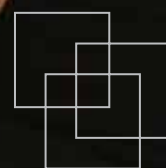




International  
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# Women in business and management: Gaining momentum in Eastern Europe and Central Asia



ACT/EMP  
The Bureau for Employers' Activities

# **Women in business and management:**

Gaining momentum in Eastern Europe and Central Asia

March 2018

Bureau for Employers' Activities (ACT/EMP)  
International Labour Office

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## Preface

In Eastern Europe and Central Asia, women's participation in the labour market has driven economic and business growth. However, a greater participation of women in the labour market, particularly in traditionally male-dominated sectors and occupations, presents a significant opportunity for business. Today we know through research and case studies that gender diversity, particularly in senior management and leadership positions, has positive and measurable impacts on business productivity and competitiveness as well as economic growth.

In 2013, the ILO Bureau for Employers' Activities (ACT/EMP) and employer and business membership organizations (EBMOs) embarked on a process of publishing data on the status of women in business and management to demonstrate the potential benefits of greater gender equality for business outcomes. The first of these efforts resulted in the publication of a global report, *Women in business and management: Gaining momentum*. Since then region-specific information and data have been gathered and published in regional reports for Asia and the Pacific, the Middle East and North Africa, and Latin America and the Caribbean. The reports provide more stratified and relevant information for EBMOs and business to take the agenda forward in their own country and regional contexts.

This report explores the current status quo of women in business and management for Eastern Europe and Central Asia and provides practical interventions that EBMOs and enterprises can implement to create enabling environments to further gender equality and non-discrimination and to assist women to tackle the structural barriers to their career advancement.

EBMOs in Eastern Europe and Central Asia have an important role to play in supporting their members to unlock the positive business gains that gender diversity has to offer. It is our hope that this regional report provides the inspiration and impetus for action to business leaders and to other stakeholders in Eastern Europe and Central Asia to work towards greater gender diversity. As a cross-cutting policy driver, gender equality and non-discrimination remain high on the list of priorities and a vital part of the ILO Decent Work Agenda and the Women at Work Centenary Initiative which aims to better understand and identify innovative, effective actions towards securing a better future for women at work. As we work towards the attainment of the Sustainable Development Goals, especially Goal 5 on advancing gender equality and women's empowerment, we urge all EBMOs and other stakeholders to take a proactive and considered approach to achieving this goal.



Deborah France-Massin  
Director  
Bureau for Employers' Activities  
International Labour Office

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## Executive summary

In Eastern Europe and Central Asia, women represent a significant pool of talent, yet at present women remain underrepresented in business. The potential economic benefit of gender equality in the labour market is significant. In Eastern Europe and Central Asia alone, female labour force participation to the same extent as men could boost gross domestic product (GDP) by as much as US\$ 1.1 trillion or 23 per cent of annual regional GDP.

Between 2000 and 2016, female labour force participation in Eastern Europe increased from 52.6 to 53.2 per cent, and remained largely unchanged at about 54.5 per cent in Central Asia. Despite the overall positive regional trend, women's labour force participation decreased in Kyrgyzstan, the Republic of Moldova, Romania, Serbia, Slovakia, Slovenia and Ukraine since 2004.

Many women workers are concentrated in lower and mid-levels of management illustrating that the glass ceiling that prevents women from rising to upper levels of management is far from shattered. For example, in Serbia and the Republic of Moldova 54 per cent of surveyed companies reported that up to 30 per cent of mid-level managers were women. Across Eastern Europe and Central Asia, 19.9 per cent of enterprises have a top female manager, which is higher than the global average of 18.6 per cent. In Eastern Europe, an average of 8.5 per cent (2016) of board seats are held by women, up from 7.9 per cent in 2012. While the number of board seats occupied by women in Croatia, Estonia, Poland and the Russian Federation has increased, the share in other countries is on the decline.

High levels of occupational segregation, known as 'glass walls', result in high concentrations of women in certain professions and sectors. A study on gender in employment tallied the percentage of the labour force (men and women) that would have to change occupation or sector to achieve gender balance across economic sectors and occupations. The results showed that throughout the region, significant changes are needed to achieve gender parity. With the exception of Romania, labour markets in all countries in the region were more segregated than the average rate for the European Union.

Yet, there is growing evidence that women represent a significant but untapped resource for business. For example, the number of female employers in most countries has increased over the past 16 years, currently accounting for over 25 per cent in 19 out of 26 countries for which data were available. In addition, of total tertiary graduates, women surpass men in 23 out of 25 countries in Eastern Europe and Central Asia. Tajikistan and Uzbekistan are the only two countries in the region where the share of male tertiary graduates exceeds that of women. Therefore, women today increasingly compete on the same level with men in terms of educational attainment and business acumen and experience.

Barriers to female leadership persist, preventing women from advancing into top leadership positions. One of the main barriers to their advancement is the double burden of domestic and professional work. Women in Eastern Europe and Central Asia spend 1.6-6.2 more hours per day on unpaid work than men do. In addition, the gender pay gap as well as cost of child care are disincentives that may drive women out of the workplace. While pay gaps are common across the region, the size of the gender pay gap varies. The four countries that account for the lowest wage gap, less than 10 per cent, are Slovenia (5.3 per cent), Albania (6.9 per cent), Romania (7.3 per cent) and the Former Yugoslav Republic of Macedonia (8.8 per cent). By contrast, men in Tajikistan and Azerbaijan earn almost 51 per cent and 46.1 per cent more than what women earn.

Initiatives in the region are underway to promote greater representation of women in leadership positions as well as to challenge gender stereotypes. Similarly, numerous companies have taken positive steps towards promoting gender balance and implementing good practices that successfully attract, retain and promote female talent.

This report makes the case for companies to increase the number of women in their ranks at every level. It illustrates how increasing the number of women in management positions can improve business outcomes, and it provides more detail and context on the current status quo. In addition, the report showcases good practices and shares tools and strategies companies of all sizes can use to work towards greater gender diversity.

## Abbreviations

ACT/EMP	Bureau for Employers' Activities
CEO	Chief executive officer
CFO	Chief financial officer
EMBOs	employer and business membership organizations
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EEO	equal employment opportunity
EU	European Union
GDP	gross domestic product
IFC	International Finance Corporation (World Bank Group)
ILO	International Labour Organization
OECD	Organisation for Economic Co-operation and Development
SMEs	small and medium-sized enterprises
STEM	science, technology, engineering and mathematics
UNECE	United Nations Economic Commission for Europe
WEF	World Economic Forum
WB	World Bank





# 1

## Introduction

Eastern Europe and Central Asia is a global leader in terms of women in management positions and outperforms some other regions in terms of female labour force participation rates. However, more can be done to equalize women's advancement in the workplace, and contribute to individual company success as well as national and regional gross domestic product (GDP). Many countries in the region have experienced economic changes in recent years, as they have transitioned from centrally managed economies towards free market systems. Today, economic growth across the region is moderate. The countries in the region form a diverse group (Khitarishvili, 2016). Some were shaped by Soviet rule which brought large numbers of women into the labour force to contribute to the economy. In the post-Soviet era, women's participation in the labour force has declined in some countries and gender inequality persists in the sectors where women work and in traditional gender roles.

This regional report is part of a global ILO initiative that builds on the initial work undertaken for the 2015 report, *Women in business and management: Gaining momentum*. Globally, there are significant data gaps on women in business and

1:  
While this report includes and cites information based on secondary research, these reports have different sampling techniques and methodologies that are not necessarily representative nor comparable.

2:  
This report covers the following countries: Albania, Azerbaijan, Armenia, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Russian Federation, Serbia, Slovak Republic, Slovenia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan. Some countries in the region, including Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia are subject to gender-related directives and reporting requirements under the European Union (EU). Alignment with those requirements varies significantly by country. Some countries make use of quotas or quantitative targets which either apply to public enterprises or to both public and private enterprises. Countries such as Albania, Former Yugoslav Republic of Macedonia, Montenegro and Serbia are preparing for entry to the EU.

3:  
For the purposes of the ILO Women in Business and Management reports, companies have been classified as small, medium and large depending on the number of employees as follows: small companies employed 1–50 workers; medium companies employed 51–500 workers; and large companies employed over 501 workers. Of total surveyed companies in Eastern Europe and Central Asia, 46 per cent were small, 45 per cent were medium and 9 per cent were large. While there were only a limited number of countries from the region who participated in the survey, the results of the survey were included in this report to ensure that the views of employers' organizations members were represented as well as information from small and medium-sized companies. To be noted is that most of the responses from Albania and Serbia were from women owned businesses, employing mainly women.

management and this initiative aimed to identify and draw together the available data.<sup>1</sup> This report provides a regional perspective on the topic by presenting primary information collected through the global ILO Company Survey, interviews and workshops. The data collected through the survey provides data on trends related to women working in the private sector; however, the data is not representative nor definitive. Further research with more representative samples covering a greater number of businesses would yield for more definitive results. Nevertheless, existing data and recent statistics enable analysis of trends on women in business and management in Eastern Europe and Central Asia. This report leverages existing data and additional primary research to generate insight into the challenges women and companies are striving to overcome. It also provides practical recommendations on ways to change the status quo and work towards greater representation of women in business and management, particularly senior management.<sup>2</sup>

The ILO Bureau for Employers' Activities (ACT/EMP) conducted the global Company Survey in 2013. Approximately 1,300 private sector companies were surveyed in 39 developing countries across five regions to capture the extent to which companies have policies and practices in place to promote women in management. In Eastern Europe and Central Asia, employer and business membership organizations (EBMOs) distributed the ILO Company Survey to their members and facilitated 396 company responses from small-, medium-sized and large companies in Albania, Serbia, the Republic of Moldova and Montenegro.<sup>3</sup>

Chapter 1 provides an overview of the business case for gender diversity including some region-specific data and information. Chapter 2 covers the positive trends in female labour force participation rates and chapter 3 reviews the progress women have made as business leaders but also the challenges they face. Chapter 4 provides an overview of the female talent pool by reviewing education data as well as women's business and leadership experience. Chapter 5 discusses some of the barriers that prevent women from succeeding including balancing work-life responsibilities and the gender pay gap. Finally, chapter 6 summarises key initiatives that companies and EBMOs can take, and are taking, in removing barriers and accelerating change.









# 2

## The business case for advancing women in business and management

The opportunity for companies to realize benefits from gender diversity are extensive and diverse and the business rationale is sound. There are an increasing number of studies that point to the gains that result from gender diversity at the global, regional, national and company levels. The business case for gender diversity is reflected across different dimensions in business (Catalyst 2013: 2). These include: improved financial performance; improved ability to leverage talent; a better reputation and reflection of the market place; and increased innovation and team performance. This section will discuss the impact of gender diversity on business gains in those four areas and introduce initiatives that are specific to Eastern Europe and Central Asia.

The impact of gender diversity is not limited to those four dimensions. Ensuring equal opportunity employment policies can help companies demonstrate compliance with national laws, generate goodwill among communities where they operate, gain recognition as an employer of choice and improve the investment climate.

“Gender equality is a high priority on the new government’s agenda. We are aware that this is not only a women’s issue or an issue of respecting the right to equality guaranteed in the Constitution, but an issue that has a serious impact on the development of the society that we live in. The Constitution and the law set up Macedonia as a state of well-being, and we are obliged to make this happen for our citizens.”

Zoran Zaev, Prime Minister of the Former Yugoslav Republic of Macedonia

Source: UN Women, UNDP and ILO, 2017.

## Gender diversity delivers financial gains

Substantial financial gains for global, regional and national economies as well as individual companies result from achieving gender diversity. Estimates of the financial cost of gender based discrimination in social institutions of European and Central Asian region indicate losses of US\$1.4 trillion (OECD, 2015: 8). If women were to participate in the workplace to the same extent that men do, global gross domestic product (GDP) could be expected to rise as much as US\$28 trillion (McKinsey Global Institute, 2015: 25). The potential boost to GDP in Eastern Europe and Central Asia could be as much as US\$1.1 trillion or 23 per cent of annual regional GDP. Women already make up a significant proportion of the labour market in Eastern Europe and Central Asia, but additional economic gains could result from increasing the share of women in higher productivity sectors (McKinsey Global Institute, 2015: 26). The region has increasingly expanded into the production and export of high-value added goods (including automobiles, auto-parts, aerospace, electronics and medical products), yet women are underrepresented in those sectors. (McKinsey and Company, 2013: 17).

When compared to other policies to grow GDP, such as education policies or labour market policies, gender equality policies had a stronger positive impact. Predictions for the European Union (EU) indicate that by 2050 improving gender equality could lead to a €1.95 to €3.15 trillion increase in GDP or a per capita increase of 3.2-5.5 per cent (EIGE, 2017). A study on improvements in educational attainment across the EU forecasted a 2.2 per cent increase in GDP by 2050 (DG EAC, 2016). The impact of progress towards gender equality is anticipated to be medium to high in many Eastern European and Central Asian countries, including Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, and Romania.

By comparing the return on assets for companies with women directors and those without, the opportunity cost of male-only boards totalled US\$655 billion across India, the United Kingdom, and the United States. At the global level, the cost would be even greater (Grant Thornton, 2015). Further evidence of the correlation between gender diversity on boards and corporate performance emerged from a Credit Suisse follow-up report on its 2014 report on women in senior management. It found that companies with one or more female directors maintained and increased the returns to investors at a compound annual growth rate (CAGR) of 3.3-3.5 per cent (Credit Suisse, 2016: 4).

In a study completed in Poland in 2015, companies with at least one women on their board of directors were found to have a higher return on equity and price to book value. Return on equity increased from 10.1 per cent to 12.2 per cent and price to book value increased from 1.8 to 2.4 (EIGE, 2017: 139).

A global survey of 21,980 firms from 91 countries indicated positive correlation between firm performance and women's presence in corporate leadership. The results showed that a firm that has over 30 per cent women in leadership could expect to gain more than 1 per cent in net margin compared to a similar firm with no female leaders (Noland et al, 2016: 8).<sup>4</sup> At the company level, reaching the 30 per cent threshold of women in corporate leadership creates a critical mass that enables the company to reap the benefits of gender diversity.

4:  
The study points out that a typical profitable firm in the study has a net-profit margin of 6.4 per cent. Therefore, a gain of 1 per cent represents a 15 per cent increase in profitability.

5:  
Information based on ILO Enabling Environment for Sustainable Enterprises reports.

Well-educated, productive women bring value to companies where they work and they contribute to the global economy. Their labour force participation also has positive impacts for society. Women spend a greater proportion of their financial means on children's education, health care and welfare, thus, enabling women's participation and advancement in the labour force will deliver exponentially greater gains for future generations and provide a significant boost to the human capital of their nation (Citi GPS, 2015: 12).

### Attracting and retaining talent

Women make up approximately 50 per cent of the global population. In an era of ageing populations, increased migration and skills shortages, companies are finding solutions in the significant talent pool that women represent. In countries such as Estonia, Croatia, Latvia, Lithuania, Hungary and Slovenia, a decline in the labour force is the main reason for slow economic growth. Labour mobility has increased since those countries acceded to the EU and birth rates have remained low, thus companies may find a solution in hiring more women (Djankov, 2016). Similarly, in Georgia, Kyrgyzstan, Montenegro, and Moldova companies reported that skills shortages were an impediment to business productivity.<sup>5</sup>

In Bulgaria, on average it takes 63 days to fill a high-skill vacancy, 39 days to fill a medium-skilled vacancy and 22 days for a recruit to adapt to their new working environment (EIGE, 2017: 29). This evidence as well as other research suggests that companies incur high costs to fill positions. The cost of employee turnover per employee (including opportunity costs and recruitment) is approximately €9,988 (using a recruitment agency) or €9,683 (without using a recruitment agency). Those costs are high, particularly in comparison to the cost of implementing policies that promote better reconciliation between work and family life. Such policies can keep valued employees on the job and save money. For example, the cost of implementing extended family leave per employee is €4,093, while offering staff the option of a 4-hour day costs only €2,055 per employee (EIGE, 2017: 29).

A global study of CEOs found 90 per cent felt their diversity and inclusion strategies had helped them to attract talent (PwC, 2015: 2). Globally, women's educational attainment is higher than ever before and in an increasing number of countries women represent a greater share of tertiary graduates. In most countries in Eastern Europe and Central Asia, women have overtaken men in terms of tertiary education attainment.

Looking to the future, attracting both female and male talent will be a key determinant of business success. Technological advancement and globalization will continue to impact business operations, creating numerous challenges as well as opportunities. It is crucial that businesses attract, retain and use the talent of the future workforce, particularly the underutilized female workforce.

The young female workers are better educated and enter the workforce in greater numbers and with more desire for career progression than previous generations. However, their needs are different. It is "a new era of [female] talent" (PwC, 2015: 1).

Young workers, male and female, seek reputable employers that promote diversity, encourage work-life balance and mobility (PwC, 2015: 4). Gender diversity within firms improves corporate reputation and enhances the ability to attract the workforce of the future (Catalyst, 2013: 6). To attract talented young workers, workplaces need to adapt and embrace new, more flexible working arrangements.

Technology has brought about significant changes in the workplace. Initially, labour-saving technological advancement enabled women to participate in the workforce by reducing the hours spent on domestic chores. Today, communication technologies make it possible to work from anywhere and to collaborate using web-based communication tools. Workplaces with greater flexibility in turn enable their employees, both female and male to balance family and professional responsibilities. (Citi GPS, 2016: 52).

### **Aligning with societal values for better business outcomes**

Today, women represent key consumer markets. They have increased purchasing power as well as considerable control or influence over household spending decisions. Catalyst (2013) projected that women globally would control approximately US\$40 trillion of consumer spending by 2018. In addition, women also run approximately 30 per cent of the world's businesses where they have influence or control over financial decisions and spending. In Russia, for example, more than 80 per cent of women report that they are responsible for making daily household spending decisions (ERBD, 2016). A Booz&Co report (2012) referred to women as the "third billion," the third largest consumer and productive market that exists after India and China. Hiring more women and ensuring a critical mass of women in leadership will bring their insights on women's buying and spending preferences into company decision-making processes. Companies and teams that better understand and reflect their consumer base are better placed to create solutions, innovations and products that anticipate the changing needs of the market and, in the case of gender diverse teams, to capitalize on the expanding consumer market women represent (CTI, 2013: 3).

