

Evolution and the Role of Women Working in Indian Banking Sector/Industry

Aruna .S^a, Sudeshna Mukherjee^b

^a Research Scholar, Centre for Women's Studies, University of Bangalore, Jnana Bharathi Campus, Bangalore 560056, Karnataka, India

^b Assistant Professor, Centre for Women's Studies, University of Bangalore, Jnana Bharathi Campus, Bangalore 560056, Karnataka, India

Abstract

Banking sector is the back bone for the economic development of any country and working women, being a considerable part of the society, it played a vital role in the smooth run of banking sector. The financial transaction is being very simple and necessary; it plays a significant role in our daily life. This is because of the Banking sector. There are many number of women involved in Banking sector. The study focuses on the Evolution of the Indian Banking Sector in pre-colonial period, colonial period and in Independent India. Further the study elaborates the role played by women working in banking sector. Finally, this study points out the challenges and issues faced by women in the Banking sector and to evaluate the women's work pressure and the coping strategies. This study is purely exploratory in nature and seeks to identify the women employee's problems in banking sector.

Objectives of the study:

- To explore the historical growth of Banking Sector in India and participation/involvement of women in this sector.
- To understand the nature of gender discrimination/sexist policy/glass ceiling faced by Women working in the Banking sector at different hierarchies.

KEYWORDS: Evolution, Banking Sector, Finance, Working Women

1. Introduction:

India is one of the developing countries in the world and it stands second in terms of its population. Like other developing countries, India too is going through the process of urbanization, migration and the globalization. The demographic dividend of India in terms of its relatively young population structures predicts that by 2020, the average age in the country will be 29. For an economy that is growing at an approximate annual rate of 7 percent, this "demographic dividend", if effectively mobilized could transform the country to accelerate its development significantly¹.

With increasing young population, it is really challenging on the part of the Government to generate employment for the people, both men and women, of the country. In India women's workforce participation shows that it has low level of work participation. It may be due to less number of literates, persistent gender inequality and gender based discriminations and stereotypical roles expectations in a patriarchal caste based society like India. India ranks 127th on the gender inequality index and 108th on the global gender

¹Work Participation rate in India. (n.d.). Retrieved 4 26, 2017, from Census of India: Work Participation rate.Googleweblight.com.

gap index. The latest government statistics suggest that women's labor participation rate has come down from 29.4 percent in 2004-2005 to 22.5 percent in 2011-2012. The gender gap in the labor force is particularly stark when we consider that in the 15-29 age group, women's participation is only 32 percent in rural areas compared to 83 percent for men and 21 percent in urban areas compared to 81 percent for men².

In India, large number of women are involved in domestic work, and employed in unorganized sector, informal sectors, and semi-unskilled sector leading to low paid jobs. According to the International Labor Organization (ILO), in 2011-12, while 62.8 percent of women were employed in the agriculture sector, only 20 percent were employed in industry and 17 percent in the services sectors where as in most of the developed economies, majority of the women are in service sector³.

Banking and financial sector is one of the service sectors to reckon with. Banking sector is the back bone of the economic development of any country and working women, being a considerable part of the society, also played a vital role in the smooth running of the banking sector. The phenomenal growth of banks has created massive employment opportunities for the educated unemployed youths of our nation specially women. The women job-seekers find jobs in banks more attractive and more suitable. Banks also were not only hiring them massively but even welcomed their entry because women have certain innate traits which fit in with the job requirements⁴.

The financial mode of transaction is a basic necessity and it plays a significant role in our daily life and banking sector has made it very convenient for us. There are number of banks run by both private and government initiatives. Indian banking sector has provided employment for nearly 12.53.955 people in the year 2014 and among them 2.77.792 are women. This shows quiet a good number of women are involved in the banking sector. This made immense importance to the need to study women working in the banking sector and the problems and the challenges faced by them⁵.

Women play a vital role in Indian economy in banking sector. According to a survey by International Executive research firm, around 11% of Indian Bank and Financial Companies have women CEO's, where in US the women CEO's are just account for 3% of the total consideration. Indian banking sector has witnessed explosive growth and expansion ever since in the era of economic reforms was launched nearly two decades ago.

