

EXPLORING CHALLENGES FACED BY WOMEN LEADERS IN A FINANCIAL SECTOR IN SOUTH AFRICA

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Abstract

In recent years, business and industries are striving to find a balance in the workplace since there is a huge gap in inequalities and gender representation is at the forefront in leadership positions. Despite several initiatives from both the public and private sectors, the gap does not appear to be closing over time in the financial sector in South Africa. The aim of the study is to explore the representation of women in leadership roles in financial organisations in greater Durban area. This was a cross-sectional qualitative study conducted among 10 women who were in management positions. They were recruited using purposive sampling technique. Thematic analysis was performed to identify themes, the study found that women in leadership positions in the financial industries face a variety of difficulties. The issues range from the way males treat women to stereotypical behaviour, harassment, the pay gap, juggling home and work obligations, and male domination. It is therefore recommended that, to advance women into leadership positions, organizations can create policies, provide mentorship programs, provide networking opportunities, promote women, and enforce gender equity policies.

Keywords

Equity, leadership, mentorship, network, policy

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Introduction

South Africa is a growing economy filled with possibilities. South Africa has seen several men occupying leadership positions chief executive officer (CEO), directors, senior management, and other higher leadership positions in the biggest companies in the country. In South Africa, 40% of women stated that their gender has negatively affected them whilst only 17% of men share the same experience in 2021 [1]. The irony is that, despite signs of growth, women are still underrepresented in senior positions in most of these organisations. Twenty-nine percent of senior positions of the biggest companies in South Africa is occupied by women but one in five local businesses has no women representation in senior positions [2].

It is perceived that women are not ready to take on these leadership positions because of lack of experience and lack of commitment. Gender based stereo types influenced by cultural diversity where in most cultures women are not given a platform to lead [3]. Due to gender preconceptions that are maintained by setting standards for what women should look like in the workplace, gender prejudice is ubiquitous in many organizations. It has been established that companies in the financial sector need to have programs to train and mentor female staff members to C suite and senior level positions [4]. Women all around the world have been side-lined and overlooked for leadership positions as they are seen as homemakers and not as equals to their male counterparts [5]. Organizations in the financial sector such as capital markets, insurance, banking, real estate, and investment management have neglected women empowerment, whilst there is a positive shift but there are serious gaps, which must be addressed.

Inequality can be defined as the difference in social status, wealth and opportunity between people or groups of people [6]. These are differences between people and between groups of people based on factors like gender, race, and socioeconomic status; however, they can also be based on factors like age, religion, nationality, ethnicity, sexual orientation, physical ability, career, and other experiences. Gender biases and stereotypes also play a huge role in inequality and treatment of women in the workplace. Gender bias is the mistreatment of individuals based on the gender, typically against women and can lead to discrimination and prejudice in society and organisations [7].

Women accounted for less than 2% of financial institution's 20% percent of executive officer's board members [8]. These figures make it quite evident that change and the advancement of women into leadership positions is not occurring at a constant and gradual rate. When women are included in these high profiled positions it will not only serve companies transformational targets, but it will also be an added advantage to gaining financially. Significant evidence of institutionalized practices and institutions that systematically disadvantage specific groups has been discovered in a new wave of research on inequality by organizational researchers. As an example, it is frequently discovered that women are disproportionately overrepresented in lower-level front-line occupations, considerably underpaid, and badly underrepresented in senior management positions [9].

Although the government has taken steps to speed up the process of balancing workplace inequities, organizations have not given it the attention it needs because the process is not moving as rapidly as hoped. There are only 24% of women in leadership roles in the financial industries and this number is expected to be 28% by 2030 [4]. When organisations in the financial services place more women in these leadership roles this will narrow the gap and foster great stability in the financial services [10].

Despite these advancements, women continue to face a glass ceiling in finance that doubles in certain industries, like banking, where a strong masculine culture prevents them from advancing their careers even after reaching middle management positions the so-called double glass ceiling and occasionally, if they reach the top, they are doomed to fail, in a situation known in the literature as the glass cliff. As a result, men frequently receive preferential treatment when applying for leadership jobs and receiving higher compensation than women [11].

Despite the global advancements in promoting gender equality, women continue to face significant challenges in attaining leadership positions, particularly within the financial sector of South Africa. The underrepresentation of women in top managerial and executive roles raises concerns about the persistence of gender inequality and its potential impact on organizational dynamics, decision-making

processes, and overall industry performance. This study aims to investigate the factors contributing to the limited presence of women in leadership roles within the South African financial sector, with a focus on understanding the barriers, biases, and systemic challenges that hinder their progression. By delving into the root causes of gender disparity, the research intends to provide insights that can inform strategies and interventions to promote a more inclusive and equitable leadership landscape.

