

Swiss Gender Facts

An ongoing joint research project at Lucerne University of Applied Sciences and Arts, the Institute of Financial Services Zug IFZ, provides some evidence on the role of women in the Swiss financial industries.

Switzerland has one of the most developed financial sectors in the world. Swiss banking not only stands for a high degree of confidentiality. More importantly, the Swiss financial industry is known for its top-notch professionalism and outstanding quality standards, which are both grounded in the high competence of a skilled workforce. In view of the ongoing globalization and the acknowledged benefits of a diversified workforce, in particular also with respect to gender issues, the question of the role of women comes up almost naturally. What is the role of women in the Swiss financial industries? What jobs do they perform, what positions do they hold? Or, simply put, how feminine is Swiss banking and finance?

In Switzerland, every 14th person employed in the private sector works for a bank, an insurance company or a related industry. The share of women is as high as 44 percent, which means that almost every second person working for those

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industries is a woman. This female labor participation in the financial industries is also slightly higher than in the private sector overall. Even though there are relatively many women in banking and finance, they are hardly occupying the most powerful positions. In positions at the higher and highest management levels, the share of women accounts for less than 10 percent. Similarly, over 60 percent of the jobs classified as “without management duties” are done by women. Related to this unequal situation is the extent of part-time work. About 80 percent of all part-time workers in banking and finance are women. In many organizations, working part-time is still considered inconsistent with having a management position. The fact that women are less likely to be hired for high-skill jobs in the Swiss financial industries cannot be explained by their level of education. The aspects considered are just a few examples that document the relatively unequal position of women in the Swiss financial industries.

Discrimination effect

The current circumstances are also reflected in relative wages. On average, women earn 38 percent less than men. Clearly, this difference is at least partly driven by factors such as age, educational background, work experience, position within the firm, firm characteristics, etc. Once we control for all these wage-relevant factors, the difference shrinks to 8 percent. This effect is also often referred to as the discrimination effect. This discrimination ef-

fect 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, but 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, this sector is also the only industry in Switzerland where foreigners earn more than Swiss, and this difference holds for both men and for women.

Overall, women have a lot of catching up to do in the Swiss financial industries. Given the demographic situation and upcoming challenges in labor markets, this situation may improve faster than expected. Many firms are going to face a shortage of employees and will be forced to rely on the female workforce, who, after all, represent a large and well educated labor reserve. It is possible that the Swiss financial industries may become even more successful with more women being in charge. ■



The results are based on a survey conducted by the federal office of statistics in 2004 (*Lohnstrukturerhebung 2004*). Only data on the private sector have been considered. The

survey is conducted on a regular basis and contains detailed information on characteristics of the workforce, the jobs as well as detailed wage information. The study “*Die Rolle der Frau in den Schweizer Finanzdienstleistungsindustrien*,” which is available in German only, was conducted by Prof. Dr. Gabrielle Wanzenried. It can be ordered for CHF 20 plus postage at gabrielle.wanzenried@hslu.ch.



About the author

Gabrielle Wanzenried studied economics at the University of Berne and the London School of Economics. After completing her PhD, she continued her research at UC Berkeley. Today, she works at the IFZ Institute of Financial Services Zug at the Lucerne University of Applied Sciences and Arts, where she does research in corporate finance, corporate governance and diversity.