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Unpacking the Presence of Women as HR Directors: Organisational factors from MNCs Subsidiaries Operating in Canada

ABSTRACT

—**Purpose:** This paper aims to examine the organisational factors responsible for the inclusion of women as Human Resource (HR) directors in Canadian-based subsidiaries of multinational companies (MNCs).

—**Design/methodology/approach**: Based on resource dependence theory, this study outlines the features of subsidiaries that appoint a woman HR director. Hypotheses were developed and assessed through analysis of a database obtained from a quantitative investigation. Analyses are based on 100 multinational subsidiaries operating in Canada.

—**Findings:** Three primary findings arise from the study. Firstly, the larger the subsidiary, the less likely it is for a woman to hold the position of HR director. Secondly, there is a positive and significant correlation between the percentage of women employed in an MNC subsidiary and the presence of women in the HR director position. Lastly, MNC subsidiaries with high executive career progression autonomy are more likely to have a woman HR director than those lacking in such autonomy.

—**Originality:** The paper contributes to broader research on gender inequality in leadership. It responds specifically to the dearth of research into gender inequality in HR directorships, despite HR as a profession being female dominated. It focuses upon HR in multinational corporations - again, an under-researched area.

—**Practical implications:** This study proposes improving the representation of women in HR director positions by increasing the percentage of women employed in organisations and by granting greater decision-making autonomy to subsidiaries of MNCs.

—**Keywords:** Gender, HR director, Subsidiaries of MNCs, Resource dependence theory, Organisational factors.

—**Paper type:** Research paper.

INTRODUCTION

Gender diversity management has become a worldwide challenge. Attention has especially been drawn to gender diversity in leadership positions by researchers, investors, and policymakers. Advocates posit that gender diversity among leaders is advantageous because it improves the quality of information processing, decision-making and value creation and firm performance (Dezsö and Ross, 2012; Joshi and Roh, 2009; Kirsch, 2018; You, 2021).

In recent years, in response to the increased need for gender diversity, many researchers have focused on investigating the factors that influence the presence of women in leadership positions. The literature shows that gender diversity in leadership positions depends on organisational, individual and institutional characteristics (Kirsch, 2018). For example, numerous studies have shown that public policy initiatives implemented in some countries (such as the Employment Equity Act introduced in Canada in 1995) lead to an increase in women's participation in leadership positions (e.g., Cook and Glass, 2014; Terjesen, Aguilera and Lorenz, 2015). Other studies have also highlighted the role of women's demographic characteristics (such as nationality, foreign experience, and network of connections) (Nekhili and Gatfaoui, 2013) and women's marital status and the presence of children (Alessio and Andrzejewski, 2000; Davies-Netzley, 1998) in determining women's presence in senior management positions. In the same vein, women's aspirations for senior management positions were found to decrease over time compared to their male counterparts (Coffman and Neuenfeldt, 2014). In fact, young women's early career experiences impact their leadership ambition (Beaupre, 2022) and compared to men, experienced women reported less support from their supervisors for their career aspirations and fewer role models similar to themselves in senior positions (Coffman and Neuenfeldt, 2014).

When it comes to organisational determinants of gender diversity, many studies provide insightful information [for example, Brandl, Mayrhofer and Reichel (2008); De Cabo, Gimeno and Nieto (2012); Hillman, Shropshire and Cannella (2007); Nekhili and Gatfaoui (2013)]. These studies examine the correlation between firm and industry characteristics and leader gender through the application of functionalist reasoning. This premise suggests that women are only appointed to leadership roles if it is advantageous for the company to do so (Kirsch, 2018).

Whilst most studies concentrate on board director gender diversity and demonstrate that women as directors in boardrooms are perceived to enhance corporate governance (Adams and Ferreira, 2009; Terjesen, Sealy and Singh, 2009), limited research has explored gender diversity amongst directors/chief officers (e.g. Morikawa, 2016; Saitova and Di Mauro, 2021). However, women's access to lower-level management positions is a crucial step towards their presence as directors/chief executives (middle-level positions), which is also a crucial step towards their presence on the boards of directors (upper-level management) (Ng and Sears, 2017).

