

## In Banking Crisis, Guys Get the Blame

*More Women Needed In Top Jobs, Critics Say*

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LONDON, Feb. 10 -- Fred, Tom, Andy, Dennis, Eric, John, Stephen, Antonio and Paul ran British banks that lost billions of dollars.

So they have been called in for a grilling by Nick, Graham, Colin, Jim, Stephen, Michael, Andrew, George, Mark, Peter, three Johns -- and a single, solitary Sally.

The interrogation of the lions of British banking, many of whom have lost their jobs, began on live television Tuesday before the financial overseers of Parliament's Treasury Select Committee. And in line with the usual math of the financial world, 18 of the 19 key people in the room were men.

"Clearly, something needs to change," said Howard Archer, chief European and [U.K.](#) economist at IHS Global Insight in London. "You can argue that the men have made a right mess of it, and now the ladies should have a go."

As the global financial crisis deepens, the first rumblings of a gender revolution are underway in an industry long controlled by men.

Banks, hedge funds and other financial organizations that have led the international economy's downward spiral are overwhelmingly male-dominated. The regulators and legislators assigned to oversee the financiers are also mostly men.

"There are quite a lot of alpha males with testosterone steaming out their ears," said Stuart Fraser, one of London's top financial sector officials.

In Britain, women account for just 12 percent of corporate directorships of companies on the FTSE 100 stock exchange index, according to a group of major British business leaders who have called for "urgent action" to increase the number of women at the top levels of business.

In the United States, women hold 17 percent of the corporate directorships -- and 2.5 percent of the CEO posts -- in the finance and insurance industries, according to Catalyst, a U.S.-based nonprofit group that promotes opportunities for women in business.

"Maybe if we had some more women in the boardrooms, we may not have seen as much risk-taking behavior," said Hazel Blears, one of two female members of Prime Minister Gordon Brown's cabinet who weighed in on the gender debate here this week.

Harriet Harman, the minister for women and equality, blasted the banking world for "discrimination and harassment" against women, including a culture of using lap-dancing clubs for corporate entertainment.

Amid the debate about whether the financial crisis would have happened, or been as severe, if more women had been in charge, there are signs that more women will be taking part in the global rescue.

Iceland is leading the way. Since its humiliating economic collapse, the island nation in the North Atlantic has turned over key levers of finance to women. It now has a female prime minister, and women lead two of its major banks, replacing men who were blamed for crashing the institutions with reckless excess.

Prime Minister Johanna Sigurdardottir, 66, has vowed to exercise "prudence and responsibility" in government as she cleans up the male-dominated system that sank the national economy.

"Men, especially young men, made a mess of things," said Kristjan Kristjansson, the prime minister's spokesman. "There is a strong discussion that women would have taken a more cautious approach in the financial sector."

"You could call the financial sector almost like a men's club," he added.

Einar Mar Gudmundsson, an influential Icelandic writer, said in a phone interview from Reykjavik: "These financial vikings who made the country bankrupt were in a way like little boys playing with toys." He said he would like both men and women to be involved in reconstructing the nation's financial sector.

In [France](#), Michel Ferrary, a professor at the business school Ceram, recently conducted a study that concluded that French companies with the greatest percentage of women in management have performed the best during the crisis.

For example, he said in an interview, BNP Paribas bank, whose management team is nearly 39 percent female, has weathered the crisis far better than Credit Agricole, where management is just 16 percent female.

All-female banks are not the answer, he said. What is missing is gender balance. "Maybe if you have only women in a company, they won't take enough risk," he said. "If you have only men, maybe they will take too much risk."

John Coates, a researcher at Cambridge University who once ran a trading desk on Wall Street, recently conducted a novel survey that analyzed saliva from 17 male traders in London's financial district.

Coates concluded that traders made the highest profits when they had the highest levels of testosterone in their spit. The downside, he said, was that elevated testosterone also led to riskier behavior, a formula for disaster as well as profit.

"If you had more women on the trading floors, you would probably eliminate some of this instability," Coates said in an interview.

For three hours Tuesday morning, the first four bankers to appear sat in a row before the Treasury Select Committee, all wearing dark suits and blue ties. Five more are scheduled to testify Wednesday.

The four were among the most elite of British bankers: Tom McKillop and Fred Goodwin, who ran the Royal Bank of Scotland, and Andy Hornby and Dennis Stevenson of HBOS. One after another, under often hostile questioning from the lawmakers, the four apologized for presiding over bank collapses that have cost billions in taxpayer-funded bailouts.

The legislators accused the bankers of being "arrogant" and "in denial" about their personal responsibility for the crisis.

"It's an old boys' network," Sally Keeble, the committee's only female member, said in an interview after the hearing.

Keeble said she was most disturbed that the top echelons of British banking seemed to rely on a "cozy consensus of like-minded people" unwilling to listen to those who might challenge their views. Adding more women to the mix, she said, might help change "this macho culture" and "produce the possibility of more internal challenge."

"It's a closed culture that needs to be opened up," Keeble said.

John Thurso, another member of the committee that questioned the bankers Tuesday, agreed that more women in decision-making positions in the banks might have helped.

"If there were more women, there might have been more of a reality check," Thurso said in an interview. "They might have said, 'Hang on a minute, let's not bet the family's silver on that.'"

Many analysts noted that the financial industry has its share of risk-taking women and cautious men and said it was unwise to generalize. But there is considerable agreement that the industry's male-dominated culture needs reform.

Fraser, the financial sector official, favors a hard look at the criteria used in determining promotions, which he said tend to go to those who make huge short-term returns, often by taking large risks. He said risk-takers might not be the best suited to be at a company's helm, where someone is needed to safeguard a firm's long-term interests.

He said he suspected many more women would be promoted if the top jobs went to those who keep the long-term stability of the company in mind.

Morice Mendoza, editor of Women-omics, a Web site that promotes economic advancement for women, said the current man-made crisis provides an opportunity to create a greater "feminine voice" in business.

*Special correspondent Karla Adam in London contributed to this report.*