

# WOMEN IN LEADERSHIP IN THE FINANCIAL SERVICES SECTOR: A QUALITATIVE EXPLORATION OF INEQUALITY, BARRIERS, AND OPPORTUNITIES

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## Abstract

Despite the efforts of gender equity policies, women continue to be underrepresented in leadership positions in the financial services industry. This paper investigates the role of women in leadership, the challenges they encounter, and measures that can be taken to increase representation. A qualitative approach was used in the research. Nine women in leadership positions ranging from middle management to senior positions in financial services firms were chosen for semi-structured web interviews. Thematic analysis was applied in the research, using the confines of the Braun and Clarke approach, to uncover observable recurring themes. Results indicated challenges associated with gender equity in leadership, the masculinity in the work environment, salary discrimination, lack of inclusivity, selective policy enforcement, and sabotage in the work environment. Among the measures identified as crucial in improving representation include the celebration of women's efforts, targeted recruitment, mentorship, and the enforcement of gender equity policy measures. The presence of women in leadership positions was identified as contributing positively to the strategy, empathy, multitasking, and organisational efficiency. The pursuit of gender equity in the financial service industry constitutes a multifaceted endeavour, requiring the consideration of policy measures, mentorship, work inclusiveness strategies, and the enforcement of policy measures. The representation of women in leadership positions advances gender equity while improving efficiency in the venture.

## Keywords

Women in leadership, gender equity, financial services, qualitative research, mentorship, organizational culture

## JEL Classification

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## Introduction

The issue of gender inequality in leadership in organisations persists as a challenge in the international arena, mainly in professions where men form the majority, like the financial sector. Despite the efforts made at the legislative and organisational level to address this inequality, women continue to experience hurdles in joining the leadership positions in an organization [1]. Various research studies have indicated that women lag behind in leadership positions in organisations, as well as encounter ceilings when seeking promotions to the top positions in the leadership structures of the organisations [2,3].

A considerable amount of literature has discovered the following mechanisms by which gender inequity persists in the corporate world. These mechanisms include biased promotion practices, non-equitable exposure to career-advancing opportunities, as well as gendered norms of leadership conduct [4]. The social role theory explains that the corporate culture tends to promote conventionally masculine leadership styles, therefore penalising women leaders who fail to adhere to these standards [5]. Moreover, women appear to face difficulties in gaining appropriate exposure to corporate networks, sponsorship, as well as innovative career opportunities, most of which are essential in a cutthroat industry like finance [6].

The financial services industry has the largest gender gaps. The existing empirical studies show that finance remains one of the few sectors where the proportion of women in senior and executive positions remains lowest [7]. The culture of organizations, where long hours, crunch time, and the old boy networks operate, widens these gaps [8]. Studies also reflect the persistence of gender differences in financial organizations, where women are consistently earning lower salaries, having the same job, even after adjusting for experience, credentials, and seniority [9,10]. These pay gaps generate poor retention, lack of motivation, as well as poor career satisfaction.

Another aspect of inequality in the workplace, therefore, has to do with interpersonal relations, discrimination, microaggression, and in some instances, gender tension among women. Various research studies, in particular, the 'Queen Bee Phenomenon Study,' show that when the atmosphere in an establishment remains misogynistic, some senior, positioned women tend to exclude young women or behave like men to conform to the corporate culture [11,12]. These, in turn, make the work environment unforgiving for women wishing to reach senior positions.

Despite the presence of the highlighted challenges, there has been growing evidence of the positive impact of gender diversity in leadership. Various meta-analyses as well as cross-region research confirm that corporations with diverse representation in senior positions demonstrate greater innovation, improved decision-making, better ethics, as well as financial success [13,14]. Moreover, corporations with diverse leadership structures demonstrate improved corporate legitimacy, which in turn emphasizes the significance of filling the gender inequality gap in financial firms.

