

## DIVERSITY DISCLOSURE

WHAT THE EUROPEAN CAPITAL MARKETS INDUSTRY  
PUBLICLY DISCLOSES ABOUT DIVERSITY

September 2015

by Yasmine Chinwala and Kristine Bell

*> What companies disclose about diversity is a clear statement of intent. It sends a strong message about how they approach diversity, what they want to improve, and what they are doing to address change.*

## What this report is about

This report aims to map what the most active organisations in European capital markets tell us about the diversity of their staff. It aims to look not only at what is disclosed about diversity in terms of numbers, targets and track record, but also to gain insight into initiatives, networks and how diversity is incorporated into recruitment practices. We will answer the following questions:

- What do companies operating in European capital markets tell us about their approach to diversity?
- Why is diversity disclosure important?
- What are different companies prioritising when it comes to improving the diversity of their workforce?
- Where a company has a focus on gender diversity, how does this impact their approach to non-gender diversity characteristics?

New Financial is planning to design a standardised model for diversity disclosure. This report is a starting point for a discussion about the most useful information to disclose that is comparable between peers, between sectors and over time.

## Methodology

New Financial collected data from 115 companies and institutions with significant operations in Europe based on their size, activity in the capital markets, and availability and quality of information. These 115 included 55 public companies or subsidiaries of public companies (asset managers, alternative asset managers, stock exchanges, banks, investment banks), 20 law firms (as UK-regulated firms must by law disclose certain diversity data), as well as 20 central banks and 20 regulators (as public-sector bodies are often subject to disclosure requirements).

All data was collected from December 2014 to March 2015 using the most recent annual reports, corporate social responsibility reports, diversity reports and corporate websites. Only information written in English was recorded. Where a company was a subsidiary of a listed entity, group data was recorded.

We recorded whether or not organisations in the sample disclosed on specific criteria under six sections: workforce data, initiatives, targets, networks, track record and recruitment. The criteria were selected based on trends in disclosure across the sample that were comparable and were considered important indicators of a company's commitment to diversity (see Appendix on p11 for the full list of criteria). Each firm's scores were calculated as a percentage for each section, and each section was equally weighted to give an overall score.

(This report was first published in July 2015. This September 2015 version includes updated results for the Bank of England, Bank of America Merrill Lynch, Commerzbank, Norton Rose Fulbright and State Street.)

## Acknowledgements

All the data used in this report was gathered and analysed by Kristine Bell, with assistance from Kaela Athay and Laurence Bax, under the supervision of William Wright and myself. I would like to thank the New Financial team for their hard work and superior knowledge of Excel.

New Financial is a think tank and forum that believes Europe needs bigger and better capital markets to help drive its recovery and growth.

We believe diversity in its broadest sense is not only an essential part of running a sustainable business but a fundamental part of addressing cultural change in capital markets.

New Financial launched in September 2014 as a social enterprise, and we are seeking financial support from companies, institutions and individuals in 2015.

For more information on New Financial, contact:

[yasmine.chinwala@newfinancial.eu](mailto:yasmine.chinwala@newfinancial.eu)

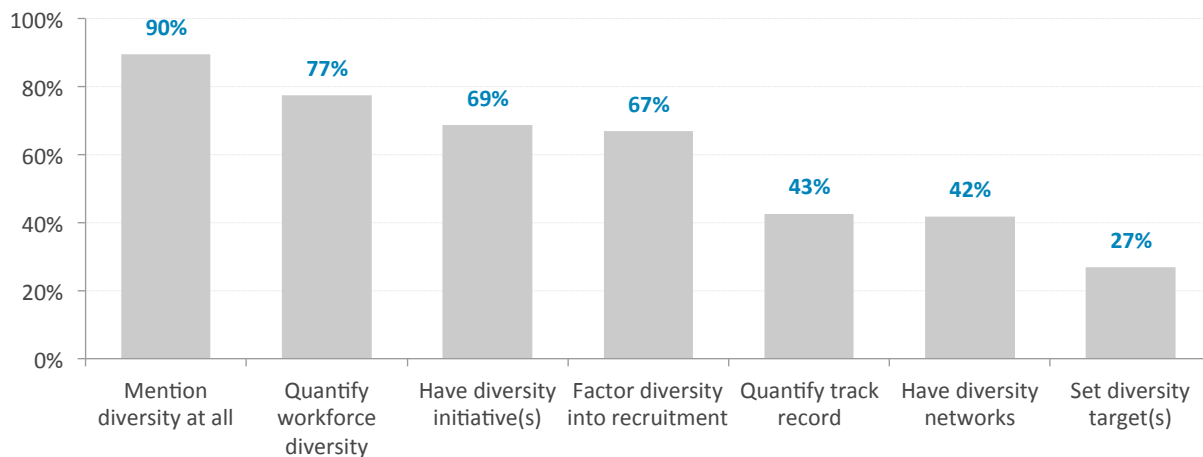
+44 203 743 8268

[www.newfinancial.eu](http://www.newfinancial.eu)

[@newfinancialLLP](https://twitter.com/newfinancialLLP)

**Fig. 1 What do European capital markets companies publicly disclose about diversity?**

Percentage of organisations that disclose diversity information on the following criteria:



