



Setting a Trend: Feminization of the Commercial Bank Sector in Sweden, 1864-1975

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

In the summer of 1864, Stockholms Enskilda Bank hired two women, Alida Rossander and Hedvig Aréhn.¹ The decision to hire women as extras was debated within the bank, but the chief executive officer, André Oscar

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¹ Board minutes from Stockholms Enskilda Bank, 5 July 1864, SEB Archives, Stockholm.

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Wallenberg, was a true liberal and, for that time, a strong believer in the competence and equal standing of men and women. In a remembrance of his late father, Knut Agathon Wallenberg describes André Oscar 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. His was the first bank in the world to hire women. Knut Agathon recounts a visit to Stockholm in the late 1870s of Crédit Lyonnais president Archild Content and his great surprise at finding women working in the bank. He supposedly stated that such a thing would never happen in France. With delight, Knut Agathon Wallenberg concludes this reminiscence: “Nowadays, the Crédit Lyonnais employs more than 1,000 women.”²

Archival sources provide documentation that the decision to add only two females to an all-male staff was unconventional in a bank that boldly claims that it was the first to employ female bank tellers.³ Little did the board members know that they were setting a trend that would become widespread, that bank-telling would feminize in the following century, and eventually become female-dominated.

The aftermath of the hiring decision in 1864 was that after nine months Alida Rossander and Hedvig Aréhn (the demoiselles, as they are called in the records) were given permanent positions in the bank.⁴ Keeping these well-established co-workers was a simple, straightforward decision; apparently employing female staff was no longer problematic, because at the same board meeting another woman, Miss Wendela Schürer von Waldheim, was hired. The two female frontrunners followed different, yet for that time quite typical, career tracks. Rossander stayed loyal to the bank and worked there until her retirement an impressive three decades later, whereas Aréhn left her job after a few years to get married. Stockholm’s Enskilda Bank became one of the most prominent financial institutions in Sweden, with close connections to the industries that were the backbone of Swedish industrialization.

As monetary transactions and paperwork related to private and commercial financial matters increased, the bank sector as a whole moved from exclusively hiring men for handling financial matters to a female-

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

³ Board minutes from Stockholms Enskilda Bank, 2 July 1864. Stockholms Enskilda Bank was, however, not the first bank to hire women; only three weeks earlier a savings bank in Lund, Sweden, Sparbanken för Lunds Stad och Kringliggande Land (presently Sparbanken Finn), hired a woman; see *Sparbanken i Lund, 1833-1908: minnesskrift* [The Savings Bank in Lund, 1833-1908: Memorial Publication] (Lund, 1933). Stockholms Enskilda Bank can thus be said to be the first commercial bank to hire women.

⁴ Board minutes from Stockholms Enskilda Bank, 6 April 1865.

dominated industry. Rossander and Aréhn thus opened the gate for women's employment in banks, although it was decades before it gradually became fashionable to hire women on a broader scale during the 1910s and after 1950.

The feminization of the Swedish commercial bank sector is an interesting and relevant research subject for several reasons. First, feminization was not an isolated issue, but an integral part of a massive societal transformation in the twentieth-century Western world, characterized by expansion of the tertiary sector and women's increasing labor force participation. Occupations as diverse as office clerk, teacher, pharmacist, and doctor underwent processes similar to the feminization of commercial banking. But, although feminization was a defining phenomenon of the 1900s, we know little about its causes and the course of events, even within the female-dominated service sector. Second, the commercial bank sector provides a revealing example because, though its role as financier of industry has been well researched, we have limited knowledge of the bank sector as a labor market. We consider this essay a first step in filling these gaps in our knowledge. Third, occupations do not choose to change gender composition; understanding past change is crucial to preparing for the future. The final chapter of the saga of the feminization of commercial banking is yet to be written. In 2006, Annika Falkengren became the first woman to reach a top executive position in one of Sweden's largest commercial banks, SEB, the present-day incarnation of Stockholms Enskilda Bank, where it all started 150 years before.

In describing the feminization process that followed Stockholms Enskilda Bank's 1864 hiring decision, we present a more complete, empirically sound picture of the macro-level feminization and the gradual closing of gender gaps in the work force and wages in the Swedish bank sector. We explore various explanations for feminization of the banking industry and investigate economic, institutional, and technological, as well as cultural, determinants of the feminization process.

The feminization of the Swedish commercial bank sector developed through three phases, peaking in the 1910s and 1960s, and declining during the decade of the 1920s. Economic, institutional, technological, and cultural factors interacted and were instrumental in feminization, varying over time in their relative importance. However, three key factors stand out. First, the character of bank work went through radical changes from the late nineteenth century to the early 1970s, gradually bringing it closer to what was traditionally considered women's work. Women's labor thus became an increasingly logical choice for bank employers, and feminization could proceed without radical changes in views of female labor or social norms. Second, the commercial bank sector suffered a loss of status as a workplace in the eyes of the male labor force beginning in the early twentieth century. This is significant, not only because it created a crucial opening for women to enter the sector, but also because our finding

that the loss of status preceded feminization, rather than followed it, is contrary to conventional wisdom. Third, we cannot ignore employers' economic incentives as an explanation for feminization. Although we have no proof, there are many indications that women made their strongest advances in the labor share during times when employers had strong incentives to cut costs and thus to hire cheaper female labor.

Previous Research

There are two main aspects to the concept of feminization. Quantitatively, it indicates a shift in the gender composition of an occupation, such that women make up an increasing share of the labor force. Qualitatively, feminization means a shift in the gender coding of occupational tasks from male to female. Feminization has a vertical dimension, in addition to a horizontal one, relating to the access and presence of women on different levels of the occupational hierarchy. An occupation can thus experience radical feminization of its lower strata in both quantitative and qualitative terms, but remain male-dominated at the top.

With the exception of a 2008 pilot study, there are no previous studies of the feminization of the Swedish bank sector from a labor market perspective.⁵ In 1938, there was an official investigation of married women's right to gainful employment; and Ann-Marie Sellerberg briefly

⁵ See Kajsa Holmberg, "Feminization of the Swedish Bank Sector, 1910-1939—What and Why?" (M.A. thesis, Lund University, 2008). Holmberg focuses on the development of feminization between 1910 and 1939, and investigates how the bank tellers' union experienced feminization and changes in the character of work during that period. Several case studies on feminization of occupations other than bank-telling have been done in a Swedish setting; see, for example, Mats Greiff, *Kontoristen: Från chefens högra hand till proletär* [The Clerk: From the Right Hand of the Boss to a Proletarian] (Lund, 1992); Christina Florin, *Kampen om katedern: Feminiserings- och professionaliseringsprocessen inom den svenska folkskolans lärarkår, 1860–1906* [The Fight for the Teacher's Desk: The Feminization and Professionalization Process within the Swedish Elementary School Faculty, 1860-1906] (Umeå, 1987); Margret Nordgren, *Läkarprofessionens feminisering: ett köns- och maktperspektiv* [The Feminization of the Medical Profession: A Gender and Power Perspective] (Stockholm, 2000); Maria Stanfors and Klas Öberg, "Apotek som arbetsmarknad: institutionell förändring och feminisering av apotek i Sverige" [Pharmacies as a Labor Market: Institutional Change and Feminization of Pharmacies in Sweden], *Historisk tidskrift* 127, no. 2 (2007): 225-46; Ulla Wikander, *Kvinnors och mäns arbeten: Gustavsberg, 1880-1980* [Women's and Men's Work: Gustavsberg, 1880-1980] (Lund, 1988). Examples of studies on an even rarer process, masculinization, are Anders Ottosson, *Sjukgymnasten—vart tog han vägen?* [The Physiotherapist—Where Did He Go?] (Göteborg, 2005); Lena Sommestad, *Från mejerska till mejerist* [From Milkmaid to Dairyman] (Lund, 1992).

touched on the phenomenon in 1973.⁶ The development of feminization since the 1980s has been relatively more fully researched, primarily by sociologist Joan Acker.⁷ However, in addition to covering a very limited period, Acker's work is focused on the effects of feminization on business organization, rather than on the causes and development of feminization itself.