Several other studies also highlight the significance of targeted interventions in the advancement of women's leadership development. Mentoring programs, along with sponsorship, have proven positive outcomes, as it has positively impacted career self-efficacy,

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chances of promotion, as well as women's leadership aspirations [15,16]. Fair evaluation programs, work flexibility, along with the commitment to accountability, can minimize discrepancies in the process, enabling the advancement of women toward leadership positions in the organization [3,6].

Despite the well-noted evidence in existing literature related to the presence and impact of gender inequality in finance, existing research has explored the topic less in terms of gaining a qualitative perspective into the experience of women so defined in the finance industry, especially in the developing economy. In light of the imperative for gender inequality to be examined, the significance of this research becomes explicit, as it investigates the perspectives of women in leadership roles in the financial services industry in relation to gender inequality, the challenges they face, as well as the measures that can be taken to create enabling conditions in organizations.

## Methods

The research designed was qualitative in approach, as it was aimed at gaining in-depth insights into the lived realities of women in relation to the issue of leadership inequality in financial services organisations. The use of the qualitative approach becomes preferable when seeking to understand issues that involve the complexities of the social world, like gender in the workplace, as it has the capacity to tap into the meanings that people attribute to certain events, as opposed to the use of quantitative research designs. The research was phenomenological in approach.

Semi-structured interviews were chosen as the primary means of data collection. This allowed a level of flexibility as well as structure, which allowed the researcher to explore where there were particular points of interest while also giving the interviewees the liberty to expand upon the topics that they felt were important to them. This was an effective means of gaining information, as it allowed the gathering of rich insights in relation to organisational culture, power, and gender practices.

The research was based on nine women in leadership positions in financial service organizations in South Africa. The concept of leadership was widely considered to include people in mid-management, senior management, as well as the executive level. This allowed for the appraisal of the issue of leadership inequality in a comprehensive manner that encompasses various levels in the organization. The individuals were between the ages of 30 and 60 years, considering the various stages in life in terms of career. They were all in possession of at least a bachelor's degree, as well as some having postgraduate qualifications, consistent with expectations in the profession.

The purposive sampling approach was used to select women who not only had personal experience of the issues associated with leadership but also experience of the dynamics involved in the financial services sector. This approach to sampling was chosen in order to obtain information-rich data, which could offer in-depth insight into the issue of leadership, as

explored in the research. The selection process was based on referrals, invitations, and use of networks. The research was optional, and no financial rewards were involved.

The data was collected using individual semi-structured interviews that were carried out online using the Microsoft Teams platform. The use of online interviews was preferred based on the convenience, ease of accessibility, and the potential to include respondents in other branches or regions in the organization. Every interview lasted between 45 minutes to 75 minutes, depending on the level of detail in the respondents' answers. The interviews were carried out by the researcher personally.

Each participant was given an information sheet before each interview, in which informed consent was obtained. The issues of confidentiality, anonymity, and the right to withdraw at any time were highlighted as considerations of ethics. They were assured that all participants would be given pseudonyms, so there would be no organisational information identifiable in the results.

The interview guide consisted of open-ended, broad questions related to the following issues:

- Experiences in leadership positions in their organizations;
- Perceptions of gender inequality, including barriers to advancement;
- Corporate culture and interpersonal dynamics;
- Recommendations for improving gender equity and women's leadership development.

Further exploratory questions were also employed as deemed necessary in seeking clarification of the respondents' answers. In addition, all the interviews were recorded in audio format, after seeking permission from the respondents.

The process of thematic analysis was employed to conduct the thematic analysis of the qualitative data, following the six-step approach outlined in the work by Braun & Clarke. This approach was chosen based on the theory's flexibility in the interpretation of the data.

