

Winning the war on talent: setting the cultural standard for women in fintech

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Introduction

Diversity goes hand in hand with a healthy workplace culture. In a male dominated industry such as fintech, women are systemically underrepresented despite the increased focus on inclusivity and diversity.

Silicon Valley tech giants aren't just famous for the products they create but also for the work culture they promote. With sleeping pods, table tennis, massages, cleverly thought out office spaces and provided lunches, it's become clear that stuffing people into grey office cubicles for 8 hours a day doesn't actually serve companies. There is a better way.

The art of human resources and culture management is complex. Despite the merits of a business, office culture can make or break a business. Take for example the pull back from revolted investors after the culture at AMP came under scrutiny in 2020 when the central figure of a sexual harassment allegation was promoted. The Company's share price quickly tumbled but most significantly, its credibility was left in tatters as customers led the mass exodus alongside staff and shareholders.

Diversity goes hand in hand with a healthy office culture. A raft of statistics show that diverse companies actually perform better, hire better talent, have more engaged employees and retain workers better than companies that do not focus on diversity and inclusion.

Both the technology and finance fields have a reputation for being the two least diverse industries that are male dominated. Females are underrepresented in the fintech user base as well as in fintech leadership roles and workforce.

"It starts to look like an industry founded for men, run by men, making products for men", writes Louise Brett, Head of Fintech at Deloitte.

A recent study by Harvard Business Review revealed that only 30% of the fintech workforce is female and 17% of senior management roles are held by women. "It gets even worse when we look at founders of FinTech companies. A quick run through of the founders of companies selected for the FinTech 50 reveals 118 men, and just six women. That's just over 5%," Brett laments. She posits that fintech companies need to wake up to the "power of the female purse" in buying decisions and implement innovative solutions to the gender imbalance throughout the industry.

Rise in female investors

Women represented 45% of all new investors in the last 12 months¹. With the number of women entering the stock market on the rise, companies must consider the changing investor population.



"What are you doing about gender diversity?"

"By simply asking the question of the management team, even if that's all investors do, the question has a cascade effect because it forces companies to face up to the issue."

- Alexis Rouch, Chief Technology Officer
at Class Limited

The Australian Stock Exchange's 2020 Investor Study details the lay of the land revealing who is investing, when and how. The study reported that in the last two years there has been an influx of younger investors, approximately one quarter of recent new investors were between the ages of 18 and 24.

The micro investing apps, podcasts with pink branding and 'finfluencers' splashed across Instagram have all served as a springboard for more and more women to enter the market.

Improved financial literacy and understanding coupled with the tendency for women to be engaged with lower paying employment and have longer career breaks than men has made women prioritise financial security rather than wealth accumulation.

Companies need to be attentive to who is making up their investor base, ensuring that their culture, board and practices are considerate and encouraging of women.



Resources for new investors

- The [ASIC MoneySmart](#) website is a great place to start. Modules on the site guide you through the basics of investing and can help you find a financial advisor.
- The [ASX Investment Tools and Resources](#) web page is a comprehensive education centre with short, online courses, webcasts, glossaries and a share market trading game, allowing you to learn the ropes without real money.
- [The Sentiment](#) news website is a credible source of information and expert opinion on ASX listed companies.
- [The Australian Investors Facebook group](#) is a community of investors sharing opinions and resources on the share market.

Tackling the diversity issue

Transformation takes all hands on deck, across all levels of a business. Few companies understand this like Class (ASX: CL1), a fintech company that creates software to simplify back office operations for the accounting and financial services sector.

Recognising the need for diversity, Class is spearheading the change. Their 'Reimagination Strategy' expands beyond business planning. CEO of Class, Andrew Russell says "Our approach has been to re-energise the business in terms of culture and innovation and attract new talent into the organisation."

At their 2021 Investor Day, Russell proudly reported that female employment is up 41% from FY19, with women representing 52% of the Class workforce. "We have invested in our people. The Class culture is strong and we pride ourselves on being able to attract world Class talent. We pride ourselves in aligning behind our core values and ways of working", he said.

