

Women in Management in the Financial Services Sector
in South Africa:
A Review of the Literature

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ABBREVIATIONS AND ACRONYMS

ABASA	Association for the Advancement of Black Accountants of Southern Africa
ABSIP	Association of Black Securities and Investment Professionals
Absip	Association of Black Securities and Investment Professionals
AWCA	African Women Chartered Accountants
Bankseta	Sector Education and Training Authority for the Banking Industry
B-BBEE	Broad-Based Black Economic Empowerment
BWA	Businesswomen's Association
CA	Chartered accountant
CEO	Chief executive officer
CV	Curriculum vitae
DPSA	Department of Public Service and Administration
Fasset	Sector Education and Training Authority for Finance, Accounting, Management Consulting and Other Financial Services
FSC	Financial Services Charter
ILO	International Labour Office
Inseta	Sector Education and Training Authority for the Insurance Industry
JSE	Johannesburg Stock Exchange
MBA	Masters in Business Administration
NQF	National Qualifications Framework
NSA	National Skills Authority
SAICA	South African Institute of Chartered Accountants
SARS	South African Revenue Service
SETA	Sector Education and Training Authority
SoE	State-owned enterprise
TOPP	Training Outside Public Practice
USA	United States of America
WSP	Workplace skills plan

EXECUTIVE SUMMARY

The need to correct racial and gender imbalances and to increase the labour participation of all population groups in the South African economy is widely accepted. Despite legislation and other measures to eradicate inequalities, the 2007 employment survey of the Financial and Accounting Services Sector (Fasset's Sector) showed an unequal distribution of women across the occupational groups in the sector. This report for Fasset, which is based on both an in-depth analysis of women in positions at managerial level in the sector and desktop research on the experiences of women in management, is set against this background.

Latest figures show that there are 21 265 women professionals and 5 920 women managers in the Financial and Accounting Services Sector (Fasset's sector). In respect of these occupational categories, women make up nearly half (48.0%) of all professionals and just over one third (34.0%) of all managers. Black women form 8.3% of managers and 19.0% of professionals in the sector.

Black women's representation at these levels across the financial services sub-sectors is, however, variable. The sub-sector that employs the largest number of women in management (799 black and 2 507 white) and professional (6 102 black and 9 303 white) categories is Accounting, Bookkeeping, Auditing and Tax Services. Only in the South African Revenue Service (SARS) and Government Departments sub-sector do black women outnumber white women at both manager level and professional level. Outside of government the most equitable distribution at management level is for Stockbroking and Financial Markets, with 45.4% of women managers being black. The most inequitable distribution between black and white women is in the sub-sector Activities Auxiliary to Financial Intermediation. Here white women make up 99.3% of women managers – with women managers, furthermore, representing 54.2% of all managers in the sub-sector.

An analysis of the National Qualifications Framework (NQF) levels of qualifications reveals that the largest proportions of both black (40.4%) and white (45.7%) women have

qualifications at NQF Level 7, demonstrating the largely professional nature of the sector. A greater proportion of black women (7.8%) than white women (6.4%) have qualifications at the NQF Level 8 and above. Taken together with the age breakdown, with the vast majority falling within the age group of 26 to 35, the data suggest that the factors necessary for sustainable increases in black women representation in management in the sector are in place.

An area of consideration for this report is the representation of black women in critical leadership positions in the sector. The South African Business Women's Association's Women in Corporate Leadership Census 2007 shows that only eight South African companies in the financial sector were included in the list of 51 companies with 25% or more board seats occupied by women in 2006. The company with the highest proportion of board seats occupied by women, Mutual and Federal Insurance Company Limited (30.77%), ranks only 24th on the list.

At an aggregate level compared with other sectors of the South African economy, the financial sector's transformation performance is above average. Behind the strong performance of the group of state-owned enterprises, the financial sector now has the greatest proportion of women at executive management level – the key supply pool for board members. Furthermore, this figure has increased from 16.7% in 2004 to 27.8% in 2007.

Of the 'big four' banks, only FirstRand Ltd has not yet reached the target of 4% of total senior management being African women by 2008. Considering the high representation of white, Indian and coloured woman in this company, this target seems attainable.

Thus overall, despite quantitative under-representation of black women at management level in the financial services sector, there are consistent and encouraging indications that this high-skills sector is transforming and, indeed, is doing well relative to other economic sectors.

Looking at South Africa's performance in respect of women in top management positions against the international picture, what quickly becomes evident is that the challenge of gender

transformation in this area is global. Transforming top management structures – which across all countries are dominated by men – continues to be a challenge, as women remain concentrated in certain sectors, professions and occupations. Through the influence of gender socialisation, women continue to make study and career choices that do not support promotion to leadership levels.

The term 'glass ceiling' refers to situations where the advancement of a qualified person within the hierarchy of an organisation is stopped at a lower level because of some form of discrimination, most commonly sexism or racism. The concept incorporates the idea that while legislation has done much to eliminate formal gender discrimination in workplaces, gender inequality has not vanished but 'gone underground' instead. It continues to linger in a range of work practices and cultural norms that only appear to be unbiased. The primary themes of the 'glass ceiling' concept are set out here.

Male domination of corporate cultures, especially at top management level, means that organisations are oriented towards the traditional role of men in society and characterised and perpetuated by promotions based on extreme working conditions; high levels of competitiveness; a bedrock of unbroken service; the demonstration of typically 'male' approaches to work; and a willingness to work within the current 'masculine' framework.

Masculine and male leadership are still considered to be the default forms. Women are viewed as 'atypical' leaders as the characteristics considered most valuable in leaders (assertiveness and being non-emotional) are at odds with the stereotypical 'feminine' image. Women leaders are often trapped in a 'damned if you do, damned if you don't' dilemma.

Inadequate access to role models, mentors and networks is a critical problem for women, and even more so for black women. These relationships are critical for individuals to gain access to, and be supported in achieving, the types of opportunities that lead to

promotion to top management. Because of the minority status of both women and blacks in top management, they are extremely disadvantaged compared with white men in respect of the quality and quantity of useful workplace relationships.

'Undesirable' feminine characteristics, from the perspective of a male-dominated corporate culture, include the fact that women are less confident in their own abilities, that they are considerably less driven by competition, and that they tend to be more risk averse than men. Furthermore, many women display a level of ambivalence towards promotion and top management because of conflicts between these opportunities and their quality of life.

A lack of adequate education and skills is another factor that affects many women on the road to the top. Gender socialisation results in many women choosing subjects and qualifications at tertiary level that do not support top management positions. Many also resist undertaking post-graduate education considering the overall cost-benefit ratio to be negative. Those women who do rise to executive management tend to do so through non-line functions such as HR, which are not considered to be the right training ground for Chief executive officers (CEOs).

Unintended consequences of affirmative action also play a role. Key among these are the issues of: 'tokenism' or including black women on teams without giving them responsibility; an undermining of individuals' ability to prove their capabilities on an equal footing; the creation of an unspoken hierarchy between those helped and those not helped by these policies; resistance and resentment of colleagues who are threatened by what they see as active discrimination; and the potential of complacency due to a sense of 'entitlement' among those assisted, reinforcing negative stereotypes.

Style compliance pressures are of direct relevance to black women. Many personal style factors related to speech, dress and hairstyles are considered by white males to be incompatible with management roles and a demonstration of poor leadership skills.

The term 'hidden brain drain' describes the phenomenon of high levels of attrition and turnover of professional women and women managers from the workforce predominantly at mid-career level. Closely related to the concept of the 'glass ceiling', the 'hidden brain drain' focuses somewhat more on the factors within male-dominated corporate cultures and workplaces that cause women to avoid or turn down offers for top jobs and/or willingly resign from these positions.

Substantiating the research into this area is the fact that evidence from the USA shows that 37% of highly qualified women voluntarily leave their career for a period of time, while 58% of highly qualified women take a variety of 'scenic routes', including reduced hours or flexible work options. The primary reason for this is that conditions within male-dominated corporate management structures do not allow women adequate flexibility to focus for a period on raising children while also remaining involved in a career. Being forced to choose, many women will leave their jobs. The major contributors to the exit of highly qualified women, particularly in their mid- to late 30s when the pressures of family and career ratchet upwards simultaneously are:

Extreme and inflexible working conditions often demand a 65-hour week and being 'on call' for virtually 24 hours a day. Jobs in top management, and along the ladder that leads to them, are considered to be incompatible with part-time and flexible working options, which women with families need, even if only for a while.

The gender pay gap - the evidence that women earn less than men on average and even sometimes for the same position – can now largely be accounted for by the long-term impact of women's child-bearing and child-rearing activities. Motherhood for professional women carries a 7% economic penalty per child.

Lack of domestic support is another contributor to the exit of highly qualified women. Despite being able to outsource some domestic and child-minding tasks, the social and economic costs of this support are high. Furthermore, black women often have domestic

and social responsibilities that stretch beyond their immediate family and into the extended family and community. No support is available for these responsibilities.

When considering the 'glass ceiling' together with the issues mentioned above, it is unsurprising that women's flight risk from careers is twice that of men and opportunities for promotion are not always accepted with unfettered enthusiasm.

A review of the literature reveals that these issues affect the International and South African financial services sector as much as any other traditionally male sector. In the UK, the financial crisis has placed a spotlight on the financial sector. The Equality and Human Rights Commission has launched an inquiry into systemic gender bias in the sector based on evidence of widespread gender discrimination. The purposes of the inquiry is to find out if the sectors' current difficulties are in part related to the structural and cultural way that institutions are organised and led, and what lessons in respect of diversity can be learned and applied to the rebuilding of the sector.

One cannot consider the issue of the appointment of women, and particularly black women, into top positions in a highly professional sector such as financial services, without considering the issue of the supply of skills into the pipeline. Dr Maname Magau – President of the South African Businesswomen's Association (BWA) argues this point clearly: "Companies need to enhance the skills of women in middle management positions to enable them to assume senior roles. Not enough is being done by companies to grow their female employees at junior and middle management levels – Corporate leadership does not exist in a vacuum. It develops from a base"¹.

The evidence presented by a review of the quantitative and qualitative information available regarding gender transformation of the top management of South Africa's finance sector, with a focus on the advancement of black women, reveals the points for consideration:

¹ Business Day Management Review, *Get in touch with the feminine side of business*, www.bwasa.co.za/Portals/4/dpcs/archive/article%20get%20in%20touch%20with.doc

- In comparison to other sectors in South Africa and internationally, the South African financial services sector is making notable progress in its gender-transformation efforts. Not only have the proportions of both women executive and non-executive managers increased substantially since 2004, in this category the financial services leads the private corporate sector.
- The advancement of black women into corporate management positions has been somewhat slower than that of white women, and is furthermore variable across sub-sectors. However, this must be seen in the light of a substantially larger and historically stronger pool of white women professionals. Evidence suggests that the pool of black women professionals for the sector is growing and that for the most part a sustainable supply is being created from which management and top management can increasingly be drawn.
- The issue of the 'glass ceiling' and the various forms of workplace inflexibility that lead to the phenomenon of the 'hidden brain drain' in the finance industry has received recent international attention due to the widespread devastating impact of poor decisions made over a number of years within the global financial services sector. The South African sector does not operate in isolation and despite the largely positive figures, women and particularly black women are to a smaller or larger extent subjected to these same challenges within this traditionally (and still largely) white male-dominated sector.

Although this research has not engaged directly with any women or black women stakeholders in the financial services sector in South Africa, some tentative recommendations can be made:

- Fasset should keep a close watch on the skills supply pipeline. Achieving a gender and demographic transformation of top management of the financial services sector will only be possible if there are sufficient numbers of black women entering and

graduating from the institutions that feed people into the types of professions from which management and particularly top management are drawn.

- While the use of affirmative action policies will most likely be necessary for quite some time to come, and particularly in reaching the 30% line that is considered critical for a minority group to achieve a mindset change, it is important that Fasset be mindful of the fact that pushing for too rapid a transformation in gender and race, particularly at top management level, is likely to have a host of unintended negative consequences. Aside from the impact on the sector's performance of forcing inadequately skilled women into these positions, resentment from colleagues and allegations of 'tokenism' are likely to increase, and negative stereotypes reinforced rather than destroyed.
- What will be of critical importance is that, concurrent with efforts to support the supply side, Fasset consider sensitising companies to the demonstrated link between diversity at top management level and corporate performance, as well as the real negative financial consequences of workplace policies that (even subtly) undermine the development and retention of particularly their skilled black women employees. Local research into the pervasiveness of the 'hidden brain drain' phenomenon in the sector may also be considered.
- In support of this, Fasset should make every effort to back up skills-development efforts for black women with linkages to formalised professional networks that can provide the support, role models and mentors that these women need to grow and succeed in their careers. Such groups include the Association of Black Securities and Investment Professionals (ABSIP), the African Women Chartered Accountants (AWCA) Forum, and the Association for the Advancement of Black Accountants of Southern Africa (ABASA).

- Finally, Fasset should consider the detailed findings and recommendations of the USA based study: *The hidden brain drain: Off-ramps and on-ramps in women's careers*, as well as the outcome and recommendations of the Equality and Human Rights Commission's inquiry into gender discrimination in the UK's financial sector when this becomes available.

1 INTRODUCTION

The need to correct racial and gender imbalances and to increase the labour-market participation of all population groups in the economy in South Africa is widely accepted, and measures to attain these objectives are entrenched in a suite of legislation and policies. In particular, this legislation proposes measures to deal with past discrimination against certain ‘designated groups’ – black people, women and people with disabilities.

Despite legislation and other measures to eradicate inequalities, the 2007 employment survey of the Financial and Accounting Services Sector (Fasset’s Sector) showed an unequal distribution of women across the occupational groups in the sector. Although the survey found that more than half (53.6%) of the employees in the sector were women, most of them were employed as clerical and administrative workers, while only a third (34.0%) of the managers in the sector were women. Only 8.4% of all managers were black women.

Against this background, Fasset expressed a need for a more in-depth analysis of women in positions on managerial level in the sector and desk-top research on the experiences of women in the sector and in similar professional positions in other sectors. The key questions addressed in the review of relevant literature included:

- What is a professional glass ceiling for women?
- What research exists on glass ceilings and upward mobility of women in professional careers and in particular the financial services professions?
- What factors are limiting a more equitable distribution of black women in top management in the financial services sector?

The structure of the report is as follows: Chapter 1 considers the gender-transformation agenda of the South African financial services sector by drawing attention to key pieces of legislation and policy. The next three chapters consider available data on the representation

of women at top management levels in the national financial services sector (Chapter 3), in the South African economy more generally (Chapter 4), as well as internationally (Chapter 5).

The following three chapters build on the quantitative information by moving the discussion to the factors that are highlighted in both national and international studies as being the underlying causes of widespread under-representation of women and blacks in top management. Chapter 6 considers the concept of the 'glass ceiling' – the often subtle forms of discrimination that prevent the advancement of minorities² into top management. Chapter 7 considers the factors that contribute to women managers and professionals choosing to leave their careers – a concept known as the 'hidden brain drain'. Finally, the intersection of race and gender discrimination, as it impacts on black women particularly, is the subject of discussion in Chapter 8.

Of extreme relevance to the South African context is the issue of skills supply. This is considered in Chapter 9. Chapter 10 refocuses the discussion on financial services, by highlighting some of the research that has looked at gender discrimination in the sector.

Finally, Chapter 11 pulls together what are considered to be the key discussion points arising from this study and presents recommendations for Fasset to consider in designing possible interventions to enhance the upward mobility of women, and particularly black women, in the sector in South Africa.

² In this report where the term 'minorities' is used, it reflects the use of term in the Western context, and refers to peoples of non-European origin. The term may, however, be used equally effectively in respect of particularly black women in management in South Africa as within this context they do still represent a significant minority group despite being a majority group of the national population.

