

Kajsa Holmberg Maria Stanfors

SETTING A TREND
FEMINISATION OF THE COMMERCIAL BANK SECTOR
IN SWEDEN, 1864-1975



Banking & Enterprise

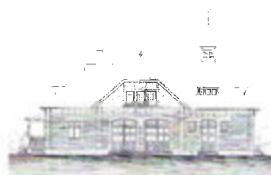
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Abstract

IN 1864, WHEN *Stockholms Enskilda Bank* hired two women, they were presumably the first bank in the world to do so. The fashion to hire women gradually spread and bank-telling became female-dominated. This paper describes and analyses this process, identifying three periods in the feminisation of the Swedish commercial bank sector. Economic, institutional, technological, and cultural factors were all instrumental in feminisation; their relative importance varied over time. During the period studied here, banking expanded and went through radical changes, bringing it closer to “women’s work”; thus feminisation proceeded without radical changes in social norms or views on female labour. The commercial bank sector’s loss of status as a male workplace began in the early twentieth century, preceding feminisation, rather than following it, and creating an opening for women. Employers’ economic incentives were also important in the feminisation process; women made their biggest advances during times when employers had strong incentives to cut costs.

Introduction

IN THE SUMMER OF 1864, *Stockholms Enskilda Bank* hired two women, Alida Rossander and Hedvig Aréhn.¹ The decision to employ women as temporary workers was debated within the bank, but the chief executive officer, André Oscar Wallenberg, was a true liberal and, for that time, a strong believer in the competence and equal standing of men and women. In remembrance of his late father, Knut Agathon Wallenberg describes him as a progressive man who not only founded the bank but also introduced the money order (*postremissväxel*) as a cost-efficient way of making payments in all parts of the country, and initiated the hiring of women in *Stockholms Enskilda Bank* as the first bank in the world.² Knut Agathon also mentions the president of the *Crédit Lyonnais*, Monsieur Archild Content, who visited the bank in Stockholm in the late 1870s and to his great surprise found women working in the bank. He supposedly stated that such a thing would never happen in France. With delight, Knut Agathon Wallenberg closes this reminiscence with: “Nowadays, the *Crédit Lyonnais* employs more than 1,000 women.”³ Archival sources give at hand that the decision to add only two females to an all male staff was unconventional.⁴ Little did the board members know that they were setting a trend, which would spread vastly, and that bank telling would feminise in the following century and eventually become female-dominated.

The aftermath of the hiring decision in 1864 was the following: the *demoiselles*, as they are called in the records, Alida and Hedvig, were given permanent positions in the bank after nine months.⁵ To keep the well-established co-workers was a simple and straightforward decision, and obviously, hiring female staff was no longer problematic because at the same time another woman, Miss Wendela Schürer von Waldheim, was taken in. The two female frontrunners fol-

1 Board protocol from *Stockholms Enskilda Bank* of 5 July 1864.

2 Statement on behalf of Knut Agathon Wallenberg from a motion picture on the 80-year anniversary of *Stockholms Enskilda Bank* in 1936.

3 Statement on behalf of Knut Agathon Wallenberg from a motion picture on the 80-year anniversary of *Stockholms Enskilda Bank* in 1936.

4 Board protocol from *Stockholms Enskilda Bank* of 2 July 1864.

5 Board protocol from *Stockholms Enskilda Bank* of 6 April 1865.

lowed different, yet for that time quite typical, career tracks. Alida stayed loyal to the bank and worked there until her retirement an impressive three decades later, whereas Hedvig left her job after a couple of years in order to get married. *Stockholms Enskilda Bank* developed into one of the most prominent financial institutes in Sweden with close connections to the industries that were the backbone of Swedish industrialisation. The bank sector as a whole went from exclusively hiring men for handling financial matters to a female-dominated industry as monetary transactions and paperwork related to private and commercial financial matters increased. The two ladies Alida Rossander and Hedvig Aréhn thus opened the gate for women's employment in banks, although it took a couple of decades before the fashion to hire women on a broader scale was es-



Alida Rossander 1866



Hedvig Aréhn 1868

Ms Alida Rossander and Ms Hedvig Aréhn, presumably the first women clerks in commercial banking, were hired by *Stockholms Enskilda Bank* on July 5 1864.

Source: *Stiftelsen för Ekonomisk Historisk Forskning inom Bank och Företagande*.

established gradually in **the** 1910s and after 1950.

The feminisation of the Swedish commercial **bank** sector is an interesting and relevant research subject for several reasons. First, it was not an isolated feature. Rather, this particular process of **feminisation** was an integral part of a massive societal transformation in the entire Western world during the twentieth century, with the expansion of the tertiary sector and the increasing labour force participation of women as central traits. Parallel to the feminisation of bank telling, occupations as diverse as office clerk, teacher, pharmacist and doctor underwent similar processes. **Feminisation** thus appears as a defining phenomenon of the 1900s, but we still know little about its actual causes and the course of events, not least within the female-dominated service sector. Second, the commercial **bank** sector is a revealing **example in** this respect, since its role as financier of industry is well researched, **while** the knowledge of the **bank** sector as a labour market is very limited. This study, as part of a bigger project, is one step towards filling these gaps in our **knowledge**. Third, the gender **composition** of occupations does not cease to change, and understanding the processes of the past are crucial to preparing for those of the future. The final chapter in the saga of the feminisation of commercial banking remains to be written. It was only in 2006 that **Annika** Falkengren became the **first** woman to reach a top executive position in *SEB* – one of Sweden's largest commercial banks today and as it happens the present day incarnation of *Stockholms Enskilda Bank*, where it all started 150 years ago.

This paper describes the feminisation process that followed the hiring decision of *Stockholms Enskilda Bank* in 1864, and **resents** a fuller and empirically more solid picture of the macro-level feminisation and the gradual closing of gender gaps of the workforce and wages in the Swedish bank sector. We explore various **explanations** of feminisation of the banking industry and investigate economic, institutional, technological and cultural determinants of the feminisation process.

The outline of the remainder of the paper is as follows. Following the introduction, the first section **deals** with the concept of feminisation and previous research on the subject matter in different contexts across time and space. In the second section, we present and discuss data. We **then** provide a brief background of the development of **the** Swedish commercial banking during the period in question, followed by the fourth section which provides more detailed accounts of the development of feminisation, total employment, female relative wages and the physical structure of the sector. In the fifth section, we analyse feminisation by making use of **economic**, institutional and cultural models of explanations. We conclude by summarising our findings.

We find that the feminisation of the Swedish commercial bank sector developed through three phases, with the 1910s and the 1960s as peaks in the two periods of increase, and the 1920s as a decade when the female labour share was reduced. Economic, **institutional**, technological and cultural factors are found

to have interacted and all played instrumental parts in feminisation, with their relative importance varying over time. However, three factors stand out as key. First, the character of bank work went through radical changes from the late nineteenth century to the early 1970s, which gradually brought it closer to what had traditionally been considered women's work. Women thus became an increasingly logical choice for bank employers as labour, and feminisation could proceed without a radical change in the view on female labour or social norms. Second, the commercial bank sector suffered a loss of status as a workplace in the eyes of the male labour force in the early twentieth century. This is worth emphasising not only because it created a crucial opening for women to enter the sector, but also because our findings – that loss of status preceded feminisation rather than followed it – contrast with conventional wisdom. Third and last, the economic incentives of employers cannot be ignored as an explanation of feminisation. There are many indications that suggest that women made their biggest advances in the labour share during times when employers had strong incentives to cut costs and thus hire cheaper, female labour.

The Concept of Feminisation and Previous Research

THE CONCEPT OF FEMINISATION has two main aspects. Quantitatively, it indicates a shift in the gender composition of an occupation such that an increasing share of the labour force is made up by women. Qualitatively, feminisation means a shift in the gender coding of occupational tasks from male to female. In addition to a horizontal understanding of feminisation, the concept also has a vertical dimension relating to the access and presence of women on different levels of the occupational hierarchy. An occupation can thus experience radical feminisation of its lower strata in both quantitative and qualitative terms, but remain male dominated at the top.

With the exception of a pilot study from 2008,⁶ there are no previous studies of the feminisation of the Swedish bank sector in a labour market perspective. The phenomenon was briefly touched upon in 1938, in an official investigation of married women's rights to gainful employment and by Ann-Marie Sellerberg in 1973.⁷ The development of feminisation from the 1980s has been relatively more amply researched, primarily by sociologist Joan Acker.⁸ However, apart from only covering a very limited period in time, Acker's work is focused on

6 See Kajsa Holmberg, *Feminisation of the Swedish Bank Sector 1910–1939 – What and Why?* (MA thesis, Lund University, 2008). Holmberg focuses on the development of feminisation between 1910 and 1939, and investigates how the bank tellers' union experienced feminisation and changes in the character of work during that period.