(Note: All data was collected from December 2014 to March 2015 using the most recent annual reports, corporate social responsibility reports, diversity reports and corporate websites)

## Diversity disclosure in European capital markets: where are we now?

### The good news...

- 1) It is encouraging to see that diversity is becoming a standard feature of annual reporting for the capital markets industry, with 90% of our sample mentioning diversity and more than three-quarters publishing hard numbers.
- 2) Diversity disclosure is important, because it is indicative of diversity outcomes – for example, as levels of disclosure increase so does female board representation.
- 3) There are companies in the industry who are breaking new ground on diversity disclosure, who are willing to set an example to others and lead rather than follow. Their disclosure sets an aspirational standard to peers.
- 4) Gender is the diversity characteristic which has the greatest disclosure, followed by ethnicity and then disability. Other areas of diversity and inclusion that are gaining traction are LGBT (lesbian, gay, bisexual, and transgender), ex-armed forces, parents and carers, work/life balance, social mobility and faith.
- 5) An initial focus on gender does not crowd out non-gender diversity characteristics. Greater disclosure on gender criteria in our sample is positively correlated with more disclosure on non-gender criteria.

### The not so good news...

- 1) The capital markets industry is starting from a very low base, with plenty of organisations in our sample disclosing very little or nothing. Of our sample, 15% scored zero, a third scored 5% or less, and almost half score 10% or less.
- 2) There is great variety in the depth and nature of disclosure, which makes comparison between peers, across sectors and over time very difficult.
- 3) While there is headline concern about diversity, that does not translate into concrete action – for example, two-thirds of the sample say they factor diversity into recruitment, but only 41% mention programmes they have in place.
- 4) We cannot get a clear picture of sector-specific differences in diversity – for example, comparing a group's asset management business to its investment bank – without more granular data. We have had to rely on group level data for the sample, as only two companies give divisional breakdowns of workforce diversity.
- 5) For an industry driven by numbers, it has been slow to disclose how it applies data, tracking and targets to its own staff. While 77% disclose some diversity data, only 43% provide historical comparisons and just 27% set targets.

# WHY DISCLOSURE IS IMPORTANT

## Why does disclosure matter?

When information is disclosed publicly, it sends a clear signal of intent. Disclosure shows a company is serious about diversity and indicates the direction of travel. What companies disclose is our only insight into how they approach diversity, what they are tracking, what they want to improve, what goals they are setting, and what they are doing to achieve those goals - even if the numbers do not look good.

The data shows that greater disclosure is linked to increased diversity. Figure 2 shows there is a positive correlation between disclosure and female representation on boards. Figure 3 shows that for those that do disclose the percentage of women on their board (a third of our sample), the average female board representation is 24%, which is a third higher than the average of those that do not explicitly disclose the gender ratio of their board.

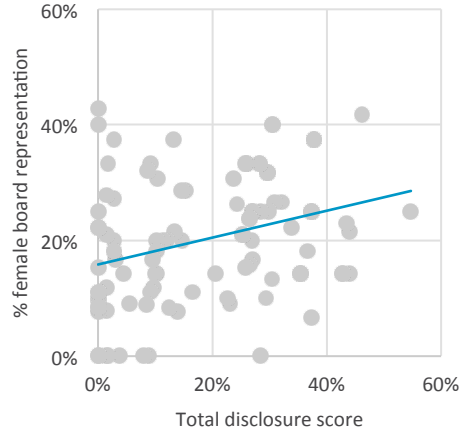
## Gender is just the beginning

The initial focus of most companies is on women, largely because gender is an easily identifiable diversity characteristic that does not require self-reporting, and gender has been the main focus of policymakers. Of our 57 scoring criteria, 20 focus on women, 32 relate to other diversity characteristics, and five apply to both gender and non-gender.

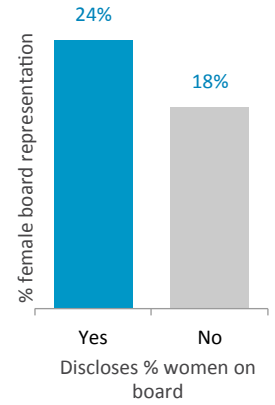
The data also shows that a focus on gender does not crowd out wider diversity actions. Figure 4 shows that as disclosure on gender diversity increases, so does disclosure on non-gender criteria. Figure 5 shows that the majority of companies that disclose on gender criteria also disclose something on other diversity characteristics, while the majority of those that say nothing about their female workers also disclose nothing about any other diversity type.