2 THE GENDER TRANSFORMATION AGENDA

Since the start of democracy in 1994 the South African government has acknowledged the unique problems³ facing South African women in achieving equality in the labour force, and has put in place a suite of legislation designed to systematically eradicate the formalised discrimination of the past. Groups designated for promotion under this legislation include black people, women, and people with disabilities. Relevant legislation and policies⁴ include the:

- Employment Equity Act No. 55 of 1998
- Promotion of Equality and Prevention of Unfair Discrimination Act No. 4 of 2000
- National Policy Framework for Women's Empowerment and Gender Equality (2000)
- Broad-Based Black Economic Empowerment Act No 53. of 2003, along with related codes of good practice
- National Skills Development Strategy (NSDS) requires that skills development initiatives support 54% women, 85% black and 4% disabled.

Yet despite this, South Africa continues to grapple with all forms of discrimination, including gender discrimination, sexism and patriarchy. The 'triple oppression' of African women – in terms of race, gender and class - is still considered to be one of the main challenges facing our political and economic landscape⁵. Because of this, supplementary and, often, more specific legislation continues to be developed.

³ Including traditional ways of viewing gender relations and repressive customs and traditions; poverty in especially rural areas, which has systematically disempowered women in ways that will take generations to reverse; HIV/AIDS, which is perpetuated by the power imbalance between men and women; violence against women, particularly in the form of rape; unequal access to resources between genders in households; differential access to education and employment opportunities; and women's limited mobility in the workplace.

⁴ African National Congress, 2007, *Striving for gender equality in the labour market*, www.anc.org.za/show.php?doc=ancdocs/pubs/umrabulo/umrabulo27/art4.html.

⁵ S. Mabotja, 2008, *Breaking the glass ceiling, embracing gender equality*, http://www.tradeinvestsa.co.za/bee/bee_columns/725711.html.

For instance, in the public sector, *A strategic framework for gender equality within the public service: 2006-2015* released by the Department of Public Service and Administration (DPSA) in 2006, presents an upward revision (to 50%) of the previous target (of 30%) for women at senior management and higher levels within the public sector. The target date was set for 31 March 2009⁶.

In the financial services sector the *Financial Services Charter*, which states as a long-term objective to have 33% of all management black women by 2014, sets a number of short-term targets for this group by 2008. These targets were calculated on 2002 baseline figures for the sector, so as to make the targets attainable⁷:

- Senior management: 4% from 1.6%
- Middle management: 10% from 5%
- Junior management: 15% from 12%
- Board members: 11% by 2008
- Executive level: 4% by 2008

The Chartered Accountant profession has developed its own charter which was finalised and signed in November 2007. The Charter focuses on broad-based black economic empowerment (B-BBEE) for the chartered accountant (CA) profession and sector (which includes CAs and Registered Auditors (RAs)), and SAICA (South African Institute of Chartered Accountants), Training Outside Public Practice (TOPP) and accredited education institutions). The Charter includes a scorecard against which firms will report to a Charter Council. One of the ultimate aims of this charter is that the CA profession should more closely reflect the population distribution of the country.⁸

The real impact of this legislative environment as being an agent for change in the financial sector is evident in the *Social review chapter of Metropolitan Holdings Ltd's sustainability*

⁶ South African Department of Public Service and Administration, 2006, *A strategic framework for gender equality within the public service (2006 – 2015)*.

⁷ *Women in charters*, <http://www.mg.co.za/article/2007-08-01-women-in-charters>.

⁸ CA Charter, <http://www.cacharter.co.za/>.

report 2007⁹. There the company admits in relation to its evaluation relative to the Financial Services Charter and BEE Legislation, that ‘our biggest challenge regarding this element (management control) is the adjusted recognition for gender – meaning the participation of black women at board and top management level; this is an area that requires concerted effort going forward.’

3 WOMEN IN MANAGEMENT IN THE FINANCIAL SECTOR

In light of the legislative context outlined above, this chapter considers the quantitative information available on gender transformation in the financial services sector in South Africa.

The chapter starts with the components of the financial services sector bound by the Financial Services Charter (FSC), i.e. banking, insurance and financial markets. The main source of information used is a study commissioned by the Financial Services Charter Council in 2008. The information from this study is followed by an account of the South African Businesswomen’s Association’s (BWA) *Women in Corporate Leadership Census 2007*¹⁰. This census focuses on women occupying board and executive-management positions in state-owned enterprises (SoEs) and those companies listed on the Johannesburg Stock Exchange (JSE). Finally the chapter looks at the Financial and Accounting Services Sector – the sector served by Fasset. The sector survey conducted in 2007 is the main source of information on Fasset’s sector.

3.1 Women in Banking, Insurance and Financial Markets

In 2008 the Financial Services Charter Council commissioned a review¹¹ of the financial services sector as reflected in the workplace skills plans (WSPs) submitted by organisations to the three Sector Education and Training Authorities (SETAs) responsible for their skills

⁹ Metropolitan Holdings Ltd, 2008, *Sustainability report 2007, social review chapter*, www.financialresults.co.za/metropolitan_sustainability2007/social_total_transformation_02.htm.

¹⁰ South African Business Women’s Association (BWA), 2007, *Women in corporate leadership census 2007*.

¹¹ EE Research Focus, *The South African financial sector: Sector profile and skills shortages*, Report prepared for the Financial Sector Charter Council, November 2007.

development, i.e. Bankseta, Inseta and to a limited extent Fasset¹². This review showed first of all that women formed approximately a quarter of executive and senior managers in the sector. However, most of the women executives were white. Employment of black female executives increased slightly from 5.0% in 2003 to 7.0% in 2007 (Table 1).

Table 1: Percentage women in executive and senior management in the financial services sector

		2003*	2004*	2005*	2006*	2007**
African female	%	2.4	3.4	3	3.5	3.4
Coloured female	%	1.4	1.3	1.6	1.9	1.3
Indian female	%	1.2	1.3	1.7	1.9	2.3
Subtotal black female	%	5.0	6.0	6.3	7.3	7.0
White female	%	20.1	22.2	21.5	20.9	16.3
Total female	%	25.1	28.2	27.8	28.2	23.3

Includes only information on the banking and insurance sub-sectors. Fasset did not ask for a breakdown according to managerial levels. Therefore, information on the financial markets sub-sector is not included.

**Includes only the banking sub-sector. In 2007 Inseta did not as a breakdown according to management level.

Source: EE Research Focus, November 2007

Table 2 shows the percentage of women in all managerial positions in banking, insurance and financial markets. Over the five-year period from 2003 to 2007 the employment of black women in managerial positions increased from 8.0% to 14.7%. Employment of white women remained more or less the same at approximately 25%. The net effect of the increase in subemployment of black female managers was that by 2007 almost 40% of all managers were women.

Table 2: Women managers as percentage of all managers in the financial services sector

		2003*	2004*	2005*	2006*	2007*
African female	%	2.8	3.9	3.9	4.7	5.3
Coloured female	%	3	3.4	3.6	3.9	4.9
Indian female	%	2.2	2.9	3.1	4	4.5
Subtotal black female	%	8.0	10.2	10.6	12.6	14.7
White female	%	24.3	26.6	25.9	25.1	25
Total female	%	32.3	36.8	36.5	37.7	39.7

*Includes information on the banking, insurance and financial markets sub-sectors.

Source: EE Research Focus, November 2007

¹² Only the large organisations (with more than 50 employees) of one of Fasset's sub-sectors, the Financial Markets sub-sector, are included in the Financial Services Charter.

The South African Business Women’s Association (BWA) has conducted an annual *Women in corporate leadership census* since 2004. The census focuses on women occupying board and executive management positions in SoEs and those companies listed on the JSE. Key findings in respect of the financial services sector based on the 2007 census are now presented.

Table 3 provides details of the eight South African companies in the financial services sector that formed part of the 51 companies with 25% or more board seats occupied by women in 2006. The company with the highest proportion of board seats occupied by women is a SoE – TCTA – with 53.33%. Mutual and Federal Insurance Company Limited ranks only 24th on the list.

Table 3: South African financial sector companies with 25% or more board seats occupied by women in the BWA 2007 census

Company Name	Total Directors	Women Directors	Women as a % of Directors
Mutual and Federal Insurance Company Ltd	13	4	30.8
Peregrine Holdings Ltd	7	2	28.6
Afrocentric Investment Corporation Ltd	7	2	28.6
JSE Ltd	14	4	28.6
Eureka Holdings Ltd	4	1	25.0
Sanlam Ltd	20	5	25.0
Redefine Income Fund Ltd	8	2	25.0
Calulo Property Fund Ltd	4	1	25.0

Source: BWA, 2007

Of the largest 25 firms in respect of market capitalisation, however, a substantial 11 are in the financial services sector. The percentage of directorships occupied by women within these firms ranges from 28.7% (JSE Ltd) to 0.0% (RMB Holdings Ltd) (Table 4).

Table 4: Percentage of female directors among financial sector companies in the group of the largest 25 JSE-listed companies by market capitalisation

Company Name	Total Directors	Women Directors	Women as a % of Directors
FirstRand Ltd	18	3	16.67
Standard Bank Group Ltd	17	3	17.65
ABSA Group Ltd	20	3	15.00
Remgro Ltd	14	1	7.14
Liberty International PLC	15	2	13.33
JSE Ltd	14	4	28.57
Nedbank Group Ltd	16	6	12.50
Investec	16	2	12.50
Sanlam Ltd	20	5	25.00
RMB Holdings Ltd	8	0	0.00
ApexHi Properties Ltd	10	2	20.00

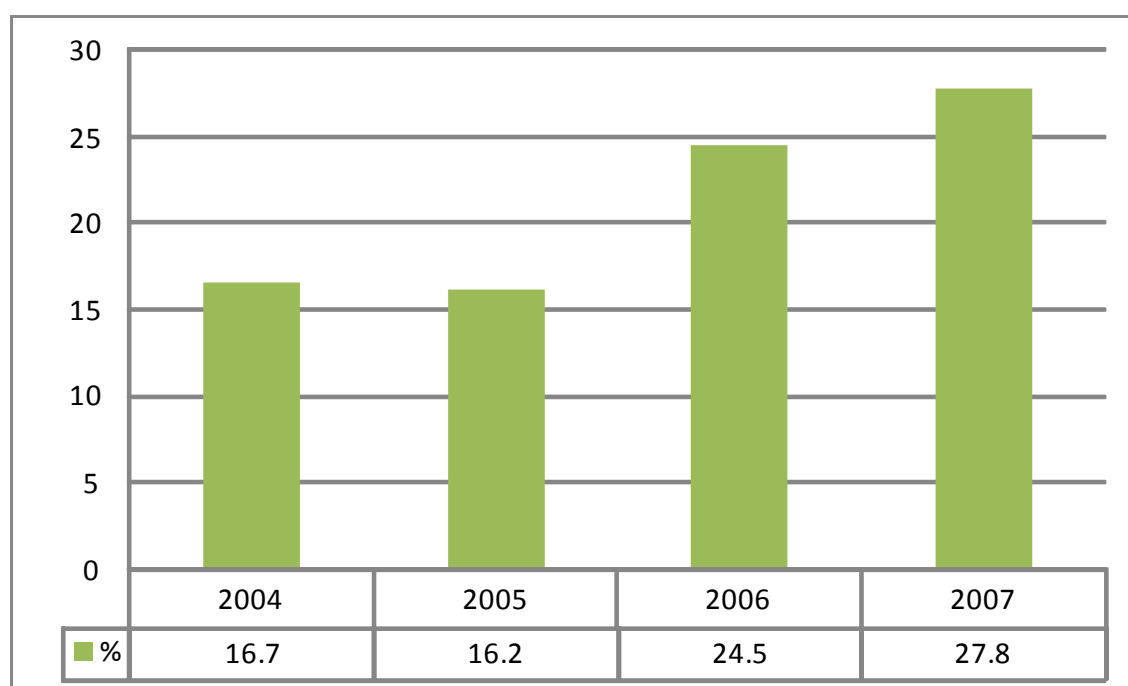
Source: BWA, 2007

The data discussed above suggest that while women have made significant inroads into management in the financial services sector, their representation at board level is still relatively limited.

Considering the targets set by the Financial Services Charter, it is, however, encouraging that women's representation at executive-management level within this elite section of the financial services sector – the group from which board members are chosen – is growing.

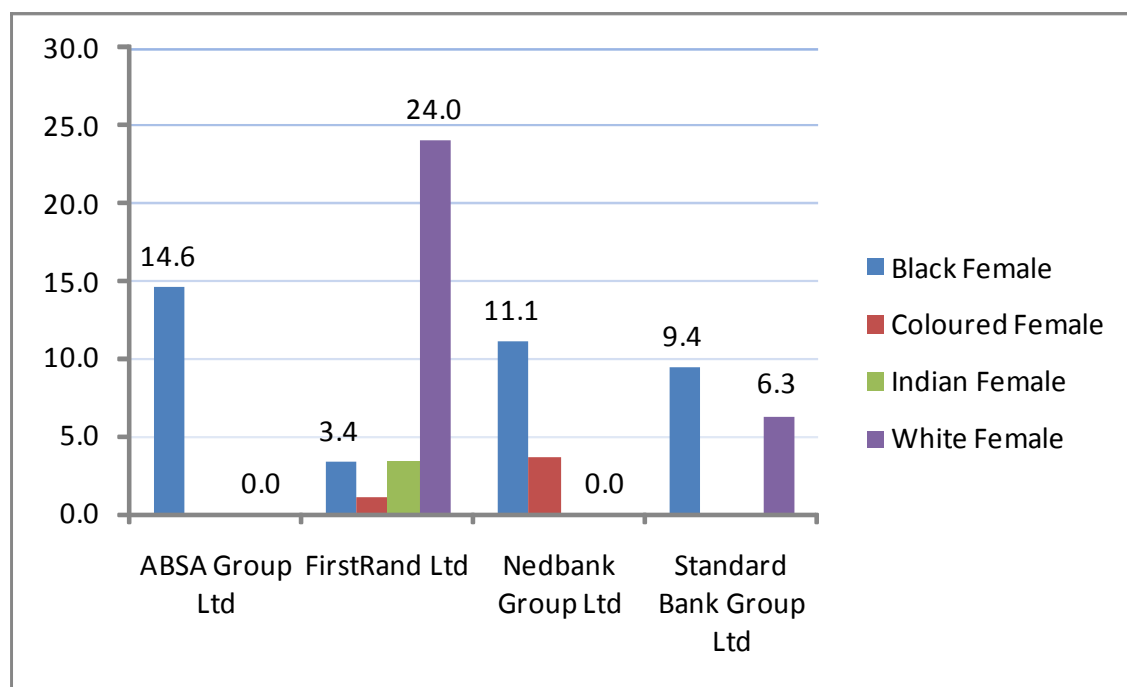
In 2004 women occupied only 16.7% of executive-management positions in the companies surveyed by the BWA, a figure which had increased to 27.8% by 2007 (Figure 1). Of the 'big four' banks, only FirstRand Ltd has not yet reached the target of 4% of total senior management being black (African) women by 2008 (Figure 2). On this indicator FirstRand Ltd currently sits at 3.4%; however, considering the high representation of white, Indian and coloured woman in this company, this target seems attainable.

Figure 1: Percentage executive managers that are women in the financial companies listed on the JSE: 2004 - 2007



Source: BWA, 2007

Figure 2: Woman as a percentage of total senior management in the ‘big four’ South African banks



Source: BWA, 2007

3.2 Women in Fasset’s Sector

Table 5 shows that in the Financial and Accounting Services Sector (Fasset’s sector) in 2007 there were 21 265 professional women as well as 5 920 women managers. When considering these figures as a percentage of all the women in the sector, it is evident that these groups together constitute 43.2% of the women employed in the sector. In respect of the specific occupational categories, women make up just over one third (34.0%) of all managers and nearly half (48.0%) of all professionals in the sector. Black women constitute 8.3% of all managers while black men form 19.4% of all managers. White women’s share in management positions is slightly higher at 25.7%.