Methodology

This was a qualitative study conducted among all the female who were in a leadership position (middle, senior and executive position). Participants were selected from various department. Only participants employed for longer than five years were included to ensure sufficient exposure to the operations of the organisation. Purposive sampling, which was used in this research, is described as nonprobability sampling whereby the researcher is required to use their judgement in choosing participants who were able to answer the research questions.

Data was obtained through semi structured interviews. This was achieved by additional probing during the interviews. Interviews were carried out via online meetings. The list of interview questions were designed with the objective of concluding on management's current perception of challenges regarding women holding leadership position within the organisation.

The qualitative data obtained was prepared, thereafter codes were allocated to relevant features of the data. The codes were sorted into potential themes and their relationships mapped. The apparent data was then analysed and interpreted, and relevant themes were named clearly and concisely. Thereafter the themes identified were reported on.

The interviews were performed using Microsoft Teams and were recorded to assist in the analysis of the data obtained with the permission of the participants. This allowed for the researcher to review the data more than once during the analysis phase, and to ensure that the answers are analysed appropriately.

Ethical Considerations

Informed consent was obtained from the participants before participating in the study either in writing or verbal recording. At the start of the interview the purpose of the study has been explained briefly and requested that the participants raise any concerns they might have on the study. Mancosa ethics committee approved the study.

Results and discussion

A total of nine female who were in a leadership position were interviewed. The age of the participants varies from between the ages of 30 to 60, which clearly states their maturity in age and their experience in the industry. Respondents are all well-educated, and some are in the process of furthering their education in their respective fields. All respondents are in leadership positions at different levels in the organizations, and all possess bachelor's degrees or higher in various fields of study. All respondents occupy leadership positions from middle management to executive level. Six respondents are in middle management, two are in senior management, and one is an executive in the organization.

Table 1: Demographic information of the participants

Participants	Age	Education	Position
A	31	Degree	Operations Supervisor
B	35	Masters	Head of Finance P2
C	40	Degree	Area manager P3
D	35	Degree	Regional Management
E	40	Honours	Inbound sales manager
F	41	MBA	Senior IT manager
G	50	Degree	Sales manager
H	49	Degree	Senior manager
I	30	Higher Diploma	Administration manager

Inequalities in Leadership Positions

Whilst the government has made strides in implementing policies to assist and bridge the inequality gaps these policies seem to fall on deaf ears. The underrepresentation of women in positions of power is still a concern [12]. Many organizations in the financial services industry are still dominated by males in leadership positions. Female representation still lacks and that is evident from the stats as stated by many organisations in this sector. For this reason, women feel they don't have a voice, there is no parity in equity most policies favour males. Women accounted for less than 2% of financial institutions' 20% percent of executive officer's board members [8].

The right to development of women appears to be suppressed because of a discrepancy between laws and regulations and the reality that exists in workplaces across the country [14].

Theme 2: Male Dominated Workplace

Male domination means there is a higher number of male representations in a particular environment. This is evident in stats of the number of male representations compared to women in top positions. Participants state that since this industry is males dominated, this presents several different challenges of inequalities which places women at disadvantaged positions.

Participant A - *"In my workplace, this place is male dominated...This is a general norm which needs to be addressed at some stage. It can be a bit hard having to stick out like a sore thumb, you know, being a rose among thorns in meetings and having to stamp your authority to older males. But we carry on."*

Participant F - *"The truth is I have seen more males coming to join the company than females. Which is a great concern...We should have the same number of females as heads of departments and directors and all these important roles...There is no equality in these positions."*

As an example, it is frequently discovered that women are disproportionately overrepresented in lower-level front-line occupations, considerably underpaid, and badly underrepresented in senior management positions [9].

Theme 3: Wage Gap

Salary gaps has been noted as another form of discrimination for women in the financial services organisation. It is found that when women occupy these leadership positions, they are still subjected to earning less than their male counterparts. Participants have noted that women who hold the same position as males and have the same degree and amount of experience earn significantly less than men do. Participants stated that it is important that an organisation recognises that there is gap in pay and try to close it as this may live women despondent and lack motivation to perform.

This is what was stated by interviewees:

Participant B - *"Women and men in the same position don't earn the same amount of money here. I know for a fact that a man in the same grade as I earns way more than I do.... they earn more than you."*

Participant D- *"There is inequality when it comes to pay..."*

Participant D - *"We know that males get better pay than women in this organisation, they say we should not discuss salaries because they hide these issues."*

When it comes to all other factors besides gender, men and women make different salaries that is if a company determines that there is a 10% gender pay gap, women will receive R90 for every R100 paid to men [15]. The PWC report indicates that it will take 135.6 years to bridge the pay gap from the list of 285 JSE listed companies [16].

