

# Explanations of the Feminization Effects in HR Profession and Beyond



Zsuzsa Karoliny and Norbert Sipos

**Abstract** In this paper we aim to find out whether there is an empirical evidence of the queuing and the devaluation theory. Based on one cross-sectional and two longitudinal studies using Cranet Human Resource Management network data we redefine the indicators of Human Resource strategic integration. The paper investigates the characteristics of feminization and Human Resource integration in four regions of the world in two consecutive Cranet surveys (2008/10 and 2014/16); also extends this focus on the Hungarian marketing, Human Resources, and finance recent graduates based on Graduate Career Tracking System database 2011–2014. Our empirical findings add new aspects of gender-effect on the strategic role of Human Resource Management in four regions of the world, further weaken the explanatory power of the two theories. We can conclude our study with a positive statement: the glass ceiling seems to break in the Human Resources, and based on the Graduate Career Tracking System data, sticky floors no more characterize the gender differences in earnings. Human Resources profession seems fully feminized, marketing on its way, but finance succeeds to preserve still its positive characteristics for men.

**Keywords** Human Resources · Feminization Effect · Cranet Network · Graduate Career Tracking System

## 1 Introduction

Throughout the history from the very beginnings, the labor-market was man-dominated. Nowadays due to demographic and other socio-economy changes the ever increasing penetration of women is a general phenomenon in almost every position. The nature and the fundamental reasons of their inflow vary greatly country

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Z. Karoliny · N. Sipos (✉)

Faculty of Business and Economics, Department of Leadership and Organizational Sciences,  
University of Pécs, Pécs, Hungary  
e-mail: [karoliny@tk.pte.hu](mailto:karoliny@tk.pte.hu); [sipos.norbert@tk.pte.hu](mailto:sipos.norbert@tk.pte.hu)

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by country; its influence is evidenced by the need for and presence of equal employment legislation. At the same time it is quite common to determine different patterns between men and women occupation: in general, women are over-represented in low-paid occupations with low-status, while under-represented in well-paid occupations with high status (Ehrenberg and Smith 2003). This could be a demand-side discrimination, including an increased likelihood of hiring women for low-paying and men for high-paying positions (Fernandez and Mors 2008), which can lead to freezing the status quo.

Beyond the occupational segregation decrease (dissimilarity index value drop in the USA from 68 in 1970 to 53 in 1990) the pay gap between men and women showed significant national differences even within the developed regions and countries in the mid-80s (e.g.: Sweden 0.77; Germany 0.71) (Ehrenberg and Smith 2003).

The *two most well-known theory groups* explaining the relationship between sex ratio changes in occupation and positive aspects related to certain professions (such as high salaries, social prestige, status, good working conditions, etc.) are the *queuing or relative attractiveness theory* (Reskin and Roos 1990) and the *mechanisms of social exclusion or devaluation theory* (Murphy 1988; Reskin 1993; Steinberg 2001). The former one argues that the inflow of women into certain positions depends on two factors. First, employers rank potential employees into labor queues according to their attractiveness. (Gendered labor queues show the prevalence of employers' preference of men for managerial jobs.) Second, employees create also their occupation queues according to job attractiveness (if men are more likely to leave an occupation when its image do not correspond with male job characteristics, then women are more likely to apply for it.) This implies that in queuing theory status loss leads to the feminization of an occupational field, in our case the HR profession. The latter one focuses on the observation of how powerful groups within organizations exclude members from other groups create high authority positions to maintain their position. According to this theory, women are excluded from more powerful positions and receive less support for fulfilling their strategic role for many reasons: employers see women as better qualified for administrative work than for strategically important positions. Social exclusion mechanism thus suggests that status loss is a consequence of feminization.

Both approaches are strongly based on the cultural beliefs of genders, and explain the relationship between the two factors with the discriminative behavior of both employees as employers before and after the employment allocation and evaluation. They do not consider the reasons of employment based on gender or individual ability, life-situation dependency (mother-friendly), nor other preferences. The empirical analyses describe the trends of feminization in HR profession in general and in Europe in the decades of the new millennium. Two longitudinal studies and a cross-sectional analysis (focusing on the former socialist countries in Central and Eastern Europe) help to understand the basic assumptions of our research, where put emphasis on investigating the glass ceiling or the effect of the sticky floor for women—whether it is solid or breakable—in HR occupation, extending it for newly graduated other positions.

Two datasets are used: Cranet network<sup>1</sup> and Graduate Career Tracking System<sup>2</sup>. Cranet-network established in 1989 since then uses the same survey methodology, which ensures the comparability of the studies. The network collects and analyzes data of human resource practices from about 40 countries all over the world. Only some minor changes were applied in the original questionnaire of the survey in the past 27 years. Therefore the Cranet network can be used to support longitudinal and spatial diversity analyses. In the early years, they were conducted more frequently, in paper form, then in every 4–5 years, online. Its main objective is to find out whether:

1. the evolution of HR practices change in the direction of convergence, and
2. the changes in the field of personnel policy and practice are pushing for a strategic approach to human resource management (Brewster et al. 1996).