Table 5: Managers and professionals in the Financial and Accounting Services Sector (Fasset's sector) according to race and gender

	Managers		Professionals	
	N	% of all managers	N	% of all professionals
Black female	1 453	8.3	8 404	19.0
White female	4 467	25.7	12 861	29.0
Total female	5 920	34.0	21 265	48.0
Black male	3 375	19.4	8 400	19.0
White male	8 109	46.6	14 642	33.0
Total male	11 484	66.0	23 042	52.0

Source: Calculated from Fasset's Survey of Employment, Scarce and Critical Skills, 2007

Women's representation in the various financial services sub-sectors by race – in total as well as at management and professional levels – is presented in Table 6. Key observations regarding this table include:

- The sub-sector that employs the largest number of women in management (799 black and 2 507 white) and professional (6 102 black and 9 303 white) categories is Accounting, Bookkeeping, Auditing and Tax Services.
- Only in the SARS and Government Departments sub-sector do black women outnumber white women at both manager level and professional level. This is in line with government legislation for the public sector.
- Outside of government, the most equitable distribution at management level is for Stockbroking and Financial Markets, with 45.4% of women managers being black. The most inequitable distribution between black and white women is in the sub-sector Activities Auxiliary to Financial Intermediation. This subsector includes organisations that don't fit into any of the other subsectors such as debt collectors and professional bodies. Here white women make up 99.3% of women managers, and 54.2% of all managers in the sub-sector. At the professional level, white women form 92.3% of all

female professionals and 61.6% of all professionals. There thus appears to be a feminisation of this sub-sector.

- For the majority of sub-sectors, black women as a percentage of all professionals is higher than their proportion of all managers. This survey finding is positive as it creates the context for sustainable transformation because of improved management supply conditions. Sub-sectors for which this does not apply are Investment Entities, Trust and Company Secretary Services, and Stockbroking and Financial Markets.

Table 6: Women managers and professionals: sub-sector by race

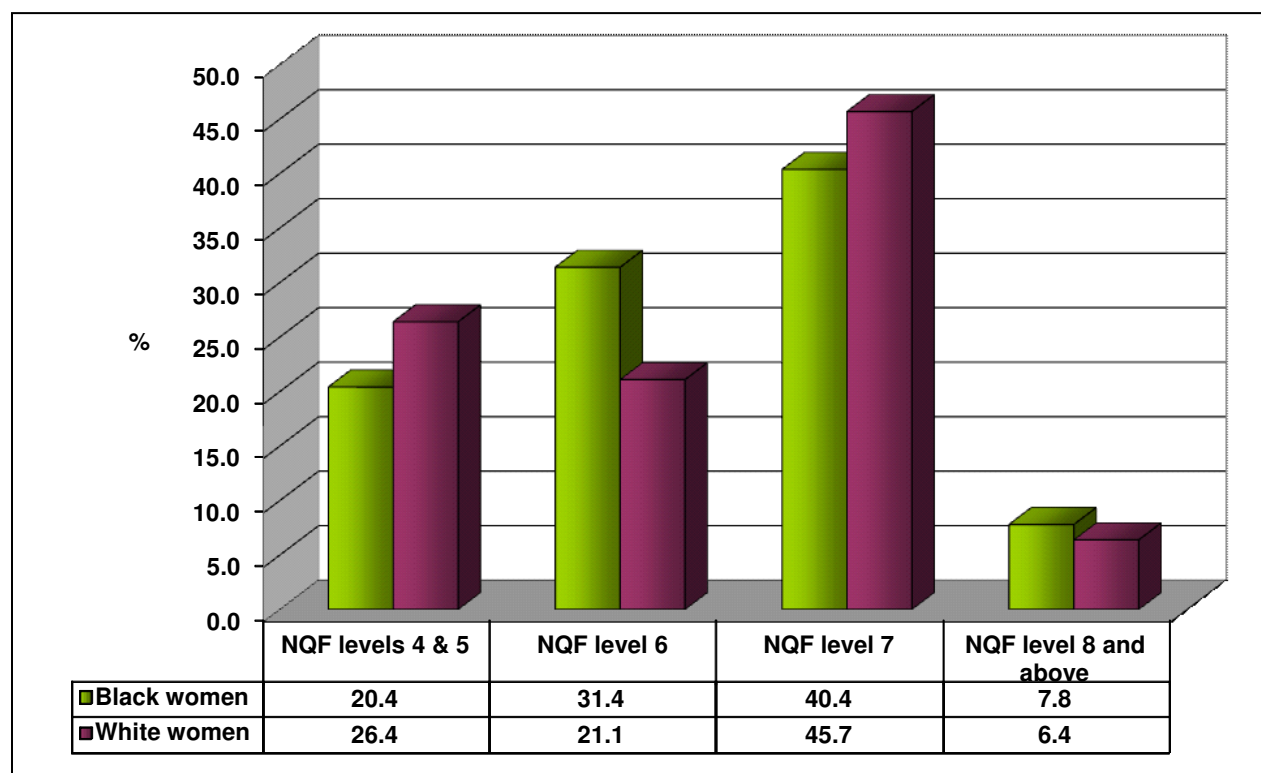
Sub-sector	Race	Managers			Professionals			
		N	% of women managers in sub-sector	% of all women in sub-sector	N	% of women professionals in sub-sector	% of all women in sub-sector	
Investment Entities, Trusts and Company Secretary Services	Black*	155	25.8	3.9	97	20.9	2.4	8.0
	White	445	74.2	11.2	368	79.1	9.3	30.2
Stockbroking and Financial Markets	Black	207	45.4	4.2	268	33.4	5.4	11.5
	White	249	54.6	5.0	534	66.6	10.7	23.0
Development Organisations	Black	54	33.3	2.9	126	26.0	6.7	12.3
	White	108	66.7	5.7	359	74.0	19.0	35.1
Accounting, Bookkeeping, Auditing and Tax Services	Black	799	24.2	2.5	6102	39.6	19.5	19.1
	White	2507	75.8	8.0	9303	60.4	29.7	29.1
Business and Management Consulting Services	Black	69	25.3	2.9	234	28.9	9.8	10.8
	White	204	74.7	8.6	576	71.1	24.2	26.6
Activities Auxiliary to Financial Intermediation	Black	6	0.7	0.1	72	7.7	1.0	5.1
	White	811	99.3	11.0	864	92.3	11.7	61.6
SARS and Government Departments	Black	164	53.4	1.5	1506	63.8	13.8	35.9
	White	143	46.6	1.3	856	36.2	7.8	20.4

Source: Calculated from Fasset's Survey of Employment, Scarce and Critical Skills, 2007

An analysis of the NQF level of qualifications achieved by women managers and professionals in the financial services sector is given in Figure 3. The largest proportions of both black (40.4%) and white (45.7%) women have qualifications at NQF Level 7, demonstrating the largely professional nature of the sector. Only a small minority of women of either race group has qualifications at the NQF Level 8 and above, although notably a greater proportion of black women (7.8%) than white women (6.4%) do so.

In respect of the lower-level qualifications, roughly one fifth (20.4%) of black women and one quarter (26.4%) of white women have attained qualifications at NQF levels 4 and 5. The proportion of black women with a qualification at NQF Level 6 is somewhat higher (31.4%) than the proportion at NQF levels 4 and 5, while for white women the proportion is somewhat lower (21.1%).

Figure 3: NQF level of women managers and professionals

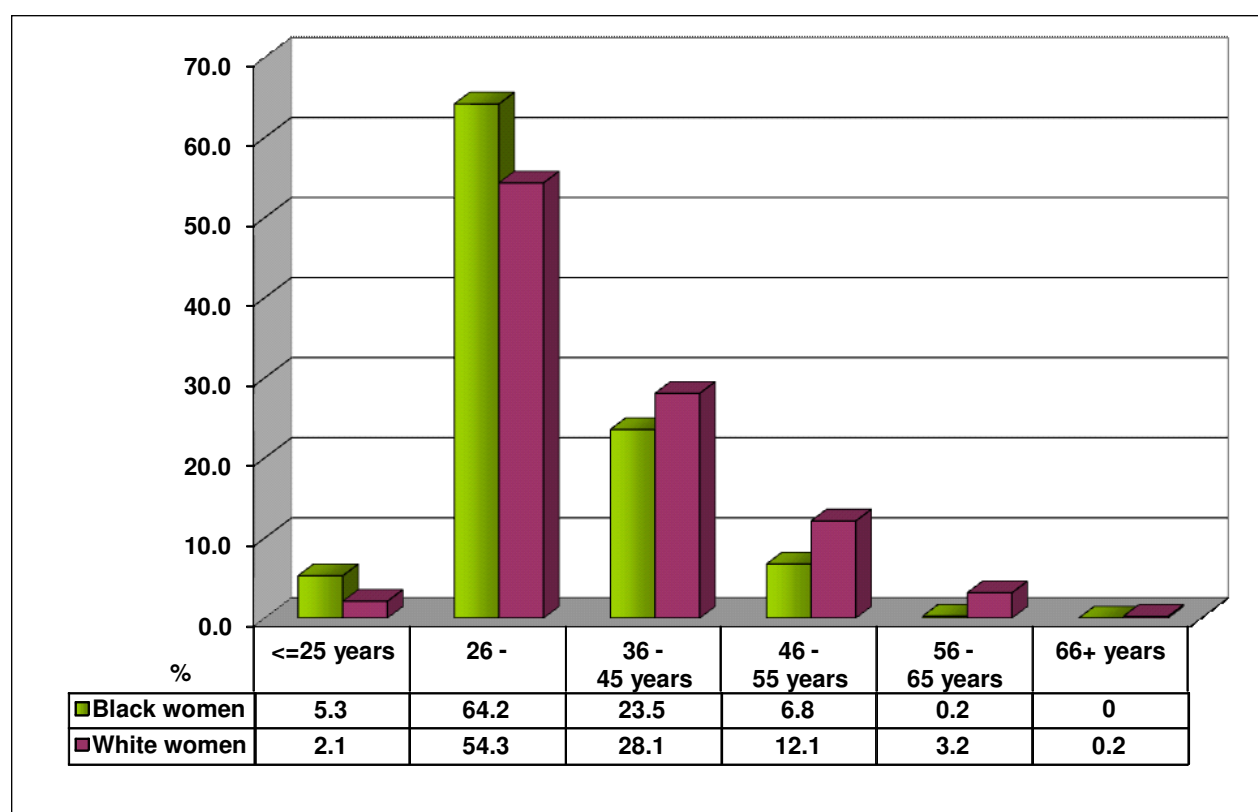


Source: Calculated from Fasset's Survey of Employment, Scarce and Critical Skills, 2007

An age breakdown of women professionals and managers in the financial services sector reveals that the vast majority fall within the age group 26 to 35. For black women the figure is 62.4% while for white women it is 54.3%. Owing to the length of qualifications required, especially at NQF Level 7 and above, it is unsurprising that few women in the professional and management categories in the sector are younger than 25. Only 30.5% of black women are 36 years or older, while the figure for white women is considerably higher at 43.5%.

Taken together, the age and qualification profiles provide substantiation for the current greater representation of white than black women in management. However, the data also suggest that the factors necessary for sustainable increases in black women representation are in place.

Figure 4: Age distribution of women managers and professionals



Source: Calculated from Fasset's Survey of Employment, Scarce and Critical Skills, 2007

Despite these positive indications for the financial services sector as a whole, media reports draw attention to specific concerns. For instance, the racial and gender transformation of the accounting profession is considered to be taking place at a snail's pace, with the South African Institute of Chartered Accountants (SAICA) reporting that of a total of 27 047 chartered accountants, only 6 822 are women. Blacks account for even fewer, with only 931 being African, 513 coloured and 2 019 Indian¹³. This is an important factor when Fasset's sector is considered and it is discussed in more detail in Chapter 9.

Another area of concern is considered to be the representation of women in critical leadership positions in the sector. Only a few women¹⁴ are considered to have broken through the 'glass ceiling'.

In summary, the data indicate that women, and particularly black women, are indeed still under-represented within the financial services sector. This is more notable in some sub-sectors than in others, and more starkly evident at higher levels than lower.

Nevertheless there are consistent and encouraging indications that transformation of the sector is indeed taking place – albeit slowly, because of the requirement for high levels of skills and considerable experience for key positions. As acquiring professional qualifications and gaining critical experience cannot be short-circuited, sustainable transformation of the sector cannot be accomplished in the course of a few years.

The need remains, however, to consider whether or not there is a 'glass ceiling' for women that is in any way hindering transformation efforts in the sector. This is because the sector does not operate in isolation of the national economy or the international financial sector, and

¹³ *Breaking the glass ceiling, embracing gender equality*, 25 August 2008, http://www.tradeinvestsa.co.za/bee/bee_columns/725711.htm.

¹⁴ Some of these include: Dr Ronosi Makate (deputy governor of the SA Reserve Bank); Gloria Serobe (CEO of WIP Capital and director of several boards); Wendy Luhabe (chairperson IDC and director of several boards); and Sonia Sebotsa (CEO of the Women's Development Bank).

trends in both are relevant. Furthermore, there are mixed views on the issue from women working with the wider financial sector¹⁵ (Box 1).

Box 1: Views on the glass ceiling of participants in the BANKSETA Women's Development Programme

Most definitely a reality..... but women certainly have the tenacity and strength to apply just enough heat to make the glass pliable enough to break through. I am sure many women share the sentiment of Marilyn Monroe when she said "I don't mind living in a man's world as long as I can be a woman in it."
Fazila Dawood

The 'glass ceiling' is a myth. There are plenty of opportunities out there.
Nelisiwe Baloyi

The 'glass ceiling' concept has been a reality for decades, obscuring the path of women. More recently, however, it has been transforming into a more transparent space of opportunity for the fairer sex.
Lynn Havenga

The 'glass ceiling' was not just put there for us to enjoy the view but rather to sing soprano and break it.
Kaamini Reddy

Although I personally don't believe that anyone should allow their circumstance to confine their potential, I must admit that the 'glass ceiling' is a reality...one that we collectively need to address through confidence in our actions and resilience as professionals.
Nemu Khambule

A woman will not speak with confidence if she knows 80% about a subject, but a man will capitalise on his 20%. We have this inherent disease of needing to explain. This has cost many a woman an opportunity to move to the corner office. The 'glass ceiling' is a reality in as far as we put it above our heads.
Tsidi Lebenya

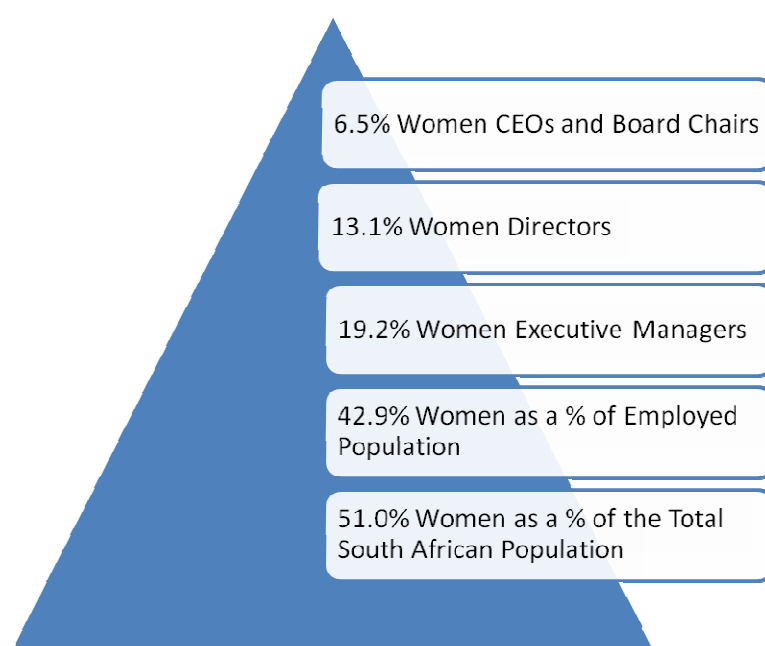
Source: Bankseta, 2008

¹⁵ Bankseta, *Newsletter*, 3rd Issue, 21 February 2008, www.bankseta.org.za.