7 Statens Offentliga Utredningar (hereafter SOU) [Swedish Government Official Reports] 47 (1938), *Betänkande angående gift kvinnas förvärvsarbete* [Report on the married woman's right to gainful employment]; Sellerberg, Ann-Marie, *Kvinnorna på den svenska arbetsmarknaden under 1900-talet. En sociologisk analys av kvinnornas underordnade position i arbetslivet* [Women on the Swedish labour market during the 20th century. A sociological analysis of women's subordinate position in working life] (Lund, 1973).

8 See Joan Acker, "Hierarchies, Jobs, Bodies, A Theory of Gendered Organizations", in *The Social Construction of Gender*, ed. Judith L. Lorber and Susan A. Farrell, 162–179 (Newbury Park, 1990); Joan Acker, "Thinking About Wages: The Gendered Wage Gap in Swedish Banks", *Gender and Society* 5 (1991): 390–407; Joan Acker, "The Gender Regime of Swedish Banks", *Scandinavian Journal of Management* 10 (1994): 117–130.

the effects of feminisation on **business organisation**, rather than the causes and development of feminisation itself.

The research on the Swedish bank sector as such is extensive⁹ but it is almost exclusively focused either on the development of the Swedish bank system as such, **biographical** and historical accounts of particular **banks**,¹⁰ or on the banks' financial activities and their significance for the development of society in general and industry in particular.¹¹ A common feature in the previously mentioned types of work is that they merely acknowledge that feminisation has taken place, but assign it no greater interest or attention. **While** the past focus of **Swedish** bank research may in part have been influenced by the distribution of readily available statistical data, it is impossible to escape the basic fact that the areas

9 For an overview, see Tom Petersson, "Det svenska banksystemet 1820–2005" [The Swedish banking system 1820–2005] in *Sverige – en ekonomisk och social historia [Sweden – an economic and social history]*, ed. Susanna Hedenborg, 371–396 (Lund, 2006).

10 Karl-Gustaf Hildebrand, *I omvandlingens tjänst. Svenska Handelsbanken 1871–1955* [In the service of transformation. Svenska Handelsbanken 1871–1955] (Stockholm, 1971); Ragnhild Lundström, *Bank, industri, utlandsaffärer: Stockholms Enskilda Bank 1910–1924* [Bank, Industry, Foreign Affairs: Stockholms Enskilda Bank 1910–1924] (Stockholm, 1999); Håkan Lindgren, *Bank, investmentbolag, bankirfirma: Stockholms Enskilda Bank 1924–1945* [Bank, Investment Company, Banker Enterprise: Stockholms Enskilda Bank 1924–1945] (Stockholm, 1988); Ulf Olsson, *Bank, familj och företagande: Stockholms Enskilda Bank 1946–1971* [Bank, Family, Business Enterprise: Stockholms Enskilda Bank 1946–1971] (Stockholm, 1986); Ulf Olsson, *I utvecklingens centrum: Skandinaviska Enskilda Banken och dess föregångare 1856–1996* [Available in English translation: *At the Centre of Development: Skandinaviska Enskilda Banken and its Predecessors 1856–1996*] (Stockholm, 1997); Ernst Söderlund, *Skandinaviska Banken i det svenska bankväsendets historia 1864–1914* [Skandinaviska Banken in the History of the Swedish Banking System 1864–1914] (Stockholm, 1964); Ernst Söderlund, *Skandinaviska Banken i det svenska bankväsendets historia 1914–1939* [Skandinaviska Banken in the History of the Swedish Banking System 1914–1939] (Stockholm, 1978).

11 Sven Brisman, *De svenska affärsbankernas hundraåriga insats i vårt lands ekonomisk utveckling* [The Centennial Contribution of the Swedish Commercial Banks to our Country's Economic Development], (Stockholm, 1930); Torsten Gårdlund, *Svensk industrifinansiering under genombrottskedet 1830–1913* [Swedish Industrial Funding during the Breakthrough Years 1830–1913] (Stockholm, 1947); Arthur Montgomery, "Affärsbankerna i Sveriges ekonomiska historia 1880–1955" [The Commercial Banks in the Economic History of Sweden 1880–1955], in *Svenska Bankföreningen, Bankerna och samhället [The Banks and Society]* (Stockholm, 1955); Mats Larsson and Håkan Lindgren, "Risktagandets gränser. Utvecklingen av det svenska bankväsendet 1850–1980" [The Limits of Risk-taking. The Development of the Swedish Banking System 1850–1980], in *Bankmarknader i förvandling [Bank Markets in Transformation]* ed. Carl G. Thunman and Kent Eriksson (Lund, 1990); Mats Larsson, *Aktörer, marknader och regleringar. Sveriges finansiella system under 1900-talet* [Actors, Markets and Regulations. The Financial System of Sweden during the 20th Century] (Uppsala, 1993); Lindgren, *Bank, investmentbolag, bankirfirma; Ingemar Nygren, Från Stockholms Banco till Citibank. Svensk kreditmarknad under 325 år* [From Stockholm's Banco to Citibank. Swedish Credit Market during 325 years] (Stockholm, 1985).

of industry, money and technology have been deemed more interesting than the actual people involved.

On an international level there is vast research on occupational sex segregation and, to a lesser extent, female inroads into a number of professions, from pottery to administration and pharmacy, in several Western countries.¹² Claudia Goldin and Elyce Rotella are prominent representatives of **this** research,¹³ which has largely been **carried** out in the form of case studies and also includes some studies on banking.¹⁴ However, research on female inroads into new occupations often focuses exclusively on the women and their experiences, side-tracking the issue of how the process impacts the men in the workplace and thus, most importantly, gender relations and the overall organisation of work. Even with the compiled findings from research, “relatively little is known about the factors associated with the changing sex composition of occupations”.¹⁵

12 See works by Barbara Reskin, for example Barbara Reskin and Patricia Roos, *Job queues, gender queues: explaining women's inroads into male occupations* (Philadelphia, 1990).

13 Claudia Goldin, *Understanding the gender gap: An economic history of American women* (New York, 1990); Elyce Rotella, *From Home to Office: U.S. Women at Work, 1870–1930* (Ann Arbor, 1981).

14 Chloe E. Bird, “High finance, small change: Women’s increased representation in bank management”, in *Job queues, gender queues*, ed. Reskin and Roos, 145–166; Michel Crozier, *The world of the office worker* (Chicago, 1971); Brian L. Rich, “Explaining feminisation in the US banking industry, 1940–1980: Human capital, dual labor markets or gender queuing?”, *Sociological Perspectives* 38 (1995): 357–380; Andrew J. Seltzer and Jeff Frank, “Female salaries and careers in the British banking industry, 1915–1941”, Unpublished paper from Dept. of Economics, Royal Holloway, University of London (2007); Myra H. Strober. “Toward a Theory of Occupational Sex Segregation”, in *Sex segregation in the workplace: Trends, explanations, remedies*, ed. Barbara Reskin (Washington, DC, 1984), 144–156; Myra H. Strober and Carolyn Arnold “The dynamics of occupational segregation among bank tellers”, in *Gender in the workplace*, ed. Clair Brown and Joseph Pechman (Washington, DC, 1987), 107–148; Janne Tienari, “The first wave washed up on shore: Reform, feminisation and gender resegregation”, in *Gender, Work and Organization* 6 (1999): 1–19.

15 Reskin and Roos, *Job queues, gender queues*, 15.

The Data

IN ORDER TO INVESTIGATE the development and potential causes of feminisation of the Swedish commercial banks, data on employment, wages, and the physical structure of the sector are key. Until now, available quantitative data of **this** kind has been limited and of poor quality, which is unfortunate. No data can here be considered data in itself, since it is hardly a coincidence that there are no detailed records of **women** in the Swedish bank sector well into the twentieth century. Consequently, the problem of insufficient data has to be overcome.

