

## **The influence of psychosocial factors on careers of women in banking industry**

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### **Symmary**

This article analyses the main psychological problems that women from banking industry deal with in their career ascension. In order to make an objective analysis, primary and secondary theories considering the gender aspect in professional growth were analysed. Furthermore an empirical research on women and men from the banking industry in the UK was held. The conclusion of this research was that men and women have different motivational preferences and as a consequence the stimuli that drive to career ascension are different for men and women.

**Key words:** Career ascension, gender aspect, motivational hierarchy, motivational preferences, psychological stimuli, professional growth.

### **Rezumat:**

În acest articol sunt analizate principalele probleme de ordin psihologic cu care se confruntă femeile în creşterea profesională în sistemul bancar. Pentru a efectua o analiză obiectivă, au fost analizate teoriile primare şi secundare privind creşterea în carieră luând la bază factorul gender şi a fost efectuată o cercetare empirică asupra femeilor şi bărbaţilor din sistemul bancar din Marea Britanie. Concluzia acestei cercetări a fost că bărbaţii şi femeile au preferinţe motivaţionale diferite şi ca rezultat stimulii ce duc la creşterea în carieră a femeilor şi a bărbaţilor este diferit.

**Cuvinte cheie:** creştere profesională, factorul gender, ierarhia motivaţională, preferinţe motivaţionale, stimuli psihologici, carieră profesională.

The main objective for this report is to devise a strategy that will encourage more females to consider a career in senior management in the Collective Bank. The problem regarding women in management roles is being widely analysed since feminism revolution. At the beginning there were a lot of controversial opinions in relation to this problem, but most agrees with the fact that men and women have different needs and characteristics. In order to encourage women for a better work and career growth, they need other motivators than men.

Sociologists and psychologists that analysed women came to conclusion they are characterized by different factors than men. Some of them think that this presents a barrier for an equal style of

life (including the freedom of role choosing such as dominating – managing or subordinating) (Goldberg, 1993; Walby, 1986), other see these differences as an opportunity for spreading the work roles in order to obtaining an effective result (Acker, 1992), and the third think that these can change with the power (Kanter, 1993). Also, these different characteristics were analysed by Vaskova, Stead, Wagner and Hollenbeck. They attributed to each gender different motivator factors in relation to their dissimilarities in needs.

Catharine A. MacKinnon was one of the people who expressed her disapproval regards feminism and equality of roles choosing “Each sex has its role, but their stakes and power are not equal. If the sexes are unequal, and perspectives participate in situation, there is no ungendered reality or ungendered perspectives. (...) Sexual metaphors for knowing are not coincidence” (MacKinnon, C., 1989 cited in Harding, S., 1988, p. 136).

Samuel T. Goldberg, psychiatrist, has the same opinion and argues his theory relaying on hormones’ influence. “Goldberg focuses on the impact of physiology on social attitudes and behavior, in particular the effect of male hormones such as testosterone as a source of sex differences in motivation, ambition and behaviour” (Hakim, C.1996 p.5). His theory is characterized by two key elements. In the first one he argues that physiological differences between men and woman, such as hormones, makes men more motivated for obtaining top positions in any hierarchy. Testosterone is a source of men’s main characteristics, such as domination and aggression. Second element refers again to the physiological differences, but in this case, Goldberg thinks that they also influence the workplace relationship between men and woman. Because of the barrier that is created between them, the egalitarian work roles cannot be established (Golberg, 1993). “Sex roles and styles of behaviour established in heterosexual relationships carry over into role expectations and behaviour patterns in the workplace consciously or subconsciously”(Goldberg 1993, cited in Hakim, C. 1996 p.6).

“Goldberg is not saying that men are necessarily more able, competent or effective in using position of power and authority, only that they are motivated to seek such positions with greater determination and persistence than women, and are more prepared to make sacrifices to get there, in terms of effort and foregoing other activities or benefits” (Hakim, C. 1996 p.6).

Goldberg theory remains up-to-date; despite the technological revolution, human factors did not change. The primary research, presented in the next section, confirms Goldberg’s theory. It shows that in banks women managers are 58% less than men despite the same working conditions for both men and women. Hormones’ impact can explain this big gap.