Moreover, gender diversity has been a frequently researched topic concerning national companies, primarily through the examination of a single country (De Cabo *et al.*, 2012). Consequently, our understanding of gender diversity remains limited with respect to multinational companies (MNCs) and their subsidiaries, which possess distinct characteristics from their national counterparts. Indeed, MNCs are the "global Goliaths" of the modern era, responsible for large shares of global employment (Foley, Hines et Wessel, 2021). Their operations span countries beyond the national framework. Each host country has unique institutional conditions that may differ significantly from those of the home country and affect women's roles and experiences in the workplace, family, and society (Özbilgin *et al.*, 2012). Therefore, studying gender diversity in MNCs and their subsidiaries across different contexts is a challenging endeavour for researchers (Bader *et al.*, 2022). As such, research on gender diversity management in MNCs is sparse (Cooke *et al.*, 2019; Morikawa, 2016) and in need of further exploration.

By examining subsidiaries of MNCs, this study primarily investigates the impact of firm-level characteristics on the presence of women in Human Resource (HR) directors' positions. The analysis of HR directors is crucial as prior research identified the need for research to focus on the HR profession and HR directors from a gender perspective (Brandl, Mayrhofer and Reichel, 2014). Indeed, HR is a management specialisation where women's presence has increased over the last decades (Ainsworth and Pekarek, 2022; Brandl *et al.*, 2014; Reichel, Brandl and Mayrhofer, 2010; Ulrich, Younger, Brockbank and Ulrich, 2013). Particularly, the human resource management (HRM) function is perceived as aligning with women's stereotypically assumed abilities (Reichel, Scheibmayr and Brandl, 2020) and it has become a female-dominated profession within male-dominated management (Reichel *et al.*, 2020). However, in contrast to the staff level, the percentage of women holding HR director positions is much lower (Reichel, Brandl and Mayrhofer, 2009; 2013).

Although it is understood that HR managers who attain leadership positions possess potential power to influence strategic decisions (Brandl *et al.*, 2008), there is a lack of knowledge regarding the circumstances that enable the appointment of women in HR director roles. To put it differently, what organisational factors are responsible for the recruitment of women as HR directors is a question that remains largely unanswered.

Despite the recognition of the existence of organisational and institutional differences in the integration of women in HR director position, studies in this area are very limited (Brandl *et al.*, 2014). Brandl *et al.*'s (2014) study revealed that strategic integration of women as HR directors shows a positive correlation with state intervention via social policy practices.

The focus of this article is on the gender of HR directors of MNC subsidiaries and the influence of organisational factors, a topic largely overlooked in the literature. Following the study of Hillman *et al.* (2007), resource dependence theory (Pfeffer and Salancik, 2003) was applied to emphasise the significance of organisational resources. The article presents three hypotheses. Factors that determine the presence of women in HR director roles include the size of the subsidiary, the percentage of women employed in the subsidiary, and the level of autonomy afforded to the subsidiary. Data was collected directly from multinational subsidiaries based in Canada. The primary findings are analysed, and the study's limitations and implications are subsequently discussed.

LITERATURE REVIEW

Director gender diversity: the case of the HR profession and subsidiaries of multinational companies (MNCs)

Statistics Canada (2023) reports that in 2022, 32.6% of managers are women. This percentage changes slightly but not significantly between 2005 and 2022 (from 34.4% to 32.6%). This percentage also varies according to the hierarchical level of management: in 2022, the proportion of women among managers decreases as the managerial level increases. In fact, women account for only 47.9% of specialised middle managers and only 32.5% of senior managers. Thus, a limited proportion of women attain high positions in organisations. Additionally, women in Canada did not achieve significant advancements in obtaining managerial roles during the period of 2005-2022.

Gender diversity differs considerably among various countries (Bader *et al.*, 2022). It is a significant concern for MNCs as they operate in different host nations (Foley *et al.*, 2021), each representing distinct institutional environments that affect the presence and experiences of women in the workplace (Özbilgin *et al.*, 2012). Nevertheless, global diversity management in MNCs remains an under-researched area (Cooke *et al.*, 2019).

The limited research on gender diversity in MNCs primarily focuses on gender diversity management within subsidiaries (Alhejji *et al.*, 2018; Bader *et al.*, 2022; Campos-García *et al.*, 2019). However, there is insufficient research on how MNC subsidiaries respond to gender equality variations between their home and host countries (Bader *et al.*, 2022). Moreover, the literature has not explored in depth the gender diversity determinants when it comes to key positions (e.g., upper-level managers, boardrooms) within MNCs. Few exceptions exist, including the research carried out by Saeed *et al.* (2016; 2019). Using data from 1002 firms, the authors demonstrate that the institutional environment surrounding firms, encompassing social, political, and economic systems as introduced by Scott (1995), influences firm decisions, such as the board's gender composition. Nevertheless, the authors note that developed and emerging economies demonstrate similar organisational traits (such as firm size, industry type, state ownership, and corporate risk) that influence gender diversity on corporate boards (Saeed *et al.*, 2016; 2019).

