

FEMINIZATION OF EMPLOYMENT IN THE TURKISH BANKING SECTOR:
A CRITICAL ANALYSIS

GİZEM MELİS MUHTAR

BOĞAZIÇI UNIVERSITY

2010

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Thesis submitted to the
Institute for Graduate Studies in the Social Sciences
in partial fulfillment of the requirements for the degree of

Master of Arts

in

Economics

by

Gizem Melis Muhtar

Boğaziçi University

2010

Thesis Abstract

Gizem Melis Muhtar, “Feminization of Employment in the Turkish Banking Sector:
A Critical Analysis”

This thesis analyzes the feminization trend in the Turkish banking sector with a critical perspective. The aim of the study is twofold. The first part lays down the factors that contribute to the feminization of the sector and their implications for women’s representation in the horizontal and vertical occupations. The second part investigates the impact of economic crises that Turkey has gone through in 1994, in 2000-2001, and in 2008 on this feminization process. The thesis utilizes a multilevel framework which takes gender to the center of its analysis. This framework includes both qualitative and quantitative methods. Data on banking sector employees by sex and education level is used together with the literature on occupational segregation in order to elicit women’s horizontal and vertical representation. Econometric tools are also used to bring out the effects of economic crises on women’s employment in the Turkish banking sector. Additionally, semi-structured interviews are conducted with the human resources managers of sample banks to present the personal, organizational, and cultural attitudes towards female employment in the sector. The first set of findings suggest that although equality in the number of employees from each gender is achieved in the sector, such equality does not correspond to an equal representation of the genders in terms of horizontal and vertical occupational categories. The second set of findings show that the feminization trend was broken in 1994 and 2000-2001 crises, and returned back to its course when the crises were over indicating that the pattern of female employment changed during these crises. However, 2008 crisis did not show the same effect on the trend.

Tez Özeti

Gizem Melis Muhtar, “Türkiye Bankacılık Sektöründe İşgücünün Feminizasyonu:
Eleştirel Bir İnceleme”

Bu tez Türkiye bankacılık sektöründeki feminizasyon trendini eleştirel bir bakış açısıyla analiz etmektedir. Çalışmanın iki amacı vardır. Birinci bölüm, sektörde feminizasyona neden olan faktörleri ve bu faktörlerin kadınların yatay ve dikey işlerde temsiline etkilerini ortaya koymaktadır. İkinci bölüm, Türkiye'nin 1994, 2000-2001 ve 2008 yıllarında yaşadığı ekonomik krizlerin sektördeki feminizasyon sürecinde yol açtığı değişiklikleri incelemektedir. Çalışma, cinsiyet kavramını merkez olarak alan çokdüzeyli bir çerçeve kullanmakta ve bu çerçeve hem kalitatif hem de kantitatif analiz yöntemleri içermektedir. Kadınların yatay ve dikey işlerde temsilini irdelemek amacıyla, bankacılık sektörü çalışanlarının cinsiyet ve eğitim dağılımı verileri gerektiğinde literatür ile desteklenerek kullanılmıştır. Ekonomik krizlerin Türkiye bankacılık sektöründe kadın istihdamına etkilerini ortaya çıkarmak amacıyla ekonometrik analiz araçlarından faydalanılmıştır. Bunlara ek olarak sektörde kadın istihdamına kişisel, örgütsel ve kültürel yaklaşımları sunmak amacıyla temsili bankaların insan kaynakları yöneticileri ile yarı-yapılandırılmış görüşmeler yürütülmüştür. Birinci kısım bulgular, sektörde kadın-erkek sayısı eşitliğinin sağlanmasına rağmen bu eşitliğin iki cinsiyetin yatay ve dikey işlerde eşit temsiline tekabül etmediğini göstermektedir. İkinci kısım bulgular 1994 ve 2000-2001 krizlerinde feminizasyon trendinin kırıldığını ve ancak krizler sona erdiğinde trendin kriz öncesi seyrine döndüğünü göstermektedir. Dolayısıyla, bu krizler sektördeki kadın istihdamı trendinde değişikliğe sebep olmuştur. Ancak aynı etki 2008 krizinde gözlenmemektedir.

ACKNOWLEDGMENTS

I would like to acknowledge many people who have immensely helped me in the completion of this thesis. First and foremost, I would like to express my gratitude to my advisor Assoc. Prof. Şemsa Özar for her guidance and her invaluable comments through this process. I am deeply indebted to her for her genuine support, encouragement and patience. I would also like to thank Assoc. Prof. Ahmet Faruk Aysan and Prof. Gülay Günlük-Şenesen for participating in my thesis committee and for their creative remarks and suggestions. I am grateful to Assoc. Prof. Gökhan Özertan who was always available when I needed help. I also want to acknowledge my colleagues with whom I shared a space for a considerable amount of time.

I would like to thank the Scientific and Technological Research Council of Turkey (TÜBİTAK) for granting me a graduate scholarship.

My special thanks go to my friends Hale and Serhan for their inspiring suggestions. I particularly want to thank Harun, Bilge, Murat, Ercan, Kerem, Öykü, and again Hale for sharing both the joyful and the painful moments of my graduate study with me. I especially want to thank Ümit for showing the upmost interest in my thesis and for being there to listen to me although he was far from me. I am also obliged to thank Zeynep, Sabri, and Serkan for their priceless long distance friendship.

I deeply owe to my parents Sibel and Erol, to my sister Deniz, and to my grandmother Ayşe for their love and support; I am grateful to them for believing in me and I cannot find words to express what they mean to me.

I finally am beholden to Umut, without whom neither this thesis nor my life would be the same. I thus dedicate this thesis to him.

CONTENTS

CHAPTER 1 : INTRODUCTION	1
Methodology	3
CHAPTER 2 : A GENERAL FRAMEWORK OF WOMEN’S EMPLOYMENT	6
The Literature	7
Women’s Employment in the World	17
Women’s Employment in Turkey	23
CHAPTER 3 : WOMEN’S EMPLOYMENT IN THE TURKISH BANKING SECTOR.....	28
An Overview of the Sector	28
Women’s Employment in the Sector	39
CHAPTER 4 : FINANCIAL CRISES AND THEIR IMPACT ON WOMEN’S EMPLOYMENT IN THE TURKISH BANKING SECTOR	63
Crises and the Labor Market	63
Gendered Impacts of Crises	66
Financial Crises in Turkey: Causes, Characteristics and Links with the Turkish Banking Sector	71
Quantitative Analysis	90
CHAPTER 5 : THE INTERVIEWS	97
Information about the Interviews	97
Perceptions regarding Female Employees	100
Women’s Employment in the Sector in Crises	112
CHAPTER 6 : CONCLUSION.....	115
REFERENCES.....	119

FIGURES

1. Informal employment in Turkey, February 2009.....	25
2. Total assets of the Turkish banking sector, 1988-2008.....	32
3. Contribution of the three subcategories of commercial banks to total assets, 1988-2008.....	33
4. Branches and employees of the commercial banks in Turkey, 1986-2008.....	34
5. Share of each educational group in total employment in commercial banks, 1986-2008.....	37
6. Comparison of the subcategories of commercial banks in terms of the share of educational groups in total employment, 2008	38
7. The share of women in total employment, commercial banks, 1986-2008	42
8. Departmental breakdown by gender in the intermediary institutions in Turkey, 2008	44
9. The share of women in each educational group in commercial banks in Turkey, 1986-2008.....	52
10. Educational breakdown of women in commercial banks in Turkey, 1986-2008.....	53
11. Educational breakdown of men in commercial banks in Turkey, 1986-2008	55
12. The share of women in total employment in the subcategories of commercial banks, 1986-2008	59
13. Scatter plot of women's share in total employment against time in commercial banks.....	92
14. Scatter plot of women's share against time in subcategories of banks	95

TABLES

1. Labor force participation rates by income level.....	20
2. Labor force participation rates in selected countries.....	21
3. Share of women in the nonagricultural sector, by income level and for selected countries	22
4. Female labor force participation rate in Turkey, 1988-2006	23
5. Female employment by sector, 2000-2006	26
6. Number of women by reasons of not being in the labor force, 2000-2006	27
7. Number of banks in the Turkish banking sector	30
8. Share of women in selected sectors in Turkey, 1986-2008	40
9. Total labor trends around 1994 crisis in Turkey in urban regions	74
10. Female labor trends around 1994 crisis in Turkey in urban regions.....	75
11. Employment trends in the Turkish banking sector around 1994 crisis.....	77
12. Total labor trends around 2000-2001 crises in Turkey in urban regions	81
13. Female labor trends around 2000-2001 crises in Turkey in urban regions.....	82
14. Employment trends in the Turkish banking sector around 2000-2001 crises.....	83
15. Total labor trends around 2008 crisis in Turkey in urban regions	86
16. Female labor trends around 2008 crisis in Turkey in urban regions.....	87
17. Employment trends in the Turkish banking sector around 2008 crisis.....	89
18. Estimation results for F_c (share of women in commercial banks)	92
19. Number of replies for each attribute	108

CHAPTER 1

INTRODUCTION

In the field of employment in Turkey, women's employment is one of the most important issues. In addition to many problems regarding women's employment such as gender-based discrimination of many kinds; women's low labor force participation rates, their low employment rates, and their very low share in the labor market are also major areas of concern. Turkey not only is the last one among the OECD countries in terms of the above mentioned areas, but also is among the last when the whole world countries are considered. For instance, the European Union target for female employment rate within the context of the Lisbon Agenda is set as 60 percent to be achieved at the end of 2010 (Presidential Conclusions, 2000). However, Turkey is far behind this target, female employment rate being 22.3 percent as of 2009. Women's share in the labor market is no better in Turkey; the ratio of female employment to total employment is 28 percent as of 2009 and the ratio is even lower as far as the non-agricultural sector is considered: it is 21 percent for the same year (Turkish Statistical Institute [Turkstat], n.d.). These figures have shown no improvement for a long period of time; they therefore strongly alert for the need to address these issues immediately.

Female labor market outcomes during economic crises constitute another facet of the issue of women's employment in Turkey. The commonsense approach to the relation of the labor market with female employment during crises is that women are more likely to be the first ones to suffer from the labor market responses to crises. This assumption is usually built on the argument that retrenchment policies are not

gender-neutral, and the traditional male breadwinner attitude prevails in times of crises. Therefore, it maintains that women are laid off before men because of their being secondary earners (Tutnjevic, 2002). However, the actual outcome might be different than what is proposed by this argument. The literature on the female labor outcomes in times of economic crises defines three hypotheses; which are substitution, buffer, and segmentation hypotheses (Ertürk & Çağatay, 1995). Each of these hypotheses anticipates a different outcome for female employment during crises.

The banking sector in Turkey, which is the center of this thesis, is one of the exceptional sectors in terms of female employment. The Turkish banking sector has become highly feminized through the years 1986 to 2008. In 1986 the ratio of females in the sector was 33 percent, yet it reached to 50 percent as of 2008, which means half of the employees of the banking sector is female now (Banks Association of Turkey [BAT], n.d.). Therefore, one can easily conclude that there is now gender equality in the sector in terms of the number of people employed. However, this does not necessarily mean that women are represented equally with men, both horizontally and vertically.

In this thesis, the feminization trend in the Turkish banking sector is analyzed with a critical perspective. The aim of the study is twofold. The first part lays down the factors that contribute to and result from the feminization of the sector and their implications for women's representation in the horizontal and vertical occupations. The second part investigates the impact of economic crises that Turkey has gone through in 1994, in 2000-2001, and in 2008 on this very feminization. The focus of this investigation will be to find out which of the above-mentioned hypotheses fits the Turkish banking sector for each of these crises. Since these crises have had

different implications for the Turkish banking sector, they might as well have had different implications for women's employment in the sector.

Methodology

Mainstream theories of economics usually confine their methods of analysis to testable models for the investigation of social phenomena; therefore they rely heavily on quantitative methods. However, value judgments from a patriarchal perspective are already embedded in the data used in these methods, and the resulting products are predominantly gender-blind (Günlük-Şenesen & Özar, 2001). The feminization in the Turkish banking sector is a multi-layered phenomenon that cannot be fully covered by using only quantitative analysis methods. Doing so results in the abstraction of this phenomenon from its underlying determinants and in missing the essence of the issue. Therefore, a multilevel framework is used in this thesis which takes gender to the center of its analysis, and this framework includes both qualitative and quantitative methods.

The data used in the quantitative analysis is received from the database of BAT, which presents the number of employees in each of the bank in the Turkish banking sector, broken down by gender and educational levels of employees. This data was in part used for the regression analysis which attempts to display the effects of the economic crises on women's employment in the Turkish banking sector, and in part used for graphical representation in support for the arguments presented in the thesis.

The database of BAT does not include the horizontal and vertical occupational breakdown of employees by gender, availability of which would

improve the scope and the findings of this thesis. Still, the unavailability of data should not result in the dismissal of the phenomenon as a matter of study. Indeed, besides the use of qualitative methods in incorporating gender to the analysis as an analytical category, they also support the points where data is inadequate. To this end, one of the methods used was the presentation of the previous researches on the subject. Therefore, the literature was integrated into this thesis as more than just a review.

Besides a regression analysis as a quantitative method and the use of researches on the subject as support, semi-structured interviews with the human resources managers of five banks were conducted to provide a qualitative analysis. Among these banks, there was at least one bank from each subcategory of commercial banks in Turkey (i.e., state-owned, private-owned, and foreign banks). The method of semi-structured interviewing was chosen over structured interviewing because of the need for flexibility in both questions and answers due to the nature of the subject. In some of the interviews, bank-specific questions were also directed to the interviewees. A general framework existed for the interview questions, yet most of the questions were left open-ended in order to discover the thoughts, ideologies, or practices of the interviewees or their organizations, and in order not to channelize them to a specific type of answer. Needless to say, these interviews do not have a claim to be representative of all of the banks in the sector; however they were very useful in presenting the personal, organizational, and cultural views of the human resources managers to female employment in the sector within the context of this thesis.

The rest of this thesis is organized as follows. Chapter 2 draws a general framework of women's employment by presenting the theories of gender-based

segregation in the labor market, and demonstrates the change in women's employment in the world and in Turkey. Chapter 3 exhibits women's employment in the Turkish banking sector, introducing a general overview of the sector and continuing with a comprehensive analysis of the feminization and the gender-based segregation in the sector. Chapter 4 introduces the gendered impacts of crises and the theories regarding the relationship of the crises with female employment. It continues with the presentation of the characteristics and causes of the 1994, 2000-2001 and 2008 crises, and their links with the Turkish banking sector. Then, it analyzes the impacts of these crises on the feminization of the Turkish banking sector. Chapter 5 presents the narration of the interviews conducted with the human resources managers of the sample banks, and discusses them in light of the arguments in the literature. Chapter 6 concludes.

CHAPTER 2

A GENERAL FRAMEWORK OF WOMEN'S EMPLOYMENT

Gender-based segregation in the labor market has long prevailed and continues to prevail, and since it has its implications in more than one sphere, women's employment has been an area of research for many disciplines such as economics, sociology, and political science. Classification of gender-based segregation can be made in accordance with the following two aspects: the first is horizontal segregation, with men and women occupying different kinds of jobs; and the second is vertical segregation, with men *or* women occupying higher ranks in the organizational ladder. Since it is stated above that women's employment –but not men's– has been an area of research for many disciplines, it should be obvious that vertical segregation is in favor of men.

The literature on women's employment is of course not limited with horizontal and vertical segregation. Sex segregation can also show itself in the form of wage differentials, disparities in working conditions, particularity of attitudes towards women at the workplace, and such. Detailed analysis of all kinds of sex segregation is beyond the scope of this thesis, but the next section will try to picture a broad view of theories in the literature that try to explain gender-based segmentation in the labor markets, and the consequent sections will try to examine the evolution and the current situation of women's employment in the world and in Turkey. Theories regarding women's employment during times of economic crises will be left to Chapter 4.

The Literature

The theories that deal with gender-based segregation can be analyzed in three categories, following Özbilgin and Woodward (2003): economic, social and political theories. The authors aim to integrate these three categories to analyze the gender-based segmentation of labor markets.

Mainstream economic theories are identified as the theories that try to rationalize sex segregation in labor markets within an economic framework, providing explanations either with legitimizations from the supply or demand side, or with historical phenomena. Social theories, on the other hand, are identified as the theories that link the social institutions of family and work with sex segregation in labor markets. Social theories of labor market segmentation have developed in part from the concepts articulated by economists, and they offer a rather static, descriptive depiction. Those theories that delve into gender-based segregation as a more dynamic process that has to do with the strategies of the state and with the strategies of women and men as occupational groups are classified as the political theories.

Bradley argues that economic theories that lack the incorporation of social or political influences in explaining the sexual segmentation of the labor market assume gender neutrality in the economic decision-making process. Thus, these theories are inadequate to offer an understanding of the segregation since they are based on the well-established economic orthodoxies that ignore the gender bias in decision-making (as cited in Özbilgin & Woodward, 2003). One such theory is the human capital theory, which tries to justify labor market segmentation as a rational choice of the supply side. In their article where they test the human capital theory in explaining

the gender differences in access to fringe benefits of a job, Seccombe and Beeghly (1992) define human capital as the investment in skills such as education level, job training, and job tenure. These skills and other talents or capacities vary across individuals, and human capital theorists argue that they are the determinants of a worker's productivity within a job. It is a person's rational choice based on their tastes and preferences to how much invest in the improvement of their human capital, and employers make their hiring decisions based solely on the value of the employees' human capital. This means that if women and men possess the same amount of human capital, then the horizontal and vertical distribution of genders at the workplace should be alike. Therefore, human capital theory ignores the existence of any kind of individual or structurally based discrimination (Beller, 1982; Wayne, Liden, Kraimer, & Graf, 1999). The disregard of human capital theory to gender matter is superbly pointed out by Blaug (1976): "What knits these [human capital] phenomena together is not the question of who undertakes what, but rather the decision-maker, whoever he is, looks forward to the future" (p. 829).

After the mid-seventies, some theorists have attempted to explain the horizontal segregation with the (lack of) time or effort that women put on their jobs. Polachek (1979) has argued that men allocate more time to work than women, which can be explained by the sex-role differentiation. Thus, women tend to be employed in occupations that penalize absence less, thereby creating the occupational segregation. Of course, this assumes that occupations are perfectly diversified for the degree they penalize absence. There are two weak sides of this point of view. The first is, Polachek (1979) accounts for sex-role differentiation; yet he takes it for granted. The second is, his argument asserts that once the sex-roles are neutralized, men and women with equivalent human capital will be able to dedicate the same time to a

particular job and there will remain no occupational segregation, which is not so. Becker (1985) has developed a different approach to explain the circumstances where women and men with similar human capital devote the same time to the market work, yet they enjoy different earnings or work in different occupations. He has argued that women spend less effort for each hour of market work even if they work the same hours with men. The basis of his argument is in line with Polachek's (1979); Becker (1985) also attributes the reason to sex-role differentiation. He suggests that women's "responsibilities" such as childcare and other household activities require more effort than leisure activities; as a result, women put less effort on their jobs. There are two possible outcomes of this phenomenon: women either economize on the effort expended on market work by looking for less demanding jobs, thereby creating the occupational segregation; or they enjoy fewer earnings because they put less effort on each hour of work than men doing the same jobs. Needless to say, it is impossible to overlook the bias in his language. While men enjoy leisure, women have to perform household and child care "duties". And because they do perform these duties, this means that they have lower career aspirations than men (Özbilgin & Woodward, 2003) and they rationally decide to be occupied in different jobs than men, jobs that are less effort-intensive.

While human capital theory tries to explain labor market segregation with the preferences of the supply side, dual market theory suggests that the segregation in the labor market is created by the demand side (Özbilgin & Woodward, 2003). Dual market theorists suggest that human capital characteristics of individuals fail to explain the gender differences in the labor market, and structural characteristics such as power of employers define the labor market segmentation (Seccombe & Beeghley, 1992). According to this view, the labor market is roughly divided into two

components: the primary and the secondary sectors. Doeringer and Piore describe the primary sector as being characterized by high wages, good working conditions, and opportunities for advancement; whereas the secondary sector is characterized by low wages, bad working conditions, unstable employment, and little opportunity for advancement (as cited in Dickens & Lang, 1985). Occupations that are mostly dominated by women generally fall in the secondary sector (Seccombe & Beeghley, 1992). The reason for this situation can be ascribed to the fact that primary sector occupations are generally rationed to men, and it is hard for women to find employment in this sector (Dickens & Lang, 1985). Still, there is a demand for secondary employment by the employers as the organization of labor becomes more hierarchical, therefore women are mostly employed in the secondary sector (Özbilgin & Woodward, 2003). Some theorists have argued that the rationing mechanism is hard to eliminate, therefore the solution to the problem should be sought in bringing the primary and the secondary sector together by defeating the stated discrepancies between them.

In fact dual market theory approaches occupational segregation in a more reasonable respect than does the human capital theory by considering the structural characteristics of segmentation. It sees the reason of the occupational segregation not in women's rational decision-making but in the structural composition of the labor market, which is formed by the demand side – the employers. By proposing that primary jobs are rationed to men, it assumes discrimination against women caused by the power of employers. However, there are some flaws in the line of reasoning that dual market theory develops. It assumes that with technological change, both workers will gain the skilling required for the primary jobs and the differences between the primary and the secondary sectors can be eliminated; therefore, the two

sectors will converge to each other. However, as Liff argues technological change usually causes the de-skilling of labor and it leads to the diminishing of employees' control over the labor market decisions (as cited in Özbilgin & Woodward, 2003). Therefore, technological change is not likely to close the gap between the primary and the secondary sectors; on the contrary it is more likely to open it and increase the bargaining power of the employers even more. Another problem with the dual market theory is that it proposes that the capitalist system is the reason for this sex division of labor and therefore it seeks the solutions within the system. By doing so, it ignores that labor market segmentation was also existent before capitalist production processes (Özbilgin & Woodward, 2003). Overall, dual market theory has brought some reasonable insight to gender-based segregation in the labor market, but it has not been adequate to fully explain it considering all the historical forms of segmentation.

As stated above, economic theories that assume gender neutrality in the decision making process are insufficient in arguing the causes of gender-based segregation in the labor market, let aside providing solutions to it. Nonetheless, if gender is added as an afterthought to an existing framework, it is not possible to arrive at a healthy conclusion. If the influences of social, political, cultural or historical formations of power relationships are disregarded when explaining the labor market decisions, the foundation of any theory that attempts to examine the phenomenon weakens. Of course, not all economic theories try to justify the gender-based segregation purely with demand or supply rationalizations. Several economists agree that the gender dimension of the labor market cannot be analyzed without considering the social, political, cultural or historical practices (Özbilgin & Woodward, 2003).

Social theories of labor market segmentation that take family to the core of their analyses can be categorized as the two roles theories. The aim of two roles theories is to explore the relationship between women's domestic and waged labor, and they suggest that there is a conflict between these roles (Özbilgin & Woodward, 2003). Before the introduction of the two roles theories, the link between women's domestic and waged labor was not at issue: women were seen as *naturally* wives and mothers, and men were seen as breadwinners (Warren & Walters, 1998, emphasis in original). Nevertheless, as women began to enter the labor market, research on the roles of women in the public and the private sphere has emerged. Earlier works on the two roles of women have proposed that once the tension between these spheres is resolved, then the conflict of roles would go away. In an attempt to perform both roles, women may fail to accomplish either of them; therefore these roles should be combined to form one harmonious whole (Yeandle, 1984). This assumes implicitly that women's primary role is to perform domestic labor and that men's primary role is to perform waged labor. Consequently, women's work is viewed as secondary to men's work, and if women are to undertake any work outside home, it would differ from that of men's (Warren & Walters, 1998). In this form, the two roles theory is in fact similar to the human capital theory: it actually praises occupational segregation rather than criticizing it while trying to provide an explanation.

In the seventies, the two roles theory has evolved into investigating the conflict that women were faced with while trying to maintain their domestic and labor market responsibilities. Before that, as said before, the theory was just suggesting that any waged work that women undertake should be in a nature that does not disturb the balance in the home. The later and more profound two roles theory has stressed that women experience more conflict or tension between their

two roles as their career aspirations get higher, yet the case is just the opposite for men: as their career aspirations get higher, men experience less conflict between their roles in the private and in the public sphere. The conflict that women face and their employment patterns were examined by the two roles theorists, but it was only after eighties that the existing family structures were criticized by the feminist literature. Feminist theories regarding the issue have compared men's experiences of role conflict with women's experiences. They have emphasized that equality between genders should be maintained both in the home and in the labor market, and that this would benefit the society as a whole as the existing framework of employment cannot address the changing needs both in the domestic and in the work environment (Özbilgin & Woodward, 2003).