Kanter's theory (1993) is in disagreement with Goldberg's and argues that adaptation can contribute as well.

“It is the job which makes the person, not the person who makes the job, and it is power differences, rather than gender differences, that provide the key to understanding the different fates and fortunes of men and women of the corporation” (Kanter, 1993 cited in Halford, S., 1997, p.8)

Kanter (1993) demonstrates in her book ‘Men and women of the corporation’ that power influences women's behaviour. She believes that the problem with small number of women in senior roles can be simply solved by simply giving them these positions and their behaviour will adapt to them. This way she argues that men's and women's behaviour does not differentiate when they take the manager role, which contradicts the theories of Acker and Van Houten (1974) and Goldberg's study on sex roles which are taken into the work relationships, also she ignores male homosocial desire (Eve Sedgwick, 1995). All these factors may cause difficulties in relations between men and women, results from here that a good woman manager should have another approach to her subordinates and colleagues than a man.

Acker and Van Houten (1974), in their publication ‘Differential recruitment and control: the sex structuring of organisations’ have looked at organisations' gender structure and came to conclusion that it is not gender-neutral. In the last Acker's work (1992), she “highlights four major areas in which gender and organizations can be seen to intertwine”(Halford, S., 1997, p.5). Areas are the construction of division between women and men; images and symbols – such as stereotypes and metaphors attributed to men and women; actual interaction between them and internal mental work (Acker, 1992). “She shows how the social construction of ‘organisation’ means that organisation is variable, that it may be contested and that the agency of organisational members is central to the construction of ‘organisation’ as a lived practice”(Halford, S., 1997 p.16)

These theories have one distinctive common thing: all of them take into consideration women and men differences in characteristics, which influence needs and motivations. According to many authors (Rynes, *et al.*, 2004; Stead, 2009; Vaskova, 2006; Wagner and Hollenbeck, 2010), different genders are driven by different motivations at workplace. Vaskova's research on gender motivation (2006), demonstrates that men are more interested in money as motivational factor, while women's interest in work is more driven by inter-personal relationships (friendly environment). Also Vaskova argues that women are more motivated by the possibility of reconciling work and family life.

Wagner and Hollenbeck (2010) agree with Vaskova's theory and suggested that men are more likely to change their place of work if they are offered a higher salary than women.

According to Stead's study (2009) "males and females recorded different strengths on 9 motivational drivers". He found out that women are more interested in recognition, ease and security, personal growth (see appendix C).

These ways, in order to achieve same objective (increasing the number of women in managerial role) women need other motivators than men.

## **Methodology**

The objectives for research were to:

- Explore current situation of women in managerial role in banking industry
- Find out what motivates them
- See women perspectives in this industry from their point of view
- Find out their opinion regarding suitability in managerial role in this field

