

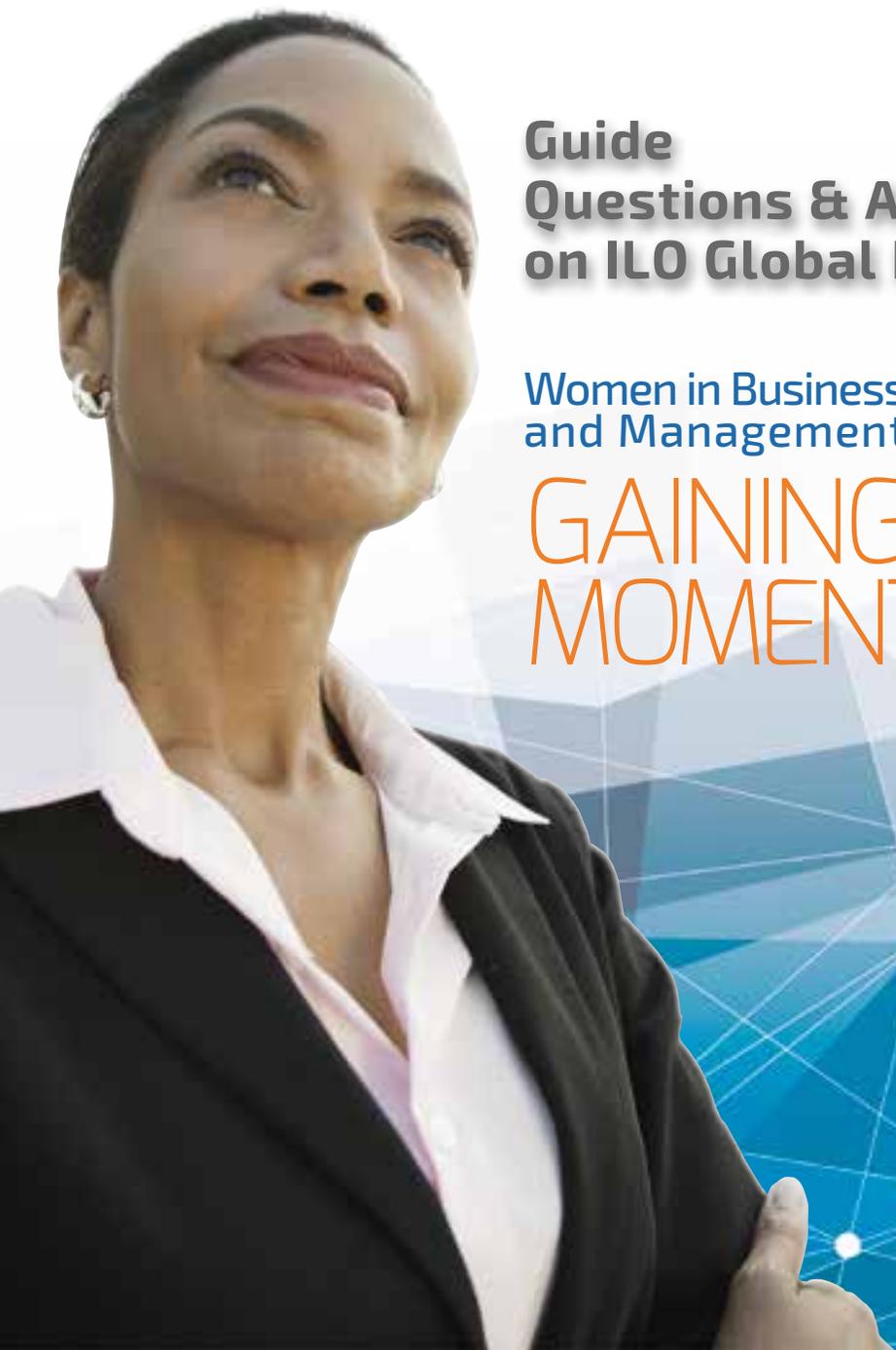


International
Labour
Organization

Guide Questions & Answers on ILO Global Report:

Women in Business
and Management

GAINING MOMENTUM



ACT/EMP
Bureau for Employers' Activities



The term “glass ceiling” has been around for a while. What does it mean exactly and what has changed?