The largest number of studies on director gender diversity focus on the boardroom level. The inclusion of women as directors on boards is often viewed as an indicator of the board being sufficiently representative of HR (Reichel *et al.*, 2020). Despite the perception that the HR function is female-dominated, there is limited empirical research exploring the gender diversity of HR directors (Ainsworth and Pekarek, 2022; Reichel *et al.*, 2013; 2020). Over time, the role of HR professionals in organizations has shifted from personnel management to that of a strategic partner (Ulrich, 1997), highlighting HR's contribution to organizational performance (Brandl et al., 2008). Brandl, Mayrhofer, and Reichel's (2007) research compares the strategic influence of men and women as HR directors across 22 countries. The study reveals that men wield more influence over strategic decisions within the organisation than their counterparts (women). Moreover, despite the strong feminisation of the occupation at the staff level, the director level of the HR function is not female-dominated (Reichel *et al.*, 2013). The HR director is a critical member of the senior management team, contributing towards resource acquisition by the organisation, as outlined in the resource dependency theory below.

Benefits From Subsidiary HR Directors: The Resource Dependence Theory

Resource dependence theory constitutes the basis for the most compelling theoretical arguments in support of diversity in boards, from a business perspective (Carter, D'Souza, Simkins and Simpson, 2010). To explore the origins and outcomes of board diversity, researchers employ a resource dependence theory perspective (Carter *et al.*, 2010; De Cabo *et al.*, 2012; Hillman *et al.*, 2007; Reddy and Jadhav, 2019; Saeed *et al.*, 2016; 2019; Ng and Sears, 2017). This theory aims to illustrate how the organisational environment impacts and restricts an organisation and how the organisation responds to these external constraints (Pfeffer and Salancik, 2003). Indeed, according to resource dependence theory, the behaviour of an organisation cannot be understood without an understanding of its environment (Pfeffer and Salancik, 2003) since the resources required by the organisation (raw materials, labour, finances and other resources) are held by the latter. The environment is unstable and unpredictable (new business entries and exits) (Pfeffer and Salancik, 2003), making the organisation-environment relationship complex to study. Thus, each organisation competes with other market players (and other organisations) to access specific resources, called critical resources. Resource dependence theory focuses on the acquisition of these resources by the organisation (Pfeffer and Salancik, 2003), especially by its directors who must reflect organisational dependencies (Hillman *et al.*, 2007). Indeed, directors are key actors in this resource acquisition process as they have the skills and influence to reduce dependency and increase the resources of their organisation (Hillman *et al.*, 2007). More specifically, they contribute to the organisation in three different ways: "(1) advice and counsel, (2) legitimacy, and (3) channels for communicating information and for gaining preferential access to commitments or support from important elements outside a firm (Pfeffer and Salancik, 1978, pp. 145–161)" (Hillman *et al.*, 2007, p. 942).

Resource dependence theory applies in the same way to studies of MNC subsidiaries. As per Birkinshaw's research (Birkinshaw, 1996; 1997; Birkinshaw and Hood, 1998), managers of subsidiaries can develop resources related to their local contexts independently of their head office. As subsidiary managers act as the primary agents who link the organisation to external sources, they can acquire new mandates, distinct resources and further legitimacy (Birkinshaw, 1996).

As part of this study, we are interested in HR directors who can assist in acquiring organisational resources through their roles. HR directors provide the organisation with advice on the use of HR. Furthermore, they contribute to enhancing the organisation's legitimacy through brand image promotion and strengthening the organisational culture. Lastly, they play a crucial part in transmitting information internally and externally via different communication channels. Therefore, an HR director who is highly and strategically integrated within the organisation makes a substantial contribution to business performance (Brandl *et al.*, 2014). In particular, the HR director enhances the development of organisational resources through their role as a strategic partner, with a focus on high value-added activities (Ulrich, 1997).

LINKING THE PRESENCE OF FEMALE HR DIRECTORS WITH THE CHARACTERISTICS OF SUBSIDIARIES

In accordance with the tenets of resource dependence theory, the attributes of directors, including those of HR directors, must be aligned with the prevailing organisational context, given their capacity to wield influence and authority within it. Moreover, the presence of diversity, encompassing differences in gender, furnishes the organisation with a distinctive array of insights that can inform decision-making (De Cabo et *al.*, 2012). By identifying the circumstances in which organisational factors are most advantageous, resource dependence logic provides a useful structure for understanding the types of directors, including gender, who can provide the most benefit to a firm (Hillman et *al.*, 2007).