Theme 4: Lack of Inclusion

It's crucial to have the support you need and all the resources you need to effectively carry out your duty fully. Participants have observed that organizations don't provide much help for them to realize their maximum potential. It is found that it will be challenging for women to become leaders if the organization's leadership do not support them. Another participant stated that females operate differently compared to males as they are more sympathetic and seem to be more understanding. This can be regarded as a benefit to the business. It is found that having more females in leadership positions brings a different dynamic in the workplace.

Statements from participants below:

Participant E - *"...sometimes it is discouraging if one is not supported because when we are in leadership that sometimes affects the productivity at work and sometimes that creates animosity...if you confront them as a woman...they don't take you seriously."*

Participant G - *"...need to have compassion for other people...lost their family members or a loved one. I'm not saying that's males they don't have that...Females can sort of like bring that issue of empathy within the work environment...We are more emotional...you can put yourself in that person's shoes."*

Participant D - *"I have brought these issues forward to management, but they brush my concerns aside and no one really pays attention. It makes it difficult to attain some of the goals one sets for themselves when there is no buy in from management"*.

Theme 5: Policy discrepancies

Participants state that the organization has embraced these policies, but the major problem is that such policies are not being put into practice. Women admit that the organization has policies requiring affirmative action and equity, but problems arise when these policies must be put into practice. Leadership decides when and how these are implemented and there is no consistency. Participants noted that women are regarded as people who follow and uphold regulations and don't disregard the rule of law as much as males do. This is a benefit for the organisation.

Participant E - *"We know there are policies in place but if these policies are working why are we still talking about such issues? Why is there no parity? we should be paid for the work that we put in and not because we are male or female."*

Participant C - *"HR department is there to make sure that policies such as the equity act is put into full use when issues of gender are brought to light, but these are side-lined most of the times"*

Participant H - *"We have policies in place to guide the overall business, and these were working at some stage, but I don't know where they lost the plot"*

Women provide greater corporate social responsibility and a more ethical perspective [17].

Theme 6: Sabotage woman in leadership

Sabotage is the purposeful destruction or obstruction of anything, typically for political or military advantage. It is found that women who try to advance through the corporate ladder may experience sabotage, and this may come from both male and female employees, meaning that their efforts may not even be acknowledged due to the actions of their co-workers. To advance, it has been discovered that women occasionally sabotage each other. It is found that the queen bee effect is prevalent in the financial services industries, this affects women as this is directed to women by other women.

This is what the participants had to say:

Participant E - *"...there is quite a lot of sabotage when one is a woman in leadership...men don't want to cooperate...Sometimes they create stories, sometimes they have just any reason not to support women in leadership."*

Participant I: *"You find that it's not only man who plan for your downfall as a woman, but you get women who are also threatened by your progression, and they make sure you don't get to the next level"*

Participant G - *"Some male colleagues will do whatever it takes to get ahead, they will through you under a bus if there is a need. Even try and use manipulating tactics to get ahead. I know because I have experienced this several times. Not that women don't do it but with males its worse"*.

Women in leadership may face isolation and exclusion from informal networks or decision-making circles. This exclusion can limit their access to crucial information, impede their ability to build influential relationships, and undermine their leadership effectiveness. Persistent sabotage can negatively impact the career satisfaction and retention of women in leadership roles. The stress and challenges associated with facing constant hurdles may lead talented women to reconsider their career paths or leave their positions [17].

Conclusion

The study on exploring gender inequality in leadership positions within the financial sector of South Africa sheds light on the complex and multifaceted challenges faced by women in attaining top managerial and executive roles. The findings of this research underscore the persistent gender disparities that exist in the industry and emphasize the importance of addressing these issues to foster a more inclusive and equitable workplace. The examination of the current representation of women in leadership positions revealed a notable underrepresentation, highlighting a need for proactive measures to rectify this imbalance. Systemic and cultural barriers, including biases and stereotypes, emerged as significant factors hindering the progression of women. These barriers manifest in recruitment processes, promotion opportunities, and organizational cultures, contributing to the perpetuation of gender inequality. The role of organizational policies, practices, and corporate culture cannot be overlooked, as they play a pivotal role in either fostering or impeding the advancement of women in the financial sector. The study emphasizes the importance of creating a conducive environment that supports diversity and inclusion, dismantles discriminatory practices, and promotes equal opportunities for all.

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