Occupational segregation theory in its sociological form argues that occupations are diversified not only according to the skill or human capital levels they require, but also on the basis of personal attributes like age, race or sex. This kind of separation is in favor of the groups who possess higher authority or autonomy, and women's underrepresentation in the labor market causes the gendered occupational segregation. This theory argues that women tend to be employed in the lower-wage, lower-status jobs that are less technical or much more dependant. As the earlier two roles theories have suggested that women should combine their domestic and waged work to form one harmonious whole, occupational sex segregation theory have stressed that this perception of harmony is what creates the sexual segregation in the labor market. With the labeling of personal characteristics as being masculine or feminine, such characteristics are matched with the characteristics of occupations, therefore jobs are classified as being men's or women's jobs. In the earlier representation of women in the work life, they were mostly employed in occupations

that are similar to their domestic work in many aspects; such as being a nurse, home economist, tailor or nursery school teacher (Özbilgin & Woodward, 2003). Later, women began to find employment in a wider range of occupations, but still the matching of personal and job characteristics was in place. Occupational sex segregation theory have proposed that dualisms such as instrumentality-expressiveness, mind-body, hard-soft, being-doing define the roles that men and women have to play both in the home and in the labor market, and it is these dualisms that determines the traditional form of sexually segregated jobs. These dualisms may present a photographic image of any kind of segregation in the workplace; yet as Siltanen argues this approach can also be criticized in many ways. Among them the following can be counted: although the dualisms provide the image of gender at the workplace, they do not take into account the very processes that lead to these dualisms; they offer a limited comprehension of women's and men's employment experiences; they ignore the culture differences in the role formation of genders in the labor market; and most importantly they do not explain the wage differentials of men and women when they occupy the same position (as cited in Özbilgin & Woodward, 2003).

Political theories that try to picture gendered occupational segregation in the workplace provide a more dynamic scheme than the sociological theories. Political framework of the labor market is generally theorized around the organized activities of certain groups to control occupations or any other component of the labor market. Occupational closure theory seeks to present the mechanisms that shift the employment structures, the mechanisms that involve the efforts and actions of dominant and the subordinate groups. In the analysis of the occupational sex segregation in the labor market, the dominant group generally refers to men and the

subordinate group refers to women. This theory defines two types of strategies that the dominant group employs to maintain its authority over the subordinate group in the hierarchy: exclusionary and demarcationary strategies (Özbilgin & Woodward, 2003). Exclusionary strategies aim for intra-occupational control over the internal affairs of and access to the ranks associated with a particular occupational group. Such strategies are concerned with restricting access to the practices of the related occupation by exercising their power downwards. Demarcationary strategies aim for inter-occupational control over the affairs of a related or adjacent occupation (Witz, 2002), and it can be defined as professional imperialism (Özbilgin & Woodward, 2003). The strategies that are employed by the subordinate group to overcome exclusionary and demarcationary strategies are the inclusionary strategies and dual strategies of closure. Inclusion describes the upwards, offsetting exercise of power by the dominant group that is affected by the exclusionary strategies, and which aims for inclusion within the occupational group from which it is being excluded. Strategies of dual closure, on the other hand, do not aim for inclusion in the ranks of the occupational group implementing demarcation. They exercise upwards power by resisting to demarcation, but they also employ exclusionary closure in their turn to consolidate their own position (Witz, 2002).

Occupational closure theory provides a different framework than all other theories discussed above: it accounts for the processes women engage in to gain their occupational position within the labor market. Yet, it does not offer strategies that are able to eliminate – not just overcome – the closure strategies of the dominant group. Besides this, women sometimes choose to exit entirely from the occupation at issue, rejecting to apply counter-strategies; and occupational closure theory does not consider the exit strategy (Özbilgin & Woodward, 2003).

Besides all the theoretical frameworks, the state also creates occupational segregation by its dominant ideology. While it is bound with international laws and regulations to avoid discriminatory practices in the work place, actually these laws have little effect in eliminating occupational segregation in the labor market. The state carries gendered assumptions in its own policies and practices; the legislations on dangerous work for women can be given as an example of state-created occupational segregation (Özbilgin & Woodward, 2003).

All the theories above try to explain gender based occupational segregation in the labor market in their own philosophies. Older economic theories that are based on traditional established economic thought try to justify the segmentation as free decisions of economic agents. Social theories describe the bonds between social institutions and the labor market, and theorize on how these bonds create gendered occupational segregation in the work place. Political theories, on the other hand, present the processes through which men and women as occupational groups secure or fight for their occupational positions. Some theories try to rationalize gender based occupational segregation, and some criticize it; yet almost none offer routes for eliminating it.

The feminist ideology argues that all other theories take the mechanisms that create the sex segregation for granted, and it is these mechanisms that have to be analyzed to account for gender-based segregation in the labor markets. This ideology suggests that these mechanisms are not gender-neutral and the gender roles are socially constructed. Men are privileged over women in society as a result of the patriarchal structure, and this privilege also extends to the labor market where women have a lower status than men (Günlük-Şenesen, Pulhan, & Özar, 2000). Unlike many other theories and approaches presented above, the approaches that

account for the feminist ideology in fact suggest ways of ruling out horizontal and vertical segregation and gender based discrimination in the labor market.

Women's Employment in the World

Women have started to gain their place in the non-agricultural sector with the introduction of industrialization. Yet, their labor force participation rates were somewhat stable until the Second World War. However, during the war female labor participation rates increased considerably. This phenomenon can be explained in the following way: both women had no choice but to undertake waged labor outside home to maintain family income and companies needed to fill in the gap that is in place since primary earners were off at war. When the Second World War ended, some wartime women entrants of the labor force dropped back out, however the labor force participation rates of women still remained higher than the pre-war period. Therefore, Second World War can be deemed a turning point in women's labor force participation.

In the post-war era up to the seventies, trade between countries was mostly in complementary goods or between countries with similar labor rights. Thus, these countries had labor costs that were more or less the same (Standing, 1999). This period was in fact under the realm of Fordism. Fordism had spread all over the world and settled as the dominant production process after the Second World War. However, it was unable to cope with the rapid development of technology, and increasing volumes and new modes of trade. Fordist production processes rely on the production of standardized goods with standardized machinery. However, an efficiency fall in the Fordist process occurred in the late sixties due to the shift of

consumer demand from standardized to differentiated goods. As a consequence, there was a search for new organizations of production which can accord with the new trade structures (Özdamar et al., 2000).

From the seventies onward, labor rights in industrialized countries became to be considered as costs of production that should be avoided in the interest of increasing national competitiveness. The reason partly lies under the incipient industrialization of some developing countries (Standing, 1999), and partly lies under the change of organizations of production. New organizations of production required for flexible labor, therefore employers have started to employ fewer full-time workers and more part-time or temporary workers to be able to reduce labor costs associated with full-time employment. Since women's employment and their relations with the labor market have always displayed a flexible structure because of their need to sustain their roles in the domestic environment, women have started to play an important role in the new organizations of production. Therefore, women's labor force participation has shown a serious increase starting from seventies, both in the developing and in developed countries (Özdamar et al., 2000).

In the seventies and eighties, export-oriented industrialization has been an embraced strategy in most parts of the developing world (Özdamar et al., 2000). Expansion of the export-oriented sector is a consequence of structural adjustment programs. Export-oriented industries in developing countries tend to be feminized, because these industries are labor-intensive and require for low-skilled labor. With the initiation of structural adjustment policies, employers have favored women workers and have substituted women for men because of the pressure of global competition. It can then be said that trade reforms pull women into the labor market

because they are more flexible as stated above, and flexibility is a must to enhance competitiveness (Çağatay & Özler, 1995).

Structural adjustment programs call for the liberalization of the market for the elimination of the inefficiencies created by public intervention, therefore paving the way for the gradual application of privatization. Although in the short-run privatization brings about the feminization of labor due to the characteristics of female labor such as low pay, low skill, and flexibility as mentioned, it is usually accompanied by technological upgrading and causes low-skilled labor to be retrenched at some point. Therefore, what seems to be a positive outcome turns into a vicious circle for female labor (Günlük-Şenesen & Akduran, 2006). And although women are incorporated into the global economy as a source of cheap labor, they are still disadvantaged in the labor market in terms of wages, training, and occupational segregation. Industrial restructuring or privatization adversely affect women in the end, as they tend to be laid off first because they are mostly employed in the lower ranks of the occupational ladder, in low skill occupations, or in overstuffed administrative and clerical positions (Moghadam, 1999).

Restructuring in the production processes after the seventies has caused a rapid increase in informalization of jobs. Informalization is mostly characterized by irregular wages, lack or insufficiency of benefits and employment protection, and such. This form of employment is mostly associated with women workers – their irregular labor force participation, or flexibility so to speak, their readiness to work for low pay, and the jobs being static in nature which require no technical skills and status. Therefore, informalization of jobs fuels the increase of women's labor force participation throughout the world, mostly in the developing countries (Standing, 1999). Many women accept this kind of work as a convenient form of waged labor,

because this allows them to carry out domestic responsibilities and care for children (Moghadam, 1999).

Women's Employment in the World by Figures

Table 1 below presents some historical figures of labor force participation rates of women and men in different regions of the world separated by income levels.

Table 1. Labor Force Participation Rates by Income Level

REGION	Year	Female	Male	Year	Female	Male	Year	Female	Male
World	1980	55	86	1999	57	84	2007	58	83
High Income	1980	53	84	1999	62	81	2007	64	80
Middle Income	1980	56	87	1999	57	84	2007	56	83
Low Income	1980	56	86	1999	56	84	2007	58	84

Note: Figures in percentages.

Source: World Bank, n.d.

The figures in Table 1 illustrate that in a twenty-seven year span, female labor force participation rates has increased by three percent in the world as a whole. It is interesting to note that low-income countries have an increase in their female labor force participation rates coherent with the world in general. Middle-income countries display almost no increase, whereas the rise in the labor force participation rates of high-income countries, which is eleven percent, is quite substantial. Also, male and female labor force participation rates are the closest in high income countries.

Table 2 presents labor force participation rates of women and men in selected countries. Many of the countries have increased their female labor force participation rates when the rates for men are almost stable. A few of the female labor force participation rates show stability or slight decreases throughout the years, yet in this table it is noteworthy that Albania, Bulgaria and Ukraine show considerable falls in the labor force participation rates of women. When Bulgaria is considered, the fall is still as significant for men as it is for women.

Table 2. Labor Force Participation Rates in Selected Countries

COUNTRY	YEAR	Female	Male	YEAR	Female	Male	YEAR	Female	Male
Albania	1980	74	88	1999	56	77	2007	56	77
Argentina	1980	33	83	1999	51	82	2007	57	82
Belgium	1980	43	77	1999	56	73	2007	60	72
Bulgaria	1980	77	82	1999	56	64	2007	58	67
Canada	1980	57	86	1999	70	82	2007	75	83
China	1980	77	91	1999	80	88	2007	77	85
Germany	1980	51	84	1999	63	80	2007	69	81
Greece	1980	40	81	1999	51	78	2007	56	79
Iran, Islamic Rep.	1980	21	82	1999	29	75	2007	33	77
Japan	1980	52	84	1999	60	85	2007	61	84
Korea, Dem. Rep.	1980	49	81	1999	56	81	2007	63	82
Korea, Rep.	1980	45	77	1999	51	76	2007	54	76
Pakistan	1980	9	89	1999	16	86	2007	22	87
Saudi Arabia	1980	11	74	1999	17	82	2007	20	82
Mexico	1980	38	84	1999	41	86	2007	44	83
South Africa	1980	46	68	1999	48	64	2007	50	62
Sweden	1980	75	87	1999	75	80	2007	77	81
Turkey	1980	30	86	1999	31	79	2007	26	74
United States	1980	60	85	1999	70	84	2007	68	80
Ukraine	1980	72	80	1999	62	71	2007	64	72

Note: Figures in percentages.

Source: World Bank, n.d.

Lastly, Table 3 shows the share of women in the nonagricultural sector, both by income levels and for selected countries. As of 2006, Turkey is the sixth from the last in terms of the share of women in the nonagricultural sector when the whole world countries are considered where data is available.

Table 3. Share of Women in the Nonagricultural Sector, by Income Level and for Selected Countries

REGION / COUNTRY	YEAR		
	1991	1999	2006
World	35	38	...
High Income	44	45	46
Middle Income	33	36	...
Low Income	...	...	...
Albania	...	29	...
Argentina	37	42	45
Belgium	...	43	46
Bulgaria	...	52	52
Canada	48	48	50
China	38	39	...
Germany	43	45	47
Greece	35	39	42
Iran, Islamic Rep.	...	14	...
Japan	38	40	42
Korea, Rep.	38	39	42
Pakistan	8	8	11
Saudi Arabia	...	15	13
Mexico	36	36	39
South Africa	...	...	43
Sweden	51	50	50
Turkey	15	18	21
United States	47	48	47
Ukraine	...	53	55

Note: Figures as a percentage of total nonagricultural employment.

Source: World Bank, n.d.

Women's Employment in Turkey

Working-age population in Turkey is rising faster than the overall population.

However, the growth in employment has been far from matching the increase in the working-age population, and the female labor force participation rate in Turkey has been declining since fifties (Başlevent & Onaran, 2004). Table 4 below illustrates the change in female labor force participation rates for Turkey in general, and for urban and rural areas.

Table 4. Female Labor Force Participation Rate in Turkey, 1988-2006

YEAR	TURKEY	URBAN	RURAL
1988	34.3	17.7	50.7
1989	36.2	17.8	55.1
1990	34.2	17.1	52.0
1991	34.1	15.7	55.6
1992	32.7	17.0	52.0
1993	26.8	15.7	40.6
1994	31.3	17.4	49.0
1995	30.9	16.8	49.3
1996	30.6	16.0	49.8
1997	28.8	16.9	45.0
1998	29.3	16.8	46.9
1999	30.0	17.8	47.5
2000	26.6	17.2	40.2
2001	27.1	17.4	41.7
2002	27.9	19.1	41.4
2003	26.6	18.5	39.0
2004	25.4	18.3	36.7
2005	24.8	19.3	33.7
2006	24.9	19.9	33.0

Note: Figures in percentages. Age 15+.

Source: Turkstat, n.d.

Migration to urban areas is an important factor in explaining the decline. Women who had been accounted as unpaid family workers in the rural areas are recorded as nonparticipants after migration (Başlevent & Onaran, 2004). Migration for the members of lower socio-economic classes usually starts with men, who try to survive in the city both socially and economically, to bring their families to join them. Women face urban life conditions later than men, and they are forced to depend economically on the men (husbands, fathers, or any other relatives) who brought them to the city. Also, poorly educated women are unable to find adequate employment in the cities, and gender based segregation in unskilled jobs is even stronger than for highly skilled jobs (Özbilgin & Woodward, 2003).

In the early sixties, Turkey adopted the import substitution industrialization strategy to be applied as five-year plans. The first half of seventies was a successful era in terms of import substitution practices. However, due to the resulting high domestic demand, import dependency in especially intermediate inputs and energy increased. In the late seventies, Turkey abandoned the import substitution strategy. A structural adjustment program was initiated in 1980, and it centered around the liberalization of foreign trade and financial transactions. Low labor costs were seen as the key element for increasing the international competitiveness (Günlük-Şenesen & Akduran, 2006). In many of the developing countries that adopt export-oriented industrialization strategy, number of female workers has increased considerably, especially in the export sectors where low-wage labor is utilized. This process is named the feminization of the labor force, as stated before. Although the same industrialization strategy is adopted by Turkey, a similar feminization process cannot be observed by the data (Özdamar et al., 2000).

The reason for the feminization process being hard to assess in the Turkish labor market can be sought in the presence of informal employment. Small scale informal establishments that serve in labor-intensive export sectors mostly employ female labor, therefore it is likely that female labor force participation has increased in these sectors (Günlük-Şenesen & Akduran, 2006), but this participation remains invisible. In such a case, it becomes quite important to examine the informal sector to be able to understand female labor force participation patterns in Turkey. Household labor force surveys to keep the record of informal employment can be misleading because of participants' reluctance to reveal such information due to legal considerations (Başlevent & Onaran, 2004). Still, the percentages of the employees who do not have social security are presented below in Figure 1 to provide an idea of the size of the informal sector in Turkey.

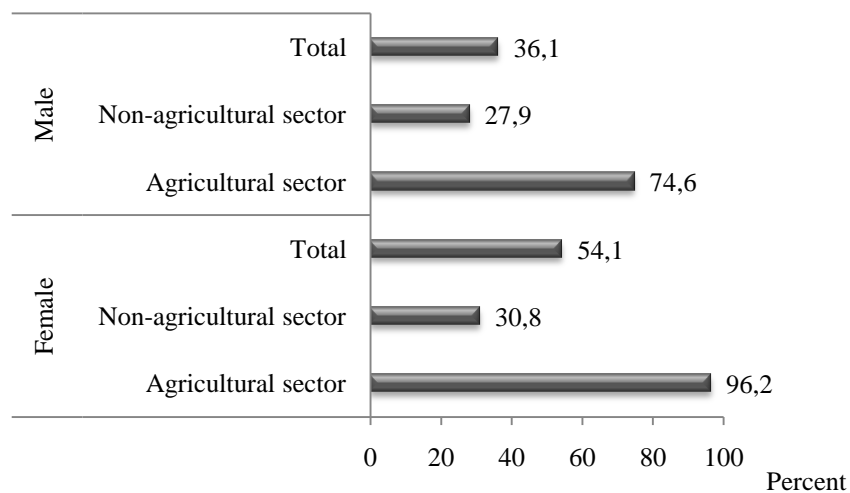


Figure 1. Informal employment in Turkey, February 2009.

Note: Age 15+.

Source: Turkstat, n.d.

Women in Turkey who are engaged in economic activity are overrepresented in the agricultural sector, and most of these women are unpaid family workers in rural areas. Women who are employed in urban areas mostly show in the services sector as a consequence of gender-based occupational segregation, as discussed in detail above. Women's employment in the services sector has been increasing continually, while their employment in the agricultural sector has been decreasing. This decrease is mostly a result of migration from rural to urban areas. Table 5 illustrates the number of women employed in Turkey broken down by sectors, and their share in total female employment between the years 2000 and 2006.

Table 5. Female Employment by Sector, 2000-2006

YEAR	AGRICULTURE		INDUSTRY		CONSTRUCTION		SERVICES	
	Employed	Share in Total	Employed	Share in Total	Employed	Share in Total	Employed	Share in Total
2000	3,508	60 %	730	13 %	33	1 %	1,529	26 %
2001	3,780	63 %	703	12 %	21	0 %	1,465	25 %
2002	3,674	60 %	817	13 %	23	0 %	1,607	26 %
2003	3,447	59 %	762	13 %	29	0 %	1,654	28 %
2004	3,299	57 %	786	14 %	26	0 %	1,657	29 %
2005	2,943	52 %	830	15 %	28	0 %	1,899	33 %
2006	2,816	48 %	836	14 %	36	1 %	2,122	37 %

Note: Employment in thousand persons. Age 15+.

Source: Turkstat, n.d.

Lastly, Table 6 below presents the figures for women who are not in the labor force, based on the reasons for not joining. In none of the years demonstrated does the share of women who state the reason of not looking for employment as being busy with household activities go below 68 percent.

Table 6. Number of Women by Reasons of Not Being in the Labor Force, 2000-2006

YEAR	Not in labor force	Not seeking a job, but available to start	Seasonal worker	Busy with household activities	Education/ Training	Retired	Disabled, old, or ill	Other
2000	17,108	429	339	12,339	1,144	443	1,359	1,055
2001	17,318	366	413	12,363	1,199	454	1,393	1,129
2002	17,455	364	443	12,211	1,260	541	1,505	1,132
2003	18,098	322	479	12,578	1,399	584	1,546	1,191
2004	18,763	590	321	13,301	1,347	490	1,708	1,004
2005	19,264	912	380	13,025	1,441	512	1,905	1,089
2006	19,588	1,105	310	12,780	1,560	575	2,035	1,225

Note: Employment in thousand persons. Age 15+.

Source: Turkstat, n.d.

Women's employment in Turkey is a crucial issue that needs to be handled more seriously than it is now. An increase in the labor force participation of women does not necessarily reflect an increase in the quality of working conditions. The figures demonstrate that female labor force participation is as low as one fourth of the civilian female working-age population. One should be very careful though, in trying to explain the female employment patterns in Turkey. Informal employment is unfortunately a huge and an inseparable part of the labor market and this sector mostly employs women, as flexible labor is a requisite for the informal sector and women supply more flexibility than men. This thesis does not delve into the specific problems that women face in the informal sector such as lack of social security, overtime working, low wages, and such. Yet the issues regarding female employment in the banking sector will be addressed in the next chapter.

CHAPTER 3

WOMEN'S EMPLOYMENT IN THE TURKISH BANKING SECTOR

An Overview of the Sector

Today, the banking sector in Turkey is a strategic one for the intersectoral relations network (Özdamar et al., 2000). In their study prepared for BAT, Keskin and Alparslan (2000) explain how the Turkish banking sector has become to be the key sector for the industrial relations. Until 1980, the Turkish economy was a closed, planned economy where financial institutions were not very strong due to lack of international competency. The state was dominant in many areas of the economy. High intermediation costs and price controls characterized the financial system in Turkey, and modern financial instruments were not in place.

An economic stabilization and structural adjustment program was put into effect in 1980, which included financial liberalization and deregulation of financial markets. The effect of this change was the structural transformation of the banking sector. One of the purposes of the deregulation was to improve the operational efficiency of the financial system. Another aim was to promote capital markets; therefore the Capital Market Board was established. The reforms led to a rise in foreign trade relations. The liberalization of capital movements caused the amount of sources coming from abroad to increase significantly. With the increase of the foreign trade volume, financing of such trade activities increased. The rapid growth of foreign trade activities also caused the rapid growth of the banking sector in general.

A major progress of the structural change was the relaxing of entry barriers to the banking sector. This resulted in an increase in the number of banks in the system. Both new domestic banks were established and more foreign banks were able to find a place in the Turkish banking sector. Thus the financial reforms during eighties, accompanied with the traditionally important position of the Turkish banking system in the financial services sector, resulted in the dramatic growth in the Turkish banking sector. The increase in the number of banks was a trigger for more intense competition within the system. The entrance of the foreign banks into the Turkish banking system in the early eighties initiated the modernization of the procedures applied in domestic banks. The banking system quickly shifted from manual methods to computerized systems.

The structural reforms also led to a rise of the demand for financial services. Together with the increased competition within the system, this increased demand resulted in the offering of new products and services. The scale of the professional services was extended beyond traditional markets. As stated before, banks started to engage actively in capital market transactions. Credit cards and consumer credits were launched and they were quickly expanded due to high demand. In the nineties, the technologic infrastructure has advanced even more. The number of automated teller machines grew rapidly, online banking services were introduced and were developed continually to increase customer satisfaction and to lower the workload in the branches. Therefore, the Turkish banking sector experienced a structural change and a significant sectoral expansion visible both in the increase of the number of banks and in the extent of new products and services.

Basic Structure

There are 45 banks operating in the Turkish banking sector as of 2008. The banks in the sector have been categorized into two; commercial banks and investment and development banks. Commercial banks provide traditional depository and lending services, offer capital market services, and finance foreign trade activities.

Investment and development banks can provide any banking service other than accepting deposits. Table 7 below shows the historical evolution of the number of banks within the Turkish banking system. As stated before, the positive atmosphere provided by the financial reforms encouraged many foreign banks to enter the Turkish market. After 1980, there has been a rapid increase in the number of both private-owned and foreign banks. However, the restructuring program implemented in 2001 following the economic crisis resulted in a decrease in the number of banks.

Table 7. Number of Banks in the Turkish Banking Sector

	1970	1980	1990	1999	2008
Commercial banks					
State-owned	12	12	8	4	3
Private-owned	27	24	25	31	11
Banks under SDIF	...	...	...	8	1
Foreign	5	4	23	19	17
Investment and Development Banks	2	3	10	19	13
TOTAL	46	43	66	81	45

Source: BAT, n.d.; Keskin & Alparslan, 2000

The commercial banks category consists of three main subcategories, which are state-owned, private-owned, and foreign banks. State-owned banks are given specific duties by the state for the subsidization of some sectors. Private-owned banks are mostly owned by wealthy families or industrial groups, performing all kinds of banking activities. Foreign banks operate either with a branch or founded in Turkey, and they operate under the same regulations with the domestic banks in the sector. There is a fourth subcategory, banks under the control of Savings Deposit Insurance Fund (SDIF), and it appears under the commercial banks category since 1999. A total of 17 banks have appeared within this subcategory, although there are more banks transferred to SDIF. Some of the banks transferred to SDIF are merged with other banks, some are liquidated, and some are sold. As of 2008, there is only one bank left in this subcategory,¹ which is determined as a bridge bank to carry out the function of asset management of the banks transferred to SDIF.

Total Assets and Branches

Total assets in the banking sector grew from 23 billion USD in 1988 to 464 billion USD in 2008, and these assets comprise 78 percent of the GDP as of 2008. The first 5 banks out of 45 account for 62 percent of sector in terms of total assets in 2008. The growth of assets comes to a halt in times of economic crises in 1994, in 2001, and in 2008; visible from Figure 2.

¹ This one bank is Bayındırbank, whose name was changed as Birleşik Fon Bankası (Fonbank) in 2005.