A number of studies have investigated the correlation between organisational elements and the existence of women in top-level managerial positions (Hillman *et al.*, 2007; Kirsch, 2018; Morikawa, 2016; Reddy and Jadhav, 2019; Saeed *et al.*, 2016, 2019; Saitova and Mauro, 2021; You, 2021). The most frequently noted factors are firm size, firm sector, firm age, firm performance, women's employment in the industry, unionisation, ownership type, and HRM practices (Hillman *et al.*, 2007; Morikawa, 2016; Reddy and Jadhav, 2019; Saeed *et al.*, 2016; 2019) (For a comprehensive list of organisational factors, see the literature review by Kirsch (2018)).

Drawing from existing research on organisational factors, we examine the subsidiary size, the percentage of women in the workforce, and the firm's autonomy regarding executive succession planning. The development of each hypothesis is discussed below.

The Size of the Subsidiary

Several studies suggest that larger firms are subject to more public scrutiny (Holzer, 1998) and are under greater pressure to comply with societal expectations than smaller ones (DiMaggio and Powell, 1983). In fact, large companies typically interact with various stakeholders, including investors, customers and suppliers, who exert considerable pressure on them to increase the representation of women in management positions (Hillman *et al.*, 2007). Furthermore, large firms are more exposed to new international regulatory requirements and diversity regulations, such as board diversity, that are smaller ones (Saeed *et al.*, 2016). Consequently, the larger the company, the higher the need to adhere to diversity protocols to circumvent conflicts with its institutional investors (Holzer, 1998).

Empirical studies of Americans firms find that firm size is positively associated with the number of women as board directors (e.g., Adams and Ferreira, 2009; Gul *et al.*, 2011). This finding is further supported by studies conducted in other countries, such as India (Saeed *et al.*, 2019) and the United Kingdom, Russia, China, and Brazil (Saeed *et al.*, 2016), which investigated the relationship between the size of a firm and the number of women board directors. Some studies, such as Bertrand and Hallock's (2001) and Wolfers's (2006), found exceptions to these results. These studies examining American firms did not focus primarily on company size, but rather concluded that a negative association exists between firm size and the presence of women as Chief Executive Officers (CEOs).

We believe that the larger the company, the higher the need to comply with gender diversity rules. Based on the most common empirical results, we expect to observe a similar impact of firm size on HR director gender diversity in Canadian subsidiaries of MNCs: a positive correlation between the size of a firm and the presence of women in HR director roles.

Hypothesis 1. Subsidiary size is positively associated with woman presence as an HR director.

The Percentage of Women Employed in the Subsidiary

An analysis of the history of the evolution of managerial positions in Australia over the period from 1945 to 1965, conducted by Trudinger (2004) as part of his doctoral dissertation, points out that women officers (usually supervised by men) were assigned to factories with a predominantly female workforce.

This historical trend is explained by an Industrial Welfare Commission policy, which states that employing a man officer to handle men employees and a woman officer to handle women employees, provides an advantage (Trudinger, 2004). Sociologically, this is referred to as "homosocial reproduction" (Kanter, 1977). Indeed, organisations tend to appoint individuals with traits that reflect those of other workers in the same professional context (Terjesen *et al.*, 2009). For instance, companies with a high proportion of women employees often have a woman director. This aligns with the principle of homosocial reproduction and enhances the firm's legitimacy among existing and prospective workers (Hillman *et al.*, 2007).

Therefore, we assume that the higher the number of women employees within a subsidiary, the more the organisation benefits from having a woman HR manager. In the same vein, we assume that within subsidiaries with a regular workforce composed mainly of women, it will be more likely to have a woman HR director.

Hypothesis 2. The percentage of women employed in a subsidiary of an MNC is positively correlated with the presence of a woman as an HR director.

The Subsidiary's Autonomy Concerning Succession Planning for Senior Executives

While the number of women holding expatriate positions in MNCs is rapidly increasing and a considerable proportion of these women expatriates occupy HR management positions (Culpan and Wright, 2002), there is a paucity of data on HR directors in these companies. It is crucial to comprehend the operation of such economic entities by examining the decision-making autonomy of subsidiaries with regard to HRM practices (Bélanger, Lévesque, Jalette, and Murray, 2013; Ferner, Edwards, and Tempel, 2012). In fact, MNCs enforce HR practices for employees at executive managerial positions to maintain their competitive advantage (Carrim and Senne, 2016). A high level of HR decision-making autonomy means, in part, that the subsidiary has a significant organisational capacity (Bélanger *et al.*, 2013). A subsidiary's organisational capacities reflect its internal (within the MNC) and external (local context) embeddedness and thus influence its access to different environmental resources (Meyer, Mudambi and Narula, 2011). Consequently, as the subsidiary's level of decision-making autonomy increase, it gains more resources and becomes less reliant on other organisations' resources, including the parent company and other subsidiaries.

