

WOMEN IN TOP MANAGEMENT AND ITS APPLICATION IN VISE-GRAD COUNTRIES

Iveta Ubrežiová, Kamila Moravčíková

INTRODUCTION

The role of women in the twenty-first century continues to develop. Societal attitudes, legal and political changes support the role and trend of working women, too. This trend is also visible in managerial sphere as more and more of them are entering managerial positions, want to have professional careers and gain economic independence. Building their own career belongs to the reasons why more of them enter the university. Logically, education offers people better preparation for professional carriers in the future. Although female graduates are as well educated and trained as the males, the number of position in senior management is much lower than the males' one. (Lanier, n.d.) There exist more differences connected to gender inequality and in today's global world, one of the most important of them is the earning gap. Following publications from more authors (Harriman, 1996; Davidson, Burke, 2000), it is not very likely that it will disappear soon. Although education offers both male and female workers increase of their wages, it has higher influence on males' wages. When speaking about the gender issues, it is very important to define two basic terms – gender and sex. World Health Organization (2011) explains how these terms differ. The term *sex* refers to the biological characteristics of the individuals that are determined by physical features, genitalia. Therefore, we use it to distinguish males and females. Other term, *gender*, describes the social identity of individuals and is determined by behavior, social role and position. Thus, with connection to gender we distinguish a man or a woman. The paper reflects current situation in Vise-grad countries and describes the latest data about share of women in top management. This paper is covering the literature that deals with the issue of women in management, development of gender roles during the past centuries and barriers women have to face. For

the purpose of the paper, we have focused namely on the situation in Vise-grad and its comparison with the EU, as for a long time in all Vise-grad countries, gender equality had been not very discussed issue. When writing the paper, we used mainly the method of literature research and analysis of several documents. Mostly, those resources consist of online publications by international organizations (especially the EU and the UN), various books and documents published on the Internet. Interpretation of results is done in graphical way, with the help of graphs and tables – as it is very useful method how to describe current problem, its development and comparison. The publication of scientific article is supported by the Slovak Scientific Agency VEGA – Project VEGA No. 1/0044/13 “Corporate Social Responsibility (CSR) of the Slovak Enterprises in the context of Internationalization in Business”.

1 RESULTS AND DISCUSSION

As the society was forming, traditional roles of man and woman were also created. Man was always the one who took care of his family by issuing food and money. On the other hand, woman stayed at home with the children and did everything to serve her family. She was supposed to take care about their home place, clothes, prepare food and many other things. (Cleveland, Stockdale, Murphy, 2009) According to Edgel (2012), this is considered as the main difference between providing public paid work (usually done by men) and private nonpaid work (usually done by women). Pietruchová (2007) states, that as the world was developing, economic conditions and opportunities were still getting better, new possibilities, which did not exist at the beginning of the 20th century, had appeared. There were many efforts and debates focused on equal earnings for both male and female workers that

resulted into legislative actions, firstly in France and after that, International Labor Organization adopted Equal Remuneration Convention signed by 146 countries (including all European countries). In the 1970s, women have become permanent part of labor force and most importantly, women started to be considered not only as the occasional workers but as the core of the workforce. (Powell, Graves, 2003)

1.1 21ST CENTURY – CENTURY OF WOMEN?

Generally, man in our society is firstly seen as jobholder and secondly as husband or father. On contrary, woman is firstly perceived as mother or wife and secondly as worker. Harriman (1996) in her book asks the basic question: where the inequality between men and women comes from? Logically, the primary cause of gender division is result of biological and physical differences. In the past, this division was natural and it was not a reason for creating inequalities. (Pietruchová, 2007) There have been many drivers that change the position of women in society – emancipation of women, their will to gain not only higher education but also to be self-sufficient and to achieve economic independence. As Writh (2004) states, the position of women in society and quality of their life is getting much better all over the world. The share of women in total workforce is also increasing, the question of gender equality belongs to the most discussed issues and many international organizations have established policy dealing with this topic. One of the most significant and important steps has been carried out by the United Nations (UN) – in July 2010, when the UN Women, UN Entity for Gender Equality and the Empowerment of Women were created. The main purpose of existence of these UN's bodies is to address challenges connected with gender equality and women empowerment globally, and to accelerate the progress in fulfilling women's needs. Generally, gender equality is basic human right and has great influence on whole society but still, inequalities between men and women are highly visible. In every society, there exist issues women have to deal with - such as barriers to get decent work,