## Figs. 2, 3 Greater disclosure is linked to better diversity outcomes

**Fig. 2** Correlation between total disclosure score and % of women on board

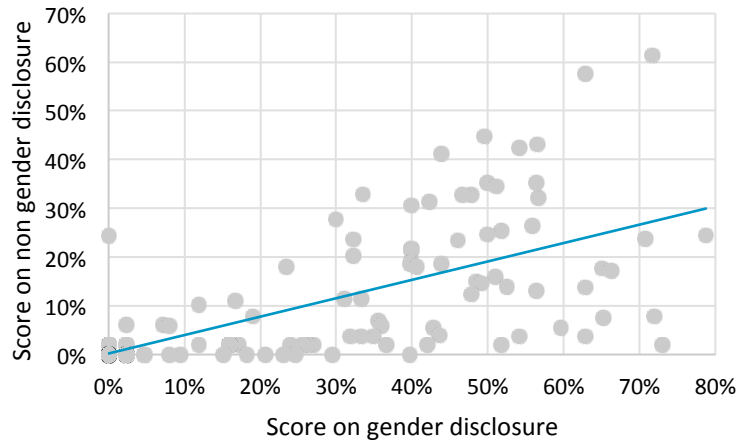


**Fig. 3** Female board representation, %, for organisations that do and don't disclose the percentage of women on their board



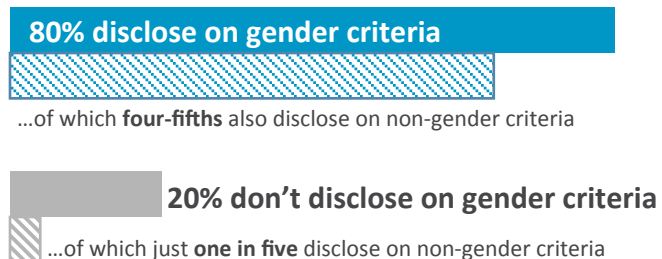
## Fig. 4 A rising tide lifts all boats

Correlation between disclosure scores on gender criteria and non-gender criteria



## Fig. 5 Gender does not crowd out non-gender diversity

Comparison of organisations that do or do not disclose on any gender criteria and whether they do or do not disclose on any other criteria



**Fig. 6 The top 20 firms for diversity disclosure**

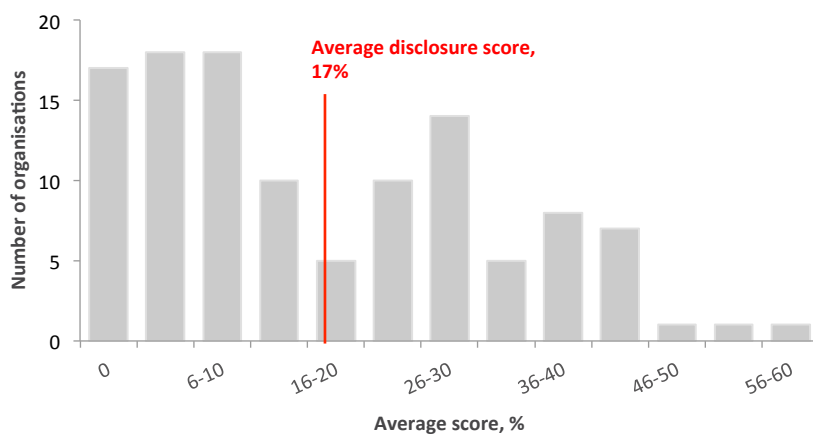
Ranked by overall disclosure score, %

Rank	Name	Country	Sector	Score
1	Bank of England	UK	Central bank	57%
2	Lloyds Banking Group	UK	Bank	55%
3	Financial Conduct Authority	UK	Regulator	46%
4	Commerzbank	Germany	Bank	45%
5	Barclays	UK	Bank	44%
=6	Ashurst	UK	Law	43%
=6	Citi	US	Investment bank*	43%
=6	Goldman Sachs	US	Investment bank	43%
=6	State Street	US	Asset management**	43%
10	Norton Rose Fulbright	UK	Law	41%
=11	Bank of America Merrill Lynch	US	Investment bank*	40%
=11	Clifford Chance	UK	Law	40%
13	Allen & Overy	UK	Law	39%
14	BNP Paribas	France	Bank	38%
=15	BNY Mellon	US	Asset management**	37%
=15	HSBC Holdings	UK	Bank	37%
=15	JP Morgan Chase	US	Investment bank*	37%
18	Slaughter and May	UK	Law	36%
=19	Banco Santander	Spain	Bank	35%
=19	Credit Suisse	Switzerland	Bank	35%

\* Listed as investment banks because they are included in our sample for European investment banking activity, however all disclosure was collected at group level \*\* Listed as asset management because the company is included in our sample for European asset management activity, however all disclosure was collected at group level

**Fig. 7 Starting from a low base**

The distribution of the disclosure scores of all organisations in the sample



## Setting an example

In May 2014, Google published its first diversity report, a first among the big US tech companies, stating: "We've always been reluctant to publish numbers about the diversity of our workforce at Google. We now realize we were wrong, and that it's time to be candid about the issues." After Google, other big US tech firms disclosed similar data sets, including Apple, Facebook, Microsoft, Yahoo! and Twitter.

Capital markets participants could choose to emulate the US tech industry's voluntary disclosure initiative, by admitting there is a problem, disclosing the numbers and engaging in a public debate to improve the situation. Figure 6 shows the organisations in our sample that are already taking the lead on diversity disclosure, ranked by their overall average score.

It would be easy to name and shame the worst performers (there are 17 with no diversity disclosure at all) but this report is about encouraging better and more consistent diversity disclosure, not exposing a lack of it. It is interesting to note there is just one regulator and one central bank in the top 20, two sectors which could choose to set an example to the industries they regulate. Five of the top 20 are law firms - a sector which has undergone its own compulsory diversity disclosure initiative in the UK.