The analytical process entailed:

- Familiarization - Reading and re-reading the transcripts to understand the data.
- Developing Initial Codes – Coding important portions of text in all transcripts.
- Coding for Themes – The process of grouping similar codes into larger themes that identified shared ideas.
- Reviewing the Themes – Refining, merging, and splitting the themes in order to make sure that they represented the data properly.
- Defining and Naming Themes – The process of explaining the meaning and relevance of each theme to the research question.
- Creation of the Report – Synthesizing thematic insights, illustrative quotations, and related literature.

In order to facilitate the coding process, electronic means, in the form of Word Clouds and Word Trees, were employed to display the prominent use of key words, phrases, as well as conceptual associations. These displays facilitated the detection of prominent themes as well

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as associations in the accounts of the research participants. The process of data analysis was based upon the standards of credibility, dependability, as well as confirmability.

## Results

The study involved nine women in leadership positions in mid, senior, and executive levels. The participants were between the ages of 30-60 years, the majority having bachelor's degrees and above, including master's degrees. The demographic information of the respondents is highlighted in table 4.1 below.

Table 4.1: Participant Demographics

Participant	Age	Education	Position
A	31	Degree	Operations Supervisor
B	35	Masters	Head of Finance
C	40	Degree	Area Manager
D	35	Degree	Regional Manager
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

Thematic analysis revealed important themes related to barriers in leadership, organizational issues, as well as strategies for gender equity advancements. The following themes were identified:

### *Inequalities in Leadership Positions*

Issues raised by the interviewees include the underrepresentation of women in senior positions. Despite measures having been put in place to promote equity, the masculine organisational structure, culture, and practices continued to limit women. An interviewee noted that:

“...you get good women contending for the same position as men but for some reason, the man always gets appointed, this raises a lot of questions” (Participant A).

### *Inequalities in Hiring*

The participants indicated the presence of bias in the selection process, where the Human Resource policy was not always applied equitably. The selection of the panels seemed to favour the male gender, even when the equity policy was applied.

“...when interviews take place, there is a panel of 3 or 4 people, but they usually know who they want...you get invited just to add numbers” (Participant E).

### *Male-Dominated Workplace*

The financial sector was characterized as a man’s domain where women often found it necessary to assert themselves, as described by the participants:

“...being a rose among thorns in meetings and having to stamp your authority to older males” (Participant A).

### *Wage Gap*

Salaries were picked as discrimination in the following way:

“...a man in the same grade as I earns way more than I do” (Participant B).

### *Lack of Inclusion*

The role of the organization in developing women leaders was highlighted as somewhat limited by the participants E: “...if there is no support, it sometimes affects productivity and creates animosity”.

### *Policy Discrepancies*

Despite the presence of policy, there can be inconsistencies in the way it is applied “...we have policies in place but if these policies are working why are we still talking about such issues?” (Participant E).

### *Sabotage in Leadership*

The women leaders also encountered interpersonal issues, such as resistance from colleagues, that include men and women in the organization. They also encountered “...you get women who are threatened by your progression, and they make sure you don’t get to the next level” (Participant I).

### *Strategies to Increase Women in Leadership*

Strategies proposed by the participants include the following:

#### *Recognition of Women*

The importance of recognizing the role, abilities, and efforts of women can:

“...Companies should recognise women and mentor them into these leadership positions” (Participant A).

#### *Recruitment and Mentorship*

They highlighted the need for active recruitment practices as well as mentor programs to develop women leaders:

“...actively recruit more women employees...develop a meaningful equality plan” (Participant E).

#### *Gender Equality Policies*

The effective enforcement of gender equity policy was identified as important. Strategies available in government but currently not exploited include:

“...policies that have been placed to monitor gender equity in the company...are not being practised consistently” (Participant D).

#### *Benefits of Women in Leadership*

The respondents identified several advantages of having female leaders in organizations, which include the following:

- Sympathetic, Compassionate Leaders: Women leaders create empathetic work cultures, considering the well-being of the workers
- Strategic Decision-Making: The perception was that women were more strategic and cooperative when it came to decision-making.
- Financial Performance: Indicators identified better financial performance of the organisations associated with women leaders.
- Multitasking & Work-Life Balance: Female leaders were perceived as skilled in work-life management, resulting in policy formulation in support of employees.