occupational segregation and gap in wages. Other problems women face are connected with access to proper education and health care and also with under-representation in public sphere – in making political and economic decisions. Another very important organization supporting the change in gender issues is the European Union (EU). In the EU Treaties and the EU Charter of Fundamental Rights, gender equality is stated as fundamental and common principle, and is considered as one of the main drivers for sustainable, smart and inclusive economic growth. It has been reflected also into main objectives of the Europe 2020 strategy. (European Commission, 2012) As mentioned at the beginning, this strategy is focused on promotion of gender equality and increase in the amount of women on company boards in publicly listed companies – till 2015, minimally 30% of board members should be women and till 2020, this minimum is set to 40%. Those objectives and steps have been made to break up the glass ceiling we will talk about later. In last decades, however, the issue of gender equality has been getting better. Some people also label this period as a “century of women”. There are many reasons why they think so – especially thanks to the fact that recently, women are increasingly promoted in positions typical by men's occupation. It is possible to say that the year 2012 was breakable for females and lots of them have occupied headlines in every sphere – the arts, politics, science and research. We can see that more women are directing movies, writing books, or generally - publishing their “art”. More and more women are winning the elections and also becoming head of governments and states. According to UN Women, this amount is twice as high as in 2005. As of November 2013, the average of females in parliament was totaled to 21.3%. (IBR, 2013) Usually, people tend to think that along with the increase of females in total workforce, this increase is the same in all occupations. Korabik (1999) explains, that although the situation is better, it is not reflected in managerial sphere and managerial positions. Therefore, we can say that gender is still a problem and many occupations are highly gendered and gender separated. Kalkowski,

Fritz (2004) and Egerová et. al. (2013), it is important to distinguish certain levels in management – although there are still more females in leadership positions and middle management, situation in senior management or top management is different and females creates only small portion comparing to total amount. Generally, till 1970's, the issue of women as managers was not discussed at all. It is possible to say they were practically invisible and their lack in managerial positions was not considered as something problematic. As mentioned, relatively big attention was dedicated to this issue mainly in the United States in 1970's and 1980's. Many societal, technological and demographical changes have resulted into the fact that more and more women were able to employ in low and middle management. The business environment has become highly competitive and companies have understood that human resources are nowadays one of the most important advantages. Therefore, the demand for “top” managers is increasing in global level. The equal share of men and women on corporate boards is important for macroeconomic as well as microeconomic perspectives. From macroeconomic point of view, gender equality is important driver of sustainable and increased economic growth. The microeconomic perspective considers it as important when speaking about performance of individual companies. (European Commission, 2012) The issue of “women in management” has become a main topic for many studies. Typical problems discussed in some of those articles include many questions and are formulated as following: Are women able to hold management positions? What are the characteristics women have in management positions? Are women really as motivated as men? What is the education of women in management positions? Are women judged according to stereotypes about women? To what extent are women adaptable to these stereotypes? Do a woman's husband and children suffer from when she is making a career? Does it have a negative effect on society as a whole? (Nieva, Gutek, 1981) Explanation of gender inequalities in the highest levels of positions is described as something

that comes from women themselves. Some articles, such as the one published by Cleveland, Stockdale, Murphy (2009) provide us with explanation that the absence of women in top management is caused by the fact that men are better prepared to perform work at this level than women. Another explanation for this is looking at their individual characteristics and situation at home, not at the conditions existing in the organization, which are often unfavorable. (Lanier, n.d.)