The research on the Swedish bank sector, as such, is extensive.⁸ One focus of this research has been on biographical historical accounts of particular banks.⁹ Another focus has been on the banks' financial activities and their significance for the development of society in general and of industry in particular.¹⁰ A common practice in these works is to note that

⁶ 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]; and Ann-Marie Sellerberg, *Kvinnorna på den svenska arbetsmarknaden under 1900-talet: En sociologisk analys av kvinnornas underordnade position i arbetslivet* [Women in the Swedish Labor Market during the Twentieth Century: A Sociological Analysis of Women's Subordinate Position in Working Life] (Lund, 1973).

⁷ 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 (Newbury Park, Calif., 1990), 162-79; Joan Acker, "Thinking about Wages: The Gendered Wage Gap in Swedish Banks," *Gender and Society* 5 (Sept. 1991): 390-407; Joan Acker, "The Gender Regime of Swedish Banks," *Scandinavian Journal of Management* 10, no. 2 (1994): 117-30.

⁸ 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 (Lund, 2006), 371-96.

⁹ 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* [In the Center 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).

¹⁰ Sven Brisman, *De svenska affärsbankernas hundraåriga insats i vårt lands ekonomisk utveckling* [The Centennial Contribution of the Swedish Commercial

feminization has taken place, but to 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 view that industry, money, and technology have been deemed more interesting than the actual people involved. We share a different perspective.

On an international level, there is a vast research literature on occupational sex segregation and, to a lesser extent, on female inroads into a number of professions, from pottery, to administration, to pharmacy, in several Western countries.¹¹ Claudia Goldin and Elyce Rotella are prominent proponents of this research, which has largely taken the form of case studies, and includes some studies on banking.¹² However,

Banks to Our Country's Economic Development] (Stockholm, 1930); Torsten Gårdlund, *Svensk industrifinansiering under genombrottsskedet, 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], ed. Lars-Erik Thunholm (Stockholm, 1955), 65-71; Mats Larsson and Håkan Lindgren, "Risktagandets gränser: Utvecklingen av det svenska bankväsendet, 1850-1980" [The Limits to 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), 139-74; 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).

¹¹ See works by Barbara Reskin; for example, Barbara Reskin and Patricia Roos, *Job Queues, Gender Queues: Explaining Women's Inroads into Male Occupations* (Philadelphia, Pa., 1990).

¹² 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, Mich., 1981); Chloe E. Bird, "High Finance, Small Change: Women's Increased Representation in Bank Management," in Reskin and Roos, *Job Queues, Gender Queues*, 145-66; Michel Crozier, *The World of the Office Worker* (Chicago, Ill., 1971); Brian L. Rich, "Explaining Feminization in the U.S. Banking Industry, 1940-1980: Human Capital, Dual Labor Markets or Gender Queuing?" *Sociological Perspectives* 38, no. 3 (1995): 357-80; Andrew J. Seltzer and Jeff Frank, "Female Salaries and Careers in the British Banking Industry, 1915-1941," unpub. paper, Department 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, D.C., 1984), 144-56; Myra H. Strober and Carolyn Arnold, "The Dynamics of Occupational Segregation among Bank Tellers," in *Gender in the Workplace*, ed.

researchers of female inroads into new occupations often focus 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 organization of work. Further, even with the compiled findings from this research, “relatively little is known about the factors associated with the changing sex composition of occupations.”¹³

Data

In investigating the development and potential causes of the feminization of Swedish commercial banks, the availability of data on employment, wages, and the physical structure of the sector is key. Until now, available quantitative data of this kind unfortunately have been limited and of poor quality. The lack of data is in itself informative; it is hardly a coincidence that there are no detailed records of women in the Swedish bank sector well into the twentieth century. This problem of insufficient data has to be overcome, however.

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 first available in 1910, and then only at ten-year intervals. This may obscure crucial fluctuations in female labor and wage shares and also makes their development harder to interpret. Further, the figures provided are only for all types of finance and insurance combined. Because credit institutions like savings banks and agricultural mortgage societies followed quite different management principles and development trajectories than the commercial banks, it is highly likely that the development of feminization was not uniform across different types of banks. Thus, to rely on the readily available data would leave us with a partial, imprecise, and potentially skewed picture of the development of feminization in commercial banking.

Our solution to the problem of 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 since 1886. By counting each individual employee, year after year and bank by bank, we have been able to create our own commercial bank-specific, gender-differentiated employment series for the period from 1886 to 1951, supplementing the official statistical data from 1950 onward.¹⁴ Unfortunately, the matricula-

Clair Brown and Joseph Pechman (Washington D.C., 1987), 107-48; and Janne Tienari, “The First Wave Washed Up on Shore: Reform, Feminization and Gender Resegregation,” *Gender, Work and Organization* 6 (Jan. 1999): 1-19.

¹³ Reskin and Roos, *Job Queues, Gender Queues*, 15.

¹⁴ Due to data availability, we are able to cover only administrative staff, not janitors, errand boys, or other blue-collar staff in the commercial banks. Because female employees of this kind were very rare, they were left out of many public

tion registers do not provide information on wages. Instead, we have chosen to extend the series from 1950 with aggregate sector data from 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.¹⁵ Although this is no guarantee of a similar consistency in the past, we find it plausible to assume that aggregate bank-sector data can at least serve as an indicator of the wage development in commercial banking during the early twentieth century.

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

In sum, our efforts with the compilation of disaggregated micro data have resulted in a bank-, age-, title-, and gender-differentiated macro-level series on employment for the entire Swedish commercial bank sector since 1886, something that previously has been available only for the period since 1950. We have constructed a complete time series covering the turnover of actual bank companies from the opening of the first Swedish commercial bank in 1831 to 1975, previously compiled only from the 1910s. Wage data extend from 1913. Add to that is a broad selection of qualitative sources, including 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. Thus, we have rich, high-quality data that have been largely unexplored.

Background: 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 issuance of banknotes. Over the years, customer deposits and outward

records. Further, the matriculation registers contain only white-collar staff. It should also be noted that 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 to 1950 thus includes all employees, making it slightly disjointed from its counterpart in 1951.

¹⁵ We are without data for the period before 1913, because investigation of each bank's private archive is the only way to collect such information; this has been deemed a practical impossibility for now.

lending increased in volume and importance. By the early 1880s, the banks had found their role as financiers of a beckoning Swedish industry.