4 WOMEN IN MANAGEMENT IN SOUTH AFRICA

Women are generally under-represented at management and top-management level in South Africa. While representing 51.0% of the national population and 42.2% of the employed population, they form only 19.2% of the total group of executive managers, 13.1% of directors, and 6.5% of CEOs and board chairs in the group of JSE-listed companies and SoEs. This is graphically represented in the Management Census Pyramid below¹⁶.

Figure 5: The Management Census Pyramid for Women



Source: BWA, 2007

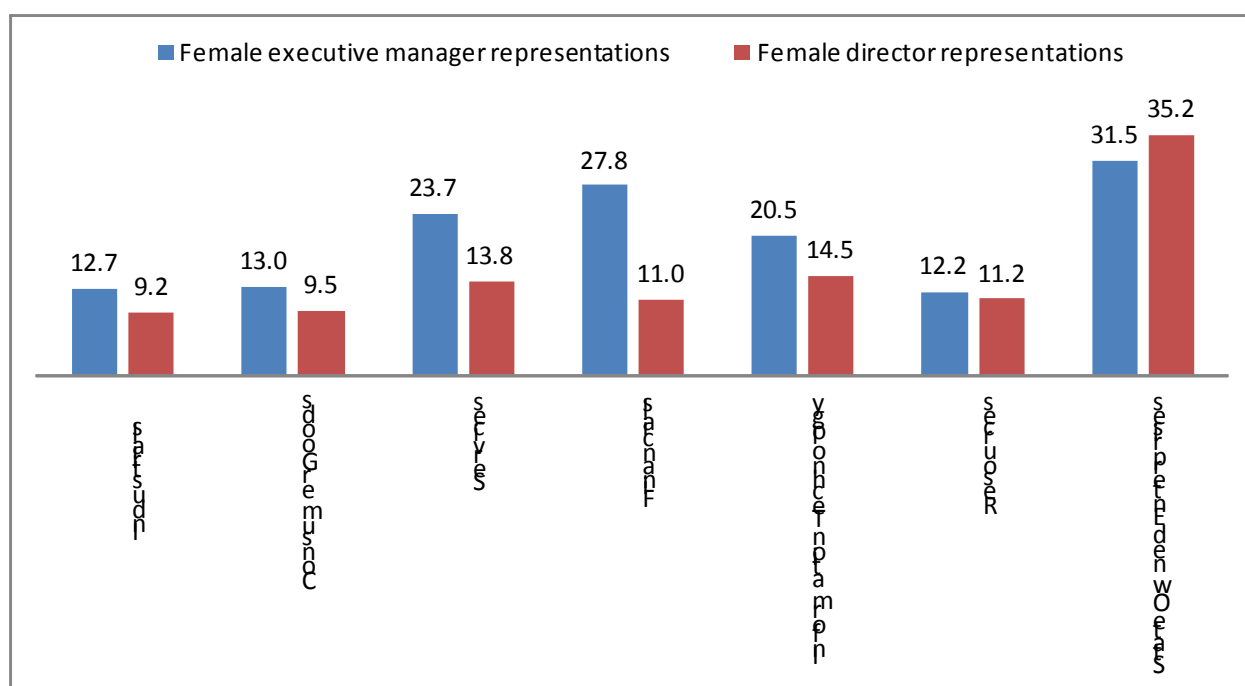
The BWA's *Women in Corporate Leadership Census 2007*, however, reveals a stark contrast between corporate South Africa and government in terms of the empowerment of women.

With 35.2% of director positions filled by women, and 31.5% of executive-management positions filled by women, SoEs are considerably ahead of any of the other corporate sectors considered.

¹⁶ South African Businesswomen's Association (BWA), 2007, *Women in corporate leadership census 2007*.

Government’s progress is directly related to the National Policy Framework outlined in Chapter 1 of this report and is supported and confirmed by gender transformation at the political levels: after the 2009 elections 45% of South African parliamentarians are women, putting the country in the world’s 3rd position in the world terms of gender equality in government.¹⁷ Furthermore, fourteen of the 34 cabinet ministers are women, and eleven of the 28 deputy ministers.

Figure 6: Industry comparison by women-director- and women-executive-manager representations



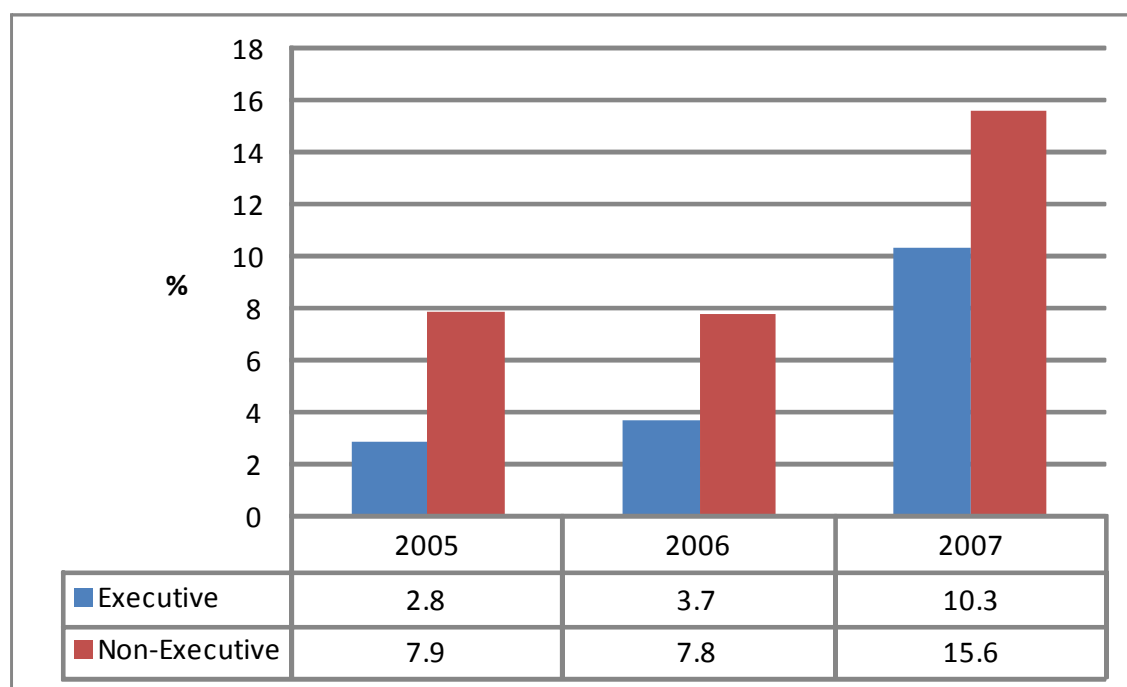
Source: BWA, 2007

In South African corporate sectors (Figure 6), gender transformation at executive management level is greatest in the financial sector and services sector (with 27.8% and 23.7% women respectively). The information technology sector has only 20.5% of its executive-management positions filled by women, yet leads corporate South Africa in respect of gender transformation at director level, with 14.5% of its board representations being women.

¹⁷ South Africa – The Good News, *SA is ranked 3rd for women's representation in parliament*, 29 April 2009, http://www.sagoodnews.co.za/benchmarking_progress/sa_is_ranked_3rd_for_womens_representation_in_parliament.html, accessed 29 July 2009.

Providing more evidence that women in South Africa are making inroads into top-management positions is the fact that the proportion of women in both executive and non-management positions showed a considerable increase between 2004 and 2007. Representation at executive-management level increased from 2.8% to 10.3%, while at non-executive management level increased from 7.9% to 15.6% (Figure 7).

Figure 7: Growth in women-executive- and non-executive management positions, 2005-2007

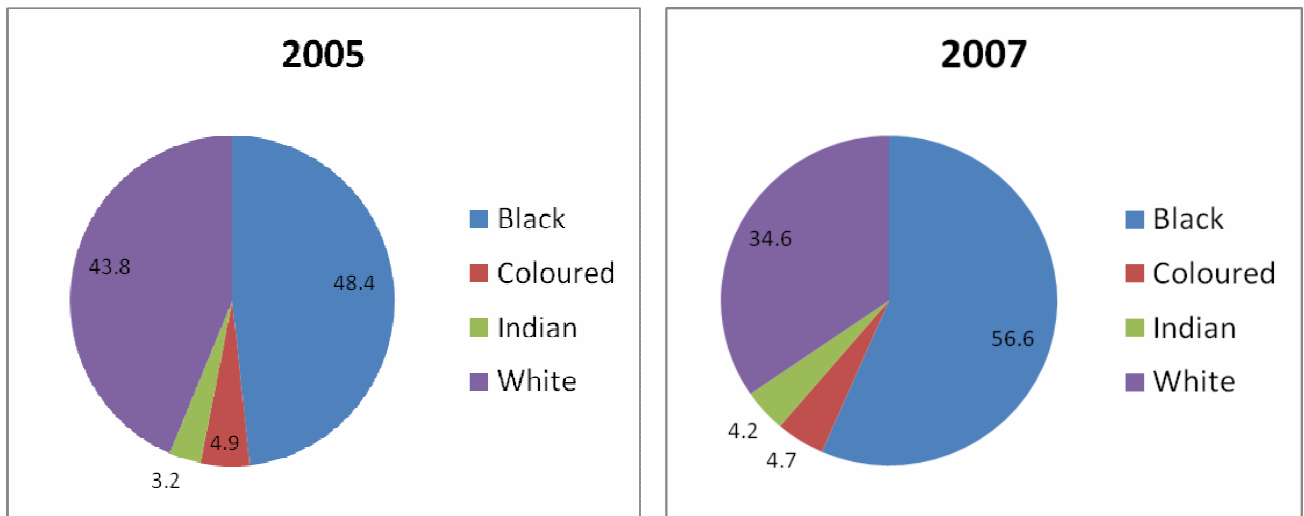


Source: BWA, 2007

When considering the racial changes of women at executive-management level and board level between 2004 and 2007, it is furthermore evident that despite starting from a very low base, particularly in respect of board representation, black women have gained significant ground over the period (Figure 8 and Figure 9).

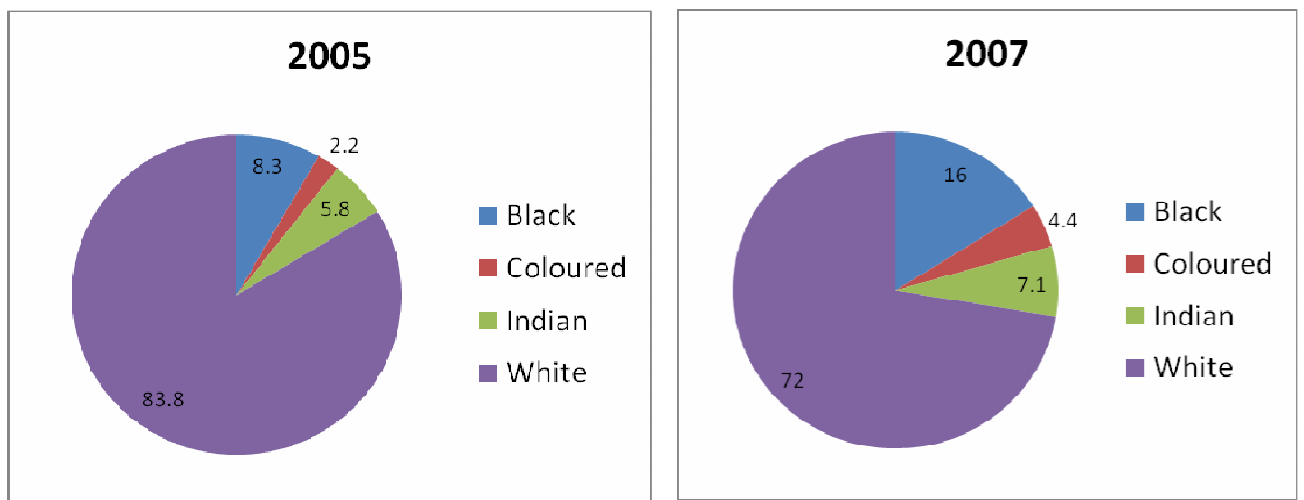
In respect of the distribution of board directorships in 2007, 244 women held only one board seat, 36 women held two seats, eight women held three seats, seven women held four seats, and three women held five or more seats.

Figure 8: Changes in women directors by race, 2005 – 2007



Source: BWA, 2007

Figure 9: Changes in women executive management by race, 2005 – 2007



Source: BWA, 2007

Other than work done by the BWA, South African longitudinal quantitative studies of gender transformation are scarce. There are, however, a number of studies that, working from baseline figures of under-representation of women in particular sectors and at certain levels, qualitatively examine the reasons for this under-representation. The findings of these studies are contained in the discussions of Chapters 6 and 7.

One recent quantitative study into the glass ceiling phenomenon in South African newsrooms¹⁸ builds on a qualitative study undertaken in 2006. Key findings paint a similar picture for gender transformation in South African newsrooms to that painted by the data available for the financial services sector:

- While there are nearly equal numbers of men and women in newsrooms, African women are under-represented at only 18% of newsroom staff.
- Women are still scarce in the upper echelons with less than 30% in top-management positions, and roughly one in three in senior-management positions. Several newsrooms have no women in top and senior management while others have significant numbers: Khaya FM with 100% and Primedia with 78%.
- Black men seem to have benefited the most from affirmative action policies. Black women make up a mere 6% of top and senior-management positions in newsrooms.
- Women dominate the presenter and administrative categories while men make up 86% of the technical category of newsroom workers.
- Male journalists dominate the 'hard-beats' and constitute over 90% of sports reporters. Women predominate in only a few of the 'soft beat' areas.

Overall, the trends in respect of women's, and particularly black women's, representation in the financial services sector are not out of line with trends for the rest of corporate South Africa. In respect of transformation among executive management, financial services companies are leading the way in corporate South Africa.

¹⁸ South African National Editors Forum, 2007, *Glass ceiling two: An audit of women and men in South African newsrooms*.

5 WOMEN IN MANAGEMENT INTERNATIONALLY

One of the most significant labour-market changes in the 20th century is the rise in numbers of women managers, yet women professionals and managers are clustered in certain areas¹⁹.

The International Labour Office (ILO) updated their study *Breaking through the glass ceiling: Women in management* in 2004²⁰. Key quantitative findings from this study are listed below and illustrate clearly that the challenges faced by South Africa in bringing about gender transformation are by no means unique:

- Cultural and social attitudes towards what constitute ‘male’ and ‘female’ jobs result in gender job segregation, although the extent of the problem varies from country to country and from job to job.
- Women’s concentration in certain occupations and sectors is called horizontal segregation. Women’s concentration in the lower job categories is called vertical segregation.
- Regarding the movement of women into managerial positions, the rate of progress is slow and uneven. In the sample of 63 countries considered between 2000 and 2002, women’s share ranged between 20% - 40% in 48 of the countries.
- Internationally men remain in the overwhelming majority among managers, top executives, and the higher levels of professional workers. Women are concentrated in the lower categories of managerial positions.
- Women students’ study choices are often influenced by gender role socialisation; this impacts their sector, profession and often the level they can rise to.

Recent data quoted in this study regarding the advancement of women into top-management positions from a range of countries are presented in Box 2.

¹⁹ P.A. Lanier, *Women and minorities in management*, <http://www.referenceforbusiness.com/management/Tr-Z/Women-and-Minorities-in-Management.html>.

²⁰ International Labour Office, *Breaking through the glass ceiling: Women in management update 2004*, Geneva.

Closer to home, an Employment Equity Commission study of 16 industries was undertaken in Namibia between March 2003 and February 2004. Data from this study²¹ reveal that black women represented 22% of middle-management positions (353) while at senior-management level there were only 88. The majority of the sectors reviewed were dominated by men. Sectors that showed a fair distribution were the public service sector and the telecommunications sector, while women dominated the health and welfare sectors.

Consideration of the international literature also reveals that certain sectors are more resistant to gender-transformation efforts than others. While women have traditionally dominated in certain sectors and professions, notably in health care and teaching²², women's inroads into particularly management levels of historically male-dominated sectors and professions remain limited. Examples of such sectors are considered to be science, engineering, technology²³ and finance.