1.2 THEORY OF GLASS CEILING

Many theories were created to explain underrepresentation of women in senior management. One of the most famous theories is known as the *Theory of Glass Ceiling* and was introduced in 1986 by Wall Street Journal. Following Writh (2004), it is an example that describes the situation of women rather than the characteristics of women who are the subject of research of leading positions. The glass ceiling is an invisible ceiling, which does not allow women to achieve the highest position in the organization. It is not a barrier to an individual based on individual weaknesses (in terms of skills or personality traits), but it is a barrier to which women encounter as a category. The glass ceiling occurs in different levels in various organizations, but is always present. As mentioned above, many studies about “Women in Management” are based on the perspective whether women have different management style. When women reach a managerial position, do they differ from men? (Harriman, 1996) Most studies show that they did not. Altogether, women show similar behavior and have similar management style as men in senior management positions. The objective of some studies was to show that women are as good as men in top management positions, which means that women may work in a level of senior management. Other studies intended to point out that women in these positions have something to offer and that women may be even better managers than men. (Davidson, Burke, 2000)

1.3 GENDER EQUALITY AND SITUATION OF WOMEN AS MANAGERS IN VISE-GRAD

Along with the entrance of the Vise-grad countries to the European Union, gender equality has become one of the basic human rights in all of those countries. However, for a long time, they had been passive in question of how to deal with gender inequalities. By signing more international treaties and also with the entrance to more international organizations, countries have assigned to promote gender equality and prevent discrimination at workplace. When speaking about the Slovak Republic, the study “Female Representation in public life” was issued by Statistical Office of the Slovak Republic in 2012 and belongs to the very most important publications. It deals with the representation of women on corporate boards, thus, it provides the society with the current statistical data in this sphere.

The following graph (Figure 1 on the next page) shows us the development of the rate of employment of women in Vise-grad countries. However, it is not possible to deduce conclusions only from this point of view. Therefore, we should take into consideration also gender gap in employment rate and its level. According to the results from the comparison of the gender gap in 2003 and 2012, almost similar results have been achieved. In the EU, the gender gap decreased by 4.4% between those years – as the employment rate of women was increased and in the men’s employment rate declined. The latest data available shows that in Slovakia, this employment rate of women is currently 52.7%, what is by 14% lower than the rate of men. Based on values from 2003, the gender gap was 11.1% and almost 10 years later, it is increased by 2.9% and stood at 14%. It is caused mainly by slight increase in the employment rate of men although the women’s rate has increased as well. In the case of Poland, situation is little bit better, since the employment rate of women is 53.1% while in the case of men it is 66.3% what represents similar difference than in the case of Slovakia, 13.2%. In 2003, this gender gap was lower by 2.7%. However, we can notice huge (and the

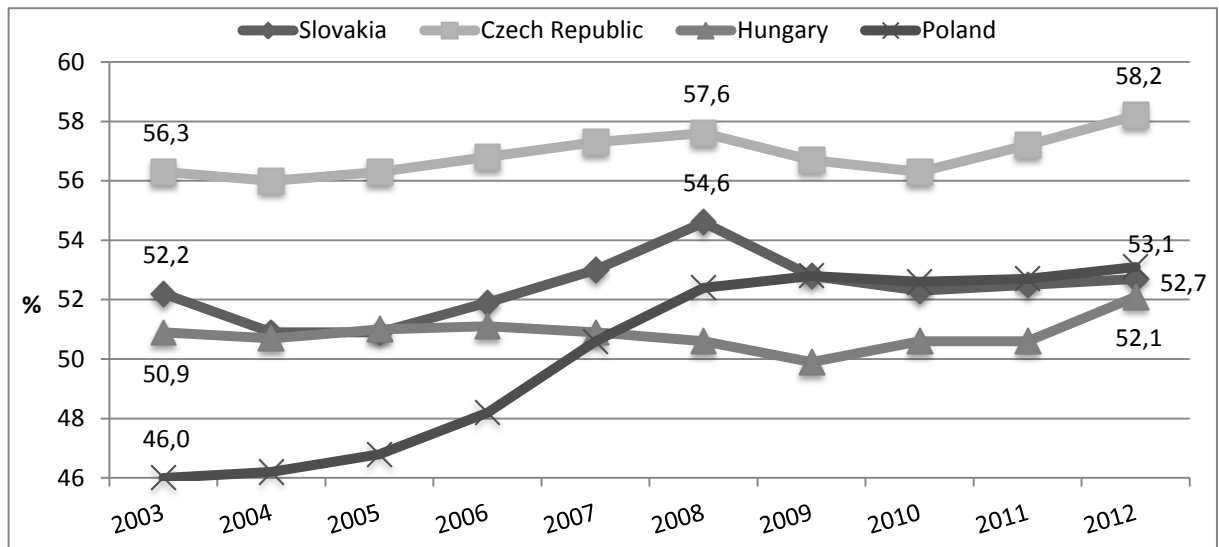
highest) increase of the women’s employment rate in the selected period. Based on the data, Hungary has the lowest rate among all of the Vise-grad countries, 52.1%, but on the other hand, it is lower only by 10.4% than the employment rate of men. In comparison with 2003, when this difference was 12.6%, it is the highest decline of gender gap in selected period. From the Figure 1, it is clearly visible that in the Czech Republic, the line of employment rate of women is above all other countries and in 2012, it is 58.2%. On the other hand, if we consider also the employment rate of men (74.6%), the difference 16.4% represents the highest one among the Vise-grad countries. In 2003 it was higher only by 0.4%.