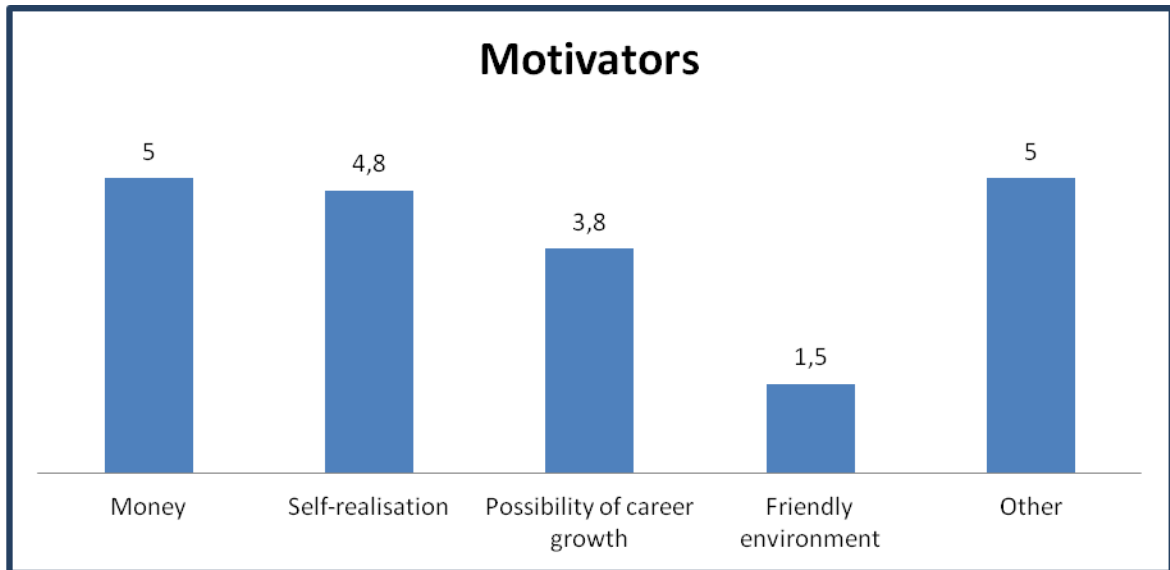
To find the answers to the above questions have been used two methods. First one was a questionnaire (see appendix A). It aimed to clarify first three objectives. For the second objective, the most appropriate method to use was Osgood's semantic differential scale. This way, it is easier to find out the main motivators and also the level of their influence. For the last objective, a little interview was used. It consisted mainly from two open questions, which gave the expected results, in terms of wide and clear responses.

In order to get the most accurate results, were analysed people from different banks (Golman Sachs, J.P. Morgan Chase, Barclays, Credit Suisse) and backgrounds, such as managers, senior and junior clerical workers. Number of people that were interrogated is: for questionnaire 20 and 6 for the interview. In this research, women's opinions were mainly used, but men's points of view were not ignored, because both of them matter in order to see this problem from different perspectives.

The results from the primary research have reached stated objectives. Both researches were done on people aged from 23 to 35; 3 persons are managers.

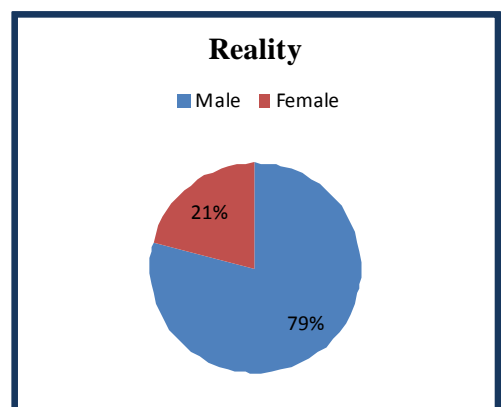
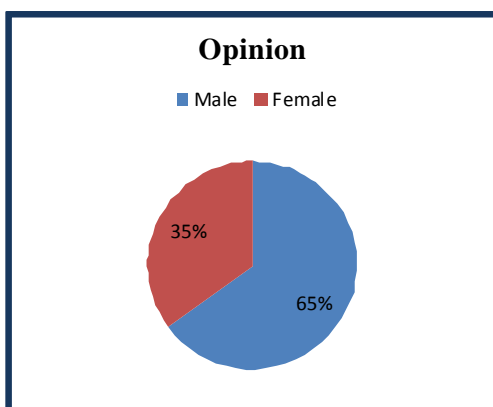
First objective was to find out the motivators' influence. The main factors that motivate women to work in banks are money and self-realisation (see figure 1).