²¹ The Namibian, 19 October 2004, *Woman managers in minority*, http://www.accessmylibrary.com/coms2/summary_0286-14059866_ITM.

²² *Women and minorities in management*, <http://www.referenceforbusiness.com/management/Tr-Z/Women-and-Minorities-in-Management.html>.

²³ S.A. Hewlett et al, *The Athena Factor: Reversing the brain drain in science, engineering, and technology*, Centre for Work-Life Policy, Key Findings Extract.

Box 2: An across-country reflection of the advancement of women in top management

Australia

According to a survey of top 200 companies in 2002 by the Equal Opportunity for Women in the Workplace Agency (EOWA) in Australia, women held 8.2 per cent of board positions in the companies, with just two women CEOs (1 per cent). Out of the companies surveyed, 52.6 per cent had no women executive managers; 29.6 per cent had one; and 17.8 per cent had two or more. Women executive managers were found in the software and ICT sectors, banking, telecommunications, insurance and retailing. They have not made any noticeable inroads into real estate, transportation, food and beverage, hotels and restaurants, leisure and energy.

The United States

In the United States, women's share in senior top management has made marginal increases. According to a survey by Catalyst in 2003, women's participation on the boards of the Fortune 500 companies was 13.6, up from 12.4 per cent in 2001, 11.7 per cent in 2000 and 11.2 per cent in 1999. Fifty-four companies had no women board directors, compared to 66 companies in 2001. Another 208 companies had just one woman director. Fifty-four companies had 25 per cent or more women directors, up from 30 companies in 2001 and 11 in 1995.

Canada

Another Catalyst survey in 2002 revealed that women held 14 per cent of corporate officer positions in FP500 companies. 34 in Canada in 2002, having increased from 12 per cent in 1999. Women's share of the highest corporate officers' jobs showed a relatively significant increase, jumping from 3.4 per cent in 1999 to 6.7 per cent in 2002.

European countries

In European countries, the data revealed a similar pattern. The Cranfield School of Management in the United Kingdom has carried out research on female top managers in the FTSE100 companies every year since 1999. According to the 2003 study, the share of female directors had increased by 20 per cent (up from 84 in 2002 to 101). Eighteen (90 per cent) of the top 20 companies had women directors. The number of female executive directors had gone up from 15 to 17 since 2002. There were still 32 companies out of the top 100 with not one women director. A tendency was noted for long-serving chairmen to run boards without women directors, suggesting that long-term tenure led to "complacency" in the recruitment of new board members. The report also noted that women were more likely to be appointed to boards if the nomination committees included women.

Statistics published in Germany by the Federal Ministry of Family, Seniors, Women and Youth in 2003 demonstrated that women's overall participation on the boards of 84 of the biggest companies was 8 per cent. In ten of the companies, women accounted for 20 per cent or more (the highest was 28 per cent) of the board members. Six out of the ten companies were in the service sector, such as retailing.

In France, women occupied only 124 of the top 2,325 positions (*president directeur-general; directeur-general; administrateur; member de directoire; conseil de surveillance*) in the top 200 companies in 2000, a share of 5.3 per cent. There were no women among *president directeur-generals* of the CAC-40 companies. However, women's share as heads of companies with 50 or more employees had increased 5.5 per cent in the decade from 1990 (9.8 per cent) to 2000 (15.3 per cent).

UNECE countries

According to data on 15 UNECE countries, women's participation on the board of the central banks in 2001 was between 52.7 per cent (Georgia) and 0 per cent (Armenia, Cyprus, Estonia, Iceland, Ireland, and Netherlands). Overall women are better represented in senior positions in the public sector. Data on 11 UNECE countries in 2000 or 2001 showed that the average share of women in senior civil servant jobs (administrators of government and international organisations, ambassadors, consul-generals, etc.) was around 18 per cent, ranging from 45 per cent in Estonia to 4.7 per cent in Spain.

Source: ILO, 2004 p. 49

In the UK particularly, the issue of the current global financial crisis has put renewed emphasis on gender diversity in the financial services sector²⁴. With limited gender transformation at top- management level and an overall gender pay gap of 44.4%, which is some way ahead of the next worst performing sectors and more than twice that of the economy as a whole, questions such as: 'If the representation of women and minorities in top management were higher, would the same decisions have been made as have led to the current problem?' are now seriously being considered.

Finally, the international literature argues that despite rich talent pipelines, women and minorities tend to remain bunched in the 'early stretches of the career highway' and their representation at these levels is not commensurate with their level of representation in the talent pool. 'Few make it to the fast lane'²⁵²⁶ although those that do tend to become very powerful, with the same few women tending to holding seats on different corporate boards²⁷.

²⁴ Equality and Human Rights Commission, *Systemic gender bias in the financial sector*, <http://www.equalityhumanrights.com/en/policyresearch/usinglegalpowers/pages/financefurtherinfo.aspx>.

²⁵ S.A. Hewlett, C.B. Luce, and C. West, 2005, *Leadership in your midst: Tapping the hidden strengths of minority executives*, Harvard Business Review, November 2005.

²⁶ *The hidden brain drain task force: Women and minorities and unrealized assets*, www.worklifepolicy.org/pdfs/initiatives-taskforce.pdf.

²⁷ *Women and minorities in management*, <http://www.referenceforbusiness.com/management/Tr-Z/Women-and-Minorities-in-Management.html>.

6 THE 'GLASS CEILING' CONCEPT

The term 'glass ceiling' refers to situations where the advancement of a qualified person within the hierarchy of an organisation is stopped at a lower level because of some form of discrimination, most commonly sexism or racism²⁸. The concept incorporates the idea that while legislation has done much to eliminate formal gender discrimination in workplaces, gender inequality has not vanished but has instead 'gone underground'. It continues to linger in a range of work practices and cultural norms that appear to be unbiased but are not. Together, these factors create a subtle pattern of systemic disadvantage for women and particularly black women in terms of career advancement²⁹.

Recent extensions of the 'glass ceiling' concept are also notable. Black women in the USA consider their promotion prospects to have a 'concrete ceiling' so solid that it is impossible to break through. The term 'glass elevator' is used to describe the rapid rise of some women, and particularly black women, as a consequence of affirmative action policies and/or the occupational segregation evident in certain professions – often at a rate that outstrips their ability to gain experience and competencies along the way. Finally, the term 'glass cliff' refers to those women who, having broken through the 'glass ceiling', find themselves in particularly precarious positions³⁰.

A number of factors contribute to the 'glass ceiling' effect for women and black people in management: male domination of corporate culture; men being considered as the default leaders; certain feminine characteristics that are seen as incompatible with high-powered jobs; and a lack of women role models, mentors and networking opportunities. Each of these factors is considered in turn below, with reference to the literature on women from South Africa and elsewhere who work in the finance sector.

²⁸ http://en.wikipedia.org/wiki/Glass_ceiling.

²⁹ *The problem with gender discrimination in the corporate world*, <http://e-articles.info/e/a/title/The-problem-with-gender-discrimination-in-the-corporate-world/>.

³⁰ *Women and minorities in management*, <http://www.referenceforbusiness.com/management/Tr-Z/Women-and-Minorities-in-Management.html>.

6.1 Male Domination

Corporate cultures tend to reflect the dominant values of society. Most organisations in existence today have been created by men, for men and are based on male experiences. Most act as if the historical division of household labour still holds³¹.

The extreme working conditions of many top-management positions are to a very large extent based on the social value of males as primary bread winners. These positions demand extremely long working hours (that have been aggravated over the past decade by advances in technology that require such managers to be available at all hours), and assume that family responsibilities are being taken care of by a 'wife'.

Within the dominant male corporate culture, and because the inroads that women have made into professional and managerial roles are still relatively recent, discrimination may be subtle. Many white men are not even aware of their own biases and derogatory behaviour towards women, which is based on a deeply ingrained sense of their superiority over women and black people and makes it very difficult for them to relate to a woman, and particularly a black woman, as a boss³².

A range of factors contributes to the perpetuation of the current male-dominated corporate culture. Most important, in many sectors there are simply not enough women, in particular at management level, to change the prevailing mindset or culture. However, the male domination of the corporate culture itself presents a range of obstacles for women seeking to progress into critical management positions: First, commitment to work is generally still based on the 'male competitiveness model', built on a bedrock of unbroken service. Because of a range of family and social demands placed on women over their lifetimes, this model results

³¹ *The problem with gender discrimination in the corporate world*, <http://e-articles.info/e/a/title/The-problem-with-gender-discrimination-in-the-corporate-world/>.

³² T. Rowe & A. Crawford, *A study of barriers to career advancement for professional women in the banking sector*, SA Journal of Human Resource Management, 2003, 1(2) 21-27.

in two thirds of women having career track records that lead them to being sidelined from major promotion opportunities, for much of their lives³³.

Second, it is an acknowledged phenomenon that women have to work much harder than men to earn respect and prove their capabilities³⁴. This is because men and women executives tend to be judged according to different standards: Bosses and peers value men who seek out positions of authority and influence. Men who employ short-range, hands-on, practical strategies together with a forceful, assertive, and competitive approach to achieving results are seen as the most effective. The opposite is true for women: these same characteristics are not viewed as more effective. Instead, women who are accommodating to the needs of others, consult widely, and demonstrate an active concern for other people in the organisation are seen as the more effective³⁵.

Third, it is also an acknowledged fact that when it is difficult to prove competence (as is the case for candidates for top-management positions), recruiters (and bosses) will tend to choose people similar to themselves. As men are generally currently the majority in power positions the problem is perpetuated³⁶.

Finally, women who do advance tend to be those who are not perceived to be a threat to their male colleagues. Many of these additionally accept the status quo and do little in the way of promoting change for other women³⁷.

There are three primary approaches that companies worldwide use to try and accommodate women in the workplace. All have to a certain extent contributed to the advancement of

³³ *Hidden brain drain task force conference September 2008* Category: Women in the Workforce, <https://infolinx.aon.com/WINningView.nsf/d6plinks/USCH-7JZMUE>.

³⁴ Business Day Management Review, *Get in touch with the feminine side of business*, www.bwasa.co.za/Portals/4/dpcs/archive/article%20get%20in%20touch%20with.doc.

³⁵ H. Peters & R Kabacoff, *A new look at the glass ceiling: the perspective from the top*, <http://www.workinfo.com/free/downloads/136.htm>.

³⁶ Ibid.

³⁷ South African National Editors Forum, 2007, *Glass ceiling two: An audit of women and men in South African newsrooms*.

women in corporate environments, but all fall short of changing the foundation of the problem³⁸.

- Encourage women to assimilate. This approach attempts to teach women more masculine attributes and how to play the male corporate political games. Programmes based on this approach will never eradicate the deeply entrenched and systemic biases that hold women back in male-dominated corporate cultures.
- Accommodate the unique needs of women. This approach promotes the use of special programmes for women, including flexi-time and extended maternity leave etc. Unfortunately, the approach does not eradicate the prevailing perception among men that women who make use of these programmes are less than committed to their work than those that do not.
- Capitalising on the unique differences of women. This approach forgoes attempts at assimilation and accommodation and focuses instead of making the most of the unique aspects that women can bring to a business. The danger of this approach is that it can lead to women being channeled into dead-end jobs and tends to reinforce unhelpful stereotypes about the differences between men and women.

In respect of the financial services sector, which is considered internationally to be male dominated, evidence from the UK suggests that male accountants resent policies that try to promote women in the profession. They argue that they are adversely affected by such policies and that women are being promoted when they do not deserve to be³⁹.

In South Africa, an interesting phenomenon is that the intersection of traditional male domination in corporate culture and Employment Equity legislation are leading to black and

³⁸ *The problem with gender discrimination in the corporate world*, 2007, <http://e-articles.info/e/a/title/The-problem-with-gender-discrimination-in-the-corporate-world/>.

³⁹ N.Paton, 2008, *Accountancy glass ceiling as thick as ever*, <http://www.management-issues.com/2008/5/22/research/accountancy-glass-ceiling-as-thick-as-ever.asp>.

white men teaming up against black and white women, as they experience a loss of power and are blaming women for it⁴⁰.

6.2 The Default Leader: Male

Related to the above, although deserving of a separate discussion is the fact that in society as a whole, men are still viewed as 'default leaders' and women as 'atypical leaders'. Sex stereotyping of women as passive and timid is at odds with traditional stereotypes of leadership⁴¹. Men and women's leadership styles differ, and corporate environments tend to value the masculine style more, particularly in top-management positions.

The key differences between male and female leadership and management styles⁴² are considered to be the following:

- Men are seen as more restrained, steady and able to work well under pressure. They are considered to take more traditional and thoughtful approaches to problem solving, and to minimise risks by learning from past experiences.
- Women are still perceived to make less effort to keep their emotions in check. However, they are considered to be able to operate with a great deal of energy and enthusiasm and keep others informed of what they are thinking and feeling. Women also put more emphasis on setting goals, meeting deadlines, and monitoring work.

Research⁴³ has shown that among those who reach top-management level, leadership styles differ considerably less between men and women, with women being seen as equally strategic and as willing to take risks as men. The reason for this is considered to be twofold: First, as role requirements for senior positions are considerably more consistent than for more junior management positions, successful individuals demonstrate a more limited range

⁴⁰ L. Booyesen, *Queens on colour: Should white women still benefit from EE legislation?* 26 March 2008, <http://www.leader.co.za/article.aspx?s=1&f=1&a=519>.

⁴¹ *Women and minorities in management*, <http://www.referenceforbusiness.com/management/Tr-Z/Women-and-Minorities-in-Management.html>.

⁴² *A new look at the glass ceiling: The perspective from the top*, <http://www.workinfo.com/free/downloads/136.htm>.

⁴³ Ibid.

of behaviours. Second, with the selection process in respect of judging competence being more subjective at this level, those in power tend to choose people who exhibit similar characteristics to themselves⁴⁴.

For the most part, however, women in corporate leadership roles face a ‘damned if you do, damned if you don’t’ situation: If women act consistent with gender stereotypes they are considered too soft; if they go against them, they are considered too tough. When women exhibit traditionally valued leadership behaviours such as assertiveness they tend to be seen as competent but are not well-liked – more feminine leadership styles on the other hand lead to questions of their leadership skills⁴⁵.

Ironically, more diverse decision-making groups tend to be more robust and to make better decisions if conflict and miscommunication can be managed. The reason is that diverse groups constitute different experiences, values, attitudes, and cognitive approaches. The availability of these varied perspectives helps to identify a broader range of options and offers the capacity to critique the options in a more rounded way⁴⁶.

In respect of the above, the views of Ms Wendy Luhabe⁴⁷, a black woman director of several companies in South Africa, are telling. She argues that the current problem is that there are still so few black women on corporate boards that their input with regard to governance and fiduciary responsibilities is still quite limited. Furthermore, many boards still tend to be patronising of women and their ideas. Feeling that she could make very little impact on the boards of many of these private companies, she chose to resign from her position. In contrast, she feels that she is able to make a real contribution on the boards of SoEs.

⁴⁴ Ibid.

⁴⁵ *Why women are doomed to failure*, <http://www.management-issues.com/2006/11/23/research/why-women-are-doomed-to-failure.asp>.

⁴⁶ Equality and Human Rights Commission, *Systemic gender bias in the financial sector: An inquiry*, <http://www.equalityhumanrights.com/en/policyresearch/usinglegalpowers/pages/financefurtherinfo.aspx>.

⁴⁷ W.Luhabe, *Time for more change in South Africa: The business case for gender balance*, <http://womensomics.com/490-0-the-business-case-for-gender-balance-in-south-africa.html>

6.3 Inadequate Access to Role Models, Mentors and Networks

Women need women role models and mentors in order to inspire and assist them on their career path. In particular, black women need black women role models and mentors, which is very difficult when there are so few of them. Additionally, with the subversion of many women managers to the dominant male culture of corporate leadership, there is the perception that women who have made it to the top tend to 'forget where they have come from' and don't make any special effort to reach out to younger aspiring colleagues⁴⁸.