The next graph (Figure 2 on the next page) represents how the share of women on corporate boards developed in the same period – 2003 to 2012. According to the data from Eurostat and World Economic Forum (WEF), women in Slovakia currently create approximately 20% of all board members in the largest publicly listed companies (term “publicly listed company” refers to the largest companies in the country – it represents company which shares are traded on stock exchange. We take into consideration only companies with blue chip index and only companies registered in the country, according to ISIN code are counted). In comparison with the year 2012, when this share was only 13.8%, we can observe significant increase. On the other hand, the highest share was achieved in 2007 and probably also because of international financial crisis, it had dropped out again. When considering the situation in the EU, it is possible to see, that Slovakia’s values are above the EU average that is approximately 17%. Indicators for both observed subjects have risen – in the case of Slovakia it has been by 6% and in the EU only by 1%. If we look at the situation in all Vise-grad countries, it is possible to see just slight increase of women on boards in Poland as from 2004, when the rate stood at 9%, in 2013 it is only 3% higher. In the last three years, there is basically no increase and the rate is still 12% - this maximum was firstly achieved also in 2012. Other case is Hungary,

as between the years 2010 and 2011 it has experienced huge decrease, when the rate fell down from 14% only to 5%. However, over the next years situation is getting better and the latest value shows the same as in Poland – 12% of board members are occupied by women. For the Czech Republic, minimum value was achieved in 2006, when only 8% of board members were women. Fortunately,

since that, this share has been increasing and the latest value is above the EU average and stood at 18%. Generally, we can notice positive trend in representation of women on corporate boards so we can assume, this trend is going to continue to the future and possibly towards to the objectives of Europe 2020 Strategy.

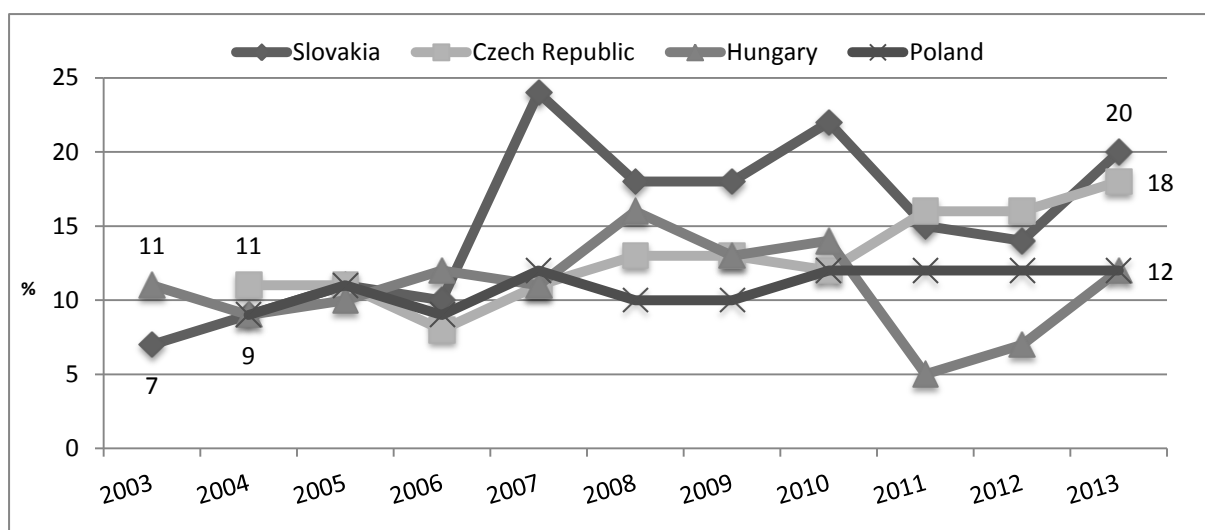
Figure 1: The Employment Rate of Women in the Visegrad Countries in the Period 2003 - 2012