Banking sector is one of the few industries where women comprise a large section of the workforce. Traditionally, banking has given a supportive and comfortable environment which motivated women to join the sector. Presence of a meritocratic environment was reason which motivated women to join this space. This is why we see a lot of women in

² ibid

³Reenakumarisingh, D. M. (2016). Problems Faced by Working Women in Banking Sector.

⁴ibid

⁵Dr.A.Raghurama, R. K. (2016). Women Participation in Indian Banking Sector.
<https://www.ijsr.net/archive/v5i2/NOV161540.pdf>. Retrieved 13 04, 2017

the banking sector who have headed banks at various points of times. Many women have also reached middle and top managers levels if they are not CEOs⁶.

2. Banking industry:

The banking sector is the lifeline of any modern economy. It is one of the important pillars of the financial system, which plays a vital role in the success/failure of an economy. Banks are one of the oldest financial intermediaries in the financial system. They play an important role in mobilization of deposits and disbursement of credit to various sectors of the economy. The banking sector is dominant in India as it accounts for more than half the assets of the financial sector⁷. According to western's dictionary Bank is an institution which trades in money, establishment for money, as also for making loans and discounts and facilitating the transmission of remittances from one place to another⁸.

According to Pro.Kinely, a bank is an establishment which makes to individuals such advances of money or other means of payment as may be required and safely made and to which individuals entrust money or means of payment when not required by them for use. Banking industry plays a crucial role in insuring the stability of an economy as banks are regarded as the central part of financial system. The stable and sound position of bank creates an environment of high growth and leads to the development of economy⁹.

Banks are institutions that accept various types of deposits and use those funds for granting loans. The business of banking is that of an intermediary between the saving and investment units of the economy. It collects the surplus funds of millions of individual savers who are widely scattered and channelize them to the investor¹⁰.

2.1. The History of Indian Banking industry:

2.1.1. Pre-Colonial Period:

During the 13th century, in the medieval trade, the first bill of exchange was used as money. The use of the word "Banking" is seen after the 1640. In 300 B.C, Chanakya wrote in Arthashastra about the merchant bankers who was getting deposits and advanced loans. The scriptures of Jains talks about the two bankers who built dilwara temples of mount abu in the period 1197 and 1247 AD. The first bank was established in Venice, Italy in 1157 as "Bank of Venice", to finance the monarch¹¹.

In England the Bankers of Lombardy were famous. After 1640 the modern banking began with English goldsmith. Alexander & co started the first bank in India as "Bank of Hindustan in the year 1770. It was an agency house in Calcutta but the agency was closed in 1782. In the year 1806 "Bank of Bengal" was established in Bengal Presidency as a

⁶ Times of India, (03/12/2017), Women Grow in Banking Sector because of Gender Neutral Policies.

⁷Goel, P. (n.d.). Banking and Insurance. Retrieved 11 12, 2017, from <https://sol.du.ac.in/mod/book/view.php?id=1225>.

⁸Introduction of Banking Industry. (n.d.). Retrieved 11 28, 2017, from http://shodhganga.inflibnet.ac.in/bitstream/10603/15993/8/08_chapter1.pdf.

⁹Krishna Kumar Kavitha. (2017). In The IUP Journal of Bank Management (pp. 1-5). IUP Publications(A Division of the ICAI Society) www. Iupindia. In.

¹⁰Goel, P. (n.d.). Banking and Insurance. Retrieved 11 12, 2017, from <https://sol.du.ac.in/mod/book/view.php?id=1225>.

¹¹Tbid.

modern system of banking. The system of banking was evolved by the merchant as a modern system of banking. The system of banking was evolved by the merchant bankers was trading in the form of commodities. For the remittances of the money they used hundis. In India those merchants was called as Seths.

The banking system had a growth by goldsmith was prepared to give the holder a receipt an equal amount of money on demand. These receipts became like a cheques for the exchange and a payment. The next stage of growth in the banking sector is a money lender. Money lender became a banker and started two functions such as deposits and advancing loans¹².