- Coined in the 1970s in the United States the “glass ceiling” represents the invisible barriers, structures and processes that block women’s access to the higher positions in a company or organisation.
- This glass ceiling seems to remain in place despite the fact that globally women have become more qualified than men. They outnumber men in Bachelor’s degrees and represent 57% of graduates with Master’s degrees. While improving, there are still differences in areas of study with still fewer women in engineering and technology that could possibly affect women’s management prospects in some types of companies.
- Overall, there is a growing talent pool of women with management experience and women are continually increasing their share of management jobs. For example, they occupy more 30% or more of management jobs in 73 out of 128 countries for which data was available in recent years.
- In 22 countries they were 40% or more and in 3 countries were they more than 50%.
- In 80 out of 108 countries, women increased their share of management over the last decade.
- Women are also increasing their share of senior management reaching 30% or more in 26 of the 49 countries for which ILO data was available. Countries with over 40% included Slovenia, Philippines, Ecuador, Latvia, Panama and Dominican Republic. Women reaching senior positions in sufficient numbers is important for creating a pool of potential candidates for appointments to top positions. However, the glass ceiling still seems to be limiting such appointments.
- Gender roles are not static. They are constantly evolving with cultural, social and technological developments. In many countries young men desire to play a greater role in family care and so face similar dilemmas to women in balancing their work and family roles.

- ✎ Despite these significant changes, the glass ceiling for women is still intact. Debates as to why centre around:
 - gender roles in society and in the work place;
 - gender insensitive corporate cultures;
 - influence of the “old boys network” in promotion decisions and;
 - attitudes, aspirations and ambitions of women themselves.
- ✎ There is also a trend for women to leave companies to start their own businesses where they have more flexibility and can decide on the design and marketing of products and services.

What about women running their own businesses?

Are they more successful than women trying to climb the ladder and break the glass ceiling in the corporate world?

- ✎ Women own about a third of the world’s businesses and are increasing their share, ranging from self-employed (or own-account workers), micro and small enterprises to medium and large companies. However, the majority of women business owners are concentrated in small and micro enterprises, especially in countries with large informal economies.
- ✎ ILO data indicates that they represent between 23-26% of employers across all regions, except the Middle East and North Africa (MENA) where they are around 5%.
- ✎ Women represent 30 to 35% of all self-employed workers across all regions, except in the African region where they are around 45% and in the MENA countries, where the figure ranges from 2 to 11%.
- ✎ Behind these average global statistics, there is great variation between countries within each region as well as between regions, with women in some countries representing a very small percentage of those engaged in business activity, while in other countries, women run nearly half of all businesses.



- ✎ ILO data shows that the percentage of employers who were women ranged between 20 and 29% in over half (68) of the 128 countries. There were 31 countries in which the percentage of women as employers was over 30%, and in a few cases their share was close to that of men (Bhutan, Cambodia, Liberia). In 24 countries, women were 12% or less of all employers.
- ✎ The challenges women business owners face as a result of gender norms in their societies are different than for those within the corporate world. They include issues of limited access to credit and resources to start and expand their business on the basis of being a woman and they often have less collateral than men due to patriarchal land ownership. They often are not members of chambers of commerce or other business organisations and so not benefit from access to information, training programmes, and representation of their interests. However, like women in the corporate world, they also have to find solutions for family care.
- ✎ Nevertheless, there are many national and international women entrepreneurial and business-women's networks that organise and advocate to governments and agencies to address the obstacles they face.

The ILO Report indicates that Jamaica had the highest share of women in management and Yemen the lowest. What is the explanation for this?