Note: The employment rate of women in age 15 – 64.

Source: Authors' work. Data are gained from Statistical Office of the Slovak Republic.

Figure 2: Share of Women on Corporate Boards (board members) in % – Comparison of Visegrad Countries in the Period 2003 – 2013



Note: Data for the Czech Republic and Poland are not available for 2003. Values for 2013 are the latest one from October.

Source: Authors' work. Data gained from the WEF and Eurostat.

When talking about the share of women in position of chairperson or president in the publicly listed companies, it is visible that overall situation in the EU is not favorable at all, even in 2013. Almost 96% of all presidents are men. Although, according to values from last years, the situation is slightly better. We can observe opposite situation in the Slovak Republic and the share of females in position of president has been doubled in comparison with previous years. In Poland, the share of presidents declined from 11% in 2011 to only 5% in 2013. It is possible to say, that pretty bad situation is in Hungary. For the last three years, the share of women president chairs has been 0%. The last year, when they occupy at least some part of presidential chairs, was in 2010 and the share was 8%. In Czech Republic, women occupy 23% of president chairs. Over the years, this share fluctuates a lot. For example, in 2011, there was no woman noted as president. In all Visegrad countries, the shares of women listed as presidents fluctuate a lot. Moreover, the overall situation in the EU is also not very favorable and the share has stagnated during the last decade.

When speaking about CEOs in the Slovak Republic, women's share is only 10% of whole amount in 2013. In the case of executives, it is higher by 2% so men are again prevalent and

create 88%. In comparison with the EU and its 27 countries, the situation is much better in both cases – women in position of CEO occupy altogether only 3%. Share in executives is little bit higher and creates 11%. Another group consists of non-executives and there, the conditions for women are the most favorable. In Slovakia, 20% of them are women and similar situation is in the whole EU – 18%. Other three countries – Hungary, the Czech Republic and Poland, do not have any female CEO in 2013 while in 2012, only Poland has 5% female CEOs. The highest share of women in position of non-executives is in the Czech Republic (21%) while the lowest is present in Hungary with only 9%. In the case of large companies and SMEs, share of women in management positions is much better. The latest data available shows that in the EU, the share increased from 31% in 2003 to 33% in 2010. The Slovak Republic was below the average and in 2003 only 22% of women occupy management positions. Poland keeps up with the EU and shares are the same for both years. It is possible to say that Hungary is the only one from Visegrad countries, where we observe decline in 2010 – from 33% it fell down by 3%. On the other hand, in the Czech Republic, share of women in management positions increased by the same amount to 29% in 2010.

Table 1: Share of Women on Selected Positions in Publicly Listed Companies for years 2012 and 2013 in Visegrad Countries

Country / Position	CEO		executives		non-executives	
	2012	2013	2012	2013	2012	2013
EU	2	3	10	11	17	18
Slovakia	10	10	14	12	15	20
Poland	5	0	5	7	12	10
Hungary	0	0	3	6	3	9
Czech Republic	0	0	6	6	18	21

Source: Authors' work. Data gained from Eurostat.