2.1.2. Colonial Period:

In India the development of modern banking started in the period of 1600-1921, through setting up of the three Presidency Banks at Calcutta, Bombay and Madras and legislation for the setting up of Imperial Bank of India in 1921 and the of need for National bank establishment which led to the start with Reserve Bank of India in 1935.

European community initiated Modern Banking for handling current funds by Messrs in 1770. Alexander and Company a leading agency houses of Calcutta started the Bank of Hindustan; it was earliest European Bank in India. The Bank of Calcutta was set up in 1806 by the support of Government of Bengal. It was the first Presidency Bank which subsequently was renamed as Bank of Bengal in 1809. The Bank of Bombay was incorporated in 1840 and the Bank of Madras in 1843, with their charters containing the structural and regulatory framework designed on lines similar to that of the Bank of Bengal. In 1905 during the Swadeshi movement Indian Banks came to existence and followed a different patterns¹³.

The amalgamation came into effect in January 1921 and the Imperial Bank of India was established as a commercial bank. The need for a National Banking Establishment was realized and this realization eventually led to the establishment of Reserve Bank of India in 1935.

The proposal for the emergence of Reserve Bank, the recommendations of the Hilton Young Commission (1926), In January, 1927 a Bill was introduced to constitute a new "Reserve Bank". The Reserve Bank of India Act was passed in 1934 and the Reserve Bank of India came into existence in 1935. Through the establishment of the Reserve Bank of India, however, did not envisage any radical transformation of the existing money market or banking structure in the country¹⁴.

In 1724 Govt. Bank of Mumbai started introducing the use of money / Cash in 1860 Act Indian Banking system was started in 1683 along with the Madras Banking. Banking was introduced and Investment on Banks was promoted. In 1881 Oudh Bank was started and

¹²Goel, P. (n.d.). Banking and Insurence. Retrieved 11 12, 2017, from <https://sol.du.ac.in/mod/book/view.php?id=1225>.

¹³http://shodhganga.inflibnet.ac.in/bitstream/10603/16680/7/07_chapter%202.pdf. (n.d.). Retrieved 02 07, 2018.

¹⁴http://shodhganga.inflibnet.ac.in/bitstream/10603/16680/7/07_chapter%202.pdf. (n.d.). Retrieved 02 07, 2018

was considered as the pure National Bank. But in 1894 Punjab National Bank was the 1st Bank to be started in India by Indians¹⁵.

2.1.3. Independent India:

Indian Banking System which evolved from the colonial framework of commercial banking adapted itself to the needs of independent India. Banking system since 1947 leading to the Nationalization of banks in 1969. The discussion (1948); B. Enactment of Banking Regulation Act (1949); C. Establishment of State Bank of India (1955); and Nationalization of Banks (1969) is divided into four parts: A. Government control over the Reserve Bank of India¹⁶.

According to section 5(b) of the Banking Regulation Act, 1949, "banking" means accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and with draw able by cheque, draft, and order or otherwise. Banking company means any company which transacts the business of banking in India¹⁷.

State Bank of India was the 1st nationalized bank in India on 1955 and was declared as banks undertaken by Govt. and was honored. Related to this in 1969 July 19, fourteen (14) private banks and in 1980 April 15, more than 200 crores was invested in six (6) private banks and were nationalized¹⁸.

The fourteen major banks having deposits of Rs.500 crores and above were Nationalized in July 1969. These banks were: 1. Central Bank of India, 2. Bank of India, 3. Punjab National Bank, 4. Bank of Baroda, 5. United Commercial Bank, 6. Canara Bank, 7. United Bank of India, 8. Dena Bank, 9. Syndicate Bank, 10. Union Bank of India, 11. Allahabad bank, 12. Indian Bank, 13. Bank of Maharashtra, 14. Indian Overseas Bank. In 1980, the Government acquired six more banks each having deposits of Rs.200 crore or more. These banks were: 1. Andhra Bank, 2. Punjab & Sind Bank, 3. Corporation Bank, 4. Oriental Bank of Commerce, 5. Vijaya Bank and 6. New Bank of India (merged with Punjab National Bank in 1993)¹⁹.