Jacqui Levings is the Chief People Officer at Class. Her 20 years of expertise spans across a range of industries where she has been responsible for executing organisational-wide transformation through her people first approach.

"We understand that our ability to deliver on our Reimagination strategy is underpinned by a world-class culture and highly engaged talent that deliver great business outcomes," Levings said. "Diversity adds colour to life at Class and we are proud of our talented and diverse team. We believe that the wide array of perspectives that comes from diversity sparks innovation and creativity. Fostering this diversity makes us more agile, flexible and productive."



Company: Class Limited

ASX code: CL1

Headquartered: Sydney, Australia

www.class.com.au



In the last year, Levings has overseen a number of new initiatives to enable her vision for the business.

“Whilst gender is just one facet of diversity, it is a very important one. In 2021 we achieved a significant milestone being equal female representation across Class with 52% of our population being female. We are also building our pool of female leaders with 35% of leaders within Class are female.”

Making work better for everyone

In 2021 Class delivered a number of diversity inspired initiatives each with unique aims. Families@Class is a program designed to support new and expectant parents at what is the most exciting and challenging time in their lives. Levings is proud of the program.

“We wanted to create something to support our people in their journey through parenthood. We launched our Families@Class Hub to provide our people with access to a range of information, resources and support tools.

“We additionally partnered with the Gidget Foundation to launch the ‘Empowered’ return to work program which supports our people in their transition back to work from parental leave.” Class boasts a 100% return rate for employees who have taken parental leave.

The Company has also invested in employee education with their Learning@Class framework. The program offers a range of professional development experiences to build the capability of their leaders and high potential talent.

Class has embraced the flexibility of at-home and in-office work to develop Hybrid@Class.

“Over the past year, through a blend of return-to-work trials and regular feedback from our people, Class has transformed to adopt a ‘hybrid way of working’ model to pay respect to individual needs, work type, priorities, operational requirements,” Levings said.

“We work in close partnership with our leaders and people to encourage meaningful conversations about work-life blend and how Class can best assist their unique needs.”

Class has the empirical data to prove that employees are grateful for the flexibility, their eNPS score collected from flexibility related questions in an internal employee survey was +56 in October 2020, up from -1 in May 2020.

Diversity Initiatives at Class

	1	2	3	4	5
	Recruitment	Benefits	Leadership	Learning	Network
Initiative	Gender Neutral Job Ads	Families@Class Launch + Partnership with Gidget	Inclusive Leadership Training	Class Extraordinary Leader & Performer Programs	Class 'POWWOW' Network Group
Aim	Using Gender Decoder, widen our talent pool by designing female friendly job ads	Support our people in their journey through parenthood	Raise awareness of unconscious bias with our leaders	Increase female representation at Class learning programs	Build support network of Class females to share ideas, experiences, articles & podcasts
Outcome	60% of new hires in this reporting period were female	100% Return rate to date for employees who have taken parental leave	34 Leaders attended the externally facilitated training	53% of attendees to a Group Program were female	93 Subscribers to Class POWWOW group

Pandemic presents opportunity for culture change

The pandemic was tough on everyone. Jacqui Levings noticed the shift at Class during this time and saw an opportunity to improve the lives of employees. "2020 saw a rise in mental health issues related to COVID-19 and long-term remote work. Class shifted to 100% remote work, and quickly recognised the need to support our people's wellbeing to maintain connection, productivity, and engagement.

This led to the launch of Wellbeing@Class to create a positive, healthy workplace and a culture of wellness at Class. Wellbeing@Class is our holistic wellbeing approach under four pillars."

The four pillars of Wellbeing@Class:



Mental: reducing the stigma of mental health.

Class offers a 100% confidential, 24/7 telephone-based counselling service to employees and their families. In 2020 during the emerging COVID-19 crisis, they additionally offered this service to their clients.