## A wide range of scores

The top score of 57% is almost an outlier, as the scores are generally quite low with the average score being 17% (Figure 7). The low scores indicate the variety and lack of standardisation of diversity disclosure. This lack of consistency makes comparison between firms, between sectors and over time all but impossible, as well as making it harder to identify where potential problems and solutions might lie.

## Starting with the numbers

Disclosing hard numbers gives us an insight into how diverse an organisation is right now. Our workforce dataset consists of 12 criteria including gender, ethnicity and disability. While 77% of our sample tell us something about the composition of their workforce (Figure 8), there is a wide variety of disclosure and it is patchy. The scores ranged from zero to 83%, with an average of 28%.

We see in Figures 9 and 10 that there is more disclosure on gender than any other diversity characteristic. The most commonly disclosed criteria were the percentage of women in management (64% disclosed) and the percentage of women in the total workforce (56%). Total workforce ratios can be misleading as ratios at group level may not be indicative of business lines – for example, a bank may have a 50:50 gender split at group level, but far fewer women in investment banking and more in retail banking.

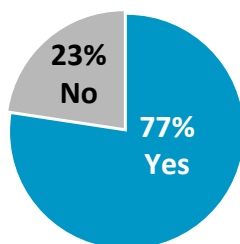
Governments, policymakers and pressure groups have intensified efforts on improving gender diversity, initially on boards but their focus is now shifting towards building the pipeline of women in management. It is encouraging to see companies disclosing gender ratios at different levels of seniority (Figure 11). However, only 4% of the sample disclose any data related to gender pay gaps.

## Beyond gender

Social mobility is increasingly important to policymakers. UK-regulated law firms already disclose ratios of staff who attended fee-paying schools and the percentage of those who were the first from their family to attend university. The capital markets industry would be in a better position to engage in the debate over elitism in financial services if it collected and disclosed this data.

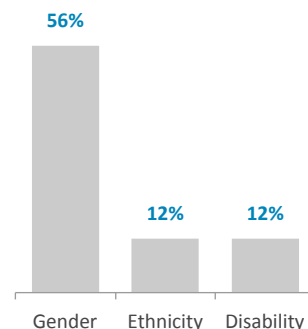
**Fig. 8 Say it with numbers**

Organisations that disclose **any data** on the composition of their workforce, %



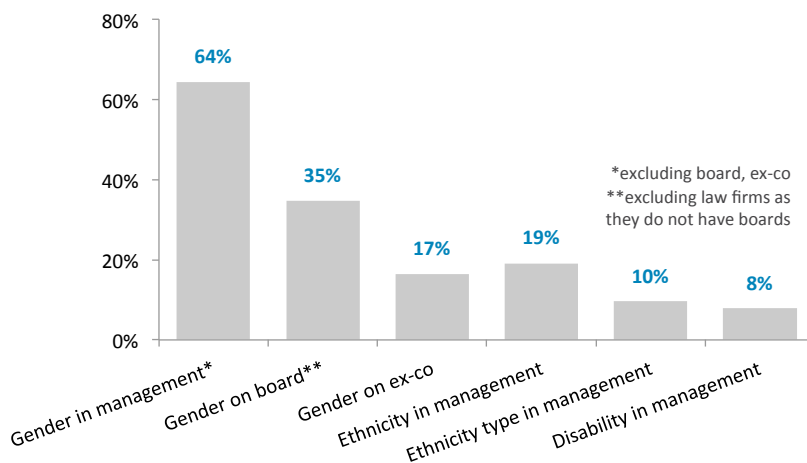
**Fig. 9 Total workforce data**

% disclosing breakdown of total workforce by gender, ethnicity, disability



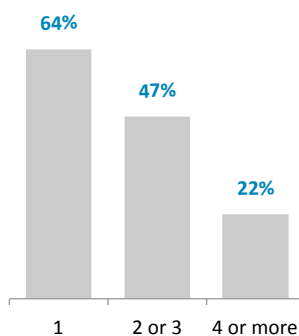
**Fig. 10 Focus on diversity in management**

% disclosing breakdown of management by gender, ethnicity, disability



**Fig. 11 Female pipeline**

% disclosing gender breakdown for at least one level of seniority (excluding board and ex-co)



**Fig. 12 Top firms for data**

Top firms ranked by disclosure score on workforce data criteria

Rank	Name	Score
1	Financial Conduct Authority	83%
=2	Barclays , Citi	75%
=4	Banco Santander, Bank of England, Intesa Sanpaolo, Lloyds Banking Group	67%

## Tackling diversity from within

It is not possible to change the diversity characteristics of incumbent staff, but it is possible to foster a working environment that encourages greater diversity. Disclosure around networks and initiatives offer insight into what companies are doing to improve their diversity and inclusion practices.

While 90% of our sample (Figure 1) state that diversity is important, only two-thirds disclose initiatives to tackle diversity (Figure 13), and just 42% disclose diversity networks (Figure 14). A third of our sample disclose neither.

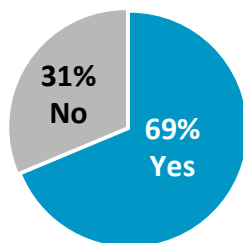
We define networks as affinity groups defined by one or more diversity characteristics. There were seven types of network that came up in our sample: women, LGBT (lesbian, gay, bisexual, transgender), multicultural, disability, ex-armed forces, parents and faith. Networks are not a subset of initiatives, which we define as programmes or policies to promote diversity.