- ✎ Some countries, such as in the Middle East, North Africa and South Asia with a low share of women in management also have the lowest share in the world of women in the labour market, so there is a limited pool of working women to promote to management level. While there are differences between countries, this is related to the general status of women in society, large informal economies and strongly prescribed gender roles, whereby women are mainly constrained to the home.
- ✎ Other countries with a very low proportion of women in management are highly developed economies such as Japan and Republic of Korea. While the share of women in their labour markets is higher but not as high as other industrialised countries, the socially prescribed roles of men and women mean that management is viewed as a man's job and there is a strong male dominated corporate culture.
- ✎ Nevertheless, there are small incremental changes over time in these countries with more women entering the labour market and obtaining management jobs. Internet has also provided economic opportunities for women in these countries to undertake entrepreneurial activities based in their homes. Multinational companies are also actively recruiting and promoting women in these countries as part of their corporate gender diversity policies and in recognition of women's talent and educational levels.
- ✎ In terms of countries with a high proportion of women in management, this can be for a variety of reasons. Small island states such as Jamaica and Saint Lucia that are among the highest in the world have certain history whereby the talent pool of women has increased with their opportunity to access higher education for decades. In addition, there is a crisis of masculinity, with women assuming much of the social and economic responsibility of families and thus playing a greater role in decision-making generally.
- ✎ On the other hand, countries with larger populations such as Colombia and the Philippines also rank high in the share of women in management with 53% and 48% respectively. Education has played a major role together with certain freedoms for women to exercise leadership. Countries of Eastern Europe tend to rank highly also,

again due to women's education but also a long tradition of promotion of equality in the workplace and of technical training for women.

- ✎ While these countries are quite different, access to formal and informal (extended family) childcare arrangements plays a critical role for women to advance in the workplace.
- ✎ On the other hand, many industrialised countries where women have had access to higher education for decades and advanced legislation on gender equality, do not boast particularly high levels of women in management, although most have 30% or more. Apart from the prevailing gender stereotypes as in all countries, arrangements for childcare, and increasingly elder care, are insufficient. Together with the lack of flexible working time and leaves, this has limited women's potential in the workplace and even led to dramatic fertility decreases as women choose work over children, such as in Germany and Japan. France (nearly 40% women in management) on the other hand solved major childcare challenges for a huge number of families by introducing free preschool from the age of 3 years old. In addition, it provided subsidies (paid parental leave) for families to have more children. In the United States (43%), the women's movement since the 1960's has played a powerful role to advance women in the workforce and in management, with many private childcare and elder care arrangements.

The ILO Report also says that women's share of management declined in 23 countries. Why is this so?

- ✎ The fact that women's share in management can regress indicates that gains made can be fragile and easily reversed unless there are concerted efforts to put in place human resource systems that systematically ensure equality in the career paths of men and women.

The ILO Report talks about "glass walls". What are these?

- ✎ "Glass walls" refers to the invisible barriers or structures that prevent women moving laterally to management positions within the central pathways of the hierarchal pyramid. While women are attaining management positions in increasing numbers they are often clustered into certain types of management such as administration, human resources, communications and CSR. These are located on the sides of the pyramid and do not usually lead to the top executive and CEO positions. This reality was confirmed by ILO company survey of around 1,300 companies in Africa, Asia and Pacific, Latin America and Caribbean and Eastern and Central Europe.

The ILO Report indicates that there are many more women nowadays in management. If there has been so much progress why are we still talking about "glass ceilings" and now "glass walls"?

- ✎ Yes, while the situation is improving and there is a growing number of women leaders in business, statistically speaking the proportion of women as CEOs and company board members remains much lower than their participation in the labour market and in management generally. And the larger the company or organisation, the less likely the head will be a woman. The good news is that in the last decade we have seen quite

a lot of “firsts” as women have been appointed to positions never held by a woman, such as central banks, ministries of defence, scientific organisations, international organisations and large MNEs. This demonstrates a “can do” attitude, a breaking down of stereotypes and provides new role models.

Gender segregation in management occupations



Attaining experience in managerial functions, such as operations, sales, research, product development and general management, is crucial for women to rise through the central pathway to the top of the organisational hierarchy (shown in blue).