Gender diversity is important at all levels, including the board level. One study of companies in China found that a higher number of women on boards was linked to lower corporate fraud (Catalyst, 2013: 8). In addition, women's presence on boards was also correlated with higher corporate philanthropy and corporate social responsibility spending. Those associations can strengthen the reputation of a company while extending the benefits of its success into society.

"Every day we meet extraordinary women who prove themselves as reliable partners in both business and life. Women make up half of the world's population, but what is even more important is that they are mothers of the rest of the 50 per cent. This is why women are a priceless resource and power of our society which is a fact we have to make use of. Ensuring business success and equality of women is not only fair and just but also a smart business decision."

Sabina Softic, Deloitte SheXO Club and Audit Partner, Deloitte, Bosnia and Herzegovina

Source: Poslovne Novine, 2016.

## Improved innovation and decision-making

Innovation and decision-making in firms are positively affected by gender diversity, particularly once a critical mass threshold of 30 per cent has been realized.<sup>6</sup> Diversity introduces new perspectives into decision-making, freeing teams and groups from 'group think', generating new ideas, challenging biases, and capitalizing on broader and different interpretations of problems and solutions.<sup>7</sup>

Women and men view risk differently, but this does not equate to risk-averse behaviour by women. Grant Thornton (2017) surveyed men and women on risk by category and found that in eight out of ten categories men perceive higher risks in decision-making than women. Women were more likely to consider the context and its implications before deciding situations were risky. They displayed a need for more detailed analysis and better evaluation of the situation before moving towards a decision. In Eastern Europe women saw both higher risk and higher opportunities in situations such as political or regulatory changes, and gave similar prioritisation to risk management methods such as consulting with experts or a risk mitigation plan. Those findings contradict stereotypes and generalizations that women are risk averse. Broadly speaking, women may be able to bring different considerations to risk assessments and discussions, which ultimately will lead to improved decision outcomes.

The Business Women Association of Bosnia and Herzegovina conducted a study of women in decision-making positions in enterprises, which revealed that the incidence of issues such as tax debt is much lower among firms with female managers (Udruženje poslovnih žena u BiH, 2015). Similarly, a study in the Former Yugoslav Republic of Macedonia of 304 respondents from medium-sized and large enterprises found that 65 per cent of respondents felt gender equality contributed to more ethical conduct, 46 per cent indicated that it contributed to more efficient financial performance, and 42 per cent believed that it lowered risks associated with decision-making (Institute Izida Vita, 2017).

Gender diversity has been linked to enhanced innovation and better performance on complex tasks, where women represent a critical mass (at least 30 per cent) (Catalyst, 2013: 3 and 4). Furthermore, a 2011 study of research and development teams in companies in Spain found that greater gender diversity leads to more radical innovations or the creation of new solutions (Diaz-Garcia et al, 2013).

6:  
Thirty per cent representation of women is considered the critical threshold for realising change or seeing measurable results from gender diversity.

7:  
Group think is a term where group members begin to converge in thinking and opinion. It is considered to hamper decision-making as less diverse options or opinions are raised or considered.







# 3

## Women in labour markets in Eastern Europe and Central Asia

### 3.1 Positive trends in female labour force participation

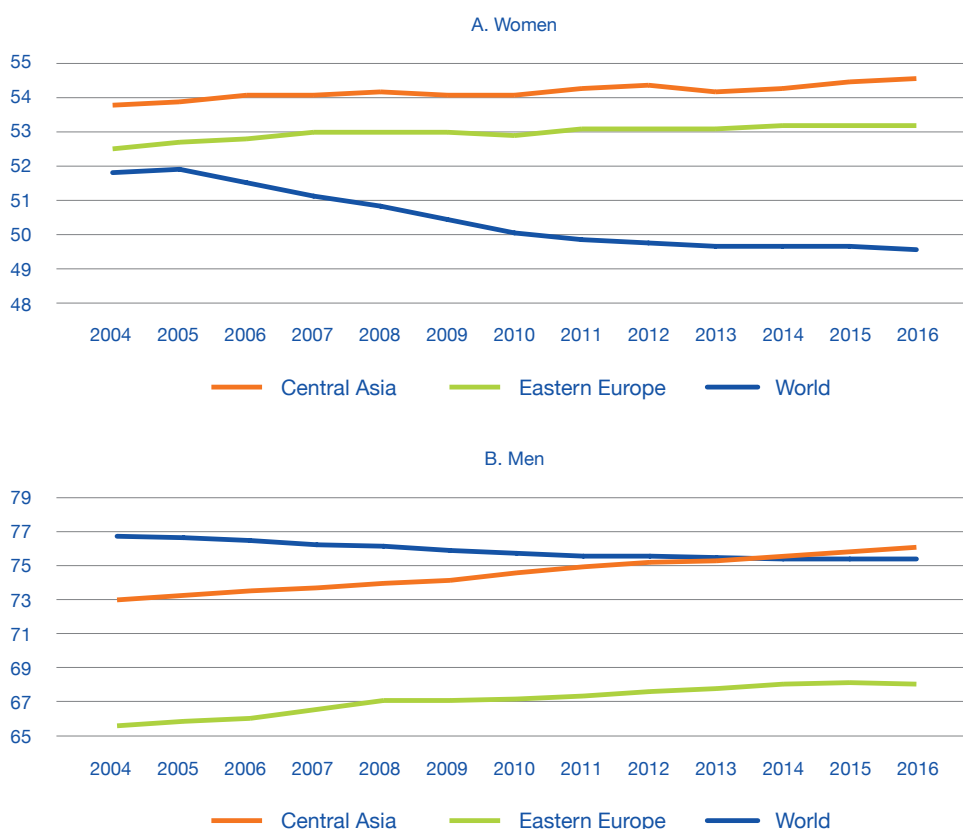
Globally, the labour force participation rate is 49.5 per cent for women, and 76.1 per cent for men (ILO, 2016a: 6).<sup>8</sup> While female labour force participation in many countries in Eastern Europe and Central Asia displays positive trends that exceed the global average, other countries show declining trends.

Between 2004 and 2016, women's labour force participation increased in Eastern Europe from 52.5 per cent to 53.2 per cent, and in Central Asia from 53.8 per cent to 54.5 per cent. These rates compare favourably to the global rate of women's labour force participation that decreased from 51.8 per cent to 49.5 per cent over the same period. Meanwhile, men's labour force participation increased in both Central Asia (from 73.5 per cent to 77 per cent) and Eastern Europe (from 65.5 per cent to 68.3 per cent). Globally, male labour force participation decreased from 77.7 per cent to 76.1 per cent over the same period (see figure 1, panels A and B).

8:  
An individual is participating in the labour force if he or she is employed or unemployed and seeking work.



**Figure 1. Labour force participation estimates (2004-14) and projections (2014-16) (percentage), Eastern Europe and Central Asia annual rates, women (A) and men (B)**



Note: Labour rate participation rates based on ILO modelled estimates as of July 2015. The reference period for the ILO estimates is 2004-14. ILO projections were included for the period 2015-16. Countries included in the Eastern Europe estimates include Belarus, Bulgaria, Czech Republic, Hungary, Poland, Republic of Moldova, Romania, Russian Federation, Slovakia and Ukraine. Countries included in the Central Asian estimates are Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. Source: ILO, 2017c.

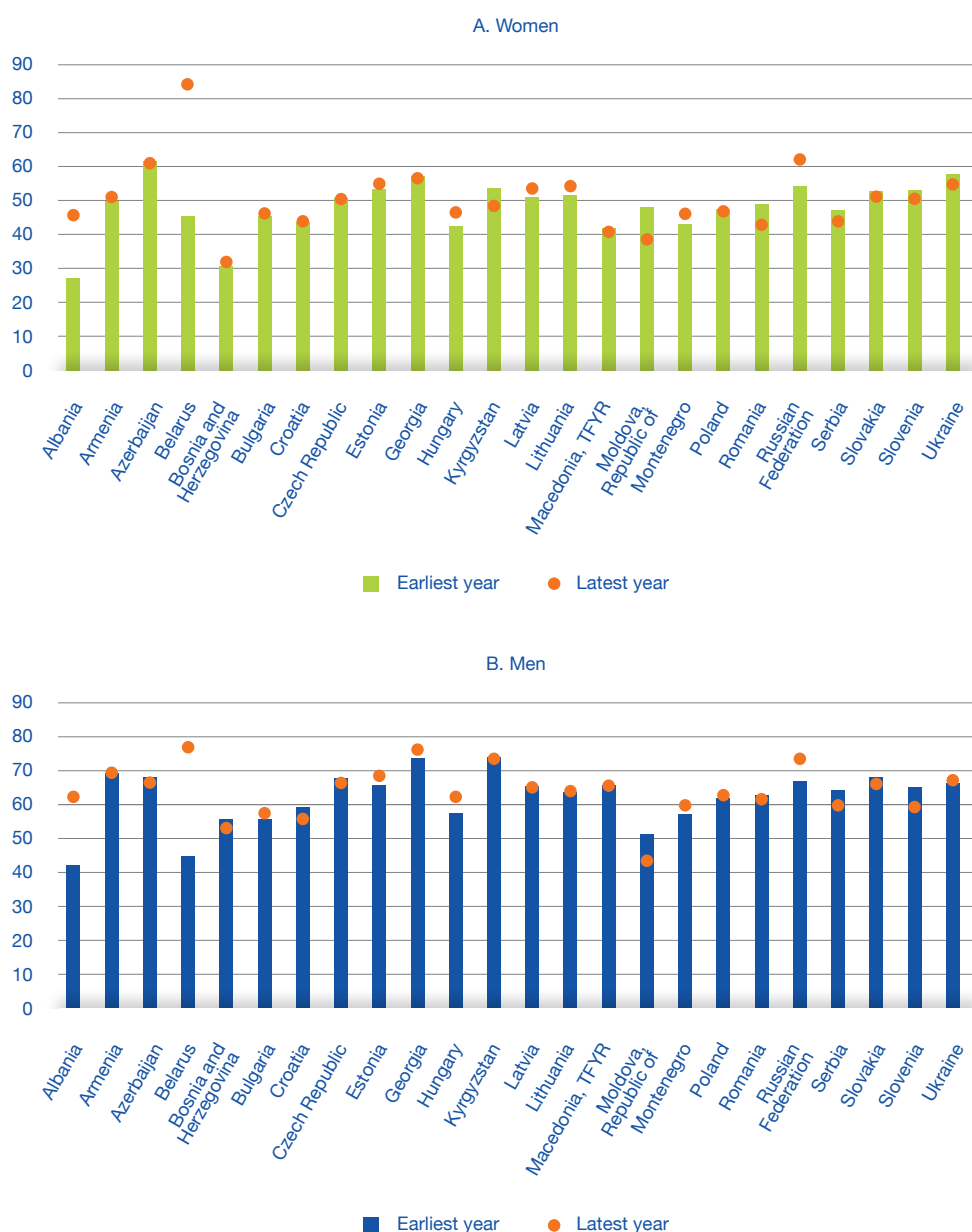
Labour force participation rates by country for both women and men in Eastern Europe and Central Asia are shown in figure 2 (panels A and B). Since the mid-2000s, women's labour force participation increased in 17 out of 24 countries for which data were available. Women's labour force participation rates grew most in Belarus and Albania, increasing by 88 per cent and 73 per cent, respectively. Belarus has the highest female labour force participation rate in the region at 85.5 per cent, followed by Azerbaijan at 62.4 per cent, despite having decreased by 2 per cent since 2004. The Russian Federation has the third highest female labour force participation rate at 63.5 per cent.

However, in six countries in the region, women's labour force participation rates have decreased, namely Kyrgyzstan, the Republic of Moldova, Romania, Serbia, Slovakia, Slovenia and Ukraine. The Republic of Moldova experienced the greatest losses in women's participation in the labour force, from 47.9 per cent in 2004 to 40.1 per cent in 2016, a decrease of 16 per cent. This may be explained by the fact that most long-term migrants from the Republic of Moldova are female (Khitarishvili, 2015: 27). Likewise, in Romania and Kyrgyzstan women's participation in the labour force decreased by 9 per cent and 7 per cent, respectively. Bosnia and Herzegovina has the lowest participation of women in the labour market at only 33.5 per cent in 2015.

In Eastern Europe and Central Asia, women's overall rates of participation in the labour force are lower than those of men, apart from Belarus where men's participation rate (78.9 per cent) is 6.6 percentage points lower than women's. In

general, however, the female labour force participation rate is significantly below the male participation rate. Figure 2 (A) shows women's labour force participation rates are over 50 per cent in 12 countries, while men's participation rates is over 60 per cent in 20 countries, and over 70 per cent in six of those 20 countries. The biggest gender gap in labour force participation was found in Kyrgyzstan, where 75.5 per cent of men participate in the labour force, compared to 49.9 per cent of women.

**Figure 2. Labour force participation (percentage), Eastern Europe and Central Asia, annual rates, earliest and latest years, women (A) and men (B)**



Note: Data for Eastern European and Central Asian countries are based on labour force surveys and official estimates (2004-15) and (2004-16) except for Montenegro (2005-16), Bosnia and Herzegovina (2006-15), the Former Yugoslav Republic of Macedonia (2006-2016), Azerbaijan (2007-2015) and Armenia (2008-2016).

Source: ILO, 2017c.

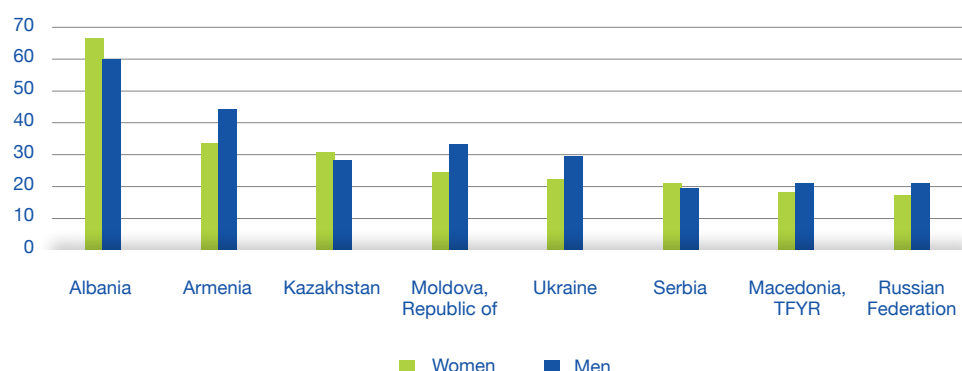
Growth in export sectors and trade openness and economic integration have increased in recent years and those factors may have contributed to the narrowing gender gaps in labour force participation in Central Asia. Many growing sectors, such as garments and services, employ a significant number of women (ILO, 2016a: 6).

The overall decrease in labour force participation rates for both women and men in some Eastern European countries, specifically the Republic of Moldova and Serbia, may be due to demographic changes including migration (ILO, 2016a: 6). Both countries experienced an average negative population growth rate between 2010 and 2015 (UNDESA, 2017).

### 3.2 Women working in the informal economy

In many countries in Eastern Europe and Central Asia, the informal economy is a greater source of employment for men than it is for women, but the share of women working in the informal economy remains significant (ILO, 2016a: 11). Figure 3 shows the latest estimates for total employment of women and men in the informal economy in selected countries in the region. It shows that the share of men in the informal economy is higher than the share of women in five out of the eight countries for which data were available, namely Armenia, the Republic of Moldova, Ukraine, the Former Yugoslav Republic of Macedonia and the Russian Federation. The opposite is true in Albania, Kazakhstan and Serbia. Informal employment in the region is highest in Albania at 66.5 per cent for women and 60.1 per cent for men, but apart from Albania, employment in the informal economy in Eastern Europe and Central Asia is relatively low, ranging from 17.5 per cent to 33.8 per cent for women, and 19.6 per cent to 44.2 per cent for men.

**Figure 3. Employment in the informal economy by gender, selected Eastern European and Central Asian countries, annual rates (per cent), latest years**



Note: Data include total rate of employment in the informal economy based on official labour force surveys (2015), except for Albania and Kazakhstan (2013).

Source: ILO, 2017c.







# 4

## Women in business leadership in Eastern Europe and Central Asia

Significant challenges hinder women's advancement into leadership in business globally and in Eastern Europe and Central Asia. Globally, women tend to be concentrated in junior or supervisory management positions. Although Eastern Europe tops the global ranking for the number of women in senior leadership roles (Grant Thornton, 2017: 10), gender diversity is lacking in company ranks and business functions. As discussed earlier, women's participation in management structures and decision-making has the potential to yield significant returns (both financial and other) for business. Adequate gender balance is regarded as 40 to 60 per cent of either sex. A threshold of 30 per cent representation of women is considered the critical mass to yield gains from gender diversity. This section provides more details on obstacles to women in business leadership in the region.

### 4.1 Women through the ranks: The leaking pipeline

The 'leaking pipeline' phenomenon refers to the number of women who exit career paths that lead to top management positions. The phenomenon is common and companies need to overcome this challenge to advance women into higher levels

of management. According to the ILO Company Survey, companies in Albania, Serbia and the Republic of Moldova and Montenegro reported that retention of skilled women was a challenge to a great extent (over 58 per cent) or to some extent (14 per cent).

Women's career advancement is critical to build a pool of suitably experienced female candidates for executive and board level positions. However, the current promotion and retention rates for female employees are insufficient and more women must remain in the talent pipeline to bring about gender equality in the next decade. The increased focus on hiring women in senior positions is a positive development, but it is insufficient. Changes must take place along the pipeline to make stronger gains for gender equality and achieve long-term and sustainable change (Mercer, 2016).

