



# Themes & Takeaways from CBA LIVE 2023

The importance of leadership is well-established; during times of volatility, strong leadership becomes even more crucial. This was the topic du jour at the Consumer Bankers Association (CBA) LIVE 2023. Russell Reynolds Associates' panel discussion at the event examined this point through the lens of equity and inclusion. Regardless of an organization's specific Diversity, Equity, & Inclusion (DE&I) initiatives and strategies, most efforts will falter and eventually fail without the right leadership.

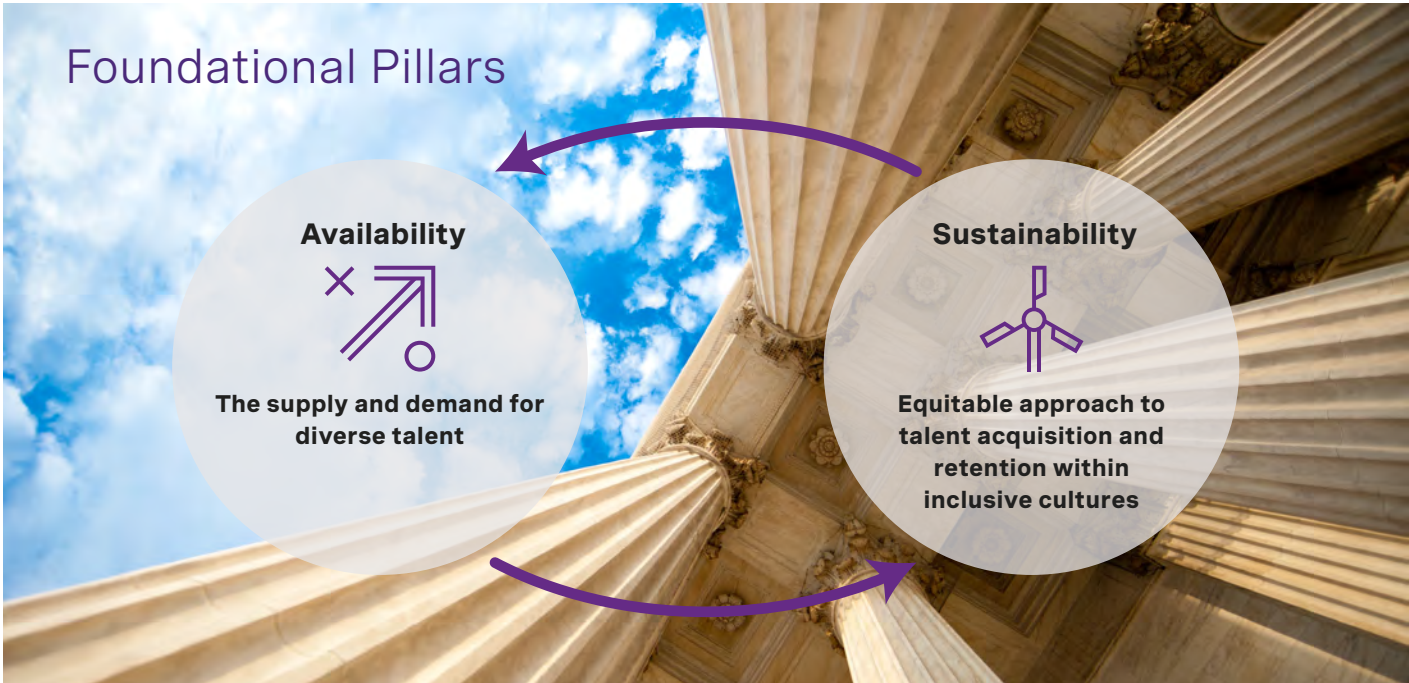
# Most banking leaders feel unprepared to address DE&I effectively

Over the last two decades, the amount of women on boards and in C-suite roles within global financial services has increased 91% and 72%, respectively.<sup>1,2</sup> Since the end of the financial crisis, Asian, Black, and Hispanic/Latino senior-level management representation all increased by over 33%.<sup>3</sup> Despite these gains, 87% of banking leaders feel unprepared to address DE&I effectively.<sup>4</sup>

Additionally, a leaky leadership pipeline haunts many financial services companies. Our research reveals [53% of banking executives say they are likely to move to another employer](#) today, and 34% of banking flight risks agree that senior leaders in their company show a bias or favoritism towards employees who are like themselves.