However, women are often siloed in managerial functions such as human resources, public relations and communications, and finance and administration, and are therefore only able to go up the ladder to a certain point in the organisational hierarchy (shown in orange).

- Yet we remain with figures of no more than 5% for women as CEOs of the largest stock exchange companies in a range of large economies such:
- United States – 4.8% US Fortune 500
 - United Kingdom – 4% FTSE 100
 - India – 4% BSE 100
 - Mexico – 3% Mexico Expansion 100
 - France – 0% CAC 40
 - Germany – 0% DAX 30
 - OECD – <5%
 - EU – 2.8%

- ▶ The representation of women as CEOs could be better in national and medium sized companies in less powerful economies in Africa, Asia, Central and Europe and Latin American and the Caribbean. The ILO company survey found on average women were 20% of all CEOs. In these economies, educated women are a large proportion of smaller talent pools, thus providing more opportunities for them to climb the ladder. Also there is more support for family care and household maintenance through the extended family and cheaper domestic labour, although this is also changing in large urban cities of these countries, where families are spread apart and domestic help is becoming more expensive. In many cases, businesses are owned by families and when there is no male heir, the women take their place. Also women members of the family are more likely to be board member.
- ▶ The situation in the public sector is not much better in terms of the glass ceiling. While many parliaments have slowly increased the percentage of women parliamentarians (world average 22.9%), there are only 18 heads of state worldwide who were women.
- ▶ In terms of women members of company boards, one study (Catalyst) found in 44 countries that 13 countries had less than 5% who were women. Another 14 had between 5-10% and 13 had between 10-20%. Just a handful of countries (Finland, Norway, Sweden and UK) had more than 20% with Norway the highest at 42%.
- ▶ The ILO company survey found that 30% of respondent companies had no women on their boards while 65% had less than 30% women.
- ▶ In terms of women being the chairperson or president of company board, the numbers decline rapidly. The ILO company survey found that only 13% of companies had a woman as board chairperson.

There has been a lot of focus in recent years on getting more women on boards. Has more women on boards helped to break the glass ceiling?

- ▶ Yes, more recently the focus has been on getting more women on boards with the idea that more women should be in decision-making positions. This has been accompanied by the issue of quotas that have been introduced in a number of countries, such as Norway where the proportion of women on boards went from 6% to 40% over the last decade as a result.
- ▶ In other countries, such as the UK there has been a lot of publicity (Lord Davis report) and academic institutions tracking and pushing for more women on boards and while progress has been slow, women are now 21% of board members.
- ▶ Whether this has helped break the glass ceiling? Yes in terms of numbers we can see more women on boards, but the issue is what role they play on the boards in terms of decision-making. There are director and non-director positions. Which ones do the women fill, which committees do they preside over? These are new areas for closer examination. Also we know few women are board chairpersons and so there is still a glass ceiling there.
- ▶ With all the attention given to boards recently, the focus has been less on women as CEOs which is also important in terms of breaking through the glass ceiling, and here there has been little progress.

Do quotas help or hinder?

- Gender quotas to get more women into national parliaments or as a voluntary measure within organisations have been broadly accepted in that they have achieved results when *qualified* women have taken up positions. Where they have run into trouble is when women who are not qualified are appointed (such as someone's wife) to fill the seat. They are seen as token women.
- Quotas are controversial when it comes to governments imposing these on the private sector as companies fear they will be forced to appoint unqualified women and so negatively affect their business results.
- Recently, the debate on quotas has focused on getting more women on the boards of publicly traded companies. A number of European countries have introduced quotas and a new European Union Directive is under consideration. The justification for these initiatives is that shareholders are the public, there are national and international anti-discrimination laws and norms and there has been virtually no progress despite the growing pool of qualified women and the many campaigns promoting voluntary measures to include women as board members.
- It should be borne in mind that quotas are usually designed to be temporary measures to address a specific problem and removed once there is no further need.
- The controversy over quotas has spurred self-regulation and the inclusion of gender diversity in corporate governance codes (e.g. Australia, Malaysia, Singapore). Stock exchange companies are required to report on gender diversity policy implementation and the results of the policy in terms of the number of women board members and CEOs.
- There are many things companies can do to attract and retain talented and qualified women without imposing quotas. And some businesses are doing just this such as Deutsche Telecom through setting their own internal targets and measures such as those that reconcile work and family responsibilities.
- Still, a great many companies still do not realise the benefits they stand to gain by having an active policy and strategy to recruit and promote women.