In the case of wages and employment, official statistics do not offer sector specific, gender differentiated data until 1950. Census material, the common data source for more historically oriented studies, is for our purpose not **readily available until 1910** and then only at ten-year **intervals**. **This may** obscure crucial fluctuations in the female labour and wage shares, and also makes their developments harder to interpret. Further, figures are only provided for all types of finance and insurance combined. Since credit institutions like savings banks and agricultural mortgage societies followed quite different **management** principles and development trajectories compared to commercial banks, it is highly possible that the **development of feminisation** was not uniform across different types of banks. To rely on the readily available data would thus leave us with a partial, imprecise and potentially skewed picture of the development of feminisation in commercial banking.

Our solution to the problem of insufficient **employment** data has been to compile disaggregated data from *Sveriges Bankmatrikel* [*The bank matriculation register of Sweden*], a full register of all personnel in the Swedish bank sector issued approximately every fifth year from 1886. By counting each individual employee, year by year and bank by bank, we have been able to create our own commercial-bank specific, gender-differentiated employment series for the period 1886 to 1951, supplementing the official statistical data from 1950 onwards.¹⁶ Unfortunately, the matriculation **registers** do not provide information

¹⁶ Due to lack of data, this study is only able to cover administrative staff – not janitors, errand boys or other blue-collar type staff in the commercial banks. Since female employees of this kind were very rare, they were left out of many public records. Further, the matriculation registers only contain white-collar staff. It should also be noted that

on wages. Instead, we have chosen to extend the series from 1950 with aggregate sector data (all types of banking) from Statistics Sweden. These records begin in 1913, and when they can be compared to the commercial bank specific figures from 1950 the trends are very similar.¹⁷ While **this** is no guarantee for a similar consistency in the past, we find it plausible to assume that aggregate bank sector data can serve at least as an indication of the wage development in commercial banking during the early twentieth century as well.

For information on the physical structure of the Swedish **bank** sector, official statistics are available from 1910 onwards. For the period before 1910, data on new establishments, mergers and liquidations of commercial banks has been collected on an individual company basis, tracing each bank from the year it opened to when it closed. For this purpose a variety of sources has been used, such as the aforementioned matriculation registers, old address calendars, contemporary encyclopaedias and secondary sources on specific banks and Swedish banking at large.

In sum, the compilation of disaggregated micro data has resulted in bank-, age-, title-, and gender-differentiated macro-level series on employment for the entire Swedish commercial bank sector from 1886 onwards, something which has previously only been available from 1950. We have also managed to construct a complete time series of the turnover of actual bank companies all the way from the opening of the first Swedish commercial bank in 1831 to 1975, previously only compiled from the 1910s. Wage data extend from 1913. Add to that a broad selection of qualitative sources, which **include** the union periodical *Bankvärlden*, contemporary press clippings, board protocols, bank and union retrospectives and celebratory publications, and secondary accounts of the development in the Swedish commercial bank sector. It is therefore safe to say that our data **material** is rich, of high quality and to a large extent previously unexplored.

the statistics from 1950 do not include executive staff, and inconsistency in the use of professional titles across **banks** and time has made a similar separation in the matriculation data impossible at this point. The series for 1886–1950 thus includes *all* employees, which is why it is slightly disjoined from its latter counterpart in 1951.

17 For the period before 1913 we are left without data, since investigation of each bank's private records, the only way to collect such **inf**ormation, has been deemed a practical impossibility at this point.

The Development of the Swedish Commercial Bank Sector

DURING THE DECADES following the opening of the first Swedish commercial bank in 1831, banks based their business almost exclusively on the issue of banknotes. Over the years, customer deposits and outwards lending increased in volume and importance, and by the early 1880s the banks had found their role as **financiers** of a beckoning Swedish industry.

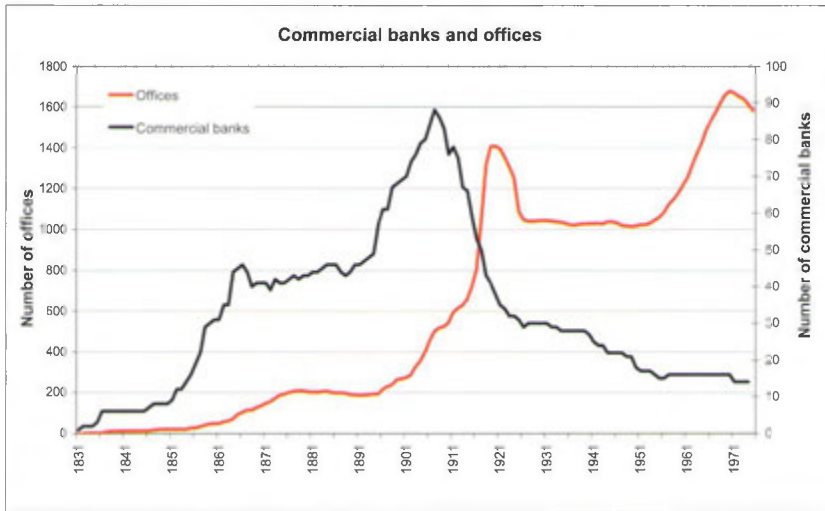
The transition from the issue of banknotes to the service of industry constituted the first great shift in the orientation of the Swedish commercial banks, and was aided by institutional change. In 1864 *Skandinaviska Kreditaktiebolaget* became the first commercial bank to open in the form of a **joint**-stock company, without the right to issue banknotes. For **this** bank and its many followers inwards lending was the only way to acquire working **capital**. Simultaneously, the old commercial banks operated under a real and growing threat of having their issuing privileges removed. From the 1880s restrictions were gradually put into place, until a full **prohibition** **against** the issue of banknotes by private banks was enforced in 1903. The institutional incentives for the banks to engage in the areas of deposits and lending **were** thus **increasingly** strengthened throughout the nineteenth century. With savings banks oriented towards the public and big money found in booming business, a strong bond was formed between the commercial banks and industry.¹⁸

Driven by the boom in Swedish industry, the commercial bank sector experienced strong growth from the 1890s until the post-war recession of the 1920s. The expansion proceeded at an increasingly rapid pace, and manifested itself both in the volume of financial activities and in the number of bank companies, their geographical coverage and size of staff. This development **peaked** in the late 1910s: heightened by war-time **inflation** both **deposits and** turnover skyrocketed, while the wage share of profits dove. The result was record high profits, and an unparalleled growth **both** in the size of the sector's labour force and office grid.

Figure 1 shows the development of the number of commercial bank companies and offices between 1831 and 1975, and Figure 2 shows the number of newly

18 Lars-Erik Thunholm, *Svenskt Kreditväsen [The Swedish Credit System]* (Stockholm, 1989).

Fig. 1. Number of commercial banks and offices, 1831–1975



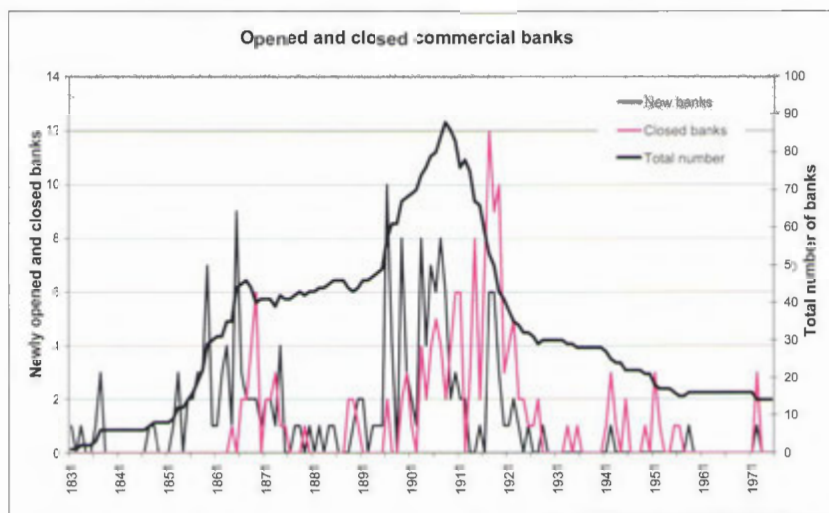
Sources: *Sveriges Bankmatrikel (1886–1951)*; *Adresskalender för Stockholms Stad [Directory for the City of Stockholm] (1880–1910)*; *Nordisk Familjebok [Nordic Family Book] (1907)*; *Svensk Rikskalender [Swedish State Calendar] (1908)*; *Sven Brisman, Sveriges Affärsbanker – grundläggningstiden [Sweden’s Commercial Banks – the Foundation Period] (Stockholm, 1924)*; *ibid., Sveriges Affärsbanker – utvecklingstiden [Sweden’s Commercial Banks – the Development Period] (Stockholm, 1934)*; *Söderlund, Skandinaviska Banken i det svenska bankväsendets historia 1864–1914*; *Sveriges Officiella Statistik (hereafter SOS) [Official Statistics of Sweden, Uppgifter om bankerna [Information about the Banks] (Stockholm, 1912–1967)*; *SOS, Bankerna [The Banks], (Stockholm, 1968–1976)*.

