



**BRITISH ACADEMY
OF MANAGEMENT**

BAM
CONFERENCE

3RD-5TH SEPTEMBER

ASTON UNIVERSITY BIRMINGHAM UNITED KINGDOM

This paper is from the BAM2019 Conference Proceedings

About BAM

The British Academy of Management (BAM) is the leading authority on the academic field of management in the UK, supporting and representing the community of scholars and engaging with international peers.

<http://www.bam.ac.uk/>

**Gender inequality and (lack of) career progression for women in the Australian
Finance Industry**

Robyn Elizabeth **Johns** (PhD)

(Corresponding Author)

UTS Business School, University of Technology Sydney

Robyn.Johns@uts.edu.au

Kristin **Van Barneveld** (PhD)

UTS Business School, University of Technology Sydney

Kristin.VanBarneveld@uts.edu.au

Deborah **Cotton** (PhD)

UTS Business School, University of Technology Sydney

Deborah.Cotton@uts.edu.au

Carmel **Foley** (PhD)

UTS Business School, University of Technology Sydney

Carmel.Foley@uts.edu.au

Abstract

The Australian finance industry has been acknowledged for leadership in introducing measures to address gender inequality (WGEA). However, the industry continues to have the highest gender pay gap nationally and one of the lowest representations of women in senior managerial roles. Reviewing the literature, this paper outlines the state of gender inequality in the finance industry and explores the barriers and solutions to career progression for women. It concludes by highlighting two key questions for further research. 1. Given the inertia, is the finance industry authentic in its attempts to address gender inequality? 2. If the industry is indeed genuine, what are the inhibitors to progress

Keywords: Gender inequality, finance industry, gender pay gap, women, career progression

Introduction

Women's participation in the paid labour force in Australia increased from 35 per cent in 1978 to 47 per cent in 2018 (ABS 2018a; ABS 2018b). This demographic change has had positive repercussions for the financial independence of women (Austen & Giles 2003) as well as for the Australian economy which is now drawing upon a greater talent base (PwC Australia 2016). However, the gender pay gap remains an issue in the Australian economy generally (WGEA 2018). Additionally, in many sectors of the Australian economy, including the finance sector, women are under-represented in leadership positions (WGEA 2018)

The rise of women in the paid labour force in the 1970s coincided with the second wave of feminism and emergence of feminist academic literature (Wearing, Small & Foley 2018). Women's roles in the workplace and their progression into senior managerial positions became the focus of academic attention. In an early example, Flanders and Anderson (1973) note the under-representation of women in managerial positions and argues that this status quo was maintained through the strategy of "pacification by promotion" (p. 955) which was used to quieten the few "pesky women" who dared to break the mould with their high career aspirations. Kanter (1977) proposed that improving the ratio of senior female to male managers to 15:85 would positively influence the way the dominant group (men) interacted with the token group (women), improving both organisational culture and organisational relationships (Lyness and Thompson 2000).

More recently, the focus of the literature has included the persistent gap in the career progression of women (Parker, Hewitt, Witheriff & Cooper 2018), the glass ceiling (Yu 2018), surrounded by glass walls (Schneer and Reitman 1995, Lyness and Thompson 2000, Watts et al 2015, ILO 2015), the multitude of barriers to women's career progression and proposed solutions (Dunn P 2012; Morley, Bellamy, Jackson & O'Neill 2002). However, despite more than forty years of research and debate, the career progression of women in Australia has not significantly improved. While some gains have been made, the proportion of women in senior roles remains far from commensurate with their labour market participation and their increased human capital investment (Neck 2015; Newman 1993, Metz 2003).

The sector in Australia where gendered access to pay and leadership positions is most stark is the finance sector. Despite receiving accolades for its approach to gender equality (WGEA 2018), the finance sector has consistently been the industry with the highest gender pay gap (WGEA 2018) and a significant absence of women in senior roles. Indeed, the pay gap for women and men in the finance sector in Australia grew from 26.1 per cent in 2017 to 26.9 per cent in 2018 (WGEA 2018). In contrast, the gender pay gap in Australia across all industries dropped from 15.2 per cent in 2017 to 14.1 per cent in 2018.

This paper reviews the literature around women's careers in the finance sector. We provide a background to the industry and information on the current gender issues in the Australian finance sector. Through a systematic literature review we examine the issue of career progression of women in the finance industry and consider the enablers and barriers to women's career progression in the industry. We critique the strategies that are currently employed by leading organisations in the Australian finance sector and offer recommendations for change and future research.

Background to the Australian finance sector

The finance sector is slightly more feminised than other industries in Australia. In 2018, 50.1 per cent of employees in *Finance and Insurance Services* were women (ABS 2018b). Economy-wide, women comprised 46.9 per cent of the Australian labour force (ABS 2018a).

A distinguishing feature of the sector is a high level of full-time employment. Just 26.1 per cent of the women employed in the industry work part time (ABS 2018b) compared to 46 per cent of employed women working part time economy-wide (ABS 2018a). Even more distinctive is the use of casual employment - just 1.7 per cent of employees in the Australian finance sector are employed casually compared to 24.7 per cent across all industries (WGEA 2018).

Jobs in the sector are clearly demarcated by level of education. Jobs in the ‘service’ areas of finance generally do not require tertiary qualifications. Women are more likely than men to work in ‘service’ areas in building societies and credit unions, health insurance and general insurance (ABS 2016). Men, on the other hand, are more likely than women to work in areas that comprise roles requiring tertiary qualifications such as central banking, financial asset investing, other depository financial intermediation including bill of exchange discounting or financing (except by banks), commercial finance company operation, merchant banking operation, and money market dealing, as well as financial asset investing and financial asset broking (ABS 2016).