The importance of access to appropriate role models and mentors is part of a larger concern for women and black people in corporate leadership structures that are dominated by white males, especially access to the informal networks within organisations that can provide the information necessary to access the opportunities required for corporate advancement. There is substantial evidence^{49 50 51} to show that women, and particularly black women in top positions, find themselves socially isolated, while those at lower levels struggle to develop and fully utilise corporate social networks. Ibarra (1993)⁵² builds a conceptual framework of the personal networks of women and minorities in management, which highlights the pervasive and systemic nature of the disadvantage faced by these groups (Box 3).

6.4 'Undesirable' Feminine Characteristics

While traditional female stereotypes are negative in the sense that they permit generalised prejudices, they are nevertheless built on some elements of truth. Within the traditionally 'masculine' corporate culture, the exhibition by women of traditionally 'feminine' characteristics tends not to support a rapid ascent up the career ladder. This section

⁴⁸ A study of barriers to career advancement for professional women in the banking sector, SA Journal of Human Resource Management, 2003, 1(2) 21-27.

⁴⁹ Success stories: Black women managers in South Africa before 1990, overview and background to workshop led by Truida Prekel, Management Consultant, Cape Town South Africa, EWMD NETWORK Annual Conference, Philadelphia, June 8-11, 1995 www.ynovation.co.za/BlackWomEXMD95.doc Accessed 12 March 2009.

⁵⁰ A study of barriers to career advancement for professional women in the banking sector, SA Journal of Human Resource Management, 2003, 1(2) 21-27.

⁵¹ Centre for Work-Life Policy, *The Athena Factor: Reversing the brain drain in science, engineering, and technology*, Key Findings Extract.

⁵² H. Ibarra, *Personal networks of women and minorities in management: A conceptual framework*, Academy of Management Review, 1 January 103.

considers some of the traditionally 'feminine' characteristics that serve to disadvantage women.

First, women tend not be as confident in their own abilities as men. They do not make a 'big deal' of what they achieve and are not in the business of using achievements strategically to promote themselves and build the types of networks that will positively influence their career progression possibilities. Because of this, women's contributions will often go unnoticed because they are not verbalised quickly in fast-paced and competitive work environments⁵³.

⁵³ *A study of barriers to career advancement for professional women in the banking sector*, SA Journal of Human Resource Management, 2003, 1(2) 21-27.

Box 3: Personal networks of women and minorities in management: a conceptual framework

This article attempts to build a theoretical conceptual framework around the phenomenon of exclusion from informal interaction and organizational networks by women and minorities, because this is one of the most frequently cited problems in respect of stifled career development.

Within the framework of informal, personal networks within the organizational context, this article makes the following key points to explain the reasons why women and minorities do not have access to and/or benefit to the same extent from their organizational networks as men do.

Due to the domination of white males in most workplaces, women and minorities will have a much smaller percentage of same-race or same-sex ties than their white male counterparts, these being the easiest relationships on which to form strong and multiplex ties (meaning that there many linkages between the individuals of the network) because of the interpersonal similarity that facilitates ease of communication, improves predictability of behavior, and fosters relationships of trust and reciprocity.

As women and minorities tend to have to search more widely in an organization to find network relationships with similar others (homophily of the network) the wider the network (greater network range), the more organizational sub-units will be represented within the network.

While having a wide range in a network should be advantageous (in that it should provide access to a wide range of organizational units), the status of the people within this network is also important. Women and minorities tend to have lower status homophilous relationships, as this is where most are located within organisations.

Thus when women and minorities seek out wide-ranging homophilous networks, they tend to place themselves at a disadvantage in respect of the power that they can leverage through these. This is not the case for white men, who suffer no disadvantage by seeking to build homophilous networks.

When women and minorities are constrained by organizational structure to have a majority of cross-sex or cross-race network relationships, their networks will tend to be dominated by weak, uniplex ties (i.e. few cross linkages between the individuals in the network).

Because of these factors, women's and minorities networks are considerably less stable than those of their white male counterparts.

Women's and minority's networks are also likely to be sparser than those of their white male colleagues because there is less likely to be any overlap between the focal individual's homophilous and heterophilous contacts.

As heterophilous ties for women and minorities (i.e. ties with white men) can provide access to power and promotion, these are potentially useful. However, their ability to build strong heterophilous relationships is undermined by the fact that personal networks are shaped by stereotypes, attributions and biases that mean that women and minorities are viewed as being able to provide little to white men in the way of current capacity, future potential or a fair exchange of resources. As maintaining network contacts demands time and energy, white men do not actively seek women and minorities as contacts.

Taking this argument further, the fact that women and minorities seek homophilous relationships may be due to white male exclusion, and such relationships will be more prolific than may be expected on the basis of structural availability.

Critical cross-cultural and cross-race relationships of women and minorities (such as with workplace mentors) will be weaker and less stable than the homophilous critical relationships enjoyed by white males. There is also considerably lower likelihood that women and minorities will have an overlap between their network ties and those of the critical contacts'.

In summary, for women and minorities in workplaces the key dilemma emerges: Identify group homophily which provide friendship and emotional support is in direct competition to the types of instrumental relationships that provide access to resources necessary for career advancement.

When women and minorities choose as a strategy to have functionally differentiated networks – a homophilous circle of relationships that provide emotional support benefits and a separate heterophilous group that provide alternate channels for information, advice and promotion opportunity, the costs may be high: they may not be considered as full-fledged members of either group.

Source: Ibarra (1993)

Second, on average women are less competitive than men⁵⁴, less amenable to the media attention associated with top jobs⁵⁵, and considerably more risk averse. Competitiveness and a willingness to take risks are considered to be key character traits for success among those who wish to rise to leadership positions in male-dominated sectors. Women's risk-averse behaviour is considered to be the key reason for the male domination of the US fund-management sector and one of a suite of reasons why women are considerably under-represented in management in the science, engineering and technology sector⁵⁶. Ironically, research⁵⁷ from the DAB bank shows that women online investors outperformed men by 9.1% in 2001. Additionally, while both men and women investors tended to be over-confident, related to their extreme competitiveness, men were especially over-confident when incorrect!

Finally, women's own desire for top jobs also affects employers' perceptions of their 'promotability'. There is evidence⁵⁸ that among top women in business, academia and government in the USA there is a certain amount of ambivalence towards their work, with some admitting that they neither planned for their career development nor actively sought promotions. Some who had been offered promotions had hesitated before accepting, while others had turned the offers down because of conflicts with their quality of life.

6.5 Lack of Adequate Education and Skills

In many countries, female students have achieved or surpassed parity with male students in tertiary education access. Despite this, many women still opt for more traditional 'female' academic subjects choices. As certain (traditionally male) qualifications are generally considered to be more appropriate as base qualifications for top-management positions in the

⁵⁴ *There's more to life than competition*, <http://www.management-issues.com/2006/5/26/blog/theres-more-to-life-than-competition.asp>.

⁵⁵ *We don't want to be the boss*, 20 June 2005, <http://www.telegraph.co.uk/finance/2917655/%27We-don%27t-want-to-be-the-boss%27.html>.

⁵⁶ Centre for Work-Life Policy, *The Athena Factor: Reversing the brain drain in science, engineering, and technology*, Key Findings Extract.

⁵⁷ Investment Advisor, *Why men still wear the fund investment pants*, 19 August 2002, www.accessmylibrary.com/coms2/summary_0286-26258164_ITM.

⁵⁸ International Labour Office, *Breaking through the glass ceiling: Women in management update 2004*, Geneva.

various sectors⁵⁹, many women lack the relevant educational profile to enter and progress in the professional and managerial careers to which they aspire⁶⁰.

For example⁶¹, in Japan 51% of companies responding to a survey indicated that women tend to be in jobs that do not lead to managerial positions – leading to their being trapped at lower levels by a ‘sticky floor’. This factor is also given as one explanation for the dearth of female CEOs in the UK retail sector⁶²: Many of the female board directors come from the HR and communications departments, which are not considered to be the right breeding ground for future CEO’s.

An interesting finding from a study⁶³ by US-based *Catalyst*, is that despite the value of this form of qualification for men, women are considerably less likely to invest in an MBA. The reason appears to be that the return on the high cost of investment (both in financial and personal terms) is considered by many women to be insufficient. The differences experienced by men and women MBA graduates in respect of career pay-offs are the compound result of:

- Differences in qualifications and training prior to the MBA;
- Women’s career interruptions due to having a family; and
- Lower average weekly working hours for women due to ongoing family responsibilities.

The South African Business Times also reported on this research,⁶⁴ adding that other factors including a male-oriented classroom culture for most MBA courses and a lack of role models in MBA schools are also partially to blame for women’s reluctance to enroll.

⁵⁹ Centre for Work-Life Policy, *The Athena Factor: Reversing the brain drain in science, engineering, and technology*, Key Findings Extract.

⁶⁰ International Labour Office, *Breaking through the glass ceiling: Women in management update 2004*, Geneva

⁶¹ Ibid.

⁶² *We don’t want to be the boss*, 20 June 2005, <http://www.telegraph.co.uk/finance/2917655/%27We-don%27t-want-to-be-the-boss%27.html>.

⁶³ N. Paton, 2009, *An MBA no use for women*, <http://www.management-issues.com/2009/2/27/research/an-mba-no-use-for-women.asp>.

⁶⁴ *The glass ceiling at business schools*, <http://www.btimes.co.za/98/0712/news/news10.htm>.

Over factors⁶⁵ that lead to women having inadequate skills to take on top-management positions include:

- Women are not given (or turn down due to risk-aversion or lack of self-confidence) the opportunities in the workplace that will stretch them, give them key business experiences and so build their capacity for top management positions.
- Women also face a range of 'soft skills' challenges which include: lack of self-esteem; the inability to utilise their business networks; failure to achieve a work-life balance; and lack of a career management strategy or active planning of what they want to achieve.
- Many women lack strategic thinking skills. They ascend to management through specialised areas and often do not have the breadth of knowledge necessary for top-management positions.

6.6 Unintended consequences of affirmative action

Most of the positive trends noted in gender transformation internationally, as in South Africa specifically, can be ascribed to affirmative action policies. The quota system, which is an affirmative action tool, is intended to ensure that a certain minority of the designated group are represented on decision-making bodies.

Internally, the quota system is controversial. While there is no doubt that it is effective in achieving demographic transformation, critics argue that the quota system is discriminatory, interventionist and essentially undemocratic. Many countries (including Italy and the UK) have rejected quotas for women, specifically at the national level, arguing that they are at odds with the principle of gender equality and that discriminate against other under-represented groups⁶⁶.

⁶⁵ *Get in touch with the feminine side of business*, Business Day Management Review, www.bwasa.co.za/Portals/4/dpcs/archive/article%20get%20in%20touch%20with.doc.

⁶⁶ International Labour Office, *Breaking through the glass ceiling: Women in management update 2004*, Geneva.

Furthermore, there is some evidence that quotas lead to unintended negative consequences for those they seek to benefit. First is 'tokenism'. This refers to the use of women, and particularly black women, as 'window dressing' in teams and delegations. They are there to show off company 'diversity' but are given little responsibility and expected to add little value⁶⁷.

A second unintended negative consequence is that quotas undermine individuals' efforts to demonstrate their capabilities on an equal footing. Black South African women report questioning whether their employment is based on the fact that they are black and women (i.e. to meet company race and gender quotas) or because they are considered skilled and competent members of the team⁶⁸.

Third, and related to the above, is the argument that quotas can create a hierarchy in terms of which those who are employed without the assistance of quotas are somehow superior to those who are helped by them. And, say critics, quotas reinforce and entrench women's already disadvantaged position⁶⁹.

Fourth, there is evidence that people who benefit from quotas may experience resistance, resentment or even sabotage from people who feel threatened by what they see as active discrimination⁷⁰.

Last, there is the danger that designated groups may develop a sense of entitlement because of quotas and thus become complacent, reinforcing negative stereotypes and increasing potential resentment⁷¹.

⁶⁷ *Success stories: Black women managers in South Africa before 1990*, overview and background to workshop led by Truida Prekel, Management Consultant, Cape Town South Africa EWMD NETWORK Annual Conference, Philadelphia, June 8-11, 1995, www.ynovation.co.za/BlackWomEXMD95.doc Accessed 12 March 2009.

⁶⁸ *A study of barriers to career advancement for professional women in the banking sector*, SA Journal of Human Resource Management, 2003, 1(2) 21-27.

⁶⁹ International Labour Office, *Breaking through the glass ceiling: Women in management update 2004*, Geneva.

⁷⁰ *Success stories: Black women managers in South Africa before 1990*, overview and background to workshop led by Truida Prekel, Management Consultant, Cape Town South Africa EWMD NETWORK Annual Conference, Philadelphia, June 8-11, 1995, www.ynovation.co.za/BlackWomEXMD95.doc Accessed 12 March 2009.

⁷¹ *Ibid.*

6.7 Style compliance pressures

Within the dominant white male culture, style compliance pressures affect black but not white women. Personal style factors such as accent, speech volume and speaking style, the use of hand gestures while speaking, hairstyles, wardrobes and a general appearance that are different from those of the majority group are often interpreted as 'incompatible' with management roles⁷². In South Africa particularly, submissiveness and shyness learned by black women in traditional cultures are interpreted as a sign of poor leadership skills⁷³. These factors often lead to black women denying their authenticity in an effort to 'fit in'⁷⁴.

6.8 In summary

This section has considered a range of challenges that women, and particularly black women, face in climbing the ladder to corporate management. Collectively these challenges are all considered to be part of the well-documented 'glass ceiling' phenomenon. At the heart of the problem is that most organisations were created by men, for men and for the most part continue to be managed by them. Even in South Africa, where black people are the majority group in the population by a considerable margin, women and especially black women remain a minority in corporate leadership structures and are confronted on a daily basis by some or all of these challenges.

⁷² *Leadership in your midst: Tapping the hidden strengths of minority executives*, Harvard Business Review, November 2005.

⁷³ *Success stories: Black women managers in South Africa before 1990*, overview and background to workshop led by Truida Prekel, Management Consultant, Cape Town South Africa EWMD NETWORK Annual Conference, Philadelphia, June 8-11, 1995, www.ynovation.co.za/BlackWomEXMD95.doc Accessed 12 March 2009.

⁷⁴ *Leadership in your midst: Tapping the hidden strengths of minority executives*, Harvard Business Review, November 2005.

7 THE 'HIDDEN BRAIN DRAIN' CONCEPT

The term 'hidden brain drain' was coined by Sylvia Ann Hewlett, founder of the New York-based think-tank *The Centre for Work-Life Policy*. It describes the phenomenon of high levels of attrition and turnover of professional women and women managers from the workforce predominantly at mid-career level⁷⁵. Closely related to the concept of the 'glass ceiling', research into the 'hidden brain drain' focuses somewhat more on the factors within male dominated corporate cultures and workplaces that cause women to avoid or turn down offers for top jobs and/or willingly resign from these positions.

Until the impact of the current economic downturn, continued growth of the USA and UK economies had been considered to be constrained by skills shortages. In South Africa, for different reasons, the situation is similar. In this context it is unacceptable that many corporations are doing a dismal job of retaining female talent, with levels of attrition among women professionals and managers being considerably higher than for men.

A groundbreaking study in the USA entitled *The hidden brain drain: Off-ramps and on-ramps in women's careers*⁷⁶ points out that there are a number of factors that both push and pull women out of the workforce, and make it very easy for them to leave. Likening a career to a highway, the study argues that there are many 'off-ramps' but very few 'on-ramps' for talented women. Some interesting statistics include:

- 37% of highly qualified women in the USA voluntarily leave their career for a period of time⁷⁷. While 90% of these want to return to work, 75% found jobs and but 40% returned to full-time work⁷⁸.

⁷⁵ S.A. Hewlett, 2005, *Off-ramps and on-ramps: Keeping talented women on the road to success*, Centre for Work-Life Policy, published by Harvard Business Review, March 2005.