opened and closed commercial banks between 1831 and 1975. The sharp increase in the number of offices during the 1910s was an expression of intense competition between the commercial banks. A thriving Swedish industry demanded ever larger financial muscles of the banks, which, coupled with the possibility of enormous profits created a cut-throat fight over market shares. The outcome was a multitude of fusions and take-overs, which by the end of the decade had reduced the number of banks from the 1908 all time high of 84 to less than half as many, but of a previously unimaginable size.¹⁹

The concentration of the bank sector enabled a shift to large-scale production. Under the contemporary influence of scientific management and advances in office technology such as carbon paper and the typewriter, work was mecha-

19 Lindgren, *Bank, investmentbolag, bankfirma*; Gunnar Palmquist, *Segrande samverkan: historia till Svenska Bankmannaförbundets 75-årsjubileum [Winning co-operation: history for the 75-year jubilee of the Swedish bank tellers’ union] (Falköping, 1962)*; Söderlund, *Skandinaviska Banken i det svenska bankväsendets historia 1914–1939*.

Fig. 2. Number of opened and closed commercial banks, 1831–1975



Sources: *Sveriges Bankmatrikel (1886–1951)*; *Adresskalender för Stockholms Stad (1880–1910)*; *Nordisk Familjebok (1907)*; *Svensk Rikskalender (1908)*; *Sven Brisman, Sveriges Affärsbanker – grundläggningstiden*; *ibid., Sveriges Affärsbanker – utvecklingstiden*; *Söderlund, Skandinaviska Banken i det svenska bankväsendets historia 1864–1914*; *SOS, Uppgifter om bankerna*; *SOS, Bankerna*.

nised and standardised, with labour reorganised accordingly. The catch-phrase of the era was rationalisation, and every detail of bank work became subject to an increasing amount of bureaucracy and specialisation.²⁰

The post-war recession altered the banks' working conditions dramatically and in the early 1920s, the sector was forced to pay a steep price for its rapid and sometimes less well-planned expansion during earlier decades. The banks decreased further in numbers, but now as a result of bankruptcies and forced mergers, as indicated by Figures 1 and 2.²¹ The situation, however, stabilised from the mid-decade, and, partly due to the acid bath of the early 1920s, the remaining banks managed the years of the Great Depression relatively well. Rath-

²⁰ *Bankvärlden: Svenska Bankmannaföreningens tidskrift [The Bank World: the Periodical of the Swedish Bank Tellers' Union]* 11 (1918): 171; 10 (1922): 143; 12 (1923): 205; 4 (1926): 53; 9 (1929): 205–207; 10 (1930): 251; Åke Bergqvist, "Organisatoriska och tekniska förändringar inom bankerna under de senaste sjuttioem åren" [Organisatory and Technological Change in the Banks during the last Seventy-five Years], *Ekonomisk Revy* 7 (1955): 430–442.

²¹ *Bankvärlden* 1 (1925): 1–3; 9 (1925): 121; *Söderlund, Skandinaviska Banken i det svenska bankväsendets historia 1914–1939*.

er than a new crisis, the period from the late 1920s throughout the 1940s constituted a time of relative **calm and** consolidation in the commercial bank sector, in terms of physical structure, finances and staff. As the demand for financial services grew, the workload of banks grew as well, but new advances in mechanisation did not translate the workload into increasing numbers of personnel.²² During the 1940s the sector **went** through a new series of mergers, but these did not reach the scope of the **early** 1900s. Not only was **the** sector more mature and institutionally developed, but since radical concentration had already taken place, the banks involved were fewer, bigger and less vulnerable to begin with.²³

Throughout the booming 1950s, outwards lending from the industry and public sector increasingly surpassed deposits, and, in order to be able to service their traditional clientele and stay liquid, the banks **turned** to the money of the general public. The launch of the National Pension Insurance Fund (*ATP*), in 1957, was important in this respect because it provided the Swedish banks with an enormous pool of new money to compete for. This marked a second shift in the orientation of the Swedish commercial banks, from a focus on industry to a diversification into the private customer market. The outcome was a new period of intense competition between the commercial banks, and against the savings banks.²⁴ For the first time, the commercial banks began to actively market themselves to attract the general public. A key area of competition was service, and for this the banks deemed it increasingly important to be close to their customers. As a result, **the commercial** bank sector experienced its second phase of office expansion during the 1960s. After having remained stable since the early 1920s, the number of offices grew from around 1,100 at the end of the 1950s to almost 1,700 a decade later (see Figure 2). The reorientation towards private customers also **had implications** for the banks' personnel, which was greatly expanded during this period, in part in order to staff new offices, but also because **engagement** with small savers radically increased the volume of transactions, especially over the counter.²⁵

When expansion was tempered at the end of the 1960s, the commercial banks had succeeded in their efforts to attract the public. Aided by a strong growth in real incomes of the Swedish population, the small savers had eventually come to represent the main share of the banks' total deposits.²⁶ As for the size of the banks' labour force, it had now surpassed 10,000 individuals, of which women accounted for almost half (see Figure 3).

22 *Bankvärlden* 3 (1932): 65; 1 (1937): 7; 4 (1937): 202; Söderlund, *Skandinaviska Banken i det svenska bankväsendets historia 1914–1939*.

23 Thunholm, *Svenskt Kreditväsen*.

24 Hildebrand, *I omvandlingens tjänst*; Olsson, *Bank, familj och företagande*; Lindgren, *Bank, investmentbolag, bankirfirma*; Thunholm, *Svenskt Kreditväsen*.

25 Olsson, *Bank, familj och företagande*; Lindgren, *Bank, investmentbolag, bankirfirma*; Thunholm, *Svenskt Kreditväsen*.

26 Olsson, *Bank, familj och företagande*.

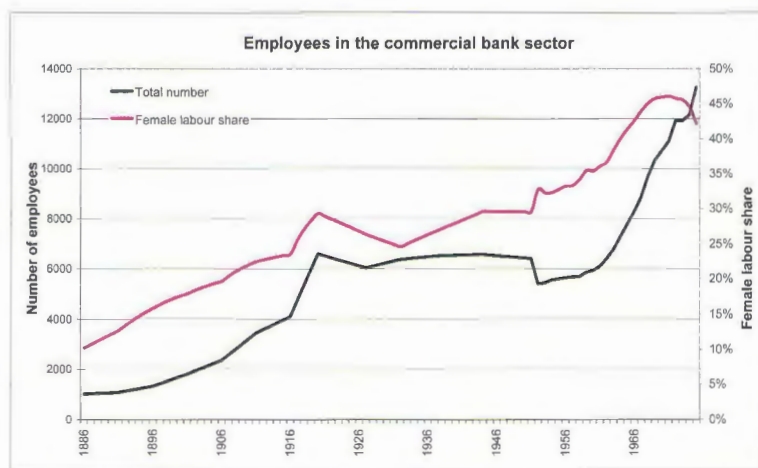
Feminisation, Total Employment and Female Relative Wages

The Development of Employment and Feminisation in the Commercial Bank Sector

After the recruitment of Alida Rossander and Hedvig Aréhn in 1864, we have no precise information on how feminisation developed until 1886, but at this time women had increased their labour share in the bank sector to 10.1 percent, or 103 employees. From 1886, we can follow the development more closely.

The most striking feature of the aggregate picture illustrated by Figure 3 is that feminisation did not proceed at an even pace. Rather, it developed in three major phases or periods. Between 1886 and 1920 the share of women in banking increased at a strong and remarkably steady pace from 10.1 to 29.2 percent. From 1920, the share of women was rather stable but feminisation receded

Fig. 3. Total employment and share of women in the commercial bank sector, 1886–1975



Sources: Sveriges Bankmatrikel (1886–1951); SOS, Lönestatistisk Årsbok [Wage Statistical Yearbook] (Stockholm, 1950–1976).

somewhat to an equivalent of 24.5 percent women in 1932. After this, the female labour share rose once more and the rise lasted until the early 1970s when women made up almost half of the commercial banks' total labour force.