This segmentation does not, however, reflect the numbers of women achieving tertiary qualifications in finance. In fact, more women hold tertiary qualifications in the field than men, with census data showing that 52.6 per cent of those holding a qualification in accounting, banking and finance and management and commerce in 2016 were female (ABS 2016). However, like the occupational split above, the data also provides an insight into differences in the sub-areas of study – men are more likely than women to be studying banking, finance and related fields; women were more likely to be studying accounting (ABS 2016).

Pay Equity in the Finance Sector

At the time of writing, in Australia, every industry sector has a gender pay gap in favour of men. Longitudinal data shows that, although it is improving, the finance sector has consistently reported the highest gender wage gap of any industry (WGEA 2018). The difference in average total remuneration between men and women in the *Finance and Insurances* sector in 2018 was \$48,884 per annum, significantly ahead of the second highest industry, *Construction*, with a total gap of \$39,950 per annum (WGEA 2018). It has been

suggested that in both of these sectors the widespread use of bonuses and commissions was a factor influencing the size of the gap (WGEA 2018).

A further breakdown of the finance sector by form of employment and occupation reveals which groups of employees are most affected by the gender pay gap. Among full time employees, when assessed on *base pay*, the gender pay gap is 23.1 per cent (WGEA 2018). But when total remuneration is considered, the gap jumps to 30.3 per cent (WGEA 2018). This increase is an indication that the commission and incentive-based pay structures in the industry contribute heavily to the gender pay gap. For full time managers the gender gap in total remuneration is 27.7 per cent; for full time non-managers the gap is 21.5 per cent (WGEA 2018). Among the non-managerial group, it is full time sales employees where the gender gap is the greatest, at 25.1 per cent (WGEA 2018) and where commissions are commonly a key part of the remuneration package.

For part time workers in finance, the gender gap is even more stark. For all part time managers, the gender pay gap measured on total remuneration is 37.4 per cent (WGEA 2018). However, among this group, the gap is the largest for part time executive and general managers (55.3%) and other key management personnel (45.6%) (WGEA 2018). These findings have led us to question whether large gender pay gaps provide a disincentive for women to continue their careers in the finance and insurance sector.

Positions held by women in finance

The international literature on women's career progression in the finance sector distinguishes between the types of senior roles where women's representation needs to be improved. An important distinction is made between representation on executive committees and on boards (Jäkel and Moynihan 2016). In their global study of the financial services industry, Jäkel and Moynihan (2016, p.9) found that in 2016 women comprised 20 per cent of board level positions in the industry, a slight increase on 2013 (which was 18%). Where women have increased their representation on boards, targets and quotas have been key. However, only one country has a targeted quota approach to women's representation on organisational executive committees – the Netherlands (Jäkel and Moynihan 2016).

Representation on executive committees was slightly lower than on boards – 16 per cent in 2016 compared with 14 per cent in 2013 (Jäkel and Moynihan 2016). Jäkel and Moynihan

(2016) argue that increased representation of women on executive committees is a more important goal than board representation (although conversely board representation might improve executive committee representation) because these roles are more visible within organisations and they are decision making rather than advisory roles. In addition, gender diversity at this level helps reduce risk of groupthink and can be effective in providing early and mid-career women with role models and sponsors (2016, p.11). Similarly, Schneer and Reitman found that by mid-career a quarter of men had ‘made it into the executive suite, [but] only 9% of the women’ (Schneer and Reitman 1995, p.311). More recently, Addison et al (2014, p.302) concluded ‘not only that more highly educated women receive fewer promotions than men in mid and peak career but also that in most cases these promotions are accompanied by much reduced wage growth as well’. Jäkel and Moynihan (2016) note significant differences by country and predict that at the current growth rate, representation of women on executive committees will not reach 30 per cent globally until 2048.

Further, the few countries which have reached 30 per cent representation on executive committees (Sweden, Thailand and Norway) have hit a ceiling and ‘not pushed on with growth rates for female representation’ (Jäkel and Moynihan 2016, p.12). Jäkel and Moynihan (2016) offer several possible explanations for this: apathy once a target has been reached; an insufficient number of women in the pipeline; and different career preferences between women and men.

In Australia, even with a consistent political focus on this issue, ‘gender balance remains static at the top: female CEOs increased slightly by 0.6pp to 17.1% and female representation on boards crept up by 0.9pp to 25.8%’ (WGEA 2018, p.3). At the end of October 2018, the proportion of women on ASX 200 boards was 28.4 per cent and four ASX 200 boards had no female representation (AICD 2018). The findings indicate that in terms of career progression to the most senior roles within organisations, the finance industry has not moved as far as other industries. CEO positions are less likely to be held by a woman, and slightly fewer women fill key management personnel roles in the finance and insurance services industry than other industries. The situation is the same for ‘other executive/general manager’ roles (WGEA 2018). The only area where the finance sector reflects the broader marketplace is at the senior manager and ‘other managers’ levels – the lowest of the executive ranks reported by WGEA (WGEA 2018).