The Graduate Career Tracking System (GCTS) is a yearly base survey carried out by the higher education institutions in Hungary by the force of law, which consists of two parts:

1. student motivation survey: to understand the current students' situation at the higher education, their opinion and suggestions about the course and service development, and
2. career tracking of graduates of 1, 3 and 5 years before: receive information about their socio-demographic background, further studies, labor-market fit, job searching period, salaries and job satisfaction.

GCTS, on the one hand, helps policy makers to better understand trends of employment of fresh graduates and contributes to the curricula development and personalization of the student related services.

## **2 Changes in HR Work and HR Professionals' Profile in Europe**

In the late decades of the twentieth century, there were several shifts in the political and socio-economic conditions in the global environment and Europe, too. First, we have to identify their level of influence in HR Profession and HR Department's Status.

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<sup>1</sup>[www.cranet.org](http://www.cranet.org) University of Pécs, as a representative of Hungary is a Cranet member since 2004.

<sup>2</sup>The Fresh Graduates database of 2011, 2012, 2013, 2014 were provided by the Education Non-profit Llc.

## 2.1 *HR Department Configuration and HR Professionals' Profile*

According to well-known findings of prominent authors (e. g. Schuler and Jackson 2007; Ulrich et al. 2009) and practitioners who studied the evolution of the role of HR department, several elements are indicating the influencing factors of this process. Such as: whether HR department ensures the fit of the HR and organizational objectives by long-term orientation; whether HR manager takes part of the top management and participates in every process of the business strategy development process, and also, by the integration of HR and business, an improvement in business performance is expected.

Brewster et al. (2006) foreseen the outsourcing of administrative HR, a delegation of HR functions to the line management and the spread of a 'lean-view' in the HR department due to economic pressure for rationalization. While Gomez-Mejia et al. (2004), based on the tendency of integration of HR and business and their effect on performance, expected a shift in HR position toward a more strategic role. According to Truss et al. (2002), it depends on the availability of the HR manager's competence profile, and on the increase of the ratio of women among HR managers is foreseen.

Lazarova et al. (2013), based on these elements mentioned above, investigated five factors to identify the real changes occurred in six regions of Europe (Anglo-Saxon, Germanic, Nordic Europe, South-Western Europe, South-Europe, Central and Eastern Europe) from 1995 to 2010 using Cranet network surveys. Their assumptions in relation to the *HR department's configuration* are as follows:

1. a decrease in the relative size of the HR department,
2. an increase of HR activities delegated to line managers,
3. a strengthening in the formal and written formulation of strategic intentions,
4. an increase in the ratio of women in HR managers among top managers and
5. an intensification of strategic integration of HR.

Their assumption in relation to the *HR professionals' profile*:

6. an increase in the appointment of HR managers recruited from the HR colleagues,
7. an increase in the proportion of HR managers, with certified higher education formation, mainly in the area of business and economics, and
8. a decrease in the percentage of men among HR managers.

In the case of the first 5 indicators, the authors could not find any clear trends in the 6 examined European regions. Only 2 factors (number 3 and 4) have shown a more or less straightforward convergence in the expected direction. From the last 3 (6–8) indicators, only the feminization of the HR profession was proven. The contradiction between feminization effect and the increasingly strategic role of HR was disclosed by this study, although it stayed unsolved.

## 2.2 *Feminization of HR Profession and HR Department Status Changes in Western-Europe*

Empirical studies conducted on feminization effects (significant increase in the proportion of women working in an occupation) in HR suggest that by the increase of women participation a decrease in salaries for both men and women can be observed (Hardin 1991; Roos and Manley 1996; Perales 2010). In the one-century long history of HR the rate of women has never been low, in most cases far outnumbered men in HR, and HR has also been interpreted as an occupation that ‘suits women well’. Roos and Manley (1996) stated that a close relationship can be observed between status decrease and the rise of women’s representation (or vice versa) from the very beginning of HR history until the end of the 1980s.

Reichel et al. (2013) aimed to explore this relation using the data of 11 Western European Cranet countries participated in both the two survey periods of 1995 and 2004/5 with a number of respondents 3491 and 2913 respectively (considered only HR managers or directors responses). They applied the queuing or relative attractiveness theory (Reskin and Roos 1990) and the mechanisms of social exclusion or devaluation theory (Murphy 1988; Reskin 1993) described in the introduction chapter. *The former one states that status loss of an occupation conducts to the increase of women ratio, the latter one on the contrary, the inflow of women will lead to the status loss.*

At the same time, the HR literature (Beer et al. 1984; Ulrich et al. 2009 and many others) expect and proves the increase of strategic role and strategic integration of HR. Reichel et al. (2013) aimed to dissolve this contradiction also. The three hypotheses and the main findings of their study were as follows:

1. Degree of feminization in HRM increased, which was *fully supported*: in all but one of the countries (Denmark) increased the mean percentage of female staff,
2. An increasing degree of feminization of the HR department leads to less strategic integration, which one was *rejected* due to the fact that an increase was observed in this field, and
3. In case of a change from male HR director to female HR director, the strategic integration decreases, and it was *rejected*, too, because women achieve a higher level of strategic integration when starting a manager position, no matter who (male or female) they succeed.