Networks is the only category where a company scored 100%, but top scorer Goldman Sachs is very much an outlier; as more than half of the sample scored zero and the average was just 20%. Considering the size of many of the organisations in the sample, it is surprising how few disclose information about their internal networks.

Nearly a third of the sample scored zero for initiatives. Initiatives to support women were most common, including identifying high potential women, management training, mentoring, maternity coaching and company-sponsored events and panel discussions. Companies also disclosed similar types of mentoring, training and events for staff of other diversity characteristics, often sponsored by employee networks within the organisation.

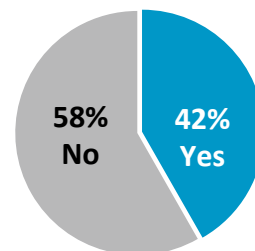
**Fig. 13 Taking the initiative**

Organisations that publicly disclose any information on diversity initiatives, %



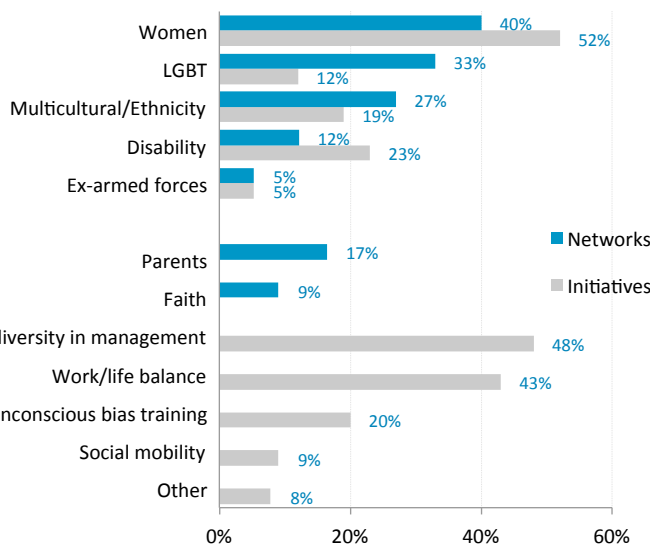
**Fig. 14 Let's talk networks**

Organisations that publicly disclose any information on diversity networks, %



**Fig. 15 Different types of networks and initiatives**

% disclosing networks or initiatives on the following criteria:



**Fig. 16 Top firms for networks**

Top firms ranked by disclosure score on networks criteria

Rank	Name	Score
1	Goldman Sachs	100%
=2	Citi, Credit Suisse, HSBC	86%
=5	Ashurst, Baker & McKenzie, Bank of America Merrill Lynch, Bank of England, Blackrock, BNY Mellon, Financial Conduct Authority, Herbert Smith Freehills, JP Morgan Chase, RBS, Slaughter and May, State Street, UBS	71%

**Fig. 17 Top firms for initiatives**

Top firms ranked by disclosure score on initiatives criteria

Rank	Name	Score
1	Norton Rose Fulbright	80%
=2	Allen & Overy, Ashurst, Baker & McKenzie, Bank of England, Financial Conduct Authority, Slaughter and May	70%



## Tackling diversity from the outside

Hiring presents an opportunity to refresh the mix of people coming through the door every morning. Over two-thirds of our sample say they factor diversity into their hiring practices, yet just under half disclose any numbers on new hires and only 41% have programmes in place to increase diversity in recruitment (Figure 18). Scores on recruitment criteria are the lowest of our six categories, ranging from zero to 54%, with more than half of our sample scoring zero.

## Start as you mean to go on

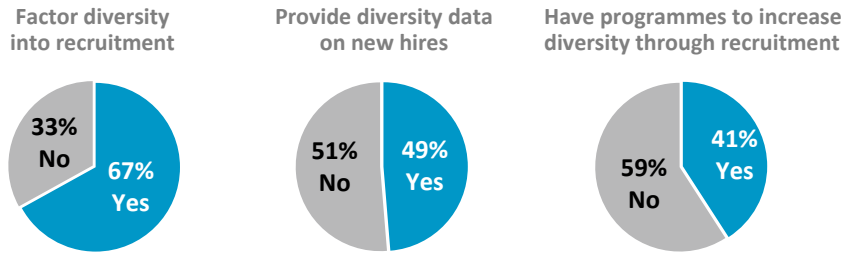
The graduate intake forms the base of the pyramid upon which the talent pipeline is built, so it is important for an organisation to start out as it means to go on. We have already seen in this report that improving gender balance at senior levels is where most companies are focusing their attention, and there is a general conceit that the majority of the industry start out at a gender ratio of 50:50. But we have little evidence of that. Only 12% of our sample disclose gender ratios for graduates (Figure 19), and even fewer disclose how many hires or management hires are women, an ethnic minority or have a disability.

