

# **Women in banking sector face a ‘double glass ceiling’, says study**

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Women in banking face a ‘double glass ceiling’; one when being promoted to management and another when being promoted to executive roles, according to new research from the SKEMA Business School Observatory on the Feminisation of Companies.

Although women make up 52% of banking sector employees globally, they average only 38% of middle managers and 16% of executive committees.

These are the findings of Professor Michel Ferrary’s ‘Gender Diversity in the Banking Industry’ report, which examined the female representation of 71 banks in 20 countries.

He says: “Women have long faced discrimination at work, yet what we are witnessing in the global banking sector is a ‘double glass ceiling’ effect, where of the 38% of women reaching middle management, far fewer are able to ascend again to executive roles.

“There are a number of possible reasons for this trend. Firstly, unconscious bias can be at work when men choose not to promote women. However, this seems like a lazy generalisation. One other industry theory that is arising is that women are more reluctant to put themselves up for executive positions, and so are losing out. Whichever is true, it is clear that women face discrimination throughout the entirety of their careers in banking.”

Boards of directors are more feminised than executive committees globally, usually due to government-imposed diversity quotas.

Ferrary says: “Scholars know that employing women on boards is beneficial to banks as it helps to mitigate risk. Studies unanimously show that women are less likely to gamble with assets and were noticeably absent from the worst offending firms during the 2008 financial crash. This is one of the reasons why many countries impose gender quotas on the boards of their prominent banks.

“Yet there are cultural disparities at a global level. For example, although banks in countries like Canada, France and Sweden, where the level of women on boards is 45%, score highly in this category, it is worth noting that Japan only boasts 12% of women on its boards of directors. This can often be explained by the cultural expectations of women and their distribution in the country’s workforce as a whole.”

## More Information:

Since 2007, the SKEMA Observatory on the Feminisation of Companies founded by Prof. Ferrary provides an analysis of gender diversity in large companies, at four levels of organization: board of directors, executive committee, middle management, and employees. Michel Ferrary is an affiliate researcher at SKEMA Business School and a professor of management at the University of Geneva. Among other publications, he published in 2010 in the CNRS journal ‘Work, Gender and Societies’, the article ‘Do women influence

the performance of companies?' And in 2013 the article 'Femina Index: Betting on Gender Diversity is a Profitable SRI Strategy' in the Corporate Finance Review.

The SKEMA Observatory on the Feminisation of Companies is part of the 'Women and business' Chair which aims to analyse and promote professional equality among women and men. As a business school committed to the development and training of future managers, SKEMA's ambition is to give the same professional opportunities to all its students.

#### About SKEMA Business School:

SKEMA Business School, with more than 8000 students worldwide and 40 000 graduates, is a global school which, through its research, its teaching programs, its international multi-site structure trains and educates talents needed by 21st century companies. From now on, the school is present on 6 sites: 3 in France (Lille, Sophia Antipolis, Paris), 1 in China (Suzhou), 1 in the United States (Raleigh) and 1 in Brazil (Belo Horizonte). SKEMA is accredited EQUIS, AACSB and AMBA. [www.skema-bs.fr](http://www.skema-bs.fr)

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