

Impact of Glass Ceiling on Women Career Development in Non-state Banking Sector in Colombo

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ABSTRACT: *Despite banking industry having more female employees than males, women are still underrepresented in management and senior management levels. This study focused on the effect of glass ceiling factors (GCFs) on women's career development in non-state banking industry in the Colombo district. Five glass ceiling factors, namely individual, childcare and spouse care, elder care and housework, organizational and cultural factors were considered. The study was guided by three objectives, namely to identify the current level of women's career development, assess the existing level of GCFs and identify the effect of GCFs on career development of female executives. All female executives employed in the Head Offices of four non-state, licensed commercial banks in Colombo, Sri Lanka were selected for the study. This study revealed significant positive and negative effects of individual factors and organizational factors, respectively on career development of women. Other three factors, namely child care and spouse care, elder care and housework and cultural factors did not show significant relationship on women career development. This study recommends developing self-efficacy by encouraging management to use social modelling, verbal encouragement and constructive feedback. Furthermore, conducting developmental performance appraisals, instead of traditional performance appraisals to increase their personal growth initiatives is suggested.*

Keywords: *Cultural and Organizational Factors, Glass Ceiling, Women's Career Development*

INTRODUCTION

The most significant feature of the global labour market in the last half of the twentieth century, is increasing participation of women. During the last two decades in the global labour market there has been an increase in the proportion of women at lower and middle-level management positions, resulting from the activities of the women's movement, policies of the political system, and corporate equal opportunity initiatives. However, according to Meyerson and Fletcher (2000) women at the highest levels of business are still rare. They comprise only 10% of senior managers in Fortune 500 companies; less than 4% of the uppermost ranks of CEO, President, Executive Vice President, and Chief Operation Officer (COO); and less than 3% of top corporate earners. The average share of senior management jobs held by women is 21% globally (Strank and Dyrchs, 2012). There is strong evidence of the under-representation of women in leadership positions in many countries all over the world. Population of women executives in BRIC (Brazil, Russia, India and China) states is 26% and in south East Asia's economies, it's 32 % (Strank and Dyrchs, 2012). Grant Thornton (2012) showed that women

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occupy only about 13 % of senior management jobs in Germany and 17% in U.S.A. and in Japan, only 5% of top executives are females. Thus, the gender gap in management is noticeable. This compelling situation is explained in literature as “Glass Ceiling” (GC). Simply the term “Glass Ceiling” refers to invisible or artificial barriers that prevent women from advancing past a certain level (Reich, 1997).

Female employees in the non-state banking sector in Sri Lanka have been declining during the past few years (Gunawardena, 2010). Annual reports of nine large Commercial Banks (according to Fitch ratings) revealed that 22% of Board of Directors are female. In the corporate level management, 21% of managers are female. In Senior Management level the female representation is only a mere 25%. The basic purpose of this study is to identify the effect of Glass Ceiling on women career development in Banking Industry in Colombo District.

METHODOLOGY

A Cross Sectional research design was used in this study. The population of this research comprised of the licensed commercial banks in Sri Lanka those recorded as “The large banks” according to Fitch rating. The sample of the study covers the executive level women employees who are currently employed in head offices of Colombo district. Head offices were selected as a range of executive job titles can be easily accessed. The sample size comprised of 231 female employees (Table 1).

Table 1. Population of executive level women employees who are currently employed in head offices of Colombo District and Sample

Name of the Bank	Population	Sample
Sampath Bank PLC	212	79
Hatton National Bank (HNB)	200	77
DFCC Bank	136	45
NDB	80	30
Total	628	231

Independent and dependent variables

This study mainly focuses on the impact of Glass Ceiling (GC) factors on women career development (WCD). Glass Ceiling and women career development can be considered as the independent and dependent variables, respectively. In early research studies, different factors under glass ceiling have identified. Based on those findings, individual factors (IF) (Okurame, 2014), family factors (FF) (Cutler and Jackson, 2002), organizational factors (OF) (Cooper, 2001) and cultural factors (CF) (Bombuwela *et al.*, 2013) were considered as the factors under glass ceiling in this study. Career development is the life long process of fostering and cultivating the shape of the individual’s working life so as to make best use of inherent talent, skills, knowledge and interests for that person’s and employer’s benefit and also to match it as closely as possible to other aspects of the person’s life. According to Fried *et al.*, (1996) equal career opportunities (including equal treatment in recruitment and selection process, timely promotions), pay equity and networking are the main considerations in the women career development. Therefore, based on the literature survey, three main considerations of Fried’s study were selected to measure the women career development. The secondary data were available in different sources such as textbooks, journals, articles,

research papers, reviews in the internet and newspapers. A self-administered questionnaire was developed as the survey instrument. After formulation of the preliminary questionnaire, for the purpose of testing the reliability, accuracy and validity of those questions it was subjected to a pilot survey.

Statistical analysis

Correlation and regression analysis were performed to assess the GC factors on the career development of women.

RESULTS AND DISCUSSION

Mean values of women career development were between 2.3 to 3.7. This indicated that the women career development is at a moderate level. Mean values of individual factors were between 3.7 and 5.0. This reflected that the existing level of individual factors such as self-efficacy beliefs and personal growth initiatives are at a higher level. Mean values of child and spouse care, elder care and housework indicated that these factors at higher level. Mean value of organizational factors and cultural factors were at moderate level. Individual factors showed significantly positive effect on women career development. Thus, self-efficacy beliefs and personal growth initiatives favor the women career development. Factors namely, child care and spouse care, elder care and housework had no significant effect on women career development. Moreover, organizational factors have significant negative effect on women career development. According to the results of multiple regression analysis, 49.5% variation in women career development' can be explained by two independent variables namely individual factors and organizational factors.

This study revealed that the top level managers of selected Commercial Banks have put some effort in using friendly human resource policies. Self-efficacy reflects an individual's judgment of individual capability to do well in a range of situations or tasks. Mastery experiences are the most effective way to boost self-efficacy because people are more likely to believe they can do something well if it is similar to what they have done well (Bandura,1994). Therefore this study recommends developing self-efficacy by encouraging management to use mentoring for women executives (Social Modeling). Mentoring is most often defined as a professional relationship in which an experienced superior (the mentor) assists women executives (the mentee) in developing specific skills and knowledge that will enhance their professional and personal growth. An increase of self-efficacy through verbal encouragement of management/superiors helps. Constructive feedback is important in maintaining a sense of efficacy as it may help overcome self-doubt.

CONCLUSIONS

This study revealed a moderate level of women career development. Further glass ceiling factors namely, individual factors, family factors, organizational factors and cultural factors lie within the range of low level. Individual factors have a significance positive effect on Women Career Development. Organizational factors have a significantly negative effect on Women Career Development. This indicates that there are negative effects of Management Policies and practices, Senior Management Beliefs and Organizational Structure on Women Career Development. In order to reduce the negative effect of glass ceiling on women career development, this study recommends developing self-efficacy by encouraging management to use mentoring for women executives. Mentoring will support female executives to reduce self-

limiting beliefs and lack of self-confidence, which can result in them going forward for promotions.

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