“...if more women leaders are placed this will ensure growth for the organisation” (Participant D).

## Discussion

The objective of this research was to analyse the experience of women in leadership positions in the financial service industry, understand the barriers, facilitators, and strategies to achieve gender equity. Thematic analysis brought up six key themes, which include: Inequalities in leadership positions, Inequalities in Hiring, Male-dominated work environment, Wage gap, Lack of Inclusion, Policy Disparities, and Strategies to enhance women in leadership. Each theme has been described in the following sections in the context of the existing literature.

### *Inequalities in Leadership Positions*

The findings showed that the representation of women in leadership positions in the financial services industry remains a challenge, even though there are gender equity policies in place. This finding corroborates the work of [17], where women lacked voice representation in the decision-making forums, as the organisational culture inherently promotes men as leaders.

Leadership inequality can also be compounded by the influence of gender stereotypes, in which leadership attributes are subconsciously linked to masculinity [5]. Such stereotypes cause women to be excluded from senior positions, thereby sustaining the “glass ceiling” syndrome. This study confirms existing evidence that the adoption of egalitarian policies is insufficient, as cultural values, as well as the unofficial practices in the corporate world, greatly influence women’s chances of becoming leaders [4,14].

### *Inequalities in Hiring*

The respondents showed bias in the selection process, indicating that the interview panels tend to pre-judge the selection choices, in most cases favouring men. The results support the findings of [18] study, where it was revealed that decision-makers in the organisation tend to replicate gender bias unconsciously in the selection process.

The study [1] in the year 2018 shows the impacts of biased selection practices, where not only women but also the diversity in the organization encounter limitations in terms of innovative problem-solving strategies. The adoption of blind selection practices has proven to enhance equity in the selection process [15].

### *Male-Dominated Workplace*

One of the most important findings was that financial service organizations continue to remain male-dominated settings, giving rise to a culture where women feel compelled to demonstrate assertiveness in order to make their voice heard. This aligns well with the view that gendered organizations continue to support gender role stereotypes [5]. The issue of women having to “stand out” in meetings, meaning assert themselves, has implications related to the broader organizational culture that promotes masculine styles of leadership [11]. Evidence shows that masculine-dominated cultural settings are related to greater levels of stress, job

dissatisfaction, and turnover rates among women, explaining the importance of cultural change in the organization [3,4].

### *Wage Gap*

The participants also noted the gender pay gaps, whereby women in similar positions, having the same credentials, earned less pay than men. This was consistent with existing research literature pertaining to the gender pay gap in the professional segment worldwide [17,18]. The pay gap can therefore impact motivation, job satisfaction, as well as organisational commitment. Based on the view of [13], an organisation that has equal pay structures can benefit in terms of improved job satisfaction, as well as organisational performance. This means that closing the pay gap can be a moral as well as an organisational imperative.

### *Lack of Inclusion*

The members indicated a lack of support from the organisation, which hindered them from achieving their potential as leaders. Inclusion plays a key role in engaging members as well as developing them as leaders [4]. Female members who feel they lack support in the organisation experience stress in addition to hindered career advancement.

According to [19], gender-inclusive practices, such as mentorship, sponsorship, and role modelling, help alleviate stereotype threat, as well as improving leadership outcomes for women. This study verifies this, finding that women were the beneficiaries of gender inclusivity in respect to recognition, support, and influence in organisational policy.

### *Policy Discrepancies*

Despite the presence of these measures, the following challenges were identified regarding the implementation of equity measures, which made them less effective, as noted by the respondents. This shows consistency in the findings obtained by [20,21]. The gap between policy formulation and implementation emphasizes the importance of having accountability mechanisms, audits, and measures in place to monitor gender equity progress. Organizations that adopt consistent policy implementations show improved representation, job satisfaction, and performance [22].