Centre for Work-Life Policy, *The hidden brain drain: Off-ramps and on-ramps in women's careers*, , Published by Harvard Business Review, Product no. 9491, March 2005.

⁷⁶ Ibid.

⁷⁷ Ibid.

⁷⁸ *Focus on discrimination misses the point*, <http://www.management-issues.com/2006/8/24/research/focus-on-discrimination-misses0the-point.asp>.

- Overall, 58% of highly qualified women in the USA take a variety of 'scenic routes' including reduced hours or flexible work options⁷⁹.
- The number of woman MBA graduates in the USA not working nine years after MBA completion is 13% compared with only 1% of men⁸⁰.
- Two thirds of women in the UK would rather quit their jobs and stay at home with their children – if they could afford it⁸¹.
- Over time, 52% of highly qualified women in the Science and Technology sector in the USA leave their jobs to cope with family responsibilities⁸².

Considering that the average direct cost to replace an employee is roughly one-and-a-half times their annual salary, and that employees recruited into top positions are considerably more likely to leave again than those who have risen through the ranks within an organisation, a recent study⁸³ by Deloitte asserts that companies need to consider seriously the development and retention of internal talent.

At present the view is widespread that there are few women who can take the opportunity of a career and a family and achieve a happy balance; indeed it is rare that women can achieve ultimate success and satisfaction in both⁸⁴.

This section considers in more detail the factors that drive women from top jobs and from the workforce and the aspects of male-dominated corporate cultures that fail to adequately take into account the demands and pressures that particularly motherhood places on women.

⁷⁹ *The hidden brain drain: Off-ramps and on-ramps in women's careers*, Centre for Work-Life Policy, Published by Harvard Business Review, Product no. 9491, March 2005.

⁸⁰ *An MBA no use for women*, <http://www.management-issues.com/2009/2/27/research/an-mba-no-use-for-women.asp>.

⁸¹ *Focus on discrimination misses the point*, <http://www.management-issues.com/2006/8/24/research/focus-on-discrimination-misses0the-point.asp>.

⁸² Centre for Work-Life Policy, *The Athena Factor: Reversing the brain drain in science, engineering, and technology*, Key Findings Extract.

⁸³ Deloitte, *It's 2008: Do you know where your talent is? Why acquisition and retention strategies don't work*, A Deloitte Research Study, 2008.

⁸⁴ *A study of barriers to career advancement for professional women in the banking sector*, SA Journal of Human Resource Management, 2003, 1(2) 21-27.

Subsumed in this discussion is also the understanding that biologically women are child bearers, and that while the feminist agenda gave women the right to choose not to have children or to take on the role of motherhood, this agenda should not take away from their right to choose to have children and to invest time in raising their families as well⁸⁵.

7.1 Extreme and inflexible working conditions

Women professionals and managers often hit a break point in their mid- to late-30s. This is the time when both career and family pressures ratchet up together⁸⁶. Disregarding the blatant discrimination against women because of pregnancy, childbirth and related medical conditions, of which there is still abounding evidence⁸⁷, at the root of women's role conflict is the issue of flexibility.

Top-level professional and managerial jobs demand extreme working hours – often in excess of 65 hours a week, with contact availability on an almost 24 hour basis. These conditions are seen to be incompatible with motherhood and raising a family⁸⁸. Social pressures on women to balance the demands of family against those of paid work are heavy, but particularly so in more family-oriented cultures⁸⁹. It is also suggested that the slow-down in the rate of growth of women in the labour market in the USA since the 1990s is due to a renewed cultural emphasis on marriage and the family⁹⁰. Because many women are driven not by issues such as power and money, but by desires to make a difference and have an impact, when children and families are at risk and women are forced to choose between a career and their families, many will leave their jobs.^{91 92 93 94 95}

⁸⁵ The Guardian, *The hidden brain drain*, Monday 4 June 2007,

www.guardian.co.uk/money/2007/jun/04/discriminationatwork.workandcareers.

⁸⁶ Centre for Work-Life Policy, *The Athena Factor: Reversing the brain drain in science, engineering, and technology*, Key Findings Extract.

⁸⁷ *Women and minorities in management*, <http://www.referenceforbusiness.com/management/Tr-Z/Women-and-Minorities-in-Management.html>.

⁸⁸ *The hidden brain drain*, Monday 4 June 2007,

www.guardian.co.uk/money/2007/jun/04/discriminationatwork.workandcareers.

⁸⁹ International Labour Office, *Breaking through the glass ceiling: Women in management update 2004*, Geneva

⁹⁰ *Women and minorities in management*, <http://www.referenceforbusiness.com/management/Tr-Z/Women-and-Minorities-in-Management.html>.

⁹¹ International Labour Office, *Breaking through the glass ceiling: Women in Management Update 2004*, Geneva.

Women professionals' and managers' reluctance to accept offers of promotion to top jobs are linked to the same considerations. Some women argue actively that they 'don't want to be the boss' because they are unwilling to make the family sacrifices⁹⁶.

Flexible working arrangements (such as flexible working schedules, compressed working schedules, and job-sharing – none of which employers are obliged to allow⁹⁷) may help companies retain the talents of their highly skilled women employees, but generally do not support rapid (if any) career development. Those for whom this is not an option may instead resign and choose the types of jobs that, while having lower pay and lower career prospects, promise fewer (or flexible) working hours, more predictability and less responsibility⁹⁸.

The International Labour Office argues that the current situation 'forces some women who want careers to forgo having children, and those who want children to sacrifice promising careers'⁹⁹. Notably, a 2001 nationwide survey of high-earning American career women found that 33% were childless at ages 40 to 55, while a survey of Fortune Magazine's 187 most powerful women in business found that 28% were childless¹⁰⁰.

7.2 The gender pay gap

The gender pay gap, or the differences in average earnings between men and women, is generally looked at over populations or sectors as a whole. Overwhelmingly, men earn more than women. Recent detailed like-for-like comparisons, however, reveal that much of the

⁹² *An MBA no use for women*, <http://www.management-issues.com/2009/2/27/research/an-mba-no-use-for-women.asp>.

⁹³ *Focus on discrimination misses the point*, <http://www.management-issues.com/2006/8/24/research/focus-on-discrimination-misses0the-point.asp>.

⁹⁴ *The hidden brain drain*, Monday 4 June 2007, www.guardian.co.uk/money/2007/jun/04/discriminationatwork.workandcareers

⁹⁵ *Women less prepared to sacrifice everything to reach to the top*, <http://www.management-issues.com/2006/9/14/research/women-less-prepared-to-sacrifice-everything-to-reach-to-the-top.asp>.

⁹⁶ *We don't want to be the boss*, 20 June 2005, <http://www.telegraph.co.uk/finance/2917655/%27We-don%27t-want-to-be-the-boss%27.html>.

⁹⁷ *Women and minorities in management*, <http://www.referenceforbusiness.com/management/Tr-Z/Women-and-Minorities-in-Management.html>.

⁹⁸ *The hidden brain drain: Off-ramps and on-ramps in women's careers*, Centre for Work-Life Policy, Published by Harvard Business Review, Product no. 9491, March 2005.

⁹⁹ International Labour Office, *Breaking through the glass ceiling: Women in management update 2004*, Geneva.

¹⁰⁰ *Women and minorities in management*, <http://www.referenceforbusiness.com/management/Tr-Z/Women-and-Minorities-in-Management.html>.

gender pay gap within professions can be accounted for by the long-term impact of women's childbearing and childrearing responsibilities¹⁰¹. Motherhood for professional women results in a 7% economic penalty per child¹⁰²: The demands made by childbearing and child-rearing, and the choices that women make in response to these, permanently slow down their earning power¹⁰³.

7.3 Lack of domestic support

Finally, the social expectations of women to manage the household and domestic affairs is high, even in 'modern' and 'liberated' sections of society. Black women have the added pressure of domestic and social demands from extended family and community members. While it is possible to 'outsource' child-care and domestic responsibilities, the cost of this for many women is exceptionally high – both financially as well as socially¹⁰⁴ – and the people hired to take on such work are generally not available for responsibilities beyond the immediate family.

Nomkhith Nqueni, deputy president of the Association of Black Securities and Investment Professionals (Absip) argues that¹⁰⁵ 'One of the other challenges facing women is that they don't have wives so they have to juggle being chief executives and directors with being mothers, wives, umakoti, and pillars of the community. It's a tough balancing act...'

¹⁰¹ *The hidden brain drain task force: Women and minorities and unrealized assets*, www.worklifepolicy.org/pdfs/initiatives-taskforce.pdf.

¹⁰² Business Day Management Review, *Get in touch with the feminine side of business*, www.bwasa.co.za/Portals/4/dpcs/archive/article%20get%20in%20touch%20with.doc.

¹⁰³ *Breaking through the glass ceiling: Women in management update 2004*, International Labour Office, Geneva.

¹⁰⁴ *A study of barriers to career advancement for professional women in the banking sector*, SA Journal of Human Resource Management, 2003, 1(2) 21-27.

¹⁰⁵ *Breaking the glass ceiling, embracing gender equality*, 25 August 2008, http://www.tradeinvestsa.co.za/bee/bee_columns/725711.htm.

Box 4: Views on the glass ceiling of women in South African newsrooms

“Because women journalists usually join male-dominated newsrooms, over time they unwittingly embrace the perceptions of their male colleagues...”

“Women are tolerated and even appreciated in lower positions but most men – of course there are exceptions – still do not like reporting to or taking instructions from women.”

“I do think senior men think they are gender sensitive when in fact they are not. And the fact that they do not know that they do not know, is even worse than to argue/debate with those who are outright discriminating.”

“Women are patronised and their opinions do not appear to be taken as seriously as those of men. This can be subtle, like jokes made at their expense when they give their opinions, or teasing. It seems friendly and even affectionate, but it is actually demeaning.”

“...old boys’ clubs where assignments, policies etc are discussed at golf clubs, in bars etc, virtually forcing women to adopt a male-defined social life to be ‘one of the boys’ – or be left out.”

“...women are still trapped in the social construct of also being the ‘housewife’... women are not empowered and mentored to believe in themselves, that they can fill a senior position, because women also buy into the perception that they cannot ‘compete’ with men, cannot be ‘as good as men’, etc, when they in fact can do things better than men.”

“...women have to be particularly aggressive if they want to break through. Many aren’t inclined, or don’t have the capacity, to be aggressive. The hostile environment includes being ignored, being undermined, being belittled, and assumptions about competence ...”

“Women managers are accused of being emotional and incompetent ... if they are not (emotional and incompetent, they are) perceived as tough and vindictive and bitchy. They are also vulnerable to rumor and innuendo about their sexual activity or history to a degree that men simply are not.”

“...fewer number of women journalists stay the course than those that begin the race; most of those that do, often follow ‘soft beats’ that do not adequately prepare them for general management tasks.”

“I do hear phrases like ‘is he man enough?’ when discussing a youngster’s ambitions...there’s a sense that many men do often still feel they are superior to women. No amount of workshops is going to change this ingrained sense of entitlement. As women I think we need to get on with things while being aware of the realities.”

“There is no accommodation of a women who needs a flexible working day – not a shorter day, just a more flexible one...I think there should be a more creative approach to managing people – putting them on performance contracts and measuring them on the quality and quantity of their work they produce would be the first step – there are so many examples of journalists who are in the office for the conventional eight hour day but produce very little from week one to the next...”

Source: SANEF, 2007⁴⁸

7.4 In summary

The combined effects of the ‘glass ceiling’ for women in management and of the ‘hidden brain drain’ are that women managers on average have a ‘flight risk’ that is double that of men. Internationally, the flight risk of black women is even higher. The term ‘Triangular Perfect

Storm' describes conditions that produce extreme flight risk in professional women. The following three factors are considered critical stressors¹⁰⁶:

- Being of the age when family demands increase rapidly (child and elder care, etc);
- Having worked extreme hours for over six months; and
- Having been bypassed or overlooked for promotion opportunities in the last couple of years and feeling frustrated by a lack of recognition and reward.

¹⁰⁶ *Hidden brain drain task force conference September 2008*, Category: Women in the Workforce, <https://infolinx.aon.com/WINningView.nsf/d6plinks/USCH-7JZMUE>.

8 A FOCUS ON THE FINANCIAL SERVICES SECTOR

Having considered the literature on gender discrimination in terms of the concepts of the 'glass ceiling' and the 'hidden brain drain', this chapter seeks to highlight these phenomena in respect of the financial services sector. Both South African and international literature is considered.

There is a range of literature that bears testimony to the fact that the financial sector is considered to be a male-dominated sector with extreme demands that place women professionals and managers at high risk of flight as they progress up the ladder and have to juggle a profession and a family:

- In a 'hidden brain drain' study¹⁰⁷ carried out in the USA, none of the women who had left a job in banking or finance because of motherhood wanted to return to their old jobs – instead they preferred taking lower-paid, but less demanding jobs that could accommodate their need for flexibility.
- A study published by the online management-issue.com¹⁰⁸ reports women account for only 17% of the top tier of accountants. However, as the recent ranks of accounting graduates have more than 50% women, the need for workplace policies that assist in retaining them in the profession will become even more important. This will be particularly so if severe shortages are to be avoided as women accountants opt out of demanding schedules and inflexible working environments. Also of importance is that accounting and financial backgrounds are considered to be one of the best breeding grounds for CEOs, with 40% of UK CEOs and 25% of US CEOs coming from financial backgrounds.

¹⁰⁷ *Focus on discrimination misses the point*, <http://www.management-issues.com/2006/8/24/research/focus-on-discrimination-misses0the-point.asp>.

¹⁰⁸ *Accountancy glass ceiling as thick as ever*, <http://www.management-issues.com/2008/5/22/research/accountancy-glass-ceiling-as-thick-as-ever.asp>.

- The same study¹⁰⁹ indicates that that one third of men believe that the demands of being a partner in an accounting firm make it impossible for a woman in such a position to raise a family. The idea of flexible working hours in the profession is considered to be a myth, or at best a possibility that could exist in some other company than in the one in which they work. Across all accountants surveyed, 60% believe that being an accountant harms their personal lives.
- An article in London's Sunday Business newspaper¹¹⁰ reports on the introduction of a new female CEO to a spin-off of an esteemed London finance firm. Underlining her suitability for the extreme demands of this job, the article starts off by mentioning that her CV does not list any leisure interests and that she states in the course of her interview: 'Work is my hobby. I take work home a lot and I love working'.
- A recent report compiled by the Chartered Management Institute and Remuneration Economics in the UK reveals that female managers are no longer paid less than their male counterparts. Indeed, women have been receiving higher pay rises than men in attempts to compensate for past discrimination. Despite this, the turnover of women managers is still higher than for men as a result of family responsibilities¹¹¹.

In South Africa, research¹¹² into the barriers to career advancement for professional women in the banking sector reveals the following key findings:

- Very few women in South Africa hold positions of power in top management in the banking sector, where the number of women CEOs is minimal compared with men. There are a handful of powerful women but these are considered to be the exception rather than the norm.

¹⁰⁹ Ibid.

¹¹⁰ G. Dresser, 2000, *Female CEO-to-be shakes up spin-off of esteemed London finance firm*, [Online] Sunday Business, 24 September 2000, http://www.accessmylibrary.com/coms2/summary_0286-6478804_ITM.

¹¹¹ *Glass ceiling cracks as women gain pay equity*, <http://www.management-issues.com/2006/8/24/research/glass-ceiling-cracks-as-women-gain-pay-parity.asp>.

¹¹² *A study of barriers to career advancement for professional women in the banking sector*, SA Journal of Human Resource Management, 2003, 1(2) 21-27.

