the Treasury Committee's 2018 recommendations;
- The progress on removing gender pay gaps in financial services and in implementing measures to address such gaps
- The role of the government and financial regulators in:
 - Acting as role models for good gender diversity practices,
 - Ensuring appropriate data is collected and published,
 - Marketing the financial industry to a more diverse base of potential recruits,
 - Ensuring firm cultures, policies and practices support women's aspirations and progress; and
- The role of, and progress of, firms, government and financial regulators in combatting sexual harassment and misogyny in financial services, and offering effective ways to escalate concerns about sexual harassment.
- The Committee is also interested in international comparisons and comparisons with other sectors in the economy.

Comment

Getting ahead of the game should be a business priority. Fostering and nurturing an inclusive workplace and a culture where human dignity is honoured and respected has never been more critical to leading a sustainable business. Shaping a more sustainable society is completely dependent on having a more equitable one as well. As a priority, employers must:

- Address standards of ethical conduct and behaviour within their own walls.
- Obtain evidence of how the intended culture is reinforced and supported by robust values-based policies and procedures that are enforced and upheld.
- Examine and assess whether actual culture is aligned to desired values and behaviours.

Identify any disconnects between what is said, what gets done, and what gets valued.

Why this matters to all business leaders

Although the inquiry is primarily focused on topics relating to women in finance, this is a wake-up call to all business leaders from all sectors. [Research](#) points to the fact that pockets of toxic behaviour exist even in the healthiest and most positive of cultures. In the majority of large organisations, distinctive micro-cultures coexist within the same company, often across business units, functions, geographies, or acquired companies. Individual leaders can also create pockets of different cultures within their extended team.

Whatever their origin, micro-cultures can diverge from the broader corporate culture and create misalignment. This means that even the strongest of cultures can contain pockets of cultural toxicity. This is just not a 'women in finance' challenge, this a critical business challenge that extends far beyond gender and finance into all workplaces where everyone, regardless of any diversity characteristic or specific sector, deserves dignity and respect if they are to perform at their best.

At DWF, we can provide:

- Workplace culture audits to stress test organisational culture, identify potential behavioural risk exposure and develop risk-based remedial interventions that will actively mitigate culture risk.
- Independent reviews and/or design of ethical conduct and business integrity frameworks aligned to corporate purpose, valued behaviours and regulatory compliance requirements (including ethical decision-making and ethical business scenario analysis).
- Inclusion and diversity strategic design, development and implementation including dashboards, data and metrics, and global good practice.
- Tailored education programmes via Responsibility (our ESG educational programme) to embed cultural change.

If you would like further information please get in contact with our contact below.

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