



WOMEN IN FINANCE: THE SWISS CASE

The presence and influence of women in the financial service industry in Switzerland

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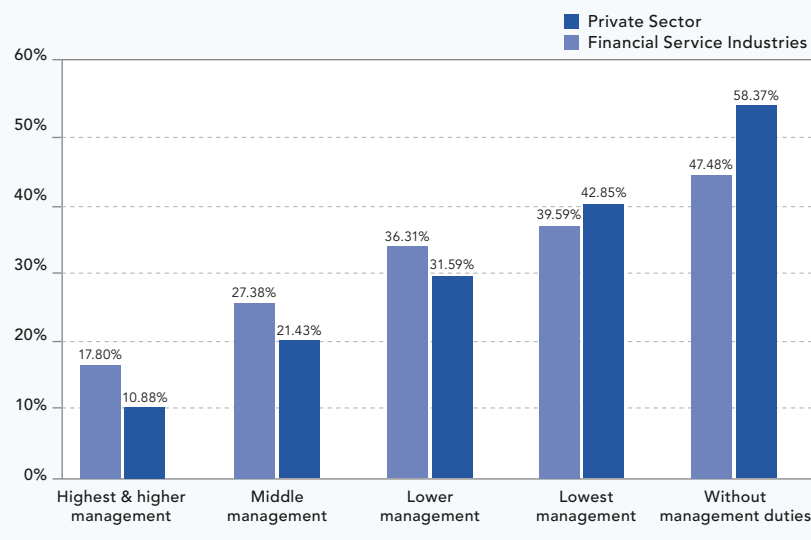
By Gabrielle Wanzenried

Despite the financial crisis, Switzerland still has still one of the most highly developed financial sectors in the world. Swiss banking stands not only stand for a high degree of confidentiality, more importantly, the Swiss financial industry is characterized by a high degree of professionalism and excellent quality standards, both rooted in the great competence of a skilled work force.

In view of the ongoing globalization and the acknowledged benefits of a diversified work force, especially with regard to gender issues, the question concerning the role of women comes up almost by itself. What is the role of women in the Swiss financial industries? What jobs are they performing? Have there been any significant changes in the course of time? In other words, how feminine is the Swiss banking and finance industry?

An ongoing research project at the Institute of Financial Services Zug at Lucerne University of Applied Sciences and Arts provides some empirical evidence regarding the role of women in the Swiss financial service industries. In Switzerland, every 16th person in the private sector is working for banks, insurance companies or related industries. The share of women is as high as 42 percent, which means that almost every second person working for >>>

THE PRESENCE OF WOMEN IN THE JOB MARKET (by management level)



these industries is a woman. This is also in line with female participation in the private labor sector altogether. Even though there is a relatively large number of women in banking and finance, it is interesting to see what jobs they are carrying out: in fact, a closer look at the data reveals the unsurprising reality that women only rarely occupy top positions. Among those at the higher and highest management levels, the share of women amounts to slightly less than 11 percent. Even though this figure has modestly increased across time, the proportion of women in the top management is still very low. Similarly, those jobs classified as 'without management duties' are carried out to an extent of more than 60 percent by women. This unequal situation cannot be explained by a lack of capable women, given the high education level and long experience of many women in the business.

The reasons behind this disequilibrium are complex and numerous. One of them has to do with the extent of part-time work. Part-time work allows working mothers to combine career and family, which reflects the preferences of many women. However, part-time work is particularly rare in the financial service industries, compared to the private sector overall. In addition, most of the part-time workers in the financial service industries are women. To be more precise, 15 percent of all men and 57 percent of all women in the private sector are working less than 90 percent, which is defined as part-time work. In the financial service industries, however, only 6 percent of all men and 36 percent of all women have a part-time position. In many organizations,

working part-time is still considered as inconsistent with having a management position, and this is the case even more for the financial service industries in Switzerland.

The current circumstances are also reflected by the relative wages. On average, women earn 38 percent less than men. Clearly, this difference is at least partly determined by such factors as age, educational background, working experience, position within the firm, firm characteristics, etc. After taking all these wage-relevant factors into account, the difference shrinks to 8 percent. This effect is also often referred to as the discrimination effect. This discrimination effect is relatively less important than in the entire private sector as a whole, where the average wage difference between men and women is 24 percent and the discrimination effect amounts to almost 10 percent. One potential explanation for this fact may be the relatively high share of foreigners working for the Swiss financial industries. Interestingly enough, this sector is also the only industry in Switzerland where foreigners earn more than Swiss, and this difference holds for both men and women.

All in all, women have a lot of catching up to do in the Swiss financial industries. The aspects mentioned above are just a few examples which document the relatively unequal position of women in the Swiss financial industries. The fact that women are less likely to be hired for highly skilled jobs in the Swiss financial industries cannot be explained by an insufficient education level or by a lack of experience, but probably by institutional factors and cultural aspects.

Given the demographic situation and the upcoming challenges on the labor markets, the situation of women may change faster than expected. Many firms are going to face a shortage of employees and will be glad to be able to rely on the female work force which, after all, represents a large and well-trained labor reserve. Doubtlessly, the Swiss financial service industries will gain strength and dynamism with more women in charge.

Research on the role of women in the financial service industries is part of Women's Finance (www.womensfinance.ch): Sita Mazumder and I, finance professors at the Institute of Financial Services Zug IFZ at the Lucerne University of Applied Sciences and Arts, have built up the initiative "Women's Finance", a neutral research, education and event network for women in finance. Its purpose is to strengthen the role of women both as employees and as customers in the financial service industries in Switzerland. The great interest in Women's Finance's activities on the part of professional women clearly shows the need for such a platform. One of the highlights of Women's Finance is the annual Women's Finance Conference, which will already take place for the fourth time in the Hotel Park Hyatt in Zurich. This year's conference will be on November 11th and will be dedicated to the topic of "Resource Responsibility" Well-known experts in the field will discuss different aspects of this highly relevant issue. +

4th WOMEN'S FINANCE CONFERENCE

When: 11 November 2009

From 09:00 to 18:00

Where: Hotel Park Hyatt, Zurich

More information:

www.womensfinance.ch