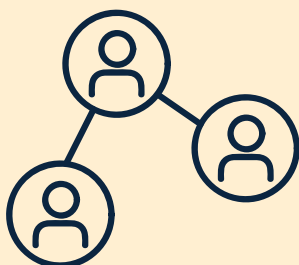
Financial: supporting our people to gain financial freedom

In 2020 Class partnered with Findex to run multiple financial education sessions for their people. The partnership also included Class funded financial advice sessions with a Findex advisor.



Physical: promoting physical health to support mental health

Class holds regular team fitness challenges to cater for the different needs of their people. Throughout the year Class sponsored memberships to a range of health programs such as step challenges, nutrition advice and group sessions.



Social: maintaining healthy relationships and connections

Central to wellbeing is maintaining a sense of social connection. During the pandemic, Class kept teams connected through monthly virtual social events and dedicated Slack channels.

Women on Boards

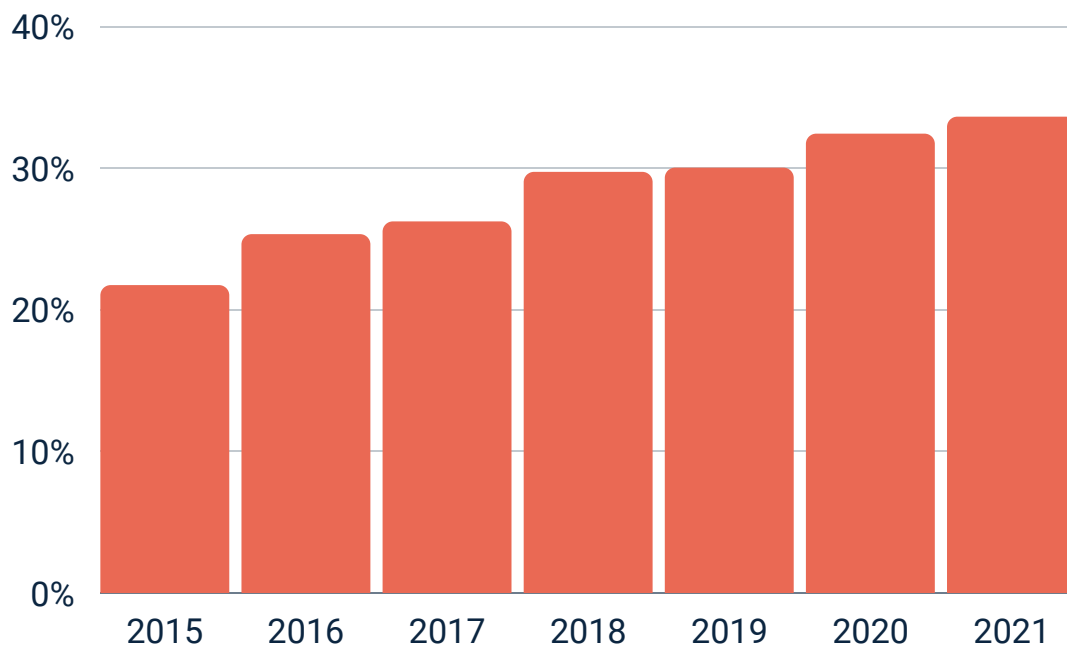
Women are chronically underrepresented on company boards with just 10% of chair positions on boards of the ASX200 companies being held by women².

According to the Australian Institute of Company Directors as of July 31, 2021, the latest percentage of women on ASX200 boards is 33.5%, up from 32.4% last year². Appallingly low as it may seem, a mere 11 years ago women held just 8.3% of director seats on ASX200 boards², so progress is being made, albeit slowly.

Things are similar in the ASX300 pool, with the latest percentage of women on boards at 31.8%². 2 ASX200 companies and 10 ASX300 companies still have no women on their boards².