The transition from issuing banknotes to the service of industry constituted the first great shift in the orientation of Swedish commercial banks, and it 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, inward 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. Beginning in the 1880s, restrictions were gradually put into place, until a full prohibition against issuing banknotes by private banks was enforced in 1903. The institutional incentives for the banks to engage in deposits and lending were thus increasingly strengthened throughout the nineteenth century. With savings banks oriented toward the public and big money found in booming business, a strong bond was formed between the commercial banks and industry.¹⁶

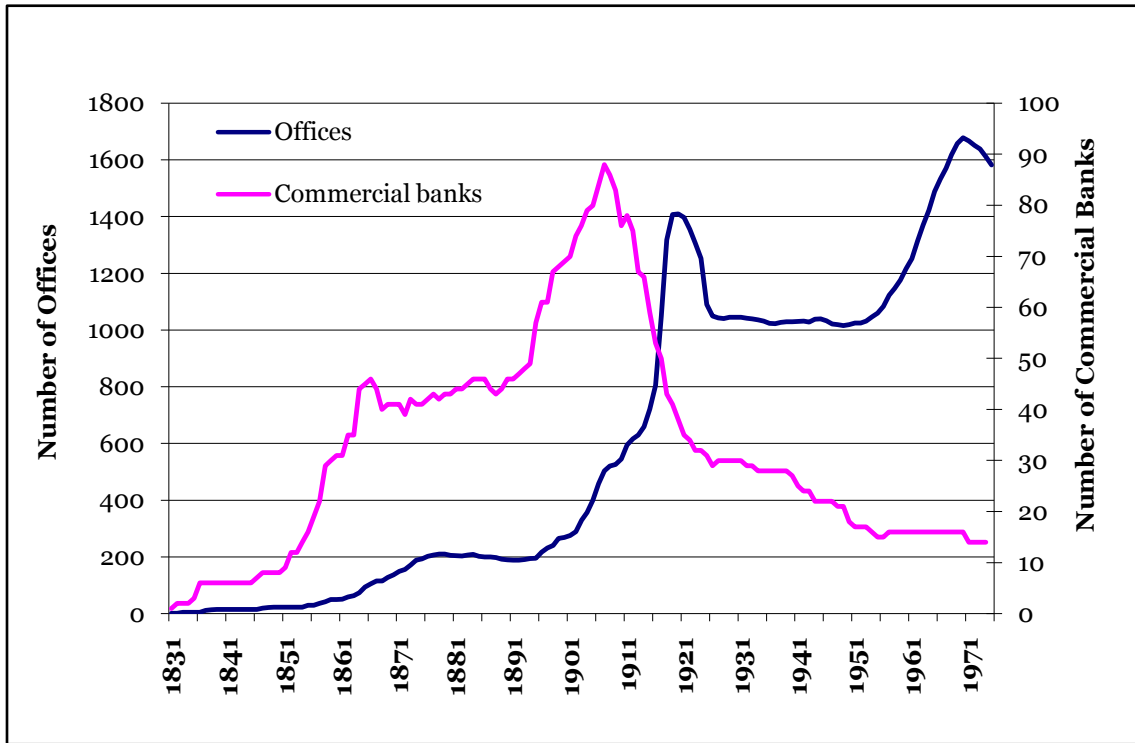
Driven by the boom in Swedish industry, the commercial bank sector experienced strong growth from the 1890s until the postwar recession of the 1920s. The expansion proceeded at an increasingly rapid pace, and manifested itself in the volume of financial activities and the number of bank companies, their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

Figure 1 shows the development in the number of commercial bank companies and offices between 1864 and 1975, and Figure 2 shows the number of newly 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 among the commercial banks. A thriving Swedish industry demanded that banks have ever-larger financial muscles; that, coupled with the possibility of enormous profits, created a cutthroat fight over market share. The outcome was a multitude of fusions and takeovers, which by the end of the decade had reduced the number of banks from an all-time high of eighty-four in 1908, to fewer than half as many, but of a previously unimaginable size.¹⁷

¹⁶ Lars-Erik Thunholm, *Svenskt Kreditväsen* [The Swedish Credit System] (Stockholm, 1989).

¹⁷ Lindgren, *Bank, investmentbolag, bankirfirma*; Gunnar Palmquist, *Segrande samverkan: historik 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*.

FIGURE 1
Number of Commercial Banks and Offices, 1831-1975

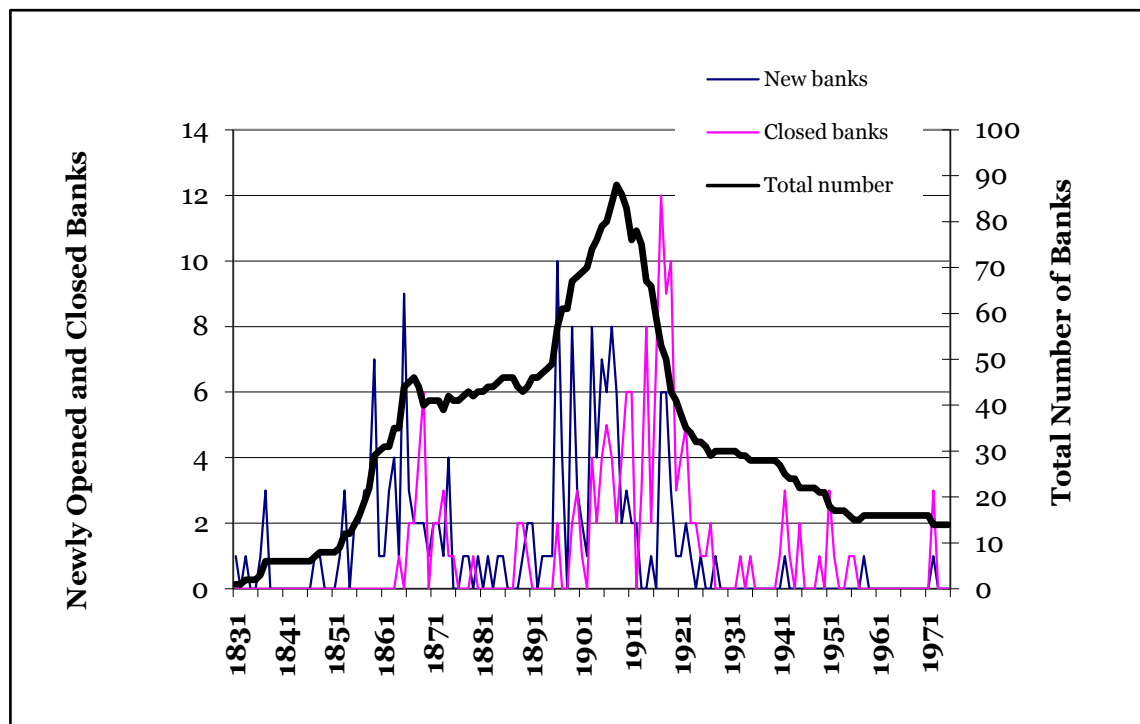


Sources: *Sveriges Bankmatrikel* [Bank Matriculation Register of Sweden] (Stockholm, 1886-1951); *Adresskalender för Stockholms Stad* [Directory for the City of Stockholm] (1880-1910); *Nordisk Familjebok* [Nordic Family Book] (1907); *Svensk Rikskalender* [Swedish State Calendar] (1908); Sven Brisman, *Sveriges Affärsbanker—grundläggningstiden* [Sweden's Commercial Banks—The Foundation Period] (Stockholm, 1924); Brisman, *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).