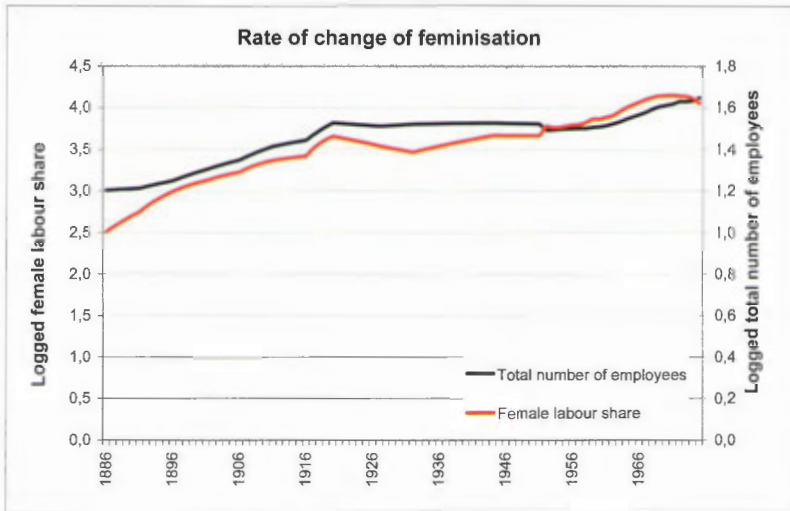
Tab. 1. Rates of change (percent) in employment in the commercial bank sector, 1886–1975

Period	Number of employees			Labour share	
	Total staff	Men	Women	Men	Women
1886–1891	1.2	0.6	5.7	-0.6	4.5
1891–1896	4.2	3.5	9.0	-0.7	4.6
1896–1901	6.4	5.9	9.0	-0.5	2.5
1901–1906	5.5	5.0	7.5	-0.4	1.9
1906–1911	8.0	7.2	10.9	-0.7	2.7
1911–1916	3.5	3.2	4.5	-0.3	1.0
1916–1920	12.5	10.4	18.9	-1.9	5.6
1920–1927	-1.3	-0.7	-2.7	0.6	-1.5
1927–1932	1.1	1.6	-0.3	0.5	-1.4
1932–1938	0.4	-0.2	2.1	-0.6	1.7
1938–1944	0.1	-0.5	1.5	-0.6	1.4
1944–1951*	-0.3	-0.3	-0.4	0.0	0.0
1950–1956	1.3	1.2	1.6	-0.1	0.2
1956–1964	2.9	1.7	5.1	-1.2	2.1
1966–1969	5.7	4.2	7.6	-1.4	1.8
1971–1975	3.6	5.1	1.8	1.4	-1.8
1886–1920	5.7	4.9	9.0	-1.0	4.5
1920–1932	-0.3	-0.2	-1.6	0.5	-1.5
1932–1951*	0.0	-0.3	1.0	-0.3	0.9
1950–1956	1.3	1.2	1.6	-0.1	0.2
1956–1971	4.3	2.9	6.5	-1.3	2.1

Sources: *Sveriges Bankmatrikel* (1886–1951); SOS, *Lönestatistisk Årsbok* (1950–1976), own calculations. *Intervals overlap as a result of meeting differently constructed data series. In order not to skew the rates of change by using a start value from one series and an end value from another, the solution to present overlapping, but series-consistent, intervals has been decided upon.

The interpretation of feminisation as proceeding through three distinct phases is strengthened by a review of the annual rates of change for different periods in time. For this, Table 1 provides an account of the rates of change in the total number of employees and labour force shares, with four to eight year intervals (governed by the availability of data points). During the first period of feminisation, between 1886 and 1920, the number of female employees increased at a much faster pace than that of male employees, especially between 1886 and 1896, and between 1916 and 1920. It should, however, be noted that the number of both female and male employees increased throughout this period since

Fig. 4. Rate of change (logarithmic) of feminisation of the commercial bank sector, 1886–1975



Sources: *Sveriges Bankmatrikel* (1886–1951); SOS, *Lönestatistisk Årsbok* (1950–1976).

staff as a whole expanded (see Figure 4). This development resulted in what can be seen from Table 1, namely that the share of female employees increased by about 4.5 percent per year, whereas the share of male employees was reduced by an average of one percent. From this angle as well, change is most acute during the periods 1886 to 1896 and between 1916 and 1920. It should also be noted that, even at its slowest pace, the overall pattern of an increase in female labour share holds.

In 1920, this pattern was broken. Then, feminisation came to a halt and began to recede temporarily, measured as increased in the share of women in the banking labour force at an average negative rate of 1.5 percent per year. This was the result of a decrease in the number of female employees that was stronger than that of male employees between 1920 and 1927. The decrease in women continued when the number of men increased temporarily, with a reduction in the share of women in the bank labour force equivalent to 1.5 percent per year between 1927 and 1932. The years between 1920 and 1932 therefore constituted what can be considered a second spell of feminisation, quite different from the previous one. Scrutinising the rates for the number of employees (see Table 1), it is clear that the first period of feminisation up until 1920 was caused by a more rapid increase in female rather than male labour – both groups experienced strong growth in absolute terms but the average annual rate of increase in the

number of male employees of 4.9 percent was nothing compared to the whopping 9 percent annual increase of female labour. When feminisation receded in the 1920s and early 1930s, the number of both male and female employees was reduced as the entire labour force of the commercial banks contracted. However, the 1.6 percent average annual reduction in the number of female employees were much larger than the 0.2 percent decrease of the male staff. As a result, the female labour share was reduced by 1.5 percent per year.

During the third phase of feminisation, which began in the mid-1930s and lasted until the early 1970s, feminisation proceeded continuously but gradually picked up pace. From 1932 and two decades onwards, the female labour share grew by an average of nearly one percent per year, but in the period between 1956 and 1971 the average annual rate more than doubled to 2.1 percent. It should, however, be noted that the underlying driving forces of these changes differed periodically. During the first two decades, the number of men decreased whereas the increase of women was rather persistent. From 1950 and onwards both men and women were increasingly recruited to staff the bank offices, however the increase in female staff was much stronger than that of male personnel. It should also be noted that the pace of change during the period from 1956 to 1971 did not parallel that of the turn of the century, which is largely a reflection of the much greater proportion of women in the banks' labour force to begin with. In terms of percentage points, the increase from 24.5 to 46 percent in the course of a 40-year period compares well. The period from 1932 to 1951 did see feminisation start anew, as the combined effect of a small growth in the number of female employees and a simultaneous slight reduction of the size of male staff. As a whole, the size of the labour force remained largely constant throughout these two decades, but below the surface these subtle shifts produced a slow but steady feminisation. From the 1950s onwards, the commercial bank sector started to expand its labour force once more, and feminisation went back to being driven by a relatively larger increase in the number of female than male employees.

In sum, the rates of change reveal that the feminisation of the commercial bank sector, with the exception of the period between 1932 and 1944, was not a result of an absolute decrease in the number of male employees. Only rarely did the size of the male labour force actually shrink, and when it did the number of female employees was often reduced even more, such as during the 1920s and late 1940s. While the overall trend from 1886 to 1975 was one of strong feminisation, the female bank employees suffered several periods of absolute decline. That the female labour share still increased dramatically over time is therefore primarily a result of an overall strong expansion of the staff, in which the number of women increased even more than that of men. When the total labour force of the banks was reduced, the number of women declined more than men, but when the sector expanded, the relationship was reversed and counter-weighted.

The Development of Wages in the Commercial Bank Sector

The time series on the female-to-male relative wage is most revealing. It shows that female relative wages, much like the female labour share, developed through three periods. An increase until the early 1920s was followed by a decrease over two decades, before another period of rising female-to-male relative wages began in the late 1940s and lasted until 1975. Reviewing the development in terms of rates of change, the picture of three distinct spells remains clear.