## Types of recruitment programmes

Figure 20 shows us the areas of focus for recruitment. Gender, ethnicity and disability were the most common, but even then were only disclosed by a small minority of the sample. It is encouraging to see a handful of companies discussing non-traditional recruitment paths with programmes targeting people from different socio-economic backgrounds and those who have served in the armed forces. Returnships also tap into a valuable talent source in those who have left the industry for a few years (often women caring for children) and seeking to return.

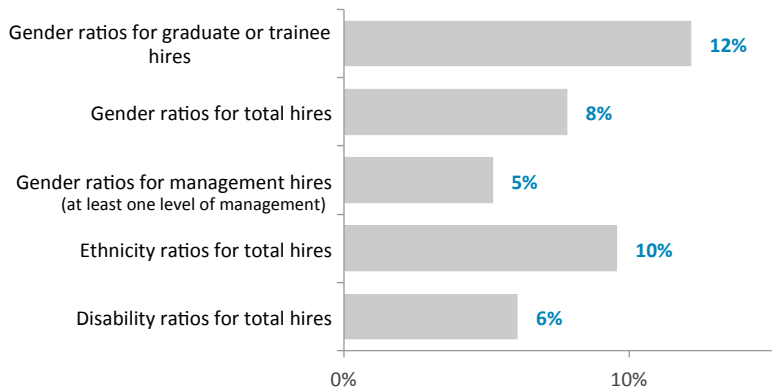
**Fig. 18 Talking the talk vs walking the walk in recruitment**

% of organisations that disclose whether they:



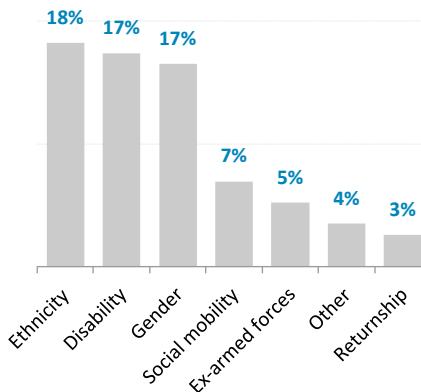
**Fig.19 Breaking down the numbers for new hires**

% of organisations that disclose data for recruits by gender, disability, ethnicity



**Fig. 20 Recruitment programmes by type**

% that disclose programmes aiming to recruit from specified groups



**Fig. 21 Top firms for diversity in recruitment**

Top firms ranked by disclosure score on recruitment criteria

Rank	Name	Score
=1	Allen & Overy Norton Rose Fulbright	54%
3	Shearman & Sterling	42%
=4	Goldman Sachs, Herbert Smith Freehills, JP Morgan Chase	38%



## Measuring change over time

Possibly the most powerful signal companies can send to underline their commitment to diversity is how their numbers are changing by disclosing historical data. However, only 43% of our sample disclose any diversity data in the context of comparable figures from previous years (Figure 22).

Our track record category consists of seven criteria – three are related to gender; three to ethnic minorities and one related to staff with disabilities. The range of scores is from zero to 71%, with nearly 60% of the sample scoring zero.

While over half the organisations in our sample disclose the percentage of women in their total workforce, less than one third give an indication of how that has changed since the previous year (Figure 23). The gap is even larger for women in management.

If there is no comparable data disclosed year-on-year, either companies aren't recording this information or they are choosing not to disclose it. Without such data, there is no means of monitoring progress to identify where problems may lie or work out which solutions may be working and which aren't.

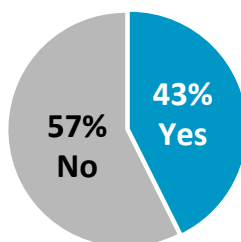
Not disclosing that data, even if it paints a depressing picture, shuts down a very important discussion about whether the dial is shifting, and if not, why not.

It is important to remember none of the challenges that the capital markets industry faces to improve diversity are unique. Nor are these issues that can be easily resolved at company or even industry level.

A set of data that is consistent, comparable between peers, between sectors and over time will help identify nuances which are sector-specific and areas where blunter policies can be applied successfully. It can inform the debate from a solid foundation of facts.

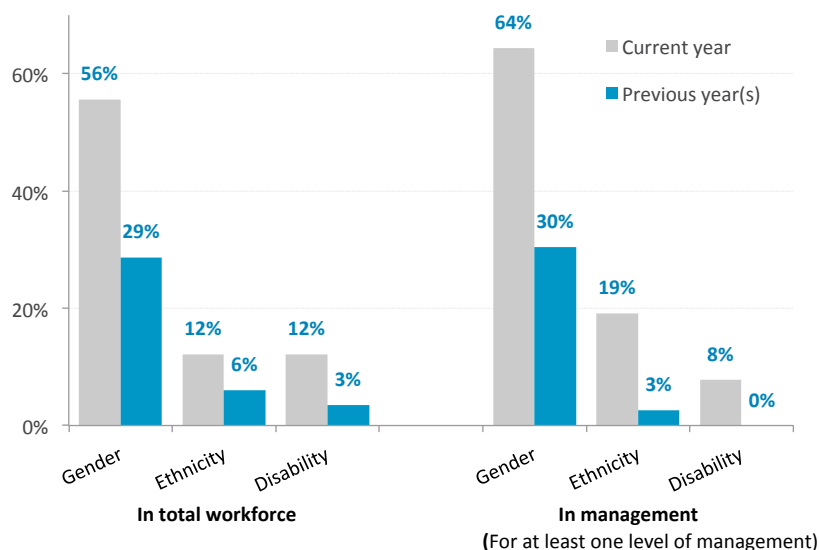
**Fig. 22 Disclosing a track record**

Organisations in sample that publicly disclose any historical data on workforce diversity, %