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 mechanized and standardized, with labor reorganized accordingly. The catch phrase of the era was rationalization, and every detail of

bank work became subject to an increasing amount of bureaucracy and specialization.¹⁸

FIGURE 2
Number of Opened and Closed Commercial Banks, 1831-1975



Source: *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); Brisman, *Sveriges Affärsbanker—utvecklingstiden* [Sweden’s Commercial Banks—The Development Period] (Stockholm, 1934); Söderlund, *Skandinaviska banken i det svenska bankväsendets historia, 1864-1914*; SOS, *Uppgifter om bankerna* [Information about the Banks] (Stockholm, 1912-1967); SOS, *Bankerna* [The Banks] (Stockholm, 1968-1976).

¹⁸ *Bankvärlden: Svenska Bankmannaföreningens tidskrift* [Bank World: The Periodical of the Swedish Bank Tellers’ Union] 11 (1918): 171; 10 (1922): 143; 12 (1923): 205; 4 (1926): 53; 9 (1929): 205-7; 10 (1930): 251; Åke Bergqvist, “Organisatoriska och tekniska förändringar inom bankerna under de senaste sjuttiofem åren” [Organizational and Technological Change in the Banks during the Last 75 Years], *Ekonomisk Revy* 7 (Sept. 1955): 430-42.

The postwar 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 not well-planned) expansion during earlier decades. The number of banks decreased further, but now as a result of bankruptcies and forced mergers (see Figures 1 and 2).¹⁹ The situation stabilized in mid-decade, however; partly as a result of the acid bath of the early 1920s, the remaining banks managed the years of the Great Depression relatively well. Rather than a new crisis, the period from the late 1920s through the 1940s constituted a time of relative calm and consolidation in the commercial bank sector, in physical structure, finances, and staff. As the demand for financial services grew, the workload of banks grew as well, but with advances in mechanization, the growing workload did not translate into increases in personnel.²⁰ During the 1940s, the sector went through a new series of mergers, but they did not reach the scope of the early 1900s. Not only was the sector more mature and institutionally developed, but also, because of the earlier radical concentration, the banks involved were fewer, bigger, and less vulnerable.²¹

Throughout the booming 1950s, the demand on outward lending from the industry and public sector increasingly surpassed deposits; in order to service their traditional clientele and stay liquid, the banks turned to public money. 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 context marked a second shift in the orientation of the Swedish commercial banks, from a focus on industry to diversification into the private customer-oriented market. The outcome was a new period of intense competition among the commercial banks and against the savings banks.²² For the first time, commercial banks began to market themselves to the common man and woman. A key area of competition was service; 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 remaining 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 toward private customers also had implications for the banks' personnel; the workforce was greatly expanded during this period, in part to staff new offices, but also because

¹⁹ *Bankvärlden* 1 (1925): 1-3; 9 (1925): 121; Söderlund, *Skandinaviska banken i det svenska bankväsendets historia, 1914-1939*.

²⁰ *Bankvärlden* 3 (1932): 65; 1 (1937): 7; 4 (1937): 202; Söderlund, *Skandinaviska banken i det svenska bankväsendets historia, 1914-1939*.

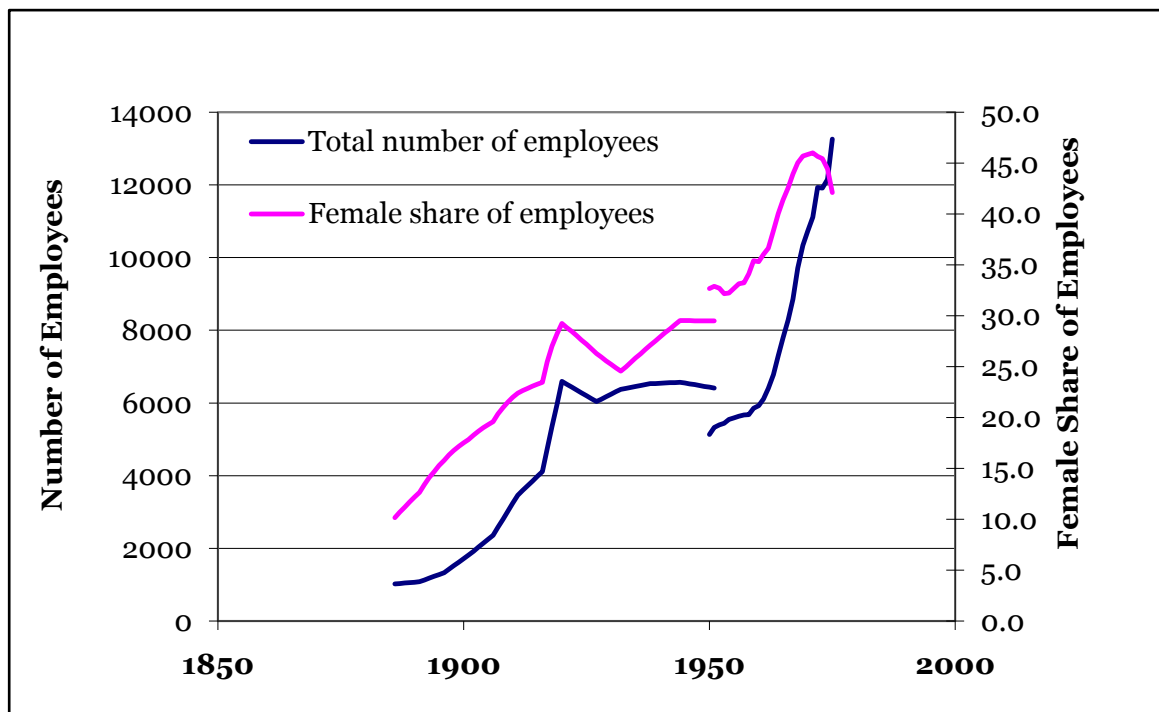
²¹ Thunholm, *Svenskt Kreditväsen*.

²² Hildebrand, *I omvandlingens tjänst*; Olsson, *Bank, familj och företagande*; Lindgren, *Bank, investmentbolag, bankirfirma*; Thunholm, *Svenskt Kreditväsen*.

engagement with small savers radically increased the volume of transactions, especially over the counter.²³

When expansion was tempered at the end of the 1960s, the commercial banks had succeeded in their efforts to attract the public. With strong growth in the real income of the Swedish population, small savers eventually came to represent the main share of the banks' total deposits.²⁴ The size of the banks' labor force had now surpassed 10,000 individuals, of which women accounted for almost half (see Figure 3).

FIGURE 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).

²³ Olsson, *Bank, familj och företagande*; Lindgren, *Bank, investmentbolag, bankirfirma*; Thunholm, *Svenskt Kreditväsen*.

²⁴ Olsson, *Bank, familj och företagande*.

Results: The Development of Employment and Feminization in the Commercial Bank Sector

After the recruitment of Alida Rossander and Hedvig Ahrén in 1864, we have no precise information about how feminization developed until 1886, when women had increased their labor share to 10.1 percent (103 employees). Beginning in 1886, we can follow the development more closely.

The most striking feature of the aggregate picture illustrated by Figure 3 is that feminization did not proceed at an even pace. Rather, it developed during 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. After 1920, the share of women was rather stable, but feminization receded somewhat, to 24.5 percent of employees in 1932. Thereafter, the female labor share rose once again; the increase lasted until the early 1970s, when women made up almost half of the commercial banks' total labor force.