Bharatiya Mahila Bank (BMB) is India's first Bank that is managed and maintained by women employees. It was established on 19th November 2013, Dr. Manmohan Singh inaugurated Bharatiya Mahila Bank in memory of former prime minister Late Indira Gandhi's 94th birthday. Usha Anantha Subramanyam was first chairperson of BMB.

3. Women's participation in work force:

The growing globalization and liberalization of the Indian economy as well as increased privatization of services, women as a whole have been left behind and not been able to take part in the fruits of development. Mainstreaming of women into the new and emerging areas of growth is imperative. Work participation of women especially in the rural context is being perceived as a policy prescription for removal of rural poverty and

¹⁵Subramani. (2015). In K.A.S. Saamanya Adhyayana (pp. 7-8). Kolar: S.M.V. Prakashana.

¹⁶http://shodhganga.inflibnet.ac.in/bitstream/10603/16680/7/07_chapter%202.pdf. (n.d.). Retrieved 02 07, 2018

¹⁷Goel, P. (n.d.). Banking and Insurance. Retrieved 11 12, 2017, from <https://sol.du.ac.in/mod/book/view.php?id=1225>

¹⁸Subramani. (2015). In K.A.S. Saamanya Adhyayana (pp. 7-8). Kolar: S.M.V. Prakashana.

¹⁹http://shodhganga.inflibnet.ac.in/bitstream/10603/16680/7/07_chapter%202.pdf. (n.d.). Retrieved 02 07, 2018

the much talked about feminization of poverty. Studies prove that female work participation is highly correlated with reduction in fertility rates, poverty ratios, and enhancement of living standards.²⁰

The study by Dhanalakshmi, the general issues concerning women in labor market. The issues include the segregation of women into certain occupation, wage differentials between men and women for the same job, low and falling work participation rates of women etc., she made an attempt to study the domestic servants in Thiruvananthapuram city.²¹

Women in the workforce earning wages or a salary are part of a modern phenomenon, one that developed to at the same time as the growth of paid employment for men, but women have been challenged by inequality in the workforce. Until modern times, legal and cultural practices, combined with the inertia of longstanding religious and educational conventions, restricted women's entry and participation in the workforce.²²

India ranks 127th on the gender inequality index and 108th on the global gender gap index. The latest government statistics suggest that women's labor participation rate has come down from 29.4 percent in 2004-2005 to 22.5 percent in 2011-2012. The shows the decline in the workforce participation The gender gap in the labor force is particularly stark when we consider that in the 15-29 age group, women's participation is only 32 percent in rural areas compared to 83 percent for men and 21 percent in urban areas compared to 81 percent for men.²³

4. Women's work participation in Banking sector:

Banking sector is the back bone for the economic development of any country and working women, being a considerable part of the society, women also played a vital role in the smooth run of banking sector. The phenomenal growth of banks has created massive employment opportunities for the educated unemployed youths of our nation specially women. Indian banking sector has provided employment for nearly 12, 53,955 people in the year 2014 and among them 2, 77,792 are women. This shows quiet a good number of women are involved in banking sector²⁴.

With the network of approximately 34,163 branches and workforce of 9 lacks of employees and a potential for further expansion, the banks have the largest employees in the country. Alongside the development of the banking industry and the generation of increasing employment opportunities in this sector, there is a significant spurt in the number of women being drawn towards the banking sector. It is noteworthy that

²⁰Tinkupaul. (2009). In Women Empowerment Through Work Participation (pp. 72-73). New Delhi: New Century Publications.

²¹Lijimaliakkel. (2017). A Study on the Women Workers in informal Sector: with special Reference to shops and Commercial Establishment in thrissur District. In D. P. et.al, Working Women : Problems and Prospects (p. 127). Tamilnadu: V.H.N.Senthikumara Nadar College, Virudhunagar-626001.

