

SEX DISCRIMINATION IN THE BANKING SECTOR: THE CASE OF TURKEY

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I- Introduction

Discrimination is defined as to differentiating people in the labor market who have similar human capital, based on their sex, age and race. The typical method in studying sex discrimination is to monitor a single organization or a few organizations and evaluate the results. This technique is based on the presumption that the position of the women can't be analyzed by isolating the social and cultural dimensions, and that the data quantitative techniques relied on are evaluated neglecting the sex discrimination. So, this technique can't supply in-depth information about the women's employment. Continuing the approach and neglecting alternate numerical data reflecting the women point of view, results in insufficient information about the case. But justification of the social and economic policies at the macro level is possible only with a comprehensive database and widely accepted systematic methods (Olson, 1990; Rowbotham, 1995; Burnell, 1993).

Hence it is necessary to evaluate the related databases and the models developed against discrimination. There are two different approaches for the explanation of the sex discrimination in the labor market. First is the so-called human capital model, a supply based explanation. Second is the approach, which emphasizes the demand side of the discrimination.

In this study, we analyzed the sex in labor market as exemplified in the Turkish banking sector, based on the general assumptions of the supply-oriented models. We used quantitative as well as the qualitative techniques to unearth the sex discrimination.

II- The Models To Explain the Sex Discrimination

Discrimination in the labor market can be defined as personal presumption or dislike against a specified group. Gary Becker says that

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every person has such tastes potentially. But, in order to be effective for the employment of the women and determination of the wages of the women, such tastes have to direct the human behaviors. The extent of the discrimination tastes is measured by the discrepancy quotient (Becker, 1964, 1976).

If an employer has discrimination tastes, it perceives an additional cost when it employs a woman. For such an employer, the cost of the employment of a man equals the wage of that man whereas the cost of the employment of a woman equals the wage of that woman plus the discrimination quotient of the employer. It means that such employers employ women only when they are hired with lower wages than men (Fischer, 1987). This situation changes with respect to the number of the women seeking employment and the depth and extent of the discrimination of tastes of the employers. The employers, which do not apply discrimination, employ women and men with equal wages. If the number of such employers is sufficiently high or the number of the women seeking employment is low all of the women seeking employment can be employed by the employers, which do not apply discrepancy. On the other hand, if the discriminatory is common among the employers and the number of the women seeking employment is high, then some of the women will be employed by the employers which apply discrimination and as a result of this they will get lower wages (Özar, 2000; Jacobsen, 1994).

If a male employee has separatist feelings against women employees, he will feel it as an additional non-monetary load for him. This additional cost equals the discrimination quotient. It is necessary to pay this additional cost to the male employees in order to make them continue working together with the women. In such situations the employers who try to maximize the profits prefer to discriminate against women. This behavior may result in a purely women or purely men working environments so they will get rid off the extra costs (Fischer, 1997; Çolak, Ardor, 2001).

Employees' discrimination may explain the differences in the jobs. For example, the dislike of men against the women managers may be an explanation for the fact that there are so few women managers.

Statistical discrimination model for sex discrimination relies on the fact that employers continuously make decisions in an environment where there is insufficient information and uncertainty According to this model, employers can never know the performance and working duration of the candidates, no matter how they examine the properties and CVs of them. At the same time they are reluctant to make any errors when they

take into account the orientation and training cost of the new comers (Phelps, 1972; Colak, Ardor, 2001).

In such an uncertainty and insufficient information environment, it is not a surprise that the employers accommodate some conventional ideas and beliefs to fill the empty spaces. For example, if they believe the efficiency of the women is generally lower, or that they may easily change their jobs or leave the jobs, statistical discrimination unearths these beliefs. In such cases employers rate a woman against the average beliefs about women. As a result of this they discriminate against women when they employ them or determine their wages. If the information used by the employer is wrong such decisions will not be fair. But the situation will become complex if such information is generally true. In the latter case, there will be a wage discrepancy related to the efficiency difference. This situation results in a disappointment of a woman employee, who has the same level of efficiency with the men and willing to work for long durations (Arrow, 1976).

Overcrowding model explains the differences in wages as the two sexes concentrate on different categories of jobs (Bergman, 1974). According to the model, if the demand is lower in the sectors where women are employed heavily, than the supply of the women work force, there appears the wage difference. And this model presumes at the beginning of the analysis that the wages in the womanly sectors is lower than the ones in the manly sectors.

Labor markets are not so flexible as it is assumed in the competition models. When we examine the contemporary labor markets we see lots of inflexibility and rigidity. These stem from the obstacles to the competition created by the unions in the labor market and the companies in the stuff markets, using their monopoly powers.

III- Sex Discrimination in the Banking Sector: Turkish Example

Banking in Turkey is a sector where men and women are somewhat equally employed and have similar jobs with respect to the other sectors. At the same time, the banking sector has become a leading sector thanks to the financial liberalization after the 1980s. So it is better and more meaningful to approach the sex discrimination in the banking sector, not from the wage discrimination point of view but, from the job discrimination point of view. One of the primary reasons for the selection of this approach is the lack of wage statistics and other reliable information about the wages. The second but maybe the most important factor is that, many studies revealed the fact that sex discrimination is

based on the job differences in the developing countries (Cohen ve House, 1993).