The interpretation of feminization as proceeding through three distinct periods is strengthened by a review of the annual rates of change for different time periods. Table 1 provides an account of the rates of change in the total number of employees and labor force shares, with four- to eight-year intervals (governed by the availability of data points). During the first period of feminization, 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. Note, however, that the number of both female and male employees increased throughout this period, because staff as a whole expanded (see Figure 4). This development resulted in the trends reported in Table 1—namely, 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 perspective, change was greatest during the periods from 1886 to 1896 and from 1916 to 1920. Also, even at its slowest pace, the overall pattern of an increase in feminization holds.

In 1920, the pattern was disrupted. Feminization came to a halt and receded temporarily, as the share of women in the banking labor force declined an average of 1.5 percent per year, as the number of female employees decreased more than the number of male employees between 1920 and 1927. The decrease in women continued, while the number of men temporarily increased, between 1927 and 1932. The years between 1920 and 1932, therefore, constitute a second spell of feminization, quite different from the first. If we scrutinize the rates for the number of employees (see Table 1), it is clear that in the first period of feminization (until 1920), the number of female employees increased more rapidly than the number of male employees. 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 eclipsed by the 9 percent annual increase in female workers. When feminization receded in the 1920s and

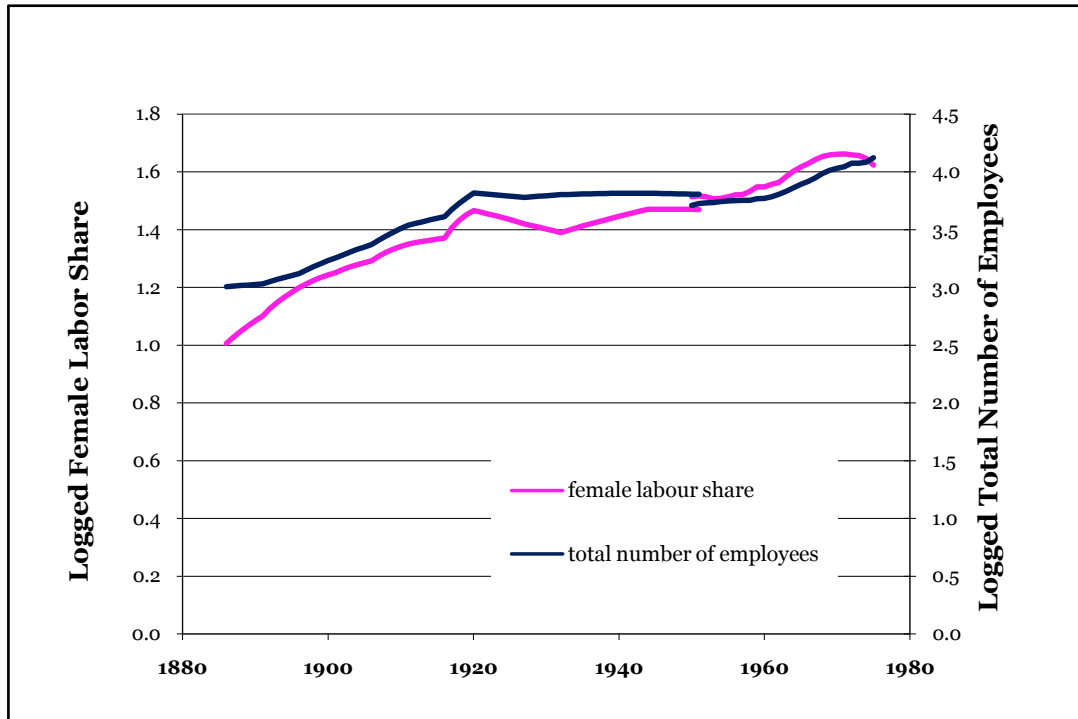
TABLE 1
Rates of Percent Change in Employment in the Commercial Bank Sector,
1886–1975

| Period | Number of Employees | | | Labor 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), our calculations.

*Intervals overlap because of differently constructed data series. In order to not skew the rates of change by using a start value from one series and an end value from another, we present overlapping but series-consistent intervals.

FIGURE 4
Rate of Change (logarithmic) with Respect to Feminization of the
Commercial Bank Sector, 1886-1975



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

early 1930s, the number of both male and female employees fell, as the entire labor force of the commercial banks contracted. However, the 1.6 percent average annual reduction in the number of female employees was much larger than the 0.2 percent decrease in the male staff. As a result, the female labor share was reduced by 1.5 percent per year.

During the third phase of feminization, which began in the mid-1930s and lasted until the early 1970s, feminization proceeded continuously, gradually picking up its pace. From 1932 and the two decades that followed, the female labor share grew by an average of nearly one percent per year, but during the period between 1956 and 1971, the average annual rate more than doubled to 2.1 percent. It should be noted, however, that the underlying driving forces of these changes differed. During the first two decades, the number of men decreased, whereas the number of women persistently increased. After 1950, increasing numbers of both men and women were recruited to staff bank offices, but the increase in female staff was much larger than that of male personnel. It should also be noted that the pace of change from 1956 to 1971 did not parallel that at the

turn of the century, which reflected the much greater proportion of women in the banks' labor force at the start. In terms of percentages, the increase from 24.5 to 46 percent in the course of a forty-year period compares well. The period from 1932 to 1951 saw feminization start anew, as a result of a small growth in the number of female employees combined with a simultaneous slight reduction in the number of male staff. Overall, the size of the labor force remained constant throughout the two decades, but below the surface these subtle shifts produced a slow but steady feminization. From the 1950s on, the commercial bank sector started to expand its labor force once more, with feminization again driven by the hiring of more female employees than male employees.

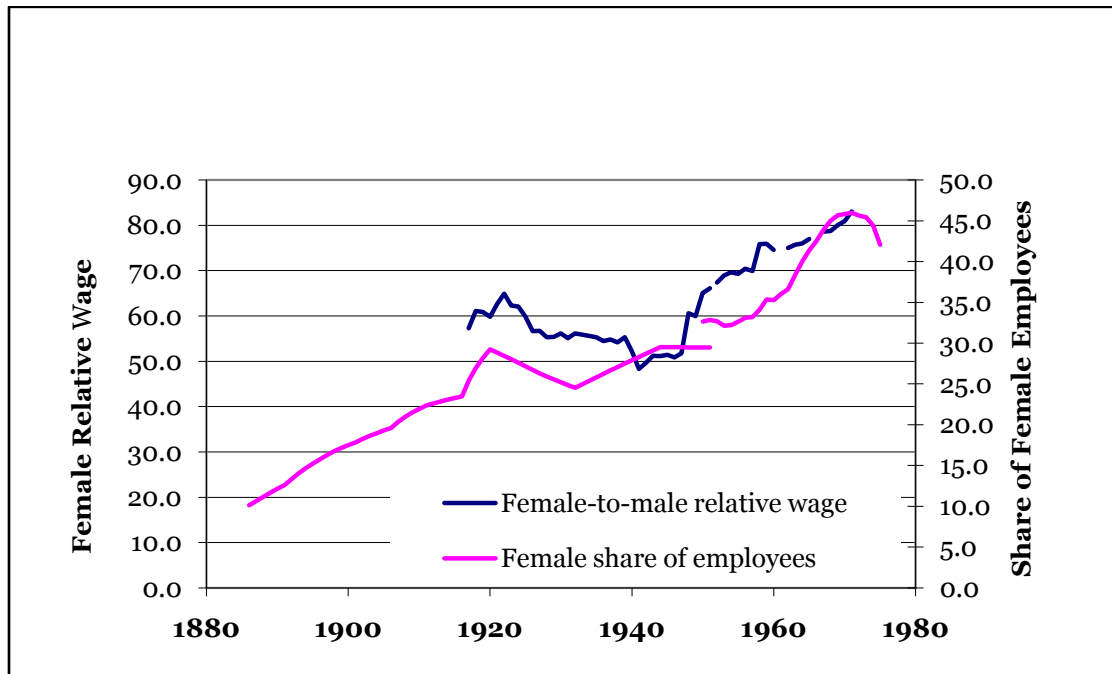
In sum, the rates of change reveal that the feminization of the commercial bank sector, with the exception of the period between 1932 and 1944, was not a result of an absolute decrease in the number of male employees. Only rarely did the size of the male labor force actually shrink, and when it did the number of female employees was often reduced even more, such as during the 1920s and late 1940s. Although the overall trend from 1886 to 1975 is that of strong feminization, the female bank employees did suffer several periods of absolute decline. That the female labor share still increased dramatically over time is primarily the result of an expansion of staff size, in which the number of women increased even more than the number of men. When the banks' total labor force was reduced, there were greater reductions in the numbers of women than of men, but when the sector expanded, the relationship was reversed, serving as a counterweight.