Table 1 illustrates the leaking pipeline of female talent based on responses from the ILO Company Survey in Serbia and the Republic of Moldova, compared to the global average. The ILO asked companies about the share of women in management to evaluate gender balance among managers at four managerial levels, namely: supervisory or junior; middle; senior; and top. Gender balanced positions referred to those in which women accounted for between 41 to 50 per cent of total managers, while gender unbalanced positions referred to those in which women represented less than 30 per cent of total managers.

The shares of companies in Serbia and the Republic of Moldova that had less than 30 per cent or 41-50 per cent of women at all managerial levels were mostly lower than those of surveyed companies across the world. Of surveyed companies in Serbia and the Republic of Moldova, 31 per cent had no women at the top executive level and 42 per cent had no women at senior management level. Mid management seems to be the level that represents women best in Serbia and the Republic of Moldova, as 54 per cent of the companies reported having between one and 30 per cent of women at that level.

**Table 1. The leaking pipeline of female talent, companies in Serbia and the Republic of Moldova and the world, share of respondent companies (percentage), 2013**

Level of management	Proportion of positions filled by women	Companies in Serbia and the Republic of Moldova (%)	Global companies (%)
Supervisory or junior level of management	No women	11	10
	Less than 30% women	48	61
	Women are 41-50%	11	13
Middle management level	No women	6	10
	Less than 30% women	54	62
	Women are 41-50%	14	15
Senior management level	No women	42	21
	Less than 30% women	27	71
	Women are 41-50%	10	10
Top executive level	No women	31	34
	Less than 30% women	23	74
	Women are 41-50%	8	8

Note: Regional data include responses for companies in Serbia and the Republic of Moldova. Global data include responses of over 1,300 companies in 39 countries.

Source: ILO Company Survey, 2013.



In Slovenia, data collected from 253 companies in 2012 showed that women were underrepresented at the decision-making level. Only six companies had established and aimed to implement measures to promote gender balance (EIGE, 2017: 144).

In recent years, changes are evident at the board level (the end of the pipeline) as well as at the entry level (the beginning of the pipeline). However, retention and promotion of talented women through the pipeline remains a challenge. Companies can take measures to create a working environment that is more conducive to women's career advancement and to close the gap between the outcomes for men and women in working environments. More details are provided in chapter 6.

## 4.2 Women in senior management: Progress is steady but unequal

The underrepresentation of women in decision-making bodies of corporations is a concern worldwide. Across the EU in 2016, an average of 5.7 per cent of CEO level managers were women. This represents an increase from 3.3 per cent in 2012 (European Union, 2017: 28). According to some surveys, the share of women in higher levels of management is increasing in Eastern European and Central Asian countries.

For example, a survey conducted by Grant Thornton found the highest rates of women in senior management in Eastern Europe. Some 35 per cent of senior roles were held by women and only 16 per cent of companies had no women in senior management. This strong regional performance was largely driven by a few countries, such as the Russian Federation with 45 per cent of senior roles held by women. Several countries in the region had far weaker performance (Grant Thornton, 2016: 5).

“I belong to a society which has made it a priority to maximise every person's potential for growth. Both women and men are supported to take risks and seize opportunities.”

Elena Proskurnya, FBK Grant Thornton, Russian Federation

Source: Grant Thornton, 2017, p. 19.

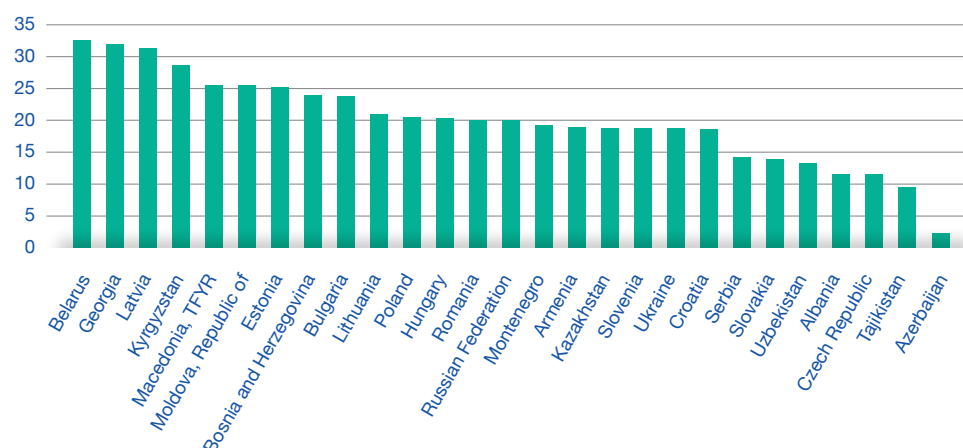
The World Bank Enterprise Survey covers a broad range of business environment topics, including employment indicators. The coverage in Eastern Europe and Central Asia represents about 11 per cent of the total sample of 125,000 enterprises in 139 countries across the world.<sup>9</sup> In 2017, the survey covered 13,977 enterprises in all the countries of the region apart from Turkmenistan, where data were not available. The sample included roughly the same proportion of small, medium-sized and large enterprises in each country.<sup>10</sup>

Figure 4 shows the share of total enterprises that have a top female manager in Eastern European and Central Asian countries. The countries with the largest share of enterprises that have women as top managers are Belarus (32.7 per cent), Georgia (32.0 per cent) and Latvia (31.5 per cent). By contrast, Azerbaijan has the lowest share of enterprises with a top female leader at 2.4 per cent, followed by Tajikistan (9.6 per cent) and the Czech Republic (11.6 per cent).

9:  
The number of Eastern European and Central Asian enterprises included in the World Bank Enterprise Survey are as follows: Albania (360), Armenia (360), Azerbaijan (390), Belarus (360), Bosnia and Herzegovina (360), Bulgaria (293), Croatia (360), Czech Republic (254), Estonia (273), Former Yugoslav Republic of Macedonia (360), Georgia (360), Hungary (310), Kazakhstan (600), Kyrgyzstan (270), Latvia (336), Lithuania (270), Republic of Moldova (360), Montenegro (150), Poland (542), Romania (540), Russian Federation (4,220), Serbia (360), Slovakia (268), Slovenia (270), Tajikistan (359), Ukraine (1,002) and Uzbekistan (390).

10:  
The World Bank classifications of enterprise size are as follows: small (from 5 to 19 employees); medium (between 20 and 99 employees); and large (over 100 employees). Note there are no internationally agreed definitions and the ILO Company Survey classifications differ. In smaller economies, there were proportionally fewer large enterprises in most cases.

**Figure 4. Enterprises with a top female manager, Eastern European and Central Asian countries, share of total enterprises (per cent), latest years**



Note: Latest surveys conducted for Eastern European and Central Asian countries in 2013. No data were available for Turkmenistan.

Source: World Bank, 2017.

Table 2 compares the share of enterprises with a top female manager by region. Enterprises with a top female manager in Eastern Europe and Central Asia account for 19.9 per cent, higher than the global average of 18.6 per cent. In comparison to other regions, Eastern Europe and Central Asia follows after East Asia and the Pacific (31.9 per cent), high income countries that are not members of the Organisation for Economic Co-operation and Development (OECD) (22.1 per cent) and Latin America and the Caribbean (21.4 per cent).

**Table 2. Enterprises with a top female manager by region, share of enterprises (per cent), latest available year**

Regions	Enterprises (%)
All 139 countries	18.6
East Asia and the Pacific	31.9
High income non-OECD	22.1
Latin America and the Caribbean	21.4
Eastern Europe and Central Asia	19.9
High income OECD	16.9
Sub-Saharan Africa	15.9
South Asia	11.0
Middle East and North Africa	5.1

Note: Regional groups according to the World Bank country classification, except for Eastern Europe and Central Asia, based on latest enterprise surveys. The share of top female managers in the Eastern European and Central Asian region was calculated by estimating the regional weighted average.

Source: World Bank, 2017.

A national survey of companies in Croatia showed that the proportion of qualified women exceeded the proportion of qualified men but the number of men in leadership positions exceeds the number of women. In addition, women and men work primarily in roles dictated by traditional gender stereotypes (EIGE, 2017: 80).

### **Women are more likely to be managers in smaller companies**

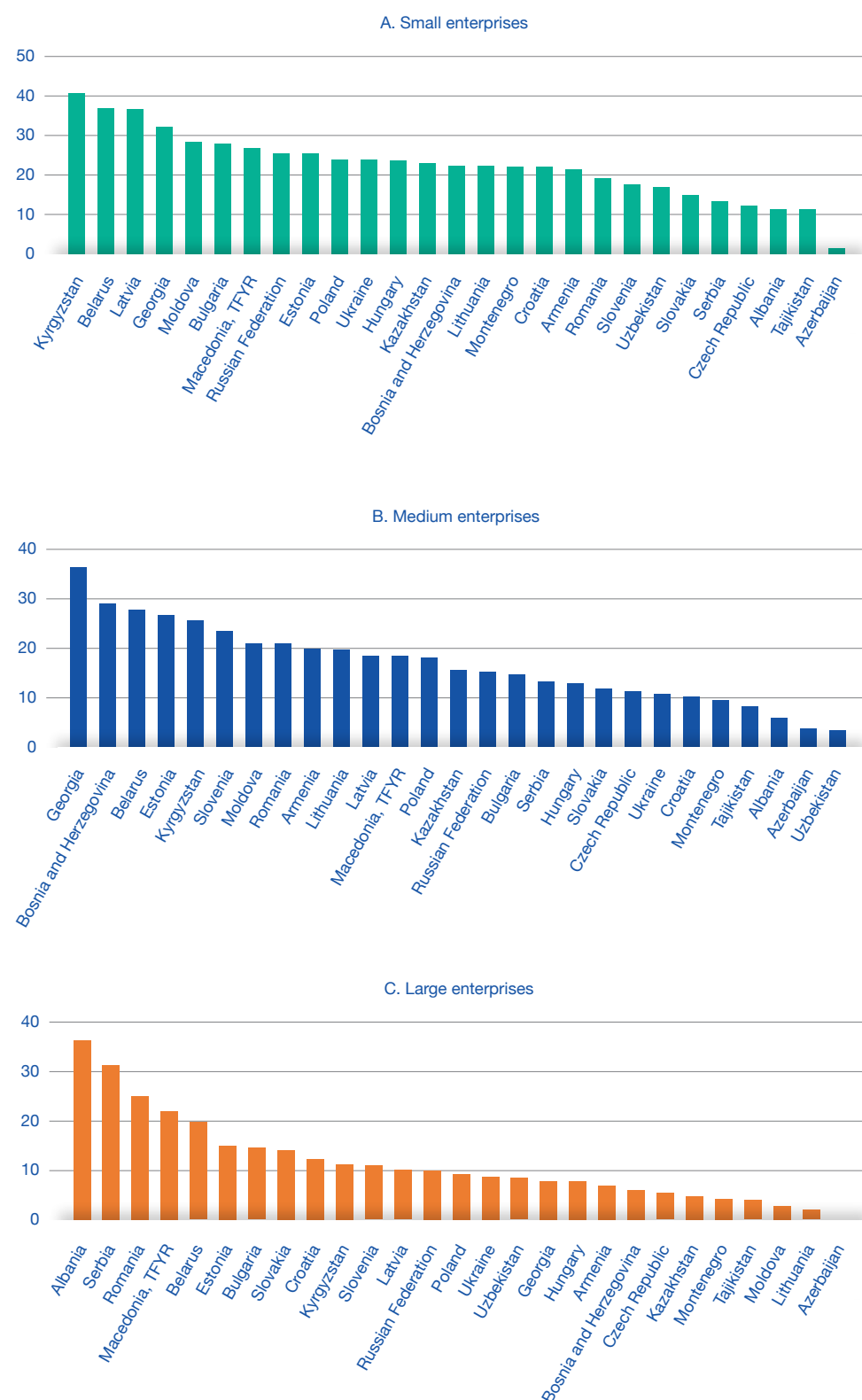
The share of small, medium-sized and large enterprises in the region with a top female manager is presented in figure 5 (panels A, B and C). On average, about 23.5 per cent of small enterprises had a top female manager, compared to 17.9 per cent of medium-sized enterprises, and 13.3 per cent of large enterprises. The share of women managers generally shrinks as the size of the enterprise increases, but the opposite was found in Albania, Romania and Serbia where the share of top female managers increased with enterprise size.

Kyrgyzstan had the largest share of small enterprises with a top female manager (41 per cent), followed by Belarus (37.1 per cent) and Latvia (36.9 per cent). On the lower end, 1.6 per cent of small enterprises in Azerbaijan had a top female leader. Other countries that had a relatively low share of top female managers in small enterprises include Albania and Tajikistan, totalling 11.5 per cent each.

The largest share of women top managers in medium-sized enterprises were found in Georgia (36.2 per cent) and Bosnia and Herzegovina (28.9 per cent). At the low end in the region, only 3.4 per cent of medium enterprises had a top female leader in Uzbekistan and 3.8 per cent in Azerbaijan.

Among large enterprises, the countries with the largest share of top female managers were Albania (36.6 per cent) and Serbia (31.5 per cent). Azerbaijan had the lowest share of women in management at nearly 0 per cent. Other countries with very low rates of top female managers in large enterprises were Lithuania (2.1 per cent) and the Republic of Moldova (2.9 per cent).

**Figure 5. Enterprises with a top female manager, Eastern European and Central Asian countries, share of total enterprises (per cent) by size, small (A), medium (B) and large (C), latest years**



Source: World Bank, 2017.

### 4.3 Company boards: Women are few and far between

The number of women on company boards has received significant attention in recent years. Globally, the status quo is changing at a faster rate than women's representation in executive management. As noted earlier, increasing female representation on boards has significant impacts for a company's financial outcomes and reputation. MSCI (2015) found that companies with more than one woman on the board were more likely to have a female CEO. This correlation does not reveal the cause, but there is a clear link between women's representation on boards and better representation of women in executive management.

In a recent study of 44 countries undertaken by EgonZehnder (2016), 36 countries showed improvements in gender diversity on boards since 2012. The study puts the global average of board seats held by women at 18.5 per cent, and the average for Eastern Europe as at 8.5 per cent in 2016 up from 7.9 per cent in 2012. A similar study undertaken by Deloitte (2017) in over 60 countries found the global average of board seats held by women to be 15 per cent representing a 3 per cent increase on its findings from 2015. The average number of board seats in the European Union is higher at 23.9 per cent (European Union, 2017: 28),

Table 3 shows the change over time in the share of board seats held by women for ten countries where data were available. While the share increased in Croatia, Estonia, Poland and the Russian Federation, stagnation and decline are evident in other countries.

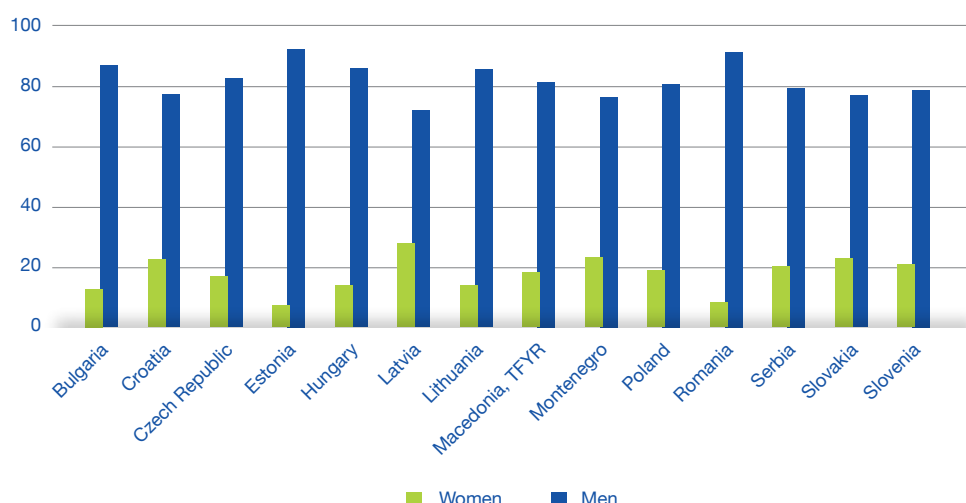
**Table 3. Women's share of board seats (percentage), selected Eastern European and Central Asian countries, earliest and latest years**

Country	Earliest year		Latest year		Increase / decrease (%)
Croatia	15	2012	22	2017	46.67
Czech Republic	9.1	2012	6.2	2016	-31.87
Estonia	7	2014	8	2017	14.29
Hungary	12.2	2014	11.2	2017	-8.20
Latvia	32	2014	28	2017	-12.50
Lithuania	17	2014	13	2017	-23.53
Poland	11	2012	15.8	2016	43.64
Slovakia	18	2014	14	2017	-22.22
Romania	10	2012	10	2017	0.00
Russian Federation	7.3	2012	7.5	2016	2.74

Source: EgonZehnder, 2016 (Czech Republic, Poland and Russian Federation); Deloitte, 2017 (Croatia, Romania, Estonia, Latvia, Lithuania, Slovakia, Hungary).

Figure 6 presents the percentage of board seats held by women and men in Eastern European countries under the EU. Using a different sampling methodology, EIGE found that Latvia leads with almost 28 per cent of board seats held by women, while Estonia is lagging behind at 7 per cent.

**Figure 6. Percentage of board seats by gender, selected Eastern European countries**



Source: EIGE, 2017.

The IFC conducted interviews with company representatives in Bosnia and Herzegovina, and the Former Yugoslav Republic of Macedonia on the topic of women on boards. The respondents in Bosnia and Herzegovina indicated 32 per cent of board seats were occupied by women, while 22.7 per cent of board seats were occupied by women in the Former Yugoslav Republic of Macedonia. The study also reported some general trends: (1) most respondents believed board diversity to be important for company success; (2) men became board members at a younger age than women; and (3) women were held to higher standards of education and experience to be considered for board membership (IFC, 2013).