**Fig. 23 Evidence of shifting the dial (or not...)**

% that disclose ratios by diversity type for the current year and previous year(s)



**Fig. 24 Top firms for disclosure of track record**

Top firms ranked by disclosure score on track record criteria

Rank	Name	Score
1	Lloyds Banking Group	71%
=2	F&C Asset Management, Intesa Sanpaolo, Natixis Asset Management	57%
=5	Banco Santander, Bank of America Merrill Lynch, Barclays	43%

## Setting targets

Going public with targets sends a very clear message to staff internally, to rivals and peers, to governments and policymakers. It is a clear statement of intent and commitment to make changes that will lead to a desired outcome.

Of the six categories of disclosure we looked at for this report, setting targets had the highest count of zero scorers. Just over a quarter of our sample publicly disclose that they set any type of diversity target.

In an industry that is dominated by performance, numbers, data, metrics, and targets, it is inconceivable that the majority of the organisations in our sample aren't setting any targets at all. It is far more likely that they are choosing not to disclose them.

Talking openly about targets could diffuse the ever-present threat of quotas imposed by governments or the European Parliament. Many (but not all) organisations in our sample currently have the flexibility to set targets in the context of their individual starting points and circumstances without being dictated to by legislation. But that might change if policymakers do not see movement in the right direction.

## Gender dominates targets

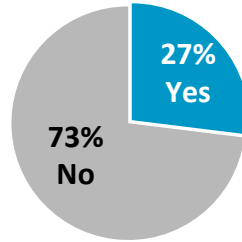
Most of the targets that companies set are related to gender (Figure 27). Of those in our sample that did set targets, 90% have a target for women in management positions, while only 13% set non-gender targets.

## Hitting deadlines

It is encouraging to see that when companies do set targets, they are making themselves accountable. Of those in our sample that did set targets, 84% also set a deadline for achieving it (Figure 27).

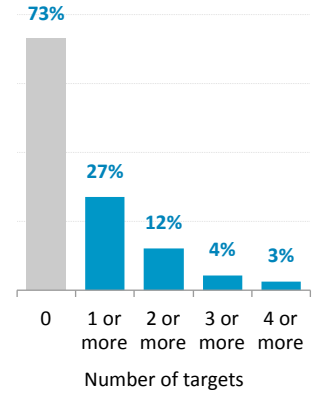
**Fig. 25 Target seekers**

Organisations that publicly disclose any diversity target, %



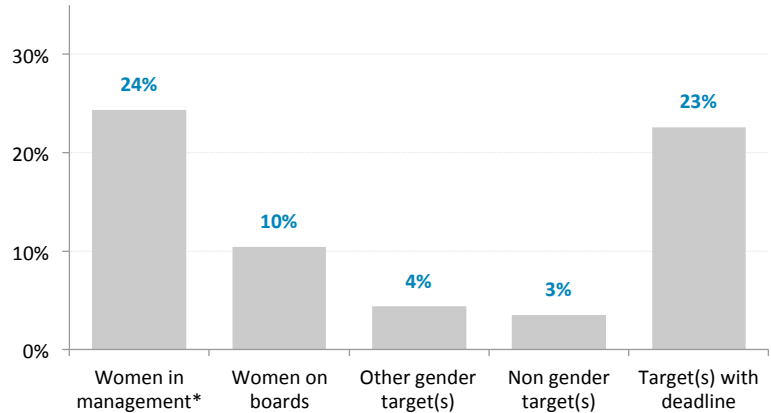
**Fig. 26 Number of targets**

% of organisations disclosing targets



**Fig. 27 Different types of targets**

% of organisations that disclose the following types of target  
\*excludes board



**Fig. 28 Top firms for disclosing targets**

Top firms ranked by disclosure score on targets criteria

Rank	Name	Score
=1	Bank of England, De Nederlandsche Bank	88%
=3	Deutsche Börse, DLA Piper UK	63%
=5	Allianz Asset Management, Ashurst, Barclays, Commerzbank, Lloyds Banking Group, State Street	50%

# APPENDIX: SCORING CRITERIA

Below is a list of the 57 criteria we used to score diversity disclosure across our six areas of focus. These criteria were largely dictated by disclosure by the companies in the sample rather than our preconceptions of what we would like to see, as our starting point for this research was what companies currently tell us about their approach to diversity. Each criterion was scored 1 for yes, 0 for no. The total scores for each of the six sections were then converted to a percentage, and the six percentages were then averaged to give the overall score for each organisation in the sample.