The Development of Wages in the Commercial Bank Sector

The time series on the female-to-male relative wage is most revealing (see Figure 5). It shows that relative female wages, much as the female labor share, developed through three periods. Wages increased until the early 1920s, followed by decreases over two decades, before another period of increases in female wages relative to male wages began in the late 1940s and lasted until 1975. Looking at rates of change of development, the three distinct periods remain clear.

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 majority of the increase took place during the second half of that period. After 1922, female wages decreased markedly relative to male wages 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, 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.

FIGURE 5
Female-to-Male Relative Wage and Labor Share in the Commercial Bank Sector, 1886-1975

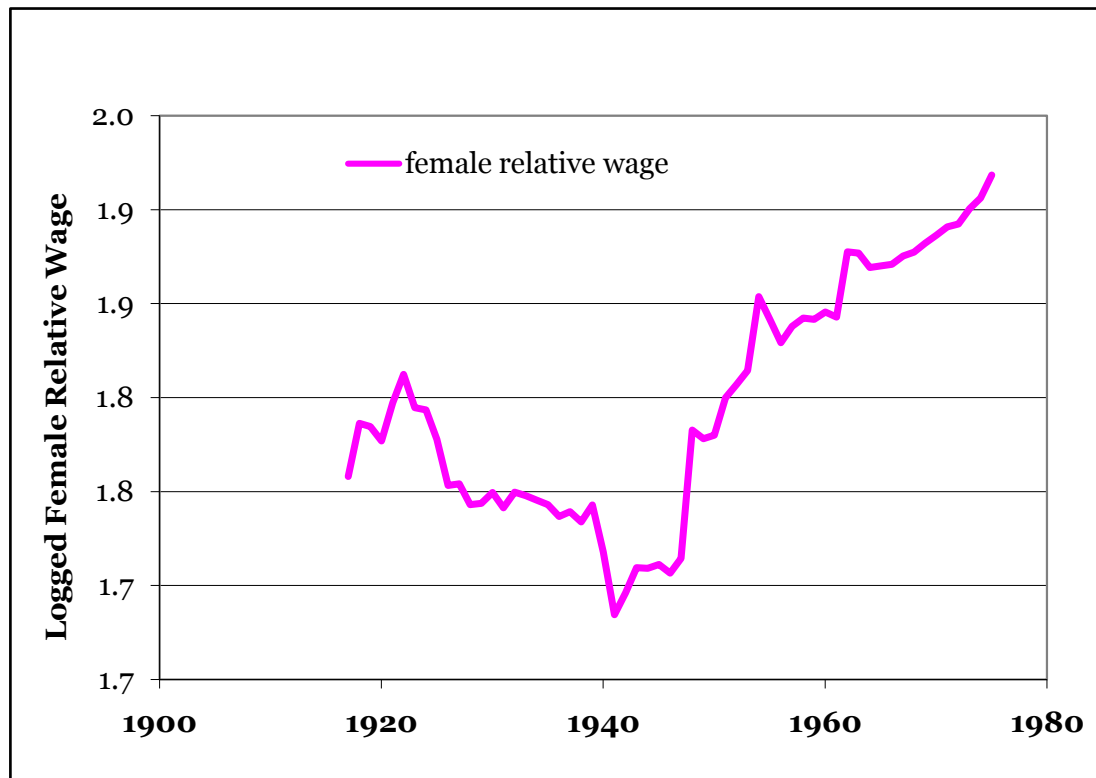


Sources: *Sveriges Bankmatrikel* (1886-1951); SOS, *Arbets- och löneförhållandena för affärsanställda i Sverige* [The Work and Wage Conditions for Business Employees in Sweden] (Stockholm, 1925); SOS, *Sociala Meddelanden* [Social Messages] (Stockholm, 1919-1929); SOS, *Lönestatistisk Årsbok* (1929-1976).

Comparing the developments in employment and wages in Figure 5, it is apparent that female relative wage increases and periods of strong feminization were positively correlated. The only exception occurred during the 1930s and 1940s, when the female relative wage continued to decline, despite increasing feminization. This peculiarity can be explained by the circumstances of those particular decades' increase in the female labor share: a net reduction in the number of male employees and a generally stagnant labor force in the bank sector.

During the mid-century decades, male and female entry wages were fairly similar, but wages diverged with time spent in the bank, as a result of both gender-biased promotion practices and wage discrimination. Thus, a low or decreasing gender wage gap could reflect a young or younger labor force, as occurs during times of robust expansion in employment. A reduced female relative wage, in turn, could be the effect of an aging staff. This hypothesis is consistent with the changes during the period from 1917 to 1970, as there are increasing wage differentials when the labor force is

FIGURE 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 Årsbok* (1929-1976).

stable and has a large and growing number of years in banking (1920-1945). Wage differentials, on the other hand, decrease when recruitment of labor is taking place and the staff is extended with female and at the same time younger workers (1950-1975).

Explaining Feminization

The development of feminization can be understood in a number of ways. Because we are in the early stages of our research, we have chosen to explore three dominant perspectives concerning the feminization of the Swedish commercial bank sector: economic, institutional, and cultural.

Economic explanations of feminization

The most common explanation of feminization is cost-efficiency. By way of the gender wage gap, employers' demand for cheap labor is assumed to

result in the substitution of women for men. If employers generally prefer male employees, however, they may be willing to pay a wage premium. Thus, the degree of feminization would be the result of a trade-off between employers' coincident preferences for male labor 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.²⁵

In the case of the Swedish commercial bank sector, feminization was only rarely a result of direct substitution of women for men. Nor did increases in the female labor share coincide with low or falling female relative wages; rather, to the contrary. Nevertheless, cost-efficiency is still likely to have contributed to the increase in the female labor share in the commercial banks. One of our most striking findings is that feminization was strongest when the absolute size of the banks' labor force was growing. We could interpret the simultaneous increases in female labor share and relative wage as reflecting a strong demand for female labor, as a result of either a male labor shortage or of female labor's own inherent characteristics.

