

# Factors Affecting Career Advancement of Top Level Women in Local Banks in Colombo District

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## Introduction

In recent years, women career has to turn into a major area of concern and during the last two decades, there has been an increase in the proportion of women at entry and middle-level management positions. According to the Central Bank report in 2017, there was a decline in the female and youth unemployment rates during 2017. The female unemployment rate declined from 7% in 2016 to 6.5% in 2017 and due to the declined in the unemployment rate, the labour force participation rate among females has increased from 35.9% in 2016 to 36.6% in 2017. This kind of development shows that women made a significant contribution to the business and industry, however, gender inequality still exists in the labour force around the world. Nevertheless, the women's position in the labour market is much more disadvantageous than that of men and also women have smaller chances to be employed, start a business or advancing in their career ladder advancement. However, women play a prominent role in today world because they carry a variety of roles in the family, community and society levels in worldwide especially including in Sri Lanka. In Sri Lanka, the majority of the women are working in financial sectors like banks and they are in the good position in management level. In this background, this study aims to identify the factors influencing the career advancement of top-level women who are working in local banks in Colombo district. For this purpose, it is focused on selected 12 commercial banks of out of 24 which are functioning locally and from each bank, 10 women workers selected randomly in 2017. A semi-structured questionnaire was issued to the total sample of 120 respondents to collect the relevant data related to women career advancement which is categorized into 3 levels and it is considered as an ordinal dependent variable. Other data related to four variables such as organizational factors, personal factors, family factors, and cultural factors also collected and they were used as explanatory variables in the study. The collected data were analyzed using econometrics techniques such as ordered probit model and marginal effects.

The objectives of the study are,

- ❖ To evaluate the impact of organizational factors, personal factors, family factors, and cultural factors on career advancement of top-level women in local banks in Colombo.
- ❖ To examine which factor is the most important determinant of the career advancement of top-level women in local banks in Colombo.

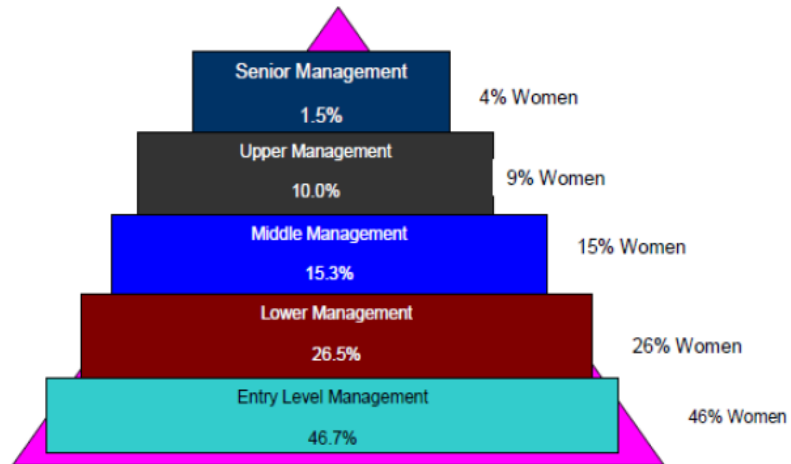
### **Literature review**

According to the (Izraeli, 1994) noted that a male-dominated organizational culture is an obstacle to women's success. The situational factors are usually discussed under two categories (Tharenou, 1994): the work situation (e.g. organizational culture and practices), and the home situation (e.g. spousal support and family responsibilities). The organization structure perspective is based on the premise that organization structures shape women's behaviour on the job (Fagenson, 1990, 1993). According to Kanter (1977), there are 'advantageous' and 'disadvantageous' job situations. Advantageous positions, which offer job incumbents power and opportunities, are held by individuals whose gender is in the majority (that is, males). Disadvantageous positions, on the other hand, offer job occupants little power and fewer opportunities and are held by individuals whose social category is few in number (that is, females). Kanter (1977) argued that it is because women are traditionally placed in low-level positions in organizational hierarchies that feminine traits shape their behaviour. Informal power and opportunity structures in organizations serve to exclude women. The organization-structure perspective, its primary focus on organization structure overlooks the saliency of other important organizational factors including norms and culture, policies, training systems, promotion, and reward systems (Fagenson, 1990).