It is important to consider whether women are being promoted within organisations and the industry or coming to senior roles from outside of the sector. While most appointments in the finance sector are female (53.3% in 2018), just 46.1 per cent of managerial positions appointed are filled by women. This is slightly higher than the all industries average of 43.3% of appointments to managerial positions being women. Beck and Davis (2005) report that at Westpac, ‘the majority of senior females in the company did not come up through the organisational ranks. They were groomed elsewhere, more often than not in the public sector, and then brought into the bank when gender equity became a strategic focus’ (2005, p.279).

In 2018 only 13.3 per cent of organisations in the finance sector had set a target for the gender composition of governing bodies and this has declined steadily since 2015. However, the finance and insurance sector is doing better than other sectors at setting these targets – economy-wide just 8.2 per cent of organisations report having done so.

It is timely then to question why progress has been slow in the finance sector. Is it that ‘well intentioned organisations have not found the recipe for advancing women and the right way of combining the various ingredients, such as flexible working arrangements, sponsorship and cultural change’ (Jäkel and Moynihan 2016, p.7)? The next section examines the literature on barriers to career progression for women in the sector.

Barriers to career progression for women in finance

More than forty years ago, Kanter noted the failure of affirmative action efforts to improve managerial outcomes for women (Zimmer 1988). Kanter found that where women had achieved managerial status they were tokens compared to the male ‘dominants’; and were ‘often treated as representations of their category, as symbols rather than as individuals’ (Kanter, 1977a, p.209). As women were relatively scarce in senior positions, those who were became highly visible and subject to scrutiny. According to Kanter, the key was to increase the ratio of women to men to make women less of a rarity and, in the longer term, to change organisational cultures.

In the Australian finance sector, Kanter’s views of tokenism still ring true. At present there is no female CEO of a major bank and Gail Kelly, the former chief executive of Westpac was, arguably, treated as a token while in the role. Kelly was the subject of innumerable media stories about her rise from Latin teacher and bank teller to CEO, all while having four

children, including triplets – a personal focus which was not ascribed to her male counterparts (Kilponen 2017, Sales 2017).

Subsequent research critiqued Kanter's Tokenism theory, noting that there was no evidence that simply increasing the number of women in senior roles would improve equality for women (Zimmer 1988). Kanter's theory was modified to acknowledge the impact of gender discrimination (Lyness and Thompson 2000) and 'the degree to which organizational structures and the interactions that take place within them are imbedded in a much broader social system of structural and cultural inequality between the sexes' (Zimmer 1998, p.71).

Regardless, Kanter's observation of the failure of measures such as affirmative action to improve outcomes for women remains valid today. The glass ceiling is an enduring concept, held up by glass walls (Watts et al 2015, ILO 2015). These terms are metaphors 'referring to the barriers women and ethnic minorities must overcome to move up in their organizations that majority groups (e.g. white men) do not have to face' (Watts et al 2015, p.12). The barriers are not fixed entities (Lyness and Thompson 2000) but more of a labyrinth – a maze 'of forces that oppress women and minorities across a lifetime' (Watts et al 2015, p.12). A review of the literature reveals contention over the relative import of some of the forces at play in the labyrinth.

At the very start of careers, preconceptions of gendered roles among students contributes to career decisions (Watts et al 2015, Hobart et al 2016). This is reflected in the course selection data highlighted earlier. However, in the early stages of women's careers, aspirations have been found to be higher than men's (Watts et al 2015). By mid-career gendered trajectories (and remuneration) are clearly evident and women begin to exit the industry at higher rates than men (Neck 2015, Jäkel and Moynihan 2016).

It is suggested that this leaky pipeline results in fewer women available to fill senior positions in the finance and insurance services industry (French and Strachan 2007). However, the utility of Kanter's 1977 pipeline recommendation for increasing the number of women in top finance industry jobs has been questioned (Beck and Davis 2005, French and Strachan 2007), with evidence that at one major Australian bank, 'the majority did not come up through any pipeline. Rather, they were groomed elsewhere and strategically transplanted to address gender equity considerations' (French and Strachan 2007, p.328). Beck and Davis' research

at Westpac noted that ‘without an initial public sector program to promote women to senior roles in government, there would have been little chance for women to be offered positions in the upper echelons in the private sector’ (2005, p.279).

Bonuses and commissions have been found to contribute to the pay gap between men and women in Australia (WGEA 2018) and elsewhere. In their study of the US finance industry, Lyness and Thompson (1997, p.372) found that there was little gender difference in the base pay of male and female senior executives of a large US financial institution. However, the gender bias occurred in the granting of stock options – a benefit that ‘was viewed as a long-term incentive for retaining the most critical managers, suggesting that the women may be valued less than their male counterparts’. Neck’s (2015) interviews with women in finance found that women’s perceptions of being underpaid relative to their peers was a cause for concern.

Conscious and unconscious bias have been posited as key contributors to the lack of career progression for women (Jäkel and Moynihan 2016). Beck and Davis (2005) note that bias in the finance sector is woven into the fabric of organisations and hard to detect. In their study of Westpac they concluded that ‘the biggest challenge, even for a best practice organisation, remains in tackling deeply ingrained cultural barriers, evidenced in persisting stereotypes about women and women’s talents. While they are less blatant than they used to be, gender stereotypes continue to affect the experiences of the more mature participants’ (Beck and Davis 2005, p.286). Oxenbridge et al (2018, p. ??) study of women working in investment management noted ‘a critical problem was the unconscious and conscious bias that favoured men in recruitment processes and prevented women from getting promotions’. They described the ways that women were excluded from the ‘mateocracy’ (2018, p. 23) through biased decision-making about promotions; discriminatory allocation of development opportunities; lack of support to progress careers; and being ‘excluded from informal communication and sponsorship between men (“putting in a good word for each other”)’ (2018, p. 23).