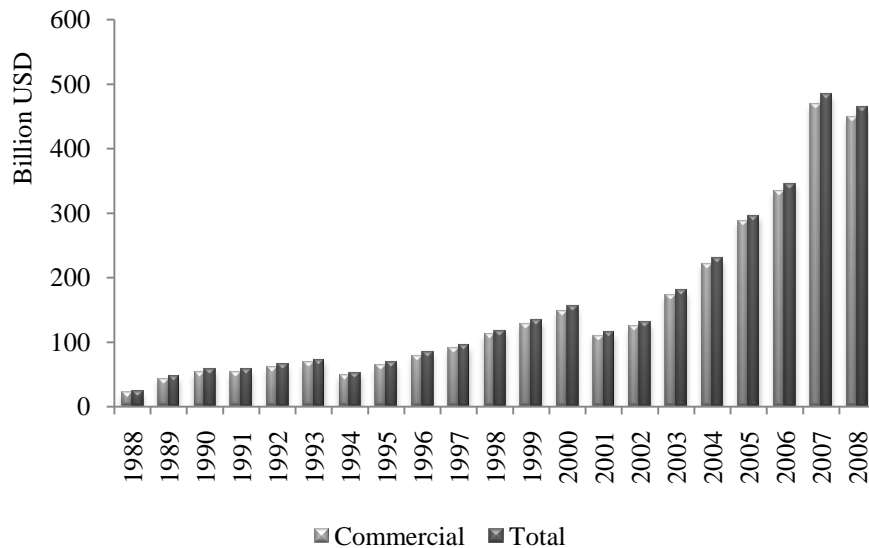


Figure 2. Total assets of the Turkish banking sector, 1988-2008.

Source: BAT, n.d.

The three state-owned banks within the banking system own a rather high amount of assets when it is considered there is a total of 45 banks in the sector. As of 2008, the state-owned banks hold 30 percent of total assets. The numbers are 52 percent for the 11 private-owned banks and 15 percent for the 17 foreign banks. Historically, state-owned banks used to hold more assets; however, the size of these banks in the sector keeps shrinking both in number and in terms of their share in total assets. These banks used to hold 44 percent of assets in 1986, 40 percent in 1994, and 35 percent in 1999. The restructuring efforts in 2001 also contributed to the downsizing of the state-owned banks. Figure 3 exhibits the relative shares of the three subcategories of the commercial banks in terms of total assets.

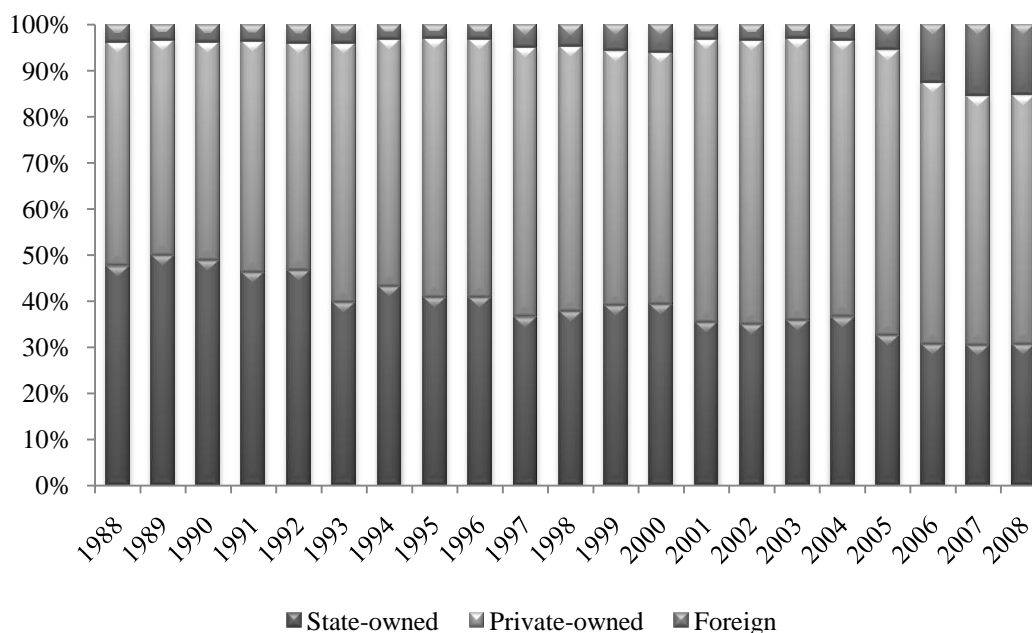


Figure 3. Contribution of the three subcategories of commercial banks to total assets, 1988-2008.

Source: BAT, n.d.

It can also be observed from Figure 3 that the foreign banks in the sector used to hold around 4 percent of total assets within the presented subcategories between 1988 and 2005 until a jump of 7 percentage points has occurred in 2006. The reason of this jump is the acquisition of majority shares of Finansbank and Denizbank by foreign investors; hence the subcategory switch of these two banks which were at the 8th and 10th ranks of the total assets ranking out of the 46 banks in the sector in 2006.

The commercial banks in Turkey have a total of 8741 branches as of 2008. On average, a state-owned bank has 805, a private-owned bank has 390, and a foreign bank has 120 branches. As it is the case with total assets in the sector, the total number of branches falls in times of crises, as can be seen from Figure 4.

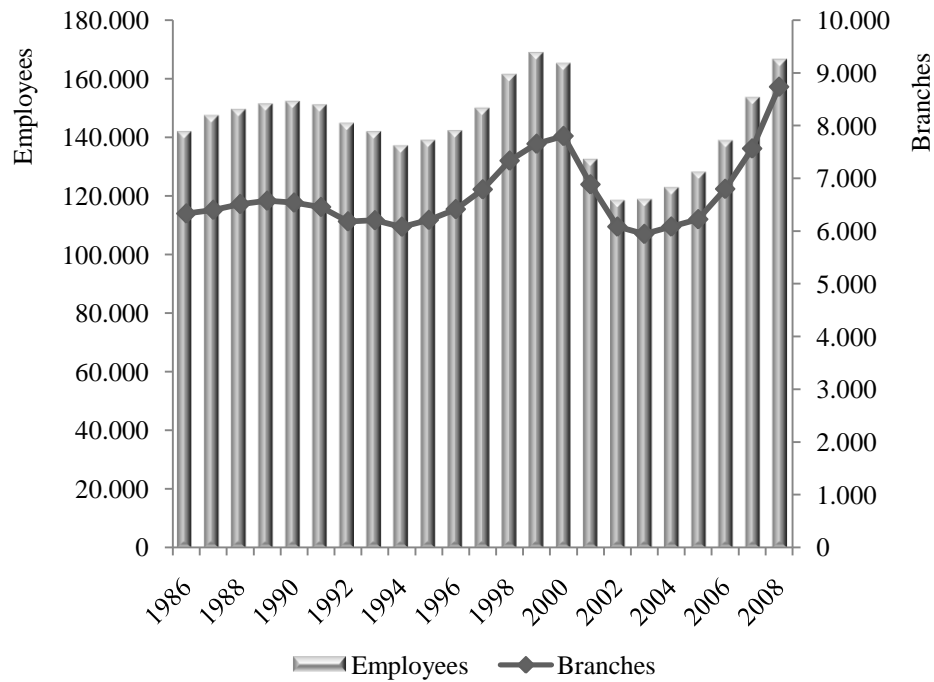


Figure 4. Branches and employees of the commercial banks in Turkey, 1986-2008.

Source: BAT, n.d.

Before the crisis in 1994 the number of branches was steady, 1994 being the lowest level since 1986. However, the number of branches began to increase rapidly after 1994, and the increase continued till 2000. The rise in this period can be linked to the increase in the number of banks in the sector, as well as to the widening of the market shares of small-sized banks. Once again, the number of branches declined in the crisis in 2000, and this decline continued until 2003 because the restructuring plan included the take-over of the non-performing banks and the downsizing of the state-owned banks. After 2003, the number of branches started to rise again, reaching its highest level in 2008 throughout the period of analysis.

Total Employment and Educational Breakdown

Figure 4 also shows the total employment in the sector. Employment data is gathered from the annuals of BAT because the Household Labor Force Survey of Turkstat provides the employment data for the finance, insurance, real estate and business services, but does not provide such data specifically for the banking sector. As of 2008, there are 166,375 employees in the commercial banks category of the Turkish banking system. Only in 1999 is the number of employees higher than the 2008 figures, being 168,558. However, it should be noted that there were a total of 81 banks in 1999. The number of employees per branch begins to fall more considerably starting in 2000, and the lowest of this ratio is in 2008 throughout the period of concern. The reason for such a fall can be sought in technological development. The increased use and capacity of automated teller machines, telephone banking, and internet banking channels lead to lesser demand for branch personnel, therefore lowering the employee per branch ratio. Thus, future growth of the sector is unlikely to be reflected in the employment in the Turkish banking sector. The rises and falls in the total employment figures go hand in hand with the total number of branches as expected. During times of economic crises, employment falls significantly. Total employment in 1994 attains the lowest value between the years 1986 and 1999, and it falls again when 2000-2001 crisis hits the sector. Combined with the effects of the restructuring program, total employment begins to recover only after 2003.

Employment patterns in terms of education have also changed a great deal since 1986. Figure 5 presents the share of each educational group in total

employment.^{2,3} In 1986, the share of employees with primary education was 14 percent and the share of employees with university education was 16 percent. The largest share in terms of educational groups used to belong to middle and high school graduates, with 70 percent. Today, the situation has been reversed in favor of university graduates: employees with university education constitute 70 percent of all employees, the share of employees with middle and high school education has fallen to 25 percent, and the share of employees with primary education has fallen to 1 percent. It is striking that primary school and university graduates were almost at the same level in 1986, and they became tragically apart throughout the years.

Figure 6 presents the comparison of state-owned, private-owned and foreign banks in terms of the share of educational groups in total employment for 2008. One can conclude that the educational level of state-owned banks is mediocre when compared to private-owned and foreign banks. However, to be able to evaluate the information provided by the educational distribution properly, one needs to consider two more things which are in fact interrelated: age patterns and employee turnover rates within a bank. It is obvious that more and more people are getting university education in Turkey; therefore the supply of employees with university education is increasing. Along with other changing circumstances regarding recruitment practices of banks, which will be discussed in the forthcoming section, employees who are hired more recently throughout the years of concern have higher education in general

² The figures in 1998 for employees with university education and for employees with postgraduate education are found to be erroneous. BAT was contacted regarding the issue, and they have told that Emlak Bankası, YapıKredi, and Koçbank had declared incorrect data. They however have expressed that retroactive correction of data is not possible if the bank(s) which had declared incorrect data has/have undergone merger or liquidation processes. In such cases, the accurate figures become unavailable. Therefore the relevant figures are left in this thesis as the way they were announced by BAT.

³ Citibank and Egebank are excluded for the year 2001 from this figure and the other relevant figures because these two banks had failed to provide the educational breakdown of employees therein.

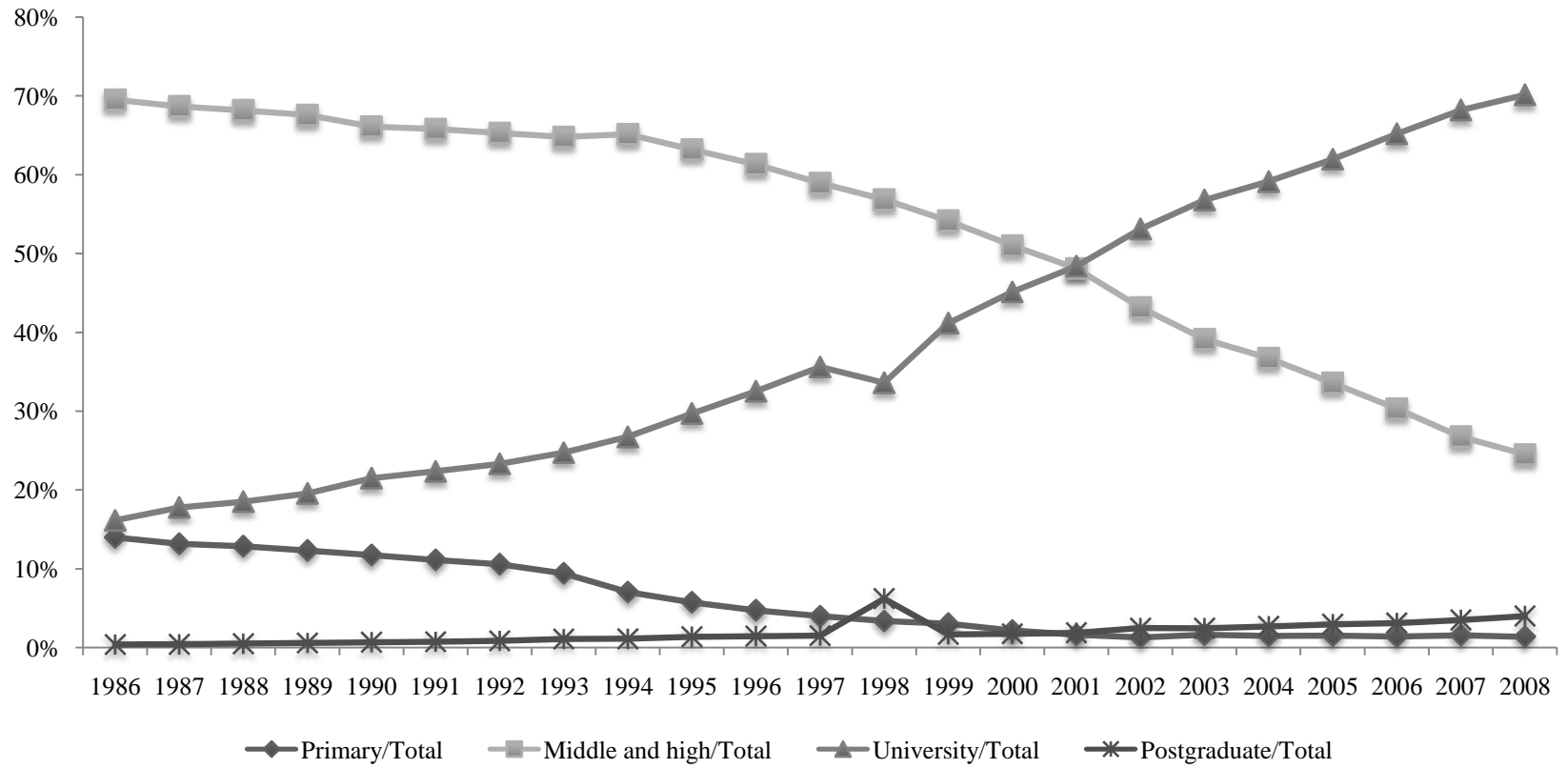


Figure 5. Share of each educational group in total employment in commercial banks, 1986-2008.

Source: BAT, n.d.

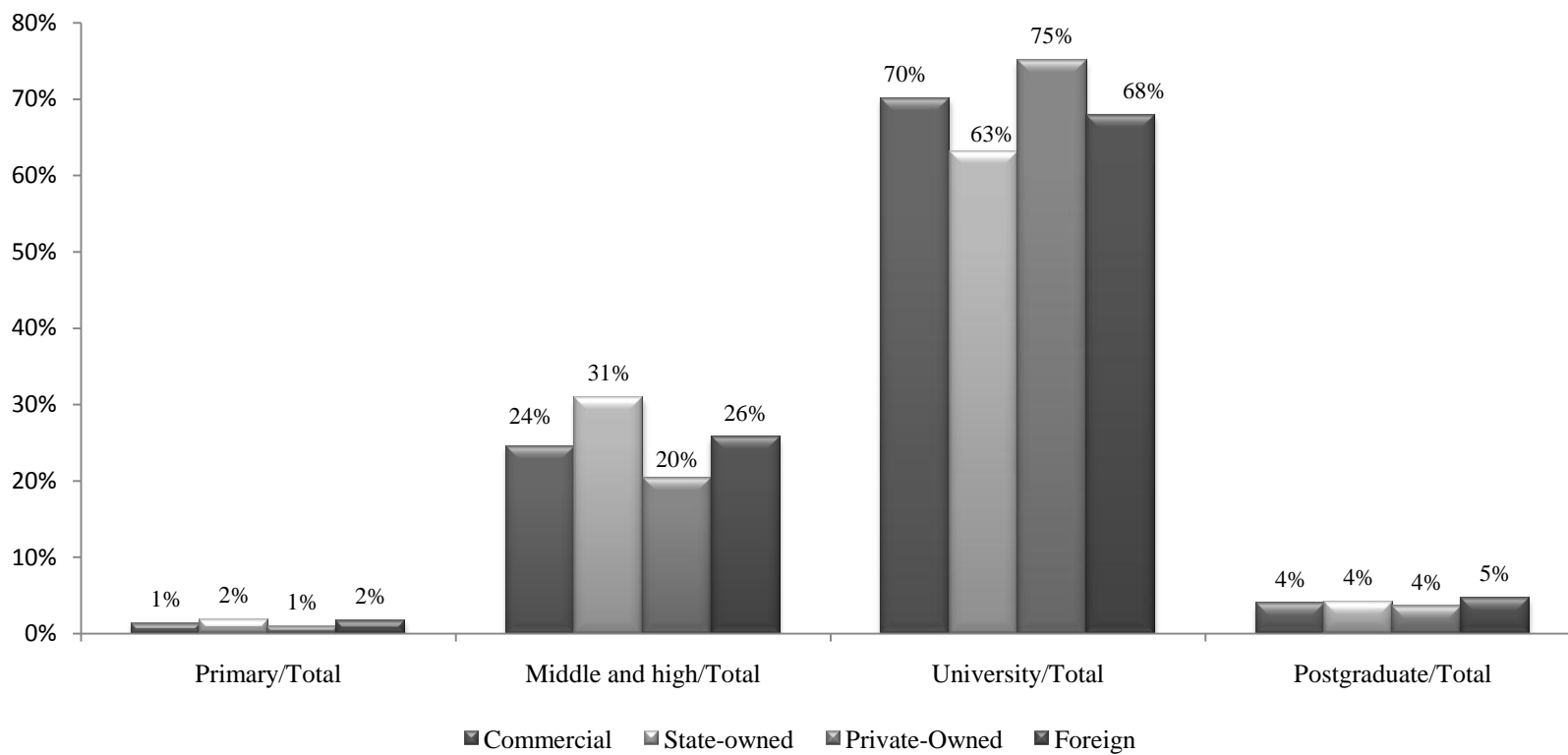


Figure 6. Comparison of the subcategories of commercial banks in terms of the share of educational groups in total employment, 2008.

Source: BAT, n.d.

than the employees who have more tenure. Thus, if a bank has a lower employee turnover rate resulting from the high concentration of older employees, this would certainly lead to a lower educational level for a bank. The reason for state-owned banks' having a lower employee turnover rate may be sought in the higher perception of job security, in the mismanagement of human resources, and in many other things. Of course, there is also the possibility that the state-owned banks recruit people with lower educational level when compared to other commercial banks in the sector. The point here is that one also needs to take into account the employee turnover rates and age patterns statistics to come to a conclusion. The next section will cover the employment in the Turkish banking sector in more detail, the emphasis being on women's employment in the sector.

Women's Employment in the Sector

As of October 2007, total employment in the services sector make up 64 percent of total non-agricultural employment in Turkey. This ratio is 6 percent for finance, insurance, real estate and business services, which is a subcategory of the services sector. The Turkish banking sector belongs to this subcategory, and it comprises one percent of the total non-agricultural employment. Table 8 presents the share of women in the non-agricultural, in the services, in the finance, insurance, real estate and business services, and in the banking sectors in Turkey. The figures for the non-agricultural sector are quite low; women's share in this sector has only increased from 13 percent in 1988 to 18 percent in 2006.

Table 8. Share of Women in Selected Sectors in Turkey, 1986-2008

YEAR	Non-agricultural Sector	Services Sector	Finance, Insurance, Real Estate Sectors	Banking Sector
1986	-	-	-	32.9
1987	-	-	-	32.5
1988	12.8	13.2	24.1	33.4
1989	13.8	14.1	26.1	33.5
1990	13.4	13.4	28.4	35.0
1991	13.3	13.7	27.3	35.5
1992	15.0	14.7	29.0	35.6
1993	14.0	14.3	24.8	35.8
1994	14.8	15.6	28.4	35.9
1995	14.7	15.9	29.5	37.2
1996	14.3	15.4	28.8	38.2
1997	15.1	16.3	28.8	39.7
1998	15.4	16.8	31.3	40.8
1999	16.1	17.2	30.1	41.7
2000	16.6	17.7	31.2	41.7
2001	16.3	17.1	27.8	41.4
2002	17.6	17.9	27.5	44.4
2003	17.5	18.0	26.2	45.3
2004	17.1	17.7	27.5	46.5
2005	17.7	18.8	26.8	47.6
2006	18.4	20.1	27.3	48.2
2007	-	-	-	49.3
2008	-	-	-	50.0

Note: Figures in percentages. Age 15+.

Source: BAT, n.d.; Turkstat, n.d.

The figures are not too different for the services sector, either. Although 72 percent of the women employed in the non-agricultural sector are in the services sector, the share of women in services is still very low. The reason is of course the huge difference between the labor force participation rates of women and men. Finance, insurance, real estate and business services are in a bit better condition than the services sector in general; yet one cannot talk about a steady growth of women's

share within this subcategory of services. The banking sector; however, is an exceptional sector in terms of women's employment. As Table 8 shows, women's employment in this sector is easily above the average of services sector, and as Figure 7 illustrates, the sector has become highly feminized through the years 1986 to 2008. Women's employment in the sector has come to the level of 50 percent, which means that equity of genders in terms of number of people employed is managed in the sector. The feminization trend is accelerated after 1994, it is broken in 2000-2001, and is accelerated again after 2001. The effects of economic crises on this trend will be examined in the next chapter.

The Turkish banking sector has a peculiarity that separates it from many other sectors in Turkey: there is no informal employment in the sector. The employment data, as well as all kinds of data related with the sector is documented to BAT every year by each individual bank, which are in turn published in the annuals of BAT under the name "Banks in Turkey" (Özdamar et al., 2000). The absence of informality may as well be a reason as for the higher share of women in the sector, since there are many sectors with a high degree of informality which mostly employ women because of their supply of "flexible" employment schemes, as also argued before. Therefore, it is possible that there are other sectors in Turkey similar to the banking sector with respect to the share of women in employment, but it is not visible in the data because of informality.

There are of course other lines of occupations where women exhibit relatively high shares in employment, some even higher than the banking sector, and these shares are visible in the official data. But such a situation is mostly due to occupational segregation; those women typically occupy "women's jobs". The

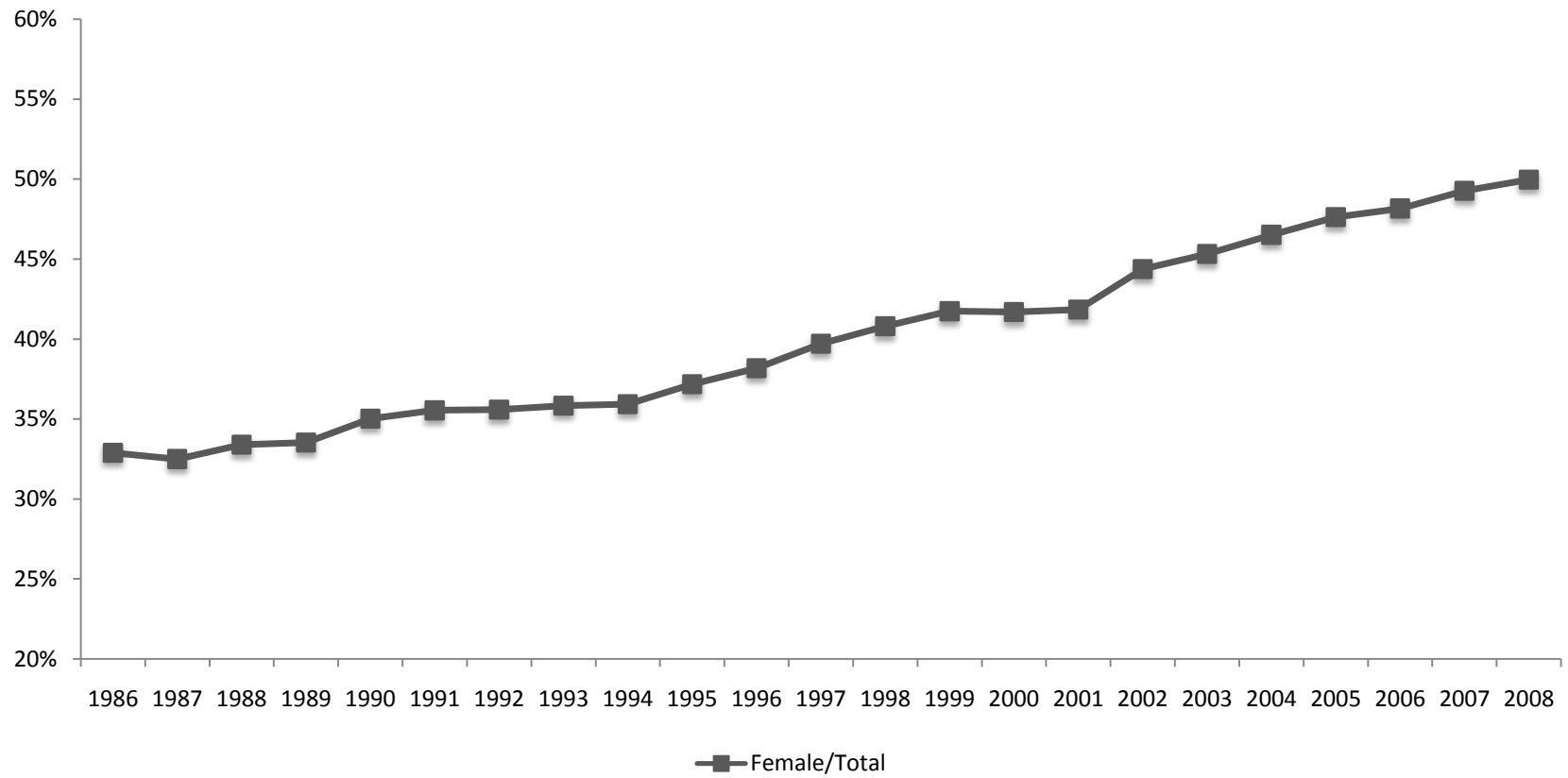


Figure 7. The share of women in total employment, commercial banks, 1986-2008.