According to (Chea, 2015), has examined factors affecting women's career advancement in Malaysia and the factors such as character, lack of support, treatment and family issues in their study has a significant impact on the respondents' perception in the country. Another study was done by Francis (Afande, 2015), factors affecting women career advancement in the banking industry in Kenya: A Case of Kenya Commercial Bank Branches in Nairobi County, Kenya. From his analysis, he found that, individual's age was first ranked, women's lack of self-confidence and their tendency to be more self-critical than men hinder their career advancement was second-ranked, an individual's level of education was third-ranked, the gender issue was fourth-ranked, and the least ranked was the individual's skills, tenure, hard work, reputation and performance in determines the women career advancement in Kenya. According to (Molebatsi, 2006) stated that the glass ceiling phenomenon in Lesotho, he illustrated it as part

of a management pyramid, which showed the number of women representation in management positions at each level.

### Research Questions



- ❖ Are organizational factors, personal factors, family factors, and cultural factors on career advancement of top-level women in local banks in Colombo?
- ❖ Which factor is a most important determinant of the career advancement of top-level women in local banks in Colombo?

### Methodology

The primary data were collected using structured questionnaires from the respondents who are working in local banks in Colombo, Sri Lanka. Out of 24 local banks, 12 banks were selected randomly and from each bank 10 women were used in the study. Data were collected related to organizational factors (OF), personal factors (PF), family factors (FF) and cultural factors (CF) which were treated as independent variables and career advancement considered as a dependent variable in the study. Career advancement of top-level women was categorized into 3 levels where it was coded as 1 for moderate, 2 for large and 3 for very large in the analysis. Because of the nature of the ordered dependent variable, an ordered probit model is more applicable than other models and hence this model was applied in analyzing the data. To identify the impact of the above four independent variables on the career advancement among top-level women, the following ordered probit model was used and it can be written as:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where:

Y = Women career advancement (WCA) and it coded as an ordered outcome as,  
 = 3 for very large  
 = 2 for large  
 = 1 for moderate

$\beta_0$  = Constant value

$\beta_1, \beta_2, \beta_3$  and  $\beta_4$  = Co-efficient of each independent variable

X<sub>1</sub> = Organizational factors

X<sub>2</sub> = Personal factors

X<sub>3</sub> = Family factors

X<sub>4</sub> = Cultural factors

$\varepsilon$  = Error term

## Results and Discussions

The table illustrates the effect of each factor on career advancement among top-level women workers working in local banks in Colombo.

Table 1: Estimated results of the ordered probit model for State Banks

Career advancement	Coefficient	Standard Error	z	P>z
Organizational factors	0.557	0.330	1.69	0.092*
Personal factors	-1.577	0.582	-2.71	0.007***
Family factors	-0.022	0.050	0.45	0.656
Cultural factors	-0.481	0.195	-2.46	0.014**

Source: Calculated by authors, 2017

\*, \*\* and \*\*\* indicates the significance level at 10%, 5% and 1% respectively

In the above table shows that all variables are statistically significant except for family factors and out of three significant variables, only organizational factors have positive sign while the other two have a negative sign. It refers that top-level women have more likely or probability to gain career advancement when the organization policy and management styles are a support to them. In other words, it reveals that organizational policies and management styles that are adopted by the state banks have supported to get more career advancement for the top level women workers in a favourable manner. The coefficient of organizational factors is 0.557 with a positive sign and also statistically significant at 0.1 levels (10%) refers that, if the organizational factors improve more, then there is a possibility to raise the women career advancement level from moderate to very large level.

In case of most popular banks, only organizational factors and cultural factors have a significant effect on career advancement of top-level women, but organizational

factors have negatively while cultural factors have a positive impact on their career advancement in the banking sector in Colombo.