Criteria	% of sample that disclosed
<b>Workforce data (12 criteria)</b>	<b>%</b>
% of women in total (or regional) workforce	56
% of women on board	35
% of women on executive committee	17
% of women at least one other level of management	64
% of women at 2 or 3 other levels of management	47
% of women at 4 or more other levels of management	22
Pay data broken down by gender	4
% of ethnic minorities in total (or regional) workforce	12
% of ethnic minorities at least one level of management	19
% of ethnic minorities at least one level of management with breakdown by ethnicity	10
% of total (or regional) workforce with disabilities	12
Any other diversity-related workforce data	40
<b>Track record (7 criteria)</b>	<b>%</b>
% of women in total (or regional) workforce for previous year(s)	29
% of women at different levels of seniority for previous year(s)	30
% of women promoted by level of seniority for previous year(s)	10
% of ethnic minorities in total (or regional) workforce for previous year(s)	6
% of ethnic minorities at different levels of seniority for previous year(s)	3
% of ethnic minorities promoted by level of seniority for previous year(s)	1
% of total (or regional) workforce with disabilities for previous year(s)	3
<b>Targets (8 criteria)</b>	<b>%</b>
Any diversity target with a deadline	23
A target for women on boards	10
A target for women in management	24
Other gender targets (e.g. total female hires or graduate/ trainee hires)	4
Any non-gender diversity target	3
Has 2 or more targets	12
Has 3 or more targets	4
Has 4 or more targets	3

Criteria	% of sample that disclosed
<b>Initiatives (10 criteria)</b>	<b>%</b>
Any gender diversity initiative(s)	52
Any initiative(s) for employees with disabilities	23
Any initiative(s) focussed on ethnic minorities or different cultures	19
Any initiative(s) for LGBT employees	12
Any initiative(s) to encourage social mobility	9
Any initiative(s) for ex-armed forces employees	5
Any initiative(s) to increase diversity in management	48
Any initiative(s) to encourage work/life balance	43
Any unconscious bias or diversity training initiative(s)	20
Any other diversity-related initiative(s)	8
<b>Networks (7 criteria)</b>	<b>%</b>
Any network(s) for women	40
Any network(s) focused on ethnic minorities or different cultures	27
Any network(s) for LGBT employees	33
Any network(s) for parents/carers/family balance	17
Any network(s) for disabled employees	12
Any network(s) for ex-armed forces	5
Any network(s) focused on faith/religion	9
<b>Recruitment (13 criteria)</b>	<b>%</b>
Any initiative(s) to increase gender diversity	17
Any initiative(s) to increase ethnic diversity	18
Any initiative(s) to hire employees with disabilities	17
Any initiative(s) to hire ex-armed forces	5
Any initiative(s) to encourage social mobility through recruitment	7
A returnship programme	3
Any other diversity-related recruitment initiative(s)	4
% of female hires	8
% of female graduate or trainee hires	12
% of female hires for one or more levels of management	5
% of hires from ethnic minorities	10
% or number of hires with a disability	6
% or number of hires by any other diversity characteristic	6

New Financial believes that diversity in its broadest sense is not only an essential part of running a sustainable business but a fundamental part of addressing cultural change in capital markets.

As part of our aim to move the diversity debate forward, we host seminars and workshops on different aspects of diversity, and we publish surveys and research.

If you have any feedback on this report or are interested in taking part in our events programme, please contact:

Yasmine Chinwala

[yasmine.chinwala@newfinancial.eu](mailto:yasmine.chinwala@newfinancial.eu)

+44 203 743 8268

## 10 suggestions for debate

Diversity disclosure could be an important step towards improving diversity in European capital markets. This report is the starting point for a discussion about what information is most useful for companies to disclose that is comparable between peers, between sectors, over time and is not onerous to collate and publish. Here are some suggestions raised by our findings to feed into the debate:

1. Every organisation, big or small, has to decide whether it genuinely believes in diversity, and if so, why and what resources to commit to improving the situation. These are fundamental questions, and our research shows that the answers cannot be taken for granted.
2. Public disclosure is important as a statement of intent – to acknowledge that the capital markets industry is starting from a difficult position but wants to change, is capable of change, and how it plans to make those changes – without waiting to be told what to do by regulators.
3. Collaborating to produce a clear, consistent data set for the industry that is comparable between peers, between sectors and over time will help inform the debate around diversity based on facts rather than relying on anecdotal evidence. This data will open up difficult discussions that need to take place.
4. Disclosure shouldn't just be about the numbers – organisations could also commit to narrative reporting around what is being done to improve their numbers and to share ideas around networks and initiatives to improve best practice across the board.
5. Capital markets participants are not alone in the challenge to improve diversity disclosure, and can learn from other sectors, such as the disclosure initiatives from the US technology firms and UK-regulated law firms.
6. Those in a position to set an example should do so. Regulators and central banks are perfectly placed to lead the discussion on diversity disclosure and engage the industry, without resorting to legislation.
7. There are companies willing to face up to the challenges and opportunities of being a first mover on diversity disclosure. If one firm – or a small group – is willing to be brave, peer pressure will convince others to step up.
8. Companies would benefit from spending time and resources on normalising a culture of self-reporting among staff. This would expand the dataset beyond gender to include ethnicity, disability and sexuality as well as social mobility and faith, which are moving up the political agenda.
9. While group level data is a first step for many companies, the biggest organisations ought to consider breaking down disclosure by their main business lines to give a fuller picture of differences between sectors.
10. If companies apply the rigour of data analysis that is customary in product development, sales and marketing to their own people data, they can better monitor diversity and inclusion practices and assess what is and isn't shifting the dial.