Percentage of female directorships on ASX200 boards

According to the Australian Institute of Company Directors



33.5%

The latest percentage of women on ASX200 boards

2

ASX200 companies without any women on their boards

43.8%

Percentage of women that have comprised new appointments to ASX200 boards

Reporters pointed out the disparate state of affairs in February 2020 when the All Technology Index was introduced to the ASX. Of the 46 companies originally included, 8 companies' boardrooms were entirely male³. The Index was designed to highlight the increasingly productive Australian tech sector however, the grouping unintentionally highlighted a major issue in the industry.

The lack of female leadership on company boards is indicative of a more systemic problem within the corporate echelons and one that requires more attention. Organisations like The 30% Club, Women on Boards and the Australian Institute of Company Directors are advocating for more diverse boards.

This issue however, is embedded in our education system with the overall uptake of science, technology, engineering and maths (STEM) subjects amongst women remaining low despite 75% of the fastest growing occupations requiring STEM skills⁴.

Only 38% of children studying advanced maths at school are girls⁵. Research indicates that girls are 25% less confident at maths compared to boys, affecting results and hindering uptake of the subject⁵.

Foundational issues and gendered gaps in the education system are the leakiest point of the pipeline in progressing women into the boardroom of tech companies.

Companies with more than 30 percent women executives were more likely to outperform companies where this percentage ranged from 10 to 30, and in turn these companies were more likely to outperform those with even fewer women executives, or none at all. A substantial differential likelihood of outperformance—48 percent—separates the most from the least gender-diverse companies.

-McKinsey, May 2020

Class includes women across all levels of management. Kathryn Foster and Nicolette Rubinsztein are two non-executive directors on the board. At C-level, the Company has Chief People Officer, Jacqui Levings and Chief Technology Officer, Alexis Rouch.



Kathryn Foster

Independent Non-Executive Director



Alexis Rouch

Chief Technology Officer



Nicolette Rubinsztein

Independent Non-Executive Director



Jacqui Levings

Chief People Officer

Rouch is particularly passionate about levelling the playing field for women in tech. Having worked around the world in consultant roles before finding her way to the CTO position at Class in 2020, Rouch describes hers as a lived experience with the scars to prove it. “Pursuing tech was a deliberate choice to get into a growing industry. I could see that was where the future was going. It’s a tough gig but I really got my grounding in consulting both here and in interim exec work overseas. It really does build your resilience.

“As a young female in a very male dominated field, not just tech, but initially telecommunications and then financial services, I’ve been the only woman in the room more times than I can count. It’s intimidating and a huge part of the challenge. I vividly remember going into a C suite interview and having my value questioned immediately. I’d get that a lot.”

Rouch is painfully aware of why more women aren’t in these leadership positions, “The biggest obstacle for women on the career ladder is the broken rung which is the first step to get to management level. It’s not just perpetuated by the inherent biases in our processes for how we promote people but it’s also the fact that women will often take time out of the workforce to start their families at the time when they would be moving towards that first set of promotions. Research shows that after that initial drop-off it’s really hard for women to ever make up that time.”



"I read a study by the UN on the status of women that said if we keep going the way we are going it will take 217 years to get parity, so for me, I really see the value in interventions to actively try and change the landscape."

Having joined the executive leadership team at Class last year, Rouch is proud to be a part of the company with their stellar diversity initiatives. "I've worked in lots of different environments, from big corporations to small start-ups each with their own interesting cultures. I would say that Class is the most genuinely inclusive company that I've worked in. We really try hard to create an inclusive culture that allows everybody to flourish. I am super proud of how diverse our cultural base is at Class and that starts at the top."



The many complexities of being a woman in the fintech space are tough to tackle. Talking is a start, with awareness rising and investors just asking the question, hopefully more companies will look inward at their own cultures, leadership teams and processes to eliminate bias and work towards a more diverse organisation. Class is setting the pace for fintechs worldwide with their culture nurturing initiatives, supporting women at all levels and ultimately, creating a more robust, inclusive business set to perform.

Acknowledgements

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