Source: BAT, n.d.

banking sector, however, has a different structure. As Günlük-Şenesen and Özar (2001) argue, the characteristics of the jobs performed in the sector are similar. Except for the unskilled personnel, who constitute a small proportion of total employment in the banking sector, the quality of the works that employees carry out does not differ very much both in terms of educational attainment and in terms of physical effort required.

Horizontal Segregation

Although the banking sector has a structure whereby the quality of the jobs performed are similar, there is still horizontal occupational segregation visible in the sector even though it is less than many other sectors in Turkey. Such data to support this argument is not officially provided either by BAT or by Turkstat specifically for the banking sector, but the “Turkish Capital Markets Report” published annually by the Association of Capital Market Intermediary Institutions of Turkey (ACMIIT) presents the departmental breakdown of genders for the intermediary institutions, which provides an insight.

Figure 8 exhibits the aforementioned data for 2008. As the figure illustrates, women’s share is the highest in human resources department, with 78 percent, the next highest share being in treasury department with 51 percent. Women’s share in domestic and international sales, branches, agencies, representative offices, and financial and administrative affairs range from 42 to 47 percent; and their share in dealers and brokers, internal audit, corporate finance, and research departments range from 36 to 39 percent. The shares of women are the lowest in portfolio management and IT departments; in portfolio management being 23 percent and in IT being 11

percent. The data provided by ACMIIT is not surprising: “men’s jobs, women’s jobs” dichotomy shows itself in the departmental breakdown of genders. Human resources department is always perceived as more social, therefore more feminine; while IT department is viewed as more technical, therefore more masculine. Yet, except for the top and the bottom departments in terms of women’s share, the horizontal occupational segregation is not as sharp as many other sectors in Turkey.

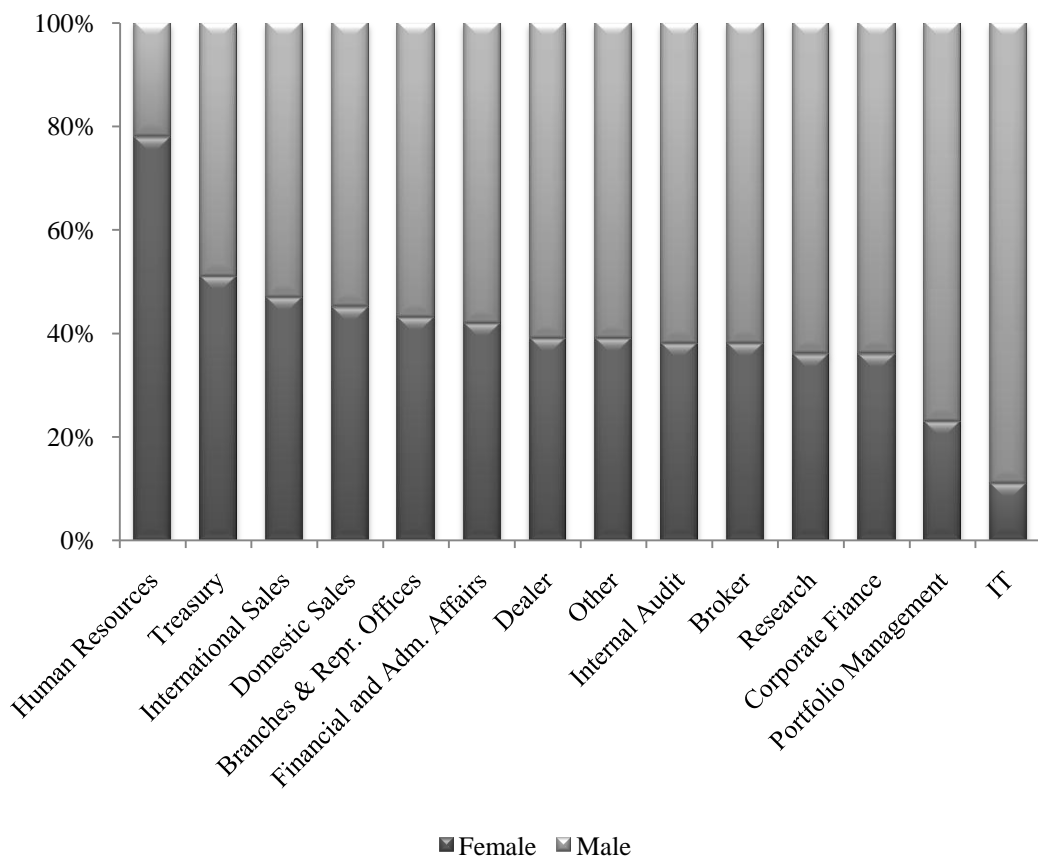


Figure 8. Departmental breakdown by gender in the intermediary institutions in Turkey, 2008.

Source: ACMIIT, n.d.

The data provided by ACMIIT does not identify call centers as separate departments. The call center industry is renowned for offering jobs for women because of its so-called flexibility and suitability for them, since it requires direct contact with customers, a requisite which women are believed to accomplish better than men. The same also goes for the call centers of the banking sector; female employees constitute a great part of the banks' call centers. BAT has started to publish call center statistics of banks on a quarterly basis since 2008, and these statistics include 22 of the 45 banks in the system.⁴ The people employed in the call centers of these banks amount to 5,506 as of December 2008, therefore this should be considered a solid statistic to display along with the other departments of banks. Of these 5,506 call center employees, 73 percent is women. 22 percent of these employees have high school education, and 78 percent has college or university education. According to the statistics sent by the banks, only 4 percent of these employees work as part-time customer representatives. Therefore most of these employees, where an overwhelming majority is women, are overqualified for their jobs.

Banking as a "Female" Sector

With the light of the information provided above regarding the departmental breakdown of genders, a way to understand the high share of women in the banking sector can be sought in the rationale behind why women prefer to work in and/or are preferred by the banking sector. Most of the jobs performed in the sector are characterized as "suitable for women" (Günlük-Şenesen et al., 2000, p.44), except

⁴ The 22 banks which have provided their call center statistics are; Akbank, Anadolubank, BankPozitif, Fonbank, Citibank, Denizbank, Finans Bank, Fortis Bank, HSBC Bank, ING Bank, Millennium Bank, Société Générale, Şekerbank, Tekstilbank, TEB, Ziraat Bankası, Garantibank, Halkbank, İşbank, Sınai Kalkınma Bankası, Vakıfbank, and YapıKredi.

for some of the jobs in which low-skilled personnel are employed, such as security guards. This argument of suitability for women is by and large shaped by the dominant discourse and traditional view of gender identities. The work environment in the banking sector is defined by most bank managers as monotonous, the organizational structure as authoritarian, and career advancement possibilities as limited (Günlük-Şenesen & Özar, 2001). Since women are habitually known to be more patient, tolerant, and perseverant, it is assumed that they are not disturbed by the monotony of the workplace as much as men do; their obedient and submissive temperament causes less problems in an authoritarian structure of organization; and their lack of career-related ambitions because of their necessity to preserve the balance between home and work makes banking suitable for them where vertical progress is not very easy. Other clichéd thoughts about women's characteristics that go with the banking sector include their being diligent, time-conscious, less union-minded, less involved in frauds, and not shirking responsibilities (Gothoskar, 1995; Günlük-Şenesen & Özar, 2001).

There are also stereotypical views about gender-based horizontal segregation of the banking sector. Women are perceived to be more talented for organizational work, explaining their population in departments such as human resources. Also, such departments do not usually require technical training. It is assumed that women avoid or do not prefer to receive technical training, therefore they do not choose to work in departments which require so. It is also argued that women employees are preferred in the departments or lines of work that require direct relations with customers because women better reflect a bank's image, they are more sincere, and provide better customer service because they are more sociable than men (Özdamar et al., 2000; Gothoskar, 1995; Günlük-Şenesen & Özar, 2001).

Seyman argues that the financial services sector in Turkey is a female-dominated one (though women constituted 29 percent of the sector at the time), and she suggests that the reason for this domination is that the financial services sector is considered to be providing better than average, secure, and prestigious career opportunities for women (as cited in Çulpan, Marzotto, & Demir, 2007; Özbilgin, 2000; Özbilgin & Woodward, 2003). One similar argument to Seyman's proposes that women prefer to work in the banking sector if they wish to preserve a better balance between their domestic and labor market responsibilities because the jobs in the sector are perceived to offer higher stability, a more secure working environment, less obligations to travel, and more regular working hours than many other sectors (Vij, n.d.). For such reasons, women are encouraged to apply for jobs in the banking sector, and the financial sector in general, as these kind of "sterile" professions are regarded as morally acceptable and appropriate for educated women (Özbilgin & Woodward, 2003).

Çulpan et al. (2007) identify the push and pull factors for women to the banking sector in Turkey. They argue that Turkey's economic growth in recent years has made it an attraction for foreign capital and the resulting expansion especially in the financial services sector has been a pull factor for educated Turkish women. There are similar arguments in the literature that consider economic expansion and/or globalization as a pull factor for women to the banking sector. For example Gray, Kittilson, and Sandholtz (2006) suggest that when a sector is more open to international influences, outcomes for women in that sector tend to improve. Özbilgin, Tatlı, and Küskü (2005) similarly assert that banking organizations have been forced to adopt secular and global policies in their recruitment practices which have resulted in a steady increase in the ratio of women in the banking sector.

Another study by Ashenfelter and Hannan (1986) finds that as competition increases in the banking sector, so does women's employment.

Occupational Segregation and Education

It has been argued before that educational levels scheme of the banks in Turkey has been improving. This improvement is more outstanding for female employees, and Çulpan et al. (2007) claim that increasing educational attainment of women in Turkey is a push factor for them to the banking sector. Of course there lies the question of why this push factor does not work for other sectors in Turkey as much as it does for the banking sector. One of the arguments was presented above; well-educated women in Turkey prefer jobs in the banking sector for the sector is considered secure, stable, and prestigious. Another reason is that while well-educated women prefer jobs in the sector, men who have similar educational attainments choose jobs which are perceived as more challenging, satisfactory, offering higher salaries, and which have more opportunities for career advancement (Gothoskar, 1995), in other words such men go for "men's jobs". Özdamar points out a similar opinion that while women prefer the banking sector regardless of the availability of future opportunities, men do so only if they anticipate being an executive (as cited in Günlük-Şenesen & Özar, 2001; Günlük-Şenesen et al., 2000).

Many of the interviews conducted by Günlük-Şenesen and Özar (2001) with the upper-level executives of human resources departments of the banks sampled reveal that the main attribute expected from potential employees is not knowledge of banking, but rather a solid cultural formation and a sound intellectual ability since training programs are continually offered specific to the jobs performed. Therefore,

high school graduates and university graduates from diverse disciplines are employed in the sector. However, the share of high school graduates keep shrinking very rapidly as can be seen from Figure 5, because the pool of university graduates who are willing to work in the banking sector gets larger and larger due to the sector's prestige. It has also been argued by Todaro that minimal educational requirements rise due to excess number of well-educated applicants (as cited in Günlük-Şenesen & Özar, 2001). Huws, Hurstfield, and Holtmaat classifies the banking sector employees in two broad categories: they state that the banking sector employs a core of secure, multi-skilled workers and a periphery of marginal, usually single-skilled workers (as cited in Gothoskar, 1995). These core employees include executives in a bank, namely top and mid management; and the periphery employees are meant to include skilled and unskilled personnel. However, the skilled personnel in the periphery are now mostly university graduates and multi-skilled, yet they perform jobs that require a single skill because of the increasing educational requirements.

Vertical Segregation

Many studies show that the majority of women in the banking sector are employed as skilled periphery workers, such as tellers, cashiers, and such. For example, the research conducted by Günlük-Şenesen et al. (2000) shows that 82 percent of all female employees were skilled personnel, whereas 58 percent of all male employees were. Woodward and Özbilgin (1999) suggest that women occupy positions at lower levels of the job hierarchy disproportionate to their contribution to the workforce of the banking sector, and consistently a much higher proportion of women work in the

branches than in the more prestigious head offices. Similarly, Çulpan et al. (2007) show that women are overrepresented in the entry level posts, where the female to total ratio easily exceeds 50 percent.

The high representation of female employees in the lowest rungs of the job hierarchy does not show itself in the top management level. According to information gathered from BAT, there are a total of 510 top executives in the commercial banks as of July 2009. Of these 510, only 79 are women, in other words only 15 percent is women. It is important to note that this ratio is 6 percent for the state-owned, 12 percent for the private-owned, and 21 percent for the foreign banks in Turkey. There are a few number of researches made on the gender-based vertical segregation of the Turkish banking sector, some to also include the insurance sector. One of the analytical studies is done by Kabasakal, Boyacıgiller, and Erden (1994) with a sample of 37 banks (53 percent of the sector) and 27 insurance companies (54 percent of the sector). They have found that although women constituted 43 percent of the employees in the companies included in their study, only 3 percent of the top management and 26 percent of the middle management were women. An interesting finding of the study is that only 2 percent of the top women managers were in the departments that were old and well-established. Another research conducted by Nasır in 1997 have revealed that only 7 percent of the female employees were in top management, the percentage of female employees who did not have any subordinates were 66, and the percentage of female employees whose subordinates did not have any subordinates were 88 (as cited in Tüllük, 2006). Günlük-Şenesen and Özar (2001) have found that for the 16 private banks included in their study, the percentage of women in top executives were 18 percent, and the percentage of women in skilled personnel were 50 percent when the percentage of women in all

banking jobs constituted 41 percent for the banks in their sample. Yet another and the most recent study by Çulpan et al. (2007), which uses a sample of 12 banks (48 percent of the banking sector in terms of total employment), find that 11 percent of top management consisted of women employees, the ratio falls to 4 percent for the state-owned banks and rises to 18 percent for the foreign banks.

Günlük-Şenesen and Özar (2001) have calculated the Occupational Segregation Index (OSI) to quantify for the sex-based vertical segregation in the banking sector.⁵ In their study, OSI is described as the percentage of total employees who have to reshuffle to attain the ideal value. The ideal case being an OSI value of zero (meaning there exists no vertical segregation), they have found that the OSI equals 26 for the 16 private banks in their study, ranging between 17 and 48 for the individual banks. They argue that the OSI calculated for the banking sector is relatively low when compared to the OSI values of textiles and tourism sectors, which are 46 and 42 respectively. Theories such as the human capital theory assert that when women and men have the same amount of human capital for each occupational category, either vertical or horizontal, gender-based segregation should cease to exist. This means that in such a case, OSI should equal zero. Therefore, it is important to evaluate the OSI along with human capital characteristics, for which educational attainments of female and male employees can be regarded as indicators. Figures 9 and 10 exhibit the educational characteristics of female employees in the commercial banks in Turkey.

Figure 9 presents the share of women in each educational group in the commercial banks. Primary school graduates can be regarded as the unskilled personnel with minor exceptions, therefore the figure points out the fact that female

⁵ For the calculation and interpretation of the Occupational Segregation Index, see Günlük-Şenesen and Özar (2001, Appendix).

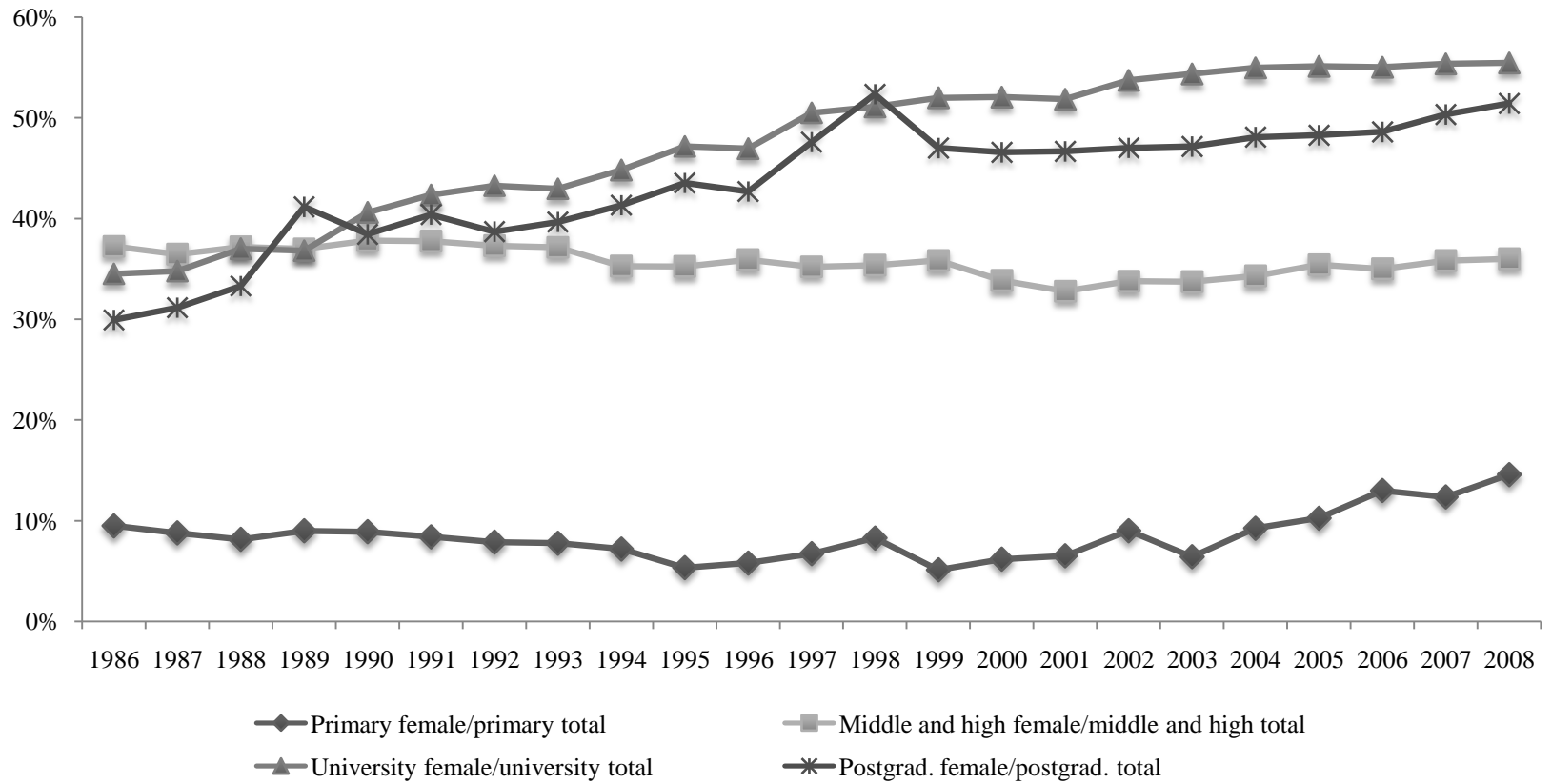


Figure 9. The share of women in each educational group in commercial banks in Turkey, 1986-2008.

Source: BAT, n.d.

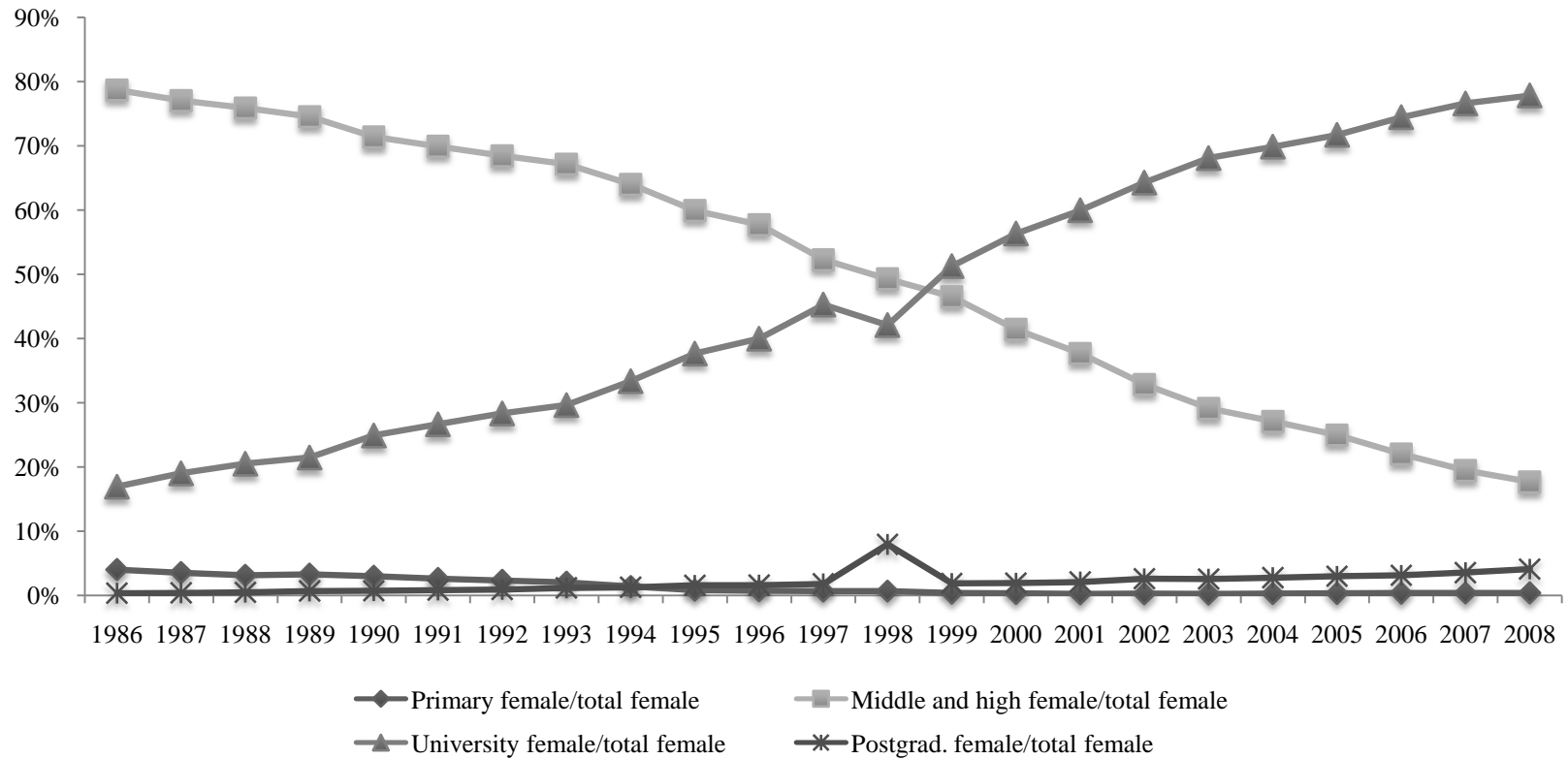


Figure 10. Educational breakdown of women in commercial banks in Turkey, 1986-2008.

Source: BAT, n.d.

employees are underrepresented in the unskilled jobs where their share varies between 10 to 14 percent. Özbilgin and Woodward (2003) have found an extreme case in their field survey that in one of the banks, all of the security guards and 98 percent of the janitors were male. Thus, as much as women's low representation in the upper levels of the job hierarchy, their underrepresentation in the unskilled jobs should also be of concern. Another phenomenon observed in the figure is that the share of female university graduates in total university graduates has been over the 50 percent mark since 1997, being 56 percent in 2008, meaning there are more university graduate women than men in the banking sector.

Figure 10 displays the educational breakdown from a different perspective, and shows the share of each educational group within female employees. It is striking to observe that the share of women who are university graduates within all women employees have raised from 17 percent in 1986 to 78 percent in 2008. It can easily be concluded that an overwhelming majority of women in the banking sector are university graduates. Figure 11 exhibits the same educational trend data with Figure 10 for the male employees: the share of male university graduates within all male employees is 64 percent in 2008, 14 percentage points lower than their female counterparts. It should also be noted that the trend line for university graduates crosses and passes the trend line for middle and high school graduates in 1998 for female employees, whereas in 2003 for male employees.