- This remains the picture despite a strong drive within the sector to bring in young females and to develop them for senior executive-management positions.
- The problem is that senior management in investment banking is an extreme job that is client facing and does not respect the personal time necessary for raising a family and prioritising a partner. The pressure on women to balance work and family in this sector is extreme.
- Investment banking is not only dominated by men, but also by a particular personality – one that is obsessive and focused. These characteristics are generally more associated with the male psyche, with women tending to have a wider range of interests.
- Investment banking clients tend to be the mining and financial services sector, which are still heavily dominated by males who prefer to deal with men. Thus client demography represents a severe impediment to career advancement for women to top management in the sector as seniority is largely dependent on covering the top clients, and opportunities to do this do not go to women.
- All other barriers faced by women management in this sector in South Africa are those typical of the 'glass ceiling' phenomenon described in the international literature.

Research by Alexander Forbes¹¹³ claims because of the low levels of representation of black women in top management in South Africa's financial services sector, networking options for these women tend to be limited to white men. This highlights the importance of formalised networking associations for women and blacks in the sector.

In the UK, the financial crisis has placed a spotlight on gender discrimination in the financial sector. The Equality and Human Rights Commission has launched an inquiry into systemic gender bias in the sector. This was initiated by the Minister for Women and Equalities in light of evidence that the sector has a considerable gender pay gap; has an alleged culture of sex

¹¹³ *Women count*, <http://www.alexanderforbes.co.za/News/OtherNews/2005/11/WomenCount.htm>.

discrimination including harassment and sexual exploitation; and demonstrates an absence of diversity in its leadership. The purpose of the inquiry is to find out¹¹⁴:

- If the sector's current difficulties are in part related to the structural and cultural way that institutions are organised and led.
- Why the gender pay gap is larger and more persistent in this sector than in any other sector and if this is symptomatic of deeper failures in which the absence of diversity in leadership and inequality in status and rewards have worked against efforts to ensure stability and effectiveness?
- What lessons need to be learned and applied to the rebuilding of the sector through the current financial crisis?

¹¹⁴ Equality and Human Rights Commission, *Systemic gender bias in the financial sector*, <http://www.equalityhumanrights.com/en/policyresearch/usinglegalpowers/pages/financefurtherinfo.aspx>.

9 THE SKILLS SUPPLY PIPELINE

One cannot consider the appointment of women, and particularly black women, into top positions in a highly professional sector such as financial services, without considering the issue of the supply of skills into the pipeline.

Substantiating this is the fact that the 2005 Employment Equity report shows a decline in the representation of black women in professional occupations from 35.1% in 2003 to 29.1% in 2005. The report argues that a possible reason is the increasing pressure on companies to have black women in management, and that the pool of black women professionals serves as a feeder to the pool of black women managers¹¹⁵. While there are positive aspects to this proposal, this highlights the importance of keeping a close eye on skills supply pipeline.

Dr Maname Magau – President of the BWA – argues this point clearly¹¹⁶:

Companies need to enhance the skills of women in middle management positions to enable them to assume senior roles. Not enough is being done by companies to grow their female employees at junior and middle management levels – Corporate leadership does not exist in a vacuum. It develops from a base.

It must furthermore be remembered that the appointment to top-management positions for black women in South Africa represents the end of a long road – a road of many potential exits and hazards that have to be avoided. Black women in South Africa still on average have the lowest education levels and, while increasing numbers are attaining Matric and accessing tertiary education, graduation is hindered by a range of factors. These include among other things: poor-quality schooling, restricted access to finance and other resources, and gender bias in respect of family responsibilities etc¹¹⁷.

¹¹⁵ *Striving for gender equality in the labour market*,
www.anc.org.za/show.php?doc=ancdocs/pubs/umrabulo/umrabulo27/art4.html.

¹¹⁶ Business Day Management Review, *Get in touch with the feminine side of business*,
www.bwasa.co.za/Portals/4/dpcs/archive/article%20get%20in%20touch%20with.doc.

¹¹⁷ *Striving for gender equality in the labour market*,
www.anc.org.za/show.php?doc=ancdocs/pubs/umrabulo/umrabulo27/art4.html.

However, if statistics on black female professionals in the financial services sector is considered, it seems as if black women are rapidly overcoming the problems that may be holding them back from accessing professional positions. Table 7 shows that in banking, insurance and the financial markets the percentage of black women professionals increased from 13.7% in 2003 to 26.1% in 2007. The percentage of white women declined from 30.0% in 2003 to 25.7% in 2007. However, the total position of women professionals improved to the extent that they filled more than half (51.8%) of all professional positions by 2007.

Table 7: Women professionals as percentage of professionals in banking, insurance and financial markets

		2003	2004	2005	2006	2007
African female	%	4.1	5.4	5.7	8.9	12
Coloured female	%	4.3	4.2	4.3	6.5	7.6
Indian female	%	5.3	5.3	5.2	6.3	6.5
Subtotal black female	%	13.7	14.9	15.2	21.7	26.1
White female	%	30.0	30.1	27.9	27.9	25.7
Total female	%	43.7	45	43.1	49.6	51.8

The situation with regard to women in professional positions in Fasset's sector is depicted in Table 8. In 2007 there were more than 21 000 female professionals employed in this sector, of whom more than 8 000 were black women. Women constituted 48.0% of all professionals and black women 19.0%. Compared to banking, insurance and financial markets, Fasset's sector was slightly worse off, but in both components of the financial services sector (banking, insurance and financial markets as well as Fasset's sector) female professionals have increasingly been taking their rightful place and as a consequence women fill about half of the professional positions. Thus, the pool from which female managers can be sourced is becoming large enough and over time it should be possible to further rectify gender imbalances at managerial level.

The more rapid transformation that has been achieved for white women in top management can largely be attributed to the greater pool of adequately qualified professional women who

through previous discriminatory policies and practices had been denied opportunity to progress. The pool of professional black woman to draw from for top management is to a large extent still in the process of development¹¹⁸.

Table 8: Female professionals in the Financial and Accounting Services Sector (Fasset's sector) as percentage of all professionals

	Professionals	
	N	% of all professionals
Black female	8 404	19.0
White female	12 861	29.0
Total female	21 265	48.0

Source: Calculated from Fasset's Survey of Employment, Scarce and Critical Skills, 2007

The distribution of female professionals across sub-sectors and their representation in the different sub-sectors of Fasset's sector are shown in Table 9. In 2007 almost half (49.2%) of the female professionals were employed in the sub-sector Accounting, Bookkeeping, Auditing and Tax Services – the largest sub-sector. In this sub-sector women constituted 48.2% of all professionals. The sub-sector with the largest percentage of female professionals was Activities Auxiliary to Financial Intermediation, with 66.7% women. However, most of them were white. This is followed by SARS and Government Departments with 56.3% female professionals – of whom more than half were black women.

¹¹⁸ *Queens on colour: should white women still benefit from EE legislation?*, 26 March 2008, <http://www.leader.co.za/article.aspx?s=1&f=1&a=519>.

Table 9: Female professionals by sub-sector and race

Sub-sector	Race	Professionals	% of women Professionals in sub-sector	% of all women in sub-sector	% of professionals in sub-sector
		N	%	%	%
Investment Entities, Trusts and Company Secretary Services	Black*	97	20.9	2.4	8.0
	White	368	79.1	9.3	30.2
	Total	465	100	11.7	38.2
Stockbroking and Financial Markets	Black	268	33.4	5.4	11.5
	White	534	66.6	10.7	23.0
	Total	802	100	16.1	34.5
Development Organisations	Black	126	26	6.7	12.3
	White	359	74	19	35.1
	Total	485	100	25.7	47.4
Accounting, Bookkeeping, Auditing and Tax Services	Black	6 102	39.6	19.5	19.1
	White	9 303	60.4	29.7	29.1
	Total	15 405	100	49.2	48.2
Business and Management Consulting Services	Black	234	28.9	9.8	10.8
	White	576	71.1	24.2	26.6
	Total	810	100	34	37.4
Activities Auxiliary to Financial Intermediation	Black	72	7.7	1	5.1
	White	864	92.3	11.7	61.6
	Total	936	100	12.7	66.7
SARS and Government Departments	Black	1506	63.8	13.8	35.9
	White	856	36.2	7.8	20.4
	Total	2 362	100	21.6	56.3

Source: Calculated from Fasset's Survey of Employment, Scarce and Critical Skills, 2007

The increase in women in professional positions is a direct result of an increase in female students graduating from higher education institutions with the key qualifications required by the financial services sector. Table 10 shows the increase in the percentage of female graduates (from all the public higher education institutions) in the field of accounting over the period 1995 to 2004. In 1995 only 316 black women graduated in the field of accounting and in that year black women constituted only 12.6% of all graduates in this field. By 2004 2 142

qualifications had been awarded to black women and at that stage they constituted 31.6% of all the graduates in the field of accounting. The number of white women who graduated each year increased from 676 in 1995 to 1 405 in 2004. In 1995 white women formed 26.9% of all graduates in this field and although their numbers increased each year, by 2004 their share in the total number of qualifications awarded had dropped to 20.7%. If the overall position of women is considered, they increased from 39.4% in 1995 to more than half (52.3%) in 2004.

Table 10: Women graduating in accounting at public higher education institutions: 1995 to 2004**

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Black women	N	316	598	834	952	1 023	1 003	1 239	1 449	1 740	2 142
	%*	12.6	17.1	18.6	22.8	23.5	25.2	28.5	32.6	33.2	31.6
White women	N	676	926	1 164	918	974	969	974	865	1 008	1 405
	%*	26.9	26.5	25.9	21.9	22.3	24.3	22.4	19.5	19.3	20.7
Total women	N	992	1 524	1 998	1 870	1 997	1 972	2 213	2 314	2 748	3 547
	%*	39.4	43.7	44.5	44.7	45.8	49.5	50.8	52.1	52.5	52.3

*Percentage of all graduates in the field of accounting.

** These figures include qualifications awarded at NQF levels 6 to 8 at universities and universities of technology.

Source: Calculated from South African Qualifications Authority, Trends in Public Higher Education: 1995 to 2004, Pretoria, 2007

The same trends as those observed in the field of accounting occurred in the field of commerce, business management and business administration (Table 11). The number of black women graduating increased steadily from a relatively low base (12.8%) in 1995 to 31.5%. The number of white women increased slightly but their share in the total number of qualifications awarded shrunk from 27.7% in 1995 to 18.5% in 2004. In total the percentage of qualifications awarded to women increased from 40.5% in 1995 to 50.0% in 2005.

Table 11: Women graduating in commerce, business management and business administration at public higher education institutions: 1995 to 2004**

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Black women	N	1 339	2 000	2 345	3 285	3 126	3 623	4 240	5 044	5 761	6 085
	%*	12.8	17.1	18.1	21.8	23.4	25.3	26.8	27.9	29.8	31.5
White women	N	2 886	2 880	3 018	3 523	2 996	3 135	3 214	3 840	3 916	3 561
	%*	27.7	24.7	23.3	23.3	22.4	21.9	20.3	21.2	20.3	18.5
Total women	N	4 225	4 880	5 363	6 808	6 122	6 758	7 454	8 884	9 677	9 646
	%*	40.5	41.8	41.4	45.1	45.8	47.2	47.1	49.1	50.1	50.0

Despite the progress made by women and especially black women in terms of educational qualifications in accounting, they still lag behind in terms of membership of the accounting professions (i.e. membership of the professional bodies). In 2002 17.6% of chartered accountants (CAs) were women and by 2007 24.9% were women.¹¹⁹

The impact of current increased access by black women to the key qualifications that feed the financial services management pipeline will only realistically become visible on gender transformation at top levels in the next 15 to 20 years.

Having said this, however, it is important to take note that even despite the blatant discrimination against both women and black people in South Africa under apartheid, there is evidence of some black women who rose to management positions during this time. These women demonstrated a range of career-related strengths that allowed them to succeed despite adversity. Furthermore, there is a range of factors that count in favour of black South African women reaching heights beyond the limitations of their circumstances. These include: a culture in which women are traditionally the workers and in which it is socially acceptable to work and to outsource child care responsibilities; the fact that they are hard-working, reliable, diligent, productive, loyal and experienced in leading and organising community events; and the fact that they have a practical approach to work and interpersonal relations, and a unique mix of a sense of humor, modesty and wisdom that enables them to handle both success and failure¹²⁰.

¹¹⁹ EE Research Focus and Tshwane University of Technology, *Research into the financial management, accounting and auditing skills shortage*, 2008.

¹²⁰ *Success stories: Black women managers in South Africa before 1990*, overview and background to workshop led by Truida Prekel, Management Consultant, Cape Town South Africa EWMD NETWORK Annual Conference, Philadelphia, June 8-11, 1995 www.ynovation.co.za/BlackWomEXMD95.doc Accessed 12 March 2009.

10 CONCLUSIONS AND RECOMMENDATIONS

Promoting the gender transformation of the top management of South Africa's finance sector – with a focus on the advancement of black women – is of primary concern to Fasset. The evidence presented by this review of the quantitative and qualitative information available reveals the following points for consideration:

- In comparison to other sectors in South Africa and internationally, the South African financial services sector is making notable progress in its gender transformation efforts. Not only have the proportions of both women executive and non-executive managers increased substantially since 2004, in this category the financial services leads the private corporate sector.
- The advancement of black women into corporate management positions has been somewhat slower than that of white women, and is furthermore variable across sub-sectors. However, this must be seen in the light of a substantially larger and historically stronger pool of white women professionals. Evidence suggests that the pool of black women professionals for the sector is growing and that for the most part a sustainable supply is being created from which management and top management can increasingly be drawn.
- The issue of the 'glass ceiling' and the various forms of workplace inflexibility that lead to the phenomenon of the 'hidden brain drain' in the finance industry has received recent international attention due to the widespread devastating impact of poor decisions made over a number of years within the global financial services sector. The South African sector does not operate in isolation and despite the largely positive figures, women and particularly black women are to a smaller or larger extent subjected to these same challenges within this traditionally (and still largely) white male-dominated sector.

Although this research has not engaged directly with any women or black women stakeholders in the financial services sector in South Africa, some tentative recommendations can be made:

- Fasset should keep a close watch on the skills supply pipeline. Achieving a gender and demographic transformation of top management of the financial services sector will only be possible if there are sufficient numbers of black women entering and graduating in the relevant fields of study that feed people into the types of professions from which management and particularly top management are drawn.
- While the use of affirmative action policies will most likely be necessary for quite some time to come, and particularly in reaching the 30% line that is considered critical for a minority group to achieve a mindset change, it is important that Fasset be mindful of the fact that pushing for too rapid gender and racial transformation, particularly at top management level, is likely to have a host of unintended negative consequences. Aside from the impact on the sector's performance of forcing inadequately skilled women into management positions, charges of 'tokenism' and resentment from colleagues are likely to increase, and negative stereotypes reinforced rather than destroyed.
- What will be of critical importance is that concurrent with efforts to support the supply side, Fasset consider sensitising companies to the demonstrated link between diversity at top-management level and corporate performance,¹²¹ as well as the real negative financial consequences of workplace policies that (even subtly) undermine the development and retention of particularly their skilled black women employees. Local research into the pervasiveness of the 'hidden brain drain' phenomenon in the sector may also be considered.

¹²¹ Catalyst, 2004, *The bottom line: Connecting corporate performance and gender diversity*, www.catalystwomen.org.

- In support of this, Fasset should make every effort to back up skills-development efforts for black women with linkages to formalised professional networks that can provide the support, role models and mentors that these women need to grow and succeed in their careers. Such groups include the Association of Black Securities and Investment Professionals (ABSIP)¹²², the African Women Chartered Accountants (AWCA) Forum¹²³, and the Association for the Advancement of Black Accountants of Southern Africa (ABASA)¹²⁴.
- Finally, Fasset should consider the detailed findings and recommendations of the USA based study: *The hidden brain drain: Off-ramps and on-ramps in women's careers* as well as the outcome and recommendations of the Equality and Human Rights Commission's inquiry into gender discrimination in the UK's financial sector when these become available.

¹²² Association of Black Securities and Investment Professionals (ABSIP) <http://www.absip.co.za/>.

¹²³ African Women Chartered Accountants (AWCA) Forum website, <http://www.awca.co.za/home.asp>.

¹²⁴ The Association for the Advancement of Black Accountants of Southern Africa (ABASA) <http://www.abasa.org.za/>.

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