In Bosnia and Herzegovina, the Agency for Gender Equality of the Ministry of Human Rights and Refugees undertook a study in 2014 with a sample of 70 of the top 100 companies. The study found on average, women held 15.1 per cent of board seats and half of the companies surveyed had no women on their boards.

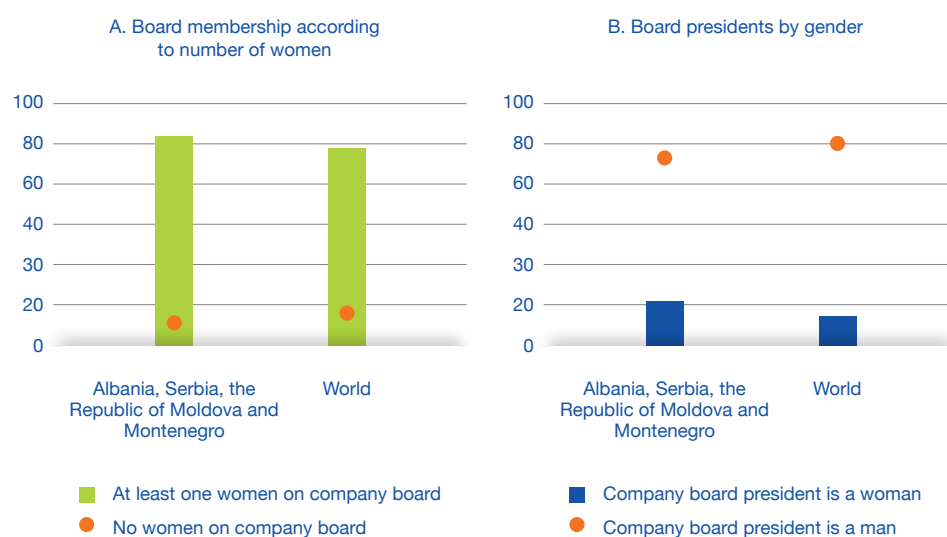
The ILO Company Survey also asked respondents about the extent to which women were represented on company boards. Figure 7 (panels A and B) presents data on the representation of women on company boards and the share of companies with a female board president in Albania, Serbia, the Republic of Moldova and Montenegro, and the world. In the selected countries, about 87 per cent of surveyed companies had at least one women on company boards, and 19 per cent of companies had women board presidents. By comparison, 82 per cent of companies globally had women board members, and 13 per cent had women board presidents. These shares indicate a slightly higher female representation on boards in these four countries in the region, compared to the world.

“This [IFC Corporate Governance Program for Eastern Europe and Central Asia] is not simply an effort to promote diversity on boards simply to get more women on boards. This is about promoting board diversity as a powerful means to improve company dynamics and performance.”

Oliver Orton, Programme Manager, IFC Corporate Governance Program for Eastern Europe and Central Asia

Source: IFC, 2013: 2

**Figure 7. Representation of women on company boards, Albania, Serbia, the Republic of Moldova and Montenegro, and the world, share of respondent companies, board membership according to number of women (A), board presidents by gender (B), 2013**



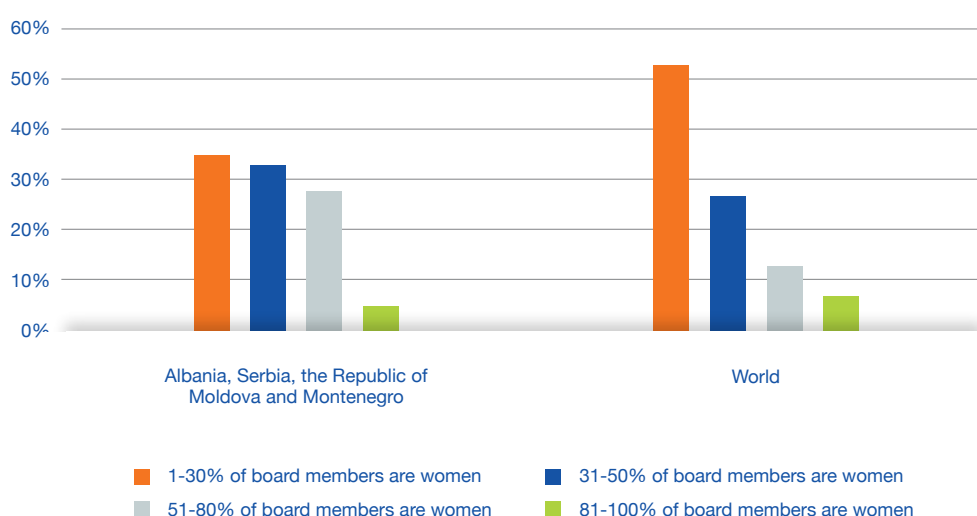
Note: Global data include responses of over 1,300 companies in 39 countries.

Source: ILO Company Survey, 2013.

Figure 8 illustrates the gender composition of company boards in Albania, Serbia and the Republic of Moldova, and the world. In these countries, 35 per cent of companies had between 1 and 30 per cent of women board members, and only 5 per cent of companies had more than 80 per cent of women on their boards. At the global level, 53 per cent of surveyed companies reported 1-30 per cent of board members were women, while only 7 per cent said over 80 per cent of their board members were women. While the percentage of companies with at least one woman on the board was higher in these countries than the global average, when it came to the total number of women on their boards, they ranked considerably lower than the global average.



**Figure 8. Composition of company boards, Albania, Serbia and the Republic of Moldova, and the world, share of respondent companies, 2013**



Note: Global data include responses of over 1,300 companies in 39 countries.

Source: ILO Company Survey, 2013.

#### 4.4 Women are concentrated in specific management functions

The career paths of men and women within companies commonly begin in identical entry level positions and diverge over time. The ways in which they diverge are usually aligned to gender stereotypes and inequalities that restrict women's choices in the labour market. For example, women tend to work in support functions (such as human resources and public relations) aligned with the stereotype that women are suited to service and communication tasks. A recent survey by the Montenegro Employers Federation (MEF), of 100 companies, found that women in management typically work in human resources of communication and public relations where they represent 76 per cent and 82 per cent, respectively (MEF, forthcoming).

Stereotypes about women and men create invisible barriers, referred to as glass walls, that steer many women towards jobs that lack lateral or horizontal movement within organizations. As a result, fewer women accrue the variety of professional experiences that are prerequisites to many senior roles. Research shows that human resources directors are seldom promoted to the executive level. A study in the United Kingdom revealed that only 5 per cent of CEOs were previously human resources directors (Management Today, 2013). Globally, most women in executive management are concentrated in the following roles: human resources director (23 per cent), chief financial officer (21 per cent), and chief marketing officer (11 per cent). A much smaller proportion of women are CEOs or managing directors (9 per cent). According to one study, in Eastern Europe 10 per cent of CEOs are women but 48 per cent of CFOs are women (Grant Thornton, 2016: 10).

Horizontal segregation shapes how women engage in the labour market (e.g. the jobs and sectors they choose) and it is self-reinforcing. Women's participation in the labour market is often informed by what is perceived to be possible, usually influenced by gender norms and stereotypes, and where they see other women succeeding. In many countries, women are concentrated in lower-paying, low-quality jobs or sectors, which contributes to the gender pay gap. Traditionally female jobs tend to be undervalued, meaning both women and men in the occupation receive lower pay (ILO, 2017e: 8). Family responsibilities that typically shouldered by women may contribute to horizontal segregation in management occupations. Women may opt

for managerial positions involving regular and fixed hours with no business travel or relocation required in response to heavy unpaid workloads at home.

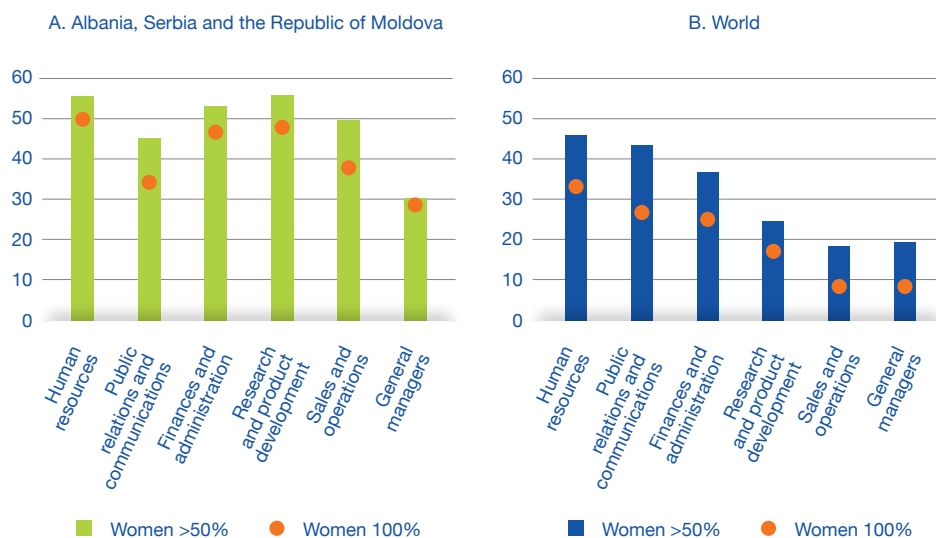
“A few decades ago there were many gender stereotypes that had a strong negative impact on ambitious women: women are nurses, not doctors; women are flight attendants, not pilots; women are business assistants, not managers. Thanks to many courageous and persistent women over the years, we have proven that these stereotypes are just myths and wrong perceptions.”

Nina Nedanoska, Director, Corporate and Investment banking, Ohridska Banka

Source: Ohridska Banka, 2015

Figure 9 (panels A and B) shows the concentration of women in six types of managerial roles in Albania, Serbia and the Republic of Moldova, and the world. Globally, women are overrepresented in managerial positions in human resources, public relations and communications, finances and administration; and underrepresented in managerial roles related to operations and sales, research and product development, and general management. This trend holds in the three countries depicted in figure 9. However, 40-50 per cent of surveyed companies in Albania, Serbia and the Republic of Moldova reported having 100 per cent women managers in research and product development, and sales and operations.

**Figure 9. Concentration of women in functional and support managerial roles, share of respondent companies in Albania, Serbia and the Republic of Moldova (A) and the world (B), 2013**



Note: World include responses of over 1,300 companies in 39 countries.

Source: ILO Company Survey, 2013.

For selected countries in the region and an average of 28 EU countries, table 4 shows the percentage of gender segregation in the labour force. The figures indicate the percentages of women and men who would have to change occupation or sector to achieve gender balance across all sectors and the occupations. In the table, zero indicates no segregation and 50 indicates complete segregation. In 2015, all countries in the region, apart from Romania, were more segregated than the EU

28-country average, indicating that more must be done to achieve gender parity. The percentages have remained fairly static over time, indicating limited reduction in occupational and sectoral segregation (EU Commission, 2017: 57).

**Table 4. Gender segregation in occupations and sectors, selected Eastern European countries, 2005, 2010 and 2015**

	Gender segregation in occupations (%)			Gender segregation in sectors (%)		
	2005	2010	2015	2005	2010	2015
EU-28		24.9	24.3		19.1	18.9
Bulgaria	27.8	28.9	28.6	19.2	21.1	21.9
Croatia	27.7	28	28.2	18.5	20.6	21
Czech Republic	28.4	28.3	28.2	19.1	20.9	21.5
Estonia	30	30.6	30.9	24.2	25.7	25
Hungary	28.6	27.7	28	19.8	20.7	20.5
Latvia	27.9	28	28.9	21.6	24.2	24.8
Lithuania	27	28.8	28.2	22	22	22.4
Poland	25.2	26	26.9	18.8	20.5	21.5
Romania	19.3	22	23	14.9	16.7	18.1
Slovakia	29.6	31.1	29.5	22.5	25.2	23.6
Slovenia	17.3	25.8	26.2	18	19	19.5

Source: Adapted from EU Commission, 2017: 57 based on Eurostat labour force survey data.







# 5

## Unlocking the female talent pool: Educated women with business and management experience

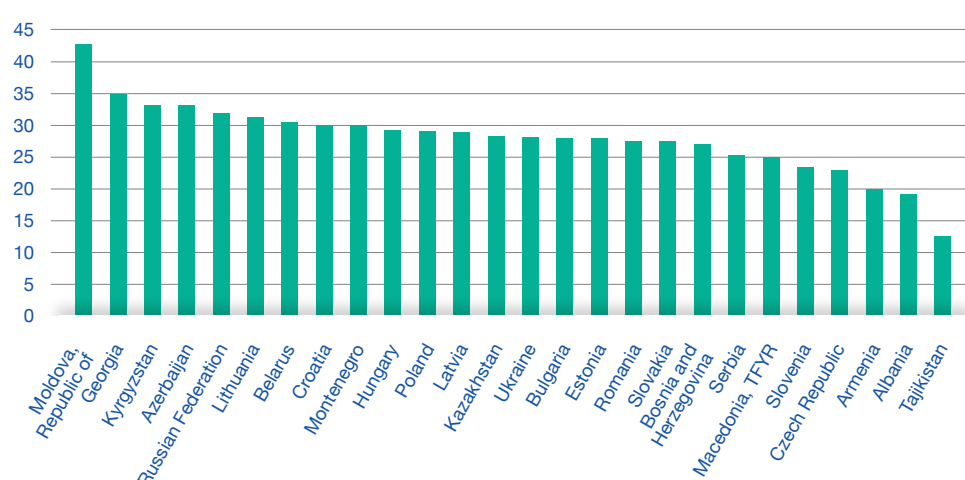
Skills shortages are an ongoing challenge for companies. In countries such as Czech Republic, Hungary, Poland, Romania, Slovenia and Slovakia, economic growth has led to decreasing unemployment rates but with trends such as ageing populations and increasing emigration to more industrialized nations, skills are increasingly scarce (Financial Times, 2017a). More generally, technology uptake in the workplace is also shifting skills requirements creating a greater need for educated, skilled workers particularly from Science, Technology, Engineering and Mathematics (STEM) fields. Companies could hire women to meet their needs for skilled workers. Today, women have greater management and business experience than ever before and they are more educated, nevertheless women represent an underutilized talent pool. Women's prospects for success in business and management grow as companies increase their efforts to hire and retain talented women. This section explores the growing pool of female talent.

## 5.1 Business savvy: Women as employers and business owners

According to the ILO Company Survey, companies in Albania, Serbia and the Republic of Moldova and Montenegro reported that about 16 per cent reported that women had left job to start their own company.

Figure 10 illustrates women as a share of all employers in selected countries of the region. In most countries, the share of women employers increased over the past decade, currently accounting for over 25 per cent in 19 out of 26 countries for which latest data were available. The Republic of Moldova and Georgia have the largest shares of women employers totalling 42.9 per cent and 35.0 per cent, respectively. Conversely, Tajikistan, Albania and Armenia had the lowest shares of female employers, accounting for less than 20 per cent of employers.

**Figure 10. Women as a share of total employers (percentage), selected Eastern European and Central Asian countries, latest years**



Note: Data are based on official estimates (2016), except for Albania, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Montenegro, and Ukraine (2015), Belarus and Tajikistan (2009), and Bosnia and Herzegovina (2014).

Source: ILO, 2017c.

“Women’s entrepreneurship requires support, understanding and joint action. That is why we are working on empowerment, on education, even on the development of the Macedonian strategy for the development of women’s entrepreneurship. Together, we have to fight for better working conditions for women, both in Macedonia and internationally, because only thus can we achieve the desired result. We are also proposing the establishment of a regional centre for women in entrepreneurship that would foster networking, the conducting of business activities and achieving a better entrepreneurial atmosphere for all women, regardless of the country they are working in.”

Valentina Disoska, President, Association of Business Women, Former Yugoslav Republic of Macedonia

Source: Kongres.poduzetnica.hr, 2017



In 18 out of 24 countries with data over time, the proportion of women employers increased as shown in Table 5. In Azerbaijan, for example, between 2006 and 2015, the share of women employers increased from 18.4 per cent to 33.3 per cent, an increase of almost 81 per cent. Likewise, the share of women employers in Albania increased by 63 per cent, from 11.8 per cent in 2009 to 19.2 per cent in 2015

**Table 5. Women as a share of total employers (percentage), selected Eastern European and Central Asian countries, earliest and latest years**

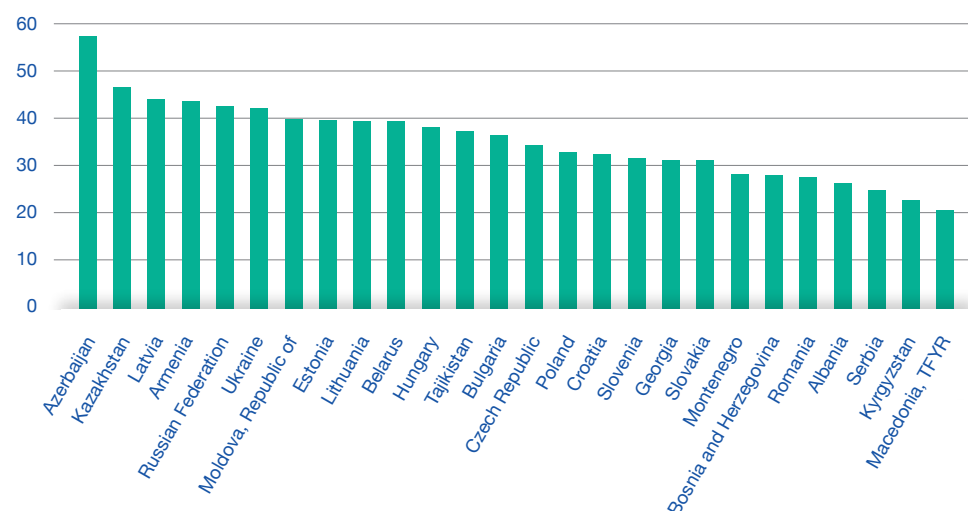
Country	Earliest year		Latest year		Increase/decrease (%)
Albania	2009	11.8	2015	19.2	63
Armenia	2007	16.7	2015	20.0	20
Azerbaijan	2006	18.4	2015	33.3	81
Bosnia and Herzegovina	2006	25.6	2014	27.0	6
Bulgaria	2004	27.4	2016	28.0	2
Croatia	2004	26.0	2016	30.1	16
Czech Republic	2004	22.9	2016	23.0	0
Estonia	2004	25.0	2016	28.0	12
Georgia	2004	21.1	2016	35.0	66
Hungary	2004	28.9	2016	29.3	1
Kazakhstan	2004	26.8	2015	28.4	6
Kyrgyzstan	2004	33.3	2015	33.3	0
Latvia	2004	36.7	2016	28.9	-21
Lithuania	2004	30.8	2016	31.3	2
Macedonia, TFYR	2004	22.6	2016	25.0	11
Moldova, Republic of	2004	37.5	2016	42.9	14
Montenegro	2005	29.0	2015	30.0	3
Poland	2004	31.3	2016	29.1	-7
Romania	2004	25.3	2016	27.6	9
Russian Federation	2004	35.5	2016	31.9	-10
Serbia	2004	24.8	2016	25.3	2
Slovakia	2004	24.7	2016	27.5	12
Slovenia	2004	21.2	2016	23.5	11
Ukraine	2009	33.3	2015	28.2	-15

Source: ILO, 2017c.