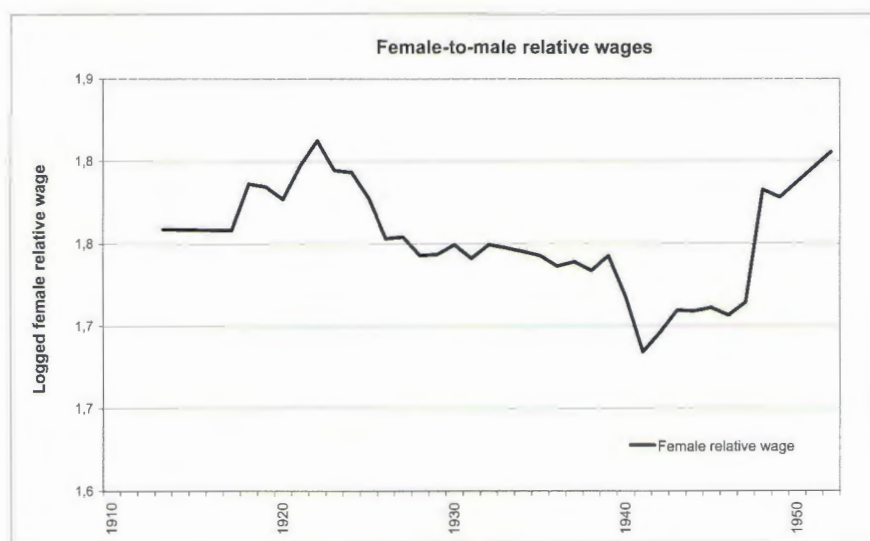
Fig. 5. Female-to-male relative wages and labour share in the commercial bank sector, 1886–1975



Sources: Sveriges Bankmatrikel (1886–1951); SOS, *Arbets- och löneförhållandena för affärsanställda i Sverige* [The Work- and Wage Conditions for Business Employees in Sweden] (Stockholm, 1925); SOS, *Sociala Meddelanden* [Social Messages] (Stockholm, 1919–1929); SOS, *Lönestatistisk Årsbok* (1929–1976).

From 1913 to 1922, the female relative wage increased at an annual average rate of 1.2 percent, to a level of approximately 65 percent. However, the large majority of the increase took place during the second half of that period. After 1922, the female wage decreased markedly relative to the male for over two decades, at a negative yearly pace of 0.9 percent, reaching an all time low of 48 percent in 1947. At the end of the 1940s, female wages started to recover, and with an average increase of 1.7 percent per year this development persisted until 1975, when the female relative wage reached a level of 83 percent.

Fig. 6. Female-to-male relative wages (logarithmic), 1913–1975



Sources: SOS, *Arbets- och löneförhållandena för affärsanställda i Sverige*; SOS, *Sociala Meddelanden* (1919–1929); SOS, *Lönestatistisk Årshok* (1929–1976).

Comparing the developments in employment and wages in Figure 5, it is apparent that the female relative wage increased during periods of strong feminisation and vice versa. The exception is the situation of the 1930s and 1940s, when the female relative wage continued to decline in spite of proceeding feminisation. This peculiarity can be explained by the cause and circumstances of those particular decades' increase in the female labour share – a net reduction in the number of male employees, and a generally stagnant total size of the labour force of the bank sector.

During these mid-century decades, male and female entry wages were fairly similar but diverged with time spent in the bank, both as a result of gender biased promotion practices and wage discrimination. A low or decreasing gender wage gap could thus reflect a young or younger labour force, as during times of strong absolute expansion of employment. A reduced female relative wage would thus in turn be an effect of an ageing staff. The predictions of this hypothesis are consistent with the development from 1917 to 1970 – where wage differences are big when the labour force is stable and has a large and growing number of years in banking. Differences decrease when new recruitment is strong.

The Analysis of Feminisation

The development of feminisation can be understood in a number of ways. Here, we have chosen to explore three dominant perspectives – the economic, institutional and cultural – to provide a first analysis of the feminisation of the Swedish commercial bank sector.

Economic Explanations

The most common explanation for feminisation is cost-efficiency. By way of the gender wage gap, employers' demand for cheap labour is assumed to result in a substitution of women for men. However, if employers have a general preference for male labour, they may be willing to pay a wage premium in order to satisfy their wants. The degree of feminisation would thus be a result of a trade-off between employers' coincident preferences for male labour and high profits. By extension, financial strain could be assumed to increase the incentives for hiring women and make the price of discrimination steeper to pay.²⁷

In the case of the Swedish commercial bank sector, feminisation was only rarely a result of direct substitution between men and women. Neither did increases in the female labour share coincide with low or falling female relative wages – rather the contrary. These facts notwithstanding, cost-efficiency is still likely to have contributed to the increase in the female labour share of the commercial banks. One of our most striking findings is that feminisation proceeded the strongest when the absolute size of the banks' labour force was growing. The simultaneous increase in the female labour share and relative wage could therefore be seen to reflect a strong demand for female labour – either due to male labour shortage, or for reasons pertaining to the female labour's own inherent characteristics.

Business expansion is costly. Radical up-sizes of the labour force as during the 1910s and 1960s would thus have strengthened employers' incentives to

²⁷ Gary Becker, *Human Capital: a theoretical and empirical analysis, with special reference to education* (Chicago, 1964); Irene Padavic and Barbara Reskin, *Women and men at work* (Thousand Oaks, 2002).

hire cheaper labour such as women. That these periods of expansion were also marked by strong competition would have added to the employers' drive to cut costs by diversifying staff **and** choosing to bring in more female labour, and even if increased demand exerted an upwards pressure on female wages, the gender gap in earnings remained substantial.

In support of this interpretation, the feminisation of the early and mid-twentieth century also coincided with the two major shifts in the orientation of the Swedish commercial banks. Both of these entailed substantial financial strain. When the rights to issue banknotes were removed **in** 1903, **a** major source of revenue was lost. In the 1960s, increased attention to small savers brought heavy expenditures for marketing, and also reduced the profit margin on each unit of deposited capital when the average account size dropped while administration costs held steady. In sum, women *were* hired at least in part on account of their lower wages, but cost-**efficiency** was of varying **importance** to employers during different periods of the development of commercial banks.

Another traditional view on female labour is that as a buffer of marginal workers. According to this originally Marxist theory, employers are assumed to need two main types of labour: a core of experienced and qualified staff, and marginal groups, such as women, which can be used as a buffer to meet fluctuations in the economy.²⁸ Our finding, that the **share** of female employees in the commercial banks was positively correlated to the total size of the labour force, suggests that women did indeed partly play the role of buffer labour in the sector. In a 1909 interview, the chief executive of one of Sweden's largest commercial banks at the time stated that women were hired because they were accessible and could be put to work very quickly when the need arose. When some time had passed and employers were able to find male labour, women were allowed to retain their jobs because of the costs associated with turnover and basic training.²⁹

Increases in female wages would presumably have made the bank sector more attractive to **women**. However, wages are not the **only** factor with **an influence** on the labour supply of individuals. According to human capital theory, expectations of career opportunities shape which qualifications people choose to acquire. A woman without hopes of promotion or a family life which allows her to pursue a career will most **likely** not **make the investments** necessary to **achieve** professional success. Rather, such expectations create incentives for a household division of labour, wherein women assume responsibility for the home and family, and men take the role of provider. Predictions thus tend to become self-fulfilling prophecies.³⁰

28 Harriet Bradley, *Men's work, women's work: a sociological history of the sexual division of labour in employment* (Minneapolis, 1989).

29 Christina R., "Kvinnorna och bankarbetet" [The Women and the Bank Work], *Dagny* 39 (1909): 455–457.

30 Becker, *Human Capital*.



The gender-mixed workforce of Stockholms Enskilda Bank in 1906 (Drottninggatan 46–48). Contrary to the contemporary situation described in other countries, women served as front clerks as well as back office clerks.

Source: Stiftelsen för Ekonomisk Historisk Forskning inom Bank och Företagande.



From the late 1960s, the Swedish economy underwent changes in relative wages and the provider norm with a potential positive effect on feminisation.³¹ However, before that time the ideal of a male breadwinner remained very strong both in society in general and the bank sector in particular. For several decades before a law on married women's rights to gainful employment was enacted in 1939, bank and insurance were the only sectors where demission of married women was still practised systematically. Apart from upholding conservative gender ideals, the policy also ensured a steady turnover of staff, which had a



A gender-mixed workforce doing back office work, side by side, at the trust department at the headquarters of Stockholms Enskilda Bank circa 1930.

Source: Stiftelsen för Ekonomisk Historisk Forskning inom Bank och Företagande.