Whether conscious or not, there is evidence ‘that both male and female managers may select men over comparably qualified women for upper-level managerial positions’ (Lyness and Thompson 2000, p.87). McKinsey and Company (2018) suggested that performance bias, where the performance of men was overestimated and the performance of women

underestimated, helped to explain gaps in hiring and promotion, with men ‘often hired and promoted based on their potential, while women are often hired and promoted based on their track record’ (McKinsey and Company 2018, p.9). This bias contends that it is inherently more risky to hire women (Lyness and Thompson 2000), an assumption that doesn’t seem to be supported by any evidence in the literature.

Another assumption found to impact the career progression of women more than men was that women have limited geographic mobility (Lyness and Thompson 2000, Metz and Tharenou 2001). Stroh et al (1992) found it was the most important career predictor of female managerial level. Whether requiring mobility or not, stretch assignments or other developmental opportunities were a vital predictor of upward career mobility (Lyness and Thompson 2000). Yet they were found to be absent for women with women having to seek these opportunities while men were more likely to be given them (Lyness and Thompson 1997, Lyness and Thompson 2000, Neck 2015). Similarly, in their study of women in investment management, Oxenbridge et al noted that opportunity structures for advancement were absent: ‘only 59 per cent had access to career-advancing job assignments or development opportunities, and 48 per cent had access to mentoring or sponsorship’ (2018, p.1).

It has been argued that a lack of quality mentoring is a differentiating factor in the career progression of men and women (McKeen and Burke 1991, Newman 1993). However Lyness and Thompson (2000) found it was *not* a significant factor affecting the differential promotion of men and women to senior roles in the finance industry. They found ‘that mentoring was more strongly related to success for men than for women, and that more-successful women were less likely to report that mentoring facilitated their advancement than were less-successful women’ (2000, p.98). Instead, Lyness and Thompson (2000) placed more importance on the role of informal networks (the *mateocracy* referred to by Oxenbridge et al 2018), finding these to be a statistically significant factor for women vis-à-vis men. Windsor and Auyeung (2006) note the timing of informal networking events as a particular issue for women bankers and accountants with children and Oxenbridge et al (2018) also identified the timing of networking events as a concern in their study of investment managers. In a similar vein, whether done formally or informally, the Women in the Workplace 2018 Report concluded that ‘women get less access to senior leaders than men do. Yet employees who interact regularly with senior leaders are more likely to ask for and

receive promotions, stay at their companies, and aspire to be leaders' (McKinsey&Company 2018, p.14).

Finally, the literature focuses on a range of issues related to the culture of the industry. Kanter (1977a) noted that a key barrier to women's career progression was lack of cultural fit. The same issue was reported in the context of the finance sector (Lyness and Thompson 1997; Lyness and Thompson 2000). In Australia, Beck and Davis (2005) noted the masculine culture at Westpac. In her study of 90 senior women in the Australian finance sector, Neck (2015, p.512) found that reasons for exiting an organisation included 'frustration with aspects of the culture (long hours, lack of balance/flexibility and working in a male culture), as well as more company specific frustrations (leadership issues and lack of opportunities)'.

Part of the issue is an assumption that performance equates to the number of hours spent in the office. Hobart et al (2016) in their paper on women in portfolio management noted that the measure of 'time in the office' as an indicator of productivity or commitment acted as a disincentive for women. Michaelson et al. 2003, Neck (2015) and Oxenbridge et al (2018) have also written about issues for women in an industry with a culture of long hours.

The long hours culture is an active disincentive to flexibility. It suggests a bias toward full time employment, which the ABS data reported earlier confirms. In their study Oxenbridge et al (2018, p.1) found that 'in Australia, women comprise 17 per cent of employees in investment management occupations' – the majority working full time. 'Women identified as a key problem the lack of "cultural acceptance" of flexible work in the sector, founded in beliefs that women could not work part-time hours and remain productive' (Oxenbridge et al 2018, p.16). Similar to the findings of Windsor and Auyeung (2006) around client demands, Hobart et al (2016) note the opposition to part time managers in some areas of the finance industry like asset management, with expectations that managers be available at all times when markets are open. However, they also make the point that a team management approach can overcome this barrier (Hobart et al 2016). Neck also comments on the weight of expectation in the banking sector where greater flexibility '...may be difficult in a professional service industry where clients pay millions of dollars in fees, as these clients may well feel that they 'own the bankers': making changes will therefore require considerable thought and commitment from everyone' (2015, p.536).

Work-life balance is a key feature of the literature with differences between men and women's unpaid work a significant causation of gender inequality in paid work (Michaelson et al. 2003). In the context of the Australian finance industry this issue seems to be magnified for women during the mid-career stages. Neck (2015, p.528) found that a 'lack of work-life balance, pressure to be seen putting in the hours and difficulties pursuing flexible hours also rated significantly higher for women who left junior/mid-level roles compared to leaving more senior level roles'. In their study of the finance sector Jäkel and Moynihan (2016, p.6) found that a key barrier for mid-career women is 'insufficiently flexible working options and the stigma for using them'. They also noted insufficient support for family responsibilities, both for women and men.