While an increasing number of women in the region are employers, women also account for a large proportion of own account workers, self-employed workers and workers with one or more partners but without employees working for them on a continuous basis (ILO, 2016b: 62). In the Eastern European and Central Asian region, about 35 per cent of women are own account workers. In ten countries, namely, Azerbaijan, Kazakhstan, Latvia, Armenia, the Russian Federation, Ukraine,

the Republic of Moldova, Estonia, Lithuania and Belarus, women represent 40 per cent or more of own account workers (see figure 11). Conversely, in the Former Yugoslav Republic of Macedonia and Kyrgyzstan women totalled less than 25 per cent of own account workers.

**Figure 11. Women as a share of own account workers (percentage), selected Eastern European and Central Asian countries, latest years**



Note: Data are based on official estimates (2016), except for Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Kazakhstan, Kyrgyzstan, Montenegro and Ukraine (2015), Belarus and Tajikistan (2009).

Source: ILO, 2017c.

In 12 out of 24 countries with data over time, the proportion of women own account workers increased as shown in Table 6. The greatest increases in the shares of women own account workers in the region took place in the Former Yugoslav Republic of Macedonia (40 per cent) and Estonia (30.9 per cent). Kyrgyzstan experienced the largest decrease in the share of women own account workers, from 34.4 per cent in 2004 to 23.2 per cent in 2015, a decrease of 32.5 per cent.

**Table 6. Women as a share of own account workers (percentage), selected Eastern European and Central Asian countries, earliest and latest years**

Country	Earliest year		Latest year		Increase/decrease (%)
Albania	2009	29.5	2015	26.8	-9.1
Armenia	2007	48.1	2015	43.9	-8.7
Azerbaijan	2006	54.3	2015	57.7	6.2
Bosnia and Herzegovina	2009	30.1	2015	28.5	-5.5
Bulgaria	2004	34.8	2016	36.8	5.8
Croatia	2004	41.7	2016	32.8	-21.5
Czech Republic	2004	28.0	2016	34.8	24.0
Estonia	2004	30.6	2016	40.0	30.9
Georgia	2004	35.2	2016	31.5	-10.5
Hungary	2004	33.3	2016	38.5	15.5
Kazakhstan	2004	51.8	2015	47.0	-9.2
Kyrgyzstan	2004	34.4	2015	23.2	-32.5

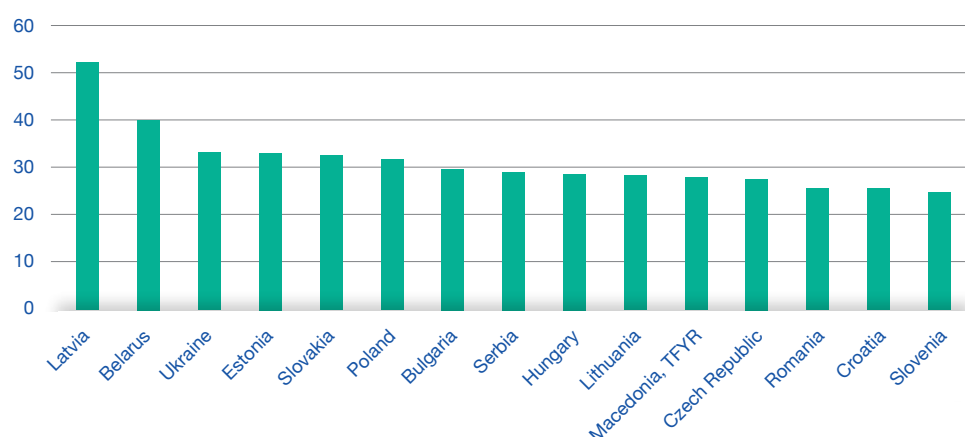
Country	Earliest year		Latest year		Increase/decrease (%)
Latvia	2004	41.3	2016	44.3	7.3
Lithuania	2004	36.4	2016	39.8	9.6
Macedonia, TFYR	2004	15.1	2016	21.1	39.5
Moldova, Republic of	2004	50.6	2016	40.2	-20.5
Montenegro	2007	31.7	2015	28.6	-9.9
Poland	2004	36.6	2016	33.2	-9.3
Romania	2004	27.9	2016	27.9	0.1
Russian Federation	2004	47.7	2016	43.0	-9.9
Serbia	2004	24.9	2016	25.2	1.3
Slovakia	2004	27.9	2016	31.5	12.9
Slovenia	2004	30.2	2016	32.0	6.1
Ukraine	2009	52.6	2015	42.6	-18.9

Source: ILO, 2017c.

## 5.2 Experienced managers: Women fit the profile

Figure 12 shows the share of women managers in selected countries in the region based on the latest available data. Women account for over 25 per cent of total managers in each country. Latvia and Belarus have the largest shares of women managers, accounting for 52.3 per cent and 40.3 per cent, respectively. The remaining countries have similar shares of female managers, ranging from a low of 25 per cent in Slovenia to a high of 33.4 per cent in Ukraine.

**Figure 12. Women as a share of total managers (percentage), selected Eastern European countries, latest years**



Note: Data are based on official estimates and national surveys (2010), except for Belarus (2009), Serbia (2012) and Ukraine (2015). No data were available for Central Asian countries.

Source: ILO, 2017c.

Available data over time reveal that the share of women managers increased in Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, the Former Yugoslav Republic of Macedonia and Poland. The proportion of women managers decreased in Lithuania, Serbia, Slovakia and Ukraine; and remained unchanged in Romania and Slovenia (table 7). The share of women managers increased most in Estonia, rising from 26.5 per cent in 2004 to 33.3 in 2010, an increase of almost 26 per

cent. By contrast, the largest decrease in the share of women managers took place in Lithuania, from 37.5 per cent in 2004 to 28.6 per cent in 2010, a decrease of almost 24 per cent.

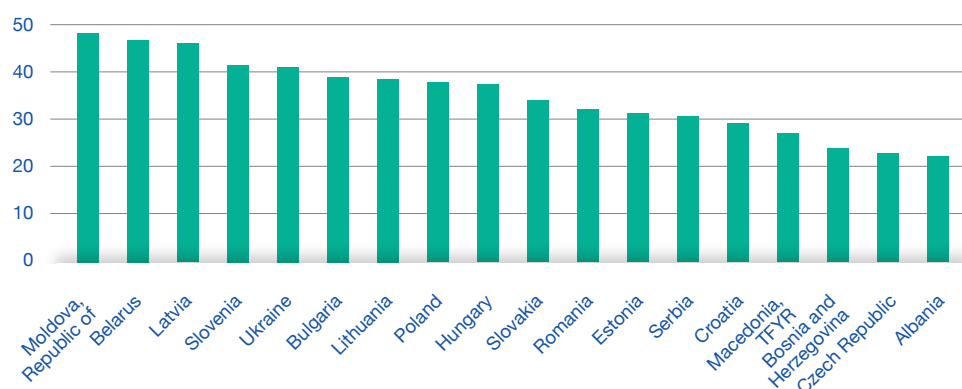
**Table 7. Women as a share of total managers (percentage), selected Eastern European and Central Asian countries, earliest and latest years**

Country	Earliest year		Latest year		Increase/ decrease (%)
Bulgaria	2004	26.7	2010	29.9	11.9
Croatia	2004	23.6	2010	25.8	9.2
Czech Republic	2004	26.4	2010	27.8	5.2
Estonia	2004	26.5	2010	33.3	25.9
Hungary	2004	25.6	2010	28.9	12.9
Latvia	2004	45.2	2010	52.4	16.0
Lithuania	2004	37.5	2010	28.6	-23.8
Macedonia, TFYR	2006	28.0	2010	28.1	0.4
Poland	2004	28.9	2010	32.0	10.7
Romania	2005	25.9	2010	25.9	0.0
Serbia	2011	33.3	2012	29.3	-12.0
Slovakia	2004	35.8	2010	32.8	-8.4
Slovenia	2004	25.0	2010	25.0	0.0
Ukraine	2009	35.1	2015	33.4	-4.8

Source: ILO, 2017c.

Figure 13 shows the share of women in middle and senior managerial levels in selected countries in the Eastern Europe. In 13 countries, the share of women in middle and senior level managerial positions is over 30 per cent, and in five countries the proportion is over 40 per cent, namely the Republic of Moldova, Belarus, Latvia, Slovenia and Ukraine. By comparison, in Albania, Czech Republic, and Bosnia and Herzegovina, the share of female middle and senior managers is less than 25 per cent.

**Figure 13. Women as a share of total middle and senior managers (percentage), selected Eastern European countries, latest years**



Note: Data are based on official estimates and national surveys (2016), except for Albania and Belarus (2009), Bosnia and Herzegovina (2015), and Ukraine (2015). No data were available for Central Asian countries.

Source: ILO, 2017c.

The share of women managers at middle and senior levels increased in eight Eastern European countries over the past decade (table 8). These countries are Croatia, Hungary, Latvia, the Former Yugoslav Republic of Macedonia, Poland, Romania, Slovakia and Slovenia. In Croatia the proportion of women in middle and senior managerial positions increased almost 69 per cent, from 17.5 per cent in 2004 to 29.5 per cent in 2016. By comparison, the share of women managers at the middle and senior managerial levels in the Czech Republic decreased by 23.8 per cent, from 30.3 per cent in 2004 to 23.1 per cent in 2016.

**Table 8. Women as a share of total middle and senior managers (percentage), selected Eastern European countries, earliest and latest years**

Country	Earliest year		Latest year		Increase/ decrease (%)
Bulgaria	2004	41.4	2016	39.3	-5.1
Croatia	2004	17.5	2016	29.5	68.6
Czech Republic	2004	30.3	2016	23.1	-23.8
Estonia	2004	41.2	2016	31.6	-23.3
Hungary	2004	36.7	2016	37.7	2.7
Latvia	2004	42.5	2016	46.3	8.9
Lithuania	2004	46.8	2016	38.8	-17.1
Macedonia, TFYR	2006	23.6	2016	27.3	15.7
Poland	2004	35.4	2016	38.1	7.6
Romania	2005	31.7	2016	32.4	2.2
Serbia	2013	32.7	2016	30.9	-5.5
Slovakia	2004	30.1	2016	34.3	14.0
Slovenia	2004	40.2	2016	41.8	4.0
Ukraine	2009	42.7	2015	41.4	-3.0

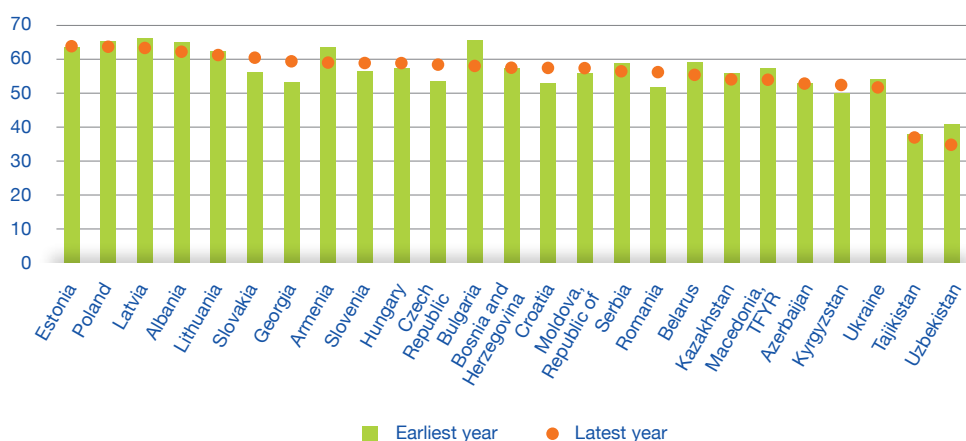
Source: ILO, 2017c.

### 5.3 Education: Women overtake men as tertiary graduates

Skills mismatches are a concern, created by divergence between educational choices and job requirements. With technology creating significant changes in jobs, there is increasing demand for STEM skills, an area of study where women are traditionally underrepresented. In some countries in the region the percentage of women studying STEM subjects has increased but more women need to study in STEM fields to better match workplace and job skills requirements.

Of total tertiary graduates, women surpass men in 23 out of 25 countries in Eastern Europe and Central Asia as shown in Figure 14. Tajikistan and Uzbekistan are the only two countries in the region where the share of male tertiary graduates exceeds that of women. Moreover, data over time reveal the share of women tertiary graduates increased over the past 16 years in 14 of 25 countries where data are available. In some countries, over 60 per cent of tertiary graduates are female: Estonia, Poland, Latvia, Albania, Lithuania, Slovakia, Georgia, Armenia, Slovenia, Hungary, Czech Republic and Bulgaria.

**Figure 14. Women as a share of total tertiary graduates (percentage), selected Eastern European and Central Asian countries, earliest and latest years**

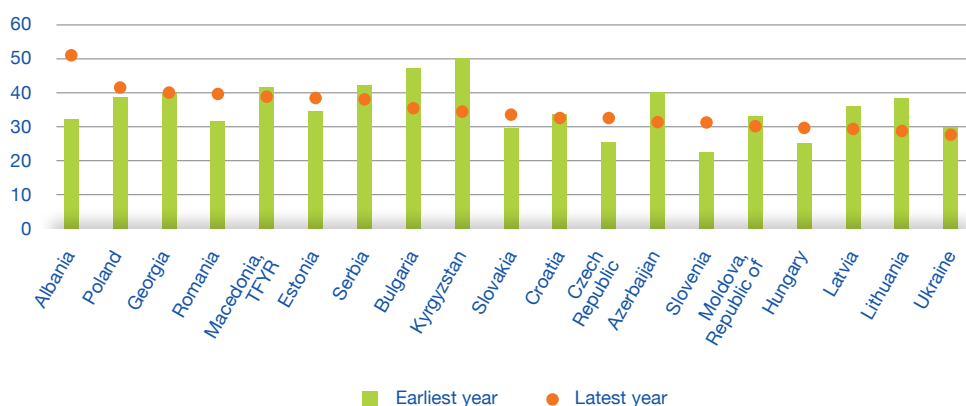


Note: Data for earliest and latest years are based on official estimates (1999-2015), except for Armenia (2001-12), Azerbaijan (2008-15), Bosnia and Herzegovina and Serbia (2007-15), Kazakhstan (2013-16), Former Yugoslav Republic of Macedonia (2000-15), Republic of Moldova (2002-15), Poland (2001-15), Tajikistan (2012-16), Ukraine (2012-15) and Uzbekistan (2006-16).

Source: UNESCO, 2017.

Figure 15 illustrates trends in the share of female STEM graduates in 19 countries in region with data over time. Overall, the share of women STEM graduates increased in 10 out of 19 countries in the region, in a ranges of 29.7 per cent in Ukraine to 53.1 per cent in Albania. In Albania, the proportion of women STEM graduates increased from 32.4 per cent in 2000 to 53.1 per cent in 2016. Likewise, in Romania the proportion grew from 32.1 per cent in 1999 to 41.7 per cent in 2015.

**Figure 15. Women as a share of total tertiary STEM graduates (percentage), selected Eastern European and Central Asian countries, earliest and latest years**



Note: Data for earliest and latest years are based on official estimates (1999-2015), except for Albania (2000-15), Azerbaijan (2008-15), Georgia (1999-2012), Former Yugoslav Republic of Macedonia (1999-2014), Republic of Moldova (2014-15), Poland (2010-15), Serbia (2007-15) and Ukraine (2012-15).

Source: UNESCO, 2017.

Gender division in the sciences appears to start much earlier than at tertiary level. The PISA study reports that, in sciences, at the age of 15, girls perform better than boys in Czech Republic and Poland. While boys perform better than girls in Bulgaria, Latvia, Romania and Slovenia (European Union, 2017: 23).

“Provision of equal opportunities for all is the basis of our business, primarily by enabling internet access, by taking the advantages of modern technologies and by stimulating entrepreneurship. We believe that the ICT industry in Serbia has a potential to attract even more young employees and that initiatives such as Girls Day in ICT can encourage girls to choose working in telecommunications. We are proud of the fact that half of employees in Telenor are women and 47 per cent of managerial positions are held by women.”

Marija Vujanic, Director of Communications and Sustainable Development, Telenor

Source: Brusonline.rs







# 6

## Challenges to gender diversity in business and management in Eastern Europe and Central Asia

Globally, the biggest challenge women report facing is balancing work and family responsibilities (ILO and Gallup, 2017: 39). Cultural values and gender stereotypes place a heavy burden on women to care for the home and family in addition to earning income to support the family. The distribution between men and women of unpaid domestic work is uneven, creating a double burden for women and hindering women's progress towards equality in business and management.