²²D.P.& S.K. (2017).A Study on Problems and Prospects of Working Women in Chengalpattu. In D. P. et.al, Working Women : Problems and Prospects (p.1). Tamilnadu: V.H.N.Senthikumara Nadar College, Virudhunagar-626001.

²³Work Participation rate in India. (n.d.). Retrieved 4 26, 2017, from Census of India: Work Participation rate.Googleweblight.com

²⁴Dr.A.Raghurama, R. K. (2014). Women Participationin in Indian Banking Sector: Issues and Challenges. <https://www.ijsr.net/archive/v5i2/NOV161540.pdf>. Retrieved 13 04, 2017.

approximately out of 221004 bank employees at the officers (executives) level as many as 9200 are women. Thus the ratio of female to male employees is 1:23. At the clerical level, 82000 out of 4, 68,200 are women. The ratio of female clerks is 1:5. Against this background, it would be useful to analysis an upsurge of particular factors, which have contributed to such upsurge of women in the banking sector. The advent of women has been the result of a conscious and deliberate policy of the government of India to induct women into the main stream of economic life and to provide the maximum encouragements towards this. Thus, an important contributory factor is the impetus given by means of government policies and legislation, which confer gender equality and the absence of discrimination in matters of recruitment. With the removal of any impediments in the way of women seeking employment in banks, it is not all surprising that women are joining banks in increasing numbers²⁵.

5. Glass Ceiling and Indian Banking Sector:

Economic reforms in the Indian economy has brought tremendous changes by turning an conservative society into a modern society through the process of breaking the glass ceiling or conversion Glass ceiling into a Glass Transparency in the Indian Banking Sector. This is backed by a recent study of 240 top Indian companies by EMA Partners, the global executive-search firm, which says more than a half of India's women chief executives are accounted for by the banking and financial services industry. The effect of glass ceiling on the Indian Banking Industry and increasing role of women participators in banking industry and also is an attempt to develop the factors which make women so successful in the Indian Banking Industry²⁶.

5.1.India's Banking sector seems to have gently shattered this Glass ceiling and has been a sort of opposition to the glass ceiling:

As Arundhati Bhattacharya gets set to take charge as the chairperson of the country's largest bank State Bank of India (SBI) to become the first woman chairperson in the history of 206 years of State bank of India, she looks likely to join the steadily expanding club of women currently holding the top job in Indian banks. Bhattacharya will be the latest entrant, joining the lines of ChandaKochhar, MD and CEO of ICICI Bank; are Shikha Sharma, MD and CEO, Axis Bank; NainaLalKidwai, country head, HSBC; KakuNakhate, president and country head (India), Bank of America Merrill Lynch, VijayalakshmiIyer, CMD, Bank of India; ArchanaBhargava, CMD United Bank of India and ShubhalakshmiPanse, CMD of Allahabad Bank²⁷. The growth has created new windows of opportunity for women to find employment in the banking sector. The new opening up of banking to the private sector in India, there is a new hope that more

²⁵Muthukrishnaveni R. (2017). Women in Banking Sector, Working Women: Problems and Prospects. In D. P. et.al, Working Women : Problems and Prospects (p.237-238). Tamilnadu: V.H.N.Senthikumara College, Virudhunagar-626001.

²⁶Sachdeva, D. (2014, APRIL 04). Glass ceiling converted to glass transparency : A Study on the factors making Women excutives Successful in the Indian Banking Sector. Journal of Business Management & Social Siences Research (JBM & SSR), 3,No.4. Retrieved 9 18, 2017.

²⁷Sachdeva, D. (2014, APRIL 04). Glass ceiling converted to glass transparency : A Study on the factors making Women excutives Successful in the Indian Banking Sector. Journal of Business Management & Social Siences Research (JBM & SSR), 3,No.4. Retrieved 9 18, 2017

employment transparency and purely merit-based Job opportunities will get a boost in this sector.