### *Strategies to Increase Women in Leadership*

The measures that can be taken to promote the representation of women in leadership positions include the recognition of the contributions of women, efforts to recruit them, the establishment of mentorship programs, as well as the enforcement of gender equity policies. These measures align with the recommendations made in recent studies on the topic [4,22]. The measures of recognition and mentorship also contribute to improving the self-efficacy of

women in leadership as well as improving career advancement, as they are recognized for the importance of the work they do while also gaining guidance from seasoned leaders in the same line of business [15]. These measures also facilitate the movement of women to middle, senior, and management levels in the organization, thus improving gender representation in the organization [3]. Additionally, the consistent enforcement of gender equity policy measures necessary in achieving positive change in the organization, thus improving the efficiency of the organization as a whole, as equity measures should not just be symbolic but should shape decision-making as well as career paths in the organization [21].

### *Benefits of Women in Leadership*

The study found that women make distinctive contributions to leadership, which include planning, building emotional connections, multitasking, and the ability to create diverse ambiances. The findings were consistent with the empirical study, which showed that gender diversity in the leadership composition was associated with exceptional organizational performance, employee engagement, and innovation [13,23]. The presence of women in management positions also has great implications for the work environment in terms of setting up a culture of teamwork, understanding, and management of conflict. These values align well with the needs of modern organizations, which include people-centric management, among others like ethical governance [4,20].

### Limitations

There exist certain limitations in this study, which should also be considered while analysing the outcome of this research work. First, the research work has been conducted in a small population of nine women in the financial services industry, which again restricts the generality of the study to other fields also. Secondly, this research work was based upon self-reporting, which can create various sources of bias, social desirability response bias, selective recall, etc. Moreover, this research work was conducted in the form of Teams meetings, where the level of communication between the parties might remain limited, along with the possibility of non-verbal communication, as the research work was based upon remote communications. Finally, this research work was based upon people situated in a particular geographic location, which again might not cover the entire topic in relation to women in leadership positions in other cultures also. Despite the limitations, the research work has greatly assisted in analysing the views, along with the hindrances, existing for women in leadership positions in the financial services industry.

## **Recommendations**

Based on the evidence collected in this research, the following recommendations emerge. First, at the organisational level, it is important that measures for gender equity are enforced in a bid to address the representation and remuneration gap. In addition, the companies should develop mentorship and sponsorship programs aimed at developing the leadership pipeline for women. They should also make efforts aimed at appointing female members to posts that can qualify them for the leadership positions in the future. In addition, the companies should make efforts aimed at developing an organisational culture that ensures a spirit of collaboration, understanding, and recognition of the contributions made by women, which means that the goal of having women in the leadership positions can also be easily attained. On the other hand, at the level of the individual, it is important that women work towards developing leadership positions, networks, as well as seeking mentorship for the development of professional competence. Finally, at the policy level, it should work towards monitoring compliance, developing guidance, as well as enabling the creation of awareness aimed at altering the cultural practices that constrain the advancement of women in the leadership positions.

## **Conclusion**

The study focused on the issue concerning women in leadership in the financial services sector, highlighting the challenges that exist in the sector, as well as the strategies that can be employed to enhance equity in the gender representation level. From the study, it can be noted that challenges associated with the gender include lack of representation, biased hiring, masculine work environment, pay discrimination, lack of equity, biased policy, and sabotage.

Despite this, the study also showed that women ascribe integral values to organisations in relation to planning, understanding, multitasking, as well as the greater efficiency of organisations. The implementation of strategies such as mentorship, attempts to recruit women, the recognition of the efforts of women, as well as the enforcement of gender equity policy can help facilitate the representation of women in leadership positions. The promotion of gender equity in leadership, therefore, requires efforts at all levels, personal as well as organisational.

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