Among women in senior finance roles in Australia, 67 per cent of those taking a voluntary redundancy reported that they had children, worked part time and found their roles unfulfilling (Neck 2015, p.516). Women who had children and returned to work in part time capacities felt that 'colleagues did not appreciate, understand or support part-time work'. These women saw full-time workers receiving better work opportunities and that they were 'seen as less committed or even 'slack' by working part time' (Neck 2015, p.516). Additionally, they felt 'excluded from work and promotion opportunities' after having children (Neck 2015, p.520). Neck concluded that 'real part-time opportunities also need to be available for women when they need it. These are often only for the short to medium term – and these are talented, experienced workers. It seems strange to think that Investment Banks cannot find meaningful use for such flexible, talented resources. Perhaps the banks do not see value in it – but that does not mean there is no value to be had' (Neck 2015, p.536).

Similarly, Oxenbridge et al found that '52 of 116 responding participants identified problems for women in investment management that related to employers not accommodating female parents, and women's difficulties balancing career and family' (2018, p.1). These issues included 'a lack of access to flexibility and maternity leave, and women's careers stalling after taking maternity leave or working flexibly' (Oxenbridge et al 2018, p.13). Flexibility was also raised as an issue by Neck (2015, p.512) however she noted that 'personal triggers (for exiting the organisation) were also important and rarely solely to do with family responsibilities'. Rather, a combination of 'a culture of long work hours, a lack of flexibility and lack of work-life balance' (Neck 2015, p. 512) caused frustration. Further, women left the industry when they felt 'they had achieved all they wanted from the job ... there is more

to life than their job' (Neck 2015, p. 512). Having financial security also played a key role for some women in their decision to leave (Neck 2018).

There is evidence that, in the finance industry, having children hinders women's careers but perversely may benefit men's (Addison et al 2014). In an Australian study, half of the female executives had no children while just one fifth of men were childless (Lyness and Thompson 2000). In a study of the UK banking sector Granleese found that 'women are significantly less likely [than men] to be married or to have children. They have significantly fewer children, and their children tend to be significantly younger than those of their male colleagues' (2004, p.219). In their study of Singaporean and Australian accountants, Windsor and Auyeung (2006, p.839) found that although women accountants with dependent children reach manager level, 'few mothers are promoted above that level. What is more, no mothers attained the partner level in this sample of accountants'. Lyness and Thompson (1997) concluded that 'the senior-level men and women we interviewed all stressed the need to work long hours and prioritize work above personal and family concerns to succeed in this organization's demanding culture' (Lyness and Thompson 1997, p.371).

Possible solutions to progress women's careers in the finance industry

While studies of the gendered impact of family on careers in finance have tended to coalesce in terms of findings, studies of the predictors of women's career success have divergent findings. Lyness and Thompson (2000, p.90) note that 'individual studies have identified different predictors of career success for men and women (e.g., Hurley & Sonnenfeld, 1998; Konrad & Cannings, 1997; Larwood & Gattiker, 1987), but no clear pattern of gender differences has emerged across studies. For example, one study found that experience in head office was a predictor of career advancement (Metz & Tharenou, 2001) while another found line management experience to be key (Wellington, Kropf & Gerkovich, 2003). Lyness and Thompson conclude that 'the empirical evidence about gender differences in predictors of career success is inconsistent' (2000, p.90).

According to WGEA data the finance sector is more proactive than other Australian industry sectors in developing and implementing strategies to address gender pay gaps.

- For example, while fewer than two thirds (61.6%) of all employers have a formal policy or strategy on remuneration generally, 87 per cent of finance and insurance employers reported having such a policy or strategy;

- Similarly, just two in five employers generally said they had specific gender pay equity objectives included in their formal policy and strategy compared to half (50.2%) of employers in the finance and insurance services industry;
- Employers in finance and insurance services are more likely to have conducted a remuneration gap analysis in the last 12 months (60.6% compared to 33.2% for all industries; and,
- They are more likely to act as a result of conducting a remuneration gap analysis than employers in other industries.
 - for example, by identifying the causes of the gap/s (50.6% in finance and insurance services compared to all industries - 35.9%);
 - by reporting pay equity metrics to the organisation's executive (47.7% compared to 29.4%) and the board (39.8% compared to 17.9%); and
 - by analysing performance ratings (44.3% vs 24.7%) and performance pay (45.5% vs 26.2%) to ensure no gender bias (including unconscious bias) (WGEA 2018).

Hand in hand with efforts to eliminate the gender pay gap must come profound cultural change to build an inclusive culture free from conscious and unconscious bias (Jäkel and Moynihan 2016). Specific recruitment strategies are identified in the literature that, if implemented, can reduce performance bias (where women are required to have a good track record while men are recruited based on potential Granleese 2004 and Beck and Davis 2005). This could be aided by ensuring that clear, objective and transparent promotion criteria is available to both applicants and decision makers (Lyness and Thompson 2000, Jäkel and Moynihan 2016). Oxenbridge et al are more specific in their recommendations proposing 'strategies that might be used to improve gender equality in recruitment processes, including: targets for gender parity (50/50) in candidate shortlists; ensuring women are on all interview panels; and funds pushing recruiters to "fish" for diverse talent and source candidates from underrepresented groups when filling vacancies' (Oxenbridge 2018, p.23).

The focus should not be on developing policies but growing actual practices – supporting and training managers to themselves support flexibly working staff, formally and informally telling stories about male and female role models, of which there are so few (Newman 1993). This could begin with educating male leaders and establish a culture of “calling out”

discriminatory behaviour. Oxenbridge et al suggest that ‘the “tone from the top” was critical: it was felt necessary to improve male leaders’ understanding of diversity, equal opportunity and bias, and for senior leaders to visibly role-model and promote cultures of respect, equality and flexibility’(Oxenbridge et al 2018, p.25).