The nationalization of the Indian Banking Sector in 1969 served as the first major step to reduce gender discrimination against women in banking job. However, the general pattern of women's employment in this sector has shown that there has been a sort of persistent invisible glass ceiling against women acquiring the top management position in banking. The study is about the Indian women who have been placed in various position in the banking sector and how they overcome the problem of glass ceiling and how they are looking forward to strike a better balance between work and family responsibilities²⁸.

Conclusion:

The evolution of the Indian Banking Sector from the time immemorial till date has been traced down in this study. Banking in India had existed in one form or other right from the period of ancient India as revealed from the historical evidence. Women who were treated totally different in the prior conservative society have come forward breaking the glass ceiling to achieve greater heights individually and to the society. Even after going through all this struggle still the women is lagging behind due to the challenges faced within the work environment with regard to gender inequality, work place harassment, difference of wages and other pressures needs to be understood from feminist point of view. This study will help to provide evidences about the present conditions of working women in the banking sector. The insights of this study will be helpful for providing suggestions to improve the work environment for women's.

²⁸S, P. (2012). Women Employees in Banking Sector. <http://ejournal.srmuniv.ac.in/ojs/index.php/management/article/view/22>. Retrieved 19 10, 2017

Reference:

1. D.P.& S.K. (2017). A Study on Problems and Prospects of Working Women in Chengalpattu. In D. P. et.al, Working Women : Problems and Prospects (p.1). Tamilnadu: V.H.N.Senthikumara Nadar College, Virudhunagar-626001.
2. Dr.A.Raghurama, R. K. (2014). Women Participation in Indian Banking Sector: Issues and Challenges. <https://www.ijsr.net/archive/v5i2/NOV161540.pdf>. Retrieved 13 04, 2017.
3. Goel, P. (n.d.). Banking and Insurance. Retrieved 11 12, 2017, from <https://sol.du.ac.in/mod/book/view.php?id=1225>.
4. http://shodhganga.inflibnet.ac.in/bitstream/10603/16680/7/07_chapter%202.pdf. (n.d.). Retrieved 02 07, 2018.
5. Introduction of Banking Industry. (n.d.). Retrieved 11 28, 2017, from http://shodhganga.inflibnet.ac.in/bitstream/10603/15993/8/08_chapter1.pdf.
6. Krishna Kumar Kavitha. (2017). In The IUP Journal of Bank Management (pp. 1-5). IUP Publications(A Division of the ICFAI Society) www. Iupindia. In.
7. Lijimaliakkel. (2017). A Study on the Women Workers in informal Sector: with special Reference to shops and Commercial Establishment in thrissur District. In D. P. et.al, Working Women : Problems and Prospects (p. 127). Tamilnadu: V.H.N.Senthikumara Nadar College, Virudhunagar-626001.
8. Muthukrishnaveni R. (2017). Women in Banking Sector, Working Women: Problems and Prospects. In D. P. et.al, Working Women : Problems and Prospects (p.237-238). Tamilnadu: V.H.N.Senthikumara College, Virudhunagar-626001.
9. Reenakumarisingh, D. M. (2016). Problems Faced by Working Women in Banking Sector.
10. S, P. (2012). Women Employees in Banking Sector. <http://ejournal.srmuniv.ac.in/ojs/index.php/management/article/view/22>. Retrieved 19 10, 2017.
11. Sachdeva, D. (2014, APRIL 04). Glass ceiling converted to glass transparency : A Study on the factors making Women executives Successful in the Indian Banking Sector. Journal of Business Management & Social Sciences Research (JBM & SSR), 3,No.4. Retrieved 9 18, 2017.
12. Subramani. (2015). In K.A.S. Saamanya Adhyayana (pp. 7-8). Kolar: S.M.V. Prakashana.
13. Times of India, (03/12/2017), Women Grow in Banking Sector because of Gender Neutral Policies.
14. Tinkupaul. (2009). In Women Empowerment Through Work Participation (pp. 72-73). New Delhi: New Century Publications.
15. Work Participation rate in India. (n.d.). Retrieved 4 26, 2017, from Census of India: Work Participation rate.Googleweblight.com.