### 6.1 Work is unevenly divided

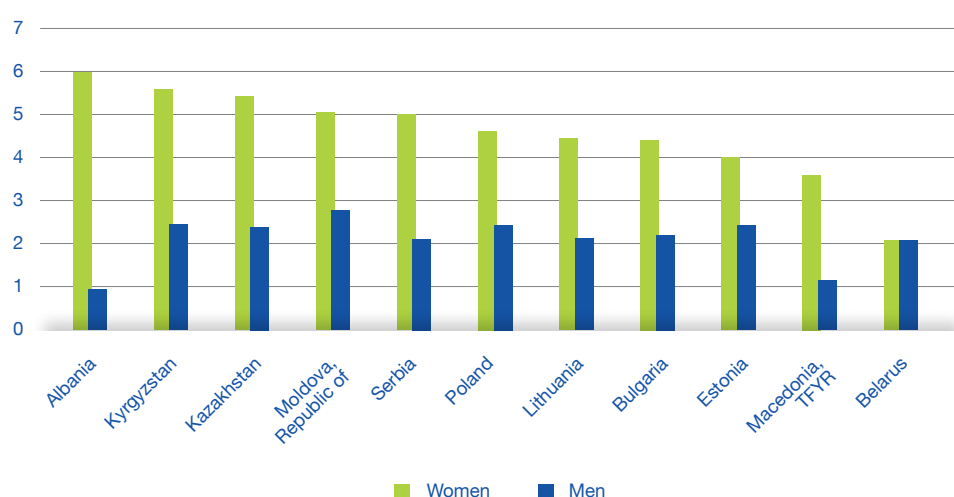
Traditional gender roles are still strongly supported in the region. In a survey by the European Bank for Reconstruction and Development (EBRD), both women and men reported that it was better for men to earn money while women took care of domestic and family care responsibilities. For example, in the Russian Federation, 80 per cent of women and 78 per cent of men favoured these traditional gender

11:  
These non-remunerated household activities include adult and child care, cleaning, dish washing, food preparation, gardening, ironing, laundry, handicraft, household constructions and repairs, and shopping.

roles while in Azerbaijan this exceeds 90 per cent (EBRD, 2016: 48). Despite those beliefs, women's participation in the labour force in those countries is well above the global average, as shown in chapter 1. Poland is a significant outlier where little more than 10 per cent of women and men endorse the traditional gender-based distribution and allocation of time resources (EBRD, 2016: 48)

Alongside participation in the labour force, women are expected to perform most household and family work. Figure 16 presents the daily hours spent of unpaid domestic activities of women and men in selected Eastern European and Central Asian countries.<sup>11</sup> Time spent on unpaid household activities varies greatly between women and men with women doing 1.6-6.2 more hours per day than men. In Albania, women dedicate about six hours every day to domestic labour, compared to less than one hour spent by men. In Belarus, women and men allocate an equal 2.1 hours per day to household activities.

**Figure 16. Time spent on unpaid domestic activities by women and men (hours per day), selected Eastern European and Central Asian countries, latest years**

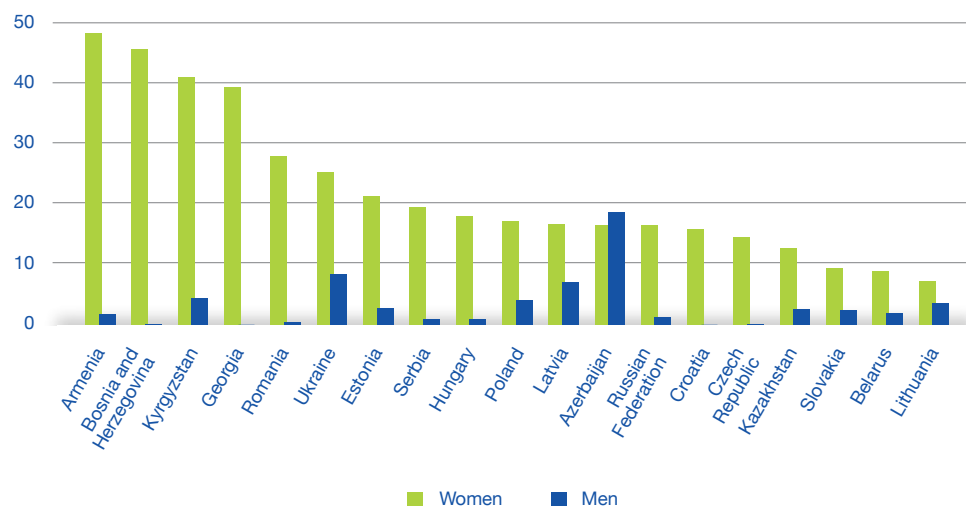


Note: Data are based on national surveys for Lithuania (2003), Albania, Bulgaria and Estonia (2010), Republic of Moldova (2012), Poland (2013), Former Yugoslav Republic of Macedonia (2014), Belarus and Serbia (2015).

Source: UNECE, 2017.

Figure 17 illustrates the shares of women and men in selected countries in the region who are caring for their own children or other dependants, and thus are not participating in the labour force. In most countries for which data were available, the share of women providing family or domestic care exceeds that of men. In Armenia, for instance, 48.5 per cent of women provide domestic care, compared to less than 2 per cent of men. Likewise, in Bosnia and Herzegovina, 45.9 per cent of women are economically inactive compared to 0.3 per cent of men. Azerbaijan is an outlier where rates of absence from the labour force to provide domestic care is higher for men (18.9 per cent) than for women (16.7 per cent).

**Figure 17. Economically inactive population due to domestic care (percentage), selected Eastern European and Central Asian countries, latest years**



Note: Data are based on labour force surveys and official estimates (2015), except for Bosnia and Herzegovina (2008), Belarus (2009), Azerbaijan (2012), Russian Federation (2013) and Czech Republic (2014). Domestic care activities include taking care of own children or other dependants. Other possible reasons for inactivity in the labour force are study, retirement and sickness.

Source: UNECE, 2017.

Respondents to the ILO Company Survey ranked 15 barriers to the advancement of women to senior and top managerial positions. Table 9 summarizes results for selected countries, and shows that family responsibilities topped the ranking.

**Table 9. Ranking of barriers to women's leadership, respondent companies in Albania, Serbia and the Republic of Moldova and Montenegro, 2013**

Ranking	Barrier to women's leadership
1	Women have more family responsibilities than men
2	Men not encouraged to take leave for family responsibilities
3	Masculine corporate culture
4	No strategy for retention of skilled women
5	Lack of leadership training for women
6	Roles assigned by society to men and women
7	Women with insufficient general or line management experience
8	Inherent gender bias in recruitment and promotion
9	Lack of flexible work solutions
10	Stereotypes against women
11	Management generally viewed as a man's job
12	Lack of company equality policy and programmes
13	Few role models for women
14	Gender equality policies in place but not implemented
15	Inadequate labour and non-discrimination laws

Source: ILO Company Survey, 2013.

## Supporting structures are crucial and child care options are lacking

Women and men are better able to reconcile work and family life when supporting structures are in place. Throughout the region, these supporting structures are rarely in place. For example, the availability of child care in several Eastern European countries falls below the average in the European Union. In Hungary, Poland and Romania less than 50 per cent of children between age 3 and school age receive care through formal child care arrangements, with even lower rates for children under age 3 (European Union, 2017: 14-15). Women, rather than men, usually provide care for their own children. Even when parental leave is available, few men make use of it. The uptake of parental leave by men in the Czech Republic and Poland is very low at less than 3 per cent of men (European Commission, 2017).

There are similar findings in Central Asia. Less than 20 per cent of children under age 3 are enrolled in child care facilities. The picture becomes more varied after age 3, ranging from as low as 9 per cent in Tajikistan to 100 per cent in the Ukraine and Belarus, where universal pre-primary education is available (Khitashvili, 2016: 35-36).<sup>12</sup>

With the task of child care resting primarily on women, and the lack of supporting structures or provision of child-care facilities, women have difficult choices to make. Too often, women either do not enter the labour market or remain out of the labour market for long periods because of the uneven distribution of family care duties. Child-care provision or support can play a significant role in enabling women to participate in the labour force.

## 6.2 (Un)Equal employment and entrepreneurship opportunities

### Women do not have the same opportunity as men to be employed in good jobs

Table 10 illustrates the results of the 2017 ILO and Gallup survey on perceptions of women and men about women at work. This survey was conducted with almost 149,000 adults in 142 countries and territories in the world, including about 11,000 adults in ten Eastern European countries and over 12,000 adults in 11 Central and Western Asian countries. Results for the sub-regions reveal that 76-89 per cent of women and men agree it is perfectly acceptable for women to have a paid job outside their home if they want one.

Additionally, large shares of both men and women in Eastern Europe and Central and Western Asia, believed that women with similar education and experience to men had either the same or worse opportunities than men to find a good job. In Eastern Europe, only 6 per cent of men and 5 per cent of women said that this opportunity would be better for women than for men. By comparison, responses from Central and Western Asia were more optimistic, where 27 per cent of men and 23 per cent of women believed that this opportunity would be better for women than for men. On average for the world, 29 per cent of men and 25 per cent of women thought that opportunities would be better for women than for men.

**Table 10. Perceptions about women at work by region and gender as a share of total respondents (percentage), Eastern Europe, Central and Western Asia and the world, 2016**

Question	Eastern Europe (%)			Central and Western Asia (%)			World (%)		
Do you agree that it is perfectly acceptable for any woman in your family to have a paid job outside the home if she wants one?	Men	85		Men	76		Men	77	
	Women	89		Women	85		Women	83	
If a woman has similar education and experience to a man, does she have a better opportunity, the same opportunity or worse opportunity to find a good job in the city or area where you live?	Better	Men	6	Better	Men	27	Better	Men	29
		Women	5		Women	23		Women	25
	Same	Men	47	Same	Men	37	Same	Men	41
		Women	39		Women	40		Women	39
	Worse	Men	38	Worse	Men	29	Worse	Men	25
		Women	48		Women	30		Women	28

Note: Global results include responses from 148,674 adults in 142 countries and territories in the world. A total of 11,040 and 12,007 interviews were conducted in Eastern Europe, and Central and Western Asia, respectively. Eastern European countries include Belarus, Bulgaria, Czech Republic, Hungary, Republic of Moldova, Poland, Romania, Russian Federation, Slovakia and Ukraine. Central and Western Asian countries include Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkey, Turkmenistan and Uzbekistan. Additionally, Cyprus and Israel were included in the ILO-Gallup results (as part of the Central and Western Asian region), but are not examined in this report.

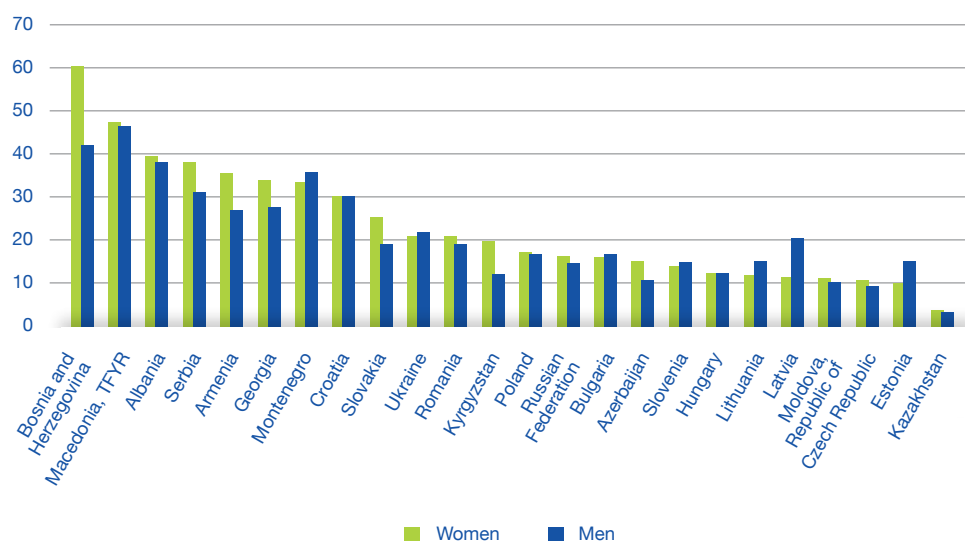
Source: ILO and Gallup, 2017.

The findings of the ILO and Gallup study also reported that the availability of jobs in Central Asia is a barrier for women.

Young women in Eastern Europe and Central Asia participate in the labour market at lower rates than young women in developed countries (Sattar, 2011: 35), and in many countries, such as Bosnia and Herzegovina, Croatia and Serbia, youth unemployment is a significant concern. Compared to male youth, female youth are 6 per cent more likely to be unemployed in the region (EBRD, 2016: 44).

Figure 18 shows that in 16 out of 24 selected countries, youth unemployment was higher among women than men. However, the reverse was true in Bulgaria, Estonia, Hungary, Latvia, Lithuania, Montenegro, Slovenia and Ukraine.

**Figure 18. Youth unemployment by gender (percentage), selected Eastern European and Central Asian countries, annual rates, latest years**



Notes: Data are based on labour force surveys (2016), except for Albania, Armenia, Bosnia and Herzegovina, Georgia, Russian Federation and Ukraine (2015).

Source: ILO, 2017c.

### Few opportunities for female entrepreneurs

Access to capital is one of the most significant barriers to women in setting up their own company (ERBD, 2016). Research suggests that support services, financial and non-financial, for women-owned small and medium-sized enterprises (SMEs) is lacking in the region. In Albania, access to credit, the lack of entrepreneurial education and a limited number of role models are obstacles to women's entrepreneurship (SHGPAZ, 2013: 33). In the Republic of Moldova, obstacles include the lack of support and the limited number of programmes for women entrepreneurs (CNPM, 2013: 6). Women in the country also have weak connections or smaller professional networks, which is another reason women establish businesses at low rates (Khitariashvili, 2016: 18). The situation is similar in Serbia, where women entrepreneurs lack access to credit and/or information about how to access credit, and few trainings cater to women's availability and family responsibilities (Serbian Employers Association, 2013: 13). In Montenegro, access to credit depends on property ownership and because women traditionally do not own property, they have little borrowing power (MEF, 2013: 62). Women in the Ukraine also cite the lack of access to credit as a key constraint (Khitariashvili, 2016: 18). Implementing and designing both financial and non-financial support systems for women's entrepreneurship is critical to give women more opportunity to enter the labour market and to expand their skills as entrepreneurs and increase the share of women company owners.



In Kazakhstan, a micro credit fund (DAMU) was established by the National Institute for Development of Kazakhstan. The fund provides both financial and non-financial support for SMEs, particularly women-owned SMEs, in Kazakhstan helping entrepreneurs to overcome financial and information barriers in starting their businesses. DAMU has recently signed a cooperation with the EBRD, to extend their services into the rest of Central Asia as they partner on EBRD's Regional Small Business Programme in Central Asia.

Source: EBRD, 2017; UNECE, 2012: 27

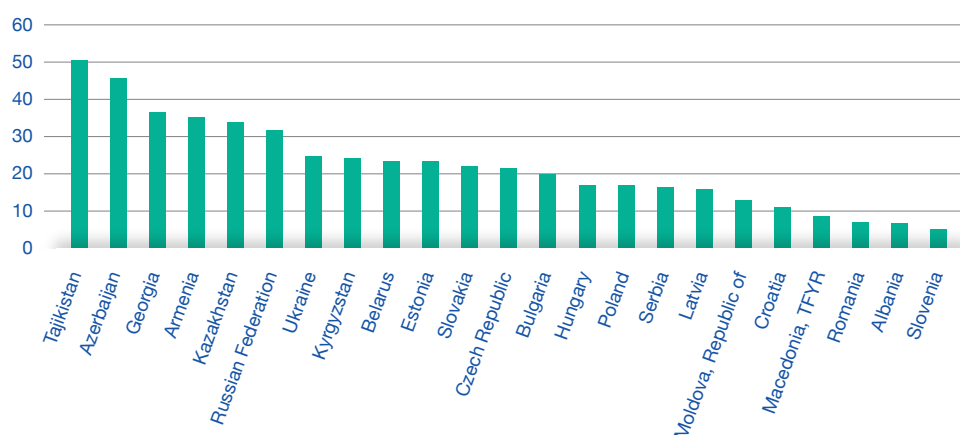
### 6.3 Quantifying value: Gender pay gaps persist

The gender pay gap is shown as a percentage of men's earnings and represents the difference in earnings by gender. A portion of the gap arises from aspects such as educational attainment, number of hours worked, years of experience and the type of job. However, a significant portion of the gap is not explained by those factors and is attributed to gender bias (conscious or unconscious). The World Economic Forum (2016) predicts it will take another 170 years to close the global gender pay gap.

#### Significant variation in gender pay gaps across Eastern Europe and Central Asia

Figure 19 presents the gender pay gap in the monthly nominal wages of total employees in Eastern Europe and Central Asia. The four countries that account for the smallest wage gap are Slovenia (5.3 per cent), Albania (6.9 per cent), Romania (7.3 per cent) and the Former Yugoslav Republic of Macedonia (8.8 per cent). By contrast, men's earning exceed women's in Tajikistan by almost 51 per cent and in Azerbaijan by 46.1 per cent. Significant gender pay gaps are also found in Georgia (36.9 per cent), Armenia (35.6 per cent), Kazakhstan (34.1 per cent) and the Russian Federation (32.1 per cent).