In Canadian subsidiaries, this autonomy plays a role in explaining the presence of women in management positions concerning senior executives' succession planning (Ferner *et al.*, 2012). The potential progress opportunities for women are influenced by succession planning programmes (Terjesen *et al.*, 2009). In fact, Canadian subsidiaries which lack autonomy in making decisions regarding the advancement of their executives will have to abide by the parent company's executive assignment choices. In contrast, subsidiaries with a high level of decision-making autonomy are more inclined to adhere to regional regulations (such as Canada's Employment Equity Act) and consequently facilitate the employment of women in management roles.

Hypothesis 3. Greater autonomy within Canadian subsidiaries for the career advancement of executives is positively associated with the likelihood of having a woman HR director.

METHODOLOGY

Data

This paper employs data derived from a survey of employment practices in MNCs operating in Canada, which was designed for the most senior HR manager at the subsidiary level. A stratified sampling technique was employed. The population was comprised of all foreign-controlled subsidiaries located in Canada with a minimum of 500 employees globally and 100 employees in Canada, totalling 1398 subsidiaries. No country of origin was identified initially, and subsidiaries of MNCs from all sectors were incorporated. The survey was distributed to the designated population via email. The response rate was 15%, resulting in 208 responses received by January 2007. Data cleaning techniques were applied to remove any missing values, and the final sample size included 100 subsidiaries. As identified by the researchers undertaking the data collection, the survey was "highly demanding" and aimed at a time-constrained group of respondents (Bélanger et al., 2013)[1]. Replicating this survey is therefore not an easy task. Additionally, as mentioned above, according to the latest data from Statistics Canada, women in Canada have not made progress in achieving management positions during the period from 2005 to 2022. They remain significantly underrepresented in management roles. Therefore, we deem this data as suitable for our study.

[1] For further information about the questionnaire and the INTREPID (Investigation of Transnationals' Employment Practices: An International Database) project, please refer to Bélanger et *al.*, 2013.

Variables

HR director gender. The dependent variable in this study was coded as a dummy variable; 1 if a subsidiary's HR director is a woman and 0 if it is a man.

Subsidiary size. This first independent variable, subsidiary size, was measured by the logarithm of the number of employees. As part of the questionnaire, respondents were asked to answer the following question: "Estimate the total number of regular employees (excluding contract and temporary staff) in your Canadian operations."

The percentage of women employed in the subsidiary. We measured the percentage of women employed as regular employees in the subsidiary as follows: (the number of women employed by the subsidiary as regular employees divided by the total number of regular employees within the subsidiary) *100. As part of the questionnaire, respondents were asked to answer the following question: "Of the total number of regular employees, approximately how many are female."

Subsidiary autonomy over the succession planning for senior managers. We measured this variable by asking subsidiaries' managers the following question: "Do the Canadian operations have autonomy over the succession planning for senior managers." The answer was: 1=no autonomy; 2=little autonomy; 3=some autonomy; 4=quite a lot; 5=full autonomy (Likert scale of 5)

Control variables. We included three control variables. First, the **subsidiary's sector of activity** is likely to affect the benefits that an organisation may derive from the presence of a woman at the head of the HR function. More specifically, industries vary in their reliance on female labour in the workforce (Hillman *et al.*, 2007). Thus, in Canada and in some sectors such as manufacturing, where the pool of employees is mainly men (72.1% in 2022, StatCan, 2023), the organisation will benefit from employing a male HR director. The subsidiary's sector of activity was measured as a dummy variable where: 1 = Manufacturing sector and 0 = Other sectors.

Second, **the country of origin of the MNC** considers the influence of the institutions of the country from which the MNC emerged (Bélanger *et al.*, 2013). Since the country of origin continues to play a crucial and significant role in influencing global multinational practices (Bélanger *et al.*, 2013), it may have an impact on the presence or absence of women in HR director positions. 71 subsidiaries out of 100 (our sample) have the USA (the United States of America) as their country of origin. American companies have been more open to integrating women into HR leadership positions than other countries (Ainsworth and Pekarek, 2022). For this reason, we measured the country of origin as follows: 1= USA; 0= other countries.