3.1. Data Sources and The Collection Of The Data

Collection of the data is accomplished using the questionnaires. A questionnaire created about the present and future structure of the banking sector and employment structure was replied by 98 attendee who gathered in the training meetings organized by the Turkish Banking Union.

3.2. Evaluation of The Results of The Questionnaires

The data is analyzed by the SPSS statistics program in the computer after the questions - including the open-ended questions- are evaluated and coded. The resulting tables clearly show the status of the sex discrimination in the Turkish Banking Sector.

Table 1 : The Distribution of the Ages of the Employees (%)

	Age Groups							Total Sum
Sex	20-25	26-30	31-35	36-40	41-45	46-49	50+	
Women	3,00	7,10	4,00	5,10	10,10			29,30
Men	1,00	15,20	13,10	15,20	20,20	5,10	1,00	70,70
Total	4,00	22,20	17,20	20,20	30,30	5,10	1,00	100,00

According to the above table the highest percentage of women is 10.1% in the 41-45 ages, whereas that of the men is 20.2% in the same 41-45 ages. According to the results most of the both women and men employees are not young. The percentage of the 41-45 ages in total is 30.3%.

Table 2: The Distribution of the Educational Status of the Employees (%)

Sex	Educational Status		
	High School	University	Graduate
Women	23,70	33,90	20,00
Men	76,30	66,1	80,00
Total	100,00	100,00	100,00

According to Table 2 most of the employees have university degree (56.6%) but percentage of those with graduate degrees is low (5.1%). 38.4% of the employees are graduates of high school and this number can be interpreted as the human capital in the banking sector is not

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sufficiently high. Another result, which can be derived from the above table is that, men are dominant at the higher educational levels. For example, the percentage of women with university degree is 66.1% whereas the percentage of the women with graduate degrees is only 20%.

**Table 3: The Distribution of the Positions of
The Employees in Their Banks (%)**

Sex	Position in the Bank			
	High	Middle-High	Middle	Low
Women		23,90	30,40	60,00
Men	100,00	76,10	69,60	40,00
Total	100,00	100,00	100,00	100,00

From the above table we see that 46.9% of the employees are in the middle rank. The percentage of the women in this rank is only 23.9%. On the other hand percentage of the women in the low ranks is 60%. These numbers clearly show that women do not have the chance to be promoted to the higher ranks and that the job difference concept is against them.

**Table 4: Distribution of the Foreign Language
Knowledge of the Employees (%)**

Sex	Level of Foreign Language			
	Excellent	Good	Middle	Not at all
Women	75,00	33,30	27,50	20,00
Men	25,00	66,70	72,50	80,00
Total	100,00	100,00	100,00	100,00

Above table shows that 40.8% of the total employees have a moderate level of a foreign language knowledge, whereas 30.6%, a significant number, don't speak a language at all. Also it is seen that, except the "Excellent" category the male employees are better.

For the above table we asked the employees about how the others feel about them in the professional life, and which properties are suitable for women and men. As you can see "obedient", "requests more vacations", "accepts lower wages" are cited as female properties. But "have Authority As a Manager", "have patience" and "loyal to the employer" are cited as male properties. These results show that women are more obedient in order to continue to their current position or to be promoted. And they clearly show that in this sector there is sex discrimination.

Table 5: The Distribution of the Personal Properties with Respect to Sex (%)

Properties	Personal Properties Compatibility			
	Women	Men	Both Sexes	None
Self Developing	10,4	16,7	68,8	4,2
Abeyant	40,4	21,3	37,2	1,1
Successful	14,4	24,7	58,8	2,1
Accepts Lower Wages	34,8	14,6	21,3	29,2
Disciplined	27,4	25,3	45,3	2,1
Quickly Promoted	37,8	22,2	23,3	16,7
Requests More Vacations	68,1	7,4	16	8,5
Loyal to the Employer	19,8	30,2	46,9	3,1
Hard Working	19,4	21,5	58,1	1,1
Willing to Learn New Things	18,8	24	51	6,3
Have Authority As a Manager	11,8	59,1	26,9	2,2
Have Patience	30,5	35,8	33,7	
Tracking Own Rights	30,1	11,8	49,5	8,6

As we can see from the above table, the percentage of respondents who say the percentage of the women will is 66.3%. Respondents say that reasons for this are women's willingness to penetrate into the business life hence gain economical freedom, suitability of the banking sector for the women, the higher application rate of the women to the vacant positions, and willingness and patience of women. They tell the reasons for the forecasted decrease in the number of women as they are more problematic, requests more vacations and the efforts to balance the numbers between women and men.