**Figure 19. Gender pay gap (percentage) in monthly nominal wages of total employees, selected Eastern European and Central Asian countries, latest years**



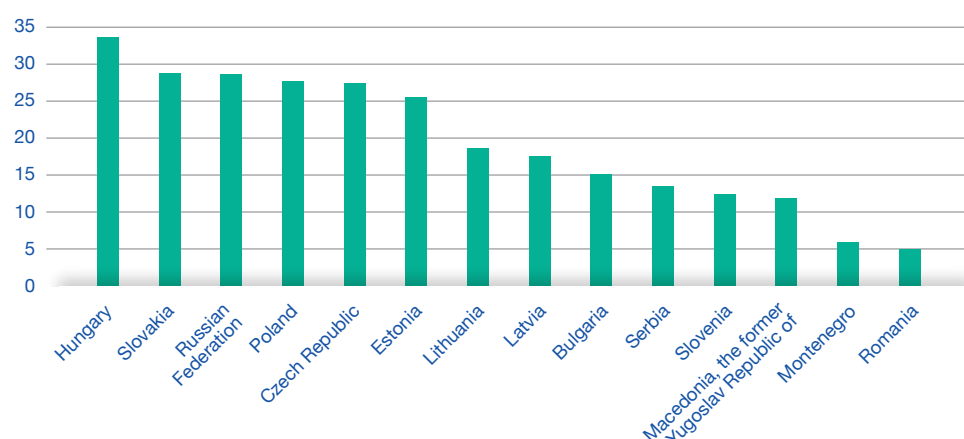
Note: Data are based on official estimates (2015), except for Bulgaria, Croatia, Estonia, Georgia, Hungary, Poland, Slovenia, Former Yugoslav Republic of Macedonia (2014), Armenia (2012), Russian Federation and Tajikistan (2011).

Source: UNECE, 2017.

## Notable gaps exist among managers

Surprisingly the gender pay gap increases with age and seniority (WEF, 2015). Figure 20 shows the gender pay gap in monthly nominal wages of managers in 14 countries in the region. The gender pay gap among managers in Hungary is the highest in the region, totalling almost 34 per cent, followed by Slovakia (28.8 per cent) and the Russian Federation (28.6 per cent). Likewise, in Poland, the Czech Republic and Estonia, managerial monthly earnings for males exceed females by at least 25 per cent. By contrast, Romania and Montenegro account for the lowest managerial gender pay gap in the region, totalling 5 per cent and 6 per cent, respectively.

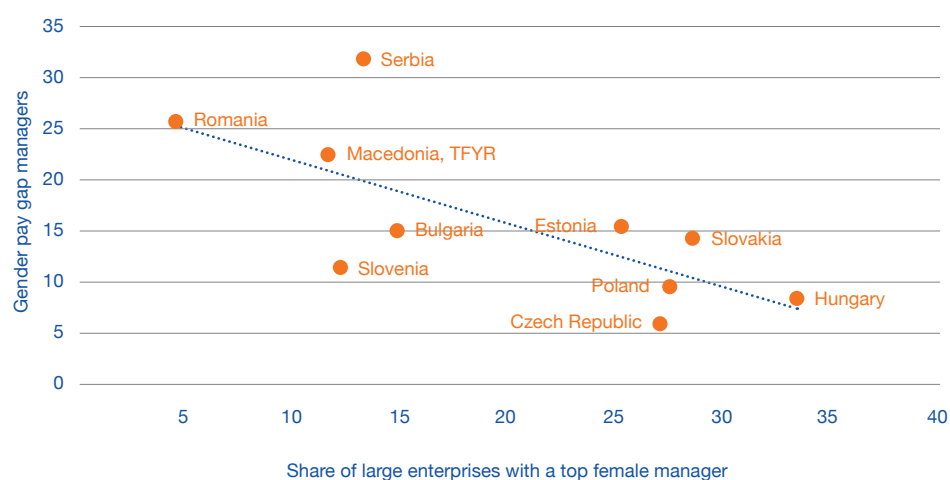
**Figure 20. Gender pay gap (percentage) in monthly nominal wages of managers, selected Eastern European and Central Asian countries, latest years**



Note: Data are based on official estimates (2014), except for Czech Republic, Russian Federation, Slovakia (2015).  
Source: ILO, 2017c.

Figure 21 shows a statistically significant strong negative relationship between the gender pay gap among managers and the share of large enterprises with a top female manager.

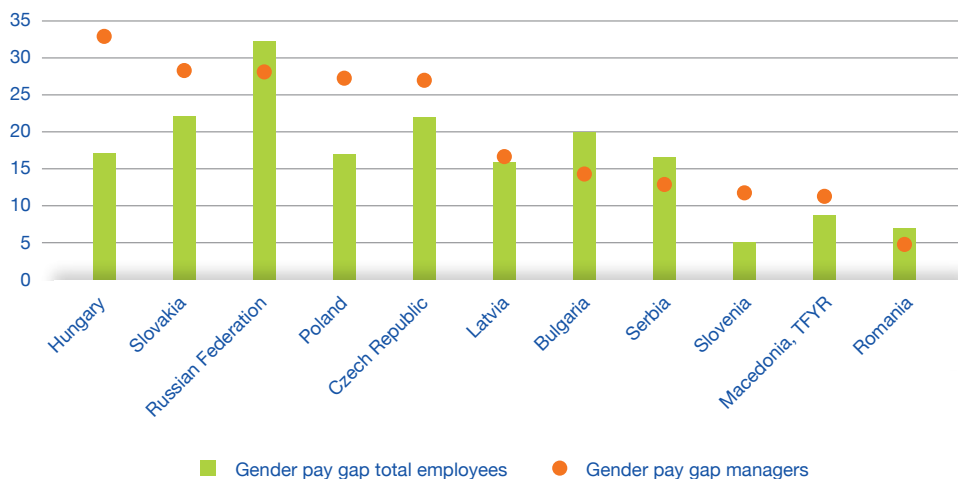
**Figure 21. Correlation between gender pay gap among managers and share of large enterprise with female managers in selected countries of Eastern Europe**



Note: Calculated using the latest available data from Bulgaria, Czech Republic, Estonia, Hungary, Former Yugoslav Republic of Macedonia, Poland, Romania, Serbia, Slovakia and Slovenia.  
Source: ILO estimates using data from ILO (2017c) and World Bank (2017).

Figure 22 compares the average gender pay gap for all employees with the pay gap for managers based on the latest available data in selected countries in Eastern Europe and Central Asia. In seven countries the gender pay gap among managers is higher than the average wage gap. In Hungary, the pay gap for women managers is almost double the average. Likewise, in Poland, the gender pay gap for women managers is 1.6 times larger than the average pay gap.

**Figure 22. Gender pay gap (percentage) in monthly nominal wages of total employees and managers, selected Eastern European and Central Asian countries, latest years**



Note: Data for gender pay gap among total employees are based on official estimates (2015), except for Bulgaria, Hungary, Poland, Slovenia, Former Yugoslav Republic of Macedonia, Russian Federation (2014). Data for gender pay gap among managers are based on official estimates (2014), except for the Czech Republic, the Russian Federation and Slovakia (2015).

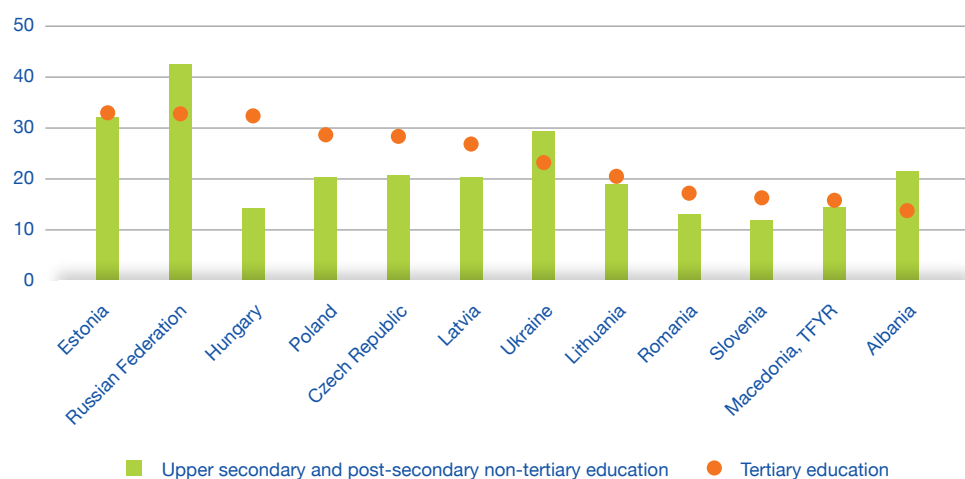
Source: UNECE, 2017; ILO, 2017c.

### The same qualifications produce different outcomes for women

Figure 23 shows the gender pay gap in monthly nominal wages of total employees in selected countries according to two educational levels, namely (i) upper secondary and post-secondary non-tertiary, and (ii) tertiary. This comparison is useful to understand how the gender pay gap varies not only according to occupation, but also according to education qualifications.

In nine countries in the region, the monthly gender pay gap increased after women and men attained tertiary education. In Hungary, for instance, the gender pay gap among tertiary graduates is 33.3 per cent, compared to a gender pay gap of 14.5 per cent among upper secondary and non-tertiary graduates. The largest gender pay gap among tertiary graduates was found in Estonia and the Russian Federation, at almost 34 per cent each. Additionally, among upper secondary and post-secondary non-tertiary graduates, the Russian Federation accounts for the largest gender pay gap at 42.1 per cent, followed by Estonia (32.2 per cent) and Ukraine (29.5 per cent).

**Figure 23. Gender pay gap (percentage) in monthly nominal wages of total employees by level of education, selected Eastern European and Central Asian countries, latest years**



Note: Data are based on official estimates (2014), except for Albania (2009), Russian Federation (2011), Ukraine (2012) and Czech Republic (2015).

Source: UNECE, 2017.

The comparison shows that the gender pay gap is not responsive to educational attainment. In fact, further education correlates to an increase in the gender pay gap for secondary and tertiary qualifications. The data indicate the significance of the unexplained portion of the gender pay gap – and the need to focus on mitigating the impact of factors such as gender bias and the distribution of unpaid work.







## Accelerating change: Breaking barriers

Women's workplace experiences differ from men's in the gender pay gap, promotion opportunities, flexible working needs, sexual harassment and male-dominated working cultures. Companies that identify how women's experiences differ and then take steps to close gender gaps in the workplace can realize significant benefits (IFC, 2017: 12).

### 7.1 Changing the status quo

There is no singular solution to removing glass walls and ceilings. Instead, changing the status quo requires change in society, educational institutions, public policy and the workplace. Gender equality inside and outside of the workplace is the basis from which the invisible barriers inside companies holding women back can be dismantled and women can reach new heights in business and management.

#### **Glass ceilings are cracked but not yet shattered**

Women's increased education qualifications have not translated into better career opportunities in Eastern Europe and Central Asia. Evidence suggests that similar



levels of education and experience produce different outcomes in the career progression and remuneration of women and men.

To change the gender composition in top management positions and create a critical mass of gender diversity, more women must remain along the whole length of the pipeline leading to top management positions. The leaking pipeline is a symptom of gender inequalities and is often closely connected to aspects such as the gender pay gap, a lack of work-life balance, the need for child care, women's reduced access to executive training, poor succession planning and insufficient flexibility of leave and working hours. The retention of talented and successful women is often a challenge for companies, and they can improve their performance by supporting women to remain in the pipeline, and enabling women to re-enter the workforce after career breaks or maternity leave.

### Removing glass walls for business and economic gains

“Encouraging women to join positions or sectors where they are underrepresented increases the labour pool and leads to a more talented and skilled workforce” (IFC, 2017: 12). As noted earlier, given the already high participation of women in the labour market in the Eastern Europe and Central Asian region, the economic gains that stand to be realized are from moving women into more productive sectors and/or higher paying positions. Efforts to recruit even a small percentage of women into non-traditional roles can have positive effects on company culture and contribute to greater gender diversity or even attain gender balance (IFC, 2017: 15).

Often the sectors where people work and the jobs they have build on their field of study and the work they were initially recruited to perform. Ensuring more women enter non-traditional sectors or jobs also requires changes earlier in life, before women start studying. Curriculums can challenge gender stereotyping and cultural changes can support women and men in pursuing a wider range of careers. Companies can work towards changing the corporate culture or the perception that certain jobs or sectors are incompatible with work-life balance, or that masculine characteristics are valued more. Companies can enforce limits on working hours for both men and women, and designate talented women to serve as role models.

## 7.2 Priority measures for companies

The ILO Company Survey asked respondents to rank 16 measures they would consider implementing to advance women in business and management. Table 11 summarizes responses of companies in selected countries. The companies preferred enacting measures to improve women's skills, training and mentoring.

**Table 11. Ranking of measures to promote women in business and management, Albania, Serbia and the Republic of Moldova and Montenegro, 2013**

Ranking	Measures to promote women in business and management
1	Exposing women to all company operations and functions
2	Executive training for women
3	Assigning women managers visible and challenging tasks
4	Recognition and support for women
5	Mentoring scheme
6	Flexible working arrangements (time and place)

Ranking	Measures to promote women in business and management
7	Top level management support for a gender equality strategy
8	Awareness training for senior managers on the business case for more women in management
9	Setting of targets and tracking progress
10	Making corporate culture more inclusive of both women and men
11	Retention and re-entry schemes
12	Appointment of women to board of directors
13	Appointing a woman as CEO
14	Making promotion paths and career advancement prospects clear for women
15	Focus groups for senior and mid-level women
16	Appoint men who champion gender equality to senior management and company board positions

Source: ILO Company Survey, 2013.

The ILO Company Survey asked respondents to rank eight support and practical follow-up measures that would help companies to advance women in business and management. Table 12 summarizes responses from selected countries. Surveyed companies in Albania, Serbia and the Republic of Moldova and Montenegro wanted evidence on the business case for more women in management, including good practices from other companies and technical support on policies and strategies to promote gender equality.

**Table 12. Ranking of company expectations for support, respondent companies in Albania, Serbia and the Republic of Moldova and Montenegro, 2013**

Ranking	Company expectations for support
1	Explaining and providing evidence on the business case for more women in management
2	Networking with other companies on good practices
3	Networking with women's business associations
4	Designing an equal opportunity policy
5	Developing a strategy to promote more women in management
6	Introducing a mentoring scheme
7	Designing a sexual harassment policy
8	Guides on measures and strategies to promote women in management

Source: ILO Company Survey, 2013.

“Gender equality is one of the criteria for assessing whether a company is serious about sustainability. In my view, valuing men’s and women’s talents equally produces a positive balance in a company and is a precondition for successful corporate development.”

Ilze Rize, Electrolux Latvia Ltd.

Source: European Commission, 2013

### 7.3 Recommendations to companies for accelerating change

This section provides an overview of some of the practical changes companies can make to benefit from greater gender diversity and advancing women’s leadership. It includes actions companies can take to improve gender diversity outcomes.

#### Getting to the root of the problem: Changing mindsets and challenging bias

Despite the growing body of evidence demonstrating women’s contributions to economies and companies, stereotypical view of women still emphasize their place in the home and family, including their roles as mothers, wives, and care-givers. The influence of soviet rule and/or communist ideology on countries in the region is clear. Opportunities for women and men in education and the labour market were more equal to speed up industrialization. Much state assistance (child care, canteens, laundries, etc.) was provided to enable women to participate in the labour force. However, the division of labour was largely organized according to gender stereotypes, and women filled traditionally female roles at home and in the labour market. The approach in that era did not consider that men would take on family responsibilities.

Today, companies are still defined by male-dominated corporate cultures where traditionally feminine characteristics are undervalued and career advancement and success are the exclusive domain of an ‘old boys’ club. Without challenging stereotypes and mindsets, women will remain outsiders and companies will not benefit as much as they could have from the potential of female talent. Challenging restrictive stereotypes benefits both women and men, as men increasingly seek more time with their families and want to be involved in the household.

Bias is inherent in human thinking and decision-making; it is both conscious and unconscious and reduces the cognitive load by providing short-cuts to decisions through assumptions. Bias can creep in where objective decisions should be made, such as in hiring and performance reviews, and undermine good intentions to hire and promote the best person for the job. Bias reinforces existing stereotypes, and prejudices decision-making by giving weight to aspects such as a person’s gender, age or ethnicity. Bias can be reduced when individuals carefully examine the premise of the bias, and when companies put in place objective procedures that prevent personal information from factoring into decisions (Cecchi-Dimeglio, 2017). Ensuring gender balance on selection panels can also help to reduce bias.

Ultimately, gender diversity programmes and human resources reforms are not enough to create sustainable change. Stereotypes, biases, mindsets and organizational culture all need to shift (McKinsey, 2013).

## Put diversity to work: Grow the business case

While the existing evidence and business case for gender diversity can be used to prompt and justify change, creating an individual business case can help build integral buy-in as a critical condition to support and sustain change. Therefore, it is crucial to measure and demonstrate the impact of attaining a critical mass of women in leadership roles and increased gender diversity in individual companies and at the country level of the region is crucial. Strengthening the evidence base will support change in individual companies and build the body of research specific to different contexts in Eastern Europe and Central Asia and in industries such as financial services or technology.

## Make gender diversity a priority

While top management cannot overhaul a company's gender composition or the number of women in senior leadership, a strong commitment to change is a strong step in the right direction. To generate impact, commitment from senior management must be translated into measurable performance indicators across all management functions and levels (Financial Times, 2017b). Companies are more likely to take actions in support of gender diversity when it is high on the priority list and integrated into performance evaluations (McKinsey, 2010).

## Policy as a platform for change

### *Sexual harassment*

Preventing and responding to sexual harassment is imperative. While sexual harassment can affect both women and men, women are more likely to experience sexual harassment. Many companies lose talented women because of sexual harassment in the workplace. Company and top management commitment to zero-tolerance of sexual harassment can be a deterrent, but putting in place policies and procedures enable swift and fair responses to any infractions that take place.

More than 44 per cent of total surveyed companies in Albania, Serbia and the Republic of Moldova and Montenegro reported having a sexual harassment policy.