Glass Ceiling

The educational attainment figures show that women in the Turkish banking sector possess higher human capital than men, and it is found by most studies that they still

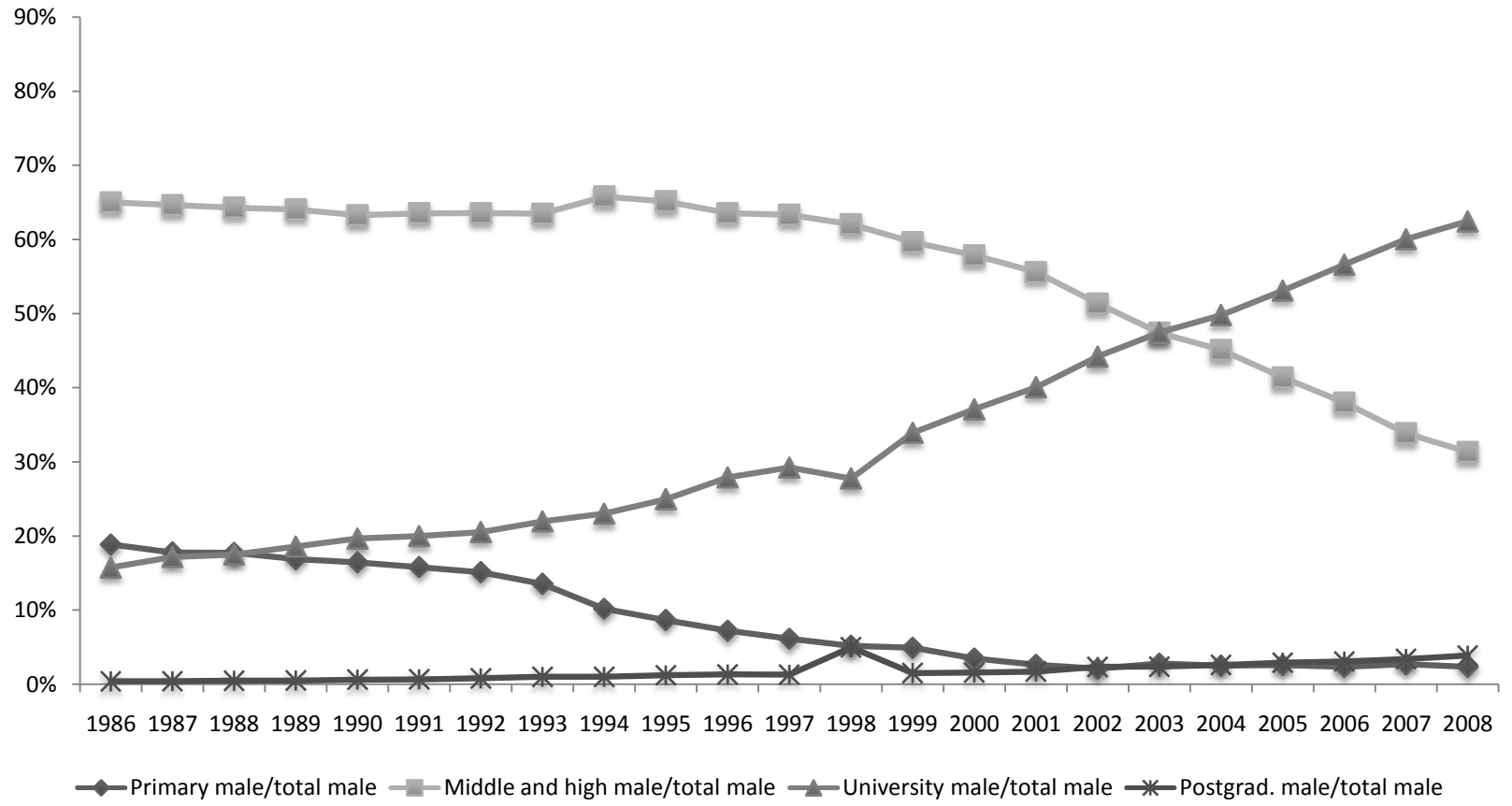


Figure 11. Educational breakdown of men in commercial banks in Turkey, 1986-2008.

Source: BAT, n.d.

are underrepresented in the top levels and overrepresented in the lower levels.

Therefore it is mostly the female periphery workers who are overqualified for their jobs, which means that one must be precautious in assessing the relatively low value of calculated occupational segregation index for the banking sector (Günlük-Şenesen & Özar, 2001). The figures, together with the literature, assert that theories such as the human capital theory are inadequate in explaining the prevalent occupational segregation in the sector, and the findings point to the existence of a *glass ceiling*. The glass ceiling can be defined as the artificial barriers that prevent qualified women from advancing upward in their organization, barriers which are based on attitudinal or organizational bias (David & Woodward, 1998). The introducers of the term, Morrison et al. define it as a transparent barrier which is not simply based on an individual's inability to handle a higher level job post but rather a barrier that applies to women as a group who are kept from climbing the organizational ladder *because they are women* (as cited in David & Woodward, 1998, emphasis mine). The firmness of the glass ceiling is perfectly uttered by an interviewee of the study done by Pascall, Parker, and Evetts (2000, p.67): The interviewee was determined "to be the most senior woman in the bank", which suggests a gender limit to her career ambitions.

To be able to break through the glass ceiling, it is argued that women need help from above, which relates to developing good relationships with men in a male-dominated environment since the hierarchy, power and reward structures of banking are traditional male preserves (Burke, Koyuncu, & Fiksenbaum, 2008; Pascall et al., 2000). Another expectation from women to be *allowed* to move upwards in the banking sector is to perform stereotypically masculine work identities, as the dictum 'think manager – think male' continues to be a well-established contemplation and

male modes of work behavior are widely accepted as organizational norms (Mullings, 2005; Çulpan et al., 2007, emphasis mine; Woodward & Özbilgin, 2004). However, even if men and women differ from each other in terms of attitudes and behavior, this does not necessarily mean that the male system is the prerequisite for effective managerial performance (Kabasakal et al., 1994). Despite this fact, the studies show that the women who have been able to take a place in the top management usually have a controlled femininity in terms of looks, a high socio-economic background, and a stronger will and effort to succeed compared to men in similar positions with them (Örücü, Kılıç, & Kılıç, 2007). The narrow band of acceptable behavior for women contains some contradictions in itself; to be able to move up the job hierarchy women are expected to be consistently successful but to take risks at the same time, to be tough but also easy to get along with, to be ambitious but not to expect equal treatment, and to take responsibility but to be open to the advice of more senior men. These altogether suggest that additional criteria are applied to women for promotion within the organization (Burke et al., 2008).

Kabasakal et al. (1994) point out that the reason of existence of the glass ceiling stem from factors surrounding women. These factors can be broadly named as societal values, power struggles within organizations and organizational context. It is already argued that the societal values based on persistent sex-role stereotypes hinder women as a group and their career advancement, because these stereotypes usually portray women as more suitable to clerical than managerial work. Women therefore have “internalized the male-centered values (. . .) of professional employment and unwittingly occupy the gendered legitimate space permitted to them” (Özbilgin et al., 2005, p.31). The perspective that defines the power struggles within organizations as the reason for the existence of the glass ceiling argues that

male workers hold the real power in their hands, and they would not want to share this power with women, since men still dominate the highest executive positions in banks (Kabasakal et al., 1994; Mullings, 2005). This perspective of power relations is in line with the political theory of exclusionary strategies exercised by the dominant group within an organization, namely men. Women usually find it difficult to enter the “old boys’ network”, and this limits women’s influence in the higher levels of the banking sector because the higher levels are where the truly transformative organizational decisions are made (Aycan, 2004; Mullings, 2005). Since this transformation does not take place, women continue to face difficulties both in the workplace and in climbing the organizational ladder, and this vicious circle goes on to favor men. Kabasakal et al. (1994) argue that the final factor influencing women’s careers negatively is the organizational context; such as workforce composition, organizational size, organizational age, age of the functional area, and foreign ownership. However, their analysis fails to explain the limited number of women in upper management with such contextual variables. They therefore conclude that the glass ceiling in the banking sector results from pure discrimination based on power.

Ownership Structure

Figure 12 presents the ratio of women in the banking sector broken down by the subcategories of commercial banks, namely state-owned, private-owned and foreign banks. The figure shows that the ratio of women in state-owned banks is always the lowest of the three subcategories of commercial banks from 1986 to 2008. The interviews conducted by the human resources managers of the two state-owned

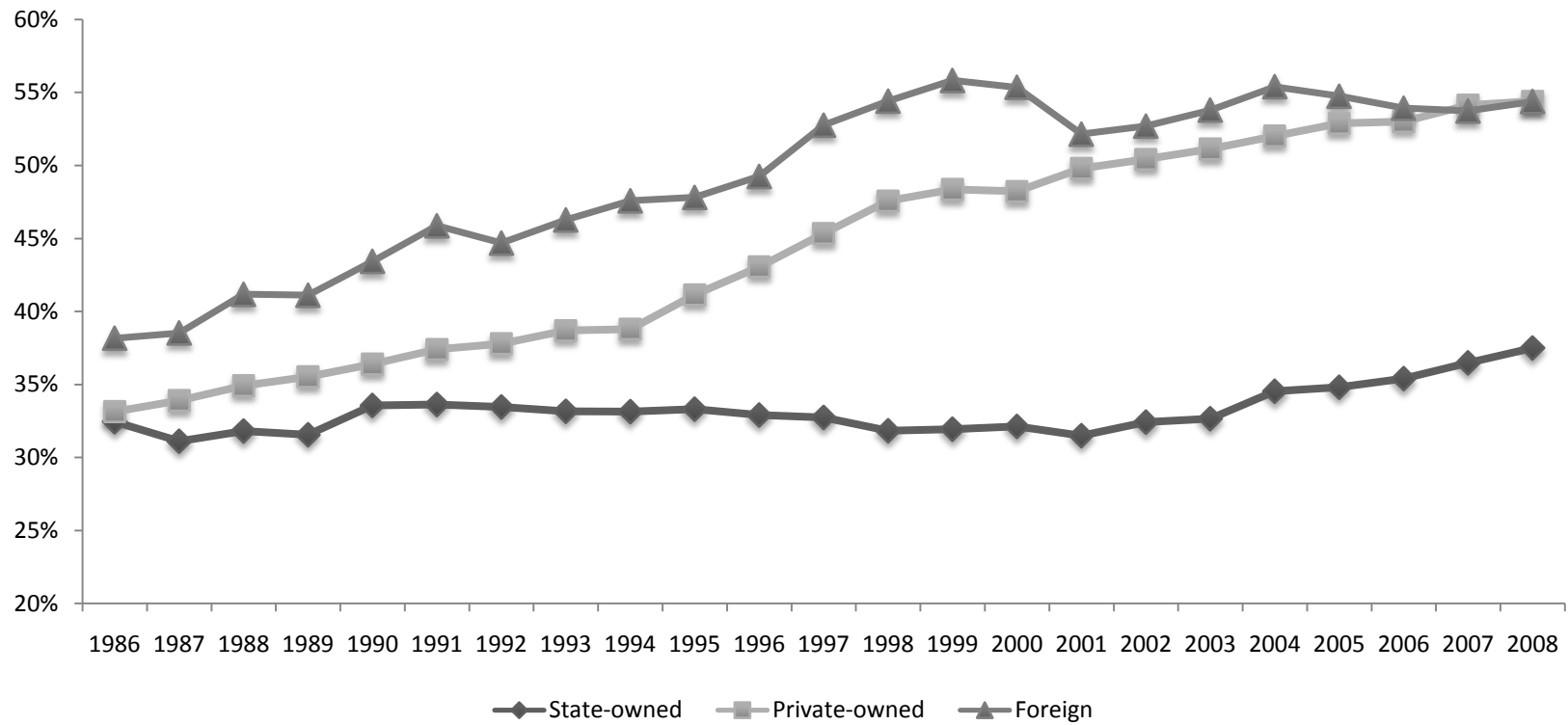


Figure 12. The share of women in total employment in the subcategories of commercial banks, 1986-2008.

Source: BAT, n.d.

banks have suggested that this is the case because they have more branches in Anatolian cities than the private-owned and foreign banks, which are mostly concentrated in metropolitan cities. Since women in the banking sector who live in large cities do not prefer working in Anatolia, and since there are fewer women in Anatolian cities who are in the labor force, the result is a lower female to total ratio in the state-owned banks. Kabasakal et al. (1994) argue that gender segregation in organizations can be explained by organizational inertia, which is probably more effectual in the state-owned banks. The figure also shows that the ratio of female employees is highest in the foreign banks until 2007, only then the private-owned banks catch them. Foreign banks have been employing more women than men since 1997, while private-owned banks have passed the 50 percent mark in 2002.

Regarding the position of women in management based on the ownership types of the banks in the sector, Çulpan et al.'s (2007) study provides a reference with a relatively large sample of banks. They have found that 18 percent of the upper level executives are women in foreign banks, 12 percent in private-owned banks, and 4 percent in state-owned banks. The ratios for middle management are 39 for foreign, 42 for private-owned, and 33 for state-owned banks. This shows that women are underrepresented in the highest level job posts in all types of banks but vastly underrepresented in the state-owned banks; and foreign ownership does matter, at least to a certain extent, when upper management is considered. However, private-owned banks do better than both the state-owned and the foreign banks in terms of employing women in middle management. Çulpan et al. (2007) argue that all types of banks refer to job-based evaluation criteria when recruiting from middle to upper management, however only foreign banks combine these criteria with trait-based

information, which focuses more on the potential of the individual and therefore gives women a better chance for moving up in their career.

Paternalistic Organization

Aycan (2004) argue that the Turkish sector, as well as many other sectors in Turkey, has a paternalistic organizational culture. Such a culture implies a ‘family-friendly’ structure where women’s needs to handle their domestic and work roles are tolerated. Although this ‘tolerance’ is presented as a positive factor supporting women in management, beneath it underlies some facts.

Firstly, the paternalistic structure stems from the fact that motherhood and family roles for women are deemed of primary importance, and women are expected to be wives and mothers above all other things, such as work life (Burke et al., 2008; Çulpan et al., 2007). However, the culture of banking has evolved into a structure whereby aspirant workers who dedicate most of their time to work are greatly appreciated, and this long hours culture serves to disadvantage women with domestic responsibilities (Woodward & Özbilgin, 2004). Since working longer is regarded as a commitment to the organization, it has become a part of the criteria by which one is promoted to a higher level. Secondly, although the paternalistic organization acts like a “father” and seemingly tolerates women’s day-offs for familial responsibilities, eventually these day-offs are held against them in a hypocritical manner, women are regarded as less committed to the organization, thus male workers are chosen over them for higher level job posts. Indeed, women who are able get ahead in their career exhibit salient career (as opposed to family) identities (Aycan, 2004). It is argued that marital status is a covert criterion in recruitment decisions where women who are

unmarried are preferred over women who are married, and women who are married but without children are preferred over women who are married and have children. The stated reason is single women commit themselves to work much more than women with familial responsibilities (Günlük-Şenesen et al., 2000). Thirdly, since any work-related activity that would endanger family welfare is considered inappropriate for women, self-selection becomes a survival strategy (Aycan, 2004; Çulpan et al., 2007). Hence, women either opt for dead-end career tracks, or they simply resign when their role conflict reaches its peak, such as at childbirth.

All in all, although there has been a major increase in the share of women in the Turkish banking sector throughout the last two decades, the literature on women's employment in the banking sector supported by qualitative and quantitative data shows that women in the sector suffer both from horizontal and from vertical segregation. Şenel argues that banking is a sector which offers subtle, indirect forms of gender discrimination as well as blatant, direct discrimination (as cited in Günlük-Şenesen & Özar, 2001); therefore one must be careful before drawing conclusions about women's representation in the sector.

CHAPTER 4

FINANCIAL CRISES IN TURKEY AND THEIR IMPACT ON WOMEN'S EMPLOYMENT IN THE TURKISH BANKING SECTOR

Turkey has undergone a number of financial crises throughout the last two decades, namely the currency crisis of April 1994, the twin crises of November 2000 and February 2001, and the global financial crisis of 2008. This chapter examines, both qualitatively and quantitatively, the impacts of these crises on female employment in the Turkish banking sector. The analysis is done in accordance with the literature on the effects of financial crises on the labor market in general and on women's employment in special, after presenting the characteristics, causes, and the general impacts of these financial crises on the Turkish banking sector.

Crisis and the Labor Market

Financial and economic crises are defined as disruptions to the effective functioning of financial markets, causing a contraction in economic activity. The crises usually cause falls in real GDP growth, increases in inflation rates, currency devaluations, reductions in the inflow foreign capital, and declines in average incomes of people. Albeit the causes of crises differ across economies, the common characteristics of these crises are known as weak financial regulations, large external debt, vulnerability to trends in international markets, excessive export dependency, and restrictions on the state's options for correcting imbalances (Tutnjevic, 2002). Floro and Dymski (2000) alternatively define financial crises as a debtor unit's inability to

meet current debt obligations, and this inability is triggered either by upward shifts in debt obligations, by downward shifts in income and asset values, or by both; though dramatic collapses usually have deeper roots.

Tutnjevic (2002) loosely argues that labor market conditions deteriorate in times of crises, causing unemployment and underemployment; and this is reflected in deterioration of job opportunities, wage cuts, worsened working conditions, and in large-scale retrenchments. This notwithstanding, the adjustment of the labor markets to lower aggregate demand in times of financial and/or economic downturns depends on the magnitude of the shock, the economic structure, the composition of the labor force in terms of gender, age, and level of education, and the degree of flexibility of the institutional arrangements in the labor market such as wage setting institutions, employment protection legislation, and unionization (Betcherman & Islam, 2001; Cazes, Verick, & Heuer, 2009). Fallon and Lucas (2002) separate the employers into two to be able to analyze the response of the labor markets to crises; as producers of tradables and producers of nontradables. They maintain that producers of tradables have an incentive to increase labor, for the depreciation of the exchange rate boosts prices in such sectors. On the other hand, the labor demand response of producers of nontradables depends on the extent to which the decline in aggregate demand in times of crises is offset by a switch in demand toward nontradables as their relative price declines.

Adjustments to crises mostly occur through changes in labor demand. Yet, changes in labor supply at the household level, job reallocation within and across sectors, and interaction among the segmented labor markets are other responses to downturns. Changes in labor demand can occur either as quantity or as price adjustment; quantity adjustment taking place in terms of hours of work and/or

employment, and price adjustment taking place in terms of real wages. Cutting the hours of work has the least adverse social impact, inasmuch as it is preferable for employees to both dismissal and a decline in real wages. Furthermore, if the crisis is expected to be short-lived, employers do not easily dismiss employees, especially the skilled ones, and engage in *labor hoarding* instead in order to avoid from hiring costs during the recovery period.⁶ However, a major breakdown inevitably results in hiring halts, layoffs, and plant closures; all contributing to increasing unemployment (Cazes et al., 2009). When rapid inflation is going along with the crisis, the first reaction is a wage cut; however with less inflation, stickiness in wages acts as a defense mechanism. Other defense mechanisms can be stated as the implicit and the explicit contracts between the employers and the employees, and such contracts place the adjustment burden on employers rather than employees (Fallon & Lucas, 2002).

Labor supply decisions at the household level in response to falls in labor demand may affect the labor force participation and unemployment rates of certain employee groups, depending on the labor demand response that has occurred. Some members of the household who were not actively in the labor force may decide to enter the labor market in order to compensate for the falling household income, whereas some who are already in the labor force may decide to opt out of the labor force if they have very low expectations of finding employment during the crisis. The employees who choose to stay in the labor force may relocate, and this relocation may take place in the form of reallocation within sectors, as well as from contracting sectors to others. Relocation sometimes involves migration, and the decision to migrate depends on the perception of the depth and permanence of the

⁶ ILO definition of *labor hoarding*: The retention of labor by an employer during an economic recession when the cost of firing and hiring would exceed current labor costs.

crisis (Fallon & Lucas, 2002). Yet again, in major breakdowns where the whole economy is contracting, relocation is by and large constrained.

Decreased labor demand may push some of the labor force to the informal sector, which usually expands in times of crises and act as absorbing sectors. Laid-off employees, especially the low-skilled ones, are forced to take up employment in the informal sector, which results in a further fall in the wages in this sector that are already low. Some of the discouraged workers who have migrated to cities before to take up employment may engage in reverse migration (i.e. migration from urban to rural areas) to lower their living costs. A number of workers may decide to work as unpaid family labor, as the opportunity cost of such employment falls (Cazes et al., 2009; Fallon & Lucas, 2002).

Gendered Impacts of Crises

Financial and economic crises bring about different impacts for different segments of the society, depending on these segments' vulnerability to such crises. As well as determinants such as age, ethnicity, ownership of resources, et cetera; gender is also a major determinant of people's vulnerability. Since the economy is a gendered structure, the impacts of crises are not gender neutral, either. The gender inequalities in cultural norms and beliefs are also incarnate in times of financial and economic crises. Therefore, women and men tend to face crises differently, and these gender inequalities manifest themselves in access to social services, in changes in households and communities, and in the labor market (Tutnjevic, 2002).

Economic and financial crises may cause deterioration in the quality and accessibility of social services because of the cutbacks in public expenditures. Such

austerity measures taken by governments mostly affect the poor, especially when they have falling incomes or are retrenched from their jobs due to the crisis. These social services include health, education, social security services. The reduced access to health care influences women more not only due to their reproductive health needs, but also because they have to assume responsibility for the care of other members of the household most of the time such as the children and the elderly. The inadequacy of health care systems increases the burden of women as they have to perform the health care function as part of their unpaid domestic labor.

The effects of crises on education decisions of the household also fall more disproportionately on women, especially female children. The increasing cost of education in times of crises forces people, especially the poor, to withdraw some of their children from school; and the children who are pulled out of school are mostly the females to ensure education for the males. Nonetheless, evidence from Latin America and East Asia crises point to higher non-enrolment and drop-out rates for female children (Singh & Zammit, 2000; Tutnjevic, 2002).

As far as the social security system is considered, the crises again affect women more negatively. Because the informal sector is likely to expand in times of crises and this sector mostly employs women, these women suffer from the absence of job-related benefit schemes in the informal sector.

Economic and financial crises may change the household structure and may harm the social fabric. In times of crises, families and households become the major safety nets if the governments are unable to provide such nets, therefore the social need for the reproduction sphere becomes more profound. This increases the burden on women, especially if they are engaging in additional wage employment, because they assume the major responsibility for the maintenance of the household; and this

means even longer hours of work for women when both the productive and the reproductive spheres are considered. Therefore, women need to sacrifice more in order to manage the upkeep of the household with diminishing resources. In addition, although the households become the major safety nets, the strained relations among the members of the household caused by the crisis environment can weaken these nets, causing the social fabric to be torn in many ways including domestic violence to which female members of the household are exposed the most (Floro & Dymski, 2000; Lim, 2000; Maskay & Kusakabe, 2005).

While the gender inequalities hitherto presented that financial and economic downturns cause in the familial and social sphere to the detriment of women are quite crucial in understanding the gender dimension of crises, this thesis is specifically interested in the gendered labor market effects of crises and their manifestation in the Turkish banking sector.

Women and the Labor Market in Times of Crises

The commonsense approach to the relation of the labor market with female employment during crises is that women are more likely to be the first ones to suffer from the labor market responses, that they are the first to be fired during financial and economic crises.⁷ This assumption is usually built on the argument that retrenchment policies are not gender-neutral, and the traditional male breadwinner attitude prevails in times of crises. Therefore, women are laid-off before men because of their role in the family secondary earners who can be supported by the male members of their household (Tutnjevic, 2002).

⁷ See, for example, Özbilgin (2002); Gray et al. (2006).

Some other papers investigating the same issue base their analyses on whether the affected economy is a developing or an advanced country. For instance, Singh and Zammit (2000) argue that more women than men are thrown out of work in downturns in developing countries, whilst the opposite is true for advanced countries. They explain this fact by the gender composition of certain sectors in these countries: while men are employed in the cyclically unstable industries, women are employed in the more stable service industries in advanced countries. In developing countries, however, women are employed in the more crisis-sensitive labor-intensive export industries. Yet, different papers present different results regarding the layoffs during crises. To name one, Tutnjevic (2002) maintains that more men lost their jobs during the East Asian crisis, whereas Floro and Dymski (2000) state that women were disproportionately targeted for layoffs except for Philippines. On the whole, it can be argued from this point of view that the gender effects of crises depend on which gender dominates the sectors that are hardest hit.

The Marxist-feminist approach to women's employment builds around the concept of *reserve army of labor* and this concept is used to explain the behavior of female employment to economic fluctuations. Marx's original use of the term reserve army of labor, besides its other roles, includes a cyclical role of absorbing the unemployed during economic recessions and supplying the needed labor during economic expansions. Marx did not identify any particular group as the reserve army of labor; therefore he did not specifically mention women in his reserve army model. Yet, the Marxist-feminist approach maintains that the relation of women with the labor market fits perfectly to the Marxian model. It thus argues that women enter the labor force when the labor supply is scarce and they are expelled when there is labor surplus in the market (Bruegel, 1979; Simeral, 1978).