**Figure 1 Motivators**



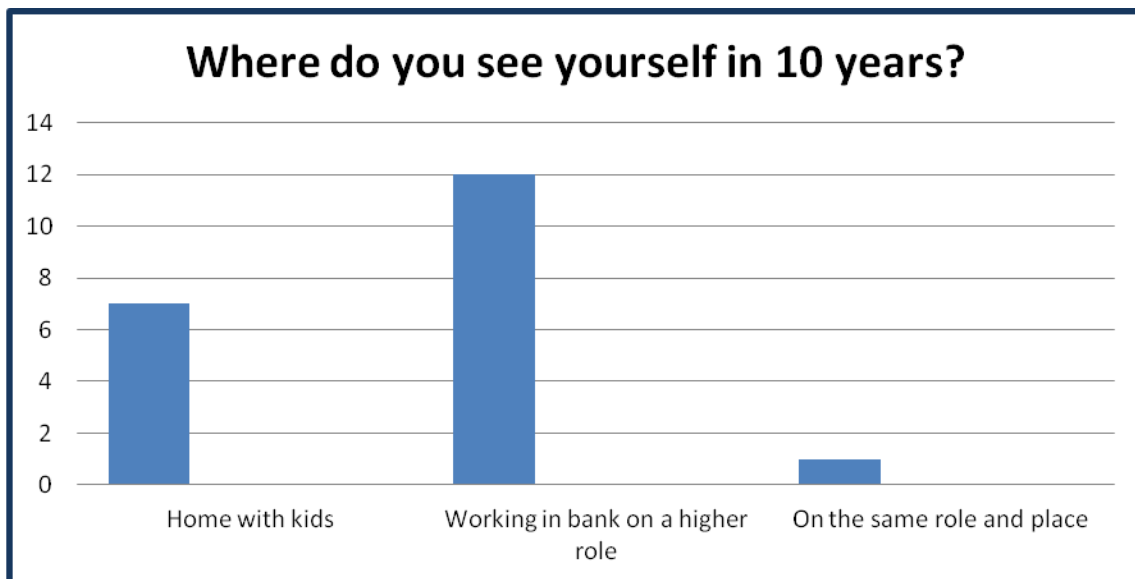
When interrogated people were asked about other motivators, some of them answered that they are motivated by “constant learning process”, “development of strong character” and “being involved in the extremely powerful and dynamic world of finance”, which definitely shows their passion regarding the industry they activate in. These additional motives, however, show the need to fulfill their potential, which means self-realisation. The additions and also different scale of influence of these two, doubt people’s understanding of ‘self-realisation’, that is why, the results of this motive were rectified using the scale from ‘other motives’. Although, one of the answers could be attributed to ‘other’, this was the response from a male manager (Vice President of Morgan Chase). He said that one of his main motivators is “advantages of being a VP: travel, client meetings, cultural events attendance/organisation, and luxury lifestyle”. Secondly, was found out the current situation of women in banking in managerial role and compared to the women’s opinion about their suitability on this role. The results were quite similar.

**Figure 2.1 Women managers in Banks, opinions      Figure 2.2 Women managers in Banks, reality**



The last question was “where do you see yourself in 10 years?” in order to see women perspectives in this industry from their point of view. Results are presented below:

**Figure 3 Women in banking ambitions**



**Interview:**

For the interview took part 6 persons, 5 women and 1 man. They were asked 2 open questions about who they think is more suitable for managerial role in this field and why. Interrogated people’s demographics can be found in the appendices (see appendix B).

Person 1: She thinks that both, men and women, are suitable for managerial role because “both have advantages attributed to their sex. Women and men have different perceptions of issues and solutions, and hence have to work together to develop optimal resolutions”

Person 2: This person has the same opinion as ‘person 1’. She says that “Research for banks requires a lot of patience, attention to detail and tolerance, these are mainly female traits of character. But, undoubtedly, men are also very suitable for that type of job due to their ability to capture a bigger picture and thus synthesize useful investment recommendation from research (usually performed by women as mentioned before)”

Person 3: She is convinced that only men can handle managerial role in banking because “Investment bank job requires you to work for 16 hours every day (usually from 9 to 1am). You sleep for 6 hours, don’t get any weekends, and have only 10 days a year of holidays. You are constantly put under pressure of deadlines and tough clients. You feel chronically exhausted and look 10 years older than you are. The list goes on and on...”