CONCLUSION

For centuries, women had been expected to take care about home place and members of

family. It had significant impact on their life and also possible careers. Many barriers that slow down amount of women in business have

resulted from cultural aspects. As mentioned above, society has formed some gender stereotypes about men's and women's characteristics and their position in society. It is reflected also in management sphere.

Managerial positions are usually characterized as masculine positions, while the secretarial and clerical positions are considered as typically feminine. This division into male and female positions, where masculinity and femininity are associated with the work, has unfavorable consequences for women in general. Nowadays, there exist many organizations trying to achieve some visible change, such as the EU and the UN. On the other hand, some international organizations and even countries, do not consider it as something important. Fortunately, a lot of changes connected with the rights of women were provided in the last century, the role of woman has evolved and woman became more important unit in the whole society. Nowadays, woman is not only considered as housekeeper but also as the core of the labor force. Some people think women should not enter organizations where men dominate because they are not capable and do not have enough skills to do the job. Organizations and ordinary people should think in different way and change their attitude towards women as well as to the other minorities. Because in our opinion, successful manager has to have really high level of interpersonal skills and it really does not matter if it is woman or man – they do not differ in skills, but in style. This positive trend is visible also in all Vise-grad countries, as the amount of women in top management is increasing.

In the Slovak Republic, the share of female presidents and members of board is higher than the average of the EU. Therefore, one can assume that till 2020, Slovakia will achieve level of 40% share of women in top management. It is possible to say, that Slovak market is able to provide women with sufficient amount of opportunities, although, not to the level as in the countries that have the best position in the list. Still, the society in the country perceives women as the part of society with lower

chances for achieving self-realization. Conditions for achieving gender equality are favorable, but government should realize that there is still much to do. Poland is the country achieving the values similar to the EU when we speak about management positions in large companies and SMEs. However, the situation in corporate boards is not so good, but according to the data observed, shares of women are still increasing in various positions – either as CEOs, board members, etc. Hungary belongs to the countries, which values fluctuate a lot in every sphere of gender equality. In the case of Czech Republic, we can also notice positive trend in gender equality. Amount of women in top management positions is increasing as well, although over the last years, there was no woman in position of CEO.

The basic objective for all publicly listed and large companies, SMEs, is to follow the positive trend of the EU and to promote gender equality by setting some internal norms that do not discriminate employees according to their gender. All Vise-grad countries should aim especially on women on boards, and how to increase their share as they are still low (even if those shares are increasing).

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Authors:

prof. Ing. Iveta Ubrežiová, CSc.
Slovak University of Agriculture in Nitra
Faculty of Economics and Management
Department of Management
E-mail: iveta.ubreziova@uniag.sk

Ing. Kamila Moravčíková
Slovak University of Agriculture in Nitra
Faculty of Economics and Management
Department of Management
E-mail: kami.moravcikova@gmail.com

WOMEN IN TOP MANAGEMENT AND ITS APPLICATION IN VISE-GRAD COUNTRIES

Iveta Ubrežiová, Kamila Moravčíková

Abstract: The main objective of this paper is to introduce and compare situation of women in top management positions in the Vise-grad countries. The issue of women entering managerial position is becoming more interesting and currently belongs to one of the most discussed topics. The number of women working on top management positions is increasing but on the other hand, this progress is really slow. Many people believe that gender is no longer an issue that matters at workplace, but they are wrong. Otherwise, there would not be any organizations dealing with gender equality, women rights or activities connected to feminism. There exist attempts in many countries (including the European Union and the United Nations) that deal with introduction of minimum amount of women involved in top management. This minimum is usually set to achieve level of 40% of non-executives in publicly listed companies. One of such strategies is also the Europe 2020 which aim is to achieve sustainable, inclusive and smart economic growth. However, according to Eurostat Newsrelease, issued on the International day of women, female managers create one third of all managers in 2011. In all member states, male managers prevailed the amount of females' one, although in some of them, this rate is very low. This paper provides overview of current situation of women managers in Vise-grad countries.

Key words: gender equality; women managers; gender roles; senior/top management

JEL Classification: J2, J54