While the advocates of the reserve army theory agree that women increasingly enter the labor force during economic expansions, i.e. when labor supply is scarce, there are contradictory arguments about women's labor market behavior during economic contractions. On the one hand, as Benston (1969) argues, "the cult of the home" makes its reappearance during economic contractions because of the prevailing assumption that woman's place is home and man is the breadwinner, and women are channeled out of the labor market whether they are married, single, or heads of the household. On the other hand, it is also argued that women form a reservoir of labor which can be exploited by the capitalist system in recessions as a source of cheap and disposable labor (Mitchell, 1985).

Since there is evidence to both kinds of outcomes for the many crises that many countries have gone through, it can be argued that the actual outcome of the labor market in terms of female employment depends on the interplay of capitalist and patriarchal forces. This phenomenon can be analyzed in terms of three hypotheses; which are substitution, buffer, and segmentation hypotheses.

The substitution hypothesis maintains that when cost considerations weigh heavier, the profit-maximizing employers exploit the social inequality created by the capitalist market system and use female labor counter-cyclically, replacing male workers with less expensive, more flexible female workers in economic downturns. Such a force creates the added worker effect, where the secondary earners –in this case, women– enter the labor force because the primary earners of the family become unemployed. These added workers leave the labor force once economic conditions improve and men return to their jobs. This process may alternatively be called as the reverse reserve army mechanism, as it uses the reservoir in times of contraction instead of prosperity. The buffer hypothesis, on the contrary, argue that female

workers are used pro-cyclically, causing a feminization during economic expansion and a de-feminization during economic contraction. The excess supply of labor in times of economic downturn pushes women out of the labor force, creating the discouraged worker effect. These discouraged workers return to the labor force when the economy begins to expand, i.e. when there is labor shortage. The last hypothesis, the segmentation hypothesis, in turn asserts that the gender segregation in the labor market protects women to be laid-off during an economic crisis; therefore economic cycles do not have a direct effect on female employment (Ertürk & Çağatay, 1995; Lee & Cho, 2005).

After presenting the three financial crises that Turkey has gone through in the last two decades and their implications for the Turkish banking sector in the next section, the last section analyzes which one of the substitution, the buffer, and the segmentation hypotheses applies best to the Turkish banking sector.

Financial Crises in Turkey: Causes, Characteristics and Links with the Turkish Banking Sector

This section draws a portrait of the financial crises that occurred in or affected Turkey throughout the last two decades; namely 1994, 2000-2001, and 2008 crises. While doing so; the causes and the characteristics of these crises are presented, and the involvement of the Turkish banking sector in these crises is explored. Before moving to the impacts of crises on women's employment in the Turkish banking sector, the impacts on general employment and women's employment for urban areas are also depicted for comparison.

1994 Crisis

It has been introduced in Chapter 3 that an economic stabilization and structural adjustment program in 1980 was put into effect in Turkey. The adjustment course to this program started with a conventional stabilization policy, and this course also included the first structural steps towards a more market-based mode of regulation. Inflation declined sharply in the early 1980s, which had nearly reached three-digit figures in the late 1970s. The first stage of reforms was followed by a gradual move into trade liberalization in 1984 and liberalization of the capital account in 1989 (Boratav & Yeldan, 2006).

Imports were liberalized gradually after 1983, tariffs were lowered to a large extent in 1989, and nearly all quantity and price restrictions were removed in 1990. From 1984 on, foreign currency denominated deposits were allowed, and capital flows were fully liberalized in the external accounts by the end of 1989. The liberalization of capital flows resulted in an appreciation of the real exchange rate and increased the interest rates. Lowered tariffs in 1989 coupled with currency appreciation resulted in an import boom and worsened the trade balance in 1990. The export-led growth of early 1980s, caused by the real exchange rate depreciation and export promoting strategies of the time, was replaced with domestic demand-led growth in the early 1990s; and the external imbalances deteriorated more and more, with a trade deficit of 8.5 percent of GNP in 1993 (Celasun, 1998).

Towards the mid 1980s, a considerable reduction was realized in the public sector borrowing requirement. However, the situation began to change by the end of 1980s. The public sector borrowing requirement rose steadily from 1989 on, exceeding its pre-stabilization level in the 1990s. The primary deficit was also

increasing in the same period, yet the gap between the public sector borrowing requirement and the primary deficit was widening because of the interest payments on existing debt. At the end of 1993, domestic debt stock, total debt stock, total public sector deficit, and total budgetary expenditures all as a ratio to GNP reached record levels. To ease pressure on domestic resources, both private and public sectors relied on external borrowing which enabled the governments to sustain domestic demand-led growth at the expense of rising inflation, widening deficit in the balance of payments and worsening fiscal imbalances. Instead of correcting the fundamentals, the policy makers used half of the legal limit on Central Bank advances in order to finance the public sector deficit, and increased dependency on foreign debt. They tried to control the domestic interest rates at the same time, which proved to be a dangerous attempt with such high levels of public sector borrowing requirement (Celasun, 1998; Keskin & Alparslan, 2000; Özatay, 1996).

To sum up, the main reasons of 1994 crisis can be recognized as the budget deficits and unsustainable external deficits, in other words the *twin deficits*. Most studies in the literature agree that the mismanagement of public debt and the excess liquidity in the market caused by instable fiscal policies are the factors which contributed to the severity of the crisis. The drying up of the domestic debt market caused a funding crisis at the first half of 1994. There was a rush to foreign currency, the Turkish Lira depreciated more than 50 percent against the US Dollar, average inflation jumped, and domestic demand contracted. Real economic activity harshly shriveled, and the Central Bank lost a significant portion of its reserves. By the end of 1994, inflation reached three-digit figures, and interest rates of government securities reached to 190 percent (Özatay, 1996; Şakar, 2010).

Total employment, labor force participation rate, and unemployment rate data for urban regions around 1994 crisis is presented by Table 9. Table 10 presents the same trends for women in the same time period, with the share of women in total employment depicted as well. It can be observed from Table 9 that total employment increased by 6.8 percent in the crisis year relative to the previous year, and it should be noted that total employment falls only in 1993 by a very small amount in the presented time period. Also, labor force participation rate increased relative to the previous year only in time of the crisis by one percentage point. Unemployment rate stayed almost constant in 1994, and fell by a considerable 13 percent in 1995 and 8.3 percent in 1996. Interestingly, the crisis in 1994 does not exhibit a negative impact on the urban employment trends. However the figures are the end-of-year announcements and monthly figures are not made available by Turkstat. Since 1994 crisis was short-lived relative to the other crises, the figures may not fully present the impact of 1994 crisis on employment.

Table 9. Total Labor Trends around 1994 Crisis in Turkey in Urban Regions

YEAR	1992	1993	1994	1995	1996
Total employment	8,577,000	8,552,000	9,134,000	9,391,000	9,684,000
Annual Change (%)	-	-0.3	6.8	2.8	3.1
LFPR	46.8%	45.2%	46.2%	45.2%	44.5%
Annual Change (%)	-	-3.4	2.2	-2.2	-1.5
Unemployment Rate	12.6%	12.6%	12.4%	10.8%	9.9%
Annual Change (%)	-	0.0	-1.6	-12.9	-8.3

Note: Age 15+.

Source: Turkstat, n.d.

Table 10 depicts the same trends with Table 10, but for female labor. Both female employment in absolute numbers and female labor force participation rate increased far more than the average figures. The same goes for the unemployment rate; the fall for female labor is much more obvious than the total labor force. Indeed, the share of women in total employment increases only in the crisis year by 11.5 percent, falling with respect to the previous year in all other years, and comes down to its pre-crisis level two years after the crisis.

Table 10. Female Labor Trends around 1994 Crisis in Turkey in Urban Regions

YEAR	1992	1993	1994	1995	1996
Female employment	1,416,000	1,316,000	1,567,000	1,613,000	1,641,000
Annual Change (%)	-	-7.1	19.1	2.9	1.7
Share of women in total employment	16.5%	15.4%	17.2%	17.2%	16.9%
Annual Change (%)	-	-6.8	11.5	0.0	-1.3
Female LFPR	17.0%	15.7%	17.4%	16.8%	16.0%
Annual Change (%)	-	-7.6	10.8	-3.4	-4.8
Female Unemployment Rate	20.9%	22.8%	20.4%	18.3%	15.4%
Annual Change (%)	-	9.1	-10.5	-10.3	-15.8

Note: Age 15+.

Source: Turkstat, n.d.

Due to macroeconomic instability, high public sector deficit, distorting effects of the state-owned banks and weakened risk perception and risk management in 1990s, the banking sector was not able to effectively perform its function of supporting production and channeling resources to long-term investments. As a result, the

Turkish banking system was faced with structural weaknesses such as equity inadequacy, a fragmented and small-sized banking structure, poor asset quality, deficient internal audit mechanisms, lack of transparency, and over-sensibility and fragility against market risks. Therefore, the 1994 currency crisis was followed by a minor banking crisis because of the structural weaknesses of the banking system. The banking sector was hit by the crisis due to extensive short-term borrowing, short position of foreign currency, and heavy investment in government securities. At the end of 1994, total assets of the sector were reduced by 28 percent, and three small banks were confiscated. Due to the panic environment caused by the excessive depreciation of the Turkish Lira, a significant withdrawal of deposits from banks took place. As a result, the government announced 100% guarantee for all savings deposits (Acar-Boyacıoğlu, 2003; Keskin & Alparslan, 2000).

Table 11 presents the change in total employment, in women's employment, and in the share of women to total employment data for the Turkish banking sector from 1992 to 1996. Total employment in the sector falls in both 1993 and 1994, and recovers thereafter, and the same goes for the female employment. Yet, female employment in the sector falls less than male employment, albeit not too markedly: the share of women in total employment increases by a small 0.3 percent in the crisis year. In the years following the crisis, the increase in the share of women is much more obvious with 3.5 percent in 1995 and 2.7 percent in 1996; sustaining this trend till the next financial crisis episode.

Table 11. Employment Trends in the Turkish Banking Sector around 1994 Crisis

YEAR	1992	1993	1994	1995	1996
Total employment	144,570	141,725	136,879	138,737	142,046
Annual Change (%)	-	-2.0	-3.4	1.4	2.4
Female employment	51,448	50,777	49,164	51,554	54,212
Annual Change (%)	-	-1.3	-3.2	4.9	5.2
Share of women in total employment	35.59%	35.83%	35.92%	37.17%	38.17%
Annual Change (%)	-	0.7	0.3	3.5	2.7

Source: BAT, n.d.

2000-2001 Crises

Since the mid 1980s, chronic inflation has been a major problem for the Turkish economy. Turkey signed a stand-by agreement with the IMF in December 1999, and the IMF-supported stabilization program aimed to deal with chronic inflation with a pre-announced crawling peg exchange rate policy, as well as to address the ongoing macroeconomic instability with a serious public debt. The disinflation program, together with the foreign borrowing strategy of the government, led to a significant decline in the interest rates. Yet the economy was soon dependent on the capital inflows, and stability would continue as long as foreign capital was kept in the system. However, the fragility of the banking sector –the root cause for which was the high public sector borrowing requirement and the way it was financed– and the

structural problems in the banking system were the major obstacles in accomplishing such stability (Özatatay & Sak, 2002; Steinherr, Tukel, & Ucer, 2004; Yılmazkuday, 2008).

The 100 percent guarantee scheme for the savings deposits announced by the government during the 1994 crisis created a moral hazard in the banking system and distorted the efficiency of it. As the 100 percent guarantee worked as a risk cover for the small and aggressive banks, the system was deformed in favor of these poorly managed aggressive banks at the expense of the properly managed ones. These banks' irresponsible behavior in collecting deposits harmed not only the whole sector, but also the overall economy (Akçay, 2003). The 100 percent guarantee for savings deposits was abandoned as late as June 2000.

Strengthening and regulation of the banking sector was already a part of the Letter of Intent for the 1999 IMF program. The Banks' Act Nr. 4389, which was enacted in June 1999, was an important turning point for the adaptation of the legal and institutional regulations to the changes and developments in international standards. With his specific act, the regulation and the supervision of the sector was assigned to the Banking Regulation and Supervision Agency (BRSA), which had to have administrative and financial autonomy in line with the international practices. The fundamental goals of the BRSA were declared to be increasing the efficiency and the competitive ability of the banking sector, enhancing the confidence in the sector, minimizing the damage that the banking sector may cause on the overall economy, improving the strength of the sector, and protecting the interests of the savings deposits holders. With the banking act at issue; establishing a new bank was made more difficult, loan placement was constrained in order to reduce the risks

associated with outstanding loans, and the sanctions for cases of capital inadequacy were increased (Acar-Boyacıoğlu, 2003; BRSA, 2009).

Five banks in November 1999 and two more banks in September 2000 were taken over by SDIF.⁸ Despite this clearance by the SDIF and the regulatory reforms in the banking sector described above, there still were other problems. First, the private-owned banks were open to exchange rate risks as they were financed from abroad and second, the state-owned banks were open to interest rate risk as they had high duty loss values. As the market became more and more reluctant to lend to aggressive agents who relied on overnight borrowing for financing their relatively longer-termed government securities portfolios, the liquidity pressure in the market kept increasing. Demirbank, the market maker private-owned bank of the time, was unable to borrow in the overnight market and initially the Central Bank did not supply the liquidity that Demirbank needed in order not to breach the IMF ceilings for net domestic assets. Demirbank thereby was forced to sell part of its government bonds portfolio, leading to an increase in the secondary market interest rates, causing another wave of sell-offs. The Central Bank decided to lend to the problematic banks at the expense of exceeding the IMF limits in the second phase, yet the end result was a decrease in its reserves and a further increase in the interest rates. The next announcement by the Central Bank was to abide by the ceiling on net domestic assets, causing the overnight interest rates to jump above 300 percent. The process continued until the overnight interest rates hit 800 percent, and eventually Demirbank was taken over by the SDIF. The short and intense crisis of November 2000 was calmed down with the consequent announcement of the new IMF credit line (Akçay, 2003; Özatay & Sak, 2002; Yılmazkuday, 2008).

⁸ November 1999 takeovers included Egebank, Esbank, Sümerbank, Yaşarbank, and Yurtbank. September 2000 takeovers included BankKapital and Etibank.

Although the effects of the November 2000 liquidity crisis started to diminish as of mid December, the unrest on the markets was not completely overcome. Interest rates were still high, and the state-owned banks were the new sources of problem because of their reliance on short-term funding of securities. The banking sector still being fragile, the political crisis between the Prime Minister and the President of Turkey on February 19, 2001 triggered a new financial crisis. Overnight interest rates hit 4000 percent, and the demand for foreign currency soared. Loss of confidence in the sustainability of the stabilization program resulted in the abandonment of the crawling peg exchange rate policy to be replaced with a free float. This resulted in a 40 percent increase in the dollar exchange rate, resignation of the head of the Central Bank, and the replacement of the minister of economy (Acar-Boyacıoğlu, 2003; BRSA, 2009).

The 2000-2001 twin crises hit not only the banking sector but also the overall economy. In order to restore the confidence, a new IMF program was announced in May 2001 with three pillars: fiscal and monetary discipline, structural reforms, and an important amount of external financial support (Özatay & Sak, 2002). BRSA announced the “Banking Sector Restructuring Program” on May 15, 2001, which aimed to address the following issues: restructuring of the state-owned banks, prompt resolution of the banks under the SDIF, and increasing the efficiency of the supervisory and the regulatory framework (BRSA, 2002).

The implications of 2000-2001 crises on the labor market were more harsh than 1994 crisis. Table 12 shows the total employment, labor force participation rate, and unemployment rate data for urban regions from 1999 to 2003 and Table 13 presents the same trends for women in the same time period, with the share of women in total employment depicted as well. From Table 12, it can be observed that

total employment increased by 4 percent in 2000, whereas decreased by 0.3 percent in 2001. The only decrease in total employment takes place at the end of 2001, albeit not too markedly. It is worth to note that in the previous crisis episode, i.e. in 1994, total employment increased by a significant 6.8 percent. Labor force participation rates fell both in 2000 and 2001, again in contrast with 1994 crisis. Although there is a fall in the labor force participation rate, unemployment rate increased by a considerable 31.8 percent in 2001, and increased further by 22.4 percent in 2002. Unemployment rate begins to decrease only in 2003, still being higher than its pre-crisis level. It is safe to conclude in light of Table 12 that 2000-2001 crises hit the urban economy quite severely.

Table 12. Total Labor Trends around 2000-2001 Crises in Turkey in Urban Regions

YEAR	1999	2000	2001	2002	2003
Total employment	10,677,000	11,104,000	11,076,000	11,111,000	11,287,000
Annual Change (%)	-	4.0	-0.3	0.3	1.6
LFPR	44.9%	44.1%	44.0%	44.4%	43.8%
Annual Change (%)	-	-1.8	-0.2	0.9	-1.4
Unemployment Rate	11.4%	8.8%	11.6%	14.2%	13.8%
Annual Change (%)	-	-22.8	31.8	22.4	-2.8

Note: Age 15+.

Source: Turkstat, n.d.

Table 13 depicts the same trends with Table 12, but for female labor. Except for 2003, absolute female employment increases with respect to the preceding year.

Labor force participation rate for women decreased in 2000, increased in 2001. The increase is much more obvious in 2002, yet it begins to fall the next year, in 2003. Therefore, the figures are too inharmonious to make an assessment about the behavior of female labor force participation rate with respect to economic cycles. Increase in female unemployment rates in 2001 and 2002 follow the average trends, yet more slowly. The figures show that recovery from the crisis begins only by 2003, where the average unemployment and the female unemployment fall almost by the same amount. Share of women in total employment displays a significant change only in 2002, increasing by 9 percent. The change for the crisis years 2000-2001 is positive, but not outstanding.

Table 13. Female Labor Trends around 2000-2001 Crises in Turkey in Urban Regions

YEAR	1999	2000	2001	2002	2003
Female employment	1,968,000	2,070,000	2,074,000	2,267,000	2,262,000
Annual Change (%)	-	5.2	0.2	9.3	-0.2
Share of women in total employment	18.4%	18.6%	18.7%	20.4%	20.0%
Annual Change (%)	-	1.1	0.4	9.0	-1.8
Female LFPR	17.8%	17.2%	17.4%	19.1%	18.5%
Annual Change (%)	-	-3.4	1.2	9.8	-3.1
Female Unemployment Rate	17.4%	13.0%	16.6%	18.7%	18.3%
Annual Change (%)	-	-25.3	27.7	12.7	-2.1

Note: Age 15+.

Source: Turkstat, n.d.

Table 14 presents the change in total employment, in women's employment, and in the share of women in total employment data for the Turkish banking sector from 1999 to 2003. Total employment in the sector falls in 2000, 2001, and 2002; by an enormous 20.6 percent in 2001. The fall is not too marked in 2000 owing to the timing of the crisis. When compared to the 3.4 percent fall in total employment during 1994 crisis, it can easily be deduced that the central player in the 2000-2001 crises was the banking sector. By the end of 2002, total employment in the sector has decreased more than 45,000.

Table 14. Employment Trends in Turkish Banking Sector around 2000-2001 Crises

YEAR	1999	2000	2001	2002	2003
Total employment	168,558	164,845	130,914	118,329	118,607
Annual Change (%)	-	-2.2	-20.6	-9.6	0.2
Female employment	70,346	68,706	54,767	52,499	53,747
Annual Change (%)	-	-2.3	-20.3	-4.1	2.4
Share of women in total employment	41.73%	41.68%	41.83%	44.37%	45.32%
Annual Change (%)	-	-0.1	0.4	6.1	2.1

Source: BAT, n.d.

Female employment follows exactly the same trends with total employment; yet the percentage change is a little larger than male employment in 2000 and smaller in 2001, which is manifest in the figures for the share of women in total employment. That is, share of women in total employment falls in 2000, but rises in 2001, both

very indistinct. What is outstanding in these figures is that share of women in total employment when the crisis is over increases abruptly, as was the case with the 1994 crisis. It can thus be safely argued that feminization in the banking sector slows down in crises and fastens up when recovery begins.

2008 Crisis

The period before the global financial crisis of 2008 was an era of macroeconomic stability for the world economy, only to be disrupted by relatively less severe recessionary periods (Civelek-Yüce, 2009). Measures taken by the FED such as the interest rate cuts for a fast recovery from the panic environment created by the 9/11 attack and the expansionary policies caused a housing boom, for the prime rate of mortgage loans fell together with the short-term interest rates between 2002 and 2005. The increased demand for housing resulted in the expansion of many sectors that are directly linked to housing such as construction, services, and finance sector, causing a major growth trend in the USA economy. In addition, household consumption increased vastly by the wealth effect created by the increased house prices. All these contributed to the rise of the risk appetite and complication of derivative instruments (Saltoğlu, n.d.). Competition among the financial institutions led to the extension of mortgage loans to low income clients (known as *subprime mortgages*), since interest rates were as low as they could get.

This glorified picture began to be distorted when the interest rates started to increase as of 2005. By 2006, the credit risk associated with the subprime mortgages was seriously amplified. The market for Asset Backed Securities (ABS), which are

created with subprime mortgages as collaterals, entered to a phase of uncertainty when the subprime mortgages started to default. The uncertainty in this market resulted in a liquidity squeeze for the transactions based on ABS. The perturbation that started in 2007 showed its first serious effect with the bust of New Century, a firm specialized in mortgages (Saltoğlu, n.d.). When many leading financial institutions started to declare losses, the loss of confidence and the worsened sentiment in USA spread to financial markets of other world countries that have close contact with the USA economy, of the European Union, and of many other developed and developing countries. The 2007 mortgage crisis of USA evolved into a global financial crisis with the bankruptcy of Lehman Brothers in September 2008. This bankruptcy created a domino effect among the financial institutions who lent to Lehman Brothers within the international credit chain (Şakar, 2010).

Although the Turkish economy was not affected as much as other emerging markets in other parts of the world at first, the growth rate performance that is sustained since 2002 was limited to 4.5 percent at the end of 2007. The growth rate of the industry and services sectors slowed down, and a serious contraction took place in the agricultural sector. Increase in the oil, energy, and raw material prices in the world also affected the Turkish economy. All these factors in 2007 has caused an increase in the risk perception and created an environment of uncertainty in the markets. The change in the risk perception and the contraction in the finance sector caused the capital inflows to diminish, which further increased the instability of the financial sector in 2008. Marked with the collapse of Lehman Brothers, the last quarter of 2008 has been a period of contraction. Real GDP diminished in this period, and the growth rate of nominal GDP fell to 1.1 percent at the end of 2008 (BAT, 2009).

As Table 15 shows, total employment in the urban areas increased by 1.7 percent in 2008, much slower than the 4.1 and 5.2 percent increases in 2006 and 2007 respectively. It should be noted here that total employment in urban and rural areas together has actually fallen by 7.1 percent in 2007 because of the contraction in the agricultural sector, which is not depicted by the figures in Table 15. Yet, the fall is due to not the global crisis but the radical transformation in the agricultural sector. Labor force participation rate in 2006 is stable, decreasing by 2.6 percent in 2007 and increasing by 1.6 percent in 2008. Unemployment rate in 2006 fell by 4.7 percent with respect to 2005, by a small 0.8 percent in 2007, however rose by 6.6 percent in 2008. The fact that unemployment rate is still falling in 2007 can be explained both by the timing of the crisis since it started to be effective from the summer of 2007, and by the fall in the labor force participation rate in that year.

Table 15. Total Labor Trends around 2008 Crisis in Turkey in Urban Regions

YEAR	2005	2006	2007	2008
Total employment	12,566,000	13,081,000	13,764,000	14,010,000
Annual Change (%)	-	4.1	5.2	1.7
LFPR	45.5%	45.5%	44.3%	45.0%
Annual Change (%)	-	0.0	-2.6	1.6
Unemployment Rate	12.7%	12.1%	12.0%	12.8%
Annual Change (%)	-	-4.7	-0.8	6.6

Note: Age 15+.

Source: Turkstat, n.d.

Table 16 depicts the same trends with Table 15 for female employment, with the share of women in total employment also included. Total female employment is increasing since 2005, and the share of women in total employment is also rising throughout these years. The 2008 crisis does not seem to distort the increasing trend of women's share. Although there is a minor fall in the female labor force participation rate in 2007, it increases by 5.1 percent in 2008. The increase in the labor force participation rate of women shows itself in the female unemployment rate in 2008. Gürsel, Uysal-Kolaşın, and Dinçer (2009) argue that the rise in the average unemployment rate cannot be fully explained by the added worker effect of females, and is driven to a large extent by the rise in the labor force participation and the decline in employment of males.

Table 16. Female Labor Trends around 2008 Crisis in Turkey in Urban Regions

YEAR	2005	2006	2007	2008
Female employment	2,525,000	2,712,000	2,947,000	3,117,000
Annual Change (%)	-	7.4	8.6	5.7
Share of women in total employment	20.1%	20.7%	21.4%	22.3%
Annual Change (%)	-	3.2	3.3	3.9
Female LFPR	19.3%	19.9%	19.8%	20.8%
Annual Change (%)	-	3.1	-0.5	5.1
Female Unemployment Rate	17.0%	16.4%	16.1%	16.6%
Annual Change (%)	-	-3.5	-1.8	3.1

Note: Age 15+.