Business expansion is costly. Radical up-sizing in the labor force such as occurred during the 1910s and 1960s would have strengthened employers' incentives to hire cheaper labor, including 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 labor; even if increased demand exerted upward pressure on female wages, the gender gap in earnings remained substantial.

In support of this interpretation, the feminization of the early and mid-twentieth century also coincided with two major shifts in the orientation of the Swedish commercial banks, both of which entailed substantial financial strain. When the right to issue banknotes was 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, because the average account size dropped while administration costs held steady. In sum, women were hired, at least in part, because of their lower wages, but the importance of cost-efficiency varied during different periods of the commercial banks' development.

Another traditional view of female labor is that it provides a buffer of marginal workers. According to this originally Marxist theory, employers are assumed to need two main types of labor: a core of experienced and qualified staff, and marginal groups, such as women, who can be used as a

²⁵ Gary Becker, *Human Capital: A Theoretical and Empirical Analysis, with Special Reference to Education* (Chicago, Ill., 1964); Irene Padavic and Barbara Reskin, *Women and Men at Work* (Thousand Oaks, Calif., 2002).

buffer to meet fluctuations in the economy.²⁶ Our finding that the share of female employees in the commercial banks was positively correlated to the total size of the labor force suggests that women did, indeed, partly serve the role of buffer labor in the sector. In a 1909 interview, the chief executive of one of Sweden's largest commercial banks stated that women were hired because they were accessible and could be put to work very quickly when need arose. When some time had passed and employers would have been able to find male labor, women were allowed to retain their jobs because of the costs associated with turnover and basic training.²⁷

Increases in female wages would presumably have made the bank sector more attractive to women. However, wages are not the only factor that influences the labor supply. According to human capital theory, expectations of career opportunities shape the qualifications people choose to acquire. A woman without hope of promotion or of a family life that will allow 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 labor wherein women assume responsibility for the home and family, and men take the role of provider. Predictions thus tend to become self-fulfilling prophecies.²⁸

Beginning in the late 1960s, the Swedish economy underwent changes in relative wages and in the provider norm, with a potentially positive effect on feminization.²⁹ Before that time, the ideal of a male breadwinner remained very strong, both in society in general and in the bank sector in particular. For several decades, before a law on married women's right to gainful employment was passed in 1939, the bank and insurance sectors were the only sectors where dismissal of married women was still practiced systematically. Apart from upholding conservative gender ideals, the policy also ensured a steady turnover of staff, which had a tempering effect on wages.³⁰ Thus, women could not expect long and successful careers in banking during our study period. Although the 1939 law unquestionably made continued feminization possible in the long run, it did not change the male provider norm, and we did not find a steep increase in the share of female labor in the years immediately following.

²⁶ Harriet Bradley, *Men's Work, Women's Work: A Sociological History of the Sexual Division of Labor in Employment* (Minneapolis, Minn., 1989).

²⁷ Christina R. "Kvinnorna och bankarbetet" [Women and Bank Work], *Dagny* 39 (1909): 455-57.

²⁸ Becker, *Human Capital*.

²⁹ Maria Stanfors, *Education, Labor Force Participation and Changing Fertility Patterns: A Study of Women and Socioeconomic Change in Twentieth-Century Sweden* (Stockholm, 2003).

³⁰ Lindgren, *Bank, investmentbolag, bankirfirma*; Ann-Sofie Ohlander, *Kvinnors arbete* [Women's Work] (Stockholm, 1995).

Even with the law on their side, women commonly left the banks upon marriage, and if not then, they left when they had children.³¹

Female education increased throughout the study period; this was another factor that likely served as a prerequisite for sustained feminization of the commercial bank sector. The role of education as a direct cause of feminization, however, is more ambiguous. Major improvements in women's educational level did not occur until the late 1920s, and the formal requirements for bank labor remained low well into the 1930s. This suggests that the first period of feminization (until 1920) was not the result of women possessing better qualifications and thus being more employable.³² During the late nineteenth century, however, decisive advances were made, if on a small scale. Through the birth and spread of private business schools beginning in 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.³³

Although the opening of new educational opportunities obviously intersected with the onset of feminization, 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, in turn, could reflect the extraordinary ambition and determination of the women concerned, rather than the instrumental role of higher education for bank employment.

Over the prewar era as a whole, women with private business course diplomas represented a minority, if a substantial one. The typical 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, bank employees' average level of education in the 1960s was high school. As new employees' qualifications increased, the occupational mobility of those without formal credentials was gradually reduced. After the 1950s, coincidental evidence of managers with a background as errand boys was history.

³¹ Olsson, *Bank, familj och företagande*.

³² Bankernas Förhandlingsorganisation, *Banklönerna 1937* (Stockholm, 1938); *Bankvärlden* 11 (1918): 172-73; Ohlander, *Kvinnors arbete*; SOU 47 (1938), *Betänkande angående gift kvinnas förvärvsarbete*; Stanfors, *Education, Labor Force Participation and Changing Fertility Patterns*.

³³ *Sveriges Bankmatrikel* [The Bank Matriculation Register of Sweden] (Stockholm, 1886-1951).

Institutional explanations for feminization

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.³⁴ Emphasis is instead placed on the concept of sex-typing, which is the continuous social labeling of activities and occupations as suitable for people of a particular gender. Central to the allocation of labor 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 who perform intellectual work with a high degree of craftsmanship. In this way, sex-typing forms the expectations of both potential employees and employers about who is appropriate or even conceivable in a certain position, creating a gender-segregated labor market.³⁵

The concept of sex-typing can be used to explain feminization in two ways: as the result of a change either in the qualities assigned to women or in the qualities of bank work, which increases the congruence between the two. Although we do not find support for radically changed views of female labor during our study period, 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 organization and the character of the bank work. All of these developments moved in the same direction: they brought the bank-telling profession closer to what had traditionally been considered women's work. Following mechanization and changes in the division of labor, an increasing share of the staff was employed in subordinate positions

³⁴ Ronald Ehrenberg and Robert Smith, *Modern Labor Economics: Theory and Public Policy* (Boston, Mass., 2003).

³⁵ Bradley, *Men's Work, Women's Work*; Padavic and Reskin, *Women and Men at Work*; Barbara Reskin and Heidi Hartmann, eds., *Women's Work, Men's Work: Sex Segregation on the Job* (Washington, D.C., 1986). These predictions are consistent with findings from the Swedish industry sector that demand for female labor is largely unaffected by the female relative wage level. Rather, the demand for a certain type of labor influences relative wages, which the nature of the jobs to fill predominantly shapes (see Lars Svensson, "En historia om löneutjämning: kvinnors och mäns löner i långsiktigt perspektiv" [A Story about Wage-equalization: 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?]).

performing standardized, routine jobs. Instead of qualities that were considered typically male such as taking responsibility, intelligence, and craftsmanship, the work in banks increasingly depended on the submissive and patient performance of simple and monotonous tasks, which corresponded well with images of traditionally female traits.³⁶

As a result of these changes in the character of bank work, women gradually became employers' more logical choice for bank labor, as well as a more socially and economically feasible one. An increased congruence between perceived female 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 labor demographic would cause strikes, boycotts, or an overall poor working climate, with a negative impact on productivity.³⁷

In the late 1950s, a second wave of reorganization and mechanization occurred, resulting in the complete feminization of work at the registers. The shift among banks to greater focus on small savers and service partly explains designating females to staff the front office. Customer care and service-mindedness were considered inherently female traits, and private customers meant increased interaction with wives, mothers-in-law, and other 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, which removed the need for female clerks to have a male controller sign off on each transaction.