Finally, we control for **the presence of a union within the subsidiary** (1= unionised subsidiary; 0= non-unionised subsidiary). In Canada, unions are dedicated to enhancing the representation of underrepresented groups, particularly women within organisations (Nadeau, 2012; Yates, 2005). It is thus assumed that a positive correlation exists between the presence of a union within the subsidiary and the presence of women in the HR director position.

Method of Analysis

The logistic regression method was chosen to test the hypotheses. The dependent variable of this study is the gender of the HR director in an MNC subsidiary. Since the dependent variable is binary, logistic regression is very appropriate as an analytical method to examine factors that may influence the presence of women in the HR director position.

RESULTS

Table 1 gives a simple description of our data. Among the 100 subsidiaries surveyed, 47% of them have a woman as head of the HR department while 53% of them have a man as HR director. This dominance of men in HR director positions is also characteristic of the 52 unionised subsidiaries, where approximately 56% of HR directors are men compared to 44% of women HR directors.

Insert table 1 here.

In our sample, 71 subsidiaries have the USA as their country of origin. Of these, 36 subsidiaries have a woman HR director and 35 have a man HR director. However, in other countries of origin, the number of women in the position of HR director is lower than the number of men. Finally, subsidiaries that are less than 10 years old have a greater presence of women in the position of HR director than men. Descriptive statistics show that the older the subsidiary, the more men are present in the HR director position.

Table 2 displays correlations for our measures. According to this table, some of the correlations do turn out to be significant, none of the values exceeds the 0.7 threshold (Tabachnick, Fidell and Ullman, 2007). Similarly, the tolerance value was calculated to detect multicollinearity (Tabachnick *et al.*, 2007). The tolerance of each of the independent variables was greater than 0.6. Thus, no independent variables should be removed from the analysis and the multicollinearity hypothesis is rejected.

Insert table 2 here.

Table 3 displays the outcomes of our investigation. Model 1 includes the control variables (country of origin, union presence, industry) while model 2 includes all variables under study. Odds ratios are reported in the table to facilitate the interpretation of the results.

Insert table 3 here.

Our three hypotheses were based on the resource dependence theory. Hypothesis 1 stated that the size of the subsidiary is positively associated with the presence of women in HR director positions. This hypothesis is not supported (from Table 3, Model 2). The results show that increasing the size of the subsidiary of a unit significantly reduces by 80.3% the probability of having a woman in the HR director position (Odds ratio = 0.197; $p < .01$). Hypothesis 2 states that the percentage of women employed in a subsidiary is positively associated with the presence of a woman HR director. The results in Table 3 (model 2) provide support for this hypothesis. The increase by 1% of the percentage of women employed in a subsidiary, results in a 3% increase in the probability of having a woman HR director in the same subsidiary (Odds ration= 1.03; $p < .05$).

Hypothesis 3 states that greater autonomy within Canadian subsidiaries for the career advancement of executives is positively associated with the likelihood of having a woman HR director. This hypothesis is supported (Table 3, Model 2). Thus, an increase of 1 unit in the level of the autonomy of the subsidiaries in executive succession planning, leads to a significant increase in 45.5% of the probability of having a woman in the HR director position (Odds ration = 1.455; $p < .05$). Finally, according to the statistical analyses, the three control variables (country of origin, union presence and sector of activity) are not significantly associated with the presence of women in the position of HR director.

DISCUSSION

This study aimed to shed light on the organisational determinants of women's presence in the position of HR director in MNC subsidiaries by mobilising the theory of resource dependence. According to this theory, a company's HR director provides it with advice, legitimacy and access to resources and communication channels. Thus, three hypotheses related to organisational factors were formulated and tested using data collected from 100 Canadian subsidiaries with at least 100 employees; more than two thirds of responding subsidiaries (71) have the USA as a country of origin.

With the feminisation trend in the HR profession, it seems plausible that a larger number of women would be occupying HR director roles nowadays (Ulrich *et al.*, 2013). However, our findings suggest that fewer women are holding these positions compared to men.