While without a specific finance slant, the literature suggests a need to focus on diversity as a commercial imperative rather than part of corporate social responsibility or concept of fairness in the workplace (Jäkel and Moynihan 2016). There is certainly plenty of evidence to support this approach. Following from a 2015 ILO report that highlighted the organisational economic benefits in supporting and recognising women’s talent, a 2018 IMF report found that there was a clear ‘economic benefit from diversity—that is, from bringing women into the labor force—over and above the benefit resulting from simply having more workers’ (Ostry et al 2018, p.5).

A range of studies in the finance sector have noted the importance of mentoring in the advancement of women to senior roles (McKeen and Burke 1991, Lyness and Thompson 2000, Tharenou 2001, Al-Asfour et al 2017, Oxenbridge et al 2018). Oxenbridge et al found that ‘women would benefit from coaching, mentoring and support to build “mental toughness”, communicate their ideas with confidence, and act on their opinions and take risks in the manner of their male counterparts’ (2018, p.26). The literature is also peppered with calls for women not to emulate men but for men’s career paths to be reformulated to look more like women’s (Schneer and Reitman 1995, Metz 2003). Senoamadi (2016) and Al-Asfour et al (2017) highlight the importance of formal and informal networking opportunities to address gender challenges. Senoamadi (2016) makes the point that 70-80 per cent of jobs are not advertised, but obtained through effective and consistent networking (2016). Similarly Lyness and Thompson note that women who have corporate/head office experience are more likely to be promoted to senior management roles because ‘organizational decision makers (were) personally acquainted with the female candidates and ... aware of their track records’ (2000, p.88).

The literature also focuses on the use of parental leave with Jäkel and Moynihan (2016, p.7) noting a need to encourage ‘men and women to take parental leave and develop ways to remove the stigma associated with using them’. by providing more flexible working options at all levels’. Similarly, Oxenbridge et al reported ‘the need for equal parental leave and

‘normalised’ flexible work for both men and women with no detriment: that is, women and men at all levels being encouraged and able to take parental leave or work flexibly “without the stigma attached”; and career advancement based on merit, rather than uninterrupted career pathways or long working hours in the office’ (Oxenbridge et al 2018, p.17).

Finally, the full time, long hours culture needs to change. The industry stands out in Australia as having the highest proportion of full time employees and consequently the least flexibility. However changing the form of employment alone could do more harm than good. Rather there needs to be a focus on removing gender bias in access to and use of flexible work (Jäkel and Moynihan 2016). In their study, Oxenbridge et al suggested that ‘women’s work experiences would be improved if their male colleagues, and men at senior management level, embraced workplace flexibility and used the practices themselves. A number of survey respondents felt that flexible work should be made available to “anyone who needs it, not just women” and, consistent with ‘flexible by default’ policies, should be “mandated” and “actively offered to all personnel (male and female) -not waiting for staff to ask”’ (Oxenbridge et al 2018, p.17).

Beyond the workplace the literature identifies a clear need for a shift in the division of household labour. Jäkel and Moynihan (2016, p.28) note that across OECD countries women work on average 8.1 hours a day compared to men’s 7.8 hours but 55 per cent of women’s work is unpaid while 30 per cent of men’s work is unpaid. They recommend that ‘for women to devote more of their energies to their careers, men will have to devote more to unpaid work’. This accords with Metz’ finding (2003, p.247) that among women working in senior positions in Australia banks, while human capital was most important, ‘in addition, for women with children, having domestic help and help with dependents explains their advancement’. In the Australian context, Oxenbridge et al (2018, p.12) reported that ‘over three-quarters (77 per cent) of women felt that having a spouse or partner who shares responsibility for childcare and household domestic work was very important to them succeeding at work and another 11 per cent thought that this factor was fairly important to their success at work’. Making the same conclusion from the opposite direction, a report by McKinsey & Company found that ‘when women in leadership have partners, they are five times more likely than men in the same situation to do all or most of the household work. So perhaps not surprisingly, among senior-level employees who don’t want to be top executives,

42 percent of women say it's because it would require too much of their families, compared to 35 percent of men' (2018, p.60).

It is of concern that the literature has long contained a detailed list of issues and solutions to further the career paths of women and yet improvements are not materialising in any significant way. While there is limited agreement among scholars as to the priorities, this may reflect the diversity of different industries and industry sectors.

Future research

On paper the Australian finance and insurance services industry is streets ahead of other industries in terms of policies and strategies to provide flexibility at work (see Table 1 below). Two thirds of employers say that they have consulted with employees on issues concerning gender equality (compared to 51.3% across all industries) and many organisations reported having at least some of the following gender equality policies and strategies addressing: recruitment, retention, performance management processes, promotions, talent and high potential identification, succession planning, training and development, and key performance indicators for managers relating to gender equality (WGEA 2018).

Table 1: Approaches to flexible work as reported to WGEA, 2018

[INSERT TABLE 1 HERE]

This evidence is compelling and positive. However, while a lot is happening on paper for women in terms of policy, the literature shows that these commitments are still not translating into cultural change and progressive career outcomes for women.