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It is said that more women on boards in Norway as a result of quotas has not improved the overall situation of gender quality. Why is this?

- ✎ The lack of women on boards, as well as few women as CEOs is but one aspect of gender inequality in our societies. Women on boards and as CEOs are important gender indicators as they about women's equal participation with men in high-level economic decision-making. But policies and actions by governments and the private sector need to also address issues such as occupational segregation, the gender pay gap, the lack of child care, violence against women, including sexual harassment at work, working time and flexible work arrangements for work and family commitments. More women on company boards represent important new role models but in themselves cannot address the whole gender equality agenda, something that needs to be assumed by the society as a whole.

There are a lot of surveys and studies around on women in management? How is the ILO Report different?

- ✎ It is true, there is a lot of interest and various groups are doing surveys and studies on particular aspects, or in particular groups of countries. This global report aims to be comprehensive in terms of all regions, using all sources of information available to show the trends - primarily ILO data, but other sources such as UNESCO, World Bank and private sector entities such as World Economic Forum Catalyst, GMI ratings, etc. It also reports on the findings of an ILO company survey of 1,300 companies on women in business and management, as well as the range of initiatives around to world to advance women in business and management.
- ✎ Still a major challenge is the lack of a comprehensive data set for all countries on the number of management jobs at different levels in the *private* sector broken down by sex. ILO data supplied by member States combines the public and private sectors as it is based on the international classification of occupations that does not provide for the separation of managers in the private and public sectors.

There is a lot of talk in the ILO Report and other publications about the “business case” for more women in management. What exactly does this mean?

- ✎ The term “business case” for women in management has arisen from an increasing number of studies showing that having more gender diversity in top management teams results in improved company performance and results. For example, a study in 2012 of 2,360 companies across all regions, except Africa, by Credit Suisse indicated that companies with at least one female board member outperformed by 26% companies with no women board members, in terms of share price performance.
- ✎ Furthermore, the demand for talent and skills is high across the globe and with all the investment in women's education, they represent up to half of the available talent pool. Therefore, it makes good business sense to tap into this talent pool.
- ✎ Many studies point to the need for more gender diversity in company decisions about the design and marketing of products and services the rising incomes of women, women managing more of household budgets and subsequently their dominant role in

consumer decisions. There are also studies demonstrating the contribution of women to increased economic growth of countries and as representing an important engine of global growth and competitiveness. One study by Booz and Company claims that in terms of global consumer markets women represent the third billion in emerging markets after China and India.

- Another way of looking at the issue of the financial value of more women in decision-making is estimating the losses involved in not promoting women. A UK report concluded that there could be a potential benefit of up to “£5 billion a year if companies unblocked the talent pipeline for their 500,000 female middle managers”.
- The concept of the business case for gender equality complements legal requirements regarding non-discrimination. It is important that in addition to complying with national law, companies can actually derive economic benefits from greater gender diversity in their management teams. This realisation has generated the saying that “championing gender equality is not just the right thing to do, but also the smart thing to do”.

So what is holding women back from holding higher-level management jobs?