Moreover, the study revealed that as the size of the subsidiary increases, there is a higher probability of appointing a man as the HR director. Compared to men, women are more likely to hold the position of HR director in small subsidiaries. This finding is lined with several empirical studies. Bertrand and Hallock's research (2001) indicates that USA companies with women CEOs are smaller than those with men CEOs, while Wolfers (2006) suggests that, compared to women, men tend to head slightly larger American companies. Conversely, Morikawa (2016) asserts that women directors are less prevalent in subsidiaries of MNCs that operate in Japan. One possible explanation is that securing access to resources necessitates an HR director with an extensive network, and women are still widely considered to have smaller networks than men (Eagly and Karau, 2002). Additionally, big subsidiaries are usually long-established companies where a "glass ceiling" exists (Morikawa, 2016). Finally, it was found by Brandl *et al.* (2007) that men HR directors wield greater influence over strategic decisions within the organisation than their women colleagues. Consequently, we assert that women remain underrepresented as HR directors in large-scale subsidiaries.

The research findings demonstrate that the presence of women in the position of HR director is positively and significantly correlated with the percentage of women employed in an MNC subsidiary. This occurrence illustrates the principle of homosocial reproduction. Additionally, it could be explained by the legitimacy that a woman HR director can bring to a company with a significant female workforce (Hillman *et al.*, 2007; Terjesen *et al.*, 2009).

Finally, the research reveals that the higher the autonomy of the Canadian subsidiaries regarding the career progression of their executives, the more likely it is to have women HR directors. This outcome can be attributed to the fact that higher autonomy leads to increased organisational capacity, as identified in Bélanger *et al.*'s (2013) study, which is partially linked to the external embeddedness of the subsidiary, as outlined in Meyer *et al.*'s (2011) research in the Canadian environment. This Canadian context represents the host country and possesses attributes promoting the presence of women in top management positions. This finding aligns with past research that highlights how the degree of autonomy in the succession planning for senior executives in Canadian subsidiaries can affect women's advancement management positions (Ferner *et al.*, 2012; Terjesen *et al.*, 2009).

These findings serve as a launching point for future research regarding the organisational factors that impact women's representation in senior management positions in MNCs. The majority of the MNCs examined in this study have a connection with the USA, their country of origin, and the issue of gender diversity, which has been developed in the USA, is being applied with varying degrees of success in its Canadian subsidiaries. With their various stakeholders, such as institutional investors, attaching high significance to diversity, notably at the level of corporate boards (De Cieri, 2010), MNCs have no option but to increase the presence of women in senior management positions.

Limitations and Research Implications

Our research has some limitations that need to be highlighted. Firstly, the sample size was relatively limited, comprising only 100 subsidiaries, in comparison to the over 1300 existing subsidiaries in Canada. Consequently, the findings may not be generalisable. Secondly, this study considers a restricted range of organisational factors that may contribute to the appointment of women to HR director positions and excludes certain important internal organisational determinants such as organisational culture, leadership programmes, the company's diversification strategy (Hillman *et al.*, 2007) and organisational work-life balance policies. This is due to a lack of data.

Furthermore, additional sector- and country-specific differentiation was not conducted due to data limitations. Additionally, this study exclusively examines the Canadian context. To enhance the study's insights, acquiring data from diverse nations and sectors with varying country of origin would be advantageous. Future research could particularly focus on the institutional framework of the host country and its ability to predict the gender of HR directors (Ferner et *al.*, 2012). This kind of research necessitates a qualitative approach, which is appropriate for researching phenomena that require contextual understanding to be meaningful.

Finally, we aim to highlight the significance of organisational determinants in the presence of women in the senior management. However, individual characteristics of managers, which are not available in our source data, may complement our understanding of the presence of women in top management positions. Further research could investigate the various attributes of HR directors, for instance, their skills (e.g., Boselie and Paauwe, 2005; Ulrich et *al.*, 2013). Furthermore, future research would gain relevance by examining the issue of diversity of senior managers from an intersectionality perspective (e.g., ethnic origin combined with gender).

Practical Implications

Diversity has a positive impact on companies; in particular, having gender diverse leaders have been widely proven to positively affect organisational processes and outcomes (Kirsch, 2018; You, 2021).

This study yields three primary practical implications. Firstly, it demonstrates that increased employment of women in multinational subsidiaries leads to a greater likelihood of a woman being appointed as HR Director. Therefore, enhancing the percentage of women employed in organisations can enhance the representativeness of women in HR Director positions. It is important to enhance the gender diversity of staff by fostering the growth and backing of managerial policies that facilitate the employment of women (i.e., recruitment, hiring and promotion strategies that promote gender equality).