Table 6 : The Forecast About the Distribution of the Men and Women in the Next Ten Years (%)

Sex	Female Employees			Male Employees		
	Increase	Decrease	Stay the Same	Increase	Decrease	Stay the Same
Women	19,40	3,10	6,10	5,10	8,10	16,20
Men	46,90	13,30	11,20	13,10	33,30	24,20
Total	66,30	16,30	17,30	18,20	41,40	40,40

The respondents who say that the numbers, which stay the same, explain their reasoning as women have already more than enough positions so there is an effort to balance.

For the male employees, the percentage of the respondents who believe that the percentage of the male employees will rise is 18.2%, decrease is 41.4% 0, remain the same is 40.4%. The percentages reflecting the fall and no change in distribution the same is almost equal. The reasons for this situation are the efforts to balance the numbers, number of the positions occupied by the men already high; so there is no need to increase the number. The reasons for the increase in the number of the men are the willingness of the men towards the banking sector and willingness to penetrate into the business life.

Managers require leadership qualifications, university or graduate degree, experience, and dialog with the people, and knowledge of foreign languages, dynamics and energetic nature for the women to be promoted to the manager degrees.

For the other positions women are required to have experience and necessary qualifications. .

Table 7: Last Year Applications for the Vacant Positions (%)

Sex	Last Year Application Numbers			
	Women Applied Most	Men Applied Most	Same	No Vacant Positions
Women	5,7	3,4	12,5	6,8
Men	10,2	30,7	9,1	21,6
Total	15,9	34,1	21,6	28,4

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According to the Table 7 most of the applications come from the men. 28.4% of the banks are with no vacant positions so no application stems due to the crisis which broke out last year in Turkey affected the banking sector badly.

Table 7 : How the Men See the Women (%)

Sex	How the Men See the Women		
	Positive	Negative	They do not discriminate between the sexes
Women	18,80	56,30	22,20
Men	81,30	43,80	77,80
Total	100,00	100,00	100,00

According to the above table, men in the banking sector do not discriminate between the sexes (48.4%). When we compare the results of the "negative" behaviors column, it is seen that women employees tend to be in accord with the social patterns. This result shows that women employees experience heavy social pressures.

Table 9 : The Importance of the Sex in the Promotions (%)

Sex	The Importance of the Sex in the Promotions		
	Women Have Priority	Men Have Priority	No Priority Between the Sexes
Women	-	10,80	16,10
Men	10,80	21,50	40,90
Total	10,80	32,30	57,00

The percentage of the respondents who say there is no priority concerning promotion is 57% whereas that of respondents who say men have priority is not a low one; 32.3%.

3.3. The Definition of the Criteria Used in the Calculation of the Sexist Job Discrimination: Phased (Staged) Ki-square Test

You use Ki-square test to test the zero hypotheses, which says that there is no correlation between the management levels and sex. The management levels in the banking sector to be analyzed are shown in the following table:

Position	Sex		Total
	Women	Men	
High ranks	-	1	1
Middle-High	11	35	46
Middle	14	32	46
Low	3	2	5
Total	28	70	98

When we applied χ^2 independence test to the above distribution, K-square value is calculated as 3.387. Independence degree is 3, meaningful level is 5%, so K-square value is 7.815. This number shows the zero hypothesis stating that there is no correlation between the management levels and sex is accepted as true.

3.4. Women employee rate per men employee

Though the values of the women employee rate (KO) in an organization or profession help us show the discrimination, the obscurity in the threshold values is an important disadvantage. For example, there are some researchers who specify that an organization is men-concentrated when $KO < 0.20$, and women-concentrated when $KO > 0.50$ (Deutsch,1994). To get rid off this obscurity, we can use women employee per men employee, rate to reflect the relative position of the women employees (EBKO).

$$\text{(EBKO)} = \text{KO/EO} \text{ (or } = \text{KT/ET})$$

EBKO: women employee per men employee rate

KO: women rate in this specific sector

EO: men rate in this specific sector

KT: total number of women employees

ET: total number of men employees

In an exact equality (ideal) case $EBKO=1$. Exact inequality against the women case will have $EBKO=0$ and exact inequality against the men case $EBKO=1$. So we can interpret the values of EBKO lower than 1 as against the women, values of EBKO greater than 1 as against the men.

Table 10: The Personnel in the Banking Sector

Total Number of Personnel in the Banking Sector		Total Number of Personnel in the Questionnaire	
Women	Men	Women	Men
56970	79963	29	70

Source :TBB, Banks

According to the table we get $EBKO = (29/56970) / (70/79963) = 0,581491$

We can tell a discrimination against women when $EBKO < 1$.

4. Conclusion

After the financial liberalization of 1980s, the banking sector has become a favorite place for women and men. One for this reason of it is the relatively higher wages with respect to the other sectors. Since discrimination against women is especially low in the lower ranks, women are attracted to the banking sector. But in the middle and high ranks the discrimination is apparent. Because employers have similar tendencies this discrimination is employer based.

Because it is believed in the sector that women have no less human capital than the men and that they are obedient but they should be kept from the management ranks, it seems this discrimination will be a persistent one.

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