- The findings of the ILO company survey and other international surveys identify gender stereotyping as still the main obstacle, with family responsibilities being mainly assigned to women in most societies. These stereotypes tend to be mirrored in the work place in the so-called “masculine corporate culture”. They go unchallenged even though many women may never marry or have children and if they do have children these tend to be fewer and fewer with falling fertility rates worldwide. Men, especially the younger generation, who wish to take more responsibility for family care, also find themselves affected by the prevailing corporate culture.
- It has been demonstrated that women, like men, can successfully head companies and have a family life. There are more and more role models capturing public attention such as the female CEOs of Google and Facebook and there are countless businesses owned by women who are mothers and spouses. Women are 40% of the world’s workforce. So, there are contradictions, a kind of schizophrenia, between the reality of women working and achieving in top jobs and the perception that women’s primary role is homemaking. No-one asks can men have it all (career and family) as they do of women.
- Gender stereotyping can be very subtle. It can be internalised by women themselves. One result is women being channelled into those “glass walls” management positions where they may hold quite high-level positions and are able to combine them better with family commitments than management jobs that may require irregular hours, travel, more creativity and less routine such as those management positions found in the central pathways of the typical hierarchal pyramid, e.g. research and product development, sales and operations managers, general management across units, etc.
- Gender roles are in flux as societies, technology and economic factors influence and define and redefine male and female roles. A telling example is the manufacture and sale of toys and sports equipment for boys and girls. Companies usually tailor these to homemaking for girls and action oriented games for boys, often using pink for girls and blue for boys and having separate areas in toy stores for girls and boys. Customers are beginning to protest about this gender stereotyping and companies are responding by redesigning their production and sales arrangements. However, at the same time they are faced with the dilemma that other customers still demand the traditional gender stereotyped toys!

So what can be done and is being about the “glass ceilings” and “glass walls”?

➤ The ILO company survey confirmed what other surveys and studies have called for the dismantle the glass ceilings and walls:

- Advocacy on the business case for gender diversity;
- Gender sensitive human resources policy and practices – job announcements, head hunting, interview questions, career paths, job description, setting internal targets, performance reviews, accountability of managers, executive training for women, mentoring and sponsorship schemes;
- Establishing objectives and targets for gender balance at all levels and regular review of these and adaptation of measures to ensure that women do not drop out (leaky pipeline phenomenon);
- Ensuring women equally with men have the opportunity to be exposed and gain experience in a variety of company operations and management positions;
- For first assignments after recruitment it is critical that qualified women be treated equally with men and not side-lined into less visible, less responsible and less challenging tasks;
- Reviewing the extent to which mobility is an essential criteria for promotion and other methods (e.g. video-conferencing) for learning;
- Not assuming that women are unwilling to travel or take on more or higher responsibilities;
- Establishing an equal employment opportunity (EEO) policy and ensuring managers promote it;
- Ensuring a sexual harassment policy is in place and any cases are acted on swiftly and confidentially;
- Networking – women’s groups, mixed groups, within companies and across companies-to share experience and build confidence;
- Work and family measures – working time, job sharing, childcare, flexible hours, leaves, paternity and maternity leave;
- In developing countries company provided transport for women due to sexual harassment on public transport;
- Top management commitment essential!



- Many companies are doing these things or some of them, but they still represent a minority in the business world. To reach a wider implementation and impact, a lot more sharing, debate and promotion of these could be done at national and local levels through established business organisations and chambers of commerce and industry to promote these measures.
- There are many networks at country level of women's business organisations and examples of chambers of commerce working together with these. There are also networks of women managers. These networks are sources for advocacy, training, contacts, information and confidence building. In some countries, employer's organisations are focusing on the issue of women in business and management and also appointing more women at higher levels in their own organisations (e.g. Montenegro, Uganda).
- There are government and international aid programmes to support women's entrepreneurship as part of development efforts.

What is the ILO Bureau for Employers' Activities doing to promote women in business and management?

- The Bureau has included the issue of women in business and management in its activities over the last few years. It has conducted workshops in all regions with business organisations and conducted a survey of around 1,300 companies in Africa, the Middle East, Asia, South America and the Caribbean and Eastern and Central Europe. It has brought out this report in several languages as a basis for further advocacy with business organisations and companies. It is planning to develop a programme for national employers' organisations to support their member companies to promote more women in business and management in their countries. And it is holding an international conference in London on the subject organised together with the International Finance Corporation of the World Bank Group and hosted by the Confederation of British Industry.

For further reading please see the ILO Global Report:
Women in Business and Management: Gaining Momentum
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