Secondly, this study suggests that Canadian subsidiaries that have the highest level of autonomy in the career progression of their executives are the most likely to have a woman HR director. In a gender-diverse national context, it may be useful to grant subsidiaries increased autonomy for decision-making purposes. Such autonomy assists in easing women's access to senior management roles (Ferner et *al.*, 2012). Consequently, particular attention can be paid to the decision-making autonomy of subsidiaries, which is not taken into consideration when we think of gender diversity.

Finally, Women are more likely than men to be appointed as HR director in smaller subsidiaries. This finding suggests that women still have limited access to resources and that the glass ceiling persists even in the most feminised professions.

Breaking through the glass ceiling requires interventions from various actors (Ng and Sears, 2017). It would be helpful for organisations to cultivate a favourable organisational culture that prohibits negative attitudes and biases towards women. These organisations should endeavour to offer assistance and pertinent HR policies and practices to cultivate gender diversity as an integral part of their strategy. Moreover, incorporating these considerations into the decision-making process is important. It would be beneficial for HR professional organisations to consider establishing mentorship and career sponsorship initiatives to assist women HR professionals in expanding their networks and improving their social capital (Coffman and Neuenfeldt, 2014; Davies-Netzley 1998). Governments could also implement or enhance social policies, such as guaranteed maternity leave programs and publicly funded childcare, to enable work and motherhood compatibility. There is growing evidence to suggest that these policies are positively linked to the strategic integration of women in HR director roles (Brandl et *al.*, 2014).

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Tables

Table 1: Descriptive statistics

	All subsidiaries	Country of origin		Subsidiary age: A			Unionised subsidiary	
		USA	Other countries	A= < 10 years	10 <A= <50 years	A> 50 years	Yes	NO
Woman HR director	47 (47%)	36 (36%)	11 (11%)	11 (11%)	23 (23%)	13 (13%)	23 (23%)	24 (24%)
Man HR director	53 (53%)	35 (35%)	18 (18%)	10 (10%)	23 (23%)	20 (20%)	29 (29%)	24 (24%)
Total	100 (100%)	71 (71%)	29 (29%)	21 (21%)	46 (46%)	33 (33%)	52 (52%)	48 (48%)

Table 2: Correlations

Variable	**1**	**2**	**3**	**4**	**5**	**6**	**7**
1.Gender of HR director	1						
2. Subsidiary's size	-0.296***	1					
	(0.003)						
3. Union presence	-0.058	0.262***	1				
	(0.568)	(0.008)					
4. Country of origin (USA)	0.116	-0.092	0.048	1			
	(0.25)	(0.776)	(0.638)				
5. Percentage of women employed	0.188*	-0.029	-0.297***	-0.080	1		
	(0.061)	(0.776)	(0.003)	(0.429)			
6. Sector of activity	-0.092	0.067	0.318***	0.305***	-0.165	1	
	(0.364)	(0.51)	(0.001)	(0.002)	(0.100)		
7. Subsidiary autonomy	0.308**	-0.207	-0.058	-0.210	0.036	-0.275	1
	(0.05)	(0.371)	(0.566)	(0.352)	(0.719)	(0.108)	

***. Correlation is significant at the 0.01 level.
**. Correlation is significant at the 0.05 level.
*. Correlation is significant at the 0.1 level.
() p-value
(Different correlation tests were carried out according to the nature of the variables)

Table 3: Results of logistic regression analysis

Variable	Model 1: Controls	Model 2: All variables
Country of origin	2.059	2.324
Sig	(0.136)	(0.113)
CI (exp(b))	[0.797 – 5.32]	[0.819 – 6.589]
Union presence	0.907	1.671
Sig	(0.82)	(0.309)
CI (exp(b))	[0.391 – 2.103]	[0.621 – 4.497]
Sector of activity	0.574	0.690
Sig	(0.229)	(0.470)
CI (exp(b))	[0.233 – 1.418]	[0.252 – 1.890]
Percentage of women employed		1.030*
Sig		(0.033)
CI (exp(b))		[1.002 – 1.058]
Subsidiary's size		0.197**
Sig		(0.005)
CI (exp(b))		[0.063 – 0.612]
Subsidiary autonomy in executive succession planning		1.455*
Sig		(0.048)
CI (exp(b))		[1.004 – 2.110]
Chi-square (χ^2)	3.235	22.823**
Degree of freedom	3	6
Sig	(0.357)	(0.002)
R-square (Nagelkerke)	**0.042**	**0.251**
n	100	100

* p <.05
** p <.01
Odds ratios are reported in this table (exp(b)-coefficients)
Sig (): p-value
CI (exp(b)): confidence interval for the exp(b)-coefficients