More than a decade ago, French and Strachan (2007, p.318) concluded that 'despite an extensive literature on the barriers women face in the workplace and in management positions, there is limited research examining specific equity strategies and even less literature that can link strategies to outcomes such as a change in the numbers of women in senior positions'. Since then, specific equity strategies have regularly been identified and quantified by bodies like WGEA.

The literature demonstrates a clear understanding of the multitude of barriers that confront women in the workplace; employers are beginning to acknowledge the benefits of their progression into senior roles within organisations; and governments are helping put strategies in place to assist. However, there remains a question as to whether these strategies are producing the desired outcomes in terms of women's career progression. Given the evidence of limited progress, this paper concludes with the question of whether the Australian finance and insurance industry being authentic in its attempts to address gender inequality. If indeed the industry is genuine, what are the inhibitors to action (theory vs practice)? These are two key areas for further research.

References

ABS (2016) Census of Population and Housing, Australian Bureau of Statistics, Canberra.

ABS (2018a) Labour Force Australia, Cat No 6202.0, Australian Bureau of Statistics, Canberra.

ABS (2018b) Labour Force, Australia, Detailed, Quarterly Cat No.6291.0.55.003 -, August, Australian Bureau of Statistics, Canberra.

Addison J, Ozturk O and Wang S (2014) 'The role of gender in promotion and pay over a career', Journal of Human Capital, Vol.8(3), pp.280-317.

AICD (2018) 'Board Diversity Statistics', Australian Institute of Company Directors, <http://aicd.companydirectors.com.au/advocacy/board-diversity/statistics>, accessed 28 October 2018.

Al-Asfour A, Tlaiss H, Khan S and Rajasekar J, (2017) 'Saudi women's work challenges and barriers to career advancement', Career Development International, Vol.22(2), pp.184-199.

Austen, S and Giles, M (2003) 'The likely effects of ageing on women's involvement in the paid workforce', Australian Bulletin of Labour. Vol. 29 (3) pp. 253-273.

Beck D and Davis E (2005) 'EEO in senior management: Women executives in Westpac', Asia Pacific Journal of Human Resources, Vol.43(2), pp.273–288.

Choi S and Park C (2014) 'Glass Ceiling in Korean Civil Service: Analyzing Barriers to Women's Advancement in the Korean Government', Public Personnel Management, Vol.43(1) pp.118-139.

Daisley M (2016) Risk Management: Where are the female CROs? Report prepared for Oliver Wyman Consulting, <https://www.oliverwyman.com/our-expertise/insights/2016/jun/women-in-financial-services-2016.html>, accessed 3 December 2018.

Dunn P. (2012). 'Breaking the boardroom gender barrier: The human capital of female corporate directors', *Journal of Management & Governance*, Vol. 16(4), pp.557–570.

Flanders D P and Anderson P E (1973) 'Sex discrimination in employment: Theory and practice', *Industrial and Labor Relations Review*, Vol. 26 (3), pp. 938-955.

French E and Strachan G (2007) 'Equal opportunity outcomes for women in the finance industry in Australia: Evaluating the merit of EEO plans' *Asia Pacific Journal of Human Resources*, vol.45(3) pp.314–332.

Granleese J (2004) 'Occupational pressures in banking: Gender differences', *Women in Management Review*, Vol.19(4), pp.219–26.

Greenfield G, Levine B and Gaertner S (2016) Pay Equity in Financial Services, Report prepared for Oliver Wyman Consulting, <https://www.oliverwyman.com/our-expertise/insights/2016/jun/women-in-financial-services-2016.html>, accessed 3 December 2018.

Hobart J, Niemann E and Krasilnikova E (2016) Women In Portfolio Management: The Missing Diversity Multiplier, Report prepared for Oliver Wyman Consulting, <https://www.oliverwyman.com/our-expertise/insights/2016/jun/women-in-financial-services-2016.html>, accessed 3 December 2018.

Hofstede, G. (2001) *Culture's Consequences: Comparing Values, Behaviors, Institutions and Organizations across Nations*, Sage, Thousand Oaks, CA.

Hurley A and Sonnenfeld J. (1998) 'The effect of organizational experience on managerial career attainment in an internal labor market', *Journal of Vocational Behavior*, Vol.52, pp.172 – 190.

ILO (2015) *Women in business and management: gaining momentum*, International Labour Office. Geneva.

Jäkel A and Moynihan T (2016) *Women in Financial Services*, Report prepared for Oliver Wyman Consulting, <https://www.oliverwyman.com/our-expertise/insights/2016/jun/women-in-financial-services-2016.html>, accessed 29 November 2018.

Kanter R (1977a) *Men and Women of the Corporation* Basic Books, New York.

Kanter. R (1977b). 'Some effects of proportions on group life: Skewed sex ratios and responses to token women', *American Journal of Sociology*, Vol.82, pp.965-990.

Kilponen D (2017) 'Gail Kelly Rewrites Westpac History like a Boss', *Rear Window, Australian Financial Review*, 30 July.

Konrad, A. M., & Cannings, K. (1997). The effects of gender role congruence and statistical discrimination on managerial advancement. *Human Relations*, Vol. 50(10), pp.1305-1328.

Lyness K and Thompson D (1997) 'Above the glass ceiling? A comparison of matched samples of female and male executives' *Journal of Applied Psychology*, Vol.82(3), pp.359–375.

Lyness K and Thompson D (2000) 'Climbing the Corporate Ladder: Do Male and Female Executives Follow the Same Route?', *Journal of Applied Psychology*, Vol.85(1) pp.86 – 101.