³¹ Maria Stanfors, *Education, Labor Force Participation and Changing Fertility Patterns: a Study of Women and Socioeconomic Change in Twentieth Century Sweden* (Stockholm, 2003).

tempering effect on wages.³² Women could thus not expect long and successful careers in banking during our period of study. While the law of 1939 indubitably made continued feminisation possible in the long run, it did not change the male provider norm, and no steep increase in the share of female labour can be found in the years immediately after. Even with the law on their side, it also remained very common that women left the banks upon marriage, and if not before, then after they had children.³³

The continuous increase in female education throughout the period of study is another factor likely to have served as a prerequisite for sustained feminisation of the commercial bank sector. The role of education as a direct cause of feminisation is however more ambiguous. On the one hand, major improvements in women's education level waited until the late 1920s, and the formal requirements of bank labour remained low well into the 1930s. This speaks against the fact that the first period of feminisation until 1920 was a result of increased qualifications and thus employability of women.³⁴ On the other hand, decisive advances were made during the late nineteenth century, if only on a smaller scale. Through the birth and spread of private business schools from the 1860s, women with solvency gained access to higher vocational education. Of the 103 women employed in the commercial banks in 1886, roughly 25 percent had completed a course at one of the new business institutes.³⁵ However, while the opening of these new educational opportunities obviously intersected with the onset of feminisation, it is too early to draw conclusions about a causal connection. Both developments could easily be the result of a general change in the spirit of the times. The large share of pioneer female bank employees with higher vocational education could in turn reflect the extraordinary ambition and determination of the women concerned, rather than the instrumental role of higher education for bank employment.

Over the pre-war era as a whole, women with private business course diplomas represented a minority, albeit a substantial one. The standard educational background of women was seven to eight years of girls' school, while men usually entered banking with nine to ten years of schooling, equivalent to a junior secondary school diploma. Among men there was also a growing group with university degrees in economics or commerce. With the development of the Swedish school system, high school became the average level of education of bank employees in the 1960s. As qualifications of new employees increased, the occupational mobil-

32 Lindgren, *Bank, investmentbolag, bankirfirma*; Ann-Sofie Ohlander, *Kvinnors arbete [Women's Work]* (Stockholm, 1995).

33 Olsson, *Bank, familj och företagande*.

34 Bankernas Förhandlingsorganisation, *Banklönerna 1937* (Stockholm, 1938); *Bankvärlden 11* (1918): 172–173; Ohlander, *Kvinnors arbete*; SOU 47 (1938). *Betänkande angående gift kvinnas förvärvsarbete*; Stanfors, *Education, Labor Force Participation and Changing Fertility Patterns*.

35 *Sveriges Bankmatrikel [The Bank Matriculation Register of Sweden]* (Stockholm, 1886–1951).

ity of those without formal merits was gradually reduced. After the 1950s, coincidental evidence of managers with a background as errand boys was history.

Institutional Explanations

From an institutional perspective, occupational sex segregation and wage differences cannot be fully explained by cost-efficiency or qualitative disparities between the sexes in areas such as education – even with identical productive characteristics men and women are treated differently.³⁶ Emphasis is instead placed on the concept of sex typing, i.e. the continuous social labelling of activities and occupations as suitable for people of a certain sex. Central to the allocation of labour through sex typing is the ascription of different qualities and characteristics to people of different sexes. For example, women are commonly stereotyped as patient, caring and docile, suitable for light, safe, repetitive jobs requiring dexterity rather than actual skill. The opposite is held for men, who presumably have a natural disposition to lead and perform intellectual work with a high degree of craftsmanship. In this way sex typing forms the expectations of both potential employees and employers on who is appropriate or even conceivable in a certain position, and a gender segregated labour market is created.³⁷

The concept of sex typing can be used to explain feminisation in two ways – either as the result of a change in the qualities assigned to women, or in the qualities of bank work, increasing the congruence between the two. While we do not find support for a radically changed view on female labour during the period covered by our study, much can be said about the character of bank work.

The early twentieth century was a time of radical structural transformation for the Swedish commercial bank sector. The combined growth in the size of bank units, transition to large scale production and introduction of new technology caused deep and extensive changes in both the organisation and character of bank work. All of these developments worked in the same direction – they brought the bank telling profession closer to what had traditionally been considered women's work. Following mechanisation and changes in the division of labour, an increas-

36 Ronald Ehrenberg and Robert Smith, *Modern Labour Economics: theory and public policy* (Boston, 2003).

37 Bradley, *Men's work, women's work*; Padavic and Reskin, *Women and men at work*; Reskin and Hartmann, eds., *Women's work, Men's work*. The predictions of this theory are consistent with findings from the Swedish industry sector, for which it has been shown that demand for female labour is largely unaffected by the female relative wage level as such – rather, the demand for a certain type of labour influences relative wages, and is predominantly shaped by the nature of the jobs to fill (see Lars Svensson, "En historia om löneutjämning: kvinnors och mäns löner i långsiktigt perspektiv" [A story about wage-equalisation: women's and men's wages in long-term perspective], 14–44 in SOU 136 (1997), *Kvinnors och mäns löner – varför så olika?* [Women's and men's wages – why so different?]).

ing share of the staff was employed in subordinate positions performing standardised routine jobs. Instead of qualities that were considered typically male, such as intelligence, craftsmanship and taking responsibility, the work in banks increasingly came to depend on the submissive and patient performance of simple and monotonous tasks – corresponding well with images of traditionally female traits.³⁸

As a result of these changes in the character of bank work, women gradually became a more logical choice of bank labour for employers – and a more socially and economically feasible one. An increased congruence between perceived fe-



All female staff doing back office work at the accountancy unit at the headquarters of Stockholm's Enskilda Bank circa 1950. Photo: Bertil Höder.

Source: Stiftelsen för Ekonomisk Historisk Forskning inom Bank och Företagande.

³⁸ For examples see *Bankvärlden* 9 (1918): 141–142; 11 (1918): 172; 10 (1922): 139–140; 9 (1924): 125; 7 (1926): 124; 9 (1932): 316; 12 (1933): 440; 1 (1934): 1; 10 (1935): 227; 5 (1938): 177; 8 (1939): 311–314; Bradley, *Men's work, women's work*; Reskin and Hartmann, eds., *Women's work, Men's work*.

male characteristics and bank work would have made the recruitment of women less provocative to the banks' male staff and customers. This in turn lowered the risk that a new labour demographic would cause strikes, boycotts or an overall poor working climate with a negative impact on productivity.³⁹

In the late 1950s, a second wave of re-organisation and mechanisation was initiated, which resulted in the complete feminisation of the work at the registers. The shift among banks to more of a focus on small savers and service was one factor at work when it came to designating the gender of the staff at the front of the office. Customer care and service-mindedness were considered inherently female traits, and private customers meant households with wives, mothers-in-law, and all other sorts of women who were assumed to prefer clerks of their own gender. To some extent even men were assumed to prefer a female clerk, if she was pretty, well-dressed and conscientious at work. The development was aided by the introduction of the combined accounting and quittance machine, through which female clerks no longer had to have each transaction signed off by a male controller.

While women gradually increased their share of the commercial banks' labour force, the sex segregation with respect to tasks remained nearly complete at the end of the period studied, and so did vertical segregation with respect to position. A very limited number of women had managed to reach senior levels in administration, but practically none were found in operative leading positions.⁴⁰ As a result of sex typing, women were not expected to pursue professional careers, and many did not expect it of themselves. To allocate labour according to gender and promotion opportunities was considered logical – if a position came with responsibility and possibilities for training and future advancement, it was reserved for a man. Similarly, when a dead end spot opened, a woman was most likely recruited. This routine was heavily dependent on gender-specific expectations of work orientation and is a good example of statistical discrimination at work. In the event that women refuted expectations and stayed at the job, they were assumed to happily perform the same task decade after decade – competent “but not pushy and ambitious”.⁴¹ During the entire period studied, female bank employees were thus generally performing subordinate routine work at a low wage, outside the competition for upward career mobility.⁴²

39 Padavic and Reskin, *Women and men at work*; Reskin and Hartmann, eds., *Women's work, Men's work*.

40 Acker, “The Gender Regime of Swedish Banks”, 120; Olsson, *Bank, familj och företagande*.

41 Christina R., “Kvinnorna och bankarbetet”, 456.

42 These deeply rooted views on male and female characteristics and corresponding appropriate career trajectories would also have been instrumental in the sustained rationale for the use of women as buffer labour.

The previously mentioned career paths of Alida Rossander and Hedvig Aréhn in the 1860s were in many ways representative of those of the thousands of women in commercial banking during **the** century to come. Hedvig left the bank shortly after employment when presented with an opportunity to marry, whereas Alida stayed at her post, in both **senses** of the word. Entering the bank as a book keeper, she retired from the same position 24 years later.⁴³

Cultural Explanations

Profound changes in the character of work and a changing gender composition of the labour force cannot be assumed to have left the male part of the bank corps unaffected. **Women** are not only commonly assigned tasks considered to have low status and importance; **tasks** are perceived this way largely because women perform them, which makes the devaluation of women's work a self-enforcing process.⁴⁴ A possible explanation for feminisation is thus that commercial banks lost their appeal as a workplace for the **male** part of the labour force.