Table 2: Estimated results of the ordered probit model for most popular Banks

<b>Career advancement</b>	<b>Coefficient</b>	<b>Standard Error</b>	<b>z</b>	<b>P&gt;z</b>
Organizational factors	-0.045	0.055	-0.83	0.040**
Personal factors	0.021	0.378	1.06	0.955
Family factors	-0.034	0.030	-1.14	0.255
Cultural factors	0.025	0.062	2.4	0.068*

Source: Calculated by authors, 2017

\*, and \*\* indicates the significance level at 10%, and 5% respectively

The negative sign of the organizational factors indicates that organizational policies and management styles that are adopted by the most popular banks have not supported to get more career advancement for the top level women workers in a favourable manner. A positive sign of the personal factors shows that it has a positive effect on career focused for the women from moderate level to a very large level, but it is insignificant. In case of cultural factors which has a positive sign (0.025) with significant reveals that as the women workers do not much believe their culture it will courage their career advancement in the way which leads to them become from moderate level to very large one. Also, it is statistically significant at the 10% level.

Table 3: Estimated results of the ordered probit model for popular Banks

<b>Career advancement</b>	<b>Coefficient</b>	<b>Standard Error</b>	<b>z</b>	<b>P&gt;z</b>
Organizational factors	0.092	0.057	1.59	0.081*
Personal factors	-0.02	0.096	-0.21	0.832
Family factors	-0.008	0.030	-0.27	0.785
Cultural factors	-0.1	0.042	-2.37	0.018**

Source: Calculated by authors, 2017

\*, and \*\* indicates the significance level of 10%, and 5% respectively

The above results are the opposite of the results in most popular banks where organizational factors have a positive sign and cultural factors have a negative sign in popular banks. This means that organizational policies and management styles that are adopted by the popular banks have supported to get more career advancement for the top level women workers in a favourable manner which helps them to raise their career from moderate level to very large level. But cultural factors have a negative sign (-0.100) which is an opposite sign of the most popular banks shows that, as the women workers much believe their culture it will discourage their career advancement in the opposite way which leads to them become from very large level to moderate one. Also, it is statistically significant

at the 5% level. The marginal effects were estimated after the ordered probit model in terms of probability and for state banks if organizational factors are supported to women workers they will have 21% of more probability to become very large level and will have 14% of less probability to become large level while 6.5% less probability to become moderate level in their career advancement. For most popular banks if organizational factors are supported to women workers they will have 1.8% of less probability to become very large level and they have 1.0% of more probability to become large level while 0.7% of more probability to become moderate level in their career advancement. In popular banks, if organizational factors are supported to women workers they will have 3.6% more likely to become very large level and they have 1.7% and 1.9% of less probability to become large and moderate levels in their advancement respectively.

## **Conclusion**

The above study concluded that organizational factors, personal factors and cultural factors have an impact on women career advancement on top-level women in local banks even though the family factors not significant effect on women career advancement in any banks. Organizational and cultural factors significantly affect women career advancement and at the same time, personal factors significantly affect career advancement only in state banks. Similarly, results of marginal effect results summarized that organization factors, personal factors, and cultural factors have more supported to women workers who are work in state banks while family factors have more supported to women workers who are work in most popular banks. Finally, of the four variables, personal factors are the most important determinant while organizational and cultural factors are the most determinant in career advancement among top-level women in the local banks respectively.

## **Recommendation**

According to research findings among the factors most influenced factors are personal factors only for state banks and it found that personal factors have negatively affected on women career advancement for the top level women because of they have risk rather than the other banks they have less of confidence and positive attitudes. Hence female workers must work to avoid the individual barriers such, lack of self-confidence, being too emotional when working matters of workers by developing the self-confidence and positive thinking as such building can do perception. As an example, one of the popular banks in Sri Lanka Amana bank has the cultural conditions for their women workers. Also to enable women who are in employment to advance their careers organization could support the provision of training and other developmental mechanisms that will also affect

to change their attitudes regarding the organization to a positive side like culture is not a barrier to women. But they have to obey their culture and achieve the advancement of their career path. Female workers who identified having difficulties balancing work and family indicated that they had too many works and family responsibilities and sometimes they did not have time to accomplish everything effectively. And women workers can share their household chores' activities with their spouse. To them, time management was the biggest challenge. To avoid the family barriers organization can help with the female workers by offering day care centres, leave them in the weekends, giving some flexible office hours and home office. Some can argue that leaving the females on weekends will affect the organization performance but to get the fullest contribution of the creative, talented organization must give something and expect something from them. Another factor is that our society has been built to bear the family responsibilities to women hence that must be a fair reason to give little bit freedom to them.

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