# Foundational pillars for ensuring inclusion

While these findings paint a dire picture, there are proven strategies for leaders looking to address these inequities. Learnings from CBA LIVE 2023 - as well as RRA's market experience - indicate that, by focusing on the foundational pillars of **availability & sustainability**, leaders and their companies can ensure equity for underrepresented talent by developing sustainable, inclusive cultures.



# Banks are leveraging technology to improve DE&I outcomes



We look at predictive analytics, beyond the 'vanity metrics,' which is when you measure to look at results, instead of using the power of data & analytics and technology to look forward in a deeper way."

- Chief diversity officer for a large global bank

Banking organizations are leveraging data-driven results, including **artificial intelligence (AI) & predictive analytics**. For example, a US-based regional bank with \$100B in assets recently embedded [Eightfold AI](#) to analyze job specifications and, ultimately, assess the potential of next-generation leaders. A growing number of banks are intentionally using data-backed psychometric assessments, competency-based interviews, and modern technology to establish a diverse pipeline. While the use of AI in hiring is a [nuanced topic](#), it's important to understand that banks are currently leveraging it.



We use data to get at the root of challenges around the career journey, identifying when the critical career moments are and focusing on leadership programs, leading to a higher promotion, retention, and success rate."

- Senior human resources business partner, US regional bank

## Four tangible ways to bring an equitable approach to leadership pipelines

Realizing talent from underrepresented groups have unique needs and set of challenges offer leaders opportunities to create new and innovative pathways that create more welcoming and inclusive cultures. These new pathways allow executives to assess potential - not simply experience - in order to develop fuller talent pipelines, both internally and externally.

RRA provided the following blueprint for financial services leaders looking to improve their organization's inclusion practices:

1. **Build a forensic understanding of your internal pipeline:** Knowing where to start requires a better understanding of where diverse talent sits within your organization, and at what level they begin to struggle to progress.
2. **Assess potential, not just experience:** By using data-backed psychometrics, competency interviews, and 360 feedback to assess potential, you can look beyond experience in select roles to identify the behaviors and capabilities that underpin future success.

3. **Supercharge development for emerging leaders:** After identifying high-potential leaders, it's important to develop them in the right way. Human resources and leadership & development teams should create development programs that focus on building business exposure and experience.
4. **Be intentional about your c-suite sponsorship agenda:** Education and training for sponsors can help them connect deeply with those who don't share their background by showing them how to practice courage, vulnerability, and curiosity.



There is a lot of work to do to ensure equity across all hiring practices and the establishment of inclusive cultures. Our goal is not to be doing this panel 20 years from now."

- **Robert Voth**

**Russell Reynolds Associates, Chicago**

Improving results to perfect DE&I in financial services cannot happen without the right leadership using the right tools. By adopting best practices in DE&I, driving intentional change, and engaging with the company as a whole, leaders can be successful in creating a sustainable pipeline of diverse, top talent to always be prepared for what's next.



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# Sources

1. Oliver Wyman, Women In The [Financial Services Workforce 2020](#)
2. Deloitte, Women In [Financial Services 2021](#)
3. U.S. Equal Employment Opportunity Commission, Job Patterns For Minorities And Women In [Private Industry](#)

# Acknowledgements

The authors wish to thank the attendees of RRA's CBA LIVE 2023 event panel, "DE&I Perfected - Right Initiatives & Improved Results." [RRA Analysis, Global Leadership Monitor Q4 2022](#)

# About Russell Reynolds Associates

Russell Reynolds Associates is a global leadership advisory firm. Our 600+ consultants in 46 offices work with public, private and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today's challenges and anticipate the digital, economic and political trends that are reshaping the global business environment. From helping boards with their structure, culture and effectiveness to identifying, assessing and defining the best leadership for organizations, our teams bring their decades of expertise to help clients address their most complex leadership issues. We exist to improve the way the world is led.

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