### *Equal employment opportunity*

Equal employment opportunity (EEO) policies are explicit commitments from employers to preventing discrimination in hiring and job promotion, working conditions and terms of employment, training, career development, transfers, reassignments and dismissal. Most countries have laws that prevent discrimination on certain grounds and many also have EEO laws. Grounds for discrimination that are commonly legislated against include sex, age, race, colour, religion, political affiliation or national origin. Often companies include other grounds in voluntary policies such as pregnancy, disability, HIV status and sexual orientation.

EEO policies can bring employers' practices in line with national law by outlining their commitment to prohibiting discrimination in employment activities. It is important that EEO policies not only exist but that they are communicated to current and prospective employees. Companies can promote compliance by ensuring managers and employees are well aware of the policy.

About 73 per cent of total surveyed companies in Albania, Serbia and the Republic of Moldova and Montenegro said they had an EEO policy.

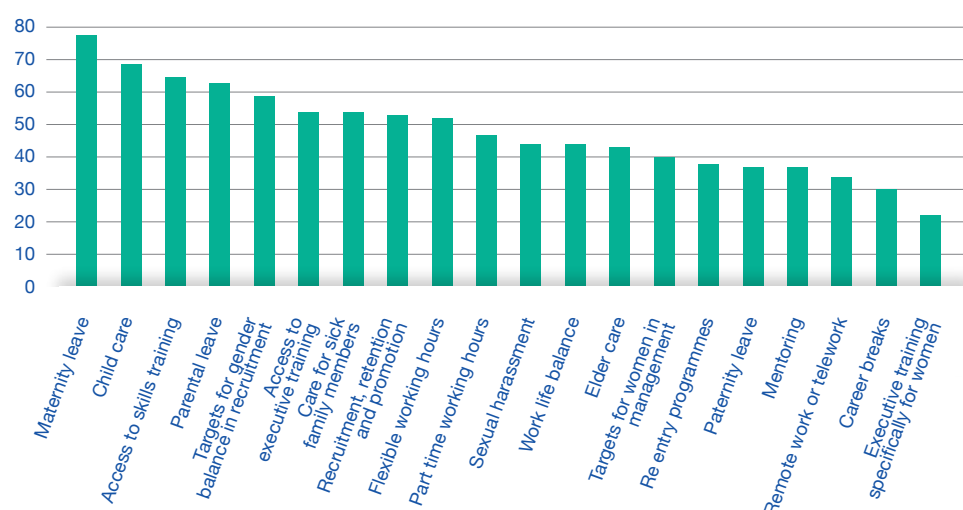
## Paving the way: Review human resource development practices

Recruitment, retention, promotion, training and development and succession planning are all key intervention points that can be leveraged support the success of gender diversity and women's career advancement within companies. Human resource development practices can translate gender goals into practical procedures and processes. The department overseeing human resource development can also play a role in measuring outcomes based on employment data. While each company will likely require a multifaceted, individual approach for effective results, they should consider the following guidelines:

- Objective recruitment and promotion procedures prevent bias and give qualified female candidates more chance of succeeding.
- Succession planning provides an opportunity to close gender gaps, particularly at senior management level. Identifying and preparing qualified women to move into future vacant positions can help to ensure gender diverse teams and management.
- Training, mentoring and sponsorship programmes help to level the playing field. In some cases, providing women with specific training, such as executive training, can be effective.
- Targets and timelines for implementation can be used to track progress and recognise and address gaps (ILO, 2017b).

Figure 24 indicates the extent to which surveyed companies in selected countries have human resource development practices for their staff. Over 60 per cent of the surveyed companies reported providing maternity leave, child care, access to skills training, and parental leave. By comparison, only 22-34 per cent of surveyed companies provided executive training that specifically targeted women, or policies to support career breaks and provide opportunities to work remotely.

**Figure 24. Prevalence of company human resources development practices, share of respondent companies in Albania, Serbia and the Republic of Moldova and Montenegro, 2013**



Source: ILO Company Survey, 2013.

Delta Holdings, a Serbian company that offers services related to input-export, real estate, retail and wholesale, top management is comprised of 47 per cent of men and 53 per cent of women. The company is committed to furthering the education and training of all their employees. In 2016, the company provided 26,036 hours of internal and external training for employees. A total of 1,964 women and 2,420 men took part. The various training options aimed to develop the leadership potential of company managers, which also included some individual training sessions that were extended to top management. In addition, the company organized lectures on mentoring, performance management, leadership, coaching and management style, stress management, work-life balance, and innovation.

Source: Delta Holding, CSR Report 2016.

Nestor Nestor Diculescu Kingston Petersen (NNDKP) is a Romanian law firm that provides legal and tax advice to businesses. In 2014, the law firm was recognised as the firm with the highest percentage of female partners. The firm credits its success at promoting gender diversity to rigorous recruitment and selection policies, professional training and mentorship programmes. The firm indicated that all its programmes and activities are carefully monitored and adapted to promote success. This includes accommodating gender diversity and ensuring personal development of employees and wider development of the firm

Source: European Commission, 2013.

In 2008, Siemens Serbia, a large firm that spans the electronics, healthcare, infrastructure and urban development sectors, began to make a concerted effort to increase diversity. They launched the Diversity Means Business project to promote greater diversity. The project aims to give the company a competitive edge by making better use of the available talent female pool both through better hiring and retention and creating a working environment that is more conducive to and accepting of diversity. Internal and external communication about the project was key to its success.

Source: European Commission, 2013.

Provident is a Hungarian financial services firm with offices across the country. In 2009, based on realization that its performance and pay policies were outdated and based on traditional gender bias as opposed to merit, it began to reform its pay and promotion policies. Hiring was shifted to a merit based system where candidates were evaluated on their ability to solve a problem, on their know-how and accountability. A task committee made up of five men and five women from various departments across the organization, evaluated jobs and decided on clear job requirements and career progression paths. As a result, staff turnover has reduced meaning increased retention and a shift in culture within the organization.

Source: European Commission, 2013.

### **Flexibility programmes work but supporting structures are needed too**

Where, how and when work is undertaken is no longer location dependent. Flexible working arrangements offer employees the opportunity to capitalize on technology advancements to enable workers to balance professional and family responsibilities. These technologies are a critical enabler for women in the workplace, but they also help to attract talent by catering to the priorities of the young and future workforce. Achieving a healthy balance not only supports individual well-being but promotes productivity, reduces absenteeism and lowers turnover rates.

Performance measures must be adapted to flexible working options and they should be extended to all employees to reduce the risk that stigma will erode support for flexibility programmes. As with other business practices, without proper management, company policy and culture to match, flexible working arrangements can also hinder employees and increase vulnerability. If performance is still based on “face-time” as it has been traditionally, it can further perpetuate perceptions of underperformance for employees who make use of or require greater flexibility (Bain and Company, 2015: 15).

A study on the availability of flexible working hours in European countries showed that less than 40 per cent of workers in Hungary, Romania, Slovakia, Poland, Bulgaria and Lithuania were able to change their working hours or take work days off for family reasons. The share is less than 10 per cent in Bulgaria, Lithuania and Romania. The study also found that access to flexible working arrangements was not determined by family responsibilities, but rather by those in more senior positions, as well as those with permanent as opposed to fixed term contracts (European Commission, 2014 27 -28).



Omnitel Lithuania a mobile communication supplier firm. In 2009, after a company survey, Omnitel began to reform its working environment with the aim of making it more family friendly. This included adopting flexible working hours, allowing employees to work from home when necessary, encouraging fathers to take their paternity leave and promoting job-shadowing days where children can learn more about their parents' jobs and roles at work. The company reports that the initiative had a positive impact on its organizational culture. The number of women in management also rose from 32 per cent to 48 per cent in five years (2009 – 2014). The majority of employees reported that the introduction of family friendly policies has improved their work-life balance.

Source: European Commission, 2013.

### Everyone is part of the solution: This is not a women's issue

Leave policies play an important role in helping women and men balance work and family responsibility and helps to cultivate a culture of gender equality. Paternity leave and men's participation in child care and family responsibilities enable more equitable distribution of unpaid work and will reduce the double burden for women (ILO, 2017e: 84-85).

*Take time to be a dad* is a campaign run by the Gender Equality Department of the Ministry of Human and Minority Rights in Montenegro, in cooperation with UN Women. The objective of the campaign was to raise awareness about responsible fatherhood and to support reconciliation of work and family life, eliminate stereotypes and prejudices and reach the expected level of equality in Montenegro by promoting better distribution of familial chores and responsibilities between women and men.

Source: Pravda, 2012

### Level the playing field: Ensure equal pay for work of equal value

Companies can gather and analyse comprehensive pay data to identify gendered pay differences. Resolving gender pay gaps requires broader analysis of its causes, which may include: discrimination, horizontal and vertical segregation (different jobs and sectors); pay structures and systems (including bonuses); part-time work; and undervaluing of women's skills and work (European Union, 2013: 5-7).

## 7.4 What can employer and business membership organizations in Eastern Europe and Central Asia do?

In Eastern Europe and Central Asia, companies and EBMOs have an important role to play in advancing women in business and management. A recent ILO study showed that 78 per cent of EBMOs feel they could improve their gender-related services to members (ILO, 2017a: 7), and they can contribute to advancing women in business and management in numerous ways. They are well placed to offer support to both women entrepreneurs and member companies looking to improve gender diversity or representation of women in senior management. Many EBMO members are already implementing EEO or gender diversity initiatives while others may just be beginning. By positioning themselves to offer services on



gender diversity, EBMOs can better meet the needs of their members. For example, EBMOs can:

- provide advisory services and training on gender diversity;
- facilitate knowledge sharing and exchange among their members;
- reach out to women-owned and run companies that require services and information; and
- engage in policy advocacy on gender diversity such as women on board quotas.

Broader initiatives beyond member services can help to level the playing field. For example, EBMOs can:

- undertake research on barriers to women in business and management;
- advocate for and grow the business case;
- promote socially responsible and gender diverse companies,
- build networks of women's associations; and
- implement industry and company recognition awards for women entrepreneurs and companies to raise public awareness of successful women (ILO, 2017d).

### Experiences of selected EBMOs from across the region

#### **Croatian Employers' Association: Towards balanced businesses**

##### **Women on boards**

The Croatian Employers' Association (CEA) has collaborated with the Gender Equality Ombudsman to build and maintain a database of women who are suitably qualified and experienced for management and board positions.

The purpose of the database is to ensure more qualified women are hired into management positions. CEA has expressed satisfaction at the number of applications for the database and hopes to continue to grow it in response to the demand as well as to provide workshops and mentoring to young business women to ensure the pipeline continues to grow.

##### **Support systems**

CEA, in cooperation with EBRD, launched a new mentoring and training initiative Private Sector for Youth. This is a professional association of women and academic institutions with members who expressed a willingness to give of their time to act as mentors to students. Approximately, 100 internship programmes for students have been created and 20 mentoring programmes for women. Regular mentorship and coaching events are organized.

##### **Assessment and certification**

CEA and UN Global Compact have acted as initiators of Mamforce Standard for companies. The Mamforce Standard is a certification which aims at assessing and supporting companies to promote a supportive organizational environment that furthers gender equality and promotes work-life balance. CEA itself is Mamforce certified.

Source: Deloitte, 2017: 47; HUP, 2017.

## **Efforts by Montenegrin Employers Federation**

### **Women in business**

The MEF is playing a key role in research and advocacy on women's entrepreneurship development in the country. In 2013 MEF prepared a report supported by the ILO on "Assessment of the environment for women entrepreneurship in Montenegro." MEF also established a Commission for Women's Entrepreneurship in 2002 which later became the Business Women Association of Montenegro. While the Association is independent, there are close ties between MEF and the Association. Two MEF representatives sit on the management board and there is a full-time staff position of Advisor on Women's Entrepreneurship at the MEF.

### **Women in management**

Research and recommendations on eliminating barriers and increasing the number of women in management were made following a survey conducted by MEF to identify and promote practices that encourage women's empowerment in the workplace. It also created brochures on promoting equality and preventing discrimination at work in Montenegro. The brochures focused on legal frameworks including ILO conventions, European Union directives and national legislation, and encouraged companies to apply and integrate equality and non-discrimination principles into their standard human resources practices.

Source: ILO, 2017d.

### **Work-life balance: A joint effort**

In December 2015, EBMOs as well as trade unions in Montenegro, Albania, the Former Yugoslav Republic of Macedonia, Serbia and Slovenia started the Work-Family Balance project, led by the Slovenian Association of Employers. The aim of the project is to raise awareness and strengthen the capacities of social partners and other stakeholders on reconciling work and family responsibilities as well as tackling mindsets and stereotypes that perpetuate gender inequality.

## **7.5 Convening for change: Advocacy and networking**

Today companies and economies increasingly recognize the important role women play in labour markets and business success but there is still considerable room for improvement in the status-quo. Companies, EBMOs, governments and civil society all have an important role in advocating for greater gender diversity as well as women's leadership in business. Enabling female participation in the labour market and facilitating the career progression of talented women serves to strengthen economies and companies while also overcoming gender stereotypes that hurt both women and men.

Sharing good practices, experiences and collecting data are important to ensure an accelerated rate of change. By engaging in various platforms and networks on gender equality in business, small-, medium- and large-sized enterprises can learn from others' experiences to overcome challenges and develop new solutions.

In Ukraine, a European Business Association Women's Club was established in 2009. The club uses events to bring women together to build networks, discuss challenges and business education. The club also acts as an important networking platform for women employees of companies who are members of the European Business Association.

Source: EBA, 2017

In 2010, Vodafone in the Czech Republic launched a network called the Odyssey mentoring programme which aimed at promoting female business leaders in the country as well as developing talented women. During its lifespan in the Czech Republic, it has matched 250 young female leaders with more than 50 CEOs, owners and board members of businesses in the Czech Republic. Odyssey believes that mentoring provides a platform for experience and expertise sharing, helping to build the confidence and skills of young women in business. The programme has since expanded to Slovakia, Hungary, and Bulgaria.

Source: European Commission, 2013.

In 2016, the European Women on Boards (EWoB) initiative was launched. It has created an online talent pool of talent and board-ready women to help promote gender diversity on boards in Europe. EWoB believes that gender diversity on boards ultimately helps businesses to be better and more sustainable; adding real and measurable value to boards. It also acts as a knowledge resource and supports mentoring and training

Source: EWoB, 2017.

The Association of Business Women of the Former Yugoslav Republic of Macedonia, founded in 2007, has been actively working on women's entrepreneurship for the past several years. Through projects at national, regional and international level the Association aims to promote women's entrepreneurship and improve the standard of women's entrepreneurship. The Association has compiled statistics on women's entrepreneurship as well as lobbied for and initiated significant changes in legislation. The Association organises business to business meetings, trade fairs, training events and presentations. In cooperation, with the Ministry of Economy, they have drafted a national strategy to promote women's entrepreneurship.

Source: Association of Business Women, Former Yugoslav Republic of Macedonia, 2017







# 8

## Conclusion

As countries in Eastern Europe and Central Asia increasingly open trade borders and benefit from the transition towards greater economic activity in manufacturing and services, many have begun to experience economic growth. Greater female participation in the labour market, particularly in higher productivity sectors, and career advancement for women present an opportunity to spur and support continued economic growth.

Women's labour force participation rate in the region is high when compared to others and it leads the way in the percentage of women managers. However, aggregate data should be noted with caution as a few trends in some countries are cause for concern. These include cases where female labour force participation rates have contracted and where the lack of access to opportunities hinders young women more than young men. As in other parts of the world, women make up only a small percentage of CEOs and board members.

In a region affected by changing demographics and emigration, women represent a significant pool of skilled talent for employers. However, at present, they remain underrepresented and underemployed. Women's equal educational attainment and increasing labour force participation rates have not yet resulted in equal labour market outcomes in the region. This is largely due to structural barriers, such as the disproportionate share of domestic responsibilities that women bear, reinforced

by male and female perceptions of gender roles which perpetuate these barriers and unequal outcomes. To accommodate the double burden of home and career, many women settle on support functions or select sectors of employment which are perceived as less demanding and more flexible. The data show that significant imbalances remain in a range of sectors and occupations.

Overall, economies in the region have much to gain by challenging gender stereotypes and supporting women in entering and remaining in non-traditional sectors where the jobs are higher paying and more productive. Evidence from the region shows that business outcomes (financial and otherwise) improved when companies foster and promote gender diversity through their ranks.

Companies and societies can create environments that enable women to enter and remain in the pipeline leading to top management. Companies can enact more family-friendly policies that enable flexibility and encourage work-life balance, and governments can enact policies that support affordable access to quality child care to enable a greater proportion of women to enter or re-enter the workplace.

Greater gender equality, particularly extending the same opportunities to men and women for career progression, makes good business and economic sense. By making gender equality a priority, taking action, implementing realistic targets and measuring progress, employers can reap the benefits of achieving greater gender equality while contributing to a more gender-equal society.

In Eastern Europe and Central Asia, EMBOs have an important role to play. As a key point of contact and resource for companies, they can promote the business case for gender equality and provide tools and best practices support to their members. In addition to creating a conducive business environment and supporting national economic growth, EBMOs can also actively lobby governments and engage in public policy debates that promote better work-life balance such as family leave and child-care policies.







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*Women in business and management: Gaining momentum in Eastern Europe and Central Asia* forms part of an ongoing study into women's leadership in business. This report brings together data collected from the global ILO Company Survey undertaken in 2013 as well as the latest labour market and education data. While the region has among the highest proportion of women participating in the labour market globally and several countries have high levels of women in management positions, women's participation in the labour market and representation in positions of leadership still remains well below that of men. Women remain held back by the glass ceiling, as the gaps in gender representation are accentuated higher up the corporate ladder. Glass walls tend to concentrate women managers in functional management roles often leading them to miss paths to the executive level. Overall, women in the region represent a significant pool of talent. Female tertiary graduates exceed that of men and women are increasingly gaining experience as employers. This report highlights the role that employer and business membership organizations as well as companies can play in tackling the barriers and ensuring that business benefits from greater gender diversity.



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