Person 4: She agrees with 'person 1' and 'person 2' regarding suitability. She says: "Both parties should collaborate in creation of stable financial systems. Men should introduce their risk-prone projects and increase returns, while women, being more risk averse, would promote greater stability. Hence, we should aim at a 50% - 50% division of male/female"

Person 5: From his 10 years of experience in this field, he came to conclusion that this is a 'male job', "Not in any degree is this attributable to 'lesser' female abilities. Women can serve a role model for thousands of men in wisdom, creative thinking and patience. But work in banks requires a full private life sacrifice, which I consider is not worth for a woman"

Person 6: She thinks that this role is more suitable for men. "Although I enjoy a (relatively) posh lifestyle, I had to work 24/7 during my first 5 years. Only a few years ago I allowed myself to get pregnant due to a stable role in the bank. The banking industry is a ruthless money making machine, that destroys everything that is weak, not clever enough or not sly enough. You either have to be sure you have the balls to stay alive in that industry or don't even dare to enter it"

From obtained results can be concluded that the problem regarding low number of women on management roles is very acute and this section aims to develop a strategy, referring to the research above, that will solve this issue.

From the result it is known that women managers are 58% less than men and bank workers think that this is appropriate for the industry they are working in (see figure 2.1 and 2.2). The most effective way to find out the reason of the problem was the interview. It gave a full understanding of the feelings and situation regarding work in banking industry. The results show that despite the fact that employers are required to work about 8 hours per day, it takes around 16 hours every day to finish a task. First 5 years of this job, an employee has to work 7 days per week, usually beyond working hours and have only 10 days a year holiday. 'Person 6' said that "I had to work 24/7 during my first 5 years". Under that kind of pressure it is no wonder that 'person 3' feels "chronically exhausted".

'Person 5' said that "work in banks requires a full private life sacrifice, which I consider is not worth for a woman". Due to the results from the questionnaire (see figure 3) 'person 5' is partially right. 7 out of 20 women answered that in 10 years from now they see themselves home with kids, but because of the working conditions in banking industry it is less likely that they will continue to work in a bank. 'Person 6' said that "the banking industry is a ruthless money making machine, that destroys everything that is weak, not clever enough or not sly enough. You either have to be sure you have the balls to stay alive in that industry or don't even dare to enter it".

All the results above clearly show the main issues regarding bank jobs, they are not many, but their influence has a major impact on women career growth:

- Working for a bank takes all the time for personal needs
  - Exhausting schedule
  - No personal life
- In consequence to first point there is lack of friendly people around (see figure 1), which shows that employers do not feel comfortable on their work place where they spend the most time of their daily life.
- Money is main motivator for women

In consequence to the factors above, almost half of interrogated women do not have the ambition to work in senior roles or even in the same role (see figure 3). A woman that could make a career in banking industry must be a 'woman of steel', for whom her job means more than family or even personal needs. In the most cases, family requires more time from a woman than a man. That is why men can more likely 'combine' family with a high role in banking industry.

Inferring from the findings, in order to increase the number of women in senior management roles, first of all, should be considered differences in genders' needs. As mentioned on literature review section, men and women have different characteristics, which means that women's needs and ambitions are other than men's. Women prefer more a friendly work environment rather than money (Vaskova, 2006; Wagner and Hollenbeck, 2010). According to the primary research shown above (see figure 1) women in banking are not motivated by this factor, more likely because of its absence, which is deducted from the interview results. This kind of overloaded schedule, described by most of the bank employees, more likely drives to stressful working condition. Also, in the results (see figure 1) money is indicated as main motivator, which would be good if the questionnaires were completed by men. Money, of course is a good motivator for work, but being the main one for women does not drive to the best outcomes, as they have different needs, which are not satisfied in this field. Personal growth and intrinsic factors, such as self-actualisation are strong motivators for a woman (Stead, 2009) and according to findings they are present in the banking industry.

Genders have different needs and respectively, factors that motivate them differ as well. This fact was argued by several authors, such as Rynes, Stead, Vaskova, Wagner and Hollenbeck. They demonstrate that women are more likely to do qualitative work when they are under a friendly environment, feel secure and have the possibility of career growth. These are main motivators that differs women from men. The deficiency of some of these motivators, which



were identified through the primary research shown above, influence in a negative way women's quality of work and in consequence the amount of them on top of the banking industry. By providing to women employees motivators that they need and by decreasing the level of stress, the amount of them in senior roles will increase. The existing work manner in banks presents a real barrier for personal life and friendly relationships between colleagues. These factors hold a significant number of women back from a future career in banking industry, as were seen in Figure 3. By removing these barriers, the amount of women in senior roles will increase.

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