While women gradually increased their share of the commercial banks' labor force, sex segregation remained nearly to the end of our study period, as 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.³⁸ As a result of sex-typing, women were not expected to pursue professional careers, and many did not expect it of themselves. To allocate labor 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 concerning work orientation,

³⁶ For examples see *Bankvärlden* 9 (1918): 141-42; 11 (1918): 172; 10 (1922): 139-40; 9 (1924): 125; 7 (1926): 124; 9 (1932): 316; 12 (1933): 440; 1 (1934): 1; 10 (1935): 227; 5 (1938): 177; 8 (1939): 311-14; Bradley, *Men's Work, Women's Work*; Reskin and Hartmann, *Women's Work, Men's Work*.

³⁷ Padavic and Reskin, *Women and Men at Work*; Reskin and Hartmann, *Women's Work, Men's Work*.

³⁸ Acker, "The Gender Regime of Swedish Banks," 120; Olsson, *Bank, familj och företagande*.

and is a good example of statistical discrimination at work. In the event that women refuted expectations and stayed at the job, it was assumed that they happily performed the same task decade after decade; they were viewed as competent “but not pushy and ambitious.”³⁹ During our entire study period, female bank employees were generally performing subordinate, routine work at a low wage, outside the competition for upward career mobility.⁴⁰

The 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. Entering the bank as a bookkeeper, she retired from the same position twenty-four years later.⁴¹

Cultural explanations for feminization

Profound changes in the character of work and a changing gender composition of the labor force did not leave the male members of the bank corps unaffected. Women are not only commonly assigned tasks considered of low status and importance; tasks are perceived this way largely because women perform them, which makes the devaluation of women’s work a self-perpetuating process.⁴² Thus a possible explanation for feminization is that commercial banks lost their appeal as a workplace to male workers.

That feminization is almost always preceded by reorganization, degradation, or technical transformation in the concerned occupation is an argument often pursued by feminist theorists. 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, therefore, is seen as an opening for women, because they can be employed at the new lower end without coming into direct competition with men. This circumstance is assumed to lower male resistance to female recruitment. The same mechanism is considered to be 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.⁴³

In line with the feminist prediction, the commercial bank sector experienced a marked loss of status in the eyes of male staff during the

³⁹ Christina R., “Kvinnorna och bankarbetet,” 456.

⁴⁰ These deeply rooted views on male and female characteristics and corresponding appropriate career trajectories also would have been instrumental in the sustained rationale for the use of women as buffer labor.

⁴¹ *Sveriges Bankmatrikel*, 1886-1951.

⁴² Padavic and Reskin, *Women and Men at Work*.

⁴³ Bradley, *Men’s Work, Women’s Work*; Padavic and Reskin, *Women and Men at Work*.

first period of feminization, especially around the 1910s. The main reason was the change in the character of work, which was generally perceived to have made the occupation less demanding, rewarding, and promising. In the words of the bank tellers' union, the male employee who 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 jumpstart their careers, the bank sector was increasingly seen as a dead end. In combination with falling real wages during the late 1910s and a hollowing of employment security and promotion opportunities, the bank sector even experienced labor flight for a few years toward the end of the Great War.⁴⁴

The fact that the introduction of new jobs or positions facilitates feminization could also explain the strong correlation between feminization and the 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 that made women a more natural choice of bank labor during the early twentieth century also played a part in the slump in the feminization rate during the interwar period. Not only did recruitment slow, but the character of work was also consolidated. Thus, female entry into the sector would increasingly have had to be not only at the expense of male labor, but also of the deeply rooted practice of male workers performing male tasks.

A Queue-Theoretical Synthesis of Explanations

Barbara Reskin first applied queue theory to the study of feminization as a synthesis of the economic, institutional, and cultural explanations. According to Reskin, both employers and labor continuously rank each other according to their preferences. The result is queues, through which the most attractive laborers get the most attractive jobs and vice versa. Tradition, conceptions about gender roles, assumptions about women's lower productivity and higher absence from work, and male employers' desire to retain male dominance in society, Reskin argues, lead employers generally to prefer male labor. However, workers of both sexes tend to rank jobs according to the same principles: pay, employment security, and work conditions. If men as a favored group leave a certain job, women are thus usually willing to step in.

According to Reskin, employers generally change their ranking of labor for one of three reasons: first, the demand for preferred labor cannot

⁴⁴ *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).

be met (more often because of the lack of interest on behalf of the preferred group of workers rather than an absolute shortage of labor); second, when employers change their attitudes, for either ideological or economic reasons; third, when radical shifts in the composition of the labor force influence employers' ability to discriminate: the larger a certain group's part in the total labor force, the harder it is to discriminate or mistreat them.⁴⁵

Reskin's model corresponds well to the development of feminization in 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 about female labor. Throughout our study period, women also increased their share of the total labor force, making them increasingly difficult to ignore. Finally, the commercial bank sector experienced a pronounced degradation in the eyes of its traditional male staff beginning in the early twentieth century. This massive discontent and, to some extent, departure of the traditional male employees did not translate into a contraction of the sector, because there were other groups willing to step in, including women. Working-class people were another. Our findings 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 feminization.⁴⁶

Even in the face of uncertain employment security, falling relative wages, and structural discrimination, the banks had no difficulties in attracting female labor. Rather, hundreds of women abstained from or postponed marriage in order to retain their positions in the banks, though they would have been able to combine work and married life in other workplaces. The eagerness of women to become bank tellers at the same time that men considered the profession a dead end must be understood in light of the limited labor market opportunities for women during the first half of the twentieth century. From a female perspective, administrative work in the commercial banks was both more prestigious and attractive than the feasible alternatives such as domestic or industrial work.

Conclusion

We have shown that the feminization of the Swedish commercial bank sector progressed through three periods, with the 1910s and the 1960s being peak eras for increases and the 1920s as a dismal decade when the female labor share was reduced. Although explanations for this complex development are tentative, we conclude that economic, institutional, and cultural factors all played instrumental parts in feminization. Moreover, the elements interact and vary in importance over time, a finding that

⁴⁵ Rosabeth M. Kanter, *Women and Men of the Corporation* (New York, 1977); Reskin and Roos, *Job Queues, Gender Queues*.

⁴⁶ See Holmberg, "Feminization of the Swedish Bank Sector, 1910-1939."

underscores the need for a historical perspective to understand processes of change in the labor market.

We emphasize three key factors behind the feminization of the commercial bank sector. The first was the profound change in the character of bank work, which from the late nineteenth century to the early 1970s gradually brought it closer to what traditionally was considered women's work. Women became an increasingly logical choice for employers as labor and feminization could proceed without a radical change in views of female labor or social norms. The second key factor was the reduced status of the commercial bank sector as a workplace in the eyes of the male labor force, beginning in 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 finding that loss of status preceded and enabled feminization rather than followed it contrasts with conventional wisdom and deserves further attention. The third factor was the economic incentives employers provided. Although we have no proof, there are many indications to suggest that women made their strongest advances in the labor share during times when employers had strong incentives to cut costs and thus to hire cheaper female labor.