They propose several elements, approaches to consider in order to dissolve the contradictions between the theories: hierarchical differences (see Baron and Bielby 1985; Goodman et al. 2003); status difference of men and women among HR managers in Western Europe shows disadvantage for women; questions about the validity the explanatory power and statements of the basic theories; the demographic group power test (Pfeffer and Davis-Blake 1987) as an alternative theory approach; the institutionalization approach (Pfeffer and Davis-Blake 1987) could be useful investigating the thresholds of becoming a ‘women job’; further clarification and

development is needed on the topic of strategic integration; the importance of utilization of contextual factors using different countries' data.

### 3 Extended Dynamics Analysis of HR Integration and Gender Aspects

This section uses the key findings and lessons learned from the previous investigations; it will analyze further elements of the *dynamics of the HR and its gender* aspects. In line with the literature review, we test the presence of a relationship between feminization and status loss using two datasets: Cranet network and Graduate Career Tracking System (GCTS).

Based on the literature review described above the two hypothesis of our current study are:

- H1: *The redefined strategic integration parameter helps to dissolve the contradiction between feminization and HR department's status progression.*
- H2: *We expect that professions—HR and marketing—with a higher ratio of women in Hungary almost equal or minor difference of income will be shown, while in the finance sector (with a higher level of male participation) higher male salaries will occur.*

This part of our study is based on two databases. The analyses of Cranet 2014/16 survey round focuses on four regions created upon the geographical distinction. The total number of HR manager respondents is 2628 using almost the same division into four regions: Central and Eastern Europe (CEE), European non CEE (EU non CEE), non-European Anglo-Saxon (non-EU Anglo-Saxon) and South-East Asia (SE Asia) countries.

- CEE = the 7 former socialist countries of Central and Eastern Europe (Croatia, Estonia, Lithuania, Russia, Serbia, Slovakia, Slovenia),
- EU non CEE = 15 additional European—or geographically close to Europe—countries (Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Greece, Iceland, Israel, Italy, Norway, Sweden, Switzerland, United Kingdom),
- non-EU Anglo-Saxon = 3 non-European Anglo-Saxon countries (Australia, South Africa and the United States) and
- SEAsia = organizations of 2 South-East Asian countries and Turkey (Indonesia, the Philippines, and Turkey)

According to the view of Karoliny et al. (2015), the HR integration should be operationalized by the two-way integration of the HR. One element is the membership of HR manager in top management team (yes or no), and the other one focuses on the number of consultative decision-making (of line and HR managers) as the integration of business considerations into HR decisions. The latter is calculated based on the number of consultative decision-making (HR department alone; HR

**Table 1** Scale of mutual integration of HR

| Number of HR areas with consultative decision-making | The HR director is the member of the top management team |            |
|--|--|------------|
|  | No   | Yes        |
| 0  | Weak (1)   | Weak (1)   |
| 1  |  | Medium (2) |
| 2  |  |            |
| 3  | Medium (2)   | Strong (3) |
| 4  |  |            |
| 5  |  |            |

Source: Karoliny et al. (2015, p. 9)

department in consultation with line management) practiced in the five key areas of HR (pay and benefits; recruitment and selection; training and development; industrial relations and workforce expansions). The three levels (weak, medium and strong) of the twofold integration of HR and business can be seen on Table 1.

To complete the results of the Cranet studies, we use the Graduate Career Tracking System 2011–2014 databases of fresh graduates to determine the possible differences between men and women in three chosen professions: HR, marketing and finance. The HR is in direct connection with the above-examined studies, the marketing and finance are considered as control groups since in our point of view marketing can be regarded as quite the same as HR, while finance should be more male dominated. Based on our previous results and the devaluation theory there should be a difference by gender for the women due to the status loss of HR and marketing. Since the GCTS is not suitable for drawing any conclusions regarding the strategic integration of the single respondents, we will use some limitations, and we will focus only on two areas as follows:

1. what differences can be seen by gender among the managers in the three professions, and
2. what differences, if any, can be seen by gender in terms of salaries.

The gender distribution contributes to our main focus; the issue of available income will test the validity of the devaluation theory.

GCTS respondents are all higher education certified (or only a few steps away from it). Therefore this is an essential limitation of our results, plus we have to distinguish those, who were already in the labor market at the start of their higher education studies. Considering all of the elements the following categories will be tested:

- age distinction of those equal or under 30 years and those above,
- gender differences: men and women, and
- position-related discrepancies between managers and non-managers.

By these limitations from the 90,739 respondents, we will focus on 2327 fresh graduates graduated 1, 3, and 5 years before the period of 2011–2014.