McKeen C and Burke R (1991) 'Work experiences and career success of managerial and professional women; study design and preliminary findings, *Canadian Journal of Administrative Sciences*, Vol.8(4), pp.251-258.

McKinsey & Company (2018) *Women in the Workplace 2018*, www.womenintheworkplace.com, accessed 28 November 2018.

Metz I (2003) 'Individual, interpersonal and organisational links to women's advancement in management in banks', *Women in Management Review*, Vol.18(5), pp.236–251.

Metz, I. and Tharenou, P. (2001) 'Women's Career Advancement: The Relative Contribution of Human and Social Capital', *Group & Organization Management*, Vol.26(3), pp. 312–342.

Michaelson K, Fisher L, Beavan K and Matta N (2003) 'Citigroup diversity program succeeds through top-management involvement and focus on results', *Human Resource Management International Digest*, Vol.11(1), pp.4–7.

Morley, C., Bellamy, S., Jackson, M. and O'Neil, M., (2002), 'Attitudinal barriers to women's career progression in accounting in Australia', *Australian Accounting Review*, Vol.12 (26), pp. 64-72.

Neck C (2015a) 'Disappearing women: Why do women leave senior roles in finance?', *Australian Journal of Management*, Vol.40(3), pp.488–510.

Neck C (2015b) 'Disappearing women: Why do women leave senior roles in finance? Further evidence', *Australian Journal of Management*, Vol.40(3), pp.511–537.

Newman M (1993) 'Career advancement: does gender make a difference?', *American Review of Public Administration*, Vol.23(4), pp.361+

Ostry J, Alvarez J, Espinoza R Papageorgiou C (2018) 'Economic Gains from Gender Inclusion: New Mechanisms, New Evidence', IMF Staff Discussion Note, SDN/18/06, International Monetary Fund, October.

Oxenbridge S, Cooper R and Baird M (2018) Non-traditional investors? The work and career experiences of Australian women working in investment management. Interim Report, The Women and Work Leadership Group, University of Sydney Business School, August.

Parker P, Hewitt B, Witheriff J & Cooper A 2018, 'Frank and Fearless: Supporting Academic Career Progression for Women in an Australian Program', *Administrative Sciences*, Vol. 8 (1), pp. 5-22.

PwC Australia (2016) International Women's Day PwC's Women in Work Index, PricewaterhouseCoopers, <https://www.pwc.com.au/publications/assets/people-women-in-work-mar16.pdf>, accessed 3rd July 2019.

Quest L (2016) Women In The Public Sector Ahead Of The Curve But Room For Improvement, Report prepared for Oliver Wyman Consulting, <https://www.oliverwyman.com/our-expertise/insights/2016/jun/women-in-financial-services-2016.html>, accessed 3 December 2018.

Sales L (2017) 'Gail Kelly talks about life and leadership', 730, ABC, Sydney 26 July.

Schneer J and Reitman (1995) 'The impact of gender as managerial careers unfold', *Journal of Vocational Behaviour*, Vol.47, pp.290–315.

Senoamadi M (2016) Networks and Career Progression for Black Women in the South African Public Sector, University of the Witwatersrand, South Africa.

Stewart L and Gudykunst W (1982) 'Differential Factors Influencing the Hierarchical Level and Number of Promotions of Males and Females within an Organization' *The Academy of Management Journal*, Vol. 25(3) pp. 586-597.

Stroh L, Brett J and Reilly A (1992) 'All the right stuff: a comparison of female and male managers' career progression', *Journal of Applied Psychology*, Vol77(3), pp.251-260.

Tharenou P (2001) 'Going Up?', *Academy of Management Journal*, Vol.44(5) pp.1005-1017.

Watts M, Frame M, Moffett R, van Hein J, and Hein M (2015) 'The relationship between gender, perceived career barriers and occupational aspirations' *Journal of Applied Social Psychology* Vol.45, pp. 10–22.

Wellington S, Kropf, M B and Gerkovich P. R. (2003) 'What's Holding Women Back?', *Harvard Business Review*, Vol. 81(6), pp. 18–19.

WGEA (2018) Australia's gender equality scorecard: Key findings from the Workplace Gender Equality Agency's 2017-18 reporting data, Workplace Gender Equality Agency, November, Sydney.

Windsor C and Auyeung P (2006) The effect of gender and dependent children on professional accountants' career progression', *Critical Perspectives on Accounting* Vol.17(6), pp.828–844.

Yu, H H (2018) 'Glass Ceiling in Federal Law Enforcement: An Exploratory Analysis of the Factors Contributing to Women's Career Advancement', *Review of Public Personnel Administration*, First Published August 17 2018
<https://doi.org/10.1177%2F0734371X18794254>

[TABLE 1]

<i>Policies and strategies 2018</i>	Finance and insurance services	All industries
Employers that have a flexible working arrangements policy	78.3%	56.7%
Employers that have a flexible working arrangements strategy	43.7%	26.7%
<i>Types of flexible work offered formally</i>		
Carer's leave	97.2%	92.1%
Compressed working week	50.8%	30.8%
Flexible hours of work	82.3%	62.5%
Job sharing	61.0%	44.5%
Part-time work	93.7%	84.1%
Purchased leave	54.3%	33.2%
Telecommuting	66.5%	33.0%
Time-in-lieu	62.6%	54.5%
Unpaid leave	92.1%	81.7%

Source: WGEA data explorer, <http://data.wgea.gov.au/>