That feminisation is almost always preceded by reorganisation, degradation or technical transformation in the concerned occupation is an argument often pursued in feminist theory. Men are considered to have the first pick of professions, and women are left with the jobs that men do not particularly want. The introduction of new tasks and levels in the occupational hierarchy are therefore seen as openings for women, since it allows them to be employed at the new lower end without coming into direct competition with men for the same jobs. This is assumed to lower the male resistance to female recruitment. The same mechanism is considered at work when new, presumably better and more skilled employment opportunities arrive for men in other sectors, causing them to move and leave their old jobs behind for **women**.⁴⁵

In **line** with the feminist prediction, the commercial bank sector **experienced** a marked loss of status in the eyes of the male staff during the first period of feminisation, especially around the 1910s. The main reason was the change in the character of work which was perceived to have **made** the occupation less qualified, rewarding and promising. In the words of the bank tellers' union, the male employee that used to be jack of **all** trades performing a "personal and responsible" job had been degraded to a "cog in a machinery". Rather **than** a place for young men to jump start their careers, the bank sector was increasingly seen as a **dead** end. In **combination** with falling real wages during the late 1910s and a

43 *Sveriges Bankmatrikel*, 1886–1951.

44 Padavic and Reskin, *Women and men at work*.

45 Bradley, *Men's work, women's work*; Padavic and Reskin, *Women and men at work*.



Over a couple of decades banking became big business and the offices expanded dramatically. Here, a gender-mixed workforce doing front office work in the big bank hall at the headquarters of Stockholms Enskilda Bank circa 1950. Photo: Bertil Höder.
Source: Stiftelsen för Ekonomisk Historisk Forskning inom Bank och Företagande.



hollowing of employment security **and** promotion opportunities, **the** bank sector even experienced labour flight for a couple of years towards the end of the Great War.⁴⁶

The fact that the introduction of new jobs or positions facilitates feminisation could also be an explanation for the strong correlation between feminisation and physical growth of the commercial bank sector. When banks expanded their staff, women increased their share without necessarily replacing any men. This in turn begs the question whether the change in the character of bank work, which made women a more natural choice of bank labour during the early twentieth century, also played a part in the slump in the feminisation rate during the inter-war period. Not only did **recruitment** slow, but the character of work was consolidated. Female entry into the sector would thus increasingly have had to be not only at the expense of male labour, but also the deeply rooted practice of male workers performing male tasks.

A Queue-theoretical Synthesis of Explanations

Queue-theory was first applied to the study of feminisation by Barbara Reskin, and can be understood as a synthesis of the economic, **institutional** and cultural models of explanation. According to Reskin, both employers and labour **continuously rank each other** according to **their** preferences. The result is queues, through which the most attractive labour gets the most attractive jobs and vice versa. She also argues that, due to tradition, conceptions about gender roles, assumptions about women's lower productivity and higher absence from work, and a desire of male employers to retain male dominance in society, male labour is generally preferred. However, workers of both sexes tend to rank jobs according to the same principles, that is of pay, employment security and work conditions. If men as a favoured group leave a certain job, women are thus usually willing to step in.

According to Reskin, employers generally **change** their **ranking** of labour for one of three reasons. Firstly, because the demand for the preferred labour **cannot** be met – more often due to the lack of interest on behalf of the preferred group of workers rather than an absolute shortage of labour. Secondly, employers may change their attitude, for either ideological or economical reasons. Thirdly, radical shifts in the composition of the labour force can influence the

⁴⁶ *Bankvärlden* 3 (1918): 41; 9 (1919): 158; 4 (1920): 6; quotes at 5 (1920): 77; 8 (1921): 118; 8 (1924): 112; 10 (1926): 184; 9 (1929): 205; 1 (1933): 17; Palmquist, *Segrande samverkan: Svenska Bankmannaföreningen, Svenska Bankmannaföreningen 1887–1937. En återblick vid 50-årsjubileet [The Swedish Bank Tellers' Union 1887–1937. A Retrospect at the 50-year Jubilee]* (Stockholm, 1937).

employers' ability to discriminate – the larger a certain group's part of the total labour force, the harder it is to discriminate against or mistreat.⁴⁷

Reskin's model corresponds well to the development of feminisation of the Swedish commercial bank sector. The periods of costly expansion during the 1910s and 1960s are likely to have motivated changes in the employers' attitudes to female labour. Throughout the studied period, women also increased their share of the total labour force, making them increasingly difficult to ignore. Last but not least, the commercial bank sector experienced a pronounced degradation in the eyes of its traditional male staff from the early twentieth century. This massive discontent, and to an extent also departure, of the traditional male employees did not translate into a contraction of the sector because there were other groups of labour willing to step in, and women were one of them. People from the working class made up another. Our findings thus contrast with the conventional wisdom that a workplace loses status as a result of an increased female presence. Instead, loss of status is found to have preceded and enabled feminisation.⁴⁸

Even in the face of uncertain employment security, falling relative wages and structural discrimination, the banks had no difficulties attracting female labour. Rather, hundreds of women abstained from or postponed marriage in order to retain their positions in the banks, when they would have been able to combine work and married life in other places of work. This eagerness of women to become bank tellers, at the same time as men considered the profession a dead end, has to be understood in light of the limited labour market opportunities of women during the first half of the twentieth century. From a female perspective, the administrative work in the commercial banks was both more attractive than working as a clerk elsewhere, and it was certainly much more attractive and better paid than the feasible alternatives, in domestic and industrial work.

47 Rosabeth M. Kanter, *Women and Men of the Corporation* (New York, 1977); Reskin and Roos, *Job queues, gender queues*.

48 See Holmberg, *Feminisation of the Swedish Bank Sector 1910–1939 – What and Why?*

Conclusions

This study shows that the feminisation of the Swedish commercial bank sector progressed through three periods, with the 1910s and the 1960s as peaks in the eras of increase and the 1920s as a dismal decade when the female labour share was reduced. While explanations for this complex development are bound to be tentative at this point, we conclude that economic, institutional, and cultural factors all played parts in the said feminisation. What is more, the elements interact and vary in importance over time, which underscores the need for a historical perspective in order to understand processes of change in the labour market.

We want to emphasise three key factors behind the feminisation of the commercial bank sector, which we take with us into our future inquiries. The first is the profound changes in the character of bank work, which from the late nineteenth century to the early 1970s gradually brought it closer to what had traditionally been considered women's work. Women became an increasingly logical choice for employers as labour, and feminisation could proceed without a radical change in the view on female labour or social norms. The second factor we want to stress is the reduced status of the commercial bank sector as a workplace in the eyes of the male labour force from the early twentieth century. This is important not only because it created a crucial opening for women to enter the sector, but also because our findings – that loss of status preceded and enabled feminisation rather than followed it – contrast with conventional wisdom and deserve further attention. Thirdly, the economic incentives of employers cannot be ignored. While we have no definite proof, there are many indications to suggest that women made their strongest advances in the labour share during times when employers had strong incentives to cut costs and thus hire the cheaper, female labour.

Much remains to be said about the connection between these factors and the feminisation of the commercial banks. Further, there is more to this process of feminisation than can be deduced from the aggregate picture. Long into the twentieth century the share of female employees varied greatly between banks. While the trend to hire women spread, some banks with distinctly higher or lower shares of female employees remained seemingly untouched by the winds of fashion. These large and long-lasting differences between banks of similar size and financial standing are some of the many aspects of the feminisation of the commercial bank sector that future research activities will explore and explain.

In 1864, when *Stockholms Enskilda Bank* hired two women, they were presumably the first bank in the world to do so. The fashion to hire women gradually spread and bank-telling became female-dominated. This paper describes and analyses this process, identifying three periods in the feminisation of the Swedish commercial bank sector. Economic, institutional, technological, and cultural factors were all instrumental in feminisation; their relative importance varied over time.

During the period studied here, banking expanded and went through radical changes, bringing it closer to “women’s work”; thus feminisation proceeded without radical changes in social norms or views on female labour. The commercial bank sector’s loss of status as a male workplace began in the early twentieth century, preceding feminisation, rather than following it, and creating an opening for women. Employers’ economic incentives were also important in the feminisation process; women made their biggest advances during times when employers had strong incentives to cut costs.

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