Source: Turkstat, n.d.

The Turkish banking sector experienced the global financial crisis of 2008 much more solidly compared to the devastating 2000-2001 crises. Also, it can safely be argued that the sector have managed the crisis better than most of its counterparts in other countries. The main reason behind this is the Banking Sector Restructuring Program which was enforced following the 2000-2001 crises, the pillars of which were presented before. The restructured banking system became more resistant to possible crises, and it can be argued that the reasons behind the relatively limited negative effects of the global crisis are effective regulatory and supervisory practices by the BRSA, a high capital adequacy ratio of the sector, high asset quality, and a relatively low liquidity risk (BAT, 2009). Another reason that the Turkish banking sector is less affected by the crisis is that it is still focused on traditional retail banking, which made it possible to avoid from the adverse effects of high-risk subprime mortgages and complicated derivative instruments (Civelek-Yüce, 2009).

Table 17 below presents the change in total employment, in women's employment, and in the share of women in total employment data for the Turkish banking sector before and during 2008 crisis. Unlike the previous crisis episodes, increasing trend of the total employment in the sector is not broken in 2008; although it slows down by 2 percentage points compared to 2007, the increase is still significant. In all years, rise in the female employment is larger than the rise in male employment, since change in the share of women in total employment is positive in all years. Although employment data for the years after the crisis is not available, it is unlikely that the share of women will accelerate as was the case in the previous crisis cases. The reason for this situation is revealed in the interviews conducted with the human resources managers of the banks: they mostly state that a further rise in the

share of female employees is not expected due to the fact that they are trying to maintain a balance between the number of males and females.

Table 17. Employment Trends in the Turkish Banking Sector around 2008 Crisis

YEAR	2005	2006	2007	2008
Total employment	127,857	138,570	153,212	166,325
Annual Change (%)	-	8.4	10.6	8.6
Female employment	60,874	66,727	75,480	83,090
Annual Change (%)	-	9.6	13.1	10.1
Share of women in total employment	47.61%	48.15%	49.27%	49.96%
Annual Change (%)	-	1.1	2.3	1.4

Source: BAT, n.d.

To sum up, in all three crisis episodes presented till now, both the share of women and female labor force participation rates for the urban sectors have increased in the crisis year. In the 1994 crisis, a fall in both ratios started immediately when the crisis was over, supporting the substitution hypothesis. In 2000-2001 crises however, the increase in both of these ratios were more significant the year after the crises, only beginning to fall in 2003. It can be argued here that the effects of the 2000-2001 crises were still remarkable in 2002. Therefore, it can be argued that 2000-2001 crises also support the substitution hypothesis in terms of female employment during crises. As for 2008, a comment cannot be made about the behavior of female labor after the crisis since necessary data is not available; yet the share of women in total employment and the female labor force participation rate

have also increased in the crisis year, showing an added worker effect and signaling a possibility of substitution of women for men as it was the case for the previous crises.

The analysis regarding the female employment in the Turkish banking sector in terms of the three hypotheses (substitution, buffer, and segmentation) which try to explain the behavior of female employment in crises will be made in the next section, where econometric tools are used.

Quantitative Analysis

The Turkish banking sector has become highly feminized throughout the years 1986-2008, as elaborated thoroughly in the previous chapter. This section aims to cover the following: first, it provides an econometric analysis to test if the feminization trend in the sector is statistically significant; second, it tries to identify which of the substitution, buffer, and segmentation hypotheses fits best to the behavior of female employment with respect to economic cycles; and third, it seeks to reveal if there are significant differences among the subgroups of commercial banks (i.e. state-owned, private-owned, and foreign banks) in terms of female employment.

The following linear regression is run to test the significance of the time trend and the crises in 1994, 2001, and 2008 on the share of women in total employment for the commercial banks:

$$F_c = \alpha + \beta T + \gamma_1 D_1 + \gamma_2 D_2 + \gamma_3 D_3 + u$$

where

F_c is the share of women in total employment in the commercial banks,

T is the time trend, $T = 1986, \dots, 2008$,

D_1 is the time dummy for 1994,

D_2 is the time dummy for 2001, and

D_3 is the time dummy for 2008.

The model aims to expose the significance of the time trend; therefore time is included in the regression as a regressor. It also aims to test if there is a deviation from that trend in 1994, 2001, and 2008; therefore time dummies for the crises years are included in the regression.

Table 18 presents the estimation results for the commercial banks category. R^2 for the regression is 0.98, confirming the linearity of the scatter. The coefficient of the time trend (β) is positive, indicating that the share of women in total employment increases with time. As expected, β is significant at the 0.01 level, confirming that the increase is statistically significant. Both of these results can actually be inferred by a glimpse to Figure 13, the scatter plot of women's share in total employment against time. The coefficient on the 1994 dummy (γ_1) is significant at the 0.05 level, and the coefficient on the 2001 dummy (γ_2) is significant at the 0.10 level. Both of these coefficients have a minus sign, indicating that the effects of crises on the share of women in total employment are negative. The coefficient on the 2008 dummy (γ_3) is insignificant, showing that the crisis in 2008 does not have an effect on the feminization trend.

Table 18. Estimation Results for F_c (Share of Women in Commercial Banks)

Dependent Variable: F_c				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-15.99106	0.55918	-28.59716	0.0000
T	0.008209	0.00028	29.30794	0.0000
D ₁	-0.018463	0.00843	-2.188187	0.0421
D ₂	-0.016826	0.00850	-1.977462	0.0635
D ₃	0.007011	0.00901	0.777527	0.4469
R^2 0.982947				

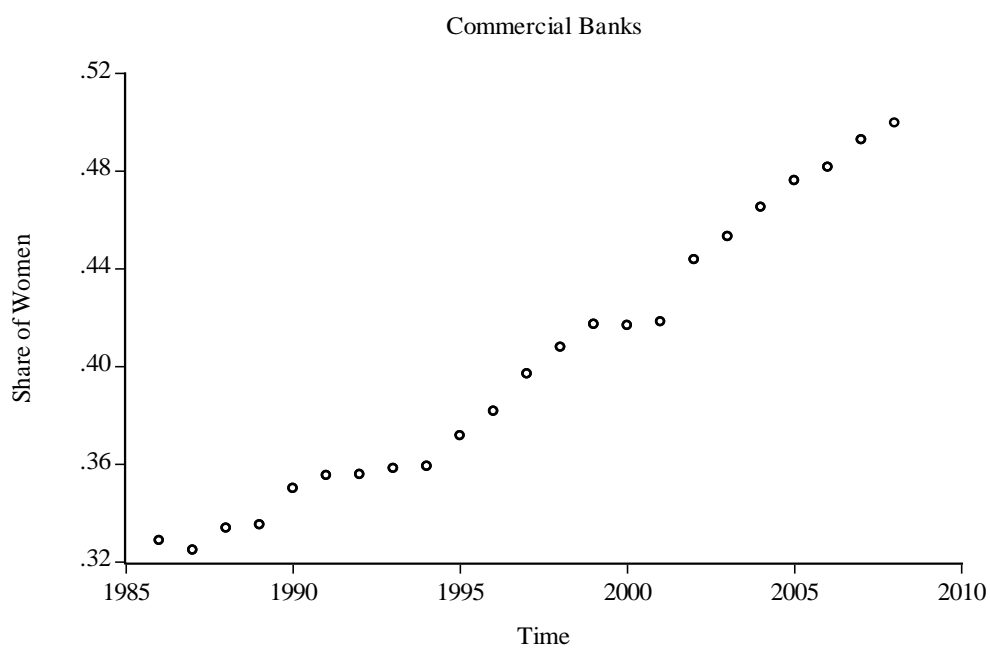


Figure 13. Scatter plot of women's share in total employment against time in commercial banks.

Estimation results at the first glance corroborate the buffer hypothesis for 1994 and 2001 crises: there is a feminization in the Turkish banking sector during economic expansions and a de-feminization during economic contractions. Yet, the situation needs to be elaborated on more carefully. It is perfectly acceptable to state that there is a feminization in the sector when the sector recovers from crises; this fact is also visible in the scatter plot depicted by Figure 13. However, there is not an obvious de-feminization in 1994 and in 2001, contrary to the commonsense belief that women are expelled first in times of crises. Data from Tables 11 and 14 show that the share of women in total employment falls neither in 1994 nor in 2001 with respect to the preceding years. Therefore, it would be incorrect to assume that the buffer hypothesis holds. Yet, this does not mean that the feminization in the sector follows its usual trend in 1994 and 2001. Such an assumption is indeed rejected by the estimation results as well; the sign and the significance of the coefficients on the time dummies point to a deviation from the ever-increasing trend of women's share in the sector.

It is also clear that the substitution hypothesis does not fit the Turkish banking sector in either 1994 or 2001; for it argues that women leave the labor force once a crisis is over. The closest of the three hypotheses in fitting the data on women's employment in 1994 and 2001 crises is the segmentation hypothesis. The gender-based segregation in the sector, both vertical and horizontal, prevents women to be expelled before men in times of crises. However, the segmentation hypothesis in its basic form also fails to explain the obvious feminization at crisis-free times. Thus, it is not possible to state that either one of these hypotheses is apposite to female employment in the Turkish banking sector. As for 2008, the crisis does not seem to affect the feminization trend in the sector. This fact is approved also by the estimation results, since the coefficient on the 2008 dummy is insignificant. It is safe

to argue at this point that if the total number of employees is increasing in the sector, the feminization trend continues without disruption.

Figure 14 below displays the scatter plot of women's share against time in all three subcategories of commercial banks. It shows that both state-owned and foreign banks show rather erratic behavior in terms of the share of women in total employment; the most linear increase in the share of women takes place in the private-owned banks category. In addition, the female ratio in the private-owned banks shows a quite similar trend with the average ratio of all commercial banks. What is striking in Figure 14 is the fact that the most obvious fall in the share of women in 2000-2001 crises happens in the foreign banks category; the ratio decreases from 55 percent to 52 percent. One of the reasons of this remarkable fall is the sale of Demirbank (private-owned) to HSBC (foreign) in 2001. The share of foreign banks in all commercial banks in terms of total employment has risen from 23 percent to 41 percent after this sale, and HSBC employees made up of 68 percent of total employment in the foreign banks category. The ratio of women also falls in 2001 in state-owned banks, however by a small 0.6 percent. Another fact from the figure which is worth to note is that the share of women in private-owned banks falls in 2000, responding to the banking crisis immediately, and returns to its course in 2001. It can be argued that this situation may be due to organizational inertia. It might be the case that the state-owned banks were unable to take immediate action when the first banking crisis took place in 2000, yet the private-owned banks were.

At any rate, there exist no relevant differences among the subcategories of commercial banks; although at different levels, all subcategories show similar behavior with the sector in total in terms of female employment in crises. However, it should be noted that the state-owned banks have started to follow the

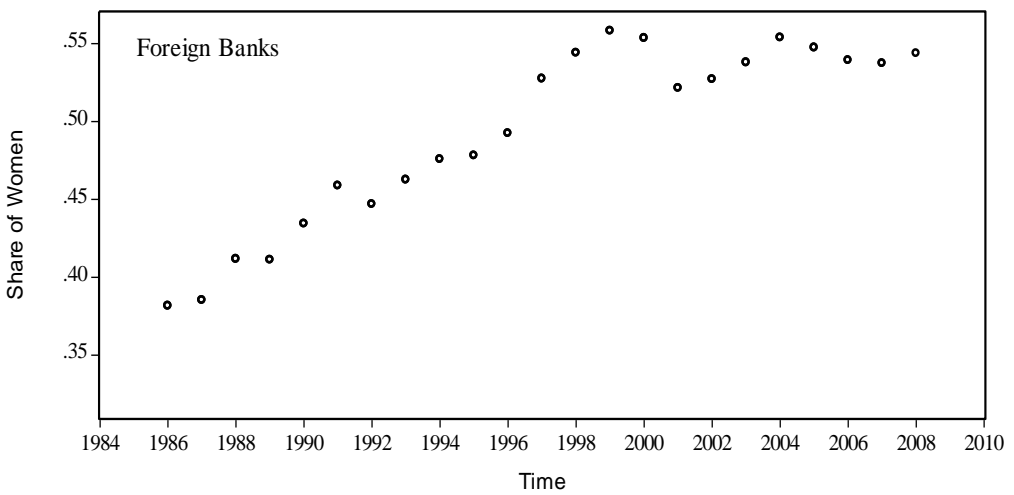
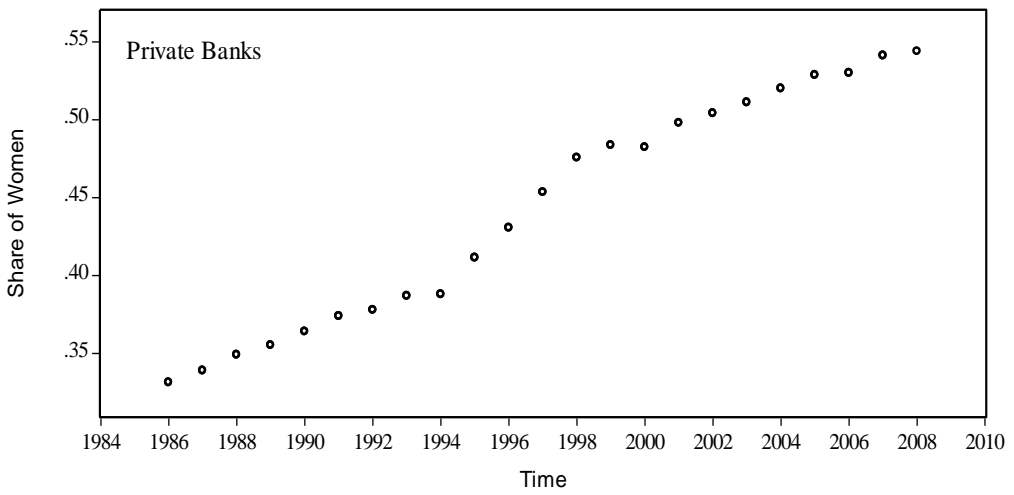
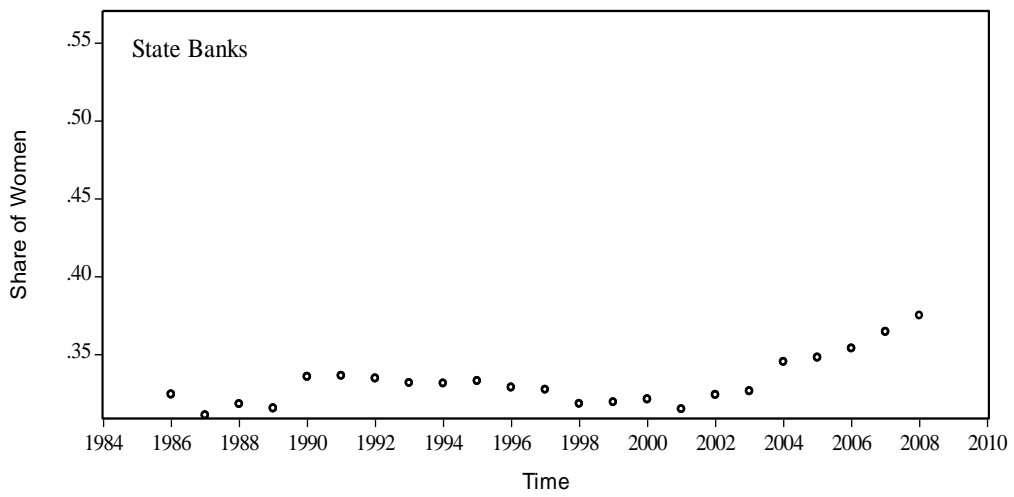


Figure 14. Scatter plot of women's share against time in subcategories of banks.

increasing trend of the sector only after the 2000-2001 crises, the reason for which can again be argued as the slow adaptation of the state-owned establishments to contemporary practices. The irregular behavior of the foreign banks usually stems from the transfer of some large banks to foreign banks subcategory from another subcategory. The Demirbank sale stated above is for one; another example is the transfer of the shares of Denizbank and Finansbank (both private-owned) to foreign owners in 2006, explaining the fall in the female ratio of foreign banks in that year.

CHAPTER 5

THE INTERVIEWS

In addition to a review of literature and a quantitative analysis of the available data, semi-structured interviews accompany the methodology of this thesis. Due to the nature of semi-structured interviews, the results of these interviews have no claim of representativeness of the whole population of banks in Turkey and they mostly reflect the individual thoughts or practices of the interviewees and/or their organizations. However, they proved quite useful in shedding a light on the non-numerical facet of the feminization phenomenon in the Turkish banking sector. They were thus very helpful in disclosing the personal, organizational, and cultural attitudes towards female employment in the sector within the context of this thesis.

Information about the Interviews

The interviews were conducted with a manager from the human resources departments of five of the banks in the Turkish banking sector. At least one bank existed from each subcategory of commercial banks in Turkey (i.e. state-owned, private-owned, and foreign banks). Some main characteristics of the banks and the interviewees are presented below before moving to the narration of the interviews.

- Interview 1 was conducted with the human resources director of a state-owned bank. The bank was in operation for 71 years. The ownership structure of the bank has not changed since its foundation. As of 2008, the bank comprised of

7.5 percent of the commercial banks both in terms of total assets and in terms of employee number. The share of women in the bank was 42 percent. The person interviewed was male. This interview will be referred to in the text as S1M when necessary, the letter S denoting the ownership structure and the letter M denoting the gender of the interviewee. The following interviews are also coded in the same fashion.

- Interview 2 was conducted with a human resources manager of a private-owned bank. The bank was in operation for 24 years. The ownership structure of the bank has not changed since its foundation. As of 2008, the bank comprised of 0.4 percent of the commercial banks in terms of total assets, and 0.8 percent of the commercial banks in terms of employee number. The share of women in the bank was 53 percent. The person interviewed was male. This interview will be referred to in the text as P1M.
- Interview 3 was conducted with the human resources Vice President of a foreign bank. The bank was in operation for 26 years. The ownership structure of the bank has not changed since its foundation. As of 2008, the bank comprised of 0.03 percent of the commercial banks both in terms of total assets, and in terms of employee number. The share of women in the bank was 53 percent. The person interviewed was female. This interview will be referred to in the text as F1F.
- Interview 4 was conducted with the human resources manager of a state-owned bank. The bank was in operation for 56 years. The ownership structure of the bank has not changed since its foundation. As of 2008, the bank comprised of 7.5 percent of the commercial banks in terms of total assets, and 5.7 percent of the commercial banks in terms of employee number. The share of women in the

bank was 49 percent. The person interviewed was male. This interview will be referred to in the text as S2M.

- Interview 5 was conducted with the human resources director of a foreign bank. The bank was in operation for 46 years. The ownership structure of the bank has changed from private-owned to foreign. The bank was private-owned during 1994 and 2000-2001 crises, and was foreign-owned during 2008 crisis. As of 2008, the bank comprised of 1.7 percent of the commercial banks in terms of total assets, and 3.2 percent of the commercial banks in terms of employee number. The share of women in the bank was 54 percent. The person interviewed was female. This interview will be referred to in the text as F2F.

Although a general framework existed for the interview questions, most of the questions were left open-ended in order to discover the thoughts, preoccupations, or practices of the interviewees or their organizations, and in order not to channelize them to a specific type of answer. The interviewees were assured that their names and the banks' tides would not be exposed in this thesis. However, some of them were still reluctant to state their opinion on the questions that required non-mechanical answers. One of the interviewees, for instance, rejected to give an answer to the question "Can you describe the common characteristics of the employees whose job contracts were terminated during crises?" Some of them made a special effort to provide round answers, obviously trying not to reveal any negative attitude or practice against women in the workplace, and some of them gave answers within the required context only after a rephrasing of a question and/or supporting the question with exemplary responses. The interviews are narrated under two headings:

the first is perceptions regarding female employees, and the second is women's employment in the sector during crises.

Perceptions regarding Female Employees

The responses presented in this section aim to reflect (i) the organizational approaches to and the individual thoughts about the feminization of the sector; (ii) vertical and horizontal segregation in the workplace; (iii) the traits and characteristics that are attributed to female employees as a group. Although these are presented separately, some intermingling might occur due to the nature of the topic.

Feminization of the Sector

When the subject of the interview was communicated to the interviewees as the feminization of the Turkish banking sector, all of them approved it as a valid, undeniable phenomenon. The relevant question "Do you think the share of women in your bank will increase in the following 10 years?" received two types of answers: one being "yes" and the other being "will stay the same". The interviewees who thought that the share of women in their banks would increase included the employees of the both state-owned banks, and the shares of women in these banks were under the 50 percent mark. The other interviewee who declared positive opinion was P1M, and the share of women in his bank was above the 50 percent mark unlike the state-owned banks. When these interviewees were asked why they thought so, one of them responded:

Ladies are more successful in the financial services sector; I mean the services sector in general. Such sectors focus on the persuasion of the clients, especially in departments such as sales. The banking sector, in the end, is also about persuasion. Therefore I believe that the number of ladies in our bank will continue to increase.⁹ (S1M, emphasis mine)

The interviewee of the other state-owned bank gave a response with a similar reasoning. He stated that:

Women favor the banking sector more than men. That is because banking is a profession which is more suitable for them in terms of working conditions. Men are able to find jobs also in other lines of work easily, women are not. Thus, I expect that the share of women will continue to increase.¹⁰ (S2M)

The answer of the last interviewee who declared positive opinion was no different than the previous two. He explained that “the coming and leaving hours [of our bank] are definite, and the workplace is safe. Therefore, women dreadfully prefer the banking sector”¹¹ (P1M). Thus, all these respondents justified their answers with the suitability of the banking sector for women, as is argued by Vij (n.d.). One noticeable feature of these opinions presented is that they were all presented by males.

Both of the interviewees who gave the answer “will stay the same” to the question were the employees of foreign banks; and in both of the banks, the shares of women in total employment were above the 50 percent mark. One of them declared that they made a special effort to preserve equality. The other maintained a similar argument, but only to be effective after the change of ownership structure:

⁹ Bayanlar finans sektöründe, yani genel olarak hizmet sektörlerinde demek istiyorum, daha başarılı. Bu tip sektörler müşteri iknasına odaklanıyor, özellikle satış gibi departmanlarda. Bankacılık da nihayetinde ikna ile ilgili. Bu yüzden bizim bankamızda da kadın çalışan sayısının gittikçe artacağını düşünüyorum.

¹⁰ Kadınlar bankacılığa erkeklerden daha çok rağbet ediyor. Çünkü onlara daha uygun bir meslek, çalışma koşulları açısından. Erkekler başka alanlarda da iş bulabiliyor rahatlıkla, kadınlar bulamıyor. O yüzden kadın sayısının gittikçe artmasını bekliyorum.

¹¹ İşe giriş çıkış saatleri belli olduğundan ve iş ortamının güvenilirliğinden dolayı bankacılık sektörü kadınlar tarafından fazlasıyla tercih ediliyor.

The feminization process was going in its natural course until the change of ownership type from private to foreign. After the change, the equalization of the number of males and females became a deliberate policy. We deliberately try to maintain the balance now, we try to counterbalance if it the balance is distorted in favor of any gender group. The reason of this effort is our diversity policy.¹² (F2F)

Both of these responses show that the foreign banks try to maintain an equal number of male and female employees, and utilize it as an organizational policy. It is noteworthy that balancing the number of employees of each gender became an organizational policy in the last example after the change of ownership structure. The same interviewee was asked if there were significant changes in the positions of and/or attitudes towards women after the change of ownership structure; she maintained that there were not.

Bank-specific questions were also directed during the interviews in some cases. For instance, the share of women in one of the state-owned banks interviewed was 49 percent, very close to the sector average unlike the other state-owned banks. When the reason for this situation was asked, he replied that they [the organization] “care about women’s rights”¹³ (S2M). In order to explore more, he was asked if it was an organizational policy to increase the female employment or to balance the number of employees of each gender, he answered negatively. Therefore, his discourse of care about women’s rights seemed to be produced as an appropriate answer for the question, and rather arbitrarily.

Correspondingly, the interviewee from the other state-owned bank was asked why the share of women in his bank was 8 percentage points below the sector average. He responded that:

¹² Yabancılaşana kadar feminizasyon süreci doğal bir süreçti. Yabancılaştıktan sonra, kadın-erkek sayısının eşitlenmesi bilinçli bir politika haline geldi. Şu anda özellikle dengede tutmaya çalışıyoruz, denge bozulursa tekrar kurmaya çalışıyoruz. Bunun sebebi ise *diversity policy*miz.

¹³ Kadın haklarına önem veriyoruz.

It stems specially from our branch network. Most private-owned and foreign banks are concentrated in metropolitan cities. However, we have branches not only in metropolitan areas but also in remote places of Anatolia. Therefore, ladies do not prefer to work in there, the environment in those places does not prefer it [women to work] either. People do not look good to working *women* in such places. And since ladies mostly work in branches of a bank, ladies in our bank have a smaller share than the other banks.¹⁴ (S1M, emphasis mine)

The interviewee's comments reflect the cultural perspective of women's employment in some places of the country, thus carrying a valuable mirror of ideology. But his comment aside, it is not possible to disregard the gendered structure prevalent in his language. He refers to women as *bayanlar* (ladies) in almost all occasions, the only exception being *çalışan kadınlar* (working women). The interviewee unconsciously carries the gendered structure of the argument he presents to his words, ascribing a negative meaning to the word *women*, especially in the context of the sentence the word appears.

As for the last bank-specific question, the same interviewee was asked about the sudden jump in the female ratio in his bank in one of the previous years. He explained that this was due to the restructuring in the banking sector and the change in the status of employees, by which their jobs became less secure. He continued:

[After the restructuring], mostly men left the bank. They sought employment in other state institutions. Since ladies retire earlier than men, they chose to stay. The reason for this situation is men's being the primary earners of the household. They chose security and preferred to move to another state institution, ladies took a risk and stayed. Because the head of the household is the man, a lady is in secondary position in the working life. This being the case, ladies did not need to seek employment elsewhere (. . .), since they are not the breadwinners of the household.¹⁵ (S1M)

¹⁴ Şube ağımızın özelinden kaynaklanıyor. Özel ve yabancı bankaların yoğunluklu olarak büyük şehirlerde şubeleri var. Ancak biz Anadolu'nun üçra köşelerinde de şube açıyoruz. Bu yüzden bayanlar oralarda çalışmayı tercih etmiyor, çevre de tercih etmiyor. Çalışan kadınlara hoş bakılmıyor böyle yerlerde. Bir bankada bayanların en yoğun olduğu yerler şubeler olduğu için de, bizim bankamızda oran olarak kadınlar daha az.

¹⁵ Daha çok ayrılanlar erkekler oldu. Başka kamu kuruluşlarında iş aramaya başladılar. Bayanlar daha erken emekli olduğundan dolayı bankada kalmayı seçti. Bunun sebebi erkeklerin birincil çalışan

The analysis of the relevant data reveals that both male and female employment increased in the year at issue and the percentage increase in women's employment was higher. Therefore, the response does not provide the answer to the question. Yet, his comment is very useful in setting a perfect example of the two roles theory, for he assumes that women's primary role is to perform domestic labor and men's primary role is to perform waged labor, and men are the breadwinners of the household. Consequently, he views women's work as secondary to men's work.

Gender-based Segregation in the Workplace

The first two questions of the interview in an attempt to uncover the gender-based vertical segregation in the banks were (i) "Did more women or more men apply for the entry-level positions in the last year?" and (ii) "Did more women or more men apply for the managerial level positions in the last year?" The aim of these questions was to reflect the self-selection mechanism in job applications. It is argued in the literature, and was presented in Chapter 3, that women apply for the jobs in the banking sector even if they think that no future opportunities exist, however men do so only if they can anticipate being a manager (as cited in Günlük-Şenesen & Özar, 2001). For the first question, the interviewees from the state-owned and private-owned banks replied as women (S1M; S2M; P1M). One of the interviewees of the foreign banks replied as equal (F2F) and the other explained that there were no open positions (F1F). Although it is highly unlikely for a bank not to post any entry-level positions throughout a year, it is possible in this bank's case considering the bank

konumunda olmasıdır evde. Onlar güvenceyi tercih ederek yine kamu kurumlarında çalışmayı tercih ettiler, bayanlar risk alıp kaldı. Çünkü aile reisi erkektir, bayanlar ikinci konumdadır çalışma hayatında. Böyle olunca bayanların başka iş aramasına gerek olmadı (. . .), evin esas gelir sağlayıcısı onlar olmadıkları için.

being very small-scale. As was expected, no “men” answers were received from the participants. For the second question, one interviewee from one of the state-owned banks and the interviewee from the private-owned bank explained that there were no positions posted in the managerial level (S2M; P1M). The other state-owned bank interviewee stated that such type of hiring was very limited to construct a sample (S1M). The interviewee who replied as equal for the first question again replied as equal (F2F); and the interviewee of the small-scale foreign bank replied as male (F1F).

In order to support the previous two questions, the following question was asked: “Members of which gender has a higher share in the upper level management of your bank?” Four of the respondents replied as males, whereas only one of them replied as females (F1F). One interviewee from the state-owned banks actually answered as “men, naturally”¹⁶ (S1M) and the other as “of course men”¹⁷ (S2M). It should be noted that no females were employed in the top management of these two banks. When it was asked why, one of them said “men work harder in order to take place in the upper management; they care more about being a manager than the ladies”¹⁸ (S1M). The other state-owned bank employee justified it as “this is how things work”¹⁹ (S2M). In the foreign bank where the share of women is higher in the top management, the ratio is as high as 80 percent, probably being unique in the

¹⁶ Erkekler, doğal olarak.

¹⁷ Tabii ki erkekler.

¹⁸ Erkekler daha çok çabılıyor yönetici olmak için, onlar yönetici olabilmeyi bayarlardan daha çok istiyorlar.

¹⁹ İşler böyle yürüyor.

sector. The interviewee of this bank argued that “In our bank, whoever is successful, s/he moves to the top”²⁰ (F1F).

As far as horizontal segregation is concerned, the thoughts of the interviewees were requested directly via the following question: “Do you think that jobs and/or departments are segregated in your bank in terms of gender?” Only one of the participants gave a negative response for this question without hesitation (P1M). All other participants answered as yes; however their perception of gender-based segregation were at different levels. One interviewee continued:

Branch employees, tellers are mostly women; HR [human resources] departments mostly comprise of women; however departments such as IT [information technologies] usually employ men. Indeed, it is not easy to prevent this because the job applications are also in this direction. For example, if the pool of applicants for a department consists mostly of men, then it is more likely that a man gets the job. It does not always have to be like this, but it mostly is.²¹ (F2F)

Another interviewee gave a similar response with the same jobs and departments as examples:

Needless to say, tellers are mostly ladies. But there is not much segregation in the head office. Of course there are more men in the support departments such as IT, which is natural. Men are naturally talented for this kind of work, for the technical stuff.²² (S1M)

As mentioned before, “men’s jobs, women’s jobs” dichotomy shows itself in the departmental breakdown of genders. For example, human resources department is always perceived as more social, therefore more feminine; while IT department is

²⁰ Bizim bankamızda kim başarılıysa yukarıya o gider.

²¹ Şube çalışanları, gişe görevlileri daha çok kadın, HR departmanları daha çok kadın, IT gibi departmanlar genelde erkek istihdam ediyor. Bunu engellemek pek kolay olmuyor çünkü başvurular da bu yönde oluyor. Mesela, bir departman için başvuranlar havuzu büyük oranda erkeklerden oluşuyorsa pozisyona bir erkeğin alınması daha muhtemel oluyor zaten. Hep böyle olmak zorunda değil, ama genelde böyle olur.

²² Tabii ki, gişe görevlileri genelde bayan oluyor. Ama genel müdürlükte çok fazla farklılaşma yok. Tabi destek birimlerinde, mesela IT, daha çok erkek oluyor doğal olarak. Erkeklerin bu tarz işlere doğal yeteneği var, bunun gibi teknik işlere.

viewed as more technical, therefore more masculine. The first comment again reveals a self-selection mechanism; members of either gender opt for the jobs or departments that are tailored for them. Both comments show that the periphery workers, who usually do not have very high expectations for career advancement, are women in these banks. The second comment in addition includes the cliché of men's being more talented than women for technical work.

The other two employees who said yes thought that gender-based segregation existed in their companies, but to a limited extent. Both of them gave security guards' being male as examples. One of them told that,

Other than the security guards, everybody works everywhere. There is [gender-based] segregation neither in the head office, nor in the branches. For example, the head of our X branch [X being a city in Eastern Anatolia] is a lady. There is no segregation in the departmental level, either.²³ (S2M)

The other interviewee maintained that "the balance in the departments is disturbed from time to time, but the change takes place in both directions. However I might claim that mostly women occupy managerial positions"²⁴ (F1F).

The Traits and Characteristics that are Attributed to Female Employees as a Group

There were two questions in the interview covering the characteristics and personal traits that are associated with female workers. The first one listed 12 attributes and the interviewees were asked to choose which attributes fit to which gender more. The choices available for each attribute were: (i) women, (ii) men, (iii) both, and (iv)

²³ Güvenlik görevlileri dışında, herkes her yerde çalışıyor. Genel müdürlükte de farklılaşma yok, şubelerde de. Mesela X [X, Doğu Anadolu Bölgesi'nde bir şehirdir] şube müdürümüz bayan. Departmanlarda da farklılaşma yok.

²⁴ Departmanlar arasındaki denge zaman zaman bozulabiliyor, ama değişim her iki yönde de gerçekleşiyor. Ama şunu söyleyebilirim ki yönetici pozisyonunda daha çok kadınlar var.

none. Table 19 below presents the number of replies each attribute received in each category. No commenting was requested for this question, still some of the participants provided comments for some of their answers, which will also be presented below.

Table 19. Number of Replies for Each Attribute

	Women	Men	Both	None
Self-developer	1	3	1	-
Obedient	4	-	1	-
Successful	-	1	4	-
Agree to lower salary	3	-	1	1
Disciplined	5	-	-	-
Promote faster	-	-	3	1
Take many day-offs	4	-	-	1
Loyal to the bank	4	-	1	-
Hardworking	-	-	5	-
Eager to learn	-	-	5	-
Ensure discipline as a manager	3	-	2	-
Patient	4	-	-	1
Seek one's right	-	3	2	-

All of the participants ascribed the attributes “hardworking” and “eager to learn” to both sexes. Four of the participants told that both men and women were successful, only one thought that men were more successful than women. The attributes that are mostly associated with women were disciplined, obedient, take many day-offs, loyal

to the bank, and patient; all in line with the arguments presented in the literature (Gothoskar, 1995; Günlük-Şenesen & Özar, 2001). Three of the participants thought that women agree to lower salary, and they ensure discipline as a manager. Only two of the attributes were ascribed to men rather than women: that they are self developers and seek their rights more.

One of the interviewees commented that “both sexes start their jobs with equal level of enthusiasm. However, women start to ignore self development as time passes. The reason is that their responsibilities increase at home. They do not spare enough time for their jobs”²⁵ (S1M). Another interviewee thought that “if the salaries were lower, women would still work in the bank; because the sector is appropriate for them”²⁶ (S2M). Regarding promotion, one interviewee peculiarly stressed that there were no such discriminatory practices in their organization (F2F). One of them did not provide an answer, because he believed that:

Actually women promote faster up to middle management. Because there exist no risks, there is not much responsibility. Human relations are more important in the first promotions. However, job-specific knowledge gains importance as one tries to move above middle management and women’s success reduces at this point. Women are better in communication than job knowledge. This being the case, men begin to promote before women.²⁷ (P1M)

It seems like it is such kind of reasoning that prevents women from moving up in the organizations. It is one of the stereotypical views about women that they are more sociable and communicative, but less knowledgeable about their jobs. Therefore, this

²⁵ Aslında kadınlar da erkekler de eşit hevesle başlıyor işe. Ancak zaman geçtikçe kadınlar kişisel gelişimlerini önemsememeye başlıyor. Çünkü evdeki sorumlulukları artıyor. İşe yeterli vakti ayırmıyorlar.

²⁶ Maaşlar daha düşük olsaydı da kadınlar yine bankada çalışırlardı. Çünkü sektör onlara uygun.

²⁷ Orta seviyelere kadar kadınlar daha hızlı terfi ediyor aslında. Çünkü risk almıyorsunuz, sorumluluk yok pek fazla. İnsan ilişkileri daha önemli ilk baştaki terfilerde. Ama orta seviyeleri geçmeye başladıkça işe özel bilgi daha çok önem kazanıyor, kadınların başarısı da bu noktada azalmaya başlıyor. Kadınlar iş bilgisinden çok iletişim gibi konularda iyi. Böyle olunca da erkekler daha çok yükselmeye başlıyor.

is one of the very sources of the glass ceiling, creating a gender-based discrimination in the vertical hierarchy.

As a final comment on the attributes presented above, one interviewee who thought that women ensure discipline more as a manager justified it as:

Women are more controlled as managers. And, they are more nervous than men. I think the reason for this is their will to preserve their positions. They spend more effort than men, because they are lower in number.²⁸ (S1M)

The second question regarding the characteristics associated with women and the roles expected from them was the following one. “What kind of qualifications do you think women need to have in order for your bank to employ more women?” Two of the participants again stressed that there were no gender-based discrimination in their hiring processes (F2F; P1M). One of them stated,

Whatever qualification is expected by the job definition, we look for it in both sexes. And I do not personally think that any side has a qualification that the other does not have. Provided that the number of women and men are equal, we do not look for specific gender-based characteristics but we take personal traits into consideration.²⁹ (F2F)

Interestingly, the other female human resources manager immediately replied as “they should have male qualifications!”³⁰ She continued,

I mean we look for characteristics such as being a decision-maker, or a risk taker. There is no problem with education; women are even more educated than men. However, we try to balance the male and female traits. When there are more female employees, a male touch is missing from the workplace, and vice versa. When there are many women, the chatting immediately starts to revolve around fashion, beauty, and

²⁸ Kadınlar yönetici olarak daha kontrollü. Bir de daha gergin oluyorlar erkeklerden. Bunun sebebi pozisyonlarını koruma isteği. Daha çok efor sarf ediyorlar erkeklerden, sayıları çok fazla olmadığı için.

²⁹ İşin tanımı gereği beklenen nitelikler ne ise, her iki cinsiyette de bu niteliklere bakıyoruz. Ve benim kişisel görüşüm, herhangi bir tarafın diğerinde olmayan bir özelliğe sahip olduğunu düşünmüyorum. Kadın ve erkek sayısı eşit olmak koşuluyla belirli cinsiyet özelliklerini değil kişisel özellikleri dikkate alıyoruz.

³⁰ Erkek özelliklerine sahip olmalı!

diet; when there are more men, this becomes football. Therefore, it is important to maintain a balance in the number of women and men.³¹
(F1F)

Although this interviewee did state that there were more women than men in the upper management of her bank, it seems that these women were hired in the first place due to their possession of characteristics that are mostly associated with males, such as decision making or risk taking. This situation was presented by Çulpan et al. (2007) in the literature; they argue that women should perform stereotypically masculine work identities to be able to move upwards in the banking sector.

Both of the remaining two interviewees gave similar responses. One replied that, “Education is the number one priority. Other than that, they should be active. They should have a talent for representation, for this is part of the services sector. And, physical appearance is important”³² (S2M). The other interviewee stated that,

They should be successful in human relations. Should be better salespeople, should have persuasive powers. Should be presentable and well-dressed. They should be intelligent, and not unaware of some things [general knowledge].³³ (S1M)

These two responses actually reflect that other than their qualifications, women are also hired to better reflect the banks’ image. The women who manage to move up the organizational hierarchy are mostly the ones who forgo their femininity; the periphery workers, especially the ones who are in direct relations with customers, are

³¹ Yani demek istiyorum ki karar verebilme, risk alabilme gibi özelliklere bakıyoruz. Eğitim konusunda problem yok, hatta kadınlar erkeklerden daha eğitilmiş oluyor. Ama kadın ve erkek özelliklerini dengelemeye çalışıyoruz. Kadın sayısı daha fazla olunca *male touch* eksik kalıyor, erkek sayısı fazla olunca da tam tersi. Kadınlar çok olduğu zaman muhabbet moda, diyet, güzellik çerçevesinde dönmeye başlıyor; erkekler çok olunca bu futbola dönüyor. Bu yüzden kadın erkek sayısında dengeyi sağlamak önemli.

³² Bir numaralı öncelik eğitim. Onun dışında, aktif olmaları önemli. Temsil yeteneğinin olması gerekir, hizmet sektörü olması dolayısıyla. Bir de dış görünüm önemli.

³³ İnsan ilişkilerinde başarılı olmaları gerekir. Daha iyi satışı olmaları gerekir, ikna yeteneklerinin kuvvetli olması gerekir. Prezantabl olmalılar, kılık kıyafetine özen göstermeliler. Kafaları çalışmalı, bazı şeylerden bihaber olmamalılar.

on the contrary hired *for* their femininity. Also, it is noteworthy that whereas a female human resources manager replied to the question as women should have male qualifications, two male human resources managers replied on the basis of assumingly feminine identities.

Women's Employment in the Sector in Crises

The responses grouped under this section aimed to reflect any bias against female employees in times of crises, if exists. However, the human resources employees interviewed were quite discreet about this subject. Other than the question that asks if there was a fall in the number of employees during each crisis (the data for which was actually available), the questions under this heading asked the following: (i) "Were more women or more men were fired during each of the crises?" (ii) (if the answer to the previous question is 'equal') "Can you describe the common characteristics of the employees whose job contracts were terminated during crises?" and (iii) "(if the answer to the previous question is 'men' or 'women') "Why do you think this was the case?"

Although the data for one of the banks showed that more women were out of their jobs in 2001 and more men were out in 2008, the interviewee of this bank declared that equal share of employees were laid off in each crisis. When the relevant subsequent question was asked, the interviewee refused to answer, claiming that this was confidential information. In one of the state-owned banks, the fall in the number of employees in 1994 was insignificant, there was no fall in 2008, but there was a fall in the number of employees in 2001 and the percentage fall in the number of men was larger. Yet, the interviewee told that there was no fall in the number of

employees in either of the crises, they made other sacrifices instead of firing workers. In the other state-owned bank, there was a fall in the number of employees both in 1994 and in 2001, and there was no fall in 2008. The interviewee of this bank told that there was not an organizational decision to lay off employees, the fall in the number was a natural one. Though, he added his comment that “the one who has conscience keeps the ones who need their jobs the most in times of crises. However, the most costly ones are fired in the private sector”³⁴ (S1M). His comment actually presents an example to the conflict of the capitalist and patriarchal forces which result in different outcomes in times of crises.

In one of the foreign banks, there was a larger percentage fall in the number of female employees in 1994. However, the interviewee was not employed in the bank at that time, therefore she said she was unable to opine on it. The number of employees in 2001 and in 2008 actually increased in this bank. The interviewee stated that,

We closed both 2001 and 2008 with profit. Accordingly, new hirings were slowed down but we did not lay off employees due to the crises. Even if there was a fall in the number of employees, such a fall was as a result of natural turnover. And I cannot say that new hirings were particularly men or women.³⁵ (F2F)

The last response under this heading is from the interviewee of the other foreign bank. There was not a fall in the number of employees of this bank in 1994, but there was a fall in both 2001 and 2008. She declared that equal number of employees was out in 2001, but more females were out in 2008. For the 2001 crisis she stated that,

³⁴ Krizlerde vicdanlı olan en çok işe ihtiyacı olanı tutar. Ancak özel sektörde en maliyetli olan çıkarılır.

³⁵ 2001’i de 2008’i de karla kapattık. Dolayısıyla yeni alımlar yavaşladı ancak kriz sebepli işten çıkarma da olmadı. Çalışan sayısı düştüyse de doğal *turnover*la düştü. Yeni işe alınanlar da özellikle kadını veya özellikle erkekti diyemem.

At the same time with the 2001 crisis, there was a merger taking place at our headquarters. Because of the merger, there were already going to be firings; therefore the merger also helped us legitimize the firings due to the crisis. I can say that 75 percent of the layoffs were due to the merger, and the remaining was due to the crisis. The people who were fired were the underperformers.³⁶ (F1F)

For the 2008 crisis, she explained that “there is no special reason for the case that more women were fired in 2008, this was a coincidence. The ones who were out were again underperformers”³⁷ (F1F).

Because of the hesitance of the most interviewees to reveal information about the firings that took place in their organizations, no healthy conclusions were constructed with the help of this section. From the few replies that had some substance, it is inferred that in neither of the banks interviewed were there an obvious or conscious layoff of female employees. In any case, this conclusion is enough to explain the numerical part of the phenomenon that the share of women in crises stays almost at the same level with the year preceding the crises. Since most of the interviewees declared that hirings in these times were very limited, it is natural that the feminization trend comes to a halt unless more males were fired, which was obviously not the case either.

The answers or comments received in these interviews do not represent the practices of all banks in Turkey; neither do they characterize the thoughts or ideologies of all the employees in the banking sector. However, they were very helpful in supporting the literature on the subject of this thesis and supplementing the numerical results achieved by the quantitative analysis of the data.

³⁶ 2001 kriziyle aynı zamanda bir birleşme yaşadık genel merkezden. Birleşme dolayısıyla zaten işten çıkarılmaları olacaktı, dolayısıyla birleşme kriz sebepli çıkarmaları da *legitimize* etmemizi sağladı aynı zamanda. İşten çıkarmaların yüzde 75’i birleşme, kalanı da kriz sebepliymi diyebilirim. İşten çıkarılan kişiler *underperformer* olanlardı.

³⁷ Daha çok kadın çıkarılmış olmasının özel bir sebebi yok, çoğunluğun kadın olması bir tesadüftü. *Underperformer* olanlar çıkarıldı yine.

CHAPTER 6

CONCLUSION

This thesis aimed to study the feminization trend in the Turkish banking sector between the years 1986-2008 from a critical perspective. In doing so, two main issues were taken as points of analysis: the first was to examine the implications of the factors that contribute to and result from the feminization of the sector on women's employment, and the second was to analyze the impacts of economic crises on this very feminization.

The first part of the analysis showed that although there has been a major increase in the share of women in the Turkish banking sector throughout the last two decades, the literature on women's employment in the banking sector supported by the data gathered from BAT and the interviews conducted with the human resources managers of five banks show that women in the sector suffer both from horizontal and from vertical segregation. Data on the educational attainment levels of both genders show that women in the Turkish banking sector possess better educational characteristics than men, and it is found by most studies that they still are underrepresented in the top levels and overrepresented in the lower levels. Therefore the data, together with the literature, assert that theories such as the human capital theory are inadequate in explaining the prevalent occupational segregation in the sector, and the findings point to the existence of a glass ceiling. Consequently, although equality in the number of employees from each gender is achieved in the sector, this thesis concludes as a result of a more exploratory and a more critical

analysis that such equality does not necessarily point to the equal representation of the genders in terms of horizontal and vertical occupational categories.

The second part of the analysis showed that the commonsense approach to the relation of the labor market with female employment during crises maintaining that women are the first ones to suffer from the labor market responses to crises cannot be verified for the Turkish banking sector. The regression analysis point to a break of the feminization trend in the Turkish banking sector in 1994 and in 2001, however the share of women in total employment stays stable in the crisis years. The interviews conducted also show that there has not been a layoff of female workers as a result of a managerial decision, although this argument is as valid as the interviewees' willingness to share organizational information regarding firings. The analyses do not point to significant differences among these crises, either. Although the implications of the crises on the Turkish banking sector are not the same, for there had been a minor banking crisis in 1994 but a major one in 2000-2001, the sector shows similar behavior in these years in terms of female employment. As stated before, the share of women stays stable in 1994 and in 2001 with respect to the preceding years, and the feminization returns back to its course immediately once the crisis is over. The analysis also shows that 2008 crisis does not affect the feminization trend in the sector. Of course, whether or not the feminization will continue after 2008 is unknown at this point. However, the interviews conducted show that most of the banks will try to balance the share of genders in the future as an organizational policy. Therefore, the feminization in the sector is expected to slow down to a large extent, if not to stop.

As a result of the quantitative analyses; neither of the substitution, buffer, and segmentation hypotheses was found to be fitting to the female employment patterns

regarding economic cycles in the Turkish banking sector. The substitution hypothesis does not fit to the banking sector at all, because it fails to explain the feminization at economic expansion times. The feminization in the sector in economic expansions confirms the buffer hypothesis, yet the buffer hypothesis also asserts that women are the ones to be laid off before men in crises, which is not the case in the banking sector: the stability of the share of women in 1994 and 2001 show that female and male employees are laid off in equal percentages. Therefore, it would be incorrect to assume that the buffer hypothesis holds. The segmentation hypothesis in its basic form does not apply to the sector either because it is able to explain the stability of the share of women in crises; however it cannot explain the significance of the feminization trend in the sector in economic expansions.

The behavior of female employment in the sector regarding economic cycles might be explained in the following ways. Firstly, banking in Turkey is a sector where no informality exists, and the sector is strictly regulated by the BRSA. Also, a considerable amount of information regarding the sector is publicly available, including the employment figures. Therefore, it may be the case that the banks cannot afford to portray a negative public image with a mass layoff of female employees in times of crises. Secondly, most of the banks in the sector have a well-established corporate structure. One of the reasons for this situation is again the strict regulations on the sector. Another reason is that it has become a key sector for the economy throughout the years, forcing the banks to develop solid corporate structures. Therefore, the banks may be taking the gender dimension into consideration when making important organizational decisions such as the layoffs in times of crises. Thirdly, the feminization of the sector is expected to slow down, because equality in the number of men and women is achieved in the sector, and the

interviews conducted reveal that the banks will try to maintain the balance as it is.

Therefore, in the future it may as well be the case that economic cycles will not have an effect on female employment in the sector; that is the share of women will stay stable not only in times of economic crises but also in times of economic expansions.

The availability of data on age, seniority, experience, and the horizontal and vertical occupational breakdown of employees by gender would provide a deeper analysis and a more profound understanding of both the feminization phenomenon in the Turkish banking sector and the effects of economic crises on this very phenomenon. As such, it provides a field for future research.

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